CORDIA INTERNATIONAL ZRT.

IFRS CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	*Note*	2023	2022
Revenue	*6*	**64,103**	**68,293**
Cost of sales	*7*	**(42,445)**	**(42,873)**
Gross profit		**21,658**	**25,420**
Selling and marketing expenses	*8*	(4,103)	(4,635)
Administrative expenses	*9*	(5,843)	(5,961)
Net gain/loss from fair valuation of investment and development properties	*15*	1,137	2,188
Other expenses	*11*	(3,042)	(8,662)
Other income	*10*	985	1,252
Operating profit		**10,792**	**9,602**
Interest income		3,484	2,147
Other financial income		7,441	12,034
Finance income	*12*	**10,925**	**14,181**
Interest expense		(4,385)	(2,790)
Other financial expense		(5,302)	(5,069)
Finance expense	*12*	**(9,687)**	**(7,859)**
Net finance income/(expense)	*12*	**1,238**	**6,322**
Share of profit/(loss) in associate and joint venture	*18*	(1,319)	5,048
Profit before taxation		**10,711**	**20,972**
Current income tax		(1,624)	(1,185)
Deferred tax		652	(7)
Income tax expense	*13*	**(972)**	**(1,192)**
Profit for the period		**9,738**	**19,780**
Exchange differences on translating foreign operations net of tax and subsequently recycled to profit and loss		(320)	2,327
Other comprehensive income/(loss)		**(320)**	**2,327**
Total comprehensive income for the period, net of tax		**9,418**	**22,107**
Total profit/(loss) for the period attributable to:			
owners of the parent		9,743	19,114
non-controlling interests	*37, 38*	(5)	666
Total profit/(loss) for the period		**9,738**	**19,780**
Total comprehensive income attributable to:			
owners of the parent		9,442	21,248
non-controlling interests	*37, 38*	(24)	859
Total comprehensive income for the period, net of tax		**9,418**	**22,107**

The notes on pages 8 to 99 are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position

In millions of Hungarian Forints (MHUF)	*Note*	31.12.2023	31.12.2022
Assets			
Non-current assets			
Intangible assets	*14*	55	133
Investment properties	*15*	4,971	9,503
Property, plant and equipment	*16*	2,311	3,143
Long-term receivables from third parties	*17*	534	709
Investments accounted for using equity method	*18*	24,088	25,056
Deferred tax assets	*22*	1,484	1,210
Restricted cash	*23*	0	1,935
Long-term VAT receivables	*20*	95	138
Other long-term assets	*19, 23*	345	318
Goodwill		510	524
Non-current derivative assets	*23*	595	1,330
Total non-current assets		**34,988**	**43,999**
Current assets			
Inventory	*21*	173,187	162,569
Trade and other receivables	*26*	3,318	1,450
Short-term receivables from related parties	*25*	549	2,946
Other short-term assets	*19*	2,444	4,420
Income tax receivables	*13*	3,663	64
Short-term VAT receivables	*20*	3,488	4,413
Restricted cash	*23*	2,510	3,545
Other financial assets	*23*	12,050	7,861
Cash and cash equivalents	*27*	50,825	64,888
Total current assets		**252,034**	**252,156**
Disposal group of assets classified as held for sale			
Assets classified as held for sale		88	145
Total disposal group of assets classified as held for sale		**88**	**145**
Total assets		**287,110**	**296,300**

Consolidated Statement of Financial Position (cont'd)

In millions of Hungarian Forints (MHUF)	*Note*	31.12.2023	31.12.2022
Equity			
Shareholders' equity			
Share capital	*36*	18,014	18,014
Share premium	*36*	13,461	13,461
Currency translation reserve		2,570	2,870
Other reserves	*36*	(242)	(242)
Retained earnings		72,663	68,046
Equity attributable to equity holders of the parent		**106,466**	**102,149**
Non-controlling interests	*37, 38*	63	130
Total equity		**106,529**	**102,279**
Net assets attributable to non-controlling investment unit holders	*38*	**0**	**908**
Liabilities			
Non-current liabilities			
Loans and borrowings	*28*	4,717	22,761
Bonds	*35*	70,644	91,656
Deferred tax liabilities	*22*	1,791	2,165
Other provision	*34*	802	824
Customer advances	*29*	11,700	6,755
Lease liabilities	*33*	1,339	1,602
Amounts withheld for guarantees	*32*	782	1,072
Other long-term liabilities		141	134
Total non-current liabilities (excluding net assets attributable to non-controlling investment unit holders)		**91,916**	**126,969**
Current liabilities			
Trade and other payables	*31*	10,756	9,320
Bonds	*35*	21,254	284
Short-term liabilities to related parties	*30*	752	2,208
Loans and borrowings	*28*	8,294	1,036
Customer advances	*29*	20,128	28,053
Lease liabilities	*33*	19,701	16,781
Other tax liabilities		1,603	2,447
Other provision	*34*	6,036	5,261
Income tax liabilities		135	634
Other short-term liabilities		0	120
Current derivative liabilities		6	0
Total current liabilities (excluding net assets attributable to non-controlling investment unit holders)		**88,665**	**66,144**
Total liabilities (excluding net assets attributable to non-controlling investment unit holders)		**180,581**	**193,113**
Total equity and liabilities		**287,110**	**296,300**

The notes on pages 8 to 99 are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the period ended 31 December	Attributable to the equity holders of the parent							
In millions of Hungarian Forints (MHUF)	Share capital	Share premium	Currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2022	**18,014**	**13,461**	**736**	**(243)**	**48,932**	**80,900**	**161**	**81,061**
Reclassification between equity lines	0	0	0	1	(1)	**0**	0	**0**
Profit/(loss) for the year	0	0	0	0	19,114	**19,114**	(31)	**19,083**
Other comprehensive income/(loss)	0	0	2,134	0	0	**2,134**	0	**2,134**
Non-controlling interests arising on acquisition	0	0	0	0	0	**0**	(1)	**(1)**
Total movement in the period	0	0	2,134	1	19,114	**21,248**	(31)	**21,218**
Balance at 31 December 2022	**18,014**	**13,461**	**2,870**	**(242)**	**68,046**	**102,149**	**130**	**102,279**
Balance at 1 January 2023	**18,014**	**13,461**	**2,870**	**(242)**	**68,046**	**102,149**	**130**	**102,279**
Reclassification between equity lines	0	0	0	0	0	**0**	0	**0**
Profit/(loss) for the year	0	0	0	0	9,743	**9,743**	(5)	**9,738**
Other comprehensive income/(loss)	0	0	(300)	0	0	**(300)**	0	**(300)**
Dividend distributed	0	0	0	0	(5,134)	**(5,134)**	(39)	**(5,173)**
Decrease of NCI	0	0	0	0	8	**8**	(23)	**(15)**
Total movement in the period	0	0	(300)	0	4,617	**4,317**	(67)	**4,250**
Balance at 31 December 2023	**18,014**	**13,461**	**2,570**	**(242)**	**72,663**	**106,466**	**63**	**106,529**

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.
Please note, that the Consolidated Statement of Changes in Equity table was modified. The previous description of row “Transactions with owners” was changed to the description of row “Total movement in the period”. The new narration reflects the content of the row more accurately. The change has no effect on the financial performance of the Group.

Consolidated Statement of Cash Flows

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	***Note***	**2023**	**2022**
Profit/(loss) before taxation for the period		10,711	20,972
***Adjustments to reconcile profit before for taxation to net cash used in operating activities**:*			
Depreciation	*9*	679	732
Other non-cash movements*		2,423	3,895
Profit on sale of investment property		0	(820)
(Profit)/loss on sale of tangible and intangible assets	*16*	(37)	(9)
Net finance (income)/expense in the profit and loss statement	*12*	(1,238)	(6,322)
Change in derivative assets	*12*	1,354	798
Change in derivative liabilities	*12*	(6)	(441)
Write-down of long-term receivables	*17*	0	5,789
Decrease/(increase) in inventory	*21*	(8,733)	(6,657)
Write-down of inventories	*21*	871	0
Share of (Profit)/loss in joint ventures and associates	*18*	1,319	(5,048)
Decrease/(increase) in trade and other receivables	*26*	3,801	770
Decrease/(increase) in receivables from related parties	*25*	2,392	(2,399)
(Decrease)/increase in liabilities to related parties	*30*	(1,421)	1,371
Decrease/(increase) in other long-term assets		1	(2)
(Decrease)/increase in other long and short term liabilities		(94)	(490)
(Decrease)/Increase in trade and other payables	*31*	607	(2,971)
Increase/(decrease) in provision	*34*	548	(132)
Increase/(decrease) in advances received	29	(3,565)	(1,278)
Interest paid	*12*	(7,582)	(4,938)
Income tax paid		(6,369)	(1,121)
Net cash from/(used in) operating activities		**(4,339)**	**1,699**

The Consolidated Statement of Cash Flows is continued on the next page.

Consolidated Statement of Cash Flows (cont'd)

For the period ended 31 December *In millionss of Hungarian Forints (MHUF)*	*Note*	**2023**	**2022**
Cash flows from/(used in) investing activities			
Cash of acquired subsidiaries	*18*	201	0
Cash of deconsolidated subsidiaries	*18*	(316)	0
Acquisitions of investment property	*15*	(234)	(1,486)
Acquisitions of tangible and intangible assets	*16*	(311)	(321)
Sale of tangible and intangible assets	*16*	393	58
Investing in long-term financial assets		(28)	34
Investing in short-term financial assets	*23*	(18,403)	(10,316)
Proceeds from sale of short-term financial assets	*23*	16,395	19,548
Proceeds from sale of investment property	*15*	0	3,843
Interest received		4,158	2,147
Dividend recieved from joint-venture	*18*	1,385	2,970
Purhase of investment in associate	*18*	(1,507)	0
Cash received for the sale of majority interest in subsidiaries	*18*	5,534	0
Sale of investment in associate	*18*	0	942
Sale of investment in joint ventures	*18*	703	1,070
Net cash from/(used in) investing activities		**7,970**	**18,489**
Cash flows from/(used in) financing activities			
Proceeds from loans and borrowings	*28*	16,396	27,979
Repayment of loans and borrowings	*28*	(27,042)	(18,535)
Purchase of non-controlling shares	*37*	0	208
(Increase) in loan receivables	*24*	(3,349)	(5,558)
Decrease in loan receivables	*24*	3,349	5,558
Redemption of non controlling shares and investment notes	*38*	(62)	0
Distribution paid out to non-controlling investment unit holders	*38*	(890)	(16,442)
Repayment of lease liability	*33*	(1,090)	(1,873)
Dividend paid		(5,134)	0
Net cash from financing activities		**(17,822)**	**(8,663)**
Net change in cash and cash equivalents		(14,192)	11,525
Cash and cash equivalents at beginning of the year		64,888	53,590
Effects of exchange rate changes on cash and cash equivalents		128	(227)
Cash and cash equivalents at end of the period	*27*	**50,825**	**64,888**

*The other non-cash movements derive mainly from foreign exchange differences and accounting of leasing liability.

Summary of material 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. Please note, that the company operates further as Cordia International SE effective from 1 January 2024. For more details, please see the subsequent events.
The core business of the group 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 2023 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 – 0.590% (place of business: Kyriakou Matsi 16, Eagle House, 10th Floor, Agioi Omologites, P.C. 1082, Nicosia, Cyprus)
- Private individuals – 1.410%

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 2023. 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 statutory auditor is Pál Tímár. 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 Zrt. 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 30th April 2024.

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 the corresponding interim reporting period.

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

- IFRS 17 Insurance Contracts effective from 1 January 2023
- Amendments to IAS 1 and IFRS practice Statement 2: Disclosure of Accounting Policies effective from 1 January 2023
- Amendments to IAS 8: Definition of Accounting Estimates effective from 1 January 2023
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12: International tax reform – pillar two model rules

Based on the Amendments to IAS 1 and IFRS practice Statement 2 the Note 3 section of the financial statements was updated. Material accounting policies are presented instead of the significant accounting policies and the narrative description from the IFRS standards was removed. The other amendments and improvements to IFRSs do not have a material impact on the consolidated financial statements of the Group.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting period 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 1 January 2022, but their effective date was delayed to 1 January 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 16: Lease liability in sale and leaseback

  Effective from 1 January 2024. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

- Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture

  The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

  Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. The amendments are available to be adopted, but the IASB has deferred the mandatory effective date indefinitely.

- Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements

  These amendments are effective from 1 January 2024 with transitional reliefs in the first year. They require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to investors that said they urgently need more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

- Amendments to IAS 21 – Lack of exchangeability

  The IASB issued Lack of Exchangeability to require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. These amendments are effective from 1 January 2025.

IFRS 18 Presentation and Disclosure in Financial Statements

This new IFRS accounting standard was published after the reporting period. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, but companies can apply it earlier. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged. IFRS 18 is the culmination of the IASB's Primary Financial Statements project.

Apart from the IFRS accounting standards IFRS sustainability standards have been published in 2023

- IFRS S1 'General requirements for disclosure of sustainability-related financial information'

  Effective from 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across the entity's value chain.

- IFRS S2 'Climate-related disclosures'

  Effective from 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

(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 millions 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 2023. 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.

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. 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.

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, 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.

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. 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

(i) Capitalization of incremental costs to obtain a contract

- Cordia Group capitalizes 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

- In the case of Cordia Group, based on IFRS 15.35 revenue shall be recognized at a point time, because it does not satisfy the performance obligation over time. This is the point, when control over the property is transferred to the customer.

(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 2023 and 31 December 2022 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. 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 determine 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. The Non-controlling owners of Cordia Residential Partners 1 Fund of Funds Sub-Fund also redeemed their shares in 2023, therefore there is no longer a subsidiary with less than 50% ownership held by the Group at year end.

Please also refer to Note 38 about movement of net assets attributable to non-controlling investment unit holders of this sub-fund.

Equity interest above 50% ownership held by the Group

The Group held 50.78% of the investment units in FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund in 2022. Although the Group held more than 50% of the units it had neither control nor significant influence above the sub-fund based on the criteria in IFRS 10 and IAS 28. The investment was valued at fair value through profit and loss in line with IFRS 9.

In 2023 the Group sold its interest in FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund, please see Note 12 and Note 40.

The impact of climate risk on the financial statements

The Group assesses the climate related risk at the valuation of inventories and investment properties and at the recoverability of the projects. The location of the projects determines the physical risk arising from weather and temperature changes. These risk from stroms, floods and additional changes in the weather are addressed in the design process. The new homes with modern energy saving solutions is driven by local and EU regulations as well as customer preferences.

3. Material 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. The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. Due to the Amendments to IAS 1 and IFRS practice Statement 2: Disclosure of Accounting Policies only the material accounting policies are presented below from 2023.

(a) Revenue

Revenue is recognized based on the 5-step model in IFRS 15.

Identifying the contract

Cordia Group believes that the criteria listed in IFRS 15 paragraph 9 are met in the case of all its written customer contracts.

Identify the performance obligations

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.

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.

Allocating the transaction price to separate performance obligations

The transaction price is 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.

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.

(b) 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.

(c) 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 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).

(d) 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. 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.

(e) Property, plant and equipment

Property, plant and equipment and leased assets are measured at cost and depreciated on a straight-line basis. Leased assets are depreciated over the shorter of the lease term and their useful lives.

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.

(f) 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.

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.

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).

(g) 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.

(h) 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

The Group applies IFRS 9 for accounting of financial instruments.

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).

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 contain 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 and also contain debt instruments measured at FVTPL.

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.

The Group has forward exchange rate agreements with banks, which are measured at FVTPL. The Group also holds debt securities measured at FVTPL for the purposes of trading.

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:

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.

(j) Trade and other receivables

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

(k) 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.

(l) 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 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.

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

Level 1 and Level 2 hierarchy data is usually used to determine the fair value of the financial assets and financial liabilities measured at fair value. Level 3 hierarchy data is used to determine the fair value of Investment Properties.

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 2023 and 2022, 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 2023. 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 31.12.2023	Share of ownership & voting rights at 31.12.2022	Nature of relationship	Measurement method
Cordia Global 6 Alap	Hungary	100%	50%	Subsidiary	Consolidated
Finext Global 1. Ingatlanforgalmazó Részalap	Hungary	27.66%	100%	Associate	Equity method
Argo Properties N.V	Germany	16.57%	14.75%	Associate	Equity method
FPP Powsin 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

At the end of 2023 there are no longer Net assets attributable to non-controlling holders.

Entity name	Place of operation	Share of ownership & voting rights at 31.12.2023	Share of ownership & voting rights at 31.12.2022	Nature of relationship	Measurement method
Cordia Residential Partners 1. Alapok Alapja Részalap	Hungary	100%	38.32%	Subsidiary	Full consolidation

(d) Non-controlling interests

Movements in non-controlling interests during the year ended 31 December 2023 and 31 December 2022 are as follows:

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Opening balance	**130**	**161**
Comprehensive income/(loss) attributable to non-controlling interests	(5)	(30)
Non-controlling interest arising on acquisition	0	(1)
Decrease of NCI	(23)	0
Dividend distributed	(39)	0
Redemption of shares owned by non-controlling interest	0	0
Closing balance	**63**	**130**

5. Group composition

(a) Change in group structure

In comparison to 31 December 2022 there were the following changes in the group structure.

Newly established entities

Entity name	Place of operation	Voting rights	Nature of relationship
Wilanów Ulice Operator PL sp. z o.o.	Poland	100%	Subsidiary
Wilanów SOWD Operator PL sp. z o.o.	Poland	100%	Subsidiary
Cordia Mijas M14 S.L.	Spain	100%	Subsidiary
Cordia Mijas Project Development S.L.	Spain	100%	Subsidiary

Newly acquired entity

Entity name	Place of operation	Voting rights	Nature of relationship
Cordia Spain Residential Holding Kft.	Hungary	100%	Subsidiary

Sold entities

Entity name	Place of operation	Voting rights	Nature of relationship
Cordia Project Holdings Limited	United Kingdom	100%	Subsidiary
Cordia UK (Key Hill) Limited	United Kingdom	100%	Subsidiary

The following sub-fund was closed during the year

Entity name	Place of operation	Voting rights	Nature of relationship
Cordia Global 7 Ingatlanbefektetési Részalap	Hungary	100%	Subsidiary

The Group sold its major interest in Finext Global 1. Ingatlanforgalmazó Részalap, which became an associate. The remaining interest is 27.66%.

Cordia Global 6 Ingatlanbefektetési Részalap became subsidiary after the joint partner redeemed its funds.

Due to the fact that on 14 of April 2023 District Court for the City of Warsaw, Commercial Division declared a bankruptcy of Warszawa-Ząbki Neptun PL Sp. z o.o., the Group has no longer control over Warszawa-Ząbki Neptun PL Sp. z o.o.

Warszawa-Ząbki Neptun PL Sp. z o.o. was the subsidiary of WWA Development S.A. and was consolidated by Cordia Group together with WWA Development S.A. in 2020. Since 2019 Warszawa-Ząbki Neptun PL Sp. z o.o has not engaged in any significant development activities.

6. Revenue

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**2023**	**2022**
Revenue from sale of real estate and rental income	61,965	66,289
Other revenue	2,138	2,004
Total revenue	**64,103**	**68,293**

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 148 million HUF in 2023 and 229 million in 2022. 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 2023, the Group finished the handovers of two development projects in Hungary and also two projects in Poland. Occupancy permit was received and the handovers of apartments to its customers have started in 8 projects, four in Hungary, three in Poland and one in Romania in 2023.

The Group delivered 900 residential and commercial units to its customers in 2023, out of which 330 units were delivered in Hungary, 384 units in Poland, 183 units in Romania and 3 units in the UK. During 2022 the total amount of delivered residental units was 1,112 comprising 904 units in Hungary, 165 units in Poland, 38 units in Romania and 5 units in the UK.
In 2023 two plots were sold in the total amount of 2 billion HUF.

Residental and commercial units delivered during the period *Number of residental units*	**2023**	**2022**
Hungary	330	904
Poland	384	165
Romania	183	38
United Kingdom	3	5
Total residential units handed over	**900**	**1,112**

Further to the above, in entities jointly controlled by Cordia and third-party investors and associates, the Group delivered 4 residential units in Hungary and 20 units in Poland. The profit on these transactions are reflected in the balance sheet as Investments accounted for using the equity method (see Note 18). The Group recognized the change in the net assets of these companies through the share of profit/(loss) in associate and joint venture in the profit and loss statement (see Note 18).

The presentation between the result of WWA Development Group (formerly Polnord Group, acquired in 2020) and the rest of the Cordia group provides relevant business information to the management of the Group. Therefore the profit and loss categories from the financial statements are also included in the Notes from this aspect. The Segment report (Note 44) also contains the financial position and the profit and loss and other comprehensive income presented from this point of view.

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**Cordia group without WWA Development**	**WWA Development**	**Total 2023**
Revenue from sale of real estate and rental income	59,870	2,095	61,965
Other revenue	2,087	51	2,138
Total revenue	**61,957**	**2,146**	**64,103**

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**Cordia group without WWA Development**	**WWA Development**	**Total 2022**
Revenue from sale of real estate and rental income	61,454	4,835	66,289
Other revenue	1,815	189	2,004
Total revenue	**63,269**	**5,024**	**68,293**

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**Cordia group without WWA Development 2023**	**Cordia group without WWA Development 2022**
Revenue from sale of real estate and rental income	59,870	61,454
Other revenue	2,087	1,815
Total revenue	**61,957**	**63,269**

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**WWA Development 2023**	**WWA Development 2022**
Revenue from sale of real estate and rental income	2,095	4,835
Other revenue	51	189
Total revenue	**2,146**	**5,024**

7. Cost of sales

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**2023**	**2022**
Cost of sales of main activities	41,917	42,470
Cost of sales of other revenue	528	403
Total cost of sales	**42,445**	**42,873**

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

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**Cordia group without WWA Development**	**WWA Development**	**Total 2023**
Cost of sales of main activities	40,728	1,189	41,917
Cost of sales of other revenue	523	5	528
Total cost of sales	**41,251**	**1,194**	**42,445**

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**Cordia group without WWA Development**	**WWA Development**	**Total 2022**
Cost of sales of main activities	38,260	4,210	42,470
Cost of sales of other revenue	384	19	403
Total cost of sales	**38,644**	**4,229**	**42,873**

Gross Profit

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**Cordia group without WWA Development**	**WWA Development**	**Total 2023**
Gross Profit from sale of real estate	19,142	906	**20,048**
Gross margin from sale of real estate	32%	43%	**32%**

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**Cordia group without WWA Development**	**WWA Development**	**Total 2022**
Gross Profit from sale of real estate	23,194	625	**23,819**
Gross margin from sale of real estate	38%	13%	**36%**

8. Selling and marketing expenses

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	2023	2022
Advertising	1,502	1,254
Sales and other	2,601	3,381
Total selling and marketing expenses	**4,103**	**4,635**

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.

9. Administrative expenses

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	2023	2022
Personnel expenses and external services	4,520	4,846
Materials and energy	286	200
Depreciation	679	729
Bank fees and other charges	358	186
Total administrative expenses	**5,843**	**5,961**

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., WWA Development 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.

10. Other income

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	2023	2022
Net gain (loss) on property, plant and equipment sold	37	8
Deconsolidation of Warszawa-Ząbki Neptun PL Sp. z o.o.	245	0
Reversal of write-off on inventories	27	2
Compensation received from construction partner	193	0
Reversal of provision	247	608
Other	236	634
Total other income	**985**	**1,252**

11. Other expense

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**2023**	**2022**
Taxes	234	249
Fines, penalties, compensation	179	72
Abandoned projects & investments	0	80
Creation of a provision for KOWR*, other	933	422
Write-downs on long term receivables	0	5,789
Write-downs on receivables	46	130
Write-off on inventory	793	180
Reconciliation with construction partner	113	0
Other	744	1,740
Total other expense	**3,042**	**8,662**

* National Support Centre for Agriculture, please see Note 34

12. Finance income and expense

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**2023**	**2022**
Interest income	3,484	2,147
Fair value gain on the valuation of derivative asset and liability	1,524	1,120
Fair value gain on the valuation of financial assets	2,468	170
Realized gain on sale of financial assets	133	2,794
Foreign exchange gain	3,304	7,297
Other finance income	12	653
Finance income	**10,925**	**14,181**
Interest expense	2,472	1,075
Bond interest expense	1,913	1,763
Fair value loss on the valuation of derivative asset and liability	206	1594
Fair value loss on the valuation of financial assets	95	184
Realized loss on sale of financial assets	530	0
Foreign exchange loss	4,257	2,841
Other finance expense	213	402
Finance expense	**9,687**	**7,859**
Net finance income / (expense)	**1,238**	**6,322**

Interest income is the interest received from banks on cash balance and on short-term deposits and the interest income on financial assets at amortised cost calculated using the effective interest method. Interest income from financial assets at fair value through profit and loss is included in the fair value gain on these assets.

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. 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 MHUF 200.

The fair valuation gain on derivative assets is coming from a forward exchange rate agreement with the financial institution.

The Group held 50.78% of the investment units in FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund in 2022. Although the Group held more than 50% of the units it had neither control nor significant influence above the sub-fund based on the criteria in IFRS 10 and IAS 28. The Group sold its shares in 2023.

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 IFRS 16 leasing liabilities. Majority of the leasing interest expense is related to perpetual usufruct.
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. The capitalisation rate is the weighted average interest rate applicable to the entity’s general borrowings during the year. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 4.85% in 2023 and 4.48% in 2022.

13. Income tax

For the year ended 31 December *In millions of Hungarian Forints (MHUF)*	**2023**	**2022**
Current tax		
Current period	1,675	1,165
Taxation in respect of previous periods	(51)	20
Total current tax expense / (benefit)	**1,624**	**1,185**
Deferred tax		
Origination and (reversal) of temporary differences	(465)	7
Tax losses utilized / (recognized)	(187)	0
Total deferred tax expense / (benefit)	**(652)**	**7**
Total income tax expense / (benefit)	**972**	**1,192**

Reconciliation of effective tax rate

For the year ended 31 December *In millions of Hungarian Forints (MHUF)*	**2023**	**2022**
Profit / (loss) for the year	9,738	19,780
Total income tax expense / (benefit)	972	1,192
Profit / (loss) before income tax	**10,711**	**20,972**
Expected income tax using the Hungarian tax rate (9%)	**964**	**1,887**
Tax effect of:		
Impact of other income taxes	92	100
Non-taxable profit	(423)	(1,183)
Other differences	339	388
Tax expense for the period	**972**	**1,192**
Effective tax rate	**9%**	**6%**

Majority of the unused tax losses were incurred in the subsidiaries of WWA Development S.A. It is not likely that these subsidiaries will generate taxable income in the foreseeable future.
70 million HUF unused tax loss can be carried forward indefinitely, the remaining amount can be used within 5 years from the reporting date. See Deferred tax assets and liabilities Notes about recognized tax losses.

In millions of Hungarian Forints (MHUF)	**31.12.2023**
Unused tax losses for which no deferred tax asset has been recognized	3,495
Potential tax benefit	**841**

The Group has 3.6 billion HUF income tax receivables. Withholding tax was paid to the Polish tax authority regarding dividends received from WWA Development S.A. The refund procedure is ongoing, this amount can be claimed back based on the tax convention between Poland and Hungary.

14. Intangible assets

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

For the period ended 31 December 2023

In millions of Hungarian Forints (MHUF)	Software	Intellectual property and rights	Total
Cost or deemed cost			
Balance at 1 January	120	429	549
Additions	6	0	6
Closing balance	**126**	**429**	**555**
Depreciation and impairment losses			
Balance at 1 January	100	319	419
Depreciation for the period	9	76	85
Closing balance	**109**	**395**	**504**
Currency Translation Adjustment	3	0	4
Carrying amounts			
At 1 January	23	110	133
Closing balance	**20**	**34**	**55**

For the period ended 31 December 2022

In millions of Hungarian Forints (MHUF)	Software	Intellectual property and rights	Total
Cost or deemed cost			
Balance at 1 January	120	398	518
Additions	11	38	49
Sales and disposals	(11)	(7)	(18)
Closing balance	**120**	**429**	**549**
Depreciation and impairment losses			
Balance at 1 January	95	243	338
Depreciation for the period	16	83	99
Sales and disposals	(11)	(7)	(18)
Closing balance	**100**	**319**	**419**
Currency Translation Adjustment	3	0	3
Carrying amounts			
At 1 January	27	154	181
Closing balance	**23**	**110**	**133**

15. 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 is 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 millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Opening balance	**9,504**	**25,616**
Acquisition	0	997
Disposal of assets	(179)	(3,023)
Deconsolidation*	(7,185)	0
Increase	234	488
Transfer (to) / from inventories and owner-occupied property	1,471	(16,753)
Revaluation of investment property to fair value	1,137	1,352
Translation differences	(11)	826
Closing balance	**4,971**	**9,503**

*The Group sold its major interest in Finext Global 1. Ingatlanforgalmazó Részalap, which became an associate. This subfund held a significant portfolio of investment properties. These assets were deconsolidated.

Amounts recognised in Profit and loss for investment and development properties

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
Rental income from operating lease	98	167
Less Direct operating expenses	(58)	(41)
Less Leasing interest	(44)	(35)
Fair value gain recognised	1,137	1,352
Profit from sale of investment and development property	0	836
Amounts recognised in profit and loss for investment and development properties	**1,133**	**2,279**

In millions of Hungarian Forints (MHUF)	**Cordia group without WWA Development 2023**	**WWA Development 2023**	**Total**
Investment properties	3,649	1,021	4,670
Investment properties - Rights of perpetual usufruct of land (lease)	0	301	301
Total closing balance	**3,649**	**1,322**	**4,971**

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

In 2023 the majority of the Investment Property balance was derecognized.

Investment properties valued at fair value in 2023

The valuation methods and the sensitivity of the fair value amounts related to the investment properties valued at fair value are included in the table below, where relevant. The table represents how the fair value of the investment properties would be changed if the yield would be lower or higher with a certain percentage point or the rental fee would be lower or higher with 5 percent.

In millions of Hungarian Forints (MHUF) Category	Valuation method	Fair value	Area (m2)	Sensitivity for yield		Sensitivity for rental fees	
				(0.25%) point	0.25% point	(5.00%)	5.00%
Offices	Discounted cashflow method	**840**	627	(27)	29	(42)	42
Lands	Comparable price method	**1,021**	209,762	n/a	n/a	n/a	n/a

The balance sheet valuation of investment properties at fair value is repeatable and is carried out at level 3 of the fair value hierarchy. There were no transfers between hierarchy levels during the reporting period.
The fair value of investment properties was determined by an external, independent, professional real estate valuation entity. Conditions were determined based on the content of entries in the land and mortgage register (real estate designation, ownership, claim rights and restrictions and mortgage) and based on the inspection.

For the office valuation observable comparable data was used to determine the inputs of the discounted cashflow model e.g. the size of the rentable area, the yield and the rent per annum of other offices in Birmingham.

The fair value of the lands in Poland held by WWA Development S.A. and its subsidiaries was determined with the comparable price method, which reflects the market conditions.
To calculate the fair value of the perpetual usufruct right to land and the ownership right to land intended for single-family residential development, a comparative approach was used, the pair comparison method, selecting for comparison from the adopted local market the prices of three purchase and sale transactions on the secondary market of undeveloped land properties of similar destiny. The estimated fair value of the land ownership right is the fair value for the current method of use, takes into account the property's attributes such as: general location, surroundings and neighbourhood, investment possibilities of the plot.
The value of the property in relation to the plot area is between the minimum and maximum price observed on the local market, the value of PLN/m2 of plot area is in the average range of transaction prices in this region.

Investment properties valued other than fair value in 2023

In millions of Hungarian Forints (MHUF) Category	Valuation method	Book value	Area (m2)
Properties under construction for rental purposes	Measured at cost	**2,150**	2,548
Individually not significant properties	Measured at cost	**660**	8,145
Rights of perpetual usufruct of land (lease)	IFRS 16	**300**	n/a

Valuation of Investment properties in the comparative period, in 2022:

In millions of Hungarian Forints (MHUF) 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**	1,194	n/a	n/a	n/a	n/a
Apartments	Comparable price method	**5,849**	4,285	(586)	732	(292)	292
Offices	Discounted cashflow method	**912**	627	(62)	6	(46)	46
Lands	Comparable price method	**876**	210,262	n/a	n/a	n/a	n/a
Individually not significant properties	Comparable price method	**308**	1,575	n/a	n/a	n/a	n/a

In 2022 the remaining Investment Property is the Rights of perpetual usufruct of land measured based on the IFRS 16 standard in the amount of 474 million HUF.

16. Property, plant and equipment

The table below contains the movements of Property, plant and equipment based on IAS 16 standard together with the movements of right of use assets based on IFRS 16 standard. The movements of right of use assets are also presented separately in this Notes.

For the period ended 31 December 2023

In millions of Hungarian Forints (MHUF)	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	3,481	389	847	7	41	4,765
Additions	216	133	16	235	195	795
Sales and disposals	(643)	(203)	(265)	(113)	(43)	(1,267)
Capitalization	0	0	0	(70)	0	(70)
Closing balance	**3,054**	**319**	**598**	**59**	**193**	**4,223**
Depreciation and impairment losses						
Balance at 1 January	933	210	559	0	19	1721
Depreciation charge for the period	453	65	72	0	12	602
Sales and disposals	(45)	(109)	(123)	0	(28)	(305)
Closing balance	**1,341**	**166**	**508**	**0**	**3**	**2,018**
Currency Translation Adjustment	71	10	11	0	14	106
Carrying amounts						
At 1 January	2,623	189	298	8	25	3,143
Closing balance	**1,784**	**163**	**101**	**59**	**204**	**2,311**

For the period ended 31 December 2022

In millions of Hungarian Forints (MHUF)	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	371	759	317	15	4,137
Additions	1,367	36	156	270	26	1,855
Sales and disposals	(561)	(18)	(69)	(11)	0	(659)
Capitalization	0	0	0	(568)	0	(568)
Closing balance	**3,481**	**389**	**846**	**8**	**41**	**4,765**
Depreciation and impairment losses						
Balance at 1 January	1,046	160	493	0	0	1,699
Depreciation charge for the period	436	67	110	0	19	632
Sales and disposals	(549)	(17)	(44)	0	0	(610)
Closing balance	**933**	**210**	**559**	**0**	**19**	**1,721**
Currency Translation Adjustment	75	10	11	0	3	99
Carrying amounts						
At 1 January	1,650	215	272	327	15	2,479
Closing balance	**2,623**	**189**	**298**	**8**	**25**	**3,143**

Impairment loss

Small amount of impairment was recognized in the amount of 35 THUF in 2022. There was no impairment in 2023.

Right of use assets within the Property, plant and equipment balance

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

For the period ended 31 December 2023

In millions of Hungarian Forints (MHUF)	Buildings	Machinery and vehicles	Land	Total
Cost or deemed cost				
Balance at 1 January	2,149	98	26	2,273
Additions to right of use assets	191	104	195	490
Termination of contracts Cost	(82)	(16)	(28)	(126)
Closing balance	**2,258**	**186**	**193**	**2,637**
Depreciation and impairment losses				
Balance at 1 January	775	70	19	864
Depreciation charge for the period	406	36	11	453
Termination of contracts Depreciation	0	(9)	(28)	(37)
Closing balance	**1,181**	**97**	**2**	**1,280**
Currency Translation Adjustment	62	5	14	81
Carrying amounts				
At 1 January	1,433	32	10	1,475
Closing balance	**1,139**	**94**	**205**	**1,438**

For the period ended 31 December 2022

In millions of Hungarian Forints (MHUF)	Buildings	Machinery and vehicles	Land	Total
Cost or deemed cost				
Balance at 1 January	1,710	96	0	1,806
Additions to right of use assets	980	11	26	1,017
Termination of contracts Cost	(541)	(9)	0	(550)
Closing balance	**2,149**	**98**	**26**	**2,273**
Depreciation and impairment losses				
Balance at 1 January	941	58	1	1,000
Depreciation charge for the period	375	19	18	412
Termination of contracts Depreciation	(541)	(7)	0	(548)
Closing balance	**775**	**70**	**19**	**864**
Currency Translation Adjustment	59	4	3	66
Carrying amounts				
At 1 January	789	40	26	855
Closing balance	**1,433**	**32**	**10**	**1,475**

17. Long-term receivables from third parties

For the period ended 31 December

In millions of Hungarian Forints (MHUF)	31.12.2023	31.12.2022
Amounts kept in the escrow account in connection with the sale of office buildings	364	589
Receivables from long-term deposits (office rental)	101	98
Other	69	22
Total Long-term receivables from third parties	**534**	**709**

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

18. Interests in joint-ventures and associates

Compared to 2022 the investments accounted with equity method changed due to an increase in the net assets of the joint ventures and associate, decreased with dividend payment received. At the end of June the Group sold its major shares in Finext Global 1. Ingatlanforgalmazó Részalap, which became an associate and Cordia Global 6 Ingatlanbefektetési Részalap became subsidiary after the joint partner redeemed its funds.

Investments in joint-ventures and associates

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Cordia Global 6 Ingatlanbefektetési Részalap	0	273
Finext Global 1. Ingatlanforgalmazó Részalap	2,218	0
Argo Properties N.V.	20,973	21,941
Group of Stacja Kazimierz	450	1,039
Fadesa Polnord Polska Sp. z o.o.	447	1,803
Total investment value at year end	**24,088**	**25,056**

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

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
Share of profit and loss		
Cordia Global 6 Ingatlanbefektetési Részalap	41	803
Finext Global 1. Ingatlanforgalmazó Részalap	22	0
Argo Properties N.V.	(1,525)	1,681
Stacja Kazimierz	48	976
Fadesa Polnord Polska Sp. z o.o.	95	1,588
Total share of profit and loss in associate and joint venture	**(1,319)**	**5,048**

Cordia Global 6 development sub-fund

Cordia Global 6 development sub-fund consisted of two projects named Marina Life 1 and 2. The entity was jointly controlled with a third-party Hungarian legal entity also operating in the real estate industry. During the financial year 2 residental units were handed over in the sales value of HUF 280 million. The subfund became a subsidiary after the JV partner redeemed its shares.

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
Opening	**273**	**745**
Profit/(Loss) attributable to Group	41	803
Sale of investments	0	(275)
Yield received from the joint venture	0	(1,000)
The entity became subsidiary from joint venture	(314)	0
Closing carrying amount	**0**	**273**

Finext Global 1. sub-fund

The Group sold its major interest in Finext Global 1. Ingatlanforgalmazó Részalap, which became an associate. The remaining interest is 27.66%. The assets and liabilities of the subfund were derecognized from the balance sheet and the retained interest was remeasured to its fair value at the date when the control was lost.

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
Opening	**0**	**0**
Net asset of the associate at the date of disposal	2,196	0
Profit/(Loss) attributable to Group	22	0
Closing carrying amount	**2,218**	**0**

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. The current portion of shares is 16.57%.

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 was needed.

The financial information of Argo Propertie N.V. is available on the Tel Aviv Stock Exchange.

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
Opening	**21,941**	**19,475**
Purchase of investments	1,507	0
Sale of investments	0	(942)
Profit or (Loss) attributable to the Group	(1,525)	1,681
Foreign currency translation difference	(950)	1,727
Closing carrying amount	**20,973**	**21,941**

Stacja Kazimierz

The Stacja Kazimierz project is carried out jointly with Grupa Holdingowa Waryński S.A. Throughout WWA Development 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. During the reporting period 20 residental units were handed over in the sales value of HUF 1,371 million in Stacja Kazimierz.

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
Opening	**1,039**	**1,110**
Decrease of investments	0	(795)
Profit or (Loss) attributable to the Group	48	975
Dividend received	(643)	(318)
Foreign currency translation difference	6	67
Closing carrying amount	**450**	**1,039**

Fadesa Polnord Polska Sp. z o.o.

The company was established jointly with the Spanish developer, Martinsa Fadesa. WWA Development S.A. holds 49% directly in Fadesa Polnord Polska Sp. z o.o. In 2023 FPP Powsin Sp. z o.o. was merged into Fadesa Polnord Polska Sp. z o.o. The decrease in investments is the redemption of shares.

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
Opening	**1,803**	**1,759**
Decrease of investments	(703)	0
Profit or (Loss) attributable to the Group	95	1,588
Dividend received	(742)	(1,652)
Foreign currency translation difference	(6)	108
Closing carrying amount	**447**	**1,803**

19. Other assets

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Advances and prepayments made for inventories	264	2,090
Advances and prepayments made for services	864	952
Other prepaid expenses	297	466
Other current assets	1,019	913
Other	2	2
Total closing balance	**2,446**	**4,423**

Closing balance includes:		
Other long-term assets	2	3
Other short-term assets	2,444	4,420
Total closing balance	**2,446**	**4,423**

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

20. 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 2024 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 2023.

21. Inventory

In millions of Hungarian Forints (MHUF)	**Closing balance 31.12.2023**	**Closing balance 31.12.2022**
Lands and Acquisition costs	79,655	81,894
Construction and Engineering costs	43,374	46,249
Planning	5,356	5,070
Borrowing costs	6,266	5,745
Other, including capitalized VAT	4,448	5,107
Work in progress	**139,099**	**144,065**

In millions of Hungarian Forints (MHUF)	**Closing balance 31.12.2023**	**Closing balance 31.12.2022**
Finished goods	**22,997**	**8,687**

In millions of Hungarian Forints (MHUF)	**Closing balance 31.12.2023**	**Closing balance 31.12.2022**
Goods for resale	**265**	**123**

In millions of Hungarian Forints (MHUF)	**Closing balance 31.12.2023**	**Closing balance 31.12.2022**
Advances for delivery of goods	**97**	**444**

In millions of Hungarian Forints (MHUF)	**Closing balance 31.12.2023**	**Closing balance 31.12.2022**
Rights of perpetual usufruct of land (lease)	**11,766**	**9,416**

In millions of Hungarian Forints (MHUF)	**Closing balance 31.12.2023**	**Closing balance 31.12.2022**
Write-down	**(1,037)**	**(166)**

In millions of Hungarian Forints (MHUF)	**Closing balance 31.12.2023**	**Closing balance 31.12.2022**
Total inventories at the lower of cost or net realizable value	**173,187**	**162,569**

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 recognized write-down on the Gothic projects (UK) in 2023. The closing balance written down is MHUF 994. Total write-down was MHUF 166 at the year end of 2022. Based on the current market tendencies in other segments 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 44 at the bottom of the assets as of 31.12.2023 and 31.12.2022.

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.

22. Deferred tax assets and liabilities

Recognized deferred tax assets and liabilities as at the beginning and end of the financial periods are attributable to the following:

For the period ended 31 December 2023

In millions of Hungarian Forints (MHUF)	Opening balance	Recognized in the income statement	Currency translation adjustment	Closing balance
Tax loss carry forward	369	187	14	570
Leasing	0	98	0	98
Provision	94	(2)	3	95
Loans	920	(51)	27	896
Inventory	0	26	0	26
Offset deferred tax asset and liability	(183)	(26)	(2)	(211)
Other	10	0	0	10
Total deferred tax asset	**1,210**	**232**	**42**	**1,484**

For the period ended 31 December 2023

In millions of Hungarian Forints (MHUF)	Opening balance	Recognized in the income statement	Currency translation adjustment	Closing balance
Investment property	53	(28)	(1)	24
Difference in revenue recognition under IFRS	147	136	11	294
Leasing	0	98	0	98
Capitalization of inremental sales cost	84	(10)	(1)	73
Loans	1,931	(584)	33	1,380
PPA valuation	62	0	(2)	60
Inventory	62	7	2	71
Offset deferred tax asset and liability	(183)	(26)	(2)	(211)
Other	9	(6)	(1)	2
Total deferred tax liability	**2,165**	**(413)**	**39**	**1,791**

Realization of deferred tax assets
In assessing the realisability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

Tax losses in Poland and Hungary are required to be utilized within 5 years following the period in which they originated, subject to the limitation in Poland that a maximum of 50% of the loss carry-forward can be used in one year. In addition, in Poland up to 5,000,000 PLN (approximately 440m HUF) of a tax loss can be utilized in a given year. In Hungary the tax losses originated up to 31 December 2014 are required to be utilized by 31.12.2030.
In the United Kingdom unused trading losses can be carried forward without time limit against trading income of the same trade in future accounting periods.
For Romania, until 31.12.2023, annual tax loses are recoverable in the next seven years. From 2024, annual tax losses established by the income tax return will be recoverable from taxable profits up to 70% in the next five years. For annual tax losses before 2024, remaining amount can be recovered from taxable profits starting in 2024, within the limit of 70% of those profits, for the remaining period of the seven consecutive years from the recording of the losses.
In Spain the maximum limit that an entity can offset within one period is 1,000,000 EUR (approximately 383m HUF), but the loss carry forward used is also proportionately limited depending on the income recognized during the year.

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 assets 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 were valued at fair value through profit and loss. These investments were sold in the first half of 2023.
The other short-term financial assets measured at fair value through profit or loss in the consolidated financial statements contain treasury bills and government bonds. The fair value of these financial assets was determined by reference to published price quotations in active market, classified as level 1 input in the fair value hierarchy.
The other long-term financial assets measured at fair value through profit or loss are other investments, which is not material in either reporting period.
Derivative assets are also measured at fair value through profit and loss. The underlying asset of the derivatives are shares traded on the stock market and forward exchange agreements, therefore Level 1 input information is used in the valuation with financial model at the reporting date.

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 bonds at the financial liabilities tables.

The group holds the following financial instruments:

For the period ended 31 December 2023

In millions of Hungarian Forints (MHUF)	Financial assets at FV through P/L	Financial assets at amortized cost	Total
Non-current financial assets			
Loan receivables from third parties	0	67	67
Long term bank deposits	0	299	299
Other long-term receivables	0	466	466
Other long-term financial assets	34	12	46
Derivative assets	595	0	595
Restricted cash	0	0	0
Total Non-current financial assets	**629**	**844**	**1,473**
Current financial assets			
Other short-term financial assets	10,014	2	10,016
Derivative assets	2,034	0	2,034
Restricted Cash	0	2,510	2,510
Short-term receivables from related parties	0	549	549
Trade and other receivables less Other tax receivables	0	3,250	3,250
Cash and cash equivalents	6,481	44,344	50,825
Total Current financial assets	**18,529**	**50,655**	**69,184**
Total financial assets	**19,158**	**51,499**	**70,657**

Long-term bank deposits

Amounts deposited by the SPVs (Special Purpose Vehicle) mainly as guarantees provided for the infrastructure 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 WWA Development S.A. detailed in Note 12.

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, 18 May 2021 and the option is exercisable within a three-month period as of 18 May 2025 until 18 August 2025. The 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 by the customers, where the bank loan is used to finance the development and these deposits cannot be used to settle the liabilities of the project entity. This money can be retrieved when the bank loan has been repaid.

Other short-term financial assets

The other short-term financial assets measured at fair value are treasury bills and government bonds. At year end the fair value of government bonds is 9,9 billion HUF and 110 million HUF is invested in treasury bills.
In 2022 the group had passive financial investment in three British entities in which the Group saw substantial growth potential through value appreciation and also gave access to know-how in different business models. The financial investments were sold in December 2022 and in the first half of 2023.

For the period ended 31 December 2022

In millions of Hungarian Forints (MHUF)	Financial assets at FV through P/L	Financial assets at amortized cost	Total
Non-current financial assets			
Loan receivables from third parties	0	21	21
Long term bank deposits	0	273	273
Other long-term receivables	0	694	694
Other long-term financial assets	32	3	35
Derivative assets	1,330	0	1,330
Restricted cash	0	1,935	1,935
Total Non-current financial assets	**1,362**	**2,926**	**4,288**
Current financial assets			
Other short-term financial assets	7,840	20	7,860
Restricted Cash	0	3,545	3,545
Short-term receivables from related parties	0	2,946	2,946
Trade and other receivables less Other tax receivables	0	1,413	1,413
Cash and cash equivalents	0	64,888	64,888
Total Current financial assets	**7,840**	**72,812**	**80,652**
Total financial assets	**9,203**	**75,737**	**84,940**

For the period ended 31 December 2023

In millions of Hungarian Forints (MHUF)	Financial liabilites at FV through P/L	Financial liabilities at amortized cost	Total
Non-current financial liabilities			
Loans and borrowings	0	4,717	4,717
Bond	0	70,644	70,644
Lease liabilities	0	1,339	1,339
Amount withheld for guarantees	0	782	782
Total Non-current financial liabilities	**0**	**77,482**	**77,482**
Current financial liabilities			
Trade and other payables	0	10,756	10,756
Loans and borrowings	0	8,294	8,294
Short-term liabilities to related parties	0	752	752
Derivative liabilities	6	0	6
Bond	0	21,254	21,254
Lease liabilities	0	19,701	19,701
Total Current financial liabilities	**6**	**60,757**	**60,763**
Total financial liabilities	**6**	**138,239**	**138,245**

Derivative liabilities

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.

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 a fixed interest rate in 2019 and in 2020, therefore in the current market environment the fair value of the liability arising from bonds is significantly lower than it is presented in the balance sheet.

In millions of Hungarian Forints (MHUF)	31.12.2023	31.12.2022
Bonds at amortized cost in the balance	91,898	91,940
Fair value of the bonds	73,906	65,293

The fair value of the Polish bonds was determined based on the 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 coupons.
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 2022

In millions of Hungarian Forints (MHUF)	**Financial liabilites at FV through P/L**	**Financial liabilities at amortized cost**	**Total**
Non-current financial liabilities			
Loans and borrowings	0	22,761	22,761
Bond	0	91,655	91,655
Lease liabilities	0	1,603	1,603
Amount withheld for guarantees	0	1,072	1,072
Total Non-current financial liabilities	**0**	**117,091**	**117,091**
Current financial liabilities			
Trade and other payables	0	9,320	9,320
Loans and borrowings	0	1,036	1,036
Short-term liabilities to related parties	0	2,208	2,208
Bond	0	284	284
Lease liabilities	0	16,782	16,782
Total Current financial liabilities	**0**	**29,630**	**29,630**
Total financial liabilities	**0**	**146,721**	**146,721**

24. Loan receivables

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.

25. Receivables from related parties

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

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Trade receivables	275	139
Loan receivables	1	5
Accrued expenses	1	2
Accrued revenue	250	204
Other receivables	22	2,596
Total closing balance	**549**	**2,946**

Closing balance includes:		
Current assets	549	2,946
Non-current assets	0	0
Total closing balance	**549**	**2,946**

26. Trade and other receivables

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

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Gross trade receivables	**633**	**892**
Decreased by impairment	(187)	(182)
Net trade receivables	**446**	**710**
Vendor overpayment	1,555	175
Accrued revenue	143	103
Accrued interest	12	11
Other taxes receivables	68	37
Receivables of treasury bills	492	0
Other receivables	602	414
Total trade and other receivables	**3,318**	**1,450**

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 millions of Hungarian Forints (MHUF)		**31.12.2023**	**31.12.2022**
Trade receivables			
Overdue	Not	205	281
	1-30 days	54	83
	31-90 days	22	62
	91-364 days	57	171
	365+ day	295	295
Total closing balance		**633**	**892**

In millions of Hungarian Forints (MHUF)		**Cordia without WWA Development**	**WWA Development**	**Total 31.12.2023**
Trade receivables				
Overdue	Not	202	2	204
	1-30 days	52	2	54
	31-90 days	22	0	22
	91-364 days	48	9	57
	365+ day	103	193	296
Total closing balance		**427**	**206**	**633**

In millions of Hungarian Forints (MHUF)		**Cordia without WWA Development**	**WWA Development**	**Total 31.12.2022**
Trade receivables				
Overdue	Not	146	135	281
	1-30 days	76	6	82
	31-90 days	49	13	62
	91-364 days	155	17	172
	365+ day	36	259	295
Total closing balance		**462**	**430**	**892**

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Opening	182	11
Impairment loss	46	168
Reversal of impairment	(2)	0
Derecognition of impairment balance related to derecognition of receivable balance during the year	(45)	0
CTA	6	3
Closing impairment balance	**187**	**182**

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
HUF	2,534	398
EUR	79	51
PLN	523	839
RON	123	75
GBP	59	87
Total closing balance	**3,318**	**1,450**

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 (project 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 2023 they earn interest at the respective short-term deposit rates.

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Cash at bank and in hand	22,341	41,139
Short-term bank deposit	15,687	15,944
Money market fund	5,213	0
Discount treasury bill	1,268	0
Project cash	6,316	7,805
Total cash and cash equivalents	**50,825**	**64,888**

The project 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. Project cash can be used to cover project development related costs, including VAT and cost of financing. 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 Group made bank deposits which have a maturity of one or two weeks. The money market fund investment is a short-term a highly liquid investment, which is readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

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

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
EUR	11,361	9,474
PLN	11,923	13,470
HUF	26,089	36,945
RON	1,225	921
GBP	191	3,822
USD	31	1
ILS	5	255
Total cash and cash equivalents	**50,825**	**64,888**

There is no pledge over cash and cash equivalents.

Please see the financial institutions with credit ratings.*

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
A	57	255
A+	955	6,823
A-	11,398	38,570
AA-	0	655
AAA	5,213	0
BAA2	7,527	0
BBB+	0	3,234
BBB	3,284	3,406
BBB-	4,273	5,540
BB+	1,951	0
BB	0	4,438
C	0	1
Cash at hand	7	10
Bankrating is not publicly available	16,160	1,956
Total cash and cash equivalents	**50,825**	**64,888**

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

Although there is no public credit rating is available for all the financial institutions the credit risk of these banks does not considered to be significant based on historical transactions and the pillar requirements applicable for these institutions.

28. Loans and borrowings

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

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**2023**	**2022**
Opening balance	**23,797**	**13,915**
New bank loan drawdown	16,395	27,979
Loan repayments	(27,042)	(18,535)
Interest capitalized as principal	9	60
Other changing (FX, other)	(148)	378
Total closing balance	**13,011**	**23,797**

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Closing balance includes:		
Current liabilities	8,294	1,036
Non-current liabilities	4,717	22,761
Total closing balance	**13,011**	**23,797**

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
HUF	10,526	18,461
EUR	0	3,626
PLN	1,403	766
GBP	1,082	944
Total closing balance	**13,011**	**23,797**

Conditions of significant bank loans:

As at the period ended 31 December 2023

Legal entity	Bank	Loan Type	Maturity	Contracted Currency	Loan facility in MHUF	Withdrawn loan amount in MHUF	Interest rate base
CG15	OTP Bank Nyrt.	Construction loan	2026.01.30	HUF	11,702	0	BUBOR 1M+margin
CG15	OTP Bank Nyrt.	VAT loan	2026.01.30	HUF	150	0	BUBOR 1M+margin
CG25	OTP Bank Nyrt.	Construction loan	2024.12.31	HUF	6,604	4,952	BUBOR 1M+margin
CG25	OTP Bank Nyrt.	VAT loan	2024.12.31	HUF	150	9	BUBOR 1M+margin
CG27	CIB Bank Zrt.	Land loan	2027.02.03	HUF	5,020	4,389	BUBOR 6M+margin
CG28	Raiffeisen Bank Zrt.	Construction loan	2024.06.30	HUF	4,210	1,168	BUBOR 1M+margin
CG28	Raiffeisen Bank Zrt.	VAT loan	2024.06.30	HUF	100	8	BUBOR 1M+margin
CG29	MBH Bank Nyrt.	Construction loan	2028.08.22	HUF	14,892	0	BUBOR 1M+margin
CG29	MBH Bank Nyrt.	VAT loan	2028.08.22	HUF	250	0	BUBOR 1M+margin
PPK4	Powszechna Kasa Oszczędności Bank Polski S.A. PKO	Construction loan	2024.07.31	PLN	3,173	0	WIBOR 3M+margin
PPK4	Powszechna Kasa Oszczędności Bank Polski S.A. PKO	VAT loan	2024.07.31	PLN	176	0	WIBOR 3M+margin
PPW4	Alior Bank	Construction loan	2024.06.15	PLN	5,238	417	WIBOR 3M+margin
PPW4	Alior Bank	VAT loan	2024.06.15	PLN	264	10	WIBOR 3M+margin
PPW6	Powszechna Kasa Oszczędności Bank Polski S.A. PKO	Construction loan	2025.06.30	PLN	5,401	148	WIBOR 3M+margin
PPW6	Powszechna Kasa Oszczędności Bank Polski S.A. PKO	VAT loan	2025.06.30	PLN	264	2	WIBOR 3M+margin
PPW7	Alior Bank	Construction loan	2024.12.15	PLN	1,477	765	WIBOR 3M+margin
PPW7	Alior Bank	VAT loan	2024.12.15	PLN	352	62	WIBOR 3M+margin
PD14	Santander Bank	Construction loan	2028.06.21	PLN	6,840	0	WIBOR 1M+margin
PD14	Santander Bank	VAT loan	2028.06.21	PLN	308	0	WIBOR 1M+margin
SCFD	Banco Sabadell	Construction loan	2024.06.30	EUR	10,554	0	EURIBOR 12M+margin
UCB2	KBC United Kingdom	Construction loan	2028.03.31	GBP	901	834	Bank of England base+margin
UBDG	HSBC Bank plc	UK COVID Bounceback loan	2026.11.09	GBP	22	13	Free
UBSP	HSBC Bank plc	UK COVID Bounceback Loan	2026.10.07	GBP	13	13	Free
Total bank loans of fully consolidated entities						**12,790**	

Conditions of borrowings from partners:

Legal entity	Partner	Loan Type	Maturity	Currency	Loan facility	Withdrawn loan amount in MHUF	Interest rate base
UBDG	Kandler Investments	Loan from previous owner	2026.11.09	GBP	385	221	Free
Total loans of fully consolidated entities						**221**	

There are no bank loans in the associates companies and in the joint ventures in 2023.

As at the period ended 31 December 2022

Legal entity	Bank	Loan Type	Maturity	Currency	Loan facility in MHUF	Withdrawn loan amount in MHUF	Interest rate base
CG14	OTP Bank Nyrt.	Construction loan	2024.09.30	HUF	7,230	5,449	BUBOR 1M+margin
CG14	OTP Bank Nyrt.	VAT loan	2024.09.30	HUF	150	63	BUBOR 1M+margin
CG16	Takarék Kereskedelmi Bank Zrt.	Construction loan	2025.09.07	HUF	4,562	1,457	BUBOR 1M+margin
CG16	Takarék Kereskedelmi Bank Zrt.	VAT loan	2025.09.07	HUF	150	11	BUBOR 1M+margin
CG20	Raiffeisen Bank Zrt.	Construction loan	2024.07.31	HUF	4,845	1,482	BUBOR 1M+margin
CG20	Raiffeisen Bank Zrt.	VAT loan	2024.07.31	HUF	100	0	BUBOR 1M+margin
CG22	OTP Bank Nyrt.	Construction loan	2024.09.30	HUF	3,581	2,179	BUBOR 1M+margin
CG22	OTP Bank Nyrt.	VAT loan	2024.09.30	HUF	150	36	BUBOR 1M+margin
CG25	OTP Bank Nyrt.	Construction loan	2024.12.31	HUF	6,604	2,249	BUBOR 1M+margin
CG25	OTP Bank Nyrt.	VAT loan	2024.12.31	HUF	150	0	BUBOR 1M+margin
CG27	CIB Bank Zrt.	Land loan	2027.02.03	HUF	5,020	3,567	BUBOR 6M+margin
CG28	Raiffeisen Bank Zrt.	Construction loan	2024.06.30	HUF	4,210	1,936	BUBOR 1M+margin
CG28	Raiffeisen Bank Zrt.	VAT loan	2024.06.30	HUF	100	33	BUBOR 1M+margin
PPK4	Powszechna Kasa Oszczędności Bank Polski S.A. PKO	Construction loan	2024.07.31	PLN	2,957	634	WIBOR 3M+margin
PPK4	Powszechna Kasa Oszczędności Bank Polski S.A. PKO	VAT loan	2024.07.31	PLN	171	31	WIBOR 3M+margin
PPW4	Alior Bank	Construction loan	2024.06.15	PLN	4,415	0	WIBOR 3M+margin
PPW4	Alior Bank	VAT loan	2024.06.15	PLN	256	0	WIBOR 3M+margin
PPW6	Powszechna Kasa Oszczędności Bank Polski S.A. PKO	Construction loan	2024.06.30	PLN	5,582	98	WIBOR 3M+margin
PPW6	Powszechna Kasa Oszczędności Bank Polski S.A. PKO	VAT loan	2024.06.30	PLN	256	0	WIBOR 3M+margin
PPW7	Alior Bank	Construction loan	2025.03.31	PLN	10,157	0	WIBOR 3M+margin
PPW7	Alior Bank	VAT loan	2025.03.31	PLN	341	0	WIBOR 3M+margin
RCPR	OTP Bank Romania S.A.	Construction loan	2024.03.31	EUR	1,393	1,088	EURIBOR 3M+margin
RCPR	OTP Bank Nyrt.	Construction loan	2024.03.31	EUR	3,250	2,537	EURIBOR 3M+margin
RCPR	OTP Bank Romania S.A.	VAT loan	2024.09.30	RON	400	0	ROBOR 3M+margin
SCFD	Banco Sabadell	Construction loan	2039.06.30	EUR	13,849	0	EURIBOR 12M+margin
UBDG	HSBC Bank plc	UK COVID Bounceback loan	2026.11.09	GBP	23	18	Free
UBSP	HSBC Bank plc	UK COVID Bounceback Loan	2026.10.07	GBP	23	18	Free
Total bank loans of fully consolidated entities						**22,886**	

Conditions of borrowings from partners:

As at the period ended 31 December 2022

Legal entity	Partner	Loan Type	Maturity	Currency	Loan facility in MHUF	Withdrawn loan amount in MHUF	Interest rate base
UBDG	Kandler Investments	Loan from previous owner	2022.12.31	GBP	396	396	Free
UBSP	Marcus Hawley	Pre-acquisition loan	2022.12.31	GBP	2	2	Free
UCBH	Marcus Hawley	Construction loan	2025.09.03	GBP	511	511	SONIA 12M+margin
Total of fully consolidated entities						**909**	
PSK2	Jointly from WWA Development Finanse 50% and MS Waryński 50%	Operative financing	2022.12.31	PLN	14	14	5%
Total including JVs and associates						**14**	

29. Customer advances received

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

Legal entity	Project name	31.12.2023	31.12.2022
CG11	Grand Corvin	0	4
CG12	Marina Portside	0	83
CG13	Universo	0	265
CG14	Sasad Resort Panorama	610	2,545
CG15	Sasad Resort Sunrise	705	0
CG16	Termál Zugló 4	87	1,992
CG17	Young City 3	0	1
CG19	Grand Corvin 2	255	638
CG5	Grand'Or	0	115
CG9	Centropolitan	0	30
CG20	Naphegy 12	1,464	1,068
CG21	Corvin Next	649	88
CG22	Millennium Residence 1	1,040	1,353
CG25	I6 Residence	1,926	880
CG28	Sasad Resort Sunlight	179	878
CG29	Woodland 1	886	236
COR	Not project related	34	129
RCPR	Parcului20-1	0	21
RCPR	Parcului20-2	281	1,608
PPW2	Horyzont Praga	0	56
PPW3	Fantazja 1	148	5,661
PPK3	HI Mokotów	13	15
PPW4	Jaśkowa Dolina 1	0	5,135
PPW4	Jaśkowa Dolina 2	3,808	1,354
PPK2	Jerozolimska	177	2,183
PPK4	Safrano	598	794
PPW6	Leśna Sonata	3,469	1,748
PPW7	Modena 1	4,606	1,313
PD14	Haffnera Residence	16	18
SCFD	Jade Tower- Fuenghirola	8,712	3,114
PNRE	Wiktoria	0	47
PSRW	Wioletta	0	72
UBDG	The Gothic	0	1
Other	Not project related	0	8
Significant financing component accounted on the customer advance amount received		2,164	1,354
Total of fully consolidated entities		**31,827**	**34,807**
PSK3	Stacja Kazimierz building 5	0	644
Total including JVs and associates		**31,827**	**35,451**

For the year ended

In millions of Hungarian Forints (MHUF)	2023	2022
Opening balance of customer advances	**34,808**	**34,732**
Increase in contract liabilities from customer advances received for not completed performance obligations	18,564	22,988
Increase in significant financing component	1,681	1,353
Decrease in significant financing component	(783)	0
Decrease of opening customer advance other than revenue recognised (No revenue, eg. Customer cancalled the contract)	(238)	0
VAT related contract liability decrease that was included in the contract liability balance at the beginning of the period	(589)	(1,223)
Revenue recognised that was included in the contract liability balance at the beginning of the period	(21,613)	(23,996)
Other changing (FX, other)	(2)	954
Closing balance of customer advances	**31,828**	**34,808**

In millions of Hungarian Forints (MHUF)	31.12.2023	31.12.2022
Closing balance includes:		
Current customer advance	20,128	28,053
Non-current customer advance	11,700	6,755
Total closing balance	**31,828**	**34,808**

30. Liabilities to related parties

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

In millions of Hungarian Forints (MHUF)	31.12.2023	31.12.2022
Trade payables	242	604
Accrued expenses payables	287	1,421
Other payables	223	0
Other liabilities	0	183
Total closing balance	**752**	**2,208**
Closing balance includes:		
Current liabilities	752	2,208
Total closing balance	**752**	**2,208**

*The major balance within other liabilities is the dividend amount approved to the owners of the Parent entity.

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 millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Trade payables	7,528	6,872
Accrued expenses	1,896	1,578
Other payables	1,055	798
Deferred income	277	72
Closing balance	**10,756**	**9,320**

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 millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
HUF	4,851	4,036
EUR	2,281	1,485
PLN	3,012	2,928
RON	161	327
GBP	448	544
USD	3	0
Total closing balance	**10,756**	**9,320**

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.

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Amount withheld for guarantees	782	1,072

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 millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Opening balance	**18,384**	**18,450**
Acquisition	0	0
Recognition of new lease liability	2,221	991
Derecognition of lease liability	(532)	(1,581)
Lease modification	357	227
Interest expense	1,092	1,045
Foreign exchange difference	(37)	14
Currency translation adjustment	645	1,110
Repayment of lease liability	(1,090)	(1,873)
Total closing balance	**21,040**	**18,383**

Closing balance includes:		
Short-term lease liabilities	19,701	16,781
Long-term lease liabilities	1,339	1,602
Total closing balance	**21,040**	**18,383**

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

In millions of Hungarian Forints (MHUF)	**Cordia group without WWA Development**	**WWA Development**	**Total 31.12.2023**
Leasing liability related to property, plant and equipments	1,024	653	1,677
Leasing liability related to investment property	0	624	624
Leasing liability related to rights of perpetual usufruct of land within inventory	2,577	16,162	18,739
Total closing balance of leasing liabilities	**3,601**	**17,439**	**21,040**

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

In millions of Hungarian Forints (MHUF)	*Note*	**2023**	**2022**
Interest expense	*12*	1,092	1,045
Expense relating to short-term leases	*9*	21	1
Expense relating to leases of low-value assets that are not shown above as short-term leases	*9*	15	4

34. Provision

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

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Provision for severance pays, retirement benefits, holidays and similar	37	56
Provisions for warranties	818	665
Provisions for legal claims	490	358
Provisions for onerous contract	343	518
Provision for PWUG (interest and principal)	5,091	4,488
Other	59	0
Total provision	**6,838**	**6,085**

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

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

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Closing balance includes:		
Current liabilities	6,036	5,261
Non-current liabilities	802	824
Total closing balance	**6,838**	**6,085**

Movements in provision during the financial year

For the period ended 31 December 2023

In millions of Hungarian Forints (MHUF)	**Employee related provision**	**Warranties**	**Legal claim**	**Onerous contract**	**Perpetual usufruct**	**Other**	**Total**
Carrying amount at start of year	**56**	**665**	**358**	**518**	**4,488**	**0**	**6,085**
Charged/credited to profit or loss							
Additional provision recognized	*16*	*249*	*260*	*50*	*441*	*56*	*1,072*
Unused amounts reversed	*(29)*	*(101)*	*(67)*	*0*	*0*	*0*	*(197)*
Amounts used during the year	(6)	(22)	(66)	(233)	0	0	(327)
Reclassification	0	0	0	0	0	0	0
Revaluation at year end	0	0	1	0	0	0	1
Currency Translation Adjustment	0	27	4	8	162	3	204
Closing balance	**37**	**818**	**490**	**343**	**5,091**	**59**	**6,838**

For the period ended 31 December 2022

In millions of Hungarian Forints (MHUF)	Employee related provision	Warranties	Legal claim	Onerous contract	Perpetual usufruct	Other	Total
Carrying amount at start of year	**75**	**613**	**370**	**669**	**4,089**	**1**	**5,817**
Charged/credited to profit or loss							
Additional provision recognized	*41*	*504*	*241*	*25*	*193*	*21*	*1,025*
Unused amounts reversed	*(55)*	*(537)*	*(227)*	*0*	*(50)*	*(6)*	*(875)*
Amounts used during the year	(7)	0	0	-236	0	0	(243)
Reclassification	(4)	47	(47)	19	0	(15)	0
Currency Translation Adjustment	6	38	21	41	256	(1)	361
Closing balance	**56**	**665**	**358**	**518**	**4,488**	**0**	**6,085**

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 millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Opening balance	**91,940**	**91,593**
Effective interest	3,377	3,287
Interest payment	(3,632)	(3,290)
Other	213	350
Total closing balance	**91,898**	**91,940**

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Closing balance includes:		
Current liabilities	21,254	284
Non-current liabilities	70,644	91,656
Total closing balance	**91,898**	**91,940**

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
HUF	85,551	85,799
PLN	6,347	6,141
Total closing balance	**91,898**	**91,940**

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 millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Consolidated Debt (CD)	111,747	121,822
Cash and Cash Equivalents (C)	50,825	64,888
Restricted cash (RC)	2,510	5,480
Net Consolidated Debt	**58,412**	**51,454**
Total Assets (TA)	284,191	293,615
Customer Advances (CA)	31,828	34,807
Cash and cash equivalents (C)	50,825	64,888
Restricted cash (RC)	2,510	5,480
Total Consolidated Assets net of Cash & Customer Advances	**199,028**	**188,440**
Consolidated Leverage Ratio	**29.35%**	**27.31%**

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 millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Closing balance includes:		
Current liabilities	14,908	249
Non-current liabilities	70,644	85,550
Total closing balance	**85,552**	**85,799**

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Share capital	18,014	18,014
Share premium	13,461	13,461
Foreign currency translation reserve	3,630	4,026
Retained earnings	110,378	100,791
Issuer Equity	**145,483**	**136,292**

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Bonds (non-current)	70,644	85,550
Bonds (current)	14,908	249
Issuer Debt	**85,552**	**85,799**
Cash and Cash Equivalents	20,528	42,015
Issuer Net Debt	**65,024**	**43,784**
Issuer Net Debt to Equity Ratio	**0.45**	**0.32**

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 the first half of 2023 and in 2022.

31.12.2023

Company	Number of shares	Nominal value of shares (MHUF)	Ownership percentage
Cordia Holding B.V.	17,653,485	17,653	98.00%
Finext Consultants Limited	95,730	106	0.590%
Private individuals	264,545	255	1.410%
Total	**18,013,760**	**18,014**	**100.00%**

31.12.2022

Company	Number of shares	Nominal value of shares (MHUF)	Ownership percentage
Cordia Holding B.V.	17,653,485	17,653	98.00%
Finext Consultants Limited	95,730	144	0.798%
Private individuals	264,545	216	1.202%
Total	**18,013,760**	**18,014**	**100.00%**

Other reserves

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. There was no change in the Other Reserve balance.

37. Non-controlling interests

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

In millions of Hungarian Forints (MHUF)	31.12.2023	31.12.2022
Opening balance	**130**	**161**
Comprehensive income/(loss) attributable to non-controlling interests	(5)	(30)
Non-controlling interest arising on acquisition	0	(1)
Decrease of NCI	(23)	0
Dividend distributed	(39)	0
Closing balance	**63**	**130**

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. The non-controlling investment unit holders of Finext Funds BP SICAV-SIF redeemed its shares in 2022 and the non-controlling investment unit holders of Cordia Residential Partners 1. Alapok Alapja Részalap redeemed its shares in 2023.

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

In millions of Hungarian Forints (MHUF)	31.12.2023	31.12.2022
Opening	**908**	**16,253**
Investment made by non-controlling investment unit holders	0	208
Change in net assets attributable to non-controlling investment unit holders	1	696
Revaluation of non-controlling investment unit holders in EUR	(19)	193
Redemption of investment units of non-controlling investment unit holders	(890)	(16,442)
Closing carrying amount	**0**	**908**

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 redeemed their P shares in 2022, therefore the Group is the only owner of the subfund at prior year end and at the reporting period.

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 and the remaining part in the first half of 2023. Therefore the Group is the only owner of the subfund at the reporting period.

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.

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 millions of Hungarian Forints (MHUF)

Legal entity	Project name	31.12.2023	31.12.2022
CG14	Sasad Panorama	0	701
CG15	Sasad Resort Sunrise	5,965	9,446
CG16	Thermal Zugló 4	0	226
CG20	Naphegy 12	637	2,288
CG21	Corvin Next	3,497	5,265
CG22	Millennium Residence 1	238	1,092
CG25	I6 Residence	473	3,249
CG27	Marina City	7,643	0
CG28	Sasad Resort Sunlight	0	1,272
CG29	Woodland 1	11,240	670
PPK4	Safrano	0	1,091
PPW3	Fantazja 1	0	570
PPW4	Jaskowa Dolina 1	0	234
PPW4	Jaskowa Dolina 2	1,025	3,259
PPW6	Leśna Sonata	1,910	2,957
PPW7	Modena 1	2,713	6,571
UBDB	The Lamp Works	0	326
SCFD	Jade Tower	111	6,279
Total of fully consolidated entities		**35,452**	**45,496**

Guarantees provided by the Company

The parent company provided financial guarantee to one of the construction partners in the nominal value of MHUF 600 in favour of Gránit Bank Zrt. The fair value of the guarantee is MHUF 3.

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 millions of Hungarian Forints (MHUF)

Legal entity	Project name	31.12.2023	31.12.2022
CG14	Sasad Panorama	0	1,869
CG15	Sasad Resort Sunrise	11,703	0
CG16	Termál Zugló 4	0	3,244
CG20	Naphegy 12	0	3,463
CG22	Millennium Residence 1	0	1,786
CG25	I6 Residence	1,652	4,355
CG27	Marina City	631	1,453
CG28	Sasad Resort Sunlight	3,042	2,340
CG29	Woodland1	14,892	0
PPK4	Safrano	3,173	2,462
PPW4	Jaśkowa Dolina	4,822	4,671
PPW6	Leśna Sonata	5,253	5,739
PPW7	Modena	9,712	10,498
SCFD	Jade Tower- Fuenghirola	10,553	11,035
PD14	Haffnera	6,840	0
RCPR	Parcului202	0	1,416
UCB2	22 Great Hampton Street	67	0
UBDG	Gothic	172	0
Total of fully consolidated entities		**72,512**	**54,331**

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 2023 after deduction of payments received at the reporting date (such payments being presented in the Consolidated Statement of Financial Position as customer advances). The contracted sales amount will be realized as revenue from sale of real estate in the upcoming years.

In millions of Hungarian Forints (MHUF)		Contracted sales	Contingent receivables	Contracted sales	Contingent receivables
Legal entity	**Project name**	**31.12.2023**	**31.12.2023**	**31.12.2022**	**31.12.2022**
CG11	Grand Corvin	0	0	3	3
CG12	Marina Portside	0	0	359	281
CG13	Universo	0	0	439	187
CG14	Sasad Resort Panorama	1,359	384	7,792	5,398
CG15	Sasad Resort Sunrise	2,760	670	0	0
CG16	Thermal Zugló 4	83	83	5,525	3,651
CG17	Young City 3	0	0	2	1
CG19	Grand Corvin 2	402	239	783	180
CG20	Naphegy 12	4,429	1,374	3,673	2,671
CG21	Corvin Next	2,034	613	334	251
CG22	Millennium Residence 1	1,989	985	4,414	3,138
CG25	I6 Residence	5,520	1,824	3,236	2,405
CG28	Sasad Resort Sunlight	499	169	3,273	2,449
CG29	Woodland 1	3,073	835	1,182	956
CG5	Grand'Or	0	0	98	8
CG9	Centropolitan	0	0	120	96
RCPR	Parcului20-1	4	1	127	108
RCPR	Parcului20-2	1,135	312	7,942	6,338
PPW2	Horyzont Praga	0	0	62	6
PPW3	Fantazja 1	343	148	6,079	422
PPW4	Jaskowa Dolina 1	0	0	5,593	453
PPW4	Jaskowa Dolina 2	4,982	1,737	2,571	1,222
PPW6	Leśna Sonata	5,150	3,469	2,982	1,236
PPW7	Modena 1	8,567	4,606	4,108	2,797
PPK2	Jerozolimska	572	177	2,642	459
PPK3	HI Mokotów	268	13	259	244
PPK4	Safrano	1,202	598	1,671	878
PD14	Haffnera Residence	83	9	163	145
SCFD	Jade Tower- Fuenghirola	18,583	8,712	16,426	13,434
Total of fully consolidated entities		**63,037**	**26,958**	**81,858**	**49,417**
CG6	Marina Life 2	0	0	107	96
PSK3	Stacja Kazimierz 5	0	0	960	316
Total including JVs and associates		**63,037**	**26,958**	**82,925**	**49,829**

40. Related parties

Open balances with related parties are presented in the Notes 25 and 30.
Please see the open balances breakdown based on the nature of the related party relationship.

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Receivables from associates and joint ventures	8	54
Receivables from other related party entities	541	2,892
Total receivables from related parties	**549**	**2,946**

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Liabilities to associates and joint ventures	201	771
Liabilities to parent company	0	108
Liabilities to other related party entities	551	1,329
Total liabilities to related parties	**752**	**2,208**

Transactions with parent company

During the year dividend was paid in the amount of 5 billion HUF to the parent companies of the Group.
The parent company purchased 36.17% of the shares in Finext Global 1. Ingatlanforgalmazó Részalap.

Transactions with associates

The movement of the investment in Argo Properties N.V. is presented in Note 18. The Group sold its major interest in Finext Global 1. Ingatlanforgalmazó Részalap, which became an associate.

Services provided to associates
For the ar ended 31 December

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
Other revenue	182	0
Total	**182**	**0**

Treasury bills were sold to associate entity recognizing 2 MHUF gain.

Transactions with joint ventures

Services provided to joint ventures
For the ar ended 31 December

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
Other revenue	61	168
Total	**61**	**168**

Treasury bills were sold to joint venture entity recognizing 3 MHUF gain.

Joint ventures paid the following amounts to the Group, which was accounted as decrease in Investments using equity method. Please see Note 18.

For the ar ended 31 December

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
Dividend recieved	1,385	1,970
Yield received	0	1,000
Total	**1,385**	**2,970**

Transactions with other related companies

Cordia Project Holdings Limited was sold to a related party. The Group also sold its 36.17% interest in Finext Global 1. Ingatlanforgalmazó Részalap to a related party.

The remaining sales price of the passive UK financial investments sold in 2022 was received. The investments of FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund and the investment in RAF I was sold at fair value to related parties.

The group purchased government bonds from a related party at fair value in the amount of 8 billion HUF.

Sales revenue

For the ar ended 31 December

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
Revenue from sale of real estate and rental income	0	593
Other revenue	540	345
Closing balance	**540**	**938**

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

Services rendered

For the ar ended 31 December

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
External services	1,226	1,304
Closing balance	**1,226**	**1,304**

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

The group recognized 30 MHUF financial gain on the sale of treasury bills to other related parties.

Property plant and equipment

For the ar ended 31 December

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
Purchased from Sister company	0	2
Sold to Sister company	103	0
Closing balance	**103**	**2**

Transactions with key management personnel

Key management personnel purchased in total 33,597 shares of the Parent entity from Finext Consultants Limited in 2023, representing 0.19% ownership. The purchase agreement provides call option to the Seller of the acquired shares and put option to the key management personnel. Key management personnel received dividend in the amount of 46 million HUF.

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 2023. Compensation to key management personnel can be presented as follows:

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**2023**	**2022**
Salary and other short time benefit	82	68
Incentive plan linked to financial results	478	462
Dividend received from Cordia International Zrt.	46	0
Total	**606**	**530**

Loans to directors

As at 31 December 2023 and 31 December 2022, 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 2023 if the euro had weakened/strengthened by 5% against the Hungarian forint the post-tax profit for the year would have been 83 MHUF higher / lower.

At 31 December 2023 if the Polish Zloty had weakened/strengthened by 5% against the Hungarian forint the post-tax profit for the year would have been 587 MHUF higher / lower.

At 31 December 2023 if the British pound had weakened/strengthened by 5% against the Hungarian forint the post-tax profit for the year would have been 65 MHUF higher / lower.

At 31 December 2023 if the Romanian lei had weakened/strengthened by 5% against the Hungarian forint the post-tax profit for the year would have been 46 MHUF lower / higher.

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 MHUF 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 2,007 MHUF 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 316 MHUF 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 77 MHUF higher / lower.

(ii) Price risk

The Group has exposure to price risk as it holds money market fund investments, treasury bills and government bonds (cash and cash equivalents and short-term financial assets measured through profit and loss, please see Note 23 and Note 27). The fair values of these assets are affected by changes in the market price of the underlying assets. Government bonds and treasury bills are traded on regulated markets.

The value of the option warrant to acquire 500,000 ARGO shares is exposed to the ARGO shares traded on TASE.

The money market fund consists of various financial instruments, and its value is depended on the underlying assets.

(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 minimised 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 decrease or no change in the short-term and interest rate decrease in the long-term:

1 percentage point	**Yearly effect on profit before tax (MHUF) 2023**	**Yearly effect on profit before tax (MHUF) 2022**
Interest rate decrease:	**(191)**	**(288)**
Interest rate increase:	**191**	**288**

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 2023

In millions of Hungarian Forints (MHUF)	**Less than 1 year**	**Between 1 and 5 years**	**Beyond 5 years**
Loans and borrowings	8,290	4,722	0
Trade and other payables	10,980	0	0
Liabilities to related parties	752	0	0
Bonds	23,828	47,418	29,320
Lease liabilities	19,701	1,339	0
Total	**63,551**	**53,479**	**29,320**

As at 31 December 2022

In millions of Hungarian Forints (MHUF)	**Less than 1 year**	**Between 1 and 5 years**	**Beyond 5 years**
Loans and borrowings	1,036	22,761	0
Trade and other payables	9,320	0	0
Liabilities to related parties	2,208	0	0
Bonds	3,636	61,600	38,860
Lease liabilities	16,781	1,602	0
Net assets attributable to non-controlling investment unit holders	908	0	0
Total	**33,889**	**85,963**	**38,860**

Please see the cash outflows from the investment commitments listed in Note 39.

As at 31 December 2023

In millions of Hungarian Forints (MHUF)	**Less than 1 year**	**Between 1 and 5 years**	**Beyond 5 years**
Uncharged commitments related to construction services	19,532	15,920	0
Total	**19,532**	**15,920**	**0**

As at 31 December 2022

In millions of Hungarian Forints (MHUF)	**Less than 1 year**	**Between 1 and 5 years**	**Beyond 5 years**
Uncharged commitments related to construction services	28,257	17,239	0
Total	**28,256**	**17,239**	**0**

Please see the nominal value of the financial guarantee provided by the Company based on the contractual term, presented in Note 39. No financial guarantee was provided in 2022.

As at 31 December 2023

In millions of Hungarian Forints (MHUF)	**Less than 1 year**	**Between 1 and 5 years**	**Beyond 5 years**
Financial guarantees	0	600	0
Total	**0**	**600**	**0**

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 millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Cash and cash equivalents	(50,825)	(64,888)
Restricted cash	(2,510)	(5,480)
Lease liabilities	21,040	18,384
Liabilities to related parties	752	2,208
Customer advances	31,828	34,807
Amounts withheld for guarantees	782	1,072
Loans and borrowings	13,011	23,797
Bonds	91,898	91,940
Net debt	**105,976**	**101,840**

In millions of Hungarian Forints (MHUF)	**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 Janury 2023	**(64,888)**	**(5,480)**	**18,384**	**2,208**	**34,808**	**1,072**	**23,797**	**91,940**	**101,841**
Cash flow	13,935	2,970	(1,090)	(1,456)	(5,143)	(290)	(10,647)	(3,632)	**(5,353)**
Lease modification and recognition of new lease liability	0	0	2,578	0	0	0	0	0	**2,578**
Derecognition of new lease liability	0	0	(532)	0	0	0	0	0	**(532)**
Interest	0	0	1,092	0	2,165	0	9	3,377	**6,643**
Foreign exchange adjustments	128	0	608	0	(2)	0	(148)	213	**799**
Net debt as at 31 December 2023	**(50,825)**	**(2,510)**	**21,040**	**752**	**31,828**	**782**	**13,011**	**91,898**	**105,976**

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

In millions of Hungarian Forints (MHUF)	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)**	**(4,010)**	**18,450**	**837**	**34,732**	**784**	**13,915**	**91,593**	**102,711**
Cash flow	(11,525)	(1,470)	(1,873)	1,371	(2,232)	288	9,444	(3,290)	**(9,287)**
Lease modification and recognition of new lease liability	0	0	1,218	0	0	0	0	0	**1,218**
Derecognition of new lease liability	0	0	(1,581)	0	0	0	0	0	**(1,581)**
Interest	0	0	1,045	0	1,354	0	60	3,287	**5,746**
Foreign exchange adjustments	227	0	1,125	0	954	0	378	350	**3,034**
Net debt as at 31 December 2022	**(64,888)**	**(5,480)**	**18,384**	**2,208**	**34,808**	**1,072**	**23,797**	**91,940**	**101,841**

* 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 2023

In millions of Hungarian Forints (MHUF)	**Hungary**	**Poland**	**Romania**	**Spain**	**United Kingdom**	**Total**
Revenue	29,635	25,527	8,386	0	555	**64,103**
Gross Profit/(Loss)	11,134	7,709	2,740	0	75	**21,658**
Net Profit/(Loss)	8,351	2,241	1,587	(1,038)	(1,403)	**9,738**

For the period ended 31 December 2022

In millions of Hungarian Forints (MHUF)	**Hungary**	**Poland**	**Romania**	**Spain**	**United Kingdom**	**Total**
Revenue	52,988	11,666	2,084	0	1,555	**68,293**
Gross Profit/(Loss)	21,637	2,946	726	0	111	**25,420**
Net Profit/(Loss)	25,198	(4,775)	50	(182)	(511)	**19,780**

Assets as of 31.12.2023

In millions of Hungarian Forints (MHUF)	Hungary	Poland	Romania	Spain	UK	Total
Assets						
Non-current assets						
Intangible assets	29	21	0	0	5	**55**
Investment properties	660	1,322	0	0	2,989	**4,971**
Property, plant and equipment	1,241	655	61	24	330	**2,311**
Long-term receivables from third parties	63	467	0	0	4	**534**
Investments accounted for using equity method	23,192	896	0	0	0	**24,088**
Deferred tax assets	0	1,336	26	122	0	**1,484**
Long-term VAT receivables	95	0	0	0	0	**95**
Other long-term assets	34	284	4	23	0	**345**
Goodwill	509	1	0	0	0	**510**
Non-current derivative assets	595	0	0	0	0	**595**
Total non-current assets	**26,418**	**4,982**	**91**	**169**	**3,328**	**34,988**
Current assets						
Inventory	59,283	69,846	8,412	20,421	15,225	**173,187**
Trade and other receivables	2,579	522	123	35	59	**3,318**
Short-term receivables from related parties	536	9	0	0	4	**549**
Other short-term assets	449	717	465	696	117	**2,444**
Income tax receivable	3,648	7	0	8	0	**3,663**
Short-term VAT receivables	1,685	640	13	1,021	129	**3,488**
Restricted cash	2,501	9	0	0	0	**2,510**
Other financial assets	12,050	0	0	0	0	**12,050**
Cash and cash equivalents	40,087	6,673	1,337	2,579	149	**50,825**
Total current assets	**122,818**	**78,423**	**10,350**	**24,760**	**15,683**	**252,034**
			Disposal group of assets classified as held for sale			
Assets classified as held for sale	0	88	0	0	0	**88**
Total disposal group of assets classified as held for sale	**0**	**88**	**0**	**0**	**0**	**88**
Total assets	**149,236**	**83,493**	**10,441**	**24,929**	**19,011**	**287,110**
Fair value difference on inventories*	18,712					**18,712**
Adjusted total assets	**167,948**	**83,493**	**10,441**	**24,929**	**19,011**	**305,822**

* 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 2023. In line with IFRS, this fair valuation is eliminated from the consolidated financial statements.

Liabilities as of 31.12.2023

In millions of Hungarian Forints (MHUF)	Hungary	Poland	Romania	Spain	UK	Total
Non-current liabilities						
Loans and borrowings	3,758	148	0	0	811	**4,717**
Bonds	70,644	0	0	0	0	**70,644**
Deferred tax liabilities	0	1,663	44	0	84	**1,791**
Other provision	0	802	0	0	0	**802**
Customer advances	6,697	5,003	0	0	0	**11,700**
Lease liabilities	603	717	19	0	0	**1,339**
Amount withheld for guarantees	225	300	257	0	0	**782**
Other long-term liabilities	124	15	2	0	0	**141**
Total non-current liabilities	**82,051**	**8,648**	**322**	**0**	**895**	**91,916**
Current liabilities						
Trade and other payables	5,372	3,019	161	1,756	448	**10,756**
Bonds	14,908	6,346	0	0	0	**21,254**
Short-term liabilities to related parties	215	450	48	11	28	**752**
Loans and borrowings	6,768	1,255	0	0	271	**8,294**
Customer advances	1,881	8,766	281	9200	0	**20,128**
Lease liabilities	205	19,480	16	0	0	**19,701**
Other tax liabilities	274	519	24	667	119	**1,603**
Other provision	0	5,846	18	172	0	**6,036**
Income tax liabilities	69	53	13	0	0	**135**
Current derivative liabilities	6	0	0	0	0	**6**
Total current liabilities	**29,698**	**45,734**	**561**	**11,806**	**866**	**88,665**
Total liabilities	**111,749**	**54,382**	**883**	**11,806**	**1,761**	**180,581**

Assets as of 31.12.2022

In millions of Hungarian Forints (MHUF)	Hungary	Poland	Romania	Spain	UK	Total
Assets						
Non-current assets						
Intangible assets	104	22	0	0	7	**133**
Investment properties	6,157	1,350	0	0	1,996	**9,503**
Property, plant and equipment	2,073	598	88	20	364	**3,143**
Long-term receivables from third parties	21	688	0	0	0	**709**
Investments accounted for using equity method	21,941	3,115	0	0	0	**25,056**
Deferred tax assets	0	1,210	0	0	0	**1,210**
Restricted cash	1,935	0	0	0	0	**1,935**
Long-term VAT receivables	138	0	0	0	0	**138**
Other long-term assets	32	276	5	5	0	**318**
Goodwill	523	1	0	0	0	**524**
Non-current derivative assets	1,330	0	0	0	0	**1,330**
Total non-current assets	**34,254**	**7,260**	**93**	**25**	**2,367**	**43,999**
Current assets						
Inventory	51,597	69,162	14,340	12,636	14,834	**162,569**
Trade and other receivables	400	838	75	50	87	**1,450**
Short-term receivables from related parties	2,839	102	0	0	5	**2,946**
Other short-term assets	2,473	752	567	532	96	**4,420**
Income tax receivable	6	35	22	1	0	**64**
Short-term VAT receivables	2,244	1,983	67	19	100	**4,413**
Restricted cash	3,527	18	0	0	0	**3,545**
Other financial assets	7,840	0	0	20	0	**7,860**
Cash and cash equivalents	52,240	8,081	986	2,388	1,194	**64,888**
Total current assets	**123,166**	**80,971**	**16,057**	**15,646**	**16,316**	**252,156**
Disposal group of assets classified as held for sale						
Assets classified as held for sale	0	145	0	0	0	**145**
Total disposal group of assets classified as held for sale	**0**	**145**	**0**	**0**	**0**	**145**
Total assets	**157,420**	**88,376**	**16,150**	**15,671**	**18,683**	**296,300**
Fair value difference on inventories*	20,135					**20,135**
Adjusted total assets	**177,555**	**88,376**	**16,150**	**15,671**	**18,683**	**316,435**

* 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 millions of Hungarian Forints (MHUF)	Hungary	Poland	Romania	Spain	UK	Total
Non-current liabilities						
Loans and borrowings	17,872	724	3,626	0	539	**22,761**
Bonds	85,550	6,106	0	0	0	**91,656**
Deferred tax liabilities	0	2,002	48	0	115	**2,165**
Other provision	0	824	0	0	0	**824**
Customer advances	2,880	680	0	3,195	0	**6,755**
Lease liabilities	743	823	36	0	0	**1,603**
Amount withheld for guarantees	417	289	366	0	0	**1,072**
Other long-term liabilities	126	8	0	0	0	**134**
Total non-current liabilities	**107,588**	**11,456**	**4,076**	**3,195**	**654**	**126,969**
Current liabilities						
Trade and other payables	4,734	2,894	325	826	541	**9,320**
Bonds	249	35	0	0	0	**284**
Short-term liabilities to related parties	1,087	1,005	44	14	58	**2,208**
Loans and borrowings	589	42	0	0	405	**1,036**
Customer advances	8,033	18,390	1,629	0	1	**28,053**
Lease liabilities	189	16,565	17	10	0	**16,781**
Other tax liabilities	958	1,365	11	31	82	**2,447**
Other provision	0	5,106	155	0	0	**5,261**
Income tax liabilities	532	92	0	0	10	**634**
Other short-term liabilities	0	0	0	0	120	**120**
Total current liabilities	**16,371**	**45,494**	**2,181**	**881**	**1,217**	**66,144**
Total liabilities	**123,960**	**56,949**	**6,257**	**4,076**	**1,871**	**193,113**

The Board of Directors examined the effect of WWA Development 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. WWA Development Group is not considered a separate operating segment but part of the Polish segment.

For the period ended 31 December 2023

In millions of Hungarian Forints (MHUF)	**Cordia group without WWA Development**	**WWA Development**	**Total in 2023**
Revenue	**61,956**	**2,147**	**64,103**
Cost of sales	**(41,252)**	**(1,193)**	**(42,445)**
Gross profit	**20,704**	**954**	**21,658**
Selling and marketing expenses	(4,084)	(19)	**(4,103)**
Administrative expenses	(5,285)	(558)	**(5,843)**
Net gain/loss from fair valuation of investment and development properties	1,025	112	**1,137**
Other expenses	(2,185)	(857)	**(3,042)**
Other income	541	444	**985**
Operating profit	**10,716**	**76**	**10,792**
Interest income	3,396	88	**3,484**
Other financial income	7,400	41	**7,441**
Finance income	**10,796**	**129**	**10,925**
Interest expense	(3,546)	(840)	**(4,386)**
Other financial expense	(5,073)	(229)	**(5,302)**
Finance expense	**(8,618)**	**(1,069)**	**(9,687)**
Net finance income/(expense)	**2,178**	**(940)**	**1,238**
Share of profit/(loss) in associate and joint venture	(1,461)	142	**(1,319)**
Profit before taxation	**11,432**	**(722)**	**10,710**

For the period ended 31 December 2022

In millions of Hungarian Forints (MHUF)	Cordia group without WWA Development	WWA Development	Total in 2022
Revenue	**63,269**	**5,024**	**68,293**
Cost of sales	**(38,643)**	**(4,229)**	**(42,873)**
Gross profit	**24,626**	**794**	**25,420**
Selling and marketing expenses	(4,421)	(213)	(4,635)
Administrative expenses	(5,137)	(824)	(5,961)
Net gain/loss from fair valuation of investment and development properties	1,251	936	2,188
Other expenses	(1,276)	(7,387)	(8,663)
Other income	242	1,011	1,253
Operating profit	**15,285**	**(5,683)**	**9,602**
Interest income	1,937	210	2,147
Other financial income	11,854	180	12,034
Finance income	**13,791**	**390**	**14,181**
Interest expense	(3,643)	853	(2,790)
Other financial expense	(5,184)	115	(5,069)
Finance expense	**(8,826)**	**967**	**(7,859)**
Net finance income/(expense)	**4,964**	**1,358**	**6,322**
Share of profit/(loss) in associate and joint venture	2,563	2,485	5,048
Profit before taxation	**22,811**	**(1,840)**	**20,972**

Assets as of 31 December

In millions of Hungarian Forints (MHUF)	**Cordia group without WWA Development**	**WWA Development**	**Total in 2023**
Non-current assets			
Intangible assets	42	13	**55**
Investment properties	3,649	1,322	**4,971**
Property, plant and equipment	1,860	451	**2,311**
Long-term receivables from third parties	69	465	**534**
Investments accounted for using equity method	23,192	896	**24,088**
Deferred tax assets	148	1,336	**1,484**
Long-term VAT receivables	95	0	**95**
Other long-term assets	325	20	**345**
Goodwill	510	0	**510**
Non-current derivative assets	594	1	**595**
Total non-current assets	**30,484**	**4,504**	**34,988**
Current assets			
Inventory	148,343	24,844	**173,187**
Trade and other receivables	3,021	297	**3,318**
Short-term receivables from related parties	531	18	**549**
Other short-term assets	2,432	12	**2,444**
Income tax receivable	3,663	0	**3,663**
Loan receivables	0	0	**0**
Short-term VAT receivables	3,270	218	**3,488**
Restricted cash	2,510	0	**2,510**
Other financial assets	12,050	0	**12,050**
Cash and cash equivalents	50,802	23	**50,825**
Total current assets	**226,622**	**25,412**	**252,034**
Disposal group of assets classified as held for sale			
Assets classified as held for sale	88	0	88
Total disposal group of assets classified as held for sale	**88**	**0**	**88**
Total assets	**257,194**	**29,916**	**287,110**

Liabilities as of 31 December

In millions of Hungarian Forints (MHUF)	**Cordia group without WWA Development**	**WWA Development**	**Total in 2023**
Non-current liabilities			
Loans and borrowings	4,717	0	**4,717**
Bonds	70,644	0	**70,644**
Deferred tax liabilities	451	1,340	**1,791**
Other provision	87	715	**802**
Customer advances	11,700	0	**11,699**
Lease liabilities	756	583	**1,339**
Amount withheld for guarantees	628	154	**782**
Other long-term liabilities	127	14	**141**
Total non-current liabilities	**89,110**	**2,806**	**91,916**
Current liabilities			
Trade and other payables	10,372	384	**10,756**
Bonds	21,254	0	**21,254**
Short-term liabilities to related parties	552	200	**752**
Loans and borrowings	8,294	0	**8,294**
Customer advances	20,128	0	**20,128**
Lease liabilities	2,846	16,855	**19,701**
Other tax liabilities	1,506	97	**1603**
Other provision	351	5,685	**6,036**
Income tax liabilities	107	28	**135**
Current derivative liabilities	6	0	**6**
Total current liabilities	**65,416**	**23,249**	**88,665**
Total liabilities	**154,526**	**26,055**	**180,581**

45. Other information

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 2024, 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

The conversion of Cordia International Zrt. into CORDIA International Ingatlanfejlesztő SE Zártkörűen Működő Európai Részvénytársaság as a European Company (Societas Europaea or SE) ("Conversion") based on Article 37 of COUNCIL REGULATION (EC) No 2157/2001 on the Statute for a European company (SE) (EC Regulation) was registered by the Court of Registry of the Metropolitan Regional court of Appeal of Hungary as of 01 January 2024 under the registration number 01-20-000006 and tax number: 32410185-2-42.

Completion and change of projects

The Company's subsidiary involved in development of the residential project „i6 Residence by Cordia" obtained the permit for occupancy (comprising 162 apartments) in Budapest, VIII. district.

The Company's subsidiary involved in development of the residential project „Naphegy 12 by Cordia" obtained the permit for occupancy (comprising 41 apartments) in Budapest, I. district.

Project bank financing Loans

Two new credit facility agreements were signed for the financing of Projects in Budapest (Hungary) VIII. district and in Birmingham (UK). One of the loan (Hungary) is provided by CIB Bank Zrt. in the total amount of HUF 5.4 billion and the other loan (UK) is provided by Octopus Administrative Services Limited and Bridgeco Limited in the total amount of HUF 8.2 billion (GBP 18,629,654).

Settlement

In April 2024 Wilanów Office Park - B1 Sp. z o.o., a subsidiary acquired with WWA Development S.A. in 2020, and Polaqua reached a settlement with respect to an over ten years' long lease dispute and its associated claims. The settlement was approved by the court as of 05.04.2024 and additionally the court decided to close all pending proceedings between the parties. The remaining escrow amount is anticipated to be disbursed until 1st September 2024.

Földi Tibor

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Tibor Földi
Chairman of the Board

Budapest, 30 April 2024

Appendix

Group composition as at 31 December 2023

Entity name	Place of operation	Share of ownership & voting rights at		Nature of relationship	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
Argo Properties N.V.*	Germany	16.57%	14.75%	Associate	Associate
Cereman Vagyonkezelő Zrt.	Hungary	100%	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%	100%	Subsidiary	Subsidiary
Sasad Resort 2 Kft.	Hungary	72.50%	72.50%	Subsidiary	Subsidiary
Cordia Házak Társasházkezelő Kft. Formerly: Cordia Central Ingatlanfejlesztő Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 6 Ingatlanbefektetési Részalap	Hungary	100%	50%	Subsidiary	Joint venture
Cordia Global 7 Ingatlanbefektetési Részalap	Hungary	0%	100%	Not related	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
Cordia Global 28 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary

Entity name	Place of operation	Share of ownership & voting rights at		Nature of relationship	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
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%	100%	Subsidiary	Subsidiary
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	27.66%	100%	Associate	Subsidiary
Cordia Preferred Return 1 Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Residential Partners Grand Corvin Alapok Alapja Részalap	Hungary	100%	38.32%	Subsidiary	Subsidiary
Cordia European Residential Investments Vagyonkezelő Korlátolt Felelősségű Társaság	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Real Estate Funds Luxembourg SICAV-RAIF	Luxembourg	100%	100%	Subsidiary	Subsidiary
Finext Funds BP SICAV-SIF	Luxembourg	100%	100%	Subsidiary	Subsidiary
Cordia Blackswan UK GP S.à r.l.	Luxembourg	100%	100%	Subsidiary	Subsidiary
Cordia UK S.à r.l.	Luxembourg	100%	100%	Subsidiary	Subsidiary
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.	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
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

Entity name	Place of operation	Share of ownership & voting rights at		Nature of relationship	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
Leśna Sonata Cordia Partner 5 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	Poland	100%	100%	Subsidiary	Subsidiary
Craft Development Cordia Partner 2 Sp. z o.o. Sp.k Formerly: 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%	100%	Subsidiary	Subsidiary
Cordia Idea sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 12 sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 13 sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Haffnera Residence sp. z o.o. Formerly: Cordia Development 14 sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 15 sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 16 sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 17 sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 18 sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 19 sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 20 sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 21 sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 22 sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 23 sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 24 sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 25 sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
WWA Development SA Formerly: Polnord SA	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Stogi sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
FPP Powsin Sp. z o.o.	Poland	49%	49%	Joint venture	Joint venture
Fadesa Polnord Polska Sp. z o.o.	Poland	0%	49%	N/A	Joint venture
Development PL 3 Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Development PL 2 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
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
WWA Development Spółka Akcyjna Finanse S.j. Formerly: Polnord Spółka Akcyjna Finanse S.j.	Poland	100%	100%	Subsidiary	Subsidiary
Apartamenty PL Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary

Entity name	Place of operation	Share of ownership & voting rights at 31.12.2023	Share of ownership & voting rights at 31.12.2022	Nature of relationship 31.12.2023	Nature of relationship 31.12.2022
Brama Wilanowska PL Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Construction PL Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Gdańsk Dwa Tarasy PL Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Development PL 1 Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Inwestycje Wilanów PL Sp. z o.o. S.j.	Poland	100%	100%	Subsidiary	Subsidiary
Inwestycje Wilanów PL Sp. z o.o. Łódź City Park S. K.	Poland	100%	100%	Subsidiary	Subsidiary
Inwestycje Wilanów PL Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Olsztyn Tęczowy Las PL Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Rezydencje Serwis PL Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Szczecin Ku Słońcu PL Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Warszawa-Ząbki Neptun PL Sp. z o.o.	Poland	0%	100%	Not related	Subsidiary
Stacja Kazimierz I Sp. z o.o.	Poland	50%	50%	Joint venture	Joint venture
Stacja Kazimierz III Sp. z o.o.	Poland	50%	50%	Joint venture	Joint venture
Stacja Kazimierz III Sp. z o.o. SK	Poland	50%	50%	Joint venture	Joint venture
Śródmieście Wilanów PL 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
Wilanów Ulice Operator PL sp. z o.o.	Poland	100%	0%	Subsidiary	Not related
Wilanów SOWD Operator PL sp. z o.o.	Poland	100%	0%	Subsidiary	Not related
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
Citylife Development SRL Formerly: 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
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
Cordia Fuengirola Development Company Sociedad Limitada	Spain	100%	100%	Subsidiary	Subsidiary
Cordia Mijas M14 S.L.	Spain	100%	0%	Subsidiary	Not related
Cordia Mijas Project Development S.L.	Spain	100%	0%	Subsidiary	Not related
Cordia UK Holdings Limited	United Kingdom	100%	100%	Subsidiary	Subsidiary
Cordia UK Property Limited Formerly: Cordia Blackswan Property Limited	United Kingdom	100%	97%	Subsidiary	Subsidiary
Cordia UK Project Holdings Limited Formerly: Cordia Blackswan Holdings Limited	United Kingdom	100%	97%	Subsidiary	Subsidiary
Blackswan Property Limited	United Kingdom	100%	97%	Subsidiary	Subsidiary
Cordia UK (The Gothic) Limited Formerly: Blackswan Developments (The Gothic) Limited	United Kingdom	100%	97%	Subsidiary	Subsidiary

Entity name	Place of operation	Share of ownership & voting rights at		Nature of relationship	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
Cordia UK (Bradford Works) Limited Formerly: Blackswan (Bradford Works) Limited	United Kingdom	100%	97%	Subsidiary	Subsidiary
Cordia UK (Lampworks) Limited Formerly: Blackswan Developments (Barr Street) Limited	United Kingdom	100%	97%	Subsidiary	Subsidiary
Cordia UK (Thorp) Limited Formerly: Cordia Blackswan (Thorp) Limited	United Kingdom	100%	97%	Subsidiary	Subsidiary
Cordia UK (22GHS) Limited Formerly: Cordia Blackswan (22 Great Hampton Street) Limited	United Kingdom	100%	97%	Subsidiary	Subsidiary
Cordia UK (Key Hill) Limited Formerly: Cordia Blackswan (Key Hill) Limited	United Kingdom	0%	97%	Not related	Subsidiary
Cordia UK (Nightingale) Limited Formerly: Cordia Blackswan (Nightingale) Limited	United Kingdom	100%	97%	Subsidiary	Subsidiary
Cordia UK (Moseley Street) Limited Formerly: Cordia Blackswan (Cheapside) Limited	United Kingdom	100%	97%	Subsidiary	Subsidiary
Cordia UK (Project 1) Limited Formerly: Cordia Blackswan (Project 1) Limited	United Kingdom	100%	97%	Subsidiary	Subsidiary
Nightingale Knitwear Centre Limited	United Kingdom	100%	97%	Subsidiary	Subsidiary
Cordia UK (Mott Street) Property Unit Trust Formerly: Cordia Blackswan (Mott Street) Property Unit Trust	United Kingdom	100%	97%	Subsidiary	Subsidiary
Cordia Project Holdings Limited	United Kingdom	0%	100%	Not related	Subsidiary

*The principal place of business of Argo Properties N.V. is Germany, and the country of incorporation is The Netherlands.