CORDIA INTERNATIONAL ZRT.

IFRS SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2023

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Separate 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			
Interest revenue	*9*	6,483	7,628
Total investment income		**6,483**	**7,628**
Other income		38	35
Total operating income		**38**	**35**
Administrative expenses		(88)	(91)
Other expense	*10*	(457)	(10)
Interest expense	*9*	(2,756)	(2,813)
Total operating expenses		**(3,301)**	**(2,914)**
Other financial income		4,138	860
Other financial expense		(811)	(493)
Other financial result	*11*	**3,327**	**367**
Fair value change of instruments measured at fair value through profit and loss	*13*	**12,343**	**13,906**
Foreign exchange gain		1,786	4,610
Foreign exchange loss		(1,955)	(720)
Foreign exchange - net gain / (loss)	*12*	**(169)**	**3,890**
Share of net profit/(loss) of investments accounted for equity method	*7*	**(3,582)**	**(1,889)**
Profit before taxation		**15,139**	**21,023**
Income tax expense	*14*	**(418)**	**(602)**
Profit for the period		**14,721**	**20,421**
Exchange differences on translating foreign operations		(396)	3,175
Other comprehensive income/(loss)		**(396)**	**3,175**
Total comprehensive income for the period, net of tax		**14,325**	**23,596**

The notes on pages 6 to 39 are an integral part of these separate financial statements

Separate Statement of Financial Position

In millions of Hungarian Forints (MHUF)	*Note*	31.12.2023	31.12.2022
Assets			
Non-current assets			
Intangible assets		3	4
Long-term receivables - related parties	*6(a)*	68,248	55,134
Investment in subsidiaries	*7*	101,666	95,722
Long-term financial assets		147	653
Total non-current assets		**170,064**	**151,513**
Current assets			
Short-term receivables - related parties	*6(a)*	25,593	23,567
Other current assets		8	9
Other short-term financial assets	*6(f)*	12,425	6,202
Income tax receivable	*14*	3,647	0
Cash and cash equivalents	*6(c)*	20,528	42,015
Total current assets		**62,201**	**71,793**
Total assets		**232,265**	**223,306**

In millions of Hungarian Forints (MHUF)	*Note*	31.12.2023	31.12.2022
Equity and liabilities			
Shareholders' equity			
Share capital	*8*	18,014	18,014
Share premium	*8*	13,461	13,461
Foreign currency translation reserve		3,630	4,026
Retained earnings		110,378	100,791
Total equity		**145,483**	**136,292**
Non-current liabilities			
Related party liabilities	*6(b)*	311	301
Bonds	*6(d)*	70,644	85,550
Total non-current liabilities		**70,955**	**85,851**
Current liabilities			
Trade and other payables (current)		10	9
Bonds	*6(d)*	14,908	249
Related party liabilities	*6(b)*	373	402
Short-term financial liabilities	*6*	499	0
Other tax liabilities		37	503
Total current liabilities		**15,827**	**1,163**
Total liabilities		**86,782**	**87,014**
Total equity and liabilities		**232,265**	**223,306**

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Separate Statement of Changes in Equity

For the period ended 31 December

In millions of Hungarian Forints (MHUF)	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total equity
Balance at 01 January 2022	**18,014**	**13,461**	**851**	**80,370**	**112,696**
Profit/(loss) for the year	0	0	0	20,421	**20,421**
Other comprehensive income/(loss)	0	0	3,175	0	**3,175**
Balance at 31 December 2022	**18,014**	**13,461**	**4,026**	**100,791**	**136,292**
Balance at 01 January 2023	**18,014**	**13,461**	**4,026**	**100,791**	**136,292**
Dividend distributed	0	0	0	(5,134)	**(5,134)**
Profit/(loss) for the year	0	0	0	14,721	**14,721**
Other comprehensive income/(loss)	0	0	(396)	0	**(396)**
Balance at 31 December 2023	**18,014**	**13,461**	**3,630**	**110,378**	**145,483**

Please refer to Note 8 for explanation of the equity related movements.

The notes on pages 6 to 39 are an integral part of these separate financial statements

Separate Statement of Cash Flows

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	*Note*	2023	2022
Profit before tax		**15,139**	**21,023**
Adjustments to reconcile profit for the period to net cash used in operating activities*:*			
Net interest income		(3,727)	(4,814)
Net change in financial result		(3,327)	(367)
Share of net (profit)/ loss of investments accounted for equity method	*7*	3,582	1,889
Other non-cash movement*		(45)	46
Fair value change of instruments measured at fair value through profit and loss	*13*	(12,343)	(13,906)
(Decrease)/increase in liabilities to related parties	*6(b)*	144	418
Loans received from related parties	*6(b)*	781	8,482
Loans repaid to related parties	*6(b)*	(944)	(15,143)
Decrease/(increase) in long-term and short-term financial assets	*6(f)*	(2,288)	(6,488)
(Decrease)/increase in financial liabilities		492	0
Increase in trade and other payables		3	(41)
Decrease/(increase) of related party receivables	*6(a)*	(15,909)	(3,392)
Loans granted to related parties	*6(a)*	(39,661)	(33,944)
Loans repaid by related parties	*6(a)*	43,249	52,552
(Increase) in loan receivables	*6(e)*	(3,349)	(5,558)
Decrease in loan receivables	*6(e)*	3,349	5,558
Interest paid	*9*	(2,987)	(3,009)
Interest received	*9*	2,164	4,540
Income tax paid	*14*	(4,531)	(215)
Net cash (used in)/ from operating activities		**(20,208)**	**7,631**
Consideration paid for investment in subsidiaries	*7*	(9,861)	(8,828)
Consideration received from sale or redemption of investments		5	688
Consideration paid for investment in associate	*7*	(1,507)	0
Dividend received	*7*	15,093	19,874
Net cash from/ (used in) investing activities		**3,730**	**11,734**
Loan drawdown		0	50
Loan repayment		0	(287)
Dividend paid		(5,134)	0
Net cash from financing activities		**(5,134)**	**(237)**
Net change in cash and cash equivalents		**(21,612)**	**19,128**
Cash and cash equivalents at beginning of the year		42,015	23,163
Effects of exchange rate changes on cash and cash equivalents		125	(276)
Cash and cash equivalents at end of the year	***6(c)***	**20,528**	**42,015**

*The other non-cash movements derive mainly from foreign currency difference on investments.

The notes on pages 6 to 39 are an integral part of these separate financial statements

Notes to the Financial Statements

1. Background and business of the Company

(a) **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 operated further as Cordia International SE effective from 1 January 2024. For more details, please see the subsequent events.

The Company is a holding company focused on managing its subsidiaries. The core business of the subsidiaries 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, Spanish, Romanian 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 Spain, in Romania and in the United Kingdom.

As of 31 December 2023, the Company had the following owners:

- Cordia Holding B.V. as direct controlling party - 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. as direct controlling party - 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 owner of CORDIA International Ingatlanfejlesztő Zrt. with its registered office in Budapest, Hungary. The ultimate consolidating entity is FR Group B.V.

The structure of Cordia International Zrt. Group (including companies with indirect ownership only) is presented in Note 2 below.

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.

2. Cordia International Zrt.'s investment in subsidiaries

The investment in subsidiaries comprises the investments in equity shares of group companies and is measured using the equity method in line with IAS 28.

The Company's principal subsidiaries as of 31 December 2023 are set out below. Unless otherwise stated, their share capital consisting of solely ordinary shares are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/Country of incorporation	Ownership interest held by the Company (direct interest) 31.12.2023	31.12.2022
Cordia Lands Investment Ltd.	Nicosia, Cyprus	94.95%	94.95%
Cordia New Times Ingatlanfejlesztő Kft.	Hungary, Budapest	70%	70%
Cordia Házak Társasházkezelő Kft. Formerly: Cordia Central Ingatlanfejlesztő Kft.	Hungary, Budapest	0%	100%
Cordia New Ages Ingatlanfejlesztő Kft.	Hungary, Budapest	100%	100%
Cordia Management Szolgáltató Kft.	Hungary, Budapest	1%	1%
Cordia Management Poland sp. z o.o.	Poland	1%	1%
Cordia Belváros Kft.	Hungary, Budapest	70%	70%
Cereman Vagyonkezelő Zrt.	Hungary, Budapest	95%	95%
Cordia Románia Holding A	Hungary, Budapest	100%	100%
Cordia Iberia Holding, S.L.	Spain	100%	100%
Villena Sp. z o.o.	Poland	100%	100%
Cordia Supernova Sp. Z o.o.	Poland	100%	100%
Cordia Polska SP. Z.o.o.	Poland	100%	100%
Cordia Real Estate Funds Luxembourg SICAV-RAIF	Luxemburg	96.77%	95.65%
CDS-Cordia Development Services SRL	Romania	5%	5%
Cordia Europe Holding Kft.	Hungary, Budapest	0.035%	0.035%
WWA Development S.A. Formerly: Polnord S.A.	Poland	100%	100%
European Residential Investments Vagyonkezelő Kft.	Hungary	100%	100%
Cordia UK Holdings Limited	United Kingdom	100%	100%
Argo Properties N.V.	Germany*	1.970%	0.145%
Cordia European Residential Investments Vagyonkezelő Kft.	Hungary, Budapest	100%	100%
Cordia Blackswan UK GP S.a.r.l.	Luxemburg	100%	100%
Corida UK S.a.r.l.	Luxemburg	100%	100%
Cordia Spain Residential Holding Kft.	Hungary, Budapest	100%	0%

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

Due to indirect interest through different group companies, all investments except ARGO N.V. with direct ownership of less than 50% are considered to be subsidiaries. The company has control over these entities as defined in IFRS 10 'Consolidated financial statements' and are therefore accounted using the equity method under IAS 28. The Company holds redeemable shares in Cordia Real Estate Funds Luxembourg SICAV-RAIF. The investments in Cordia Real Estate Funds Luxembourg SICAV-RAIF are accounted for debt instruments and measured at fair value through profit and loss based on IFRS 9.

3. Basis of preparation and measurement

a. Basis of preparation and statement of compliance

The separate financial statements of Cordia International Zrt. 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). Separate IFRS financial statements are prepared to provide useful information for bond holders.

Cordia International Zrt. also prepares IFRS consolidated financial statements[1] for bond holders for reporting purposes. Accounting policies applied in these financial statements are in line with the accounting policies used for preparation of IFRS consolidated financial statements.

Cordia International Zrt. prepares statutory separate financial statements under local GAAP (i.e. based on the regulations of Act C of 2000 in Hungary, also referred as "HAR"). HAR financial statements serve as the basis for taxation and for all other local regulatory purposes.

The financial statements have been prepared applying a historical cost convention, except for the measurement of investment in subsidiaries which are measured subsequently by using the equity-method in line with IAS 28 and redeemable shares measured at fair value through profit and loss in line with IFRS 9.
The 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 financial statements were authorized by the Boards of Directors of Cordia International on 30 April 2024.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The 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 financial statements are disclosed in section "3.e." below.

b. New and amended standards

The accounting policies adopted are consistent with those of the previous financial year.
A few 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 4 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 30 June and 31 December 2023 reporting periods and have not been early adopted by the Group. The adoption of new accounting standards is in progress with Accounting policies being up-dated (where relevant).

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

  The amendments originally were effective for annual reporting periods starting on 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

[1] Published financial statements are available on the company website: https://cordiahomes.com/

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.

c. Basis of measurement

The financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of investment in subsidiaries which are measured subsequently by using the equity-method in line with IAS 28 and redeemable shares measured at fair value through profit and loss in line with IFRS 9.

d. Functional and presentation currency

The financial statements are presented in millions of Hungarian Forint, which is the company's functional and presentation currency.

e. Use of estimates and critical judgments

The Company makes estimates and assumptions that affect the amounts recognized in the separate financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognized in the separate financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Impairment of subsidiaries

Investments in subsidiaries are initially recognized at costs and remeasured with IAS 28 equity method. The company assesses at each balance sheet date whether there is objective evidence that an investment in a subsidiary is impaired. If any such evidence exists, the impairment loss is determined and recognized in the income statement.
In considering whether any impairment triggers exist, the company considers, among other factors, the following ones:

- The performance of its subsidiaries
- Market conditions and economic developments
- In the case of dividends payment:
    - whether the carrying amount of the investment in the separate financial statements exceeds the carrying amounts in the consolidated financial statements of the investee's net assets,
    - if the dividend exceeds the total comprehensive income of the subsidiary.

Impairment of receivables

The outstanding receivables of the company are loans granted to subsidiaries. They are initially valued at fair value and subsequently measured at amortized cost. In accordance with IFRS 9, the receivables are subject to the expected credit loss impairment model. Given that all recorded receivables are intercompany loans, the company considers them low-risk and estimated an impairment provision as insignificant to the following reasons:

- loans which are repayable on demand, the lender expects to be able to recover the outstanding balance of the loan if demanded;
- they are low credit risk, so 12-month expected credit losses can be calculated, which might not be material; or
- they have not had a significant increase in credit risk;
- loans granted to the Company's subsidiaries are used to finance Cordia Group's activities related to the development of its portfolio of residential assets and the assets purchased by the Company's subsidiaries increase in value and do not require impairment to be recognized.

Supplementary capital provided to subsidiaries

The supplementary capital provided to subsidiaries is valued at fair value through profit and loss. The management made significant judgment in the timing of the repayment. The repayment of the supplementary capital is expected in 2024 and the fair value of the receivables was determined with discounted cashflow model.

Determination of functional currency

The functional currency is determined by primary economic environment in which the Company operates. The Company is registered in Hungary however, a significant part of its transactions is done in PLN and EUR as well. Management believes that indicators provided by IAS 21 show a mixed picture. Considering that the ultimate owner of the company is Hungarian, most of the construction projects are located in Hungary and the company's principal place of operations is in Hungary, bond financing is made in Hungarian Forint, management determined the functional currency to be the Hungarian Forint (HUF).

4. Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented. 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. Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates – as published by the Hungarian National Bank - prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss for the year.

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

b. Revenue

Cordia International Zrt. is a holding company that does not enter into contracts with customers which are in the scope of IFRS 15. Based on this, impact of IFRS 15 'Revenue from contracts with customers' is not considered to be relevant. Cordia International Zrt's ordinary activities comprise holding investments and intercompany loans.
Related income mainly includes dividend and interest income. Based on the accounting policy, the Company presents these amounts within total investment income in the statement of comprehensive income.

Interest revenue is recognized based on IFRS 9 (please refer to separate section about financial instruments below).

Dividend income is recognized in line with IAS 28. For detailed accounting policy, please refer to section 3.h below.

c. Financial instruments

Financial assets

In line with IFRS 9, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Since the Company is a holding entity with mainly intercompany loans as financial instruments, which are only financial assets held at amortized cost in case the loans are met the SPPI criteria. Part of the investments in subsidiaries are measured using the equity method in line with IAS 28. Redeemable shares can be redeemed anytime and are considered debt instruments, valued at fair value through profit and loss. The Company also holds puttable financial instruments in its subsidiary investment fund which do not meet the requirements described in paragraphs 16A to 16B of IAS32. Such instruments are measured at Fair Value through Profit and Loss based on IFRS 9.
The supplementary capital is debt instrument measured at fair value through profit and loss. The supplementary capital does not meet the criteria of equity instrument based on IAS 32 based on the following:

- it is not a residual interest in an entity's assets after deducting all of its liabilities,
- it should be repaid,

- the management expects that the subsidiaries will be able to repay the amount granted to them, therefore the contingent settlement provision shall be considered as genuine,
- the subsidiaries are required to settle the obligation after the recovery of the capital position,
- the supplementary capital is senior to the claims of ordinary shareholders.

Recognition and derecognition
Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement
At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Currently the company only holds financial assets measured at amortized costs and measured at fair value through profit and loss. Refer also to Note 6 for more information on financial assets.

Financial liabilities – loans and borrowings (including bonds)
Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are 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.

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 noncash assets transferred or liabilities assumed, is recognized in profit or loss as financial income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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
The IFRS 9 impairment model is applied to the loan receivables from related parties.

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 intercompany loan receivables the Company measures impairment using lifetime ECL.
The Company's financial assets are intercompany loans within the scope of IFRS 9 might not require a material impairment provision to be recognized, because:

- the lender expects to be able to recover the outstanding balance of the loan, if demanded;
- they are low credit risk, so 12-month expected credit losses can be calculated, which might not be material; or
- they have not had a significant increase in credit risk since the loan was first recognized, or have a remaining life of less than 12 months, so 12-month expected credit losses are calculated, which, as noted above, might not be material;
- loans granted to the Company's subsidiaries are used to finance Cordia Group's activities related to development of its portfolio of residential assets and the assets purchased by the Company's subsidiaries increase in value and do not require impairment to be recognized.

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

d. Receivables from related parties

Financial assets recognized in the statement of financial position are loan receivables from related parties. 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.

e. 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.

f. Liabilities to related parties

Financial liabilities recognized in the statement of financial position are loans and borrowings obtained from related parties.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Liabilities to related parties are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

g. Investment in subsidiaries

Investments in subsidiaries are recognized at cost and they subsequently measured by using the equity method in line with IAS 28. Assets that qualify as impaired are measured at their impaired value, any impairment is recorded in the income statement.

Based on IAS 28.27, in case the investee is itself a group, the net assets, profits or losses, and other comprehensive income used for the purpose of equity accounting are those recognized in the investee's own consolidated financial statements, after any adjustment necessary to give effect to the entity’s accounting policies.

The Cordia International’s share of the investee's profit or loss is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income.

If Cordia International’s share of losses of a subsidiary, associate or joint venture equals or exceeds its interest in the subsidiary, associate or joint venture, Cordia International discontinues recognising its share of further losses. The interest in a subsidiary, associate or joint venture is the carrying amount of the investment in the subsidiary, associate, or joint venture under the equity method together with any long-term interests that, in substance, form part of Cordia International’s net investment in the subsidiary, associate or joint venture. After Cordia International’s interest is reduced to zero, a liability is recognized only to the extent that the Cordia International has incurred legal or constructive obligations or made payments on behalf of the subsidiary or associate. If the subsidiary, associate, or joint venture subsequently reports profits, Cordia International recognizes its share of those profits only after its share of the profits equals the share of losses not recognized.

An associate, subsidiary or joint venture might pay a dividend that is greater than the carrying amount of the investment in the Company’s books. The carrying amount is reduced to nil, but it does not become negative. If the Company has no legal or constructive obligations to make payments on behalf of the associate, subsidiary or the joint venture, a gain is recognized in profit or loss for the remaining dividend. This gain is recorded as other investment income in the statement of total comprehensive income. Cordia International Zrt.’s accounting policy is to recognize any subsequent share of the profit/loss of the subsidiary through the statements of total comprehensive income. This means that the amount recorded as other investment income does not have an impact on the share of profit/loss recognized for the subsidiary by the Company in subsequent periods.

After application of the equity method an entity applies IFRS 36 to determine whether it is necessary to recognize any additional impairment loss with respect to its net investment in the subsidiary, associate, or joint venture. If impairment is indicated, the amount is calculated by reference to IAS 36 Impairment of Assets. The entire carrying amount of the investment is tested for impairment as a single asset, that is, goodwill is not tested separately. The recoverable amount of an investment in an associate or subsidiary is assessed for each individual subsidiary, associate, or joint venture, unless the subsidiary associate or joint venture does not generate cash flows independently.

As previously mentioned, the Company also holds puttable financial instruments in its subsidiary investment fund which do not meet the requirements described in paragraphs 16A to 16B of IAS32. Such instruments are measured at Fair Value through Profit and Loss based on IFRS 9. The change in fair value of these instruments is presented in a separate line in the Statement of Profit or Loss and Other Comprehensive Income.

h. Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Since dividend income is tax exempt, the Company has no significant income tax liability.

Deferred taxes arising on assets and liabilities are wholly immaterial, except for investment in subsidiaries. Tax consequences for the investments might only arise if the Company sells the investments. However, all material investments of the Company are registered with the Hungarian Tax Authorities meaning that any gain or loss arising on the sale is tax neutral. Dividends and income arising from return of capital are tax exempt in Hungary.
In addition to these special features, IAS 12.39 further explains that no deferred tax is recognized for investment in subsidiaries as the Company is able to control the timing of the reversal (i.e., sale) of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

5. Capital management

When managing capital, it is the Company's objective to safeguard the Company'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 Company may adjust the profit appropriation, return capital to shareholders, issue new shares or sell assets to reduce debt.

There were no changes in the Company's approach to capital management during the year.

There are no covenants imposed on the Company by the terms and conditions of the Bonds issued. For the relevant calculation of the financial ratios which relate to the Undertakings committed by the Company and the Group see Note 6 (d).

6. Financial assets and financial liabilities

This note provides information about the company's financial instruments except the investments which are accounted for using equity method in accordance with IAS 28, including

- an overview of all financial instruments held by the entity
- specific information about each type of financial instrument.

Financial assets at amortized costs

In millions of Hungarian Forints (MHUF)	*Notes*	**31.12.2023**	**31.12.2022**
Receivables from related parties	6(a)	78,685	78,701
Cash and cash equivalents	6(c)	20,528	42,015
Total financial assets at amortized cost		**99,213**	**120,716**

Financial assets measured at fair value through profit and loss

In millions of Hungarian Forints (MHUF)	*Notes*	**31.12.2023**	**31.12.2022**
Receivables from related parties	6(a)	15,156	0
Long-term financial assets	6(f)	147	653
Short-term financial assets	6(f)	12,425	6,202
Investments measured at fair value through profit and loss	7, 13	71,222	66,778
Total financial assets at fair value		**98,950**	**73,633**

Investments measured at fair value through profit and loss is included within Investment in subsidiaries on the face of Statement of Financial Position. The fair value of these financial instruments is valued based on the underlying value of the subfunds. The fair value of the underlying assets held by the subfunds is determined by external, independent, professional real estate valuation companies. The assessment is carried out based on level 3 input of the fair value hierarchy. There was no change in the valuation method and between hierarchy levels. Please see more information in Note 7.

Receivables from related parties measured at fair value are receivables from supplementary capital paid to three subsidiaries. The fair value of the receivables was determined based on level 3 input data using discounted cashflow method.

Long-term financial assets in the amount of 147 million HUF and short-term financial assets in the amount of 2 billion HUF measured at fair value through profit and loss are contractual assets to buy EUR in exchange for HUF on the contractual exchange rate. Government bonds in the amount of 9.9 billion HUF and contractual right to receive treasury bills are presented as short-term financial assets and the fair value is determined with level 1 input data.

Regarding the input data used for fair value measurement there were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy.

Recurring fair value measurements are those that the accounting standards require or permit in the consolidated statement of financial position at the end of each reporting period. The level in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

	2023			2022		
In millions of Hungarian Forints (MHUF)	**Level 1**	**Level 3**	**Total**	**Level 1**	**Level 3**	**Total**
Government bonds	9,903	0	**9,903**	0	0	**0**
Short-term financial investment	0	0	**0**	0	6,202	**6,202**
Contractual right to receive treasury bills	492	0	**492**	0	0	**0**
Long-term foreign exchange forward contracts	147	0	**147**	653	0	**653**
Short-term foreign exchange forward contracts	2,030	0	**2,030**	0	0	**0**
Other receivables from related parties	0	15,156	**15,156**	0	0	**0**
Investments measured at fair value through profit and loss	0	71,222	**71,222**	0	66,778	**66,778**
Total financial assets measured at fair value	**12,572**	**86,378**	**98,950**	**653**	**72,980**	**73,633**

Financial liabilities at amortized costs

In millions of Hungarian Forints (MHUF)	*Notes*	**31.12.2023**	**31.12.2022**
Bonds	6(d)	70,644	85,550
Related party liabilities	6(b)	285	301
Total non-current financial liabilities at amortized cost		**70,929**	**85,851**

In millions of Hungarian Forints (MHUF)	*Notes*	**31.12.2023**	**31.12.2022**
Trade and other payables		10	9
Bonds	6(d)	14,908	249
Related party liabilities	6(b)	234	289
Total current financial liabilities at amortized cost		**15,152**	**547**
Total financial liabilities at amortized cost		**86,081**	**86,398**

Financial liabilities measured at fair value through profit and loss

In millions of Hungarian Forints (MHUF)		**31.12.2023**	**31.12.2022**
Related party liabilities	6(b)	165	112
Short-term financial liabilities		499	0
Total financial liabilities at fair value		**664**	**112**

Short-term financial liabilities recognized at fair value is a contractual obligation to buy treasury bills. There is no difference between the amortized cost and the fair value of the contractual liability based on the contractual terms. The short-term financial liabilities also include the value of an agreement with the financial institution in the amount of 6 million HUF to sell EUR in exchange for HUF.

Liabilities to related parties contains a contractual liability to buy EUR in exchange for HUF on the contractual exchange rate.

	2023			2022		
In millions of Hungarian Forints (MHUF)	**Level 1**	**Level 3**	**Total**	**Level 1**	**Level 3**	**Total**
Related party liabilities from foreign exchange forward contracts	165	0	**165**	112	0	**112**
Short-term foreign exchange forward contracts	6	0	**6**	0	0	**0**
Short-term financial liabilities	493	0	**493**	0	0	**0**
Total financial liabilities measured at fair value	**664**	**0**	**664**	**112**	**0**	**112**

6 (a) Receivables from related parties

Receivables from related parties are recognized initially at fair value. Majority of the receivables from related parties are subsequently measured at amortized cost calculated with the effective interest rate less provision for impairment. The supplementary capital provided is subsequently measured at fair value through profit and loss. 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.

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Loan receivables	68,248	55,134
Long-term receivables - related parties	**68,248**	**55,134**
Loan receivables	2,622	17,629
Accrued interest receivables	7,778	5,889
Financial asset	16	0
Other receivables	15,177	49
Short-term receivables - related parties	**25,593**	**23,567**
Total receivables from related parties	**93,841**	**78,701**

The other receivables balance contains supplementary capital contribution paid to Hungarian subsidiaries. Cordia International Zrt. provided supplementary capital paid in line with the regulation of the Hungarian Civil code. It serves as interest-free financing to support regulatory capital requirements.
The cashflows of the receivables do not meet the solely payments of principal and interest criteria, therefore these receivables are valued at fair value through profit and loss. At recognition the fair value of the receivables was determined with discounted cash flow model. The discount rate used was determined with benchmark yield approach, separate discount rates for the HUF and the EUR receivables. The discount rate applied in the cashflow forecast is Level 3 input data in the fair value hierarchy. The management made significant judgement regarding the fair value and the timing of the repayment. The repayment of the supplementary capital provided is expected in 2024 and the discount factor used for EUR receivables is 5.35% and 11.91% in case the HUF receivables.
The receivables in the value of 14.2 billion HUF are subject of currency risk, because these receivables are in EUR. The total fair value of these receivables within the current other receivables is 15.1 billion HUF at the year end.

The sensitivity of the fair value amounts related to the receivables valued at fair value is included in the table below. The table represents how the fair value of these receivables would be changed if the discount rate would be lower or higher with 1 percentage point.

In millions of Hungarian Forints (MHUF)	**Nominal value of the receivables**	**Fair value of the receivables**	**Sensitivity for discount rate**	
Category			**(1%) point**	**1% point**
Supplementary capital provided in EUR	5,696	5,422	47	(46)
Supplementary capital provided in EUR	9,278	8,831	76	(74)
Supplementary capital provided in HUF	999	903	7	(6)

Reconciliation of the supplementary capital provided in 2023:

In millions of Hungarian Forints (MHUF)	**2023**
Opening balance	**0**
Supplementary capital contribution paid	16,565
Fair value difference on the supplementary capital provided	(1,751)
Fair value change of the receivables	342
Closing balance of receivables from supplementary capital contribution	**15,156**

The fair value difference on the supplementary capital provided was recognized on the investment value, please see Note 7. The unrealised fair value change of the receivables was recognized within the financial result in the profit and loss. This amount includes the unwinding effect and the revaluation of the EUR receivables.

The table below presents the movement in loans granted to related parties:

In millions of Hungarian Forints (MHUF)	**01.01.2023 – 31.12.2023**	**01.01.2022 - 31.12.2022**
Opening balance	72,763	85,940
Loans granted	39,661	33,944
Loans repaid	(43,249)	(52,552)
Capitalization of Interest	2,224	2,292
Revaluation (FX difference)	(529)	3,139
Closing balance	**70,870**	**72,763**

All loans provided to subsidiary companies of the group are unsecured. The loans are denominated in different currencies. The Company dynamically reacts to the financing needs of the subsidiaries and reallocates loans as necessary on a continuous basis. Since the Company is a holding entity, the Management believes that its operating activities include acting as a financial intermediator for its subsidiaries, cash flows related to these related party loan receivables are presented within cash flows from operating activities.

The table below presents the conditions of the most significant related party loan agreements:

As at 31.12.2023

Loan currency	**Balance in MHUF**	**Interest rate**	**Interest**
HUF	11,457	11.99%	Variable
HUF	2,415	15.08%	Variable
EUR	20,472	5.80%	Variable
EUR	173	5.15%	Variable
PLN	17,343	9.31%	Variable
GBP	17,818	10.43%	Variable
GBP	1,157	7.33%	Variable
GBP	35	6.52%	Variable
Closing balance	**70,870**		

MHUF 2,623 is repayable on demand. Most of the outstanding related party loans mature in 2027 in total 28 billion HUF. The expiration dates of remaining loans are 19 billion HUF in 2025, 7 billion HUF in 2026, 3 billion HUF in 2028 and 11 billion HUF in 2030.

As at 31.12.2022

Loan currency	**Balance in MHUF**	**Interest rate**	**Interest**
HUF	1,436	13.56%	Variable
HUF	1,080	11.91%	Variable
HUF	1,332	Interest free	Fixed
EUR	18,508	6.92%	Variable
EUR	14,978	5.35%	Variable
EUR	227	Interest free	Fixed
PLN	15,608	13.10%	Variable
GBP	19,454	8.78%	Variable
GBP	128	7.81%	Variable
GBP	12	6.95%	Variable
Closing balance	**72,763**		

Based on the nature of the relationship, the Company has the following related party balances at each balance sheet date:

As at 31.12.2023

Nature of relationship	Partner	Balance in MHUF
Loan receivable	Subsidiary	70,870

As at 31.12.2022

Nature of relationship	Partner	Balance in MHUF
Loan receivable	Subsidiary	72,763

6 (b) Liabilities to related parties

Liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Loans and borrowings	311	402
Total long-term liabilities to related parties	**311**	**402**
Loans and borrowings	0	62
Trade payables	1	6
Other payables	64	0
Payables from financial liability contract	165	112
Accrued expenses payable	143	121
Total short-term liabilities to related parties	**373**	**301**
Total Liabilities to related parties	**684**	**703**

The loans and borrowings are obtained from subsidiaries in the group are unsecured. Since the Company is a holding entity, the Management believes that its operating activities include acting as a financial intermediator for its subsidiaries, cash flows related to these related party loan liabilities are presented within cash flows from operating activities.

The following table shows the conditions of the borrowings:

As at 31.12.2023

Loan currency	**Balance in MHUF**	**Interest rate**
PLN	311	9.31%

As at 31.12.2022

Loan currency	**Balance in MHUF**	**Interest rate**
PLN	301	13.10%
HUF	163	11.91%

The table below presents the movement in loans granted from related parties:

In millions of Hungarian Forints (MHUF)	**01.01.2023 – 31.12.2023**	**01.01.2022 - 31.12.2022**
Opening balance	**464**	**7,107**
Loans granted	781	8,482
Loans repaid	(944)	(15,143)
Revaluation (FX difference)	10	18
Closing balance	**311**	**464**

6 (c) 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. Cash at bank earns interest at floating rates based on daily bank deposit rates.

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Cash at banks	4,789	33,135
Discount treasury bill	2	0
Money market fund	5,213	0
Bank deposit	10,524	8,880
Total cash and cash equivalents	**20,528**	**42,015**

The company made bank deposits which have a maturity of one week. 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	6,214	5,854
PLN	4,856	5,391
HUF	9,408	27,897
ILS	5	255
USD	9	1
GBP	36	2,617
Total cash and cash equivalents	**20,528**	**42,015**

The Company minimizes its credit risk by holding its funds in financial institutions with credit ratings as follows*:

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
A	57	255
A+	7	6,764
A-	4,690	32,105
AAA	5,213	0
BBB+	0	2,135
BBB	4	755
BBB-	2	0
BAA2	2,823	0
Public rating not available	7,732	1
Total cash and cash equivalents	**20,528**	**42,015**

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

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.

6 (d) Bonds

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)	**2023**	**2022**
Opening balance	**85,799**	**86,034**
Interest Accrued	2,713	2,725
Interest paid	(2,960)	(2,960)
Closing balance	**85,552**	**85,799**

Cordia International carried out a successful bond issue on 5 November 2019 (Cordia 2026/I).

In 2020 Cordia International successfully issued a new bond series named "CORDIA2030/I HUF" on 27 July 2020. On 10 December 2020, a tap issuance was performed on the bond series named "CORDIA2030/I HUF" with the same conditions.

Bonds are initially recognized at fair value net of transaction costs incurred and increased by the premium received. Bonds are 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.

Fair value of the bonds upon issuance is calculated as the average price paid for the bond by commercial investors. This is considered to be Level 1 fair value based on IFRS 13. Adjustment to fair value is amortized using the effective interest rate of the bond.

Bond terms and conditions:

Please see the bond conditions summarised below.

Bond series	**Cordia 2026/I**	**Cordia 2030/I**	**Cordia 2030/I tap issuance**
ISIN code	HU0000359211	HU0000359773	HU0000359773
Date of issuance	November 7, 2019	July 27, 2020	July 27, 2020
Maturity	November 7, 2026	July 27, 2030	July 27, 2030
Face value	44,000,000,000 HUF	36,000,000,000 HUF	4,000,000,000 HUF
Bond issued	880	720	80
Face value/Bond	50,000,000 HUF	50,000,000 HUF	50,000,000 HUF
Coupon	Fixed 4%	Fixed 3%	Fixed 3%
Coupon payment frequency	Semi-annually	Semi-annually	Semi-annually
Coupon payment date	November 7, May 7	January 27, July 27	January 27, July 27

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.

Suretyship related to bond series Cordia Polska 2024/A:

On 15 July 2021, the Company's wholly owned subsidiary Cordia Polska Finance z.o.o. successfully completed its series A Bonds issuance program in the total aggregate nominal value of PLN 68,797,000 (6 billion HUF). 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. The Bonds have been traded at ATS Catalyst market organized by Warsaw Stock Exchange under CPF0724 code since 29 July 2021.
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 (9 billion HUF).

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 third-party loans and borrowings 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 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) the right to use assets (IFRS 16) and (ii) deferred tax assets;
CA = Customer Advances meaning the total amount of the advances received by Cordia Group from customers with respect to the sale of assets which have not yet been recognized as revenues.

The calculation presented below is based on the IFRS Consolidated Financial Statements of Cordia Group.

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 the 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 Statements)

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 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 mean 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 in the stand-alone financial statements of the Issuer), plus Subordinated Shareholder Loans;

Issuer Net Debt means Issuer Debt (as evidenced in 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 mean the cash and cash equivalents of the Issuer.

The calculation presented below is based on the Company's Separate Financial Statements.

In thousands of Hungarian Forints (THUF)	**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 thousands of Hungarian Forints (THUF)	**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.

6 (e) Loan receivables

The Company provided a short-term interest free loan facility to Pedrano Homes Kft., which is the general contractors in numerous Hungarian projects and is considered a strategic partner. The provided amount cannot exceed the consolidated liability of the Group to Pedrano, therefore it is considered fully recoverable and so the company did not account any impairment. The loan is regularly repaid by the borrower as the liabilities of the subsidiaries are settled. The provided loan facilities are on demand upon 15 days' notice and interest free.

In millions of Hungarian Forints (MHUF)	**01.01.2023 – 31.12.2023**	**01.01.2022 - 31.12.2022**
Opening balance	**0**	**0**
Loans granted	3,349	5,558
Loans repaid	(3,349)	(5,558)
Closing balance	**0**	**0**

6 (f) Other financial assets

The Company acquired government bonds, which are measured at fair value through profit and loss in the amount of 9.9 billion HUF and presented as short-term assets. The remaining assets measured at fair value are contractual assets to buy EUR in exchange for HUF on the contractual exchange rate.
In the comparative year the short-term asset contained the investment amount in FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund, which was sold during 2023.

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Long-term financial asset at fair value	147	653
Total other long-term financial assets	**147**	**653**

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Short-term financial asset at fair value	12,425	6,202
Total other short-term financial assets	**12,425**	**6,202**
Total other financial assets	**12,572**	**6,855**

7. Investments in subsidiaries

Subsidiaries are all entities over which the Company has direct or indirect control. The Company controls an entity directly or indirectly where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Investments in subsidiaries are recognized at cost and they subsequently measured by using the equity method in line with IAS 28. Assets that qualify as impaired are measured at their impaired value, any impairment is recorded in the income statement.

Based on IAS 28.27, if the investee is itself a group, the net assets, profits or losses, and other comprehensive income used for the purpose of equity accounting are those recognized in the investee's own consolidated financial statements, after any adjustment necessary to give effect to the entity’s accounting policies.

Under the equity method, on initial recognition the investment in a subsidiary or an associate or a joint venture is recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

The Cordia International’s share of the investee's profit or loss is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income.

If Cordia International’s share of losses of a subsidiary, associate or joint venture equals or exceeds its interest in the subsidiary, associate or joint venture, Cordia International discontinues recognising its share of further losses. The interest in a subsidiary, associate or joint venture is the carrying amount of the investment in the subsidiary, associate or joint venture under the equity method together with any long-term interests that, in substance, form part of Cordia International’s net investment in the subsidiary, associate or joint venture. After Cordia International’s interest is reduced to zero, a liability is recognized only to the extent that the Cordia International has incurred legal or constructive obligations or made payments on behalf of the subsidiary or associate. If the subsidiary, associate or joint venture subsequently reports profits, Cordia International recognizes its share of those profits only after its share of the profits equals the share of losses not recognized.
An associate, subsidiary or joint venture might pay a dividend that is greater than the carrying amount of the investment in the Company’s books. The carrying amount is reduced to nil, but it does not become negative. If the Company has no legal or constructive obligations to make payments on behalf of the associate, subsidiary or the joint venture, a gain is recognized in profit or loss for the remaining dividend. This gain is recorded as other investment income in the statement of total comprehensive income. Cordia International Zrt.’s accounting policy is to recognize any subsequent share of the profit/loss of the subsidiary through the statements of total comprehensive income. This means that the amount recorded as other investment income does not have an impact on the share of profit/loss recognized for the subsidiary by the Company in subsequent periods.

After application of the equity method an entity applies IAS 36 to determine whether it is necessary to recognize any additional impairment loss with respect to its net investment in the subsidiary, associate, or joint venture. If impairment is indicated, the amount is calculated by reference to IAS 36 Impairment of Assets. The entire carrying amount of the investment is tested for impairment as a single asset, that is, goodwill is not tested separately. The recoverable amount of an investment in an associate or subsidiary is assessed for each individual subsidiary, associate, or joint venture, unless the subsidiary associate or joint venture does not generate cash flows independently. There was no indication that the any of the investments may be impaired.

The below table shows the movement in investment in subsidiaries:

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Opening balance	**95,722**	**92,073**
New purchases	11,368	8,828
Fair value difference on the supplementary capital provided	1,751	0
Sale	(4)	(497)
Share of net profit of investments accounted for using the equity method	(3,582)	(1,889)
Impairment recognized on investments measured with equity method	(443)	0
Fair value change of instruments measured at fair value through profit and loss	12,343	13,906
Dividend received	(15,093)	(19,874)
Foreign exchange revaluation difference	(396)	3,175
Total Investments in subsidiaries	**101,666**	**95,722**

The row 'New purchases' contains the increase in existing investments, in six subsidiaries and in Argo Properties N.V. The initial difference between the nominal value and the fair value of the supplementary capital provided to one of the subsidiaries is recognized as change in the investment value. The subsidiary was impairment tested at year end and impairment was recognized in the amount of MHUF 443 on this investment within other expenses, please see Note 10.

The fair value change of instruments is the increase from redeemable shares measured at fair value through profit and loss in line with IFRS 9.

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Investments in subsidiaries measured at equity method	30,444	28,945
Investments measured at fair value through profit and loss	71,222	66,777
Total Investments in subsidiaries	**101,666**	**95,722**

The fair value of the financial instruments is valued based on the underlying value of the subfunds. The fair value of the underlying assets held by the subfunds is determined by external, independent, professional real estate valuation companies.
The sensitivity of the fair value amounts related to the investments included in the table below. The table represents how the fair value of the investments measured at fair value through profit and loss would be changed if the estimated net value of the underlying assets of the inventory not yet contracted by customers would be lower or higher with 5 percentage point.

In millions of Hungarian Forints (MHUF)	**Fair value of the inventory not contracted (underlying asset)**	**Sensitivity for net valuation price**	
Segment		**(5%) point**	**5% point**
Hungary	50,916	(2,546)	2,546
Poland	6,057	(303)	303
Romania	1,991	(100)	100

In millions of Hungarian Forints (MHUF)	**Fair value of the investments**	**Expected fair value of investments based on the sensitivity above**	
Segment			
Hungary	71,222	68,676	73,768
Poland	71,222	70,919	71,525
Romania	71,222	71,122	71,322

The observable average prices from the reports prepared by the external valuation expert are as follows:

Segment	Intervals
Hungary (MHUF/m^2)	1.1 - 1.9
Poland (MHUF/m^2)	1.1 - 1.5
Romania (MHUF/m^2)	0.8 - 1

8. Equity

(a) Share capital

There is no change in the equity compared to the previous periods.

In millions of Hungarian Forints (MHUF)	Number of shares	Share capital	Share premium	Total
Closing balance 31.12.2023	**18,013,760**	**18,014**	**13,462**	**31,475**

The Finext Consultants Limited sold part of its shares to private individuals during the period.

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	106,285	106	0.59%
Private individuals	253,990	255	1.41%
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	143,717	144	0.80%
Private individuals	216,558	217	1.20%
Total	**18,013,760**	**18,014**	**100.00%**

9. Interest income and expense

In millions of Hungarian Forints (MHUF)	2023	2022
Interest income	6,483	7,628
Interest expense	(2,756)	(2,813)
Net interest gain / (loss)	**3,727**	**4,815**

Interest income is calculated using the effective interest method. Interest income is the interest received from banks on cash balance and on short-term deposits and the interest income from loans granted, which are financial assets at amortised cost. Interest income from financial assets at fair value through profit and loss is included in the fair value gain on these assets. There is no interest income from instruments measured at fair value through other comprehensive income.
Please refer to Note 6 (a) about loans granted to related parties which generate most of the interest income. Interest expense is recognized mainly for bonds. Please also refer to Note 6 (d).

10. Other expense

In millions of Hungarian Forints (MHUF)	2023	2022
Other expense	(467)	(10)

Impairment was recognized on one of the subsidiaries measured at equity method in the amount of MHUF 443.

11. Other Financial result

In millions of Hungarian Forints (MHUF)	2023	2022
Other financial income	4,138	860
Other financial expense	(811)	(493)
Other financial gain / (loss)	**3,327**	**367**

Financial gain was recognized in the amount of MHUF 2,230 on the government bonds acquired this year. On the contractual assets to buy EUR in exchange for HUF on the contractual exchange rate MHUF 1,524 gain was recognized. The financial gain also includes the fair value change of the supplementary capital provided MHUF 251.
The financial loss contains MHUF 530 fair value loss on the sale of financial assets.

12. Foreign exchange gain/(loss)

In millions of Hungarian Forints (MHUF)	2023	2022
Foreign exchange gain	1,786	4,610
Foreign exchange loss	(1,955)	(720)
Foreign exchange - net gain / (loss)	**(169)**	**3,890**

The Company has significantly more EUR, PLN and GBP denominated assets than liabilities.
The unrealized result from contractual assets and contractual liabilities to buy EUR in exchange for HUF on the contractual exchange rate is presented as other financial income and other financial expense in the Profit and loss statement.

13. Fair value change of instruments measured at fair value through profit and loss

Amounts recognized in profit or loss due to increase in the fair value of debt instruments.

For the period ended 31 December *In millions of Hungarian Forints (MHUF)*	**2023YE**	**2022YE**
Fair value change of instruments measured at fair value through profit and loss	12,343	13,906
Fair value change of instruments measured at fair value through profit and loss	**12,343**	**13,906**

Due to some restructuring occurred within the group in 2020, some of the investments have been reclassified as debt instruments in line with IFRS9 Financial instrument therefore they are valued at fair value.

14. Income tax expense

The income tax expense is calculated from the profit before tax based on 'Act C of 2000 on Accounting' and the local tax regulations. For more information, please refer to Note 4 (h) Current income tax section.

Fair value changes of assets and liabilities, share of net profit of investments accounted for equity method in the IFRS Statement of Profit or Loss and Other comprehensive income are not included in the tax base calculated in line with 'Act C of 2000 on Accounting'. Therefore, the majority of IFRS profit or loss presented is not taxable. Any gain or loss arising on the sale investments registered with the Hungarian Tax Authorities is tax neutral. Dividends and income arising from return of capital are tax exempt in Hungary.

The main reason of the change in the tax expense amount compared to the prior year is the decrease of the net result from interest income and interest expense.

For the year ended 31 December *In millions of Hungarian Forints (MHUF)*	**2023**	**2022**
Current tax		
Current period	418	602
Total current tax expense / (benefit)	**418**	**602**

Reconciliation of effective tax rate

For the year ended 31 December *In millions of Hungarian Forints (MHUF)*	**2023**	**2022**
Profit / (loss) for the year	14,721	20,421
Total income tax expense / (benefit)	418	602
Profit / (loss) before income tax	**15,139**	**21,023**
Expected income tax using the Hungarian tax rate (9%)	**1,363**	**1,892**
***Tax effect of*:**		
Non-taxable profit	(1,033)	(1,465)
Other differences	88	175
Tax expense for the period	**418**	**602**
Effective tax rate	**3%**	**3%**

The company 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.

15. Related parties

Transactions with the Parent company

Dividend payment was approved based on the Company's audited financial statements as of 31.12.2022. The dividend was paid in the amount of 5 billion HUF to the parent companies.

Transactions with the sister companies

The investment in units of FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund was sold to related party and the government bonds were acquired from related party.

Transactions with subsidiaries

Most of the transactions with related parties are in relation to loans provided and received. The loans and conditions are set out in Note 6 above. Relating to the Polish bond issue, Cordia has undertaken suretyship and receives surety fee in exchange, presented as other income. For a list of direct subsidiaries reference is made to Note 2.
The company has forward exchange agreements with subfunds, which are measured at fair value. Treasury bills was also sold to subsidiaries and sister companies as well.

The following amounts are recognized in the profit and loss from transactions with subsidiaries.

For the period ended 31 December

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
Interest revenue	5,426	7,054
Total investment income	**5,426**	**7,054**
Other income	38	34
Other expense	0	0
Total operating result	**38**	**34**
Administrative expenses	(17)	(19)
Interest expense	(45)	(54)
Total operating expense	**(62)**	**(73)**
Other financial income	117	0
Other financial expense	(166)	(309)
Other financial result	**(49)**	**(309)**

During the year dividend payment was approved from WWA Development S.A. in the amount of 3,2 billion HUF, and dividend was paid from Cordia New Times Ingatlanfejlesztő Kft. in the amount of 91 million HUF. Dividends received are accounted as a decrease in Investment in subsidiaries with equity method.
Cordia Real Estate Funds Luxembourg SICAV-RAIF paid dividend in the amount of 11,7 billion HUF.

In 2023 one loan and in 2022 two loans were provided to the subsidiaries without bearing interest. If these loans were entered into at market rates, the interest received would have been higher as follows:

For the period ended 31 December

In millions of Hungarian Forints (MHUF)	**2023**	**2022**
Interest received	48	72

Transactions with associates and joint ventures

Argo Properties N.V. completed an initial public offering (IPO) on the Tel Aviv Stock Exchange (TASE) on 11 May 2021. The company invested EUR 3 million in ARGO during the IPO. A small portion of shares was sold in 2022 and additional shares were acquired during the first half of 2023.

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 on consolidated level 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**

16. Fair value estimation of financial assets and liabilities

The investments in funds are accounted as debt investments. The Company measures its direct investments in funds at fair value through profit and loss based on IFRS 9. The fair value is determined based on independent valuation report prepared by Fund Partner Solutions. Please see amounts recognized in profit and loss related to the financial assets measured at fair value through profit and loss at Note 10.

The Company entered into foreign exchange agreements with financial institutions and one of its subsidiaries. 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 government bonds, the treasury bills and the money market funds are also measured at fair value through profit and loss.

The remaining financial assets and liabilities are measured at amortized cost.

The fair value of the financial assets and liabilities measured at amortized cost approximates their carrying value, as mostly they are related party short-term loans where the time value of money is not material, except for the bonds. The bonds were issued with fixed interest rate, therefore in the current market environment the fair value of the bond liability is significantly lower than it is presented in the balance sheet.

For explanation about liabilities related to bonds, please refer to Note 6 (d).

In millions of Hungarian Forints (MHUF)	**31.12.2023**	**31.12.2022**
Bonds at amortized cost in the balance	85,552	85,799
Fair value of the bonds	67,520	59,598

The fair value of the bonds was calculated using a financial model based on benchmark data. Based on the rating of Cordia International Zrt. 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 bond and the estimated yield.

17. Financial risk management, objectives and policies

Financial risks are risks arising from financial instruments to which the Company 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 Company financial activities.

Risk management is carried out by a central treasury department (Group Treasury). Group Treasury identifies and evaluates financial risks. Being a holding, financial risks related to the Company are limited.

A. Market risk

(i) Foreign exchange risk

The Company is impacted by the following risks related to foreign exchange rates:

- The Company has significant investment in foreign subsidiaries. A significant deterioration of the relevant foreign currencies could have an impact on the impairment to be recorded on investment in subsidiaries. Company has not identified any impairment indicator and Management sees the risk of EUR, GBP and PLN significantly weakening against HUF to be remote. Based on this, this risk is not significant.

- Foreign currency denominated assets and liabilities. Most of the assets denominated in foreign currency are from related party loan and receivables. Most of the liabilities denominated in HUF are from bonds. Since the Company is managing the foreign exchange risk on a group level, related risk is not addressed.
  Besides loans, the only significant foreign currency denominated items are cash and cash equivalent balances and the forward exchange rate agreements. Management sees the risk of EUR, GBP and PLN significantly weakening against HUF to be remote. Based on this, this risk is not significant.

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 1,796 MHUF lower / higher.

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 1,406 MHUF lower / higher.

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 952 MHUF lower / higher.

(ii) Price risk

The Company has exposure to price risk related to the money market fund investments, treasury bills and government bonds (cash and cash equivalents and short-term financial assets measured through profit and loss). The money market fund consists of various financial instruments, and its value is depended on the underlying assets. Government bonds and treasury bills are traded on regulated markets and affected by the issuer and similar financial instruments traded in the market.

The Company has also exposure to price risk as it holds equities in another entity as financial instruments. The fair value of this asset is affected by changes in the market price of the underlying assets. This financial asset is not traded on regulated markets. Taking into consideration the current market environment, the management expects increase or no change in the short-term and increase in the long-term in the value of the underlying assets.

(iii) Cash flow and fair value interest rate risks

The Company's interest rate risk principally arises from related party loans and bond liabilities.

The Group policy is to grant intercompany loans to SPVs and subsidiaries on a rate which covers the interest occurring on bonds and other loan related liabilities.

The management is constantly monitoring the company and the subsidiaries' cash-flow forecasts which ensures to cover cash-flow risks.

The Company has bonds at fixed rates and therefore has no exposure to fair value interest rate risk for the bonds.

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. The Company has significantly higher loan receivables with various interest rates than payables, therefore in case the interest rate increases, the profit before tax will also increase.

1 percentage point	**Yearly effect on profit before tax (MHUF) 2023**	**Yearly effect on profit before tax (MHUF) 2022**
Interest rate decrease:	**(64)**	**(76)**
Interest rate increase:	**64**	**76**

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 and related party loan receivables. Credit risk is not material in the case of cash since it is held at major international banks. Loans are only granted for companies under common control. The 12 month expected credit loss calculated on the loans is immaterial. The credit risk of the treasury bills and the government bonds is not significant. Based on this, credit risk is considered minimal for the Company.

C. Liquidity risk

The cash flow forecast is based on the dividends and interest payments, as there is no other material transaction within the Company. The forecasts are summarized by the Company's finance department. These forecasts take into consideration the Company's financial plans, the contracts' covenants, the key performance indicators, and the legal environment.

The Company also minimizes its credit risks by holding its funds in financial institutions with high credit ratings. Please refer to Note 6 for detailed information about credit ratings.

All the liabilities of the Company are classified as short-term and payable within one year, except the bond liability and some of related party liabilities. Liquidity needs of the Company can be flexibly financed through on-demand related party loan receivables and liabilities.

			As at 31 December 2023
In millions of Hungarian Forints (MHUF)	**Less than 1 year**	**Between 1 and 5 years**	**Beyond 5 years**
Related party liabilities	373	311	0
Trade and other payables	12	0	0
Bonds	17,481	47,418	29,320
Total	**17,866**	**47,729**	**29,320**

			As at 31 December 2022
In millions of Hungarian Forints (MHUF)	**Less than 1 year**	**Between 1 and 5 years**	**More than 5 years**
Related party liabilities	402	301	0
Trade and other payables	9	0	0
Bonds	2,960	55,879	38,340
Total	**3,371**	**56,180**	**38,340**

The same categorization of the guarantees provided by the Company is presented at the end of Note 18.

18. Commitments

Capital commitment

The company entered into a subscription agreement with Cordia Real Estate Funds Luxembourg SICAV-RAIF, an investment company, a direct full subsidiary of the Company. The Company as the subscriber will be required to subscribe for shares issued by the fund at such times and in such tranches as the Fund may determine.
The total sub-fund commitment was 77.5 billion HUF and the remaining commitment is 29.5 billion HUF at the reporting date. This is considered as an off-balance sheet item.

Suretyship related to bond series Cordia Polska 2024/A

Relating to the Polish 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 (9 billion HUF). This is considered as off-balance sheet item. The fair value of the suretyship is MHUF 128.

Guarantees provided by the Company

The Company provided guarantees to some of its subsidiaries. Most of the these are cost overrun guarantees by which the Parent guarantees to provide additional financing in form of capital increase or a subordinate loan to the subsidiary if the agreed upon bank loan financing would be not sufficient to complete the project. The cost overrun guarantees do not meet the definition of the financial guarantee contract described in IFRS 9 – Financial instruments standard.

In millions of Hungarian Forints (MHUF)	**Fair value at year end**	**Nominal value**	**Expiry date**
OTP Bank Nyrt.	14	578	31.12.2024
Raiffeisen Bank Zrt.	9	356	31.03.2024
MBH Bank	32	1,321	22.08.2028
PKO Bank Polski S.A.	10	405	30.06.2025
PKO Bank Polski S.A.	20	821	21.06.2028
PKO Bank Polski S.A.	6	262	01.07.2024
Alior Bank S.A.	14	570	01.06.2024
Alior Bank S.A.	32	1,342	15.12.2024
Total	**137**	**5,655**	

Compared to the year end the Company provided additional financial guarantees for two of its subsidiaries in the nominal value of 1,075,000 GBP (MHUF 473) to KBC Bank N.V. and in the nominal value of 400,000 EUR (MHUF 153) to Marbella City Council. The company also provided a guarantee to one of the construction partners in the nominal value of MHUF 600 in favour of Gránit Bank Zrt.

In millions of Hungarian Forints (MHUF)	**Fair value at year end**	**Nominal value**	**Expiry date**
CIB Bank Zrt.	23	5,020	03.02.2032
Santander Bank Polska S.A.	1	37	08.04.2023
Gránit Bank Zrt.	3	600	02.04.2026
Marbella City Council	3	153	31.12.2025
KBC Bank NV, London Branch	7	473	24.03.2028
Total	**37**	**6,283**	

Please see the nominal value of the guarantees provided by the Company based on the contractual term.

			As at 31 December 2023
In millions of Hungarian Forints (MHUF)	**Less than 1 year**	**Between 1 and 5 years**	**Beyond 5 years**
Cost overrun guarantees	3,108	2,547	0
Financial guarantees	37	1,226	5,020
Surety fee	0	6,057	0
Total	**3,145**	**9,830**	**5,020**

			As at 31 December 2022
In millions of Hungarian Forints (MHUF)	**Less than 1 year**	**Between 1 and 5 years**	**Beyond 5 years**
Cost overrun guarantees	0	7,554	0
Financial guarantees	36	0	5,020
Surety fee	0	5,872	0
Total	**36**	**13,426**	**5,020**

19. Other information

The impact of the Ukrainian-Russian conflict

The Company’s management analysed the impact of the Ukrainian-Russian conflict at the end of February 2022, concluding that it has no direct impact on the assets presented in the Company's books at the previous and current reporting date. The Company has no direct exposure or business relationships in Ukraine and Russia.

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

In the opinion of the Company's management, the war conflict may only exert an indirect implication for the Company through the general economic situation.

For 2024, the Company's management expects the Company'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.

20. 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.

Földi Tibor

Digitálisan aláírta: Földi Tibor
Dátum: 2024.04.30 14:11:01 +02'00'

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Tibor Földi
Chairman of the Board

Budapest, 30 April 2024