INFORMATION DOCUMENT

CORDIA INTERNATIONAL ZRT.

(*incorporated with limited liability in Hungary*)

for the registration and trading of "CORDIA2026" Bonds

(consisting 880 bonds each with the face value of HUF 50,000,000)

on XBond multilateral trading facility

This document constitutes an information document (the "**Information Document**") and has been prepared by CORDIA International Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság (short name: CORDIA International Ingatlanfejlesztő Zrt.; registered seat: 1082 Budapest, Futó utca 47-53. VII. em.; tax number: 25558098-2-42; the "**Issuer**") in accordance with the business rules of XBond entered into force as of 2 December 2019 pursuant to decision no 14/2019 of the Budapest Stock Exchange (the "**XBond Business Rules**"). Budapest Stock Exchange (registered seat: 1054 Budapest, Szabadság tér 7. Platina torony. I. ép. IV. em.; registration number: Cg. 01-10-044764; the "**BSE**") as market operator approved the Information Document under Decision No. 1/Xbond/2020. on 27 Janaury 2020. This Information Document comprises neither a prospectus nor a base prospectus for the purposes of Act CXX of 2001 on the Capital Markets (the "**Capital Markets Act**") and the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

The Bonds constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and as to the order of their satisfaction and at least *pari passu* with all other existing and future direct, unsecured, unconditional and unsubordinated loans, bonds or any other borrowings of the Issuer. Due to the unsecured nature of the Bonds, if the Issuer defaults on its obligations, Investors in the Bonds may lose some or all of their investments. The Bonds do not constitute deposits or other obligations of a depository institution and are not insured by the National Deposit Insurance Fund (*Országos Betétbiztosítási Alap*) or any other governmental agency.

The Issuer and all senior unsecured debt of the Issuer are rated BB by Scope Ratings GmbH. Scope Ratings GmbH is established in the EU and registered under Regulation (EC) No 1060/2009 as amended on credit rating agencies (the "**CRA Regulation**") and appear on the latest update of the list of registered credit rating agencies (as of 24 May 2011) on the website of the European Securities and Markets Authority (registered seat: 103 rue de Grenelle, F-75345 Paris, France; the "**ESMA**") http://www.esma.europa.eu. The ESMA website is not incorporated by reference into, nor does it form part of, this Information Document. Any change in the rating of the Bonds may adversely affect the price that a purchaser may be willing to pay for the Bonds. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Bonds were offered and issued solely in Hungary and within the framework of the Bond Funding for Growth Scheme (*Növekedési Kötvényprogram*) launched by the National Bank of Hungary (the "**NBH**") and the Issue (as defined below). Terms and conditions applicable for the Bond Funding for Growth Scheme are prescribed in the Handout for the Bond Funding for Growth Scheme (*Tájékoztató a Növekedési Kötvényprogram feltételeiről*) available in Hungarian language on the website of NBH at https://www.mnb.hu/letoltes/nkp-termektajekoztato.pdf (the "**BGS Handout**").

The Bonds will be registered on the XBond multilateral trading facility operated by BSE as set out herein.

The Bonds were offered and issued in Hungary. The Bonds will not be registered under the U.S. Securities Act of 1993, or any state securities law of the United States, and the Bonds may not be sold within the United States or to, or for the account or benefit of, any U.S. person.

An investment in Bonds involves certain risks. Prospective investors should have regard to the factors described under Section 3 (*Risk Factors and Risk Management*) before investing in the Bonds.

Considering that, the Bonds have been issued through an auction – organized within the framework of the Bond Funding for Growth Scheme launched by NBH – qualifying as an offer of securities to the public pursuant to Article 2(d) of the Prospectus Regulation, and that point 95 of Section 5(1) of the Capital Markets Act being effective as of 26 December 2019 clarifies that securities offered by way of offer of securities to the public (in Hungarian: "*értékpapírra vonatkozó nyilvános ajánlattétel*") (including cases stipulated under points a) and c) of Article 1(4) of the Prospectus Regulation) qualifies as publicly offered securities (in Hungarian: "*nyilvánosan forgalomba hozott értékpapír*"), each Bond is publicly offered security.

Warning: Investing into the Bonds qualifies particularly risky (in Hungarian: "*kiemelten kockázatos*") from investor perspective, since the Issuer is solely responsible for the information contained herein. This Information Documents is neither a prospectus nor a base prospectus pursuant to the Prospectus Regulation and the Capital Markets Act and, consequently, has not has not been reviewed or approved by NBH as competent regulatory authority; nor has BSE as market operator endorsed the accuracy or adequacy of the information and content of this Information Document in the course of approving the Information Document. This means that (i) this Information Document may not include the same level of disclosure required by the Prospectus Regulation or other relevant national or EU legislation, (ii) within the framework of the approval of the Information Document the BSE as market operator did not review the credibility, accuracy and completeness of the information relating to the Issuer and the Issuer's operation, therefore the Issuer is solely responsible for these information, and (iii) if you acquire Bonds under this Information Document you will not have any recourse to the Issuer under any Prospectus Regulation related liability regime, and consequently investment into the Bonds imply higher risk comparing to the investments into securities offered or registered on the basis of an offering document or prospectus approved by the competent authorities.

Arranger and Paying Agent: Raiffeisen Bank Zrt.

The date of this Information Document is 23 January 2020.

IMPORTANT NOTICES

This Information Document (the "**Information Document**") is prepared by the Issuer for the purpose of registering on the XBond of 880 HUF denominated, fixed interest rate, dematerialised, amortising, rated, registered, unsecured, non-redeemable and non-convertible Bonds issued by the Issuer in the amount of HUF 44,000,000,000 (face value) (name: CORDIA 2026/I HUF Kötvény; short name: CORDIA2026; ISIN Code: HU0000359211; the "**Bonds**"). This Information Document contains relevant information and disclosures required by the XBond Business Rules.

On 25 September 2019, the Issuer has been authorised under Resolution No. 1/2019(25.IX.) of the Issuer's board of directors (the "**Board of Directors**") to issue the Bonds. The Issuer complies with all laws, rules and regulations and has obtained all corporate approval for the Issue. This Information Document is neither a prospectus (in Hungarian: "*tájékoztató*") nor a base prospectus (in Hungarian: "*alaptájékoztató*") within the meaning of the Prospectus Regulation.

The Bonds were issued in the course of a public offering (in Hungarian: "*nyilvános forgalomba hozatal*") under Hungarian law, by way of offer of securities to the public (in Hungarian: "*értékpapírra vonatkozó nyilvános ajánlattétel*"; within the meaning of Article 2(d) of the Prospectus Regulation) limited to qualified investors (in Hungarian: "*minősített befektetők*") within the meaning of Article 2(e) of the Prospectus Regulation with an issue date of 7 November 2019 (the "**Issue**").

This Information Document is to be read and construed in conjunction with all documents which are deemed to be incorporated herein by reference (see in Section 14 (*Documents Incorporated by Reference or On Display*) below).

This Information Document does not purport to contain all the information that any potential investor may require. Neither this Information Document nor any other document supplied in connection with the Bonds is intended to provide the basis of any credit or other evaluation nor should any recipient of this Information Document consider such receipt a recommendation to purchase any Bonds.

However, Investors are not to construe the content of this Information Document as investment, legal, regulatory or tax advice. Each Investor contemplating the purchase of any Bonds should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, accounting, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Bonds and should possess the appropriate resources to analyse such investment and the suitability of such investment to such Investors' particular circumstance. It is the responsibility of investors to also ensure that they will sell these Bonds in strict accordance with this Information Document and other applicable laws. The Issuer accepts no liability or responsibility regarding any costs, expenses and/or damages incurred, either directly or indirectly, at any third party in relation to any negotiations, transaction offerings or advisory services with respect to this Information Document, the Issue or the Bonds.

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments and only after reading the information stipulated in this Information Document carefully. For making an investment decision, the Investors must rely on their own examination of the Issuer and the Bonds including particularly the risks involved. Specific attention of the Investors is invited to the statements of Section 3 (*Risk Factors and Risk Management*) of this Information Document.

The Bonds are complex financial instruments and such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Information Document or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds; including where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

All the information contained in this Information Document has not been independently verified by Raiffeisen Bank Zártkörűen Működő Részvénytársaság (registered seat: 1054 Budapest, Akadémia utca 6.; company registration number: Cg.01-10-041042; tax number: 10198014-4-44; the "**Arranger**") as arranger mandated by the Issuer with respect to the Issue and the registration of the Bonds on the XBond. Accordingly the Arranger makes no representation as to and shall have no liability in relation to the information contained in this Information Document or any other information provided by the Issuer in connection with the Issue.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Document or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

This Information Document may only be used for the purposes for which it has been published.

The Issuer does not undertake to update this Information Document to reflect subsequent events after the date of this Information Document (not including any material fact or circumstance which the Issuer becomes aware of following the date of approval of this Information Document by BSE and prior to the commencement of trading of the Bonds on XBond, and which material fact or circumstance requires the supplementation of the Information Document as stipulated in Section 21(9) of the Capital Markets Act) and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer. Neither the delivery of this Information Document nor any sale made in connection herewith shall, under any circumstances, constitute a representation or, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Information Document has been most recently amended or supplemented, or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Information Document has been most recently amended or supplemented, or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Bonds have been offered and issued solely in Hungary. This Information Document does not constitute nor may it be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Bonds or the distribution of this Information Document in any jurisdiction where such action is required. The distribution of this Information Document and the offering and sale of the Bonds may be restricted by law in certain jurisdictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Persons into whose possession this Information Document comes are required to inform themselves about and to observe any such restrictions.

The Bonds issued within the framework of the Issue have not been and will not be registered under the U.S. Securities Act of 1993 or with any securities regulatory authority of any state or other jurisdiction in the United States for offer or sale as part of their distribution and may not be offered or sold in the United States. Neither the U.S Securities and Exchange Commission (the "**SEC**") nor any state securities commission nor any non-U.S securities authority has approved or disapproved of the Bonds issued within the framework of the Issue or determined that this Information Document is accurate or complete. Any representations to the contrary is a criminal offense. Nothing in this Information Document constitutes an offer of securities for sale in the United States or any other jurisdiction where such offer for sale would be in violation of any law, rule or regulation.

Other than the review and approval by BSE, this Information Document has not been reviewed or approved by any competent authority in the European Union or by any stock exchange or by any other regulator or stock exchange in any other jurisdiction; nor has any regulatory authority or stock exchange endorsed the accuracy or adequacy of this Information Document or the Bonds being offered pursuant to this document. This means that the document is not a prospectus for the purposes of the Prospectus Regulation, may not be used for an offering requiring such prospectus, and the Issuer will not be responsible for the content of this document in relation to any offering which requires such a prospectus. Further, you should be aware that (i) this Information Document may not include the same level of disclosure required by the Prospectus Regulation or other relevant national or EU legislation and (ii) if you acquire Bonds under this Information Document you will not have any recourse to the Issuer under any Prospectus Regulation related liability regime, and consequently investment into the Bonds may imply higher risk comparing to the investments into securities offered on the bases of an offering document or prospectus approved by the competent authorities.

This Information Document is drawn up in the English language. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Certain figures included in this Information Document have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Presentation of Financial Information

Financial Statements Presented

The Issuer has included in this Information Document, and primarily discusses herein, the Consolidated

Financial Statements as of and for the financial year ended on 31 December 2018 and on 31 December 2017, which were audited by an external, independent Auditor as well as the Condensed Interim Consolidated Financial Information for the period ended 30 June 2019 (not audited, but reviewed by the Auditor) and the Interim Separate Financial Statements for the period ended 30 June 2019 (audited). Unless specified otherwise, the financial information included in this Information Document relates to the Issuer and the members of the Cordia Group falling under consolidation. The consolidated financial statements of the Issuer included herein and in the accompanying notes thereto have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (the "**IFRS**"). The Condensed interim consolidated financial information for the period ended 30 June 2019 and the Interim separate financial statements for the period ended 30 June 2019 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU.

Until 31 December 2018, the Issuer also prepared financial statements in accordance with the general accounting standards of Hungary, which it uses for tax and internal management purposes.

Changed presentation of financial data

As IFRS 16 replaced IAS 17 Leases for annual periods beginning on or after 1 January 2019, Cordia Group has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The comparative information for 2018, 2017 is reported under IAS 17 and is not comparable to the information for the first half of 2019, presented in this Information Document. More details on the impact of adoption of the IFRS 16 can be read in note 3 to the IFRS Condensed Interim Consolidated Financial Information for 30 June 2019.

Moreover, as Cordia Group is rapidly expanding its activities and the management would like to reflect these changes and provide most useful information to the readers of the financial information, Cordia Group has implemented some changes in the presentation of the consolidated statement of the financial position, which can be traced in details in note 20 to the IFRS Condensed Interim Consolidated Financial Information for 30 June 2019 (the changes related mainly to reclassification of some of the non-current assets). The management of Cordia Group has reviewed also the classification and presentation of the investment notes owned by non-controlling investors co-investing in the two investment funds (Finext Real Estate Opportunities Budapest SICAV-SIF Sub-Fund and Finext Real Estate Opportunities One SICAV-SIF Sub-Fund). For more details please see the note 23 to the Consolidated Financial Statements as of 31 December 2018.

Forward-looking Statements

This Information Document may contain non-financial forward-looking statements, including (without limitation) statements identified by the use of terminology such as "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "will", "would" or other similar terms. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. This applies in particular to statements relating to, among other things, the future non-financial goals, plans, strategy, future expectations regarding developments in the business and management of the Issuer and the Cordia Group, and the general economic and regulatory conditions and similar factors affecting the Issuer and the Cordia Group

The Information Document does not contain any financial forward-looking statement. Any non-financial forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statement contained in this Information Document.

Market Share Information and Statistics

This Information Document contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Issuer's and the Cordia Group's business and market. Unless otherwise indicated, such information is based on the Issuer's analysis of multiple sources, including several public regulatory bodies, internal company analysis based on the Issuer's knowledge of its sales and markets and information otherwise obtained from other third-party sources. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market-related analysis and estimates, thus requiring the Issuer to rely on internally developed data. Consequently, the Issuer has made its estimates largely based on internal surveys and studies.

The Issuer has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Information Document that were extracted or derived from external sources. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

Internal company analyses, while believed by the Issuer to be reliable, have not been verified by any independent sources, and the Issuer does not make any representation as to the accuracy or completeness of such information and does not take any responsibility in respect of any information and data detailed under this Section (*Market Share Information and Statistics*).

In considering the industry and market data included in this Information Document, prospective Investors should note that this information may be subject to significant uncertainty due to differing definitions of the relevant markets and market segments described.

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1 PERSONS RESPONSIBLE – DECLARATION OF RESPONSIBILITY

CORDIA International Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság (seat: 1082 Budapest, Futó utca 47-53. VII. em.; company registration number: Cg.01-10-048844; the „**Issuer**"), as solely responsible person for the content of the Information Document, hereby makes the following declaration.

The Issuer accepts sole responsibility for the content of this Information Document. Such responsibility shall be binding on the Issuer for a period of five (5) years from date of this Information Document and may not be excluded or limited.

The Issuer hereby declares that, to the best of its knowledge as of the date hereof and having made all reasonable care, the Information Document

(a) consists of information that is consistent with the facts and are true;

(b) does not omit the disclosure of circumstances that could affect important conclusions to be made from such information;

(c) does not omit the disclosure of any information that is material for the assessment of the Bonds and the Issuer.

In this declaration all capitalised terms and expressions shall, unless otherwise defined, have the meanings attributed to such terms and expressions in the Information Document (including by reference to any other document).

Budapest, 23 January 2020

CORDIA International Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság
Földi Tibor
igazgatóság elnöke (vezető tisztségviselő)

2 AUDITORS

The independent auditors of the Issuer are PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság (registered seat: 1055 Budapest, Bajcsy-Zsilinszky út 78.) and Pál Tímár (registration number with Chamber of Hungarian Auditors: 002527) is personally responsible for the Issuer's audit (of the Consolidated Financial Statements of 2018, 2017 and Interim Separate Financial Statements for the period ended 30 June 2019), and review (of the Condensed Interim Consolidated Financial Information for the period ended 30 June 2019). PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság and Pál Tímár are members of the Chamber of Hungarian Auditors (*Magyar Könyvvizsgálói Kamara*).

PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság have audited, without qualification, the Issuer's consolidated financial statements in accordance with the International Standards on Auditing for each of the two financial years ended on 31 December 2017 and 31 December 2018 and the interim separate financial statements for the period 1 January – 30 June 2019 as well as reviewed the condensed interim consolidated financial information for the period 1 January – 30 June 2019.

The Issuer's auditors are independent of the Issuer and the Cordia Group in accordance with the applicable laws of Hungary and have been mandated and appointed as auditors from the date of incorporation of the Issuer until 31 May 2020.

3 RISK FACTORS AND RISK MANAGEMENT

Investors should carefully consider all the risk factors and other information contained in this Information Document for evaluating the Issuer, its business and the Bonds before making any investment decision relating to the Bonds. The occurrence of one or more of these risk factors alone or in combination with other circumstances may have a material adverse effect on the Issuer's business, cash flows, financial condition, results of operations or prospects.

Even though the following risk factors cover all risks the Issuer currently believes to be material, the risks discussed below may, in retrospect, turn out not to be complete or prove not to be exhaustive and therefore may not be the only risks the Issuer is exposed to. The order in which the risks are presented below does not reflect the likelihood of their occurrence or the magnitude or significance of the individual risks. Additional risks and uncertainties of which the Issuer is not currently aware or which it does not consider significant at present could likewise have a material adverse effect on the Issuer's business, cash flows, financial condition, results of operations or prospects.

Moreover, it is important to note that the life-cycle of a residential project starts at purchase of a plot of land and usually finishes at handover of the last finished apartments to the customers. Typically such process takes minimum 4-5 years, but may take even much longer. It is important to understand that the Issuer or any Subsidiaries involved in developing such residential projects may be exposed at many risks and at many potential changes in its business environment around particular projects and significantly impacting the profitability of the business as well as the Issuer's ability to repay and service its liabilities. Therefore, the following list of risks presented below shall be read with observation of not only of the expected maturity of the Bonds, but also with observation of the long-term cycle of the residential projects developed by Cordia Group.

Those Investors who have any reservations regarding the content of this Information Document should contact their stockbroker, bank, lawyer, tax advisor or financial advisor. The information in this Information Document is not equivalent to the professional advice from the persons mentioned above. Investors should also read the detailed information set out elsewhere in this Information Document and reach their own views prior to making any investment decision.

3.1 Risks related to the real estate market

Potential effect of economic recession, turn of the credit cycle

A potential economic recession or negative developments in the credit cycle may cause a drop or even a pause in the sales of residential units as well as activities at the real estate investment and credit markets. This may have a direct effect also on the Issuer's profitability and cash-flows.

Cyclical residential market

Despite the fact that the Issuer's risk profile is strengthened by the geographical diversification of the operation currently in 6 major cities (Budapest, Warsaw, Krakow, Tri-city (being Gdańsk, Gdynia and Sopot), Bucharest, Costa del Sol), the real estate residential development markets are cyclical historically in all the Cordia Group's countries of operation. The number of new residential units completed each year has varied from year to year, depending on, among other things, general macro-economic factors, changes in the demographics of specific areas, availability of financing (for projects and for customers), housing demands, employment level, availability of land plots and prices of existing and new residential units. Typically, growing demand results in an increase of margins of real estate developers and an increase in the number of new projects.

An upturn in the market is typically followed by a downturn as new developers are deterred from commencing new projects due to reduced profit margins. This market cyclicality may have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer.

Political and economic risk

The Issuer and Cordia Group carries out vast majority of its activities in Hungary, Poland and Romania that are regarded as an emerging markets while Spain is considered as a developed market. Investors purchasing bonds in companies operating in such emerging markets should be aware that political and economic risks are greater than in developed markets and the CEE region may still be subject to various risks, which may include instability or changes in national or local government authorities, land expropriation, changes in taxation legislation or regulation, changes to business practices or customs, changes to laws and regulations relating to currency repatriation.

The financial condition of the property development sector in the 3 CEE countries, and, therefore, the financial condition of the Issuer, is linked with many economic factors, such as changes in GDP, inflation, unemployment, currency rates and interest rates, availability of credit. These risks are very difficult to quantify or predict, however any future adverse changes in one or more of these factors could result in a fall in the demand for new residential units, which could have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer especially in the unexpected case of having these effects expressed simultaneously at Issuer's all three markets.

Regulatory risk

It cannot be excluded that in either of the active markets an unforeseen national and/or governmental decision or legislation will have a negative effect on the permitting process, the construction conditions project and customer financing markets and sales processes, and, consequently, affecting the profitability of the Issuer's business and its liquidity position.

Modifications of the subsidies and other preferential programs, any central or local regulations may also have a positive or negative effect on the Issuer's business, on the sales or rental price levels. In Romania, a significant regulatory risk factor is the lack of proper and reliable databases and thus the market transparency is limited.

Tax related risks

The activities of Cordia Group are subject to tax at various rates. Action by governments to increase effective tax rates or to impose additional taxes, interpret the taxation of certain arrangements may reduce the profitability of the Cordia Group.

Due to the preferential VAT rates and transfer duties applied to the residential dwellings in Hungary, Poland and Romania, the governmental policy and strategy related to residential housing is a potential significant risk to the local developers as it may significantly affect the affordability of the offered apartments. Cordia Group's overall risk is limited as its activity is diversified to 4 markets including also Spain, nevertheless any adverse change in any market may have the adverse impact on the profitability of the Issuer. In addition, the preferential tax treatment of investment funds and the tax treatment of international corporate and funding structures may also change adversely or may be interpreted by the tax authorities differently from the past or from existing tax opinions.

Further uncertainty has been delivered to the Hungarian residential development market by the change in the VAT-regime applicable for newly-build residential units and its expected further modifications. Re-introducing the 27%-VAT regime from 1 January 2020 to apply for developments having obtained the building permit after 1 November 2018 is expected to slow down the development of new projects.

Exchange rate risk

The Issuer invests its free resources in development of the residential real estate business in Hungary, Poland, Romania and Spain in local currencies, which makes the Issuer's ability to service its corporate debt denominated in Hungarian Forint exposed to the currency exchange rate risk. In case of the potential appreciation of Hungarian Forint versus Polish Zloty, Euro or Romanian Lei, the Issuer (dependent on profitability and liquidity of its Subsidiaries) ability to repay its debt denominated in Hungarian Forint may be negatively impacted.

Shortage of properly qualified labour force and materials

Central European real estate development markets are exposed to the volume and quality of the available professional construction workforce and in more limited cases, supply of materials.

In Hungary the 2008 sub-prime economic crises had a deep impact on the construction industry: cca. 30% of the general contracting companies went bankrupt or ceased operations, while qualified labour force either moved to Western-European markets or changed job further decreasing construction capacities in Hungary. After the reanimation of the demand for professional construction capacities in 2015 by a significant increase in the volume of public and private developments a shortage in qualified labour force has been being to experience especially in Budapest.

Since Poland joined the EU on 1 May 2004, over a million adults left Poland to work abroad (mostly in the UK, Germany and Ireland) (source: Polish Center for Social Studies, 'Centrum Badania Opinii Społecznej'). As a result, there is currently also a shortage in Poland of properly qualified labour workers and the general contractors hired by the Subsidiaries face problems in finding qualified workers.

The lack of a sufficient number of workers and their increased costs in target countries may result in increase of the budget of project and delays in construction and consequently may have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer.

The Issuer mitigates the risk of shortage of properly qualified labour force by creating long term and reliable relationships with its construction company partners.

3.2 Risks related to the operation of Cordia Group

Financing related risk

Cordia Group's operations are primarily financed through equity and interest-bearing debts and loans. As a consequence, Cordia Group is exposed to the risk of changes in market interest rates, credit availability loan costs and margins, equity and pre-sale requirements. Increased interest expenses, higher equity requirements, lower funding limits, lower credit availability may have a material adverse impact on Cordia Group's operations, financial position and earnings.

Concerning bank financing, Cordia Group is financed by different prominent banking partners. A long-term relationship is maintained with these partners, which has allowed as of now the Issuer to deal with potential financing or liquidity problems. However, the Issuer cannot guarantee that it will always be able to procure funding at all or at commercially attractive rates and with reasonable equity and pre-sale requirements. Furthermore, Cordia Group may need to refinance some or all of its indebtedness on or before maturity. Cordia Group cannot guarantee that it will be able to refinance its indebtedness. Should the Issuer not be in a position to procure additional funds in line with its expectations, it may be forced to change its strategy and to restrict its growth and to refinance such borrowings.

Access to financing of the Subsidiaries' potential clients may be limited

The high demand and in the increase in prices of flats and houses in Poland, Hungary and Romania over the last several years is largely facilitated by the low interest rates and the increase in the availability of credits and loans for financing the purchase of flats and houses. An increase in interest rates, reduction in credit availability, increase in equity requirements, deterioration in the economic situation of the Polish, Hungarian and Romanian households, or administrative restrictions on the ability of banks to grant credits and loans may result in a fall in the demand for flats and houses, and as such, interest in the Subsidiaries' projects may decline.

The Subsidiaries may be unable to sell residential units at budgeted or projected prices

The Subsidiaries may be unable to sell the residential units that they build at attractive prices. The value of a residential property depends to a large extent on its location, architectural design and standard of construction and demands of housing. If the Subsidiaries misjudge the desirability of a property's location or its design, they may not be able to sell the property at the budgeted price or at all. If any of the Subsidiary is required to reduce the sales price to attract purchasers, the market value of the property could be significantly reduced and the Subsidiaries' margins could decrease below profitable levels. The failure to sell the residential units at attractive prices may have a material adverse effect on the Issuer's business, cash flows, financial condition, results of operations or prospects of the Issuer.

Any member of the Cordia Group may be unable to acquire further land at competitive prices and to identify profitable development projects

The successful growth and profitability of the Issuer is dependent, in particular, on the ability of the Subsidiaries to acquire good development sites at competitive prices and their appropriate development. The acquisition of sites for development may be difficult for reasons such as competition in the real estate market, the slow process of obtaining permits, the absence of local zoning plans and the limited availability of land with the appropriate infrastructure. These factors could have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer.

Cordia Group faces significant competition from other developers

Cordia Group faces significant competition from other developers. Competition may lead, among other things, either to an over-supply of residential properties through over-development or to an increase in land prices. Such competition may have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer.

Due to relatively high diversification of the activity spread among few residential markets in different countries, the Issuer may mitigate this risk to some extent by directing its resources and investments to the markets less penetrated by its competitors. Moreover, the Issuer is able to take advantage of its financial and other resources, focusing on development of more demanding and challenging projects, which may not be appealing to less experienced developers and having weaker financial position.

The Issuer's profits are dependent on the conditions of the respective residential markets

Even though the sales and construction progress of currently on-going projects are promising, a sudden stop in the markets may slow down Cordia Group's profit generation pace and harm Cordia Group's liquidity. Among others, this is a reason why the Issuer decided to expand to neighbouring markets and slowly reallocate centre of gravity towards Bucharest, leading Polish cities and Spain.

The Issuer is dependent on key management personnel

The Issuer is dependent on senior members of the management, especially the members of the management board. The departure of any member of the management board could have an adverse effect on the ability of the Issuer to conduct its activities and, as a result, could have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer.

The Subsidiaries are dependent on contractors

The Subsidiaries use specialist construction companies for most of the construction work on their various projects. Neither the Issuer nor the Subsidiaries can guarantee the correct and timely performance of the contracted works by the contractors. This may cause delays in the completion of individual projects and consequently increase the costs of their completion. Moreover, contractors may develop liquidity problems which may affect the quality and timely completion of the works commissioned by the Subsidiaries. In extreme cases this may lead to the contractor stopping work altogether and the necessity to replace the contractor. Consequently, all the delays and costs associated with a change of contractor may adversely affect the profitability of a given project. Any such event may have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer.

Risks related to administrative consents

The Issuer cannot guarantee that any permits, consents or permissions required from various government or municipality / local / other entities in connection with existing or new development projects will be obtained by the Subsidiaries in a timely manner or, what is less likely, will be obtained at all, or that any current or future permits, consents or permissions will not be withdrawn. A failure to obtain the required consents, or their withdrawal, may have an adverse effect on the value of the property, which could have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer. In order to mitigate the above risks, the Subsidiaries always calculate adequate time in the project phase to obtain the necessary permits, the requests to obtain the permits are always well prepared and grounded and Cordia Group maintains a good, professional relationship with the relevant authorities.

Cordia Group's business is exposed to the risk of non-compliance with building permits and other regulations as regards the construction of buildings. It is possible, that the required building permits will be issued with delay. If such permits are issued with delay, or are issued only subject to conditions, this can lead to substantial delays of the completion of the properties and may result in higher than projected costs and lower income.

Risk relating to new zoning plans, building permits and building rights

There is a risk that zoning plans or building permit plans necessary for Cordia Group's projects will not be adopted by the municipality or that Cordia Group will not receive a final approval of these plans within the prescribed time period or that the permits will contain conditions that Cordia Group must satisfy in order to develop the project. Opposition by local residents to zoning and/or building permit applications may also cause considerable delays. If any of the described risks would materialise, it could have a material negative impact on Cordia Group's operations, earnings and financial position.

Cordia Group may incur environmental liabilities

Properties owned or acquired by Cordia Group may contain ground contamination, hazardous substances, wartime relics and/or other residual pollution and environmental risks. Cordia Group would bear the risk of cost-intensive assessment, remediation or removal of such ground contamination, hazardous substances, wartime relics or other residual pollution. Moreover, even the mere suspicion of the existence of ground contamination, hazardous materials, wartime relics or other residual pollution can negatively affect the value of a property.

Cordia Group may be faced with archaeological findings on historic sites.

During the development phase of a project, Cordia Group may be faced with archaeological findings or be faced with building restrictions on historic sites. Such findings and restrictions will in most cases lead to a substantial delay in the development of a project and may have an adverse effect on the costs involved with such project.

The Issuer may incur material losses in excess of insurance pay-outs

It is the Subsidiaries' policy to ensure that their projects under construction are adequately insured. However, the buildings on projects developed by the Subsidiaries could suffer physical damage caused by fire or other causes, resulting in losses which may not be fully compensated by insurance. In addition, there are certain types of risks that may be uninsurable.

Should an uninsured loss or a loss in excess of insured limits occur, the Subsidiaries could suffer a loss in the value of an investment in the affected development as well as the anticipated future revenue from that development. The Subsidiaries could also be liable for the repair of the damage caused by the risk which is not covered by the insurance. In addition, the Subsidiaries may be obliged to continue servicing the debt associated with the damaged development project. This may have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer.

Cordia Group is exposed to the risk of impairments of its reputation

The business model of Cordia Group is based on its reliability and good reputation. Cordia Group is subject to laws and regulations relating to several areas such as environment, health and safety, construction, procurement, administrative, accounting, corporate governance, market disclosure, tax, employment and data protection. Such laws and regulations may be subject to change and interpretation. Any failure to comply with applicable laws and regulations that may change over time, may lead to administrative procedures and may result in negative publicity harming Cordia Group's business and reputation. Such negative publicity may cause business partners and purchasers of Cordia Group to distance themselves from a relationship with Cordia Group. In particular, harm to Cordia Group's reputation could make it more difficult for Cordia Group to sell its residential units. Furthermore, harm to the reputation could impair Cordia Group's ability to raise capital on favourable terms or at all.

Cordia Group's historical earnings and other historical financial data

The financial information provided for and discussed in this Information Document relate to the past performance of the Issuer and Cordia Group. The future development of Cordia Group could deviate significantly from past results due to a large number of internal and external factors. The historical earnings, historical dividends and other historical financial data of the Issuer and Cordia Group are therefore not necessarily predictive of future earnings or other key financial figures for Cordia Group going forward.

The fair value of Cordia Group's real estate assets may be harmed by certain factors

Certain circumstances may affect the fair value of Cordia Group's real estate assets, including, among other things, (i) the absence of, or modifications to, permits or approvals required for the construction and/or operation of any real estate asset; (ii) the residential properties may be exposed to a risk of sale prices being significantly lower than otherwise might be the case; (iii) delays in completion of works beyond the anticipated target, may adversely affect Cordia Group's results of operations and cash flows; and (iv) lawsuits that are pending, whether or not Cordia Group is a party thereto, may have a significant impact on its real estate assets.

Specific risks related to specific projects

In the case of the „Universo”; „Vaskapu 32-34” and „Vaskapu 47-49” projects the respective municipality ensured the on-time completion of the below projects by establishing a repurchase option for five years from the handover of the affected properties. This means that the municipality will have the right to repurchase the respective project properties at the market value if the deadlines were not met. This would trigger the developers’ breach of the sale and purchase agreements and the developers’ penalty payment obligations to the purchasers.

The Subsidiaries’ operating and other costs may increase

Factors which could increase operating and other costs include: inflation (of construction costs, land prices, wages); increases in taxes and other statutory charges; changes in the law, regulations or government policies (including those relating to health and safety at work and environmental protection) which increase the costs of compliance with such laws, regulations or policies; and increases in the cost of borrowing. In light of the growing competition on the real estate markets of the Issuer’s operation and considering that the Issuer wishes to increase its market share in Bucharest and in the Polish cities, the Issuer could also be faced with increased marketing costs. Any material increase in the Issuer’s operating costs may have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer.

The Subsidiaries have entered into, and will enter into, construction agreements with general contractors to build the Subsidiaries’ development projects. The costs of these projects – despite the Issuer and its Subsidiaries’ practice assumes execution of the fixed-price contracts – can still vary due to: changes in the scope of a given project and in its architectural design; substantial increases in the cost of building materials and of labour costs which are not properly expected / budgeted by the contractors; the contractors not completing the works within the agreed term and to a standard which is acceptable to the Subsidiaries. Any material increase in the Subsidiaries’ project costs may have a material adverse effect on the business, cash flows, financial condition, results of operations or prospects of the Issuer.

The Subsidiaries may be liable in connection with post-construction obligations

The respective Subsidiaries are liable under the statutory warranty for defects of the residential units and the building and must provide the required repairs. Warranties and guarantees obtained by such Subsidiaries from general contractors and other subcontractors that render the construction works or particular construction elements, allow such Subsidiaries to recover costs of such repairs or to transfer an obligation to provide repairs to such entities. As the general contractor guarantee commences upon handover of the construction and the guarantee of the Subsidiaries commences upon handover of the residential unit, there may be (and usually is) a period in which the general contract guarantee has already run out but the liability of the Subsidiaries under their statutory guarantee remains in effect. Claims made during such interim period, if not fully covered under the respective Subsidiaries' insurance policy, may have a material adverse effect on the business, cash flows, financial condition, results of operation or prospects of the Issuer.

Business disruptions, operational shortcomings, system failures and internal deficiencies may expose Cordia Group to operating risk and cause it to incur losses

The term operating risk refers mainly to the risk of financial consequences and consequences related to the loss of trust which may ensue from shortcomings in internal routines and systems, including IT systems. The risk also includes legal risks and risks within regulatory compliance. The handling of operating risks is aimed at identifying, assessing, monitoring and reducing those risks. The risks are handled based on the expected consequences and the degree of probability that they could occur. Internal directives and guidelines form the basis of risk management within Cordia Group. Corporate culture is critical in ensuring that internal controls are a normal and necessary operating prerequisite.

All operational activities are associated with the risk of incurring losses due to deficient routines and/or the business being detrimentally affected by disruptions caused by shortcomings or internal or external events. Operational certainty, achieved through sound internal control, appropriate administrative systems and access to reliable valuation and risk models, is required to mitigate such risks and reduce the risk to Cordia Group's administrative security and control. However, business disruptions and shortcomings in operational security may have a material adverse impact on Cordia Group's operations, financial position and earnings.

3.3 Risks related to the company structure

Business relationships with related parties of the majority shareholders

The original operation of Cordia Group has historically been within the corporate group of Futureal Property Group Ingatlanforgalmazó Kft. and it has recently been separated to operate as an independent entity focusing on residential developments with separate corporate structure and separate organization.

In the view of the Issuer, the cooperation of the two groups in certain projects (for example in mixed-use projects like Corvin Promenade) and certain functions (like aggregating purchasing, deal sourcing and due diligence) is mutually advantageous. In addition, internationally, Issuer's management companies and Futureal Group's management companies may, from time to time provide certain services to each other on an arm's-length basis in order to optimize costs or use special capabilities. „Futureal Group" is the corporate group owned by the Futó Family engaged in real estate development and if which the Issuer's founder is also a member.

In addition, dr. Futóné Szántó Zsuzsanna (one of the ultimate beneficial owners of the Issuer) owns BrandArt Group, which has been providing creative and design services to Futureal Group and Cordia Group companies for close to two decades on an arm's-length basis.

Interests of the main shareholders may conflict with the interest of the holders of the Bonds

The interests of the Issuer's ultimate shareholders may, under certain circumstances, conflict with the interest of the holders of the Bonds. For example, (i) the Issuer's shareholders may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such transactions might involve risks to the holders of the Bonds, (ii) the Issuer may pay out Shareholder Distributions (including in the form of dividends, pre-payments of dividends, capital reductions, share buy-back, loans or loan repayments) that decrease the cash or equity of the Issuer, however, in order to reduce such potential risk, the Conditions contain financial undertakings that limit such Shareholder Distributions.

Change of control risk

The occurrence of specific change of control events may result in certain debt to be breached or become immediately payable and the Issuer may not be able to repay or repurchase such debt. The change of control may also result (on the short or longer term) in the unwinding of certain partnerships relations of the Cordia Group described in the relevant section, loss of or less support from the current main shareholders or the arrival of different controlling shareholders with different strategic approach. These potential events or even the forced repayment/repurchase may have a material negative impact on Cordia Group’s operations, earnings and financial position.

The developments are carried out in Subsidiaries

The Issuer does not directly own real estate projects. Projects are generally carried out in separate limited liability special purpose vehicles (the “**SPVs**”) in order to allow for separate lenders for each project, avoid cross-collateralization and to compartmentalize project level risk. Generally, the Issuer holds these SPVs indirectly through holding vehicles.

The Issuer has currently no significant assets other than the equity interests in and loans given to its Subsidiaries. As a result, the Issuer's ability to make required payments under the Bonds depends on the performance of its subsidiaries and their ability to distribute funds to it. Such cash flows will depend on the business and financial conditions of its Subsidiaries. In addition, the ability of certain Subsidiaries to pay dividends/ loan repayments and distributions may be limited by applicable laws and any indebtedness those subsidiaries have incurred. Equally, if the Issuer's Subsidiaries do not pay any dividends or distributions, or do so irregularly, the Issuer’s performance may be adversely affected.

Further, on the liquidation of one of its Subsidiaries, the Issuer's right to receive repayment in respect of finance it has provided to such Subsidiary, and therefore the right of Bondholders to participate in those proceeds are structurally subordinated to the claims of the project financing bank and other creditors of that subsidiary. In addition, even if the Issuer is a creditor of any of its Subsidiaries, its rights as a creditor would be subordinated to any existing security interest in the assets of such Subsidiary.

The Issuer may have limited control over jointly-owned companies and other investment vehicles

In addition to Issuer's wholly-owned subsidiaries, the Issuer has and may have in the future ownerships/participations in jointly-owned holding and project entities. In certain cases, the Issuer cannot exercise sole control over these SPVs and their cash flows. Disputes or disagreements with any of the Issuer's joint venture partners could result in significant delays and increased costs associated with the development of Cordia Group's properties.

The Issuer's Hungarian projects are mostly constructed by Pedrano Group

Futureal Group and Cordia Group manage most of their construction projects in Hungary through Pedrano Group (Pedrano Construction Kft. and Pedrano Homes Kft.) as general contractors on a fully transparent basis on cost plus fixed margin contracts, generally ensuring 6% margin for Pedrano Group. Pedrano acts as general contractor, manages the construction process and ensures Cordia Group's access to its wide subcontractor network, in addition it protects Cordia Group's project entities from several project level constructions related liabilities. On the other hand, Pedrano Group derives the vast majority of its revenues from Futureal Group and Cordia Group and grants it absolute priority.

Any negative change in this relationship may have a negative impact on Cordia Group and would require it to build a specific construction management team or find a similar relationship.

3.4 Risks related to the Bonds

Risk of non-performance of bond related payments resulting in event of default

The Issuer may not be able to pay coupon, amortization of principal or to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds in the event of a default as set out in the Conditions. If the Bondholders were to ask the Issuer to repay their Bonds following an event of default, the Issuer cannot be certain that it will be able to pay the required amount in full.

An investment in the Bonds may be subject to inflation risks

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Bonds. If the inflation rate were to increase and match or exceed the nominal yield, the real yield of the Bonds would be zero or even negative.

The Conditions do not contain a tax gross up clause

Investment in the Bonds may entail the necessity of the Bondholders paying taxes.

The Conditions do not contain a tax gross up clause related to payments to the Bondholders. If any payment on account of Bonds entails the obligation to collect and pay any tax, charge or other public imposts, the Issuer shall not be obliged to pay to the Bondholders any amounts compensating the collected taxes, charges or other public imposts, or to make any other payments.

The obligation to pay any taxes connected with acquiring, holding (in terms of any payments under the Bonds), or selling the Bonds may result in a lower than expected rate of return on the investment in the Bonds.

Changes in interest rates and credit spreads may affect the price of the Bonds

All securities such as in the present Issue, are subject to price risk. The price of such securities offering a fixed rate of interest will vary inversely with changes in prevailing interest rates (base rate plus applicable credit spread), when interest rates rise, prices of fixed income securities fall and when interest rates drop, the price increase. The extent of fall or rise in the prices is a function of the duration, existing coupon, amortization schedule, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or growing economy, but also widening of credit spreads are likely to have a negative effect on the pricing of the Bonds.

The Bonds involve high levels of risk and may not be a suitable investment for all investors

Each Investor in any Bonds must determine the suitability of that investment in light of its own circumstance. In particular, each Investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of the investing in the Bonds and the information contained in this Information Document;
(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, and investment in the Bonds and the impact such investment will have on its overall investment portfolio;
(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
(d) understand thoroughly the terms of the Bonds; and
(e) be able to evaluate (either alone or with the help of financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

An Investor should not invest in the Bonds, unless it has the expertise (either alone or with the help of a financial advisor) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the Investor's overall investment portfolio.

The Issuer may be unable to admit the Bonds to the XBond

The admission of the Bonds to trading on the XBond requires that the BSE approves this Information Document. Pursuant to the terms of the BGS, the Issuer is obliged to admit the Bonds to the XBond no later than one hundred and eighty (180) days from the Issue. The Issuer intends to take all the necessary steps to ensure that the Bonds are admitted to the XBond as soon as possible. However, there is no guarantee that all of the aforementioned conditions will be met and that the Bonds will be admitted to trading on the XBond on the date expected or at all.

Trading in the Bonds on the XBond may be suspended

The BSE has the right to suspend trading of the Bonds if the Issuer fails to comply with the obligations under the applicable laws, regulations and XBond Business Rules (specified currently in Section 12 of Chapter II and Section 17 of Chapter V of the Second Book of the XBond Business Rules). There can be no assurance that trading in the Bonds will not be suspended. However, currently the Issuer has no reasons to believe that such a suspension may occur. During the period of suspension of trading in the Bonds, investors would have no possibility to buy or sell such securities on XBond, which would have a negative impact on liquidity. Sale of the Bonds outside of XBond may be effected at substantially lower prices as compared to the most recent prices obtained in transactions carried out on the XBond, thus any suspension of trading would adversely affect the Bonds' price.

The Bonds may be deleted from the security list of the XBond

The BSE has the right to delete the Bonds from the security list of XBond if the Issuer fails to comply with the obligations under the applicable laws, regulations and XBond Business Rules. At the date of this Information Document, such rules are set out in Section 13 of Chapter IV of the Second Book and Section 17 of Chapter V of the Second Book of the XBond Business Rules. There can be no assurance that such a situation will not occur in relation to the Bonds.

Once the Bonds are deleted from the security list of XBond the investors lose the possibility of trading in the Bonds on the XBond, which may adversely affect their liquidity. The sale of the Bonds outside the Xbond platform may be effected at substantially lower prices compared to the most recent prices obtained in transactions carried out on the XBond.

There can be no assurance that such a situation will not occur in relation to the Bonds, however, currently there is no reason to believe that such a situation will occur in the future.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of the Issuer's competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors, including the credit rating (if any) of the Issuer and the trading market (supply, demand, liquidity) for the Bonds and other bonds, including the bonds issued by or on behalf of Hungary as a sovereign borrower. Any change in supply and demand for and limited liquidity of the Bonds may increase its price volatility. In addition, in recent year, the global financial markets have experienced significant crisis-driven price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Issuer's operating results or financial condition or any credit rating of the Issuer.

The secondary market for the Bonds may be illiquid

The Bonds may be very illiquid, and so no secondary market may develop in respect thereof. Pursuant to the BGS Handout, a Market Maker will make sell and buy offers on the secondary market as a solution for the possible liquidity problems of the Bonds. However, the operation of the Market Maker does not guarantee to sell or buy the Bonds on an intended price (with the intended margin) and Investors may have to hold the Bonds until redemption to realize any value. Therefore, there can be no assurance that an active market for the Bonds will develop. For more information for the operation of and regulations applicable to the Market Maker please see the BGS Handout from the following link: https://www.mnb.hu/letoltes/nkp-termektajekoztato.pdf.

Credit risk and rating downgrade risk

The Credit Rating Agency has assigned a credit rating of BB to the Bonds on 12 September 2019. According to the provisions of BGS the Credit Rating Agency will review its credit rating annually in connection with the Bonds hold by NBH until the maturity of the Bonds.

In the event of deterioration in the financial health of the Issuer, there is a possibility that the Credit Rating Agency may downgrade the rating of the Bonds or the market assessment of the credit quality of the Issuer may deteriorate. In such cases, Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the Credit Rating Agency at any time.

The Bonds are not secured by collateral

The Bonds will constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and as to the order of their satisfaction and at least *pari passu* with all other existing and future direct, unsecured, unconditional and unsubordinated loans, bonds or any other borrowings of the Issuer.

The Bonds do not entitle the Bondholder to security interest in any collateral. Due to the unsecured nature of the Bonds, if the Issuer defaults on its obligations, Investors in the Bonds may lose some or all of their investments. The Bonds do not constitute deposits or other obligations of a depository institution and are not insured by the National Deposit Insurance Fund (*Országos Betétbiztosítási Alap*) or any other governmental agency.

Also, in the future the Issuer / Cordia Group may also grant other security interests, whether collateralised or not, in connection with existing or future debt. This means that if creditors seek to collect from assets, assets that serve as collateral will be used to satisfy claims of the creditors who have collateralised claims first. It cannot be ruled out that in such a situation the value of the remaining assets intended to satisfy other creditors, including the Bondholders, may prove insufficient to satisfy their claims and hence the Bondholders may not recover the amount they invested in the Bonds, or they recover amounts lower than invested.

However, the ability of the Issuer to spend its funds from its cash, or existing or future debt on New Acquisitions is limited by certain financial covenants detailed in the Conditions.

The Bondholders' Meeting may fail to pass some resolutions, or may pass resolutions which are contradictory to the interest of the Bondholders voting against such resolutions or not present at the Bondholders' Meeting

Decisions related to the Bonds are passed by the Bondholders' Meeting. Convening a Bondholders' Meeting requires specific actions to be taken with the support of HUF 1 billion Face Value or 2.5% of all outstanding Bonds (whichever is smaller), while the decisions are carried by certain majority of the votes (for example 20% support from all outstanding Bonds is needed for the notification of the Issuer on the possibility to remedy a breach under Condition 3 (*Status and Ranking of the Bonds*) or Condition 11(a), and 85% support from all outstanding Bonds is needed for agreeing to the Issuer's proposal on changing the Conditions). The Bondholders' Meeting may be unable to be called or even if called in may not pass certain resolutions if the resolution is backed by Bondholders representing less than the required number of Bonds. There is a risk that actions taken as a result of resolutions passed by the Bondholders' Meetings may conflict with the interest of the Bondholders voting against these resolutions, or those who do not attend the Bondholders' Meeting. In addition, there is a risk that Bondholders seeking adoption of a specific resolution, in particular a resolution changing the Conditions of the Bonds, may not gain the required majority of votes or there may be no quorum as required for passing such a resolution.

Accounting considerations

Special accounting considerations may apply to certain types of taxpayers. Investors are urged to consult with their own accounting advisors to determine implications of this investment.

Changes in the accounting policies

Changes in accounting policies or in accounting standards could materially affect how it reports its financial condition and results of operations or could result in non-comparability of the historical financial information.

From time to time, the IASB, the EU and other regulatory bodies change the international financial accounting and reporting standards that govern the preparation of Cordia Group financial statements. These changes can be difficult to predict and can materially impact how Cordia Group records and reports its results of operations and financial condition. In some cases, Cordia Group could be required to apply a new or revised standard retrospectively, resulting in restating prior period financial statements or adjusting the opening balances. In other cases, no restatement of comparative period financial statements will be required and therefore the historical financial information for such prior periods may become non-comparable to the financial information prepared in accordance with new accounting policies or standards.

For example, Cordia Group, for the period beginning on 1 January 2019, has adopted IFRS 16 "Leases", which was issued on 13 January 2016 and is effective for annual periods beginning on or after 1 January 2019. The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Cordia Group has adopted IFRS 16 from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The effects arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The comparative information for 2018 is reported under IAS 17 and will not comparable to the information presented for 2019. For further information on the impact of transition to IFRS 16 on Cordia Group's consolidated financial statements, see Note 3 to Cordia Group's condensed interim consolidated financial information for the period ended 30 June 2019.

3.5 Risk Management

The Issuer, the Subsidiaries and the management of Cordia Group – including the business, finance, technical, marketing and legal corporate bodies – are fully aware of the risks mentioned in this Information Document, and are reviewing, analysing and following every circumstances connected to these risks and develop and put in place appropriate internal procedures.

In order to manage and eliminate these risks, Cordia Group has a risk management system which has developed risk management strategies and processes tailored to the business of the Cordia Group. Such risk management strategies and processes are continuously updated and are particularly designed to monitor all potential risks which may damage Cordia Group.

Cordia Group manages specific risks in particular (but not limited to) as follows:

RISK	RISK MITIGATIONT
Cyclical residential market	deepening and extending the diversification
Unable to acquire further land	developing, maintaining and motivating the agency network, proactive search and mapping activity
Zoning risk	limiting the share of lands without proper zoning , closing of land acquisitions conditioned on zoning
Building permit risk	selecting experienced and locally well reputed architects, concept always in line with the prevailing regulation, proper management of interest of the stakeholders (authorities, neighbours, city architects, media providers, etc.)
Market risk	• deep understanding of the markets with monthly competitor analysis of the projects, regular market research, other indicators having effect on the market • active price and sales speed management • proper and efficient marketing activities with active advertisement management
Construction risk	well prepared project with good quality of construction design, close monitoring of the subcontractor payments and performances under the General Contractor, strong performance/quality/contract management of the contractors, selecting contractors with proper references and in good financial status
Bank financing risk	full-cover financing for projects, non-recourse loans, limited number of construction starts without bank financing offer/agreement available
Operation risk	well defined, proper processes and people management
Warranty risk	proper security/insurance from contractors, permanent monitoring of the warranty processes, active intervention

4 TERMS AND CONDITIONS OF THE BONDS

TERMS OF THE BOND

The following are the terms and conditions (the "**Conditions**") of the HUF denominated, fixed interest rate, registered, unsecured, dematerialised, amortising bonds due 7 November 2026 (name: CORDIA 2026/I HUF Kötvény; short name: CORDIA2026; ISIN Code: HU0000359211; the "**Bonds**"), which form inseparable part of the Document (as defined below). The Bonds have been issued by CORDIA International Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság (short name: CORDIA International Ingatlanfejlesztő Zrt.; registered seat: 1082 Budapest, Futó utca 47-53. VII. em.; tax number: 25558098-2-42; the "**Issuer**") by way of a public offering (in Hungarian: "*nyilvános forgalomba hozatal*") addressed to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation.

1 Type, Form, Kind, Title, Records and Authorisation

(a) *Type*

The Bonds have been issued in accordance with Section 12/B of Act CXX of 2001 on the Capital Markets (the "**Capital Markets Act**"), 285/2001 (XII. 26.) Government Decree on bonds and Act V of 2013 on the Civil Code (the "**Civil Code**") as registered debt securities in one series and in one tranche.

(b) *Form*

The Bonds are in dematerialized and registered form. The Bonds are not issuable in bearer form.

The Issuer, in accordance with Sections 7(2) and 9(1) of the Capital Markets Act, issued and deposited with KELER Központi Értéktár Zártkörűen Működő Részvénytársaság (English name: KELER Ltd.; registered seat: 1074 Budapest, Rákóczi út 70-72.; company registration number: Cg.01-10-042346; tax number: 10873151-2-44; "**KELER**") a document (the "**Document**"), which does not qualify as a security, with the particulars of the Bonds. The Document is in English-Hungarian bilingual format whereby the Hungarian language version is prevailing. The Document will remain to be deposited with KELER, or (if applicable) KELER's successor, as long as all claims of the Bondholders under the Bonds will be satisfied.

Should any Bonds be cancelled prior to the Maturity Date by the Issuer in accordance with these Conditions, the Document will be cancelled and a new Document (the "**new Document**") with the particulars of the outstanding number of Bonds will be issued and deposited with KELER in order to reflect the change in the number of outstanding Bonds which arises due to such cancellation. These Conditions form a part of the Bonds and, accordingly, also the Document or new Document, as the case may be. This procedure shall apply accordingly in the case of amendment of Conditions pursuant to Condition 20 (*Meeting of Bondholders and Amendment of the Conditions of the Bond*).

(c) *Kind*

Each Bond is a fixed rate bond.

(d) *Title*

In accordance with Section 6:566(6) of the Civil Code and Section 138(2) of the Capital Markets Act, any reference to a "Bondholder" or the "Bondholders" in relation to any Bonds shall mean the person or persons to whose securities account the Bonds are credited until the opposite is proven (the "**Bondholder**").

The holder of any Bond who acquired the Bonds in accordance with the paragraph above shall (except as otherwise required by law) be deemed and treated as its absolute owner for all purposes (whether or not any amounts payable under the Bonds has become due) and no person will be liable for so treating the holder.

Pursuant to Section 6(5) of the Capital Markets Act, the Bondholders are not be entitled to exchange the dematerialized Bonds for printed bonds (in Hungarian: "*nyomdai úton előállított kötvényekre*").

(e) *Records of KELER*

The records of KELER shall be evidence of the identity of the securities account managers who have Bonds credited to their securities account with KELER (the "**Securities Account Managers**") and the number of Bonds credited to the securities account of each Securities Account Manager.

(f) *Authorisation*

The issue of the Bonds has been authorised under Resolution No. 1/2019 (25.IX.) of the board of directors of the Issuer on 25 September 2019.

2 *Denomination, Issue, Maturity and Rating*

(a) *Number of Bonds and denomination*

The Bonds are issued in one series and in one tranche consisting of 880 Bonds.

Each Bond have been issued in Hungarian forint and with a face value of HUF 50,000,000 (fifty million Hungarian forint) (the "**Face Value**").

Total Face Value of the Bonds is HUF 44,000,000,000 (i.e. forty-four billion Hungarian forint).

The total amount issued in the course of the Auction is HUF 44,402,644,000 (i.e. forty-four billion four hundred and two million six hundred and forty-four thousand forint).

(b) *Place and date of the issue, offering and creation of the Bonds*

The place of the issue, the place of offering (in Hungarian: "*forgalomba hozatal*") and the place of creation of the Bonds (in Hungarian: "*kiállítás és keletkeztetés*") are in each case: Budapest, Hungary.

The Bonds have been issued within the framework of a public offering through auction process.

The issue of the Bonds has taken place on 7 November 2019 (the "Issue Date").

(c) *Term of the Bonds*

The term of the Bonds is a seven-year period commencing on the Issue Date and ending on 7 November 2026 (the "**Maturity Date**").

(d) *Rating*

The Bonds were rated BB by Scope Ratings GmbH (registered seat: Lennéstraße 5., 10785 Berlin, Germany) as published on 12 September 2019.

3 *Status and Ranking of the Bonds*

The obligations under the Bonds constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer.

The Bonds rank *pari passu* without any preference among themselves and as to the order of their satisfaction and at least *pari passu* to all other direct, unsecured, unconditional and unsubordinated loans, bonds or any other borrowings of the Issuer, present and future, unless otherwise provided for under the mandatory provisions of statutory law in the case of insolvency procedure.

4 Transferability

The Bonds are transferable by debiting the seller's securities account and crediting the buyer's securities account in accordance with the rules and procedures for the time being of KELER.

The Issuer does not restrict the transfer of the Bonds other than as set out in this Condition.

The rules and procedures for the time being of KELER may specify limitations and closed periods in relation to the transfer of the Bonds between the respective securities accounts of the relevant Securities Account Managers which shall apply to, and be binding on, the Bondholders.

No rights of exchange or pre-emption rights (are attached to the Bonds.

5 Coupon

(a) *Coupon*

Each Bond bears a coupon of 4.00 % per annum, with semi-annual coupon payments on the Amortized Face Value and payable on the Coupon Payment Date. **Amortized Face Value** means the amount of the Face Value decreased with the aggregate amount of all Amortisation Amounts already paid by the Issuer before the respective Coupon Payment Date.

The Issuer shall be entitled to unilaterally (permanently, temporarily and/or conditionally) increase the above rate of the coupon without the consent of the Bondholders, in each case subject to and in accordance with applicable laws and regulations.

(b) *Coupon Payment Date*

The first coupon payment date shall be 7 May 2020, and then any subsequent coupon payment date shall be 7 May and 7 November in each year during the term of the Bonds, except for the last coupon payment date which shall be the Maturity Date (the "**Coupon Payment Date**").

The amount of the coupon payable during

(i) the first coupon period shall be calculated as follows: the number of days elapsed between the first Coupon Payment Date (exclusive) and Issue Date (inclusive) multiplied by the coupon (4%) multiplied by the Amortized Face Value during the coupon payment period and divided by 366.

(ii) any subsequent coupon period shall be calculated as follows: the number of days elapsed between the relevant Coupon Payment Date (exclusive) and the previous Coupon Payment Date (inclusive) multiplied by the coupon (4%) multiplied by the Amortized Face Value during the coupon payment period and divided by 365 or 366 in case the coupon payment period includes 29 February in case of a leap year.

(c) *Delay in payment*

If the Issuer fails to pay any amount payable by it under any of the Bonds on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment at a rate which is 6% p.a. higher than the coupon which would have been payable on the overdue amount (the "**Late Payment Interest**").

No Bondholder shall be entitled to any Late Payment Interest, coupon or other payment for any payment delay by the Issuer if the Bondholder fails to provide the Issuer with the relevant Ownership Certificate (where and as required under the Conditions) in a timely manner.

(d) *Business Day convention*

For the payment of any coupon provisions of Condition 6 (*Payments*) shall apply, including particularly but not limited to Condition 6(b) (*Payment Day*) (*subsequent business day rule*).

6 Payments

(a) *Method of payment*

Payments of principal and coupon in respect of the Bonds shall be made via bank transfer through the Paying Agent in accordance with the rules and regulations of KELER as effective from time to time, and taking into consideration the relevant laws on taxation, to those Securities Account Managers to whose securities account at KELER such Bonds are credited at close of business on the Reference Date (as defined below) for that payment, as designated in the regulations of KELER effective from time to time. Pursuant to the currently effective rules and regulations of KELER, the Reference Date is the day falling two (2) Business Days immediately prior to the relevant Payment Date (the "**Reference Date**"). Payment shall be due to that person who is deemed to be the Bondholder on the Reference Date.

(b) *Payment Day*

If the date for payment of any amount in respect of any Bond does not fall on a Payment Day (as defined below), the Bondholder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further coupon or other payment in respect of such delay. For these purposes,

Payment Day means any day which is:

(i) a day which is a Business Day; and
(ii) a day on which KELER is effecting money and securities transfers.

(c) *General provisions applicable to payments*

Bondholders shall be the only persons entitled to receive payments in respect of the Bonds.

For the purpose of the Conditions, **Business Day** means a day on which commercial banks (including the Paying Agent) are open for general business in Budapest.

7 Amortisation, Redemption and Purchases

(a) *Scheduled amortisation during the term of the Bonds and redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Bond shall be amortised by the Issuer:

(i) at HUF 8,333,333 (per Bond) as amortisation amount (the "**Amortisation Amount**") of the Bond due 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 on 7 May 2026 and

(ii) at HUF 8,333,335 as the final amortisation amount (the "**Final Redemption Amount**"), due and payable on 7 November 2026, being the last Coupon Payment Date, which is also the Maturity Date. For the avoidance of doubt, the result of rounding under paragraph (i) above is corrected by the Final Redemption Amount. Upon the payment of all coupons and Amortisation Amounts and the Final Redemption Amount the Bonds shall be redeemed and cancelled by the Issuer.

Principal Amount means, with respect to each Bond, all Amortisation Amounts and the Final Redemption Amount; thus all Principal Amounts in aggregate are equal to the Face Value of the Bonds.

Notwithstanding the above, for the payment of any Amortisation Amount and the Final Redemption Amount provisions of Condition 6 (*Payments*) shall apply, including particularly but not limited to Condition 6(b) (*Payment Day*).

(b) *Other redemption*

None of the Bonds may be redeemed other than as set out under Condition 7(a) (*Scheduled amortisation during the term of the Bonds and redemption at maturity*) above and Condition 10 (*Events of Default*).

(c) *Purchases*

The Issuer may at any time purchase Bonds at any price in the open market or otherwise. Bonds purchased by the Issuer may, at the option of the Issuer, be held, resold or cancelled.

(d) *Cancellation*

All Bonds which are redeemed by the Issuer may forthwith be cancelled in accordance with the rules and procedures for the time being of KELER. All Bonds so cancelled cannot thereafter be held, reissued or resold.

8 Taxation

All payments of principal and coupon in respect of the Bonds by or on behalf of the Issuer will be made in compliance with the applicable financial and tax legislation. In the event that any charges or tax related deductions on the interest or principal payments are applicable, the Issuer will fulfil its withholding obligation, so that the Bondholders would receive the net amount of the principal and coupon payments. Neither the Issuer, the dealer (Raiffeisen Bank Zrt.), nor the Paying Agent shall have any obligation to pay any additional amounts to compensate any Bondholder for such charges or deductions. None of the Issuer, the dealer and the Paying Agent, in line with the applicable law, can be held responsible to the Bondholders for any kind of fee, expense or loss related to the payment of principal and coupon.

9 Prescription

Pursuant to Governmental Decree No. 285/2001 (XII.26.) on bonds, claims against the Issuer for payment under the Bonds may not be prescribed unless otherwise permitted by Hungarian law.

10 Events of Default

(a) *Notification of potential default*

The Issuer shall, in accordance with Condition 18 (*Notices*), notify the Bondholders of any circumstance(s) that may hinder or threaten the due performance of the Conditions by the Issuer (specifying the circumstance(s), event(s) giving rise to such circumstance(s), the steps being taken to mitigate it and the expected time of mitigation) promptly, but not later than three (3) Business Days from becoming aware of its occurrence.

(b) *Events of Default*

If any of the following events shall occur and be continuing:

(i) a default is made in the payment of any Principal Amount or any coupon due in respect of the Bonds or any of them and the applicable Remedy Period expired without appropriate remedy in accordance with Condition 12 (*Remedy*); or

(ii) the Issuer fails to comply with any of the undertakings set out under Condition 3 (*Status and Ranking of the Bonds*) or Condition 11(a) (*Undertaking of the Issuer)* and the applicable Remedy Period expired without appropriate remedy in accordance with Condition 12 (*Remedy*),

(the "**Events of Default**" and each an "**Event of Default**"),

all Bonds shall become forthwith due and payable at the Early Redemption Amount, without any penalty, on the ninetieth (90^{th}) day from the date of the occurrence of the Event of Default.

For the purpose of this Condition,

Early Redemption Amount means, with respect to a Bond, its Face Value minus its Principal Amount already paid plus all outstanding coupon and Late Payment Interest payments and pro-rated coupon accumulated since the last Coupon Payment Date (the days calculated from the last Coupon Payment Date until the Early Redemption Amount's Payment Date) divided by the actual number of days of the respective half year.

11 Issuer Undertakings

(a) *Undertakings of the Issuer*

1. No Shareholder Distributions and no New Acquisition shall be made in case 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.

Such limitation shall be applied after the date of publishing the financial statements under which any of the above two conditions are not met until the date of the publishing of the financial statements under which both conditions are met.

2. In addition, even when the conditions in paragraph 1.(i) and 1.(ii) above are met, a further limitation shall also apply:

No new Shareholder Distribution shall be made in a way that as a result of such new Shareholder Distribution, the cumulative amount of all the Shareholder Distributions made after the date of the most recent financial statements would exceed the maximum amount that could have been distributed on the date of the most recent financial statements without resulting in any of the Consolidated Leverage Ratio or the Issuer Net Debt to Equity Ratio exceeding their respective limits set out in paragraphs (i) and (ii) above and calculated on the basis of the figures of such latest financial statements and considering the amount of the contemplated distribution.

Such limitation shall be applied after the date of publishing the latest financial statements until the date of the publishing of the new financial statements, at which point a new such limit is calculated and be applicable.

Each of the Consolidated Leverage Ratio and the Issuer Net Debt to Equity Ratio shall be calculated on the basis of the most recent financial statement (using, in case of the Consolidated Leverage Ratio, the consolidated financial statements and in case of the Issuer Net Debt to Equity Ratio, the stand-alone/individual financial statements of the Issuer) published by the Issuer.

Disclosure and calculation of the above undertakings shall be an integral part of the financial statements of the Issuer.

The following definitions shall be used with respect to this Condition 11(a):

Cordia Group means together the Issuer and its Subsidiaries.

Controlling Shareholder means a Shareholder who owns more than 50 % of the shares issued by the Issuer or has the ability and/or power to direct the affairs, assets, management and/or policies of the Issuer and/or to control the composition of the Issuer's board of directors, whether through the ownership of voting equity capital, the possession of voting power, by contract law or otherwise.

Related Party means any company in which a Controlling Shareholder holds, directly or indirectly, more than 50% of the share capital or the voting rights in respect of such company.

Subsidiaries means the entities controlled (directly or indirectly) and owned (directly or indirectly, fully or partially) by the Issuer, where "**control**" means (i) the acquisition or control of more than 50 per cent. of the voting rights of an entity, (ii) the right to appoint and/or remove all or the majority of the members of an entity's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

Shareholder(s) means the shareholder(s) of the Issuer, being Cordia Holding B.V (seat: Prins Hendriklaan 26, 1075BD Amsterdam, the Netherlands; CCI number: 75022923) at the Issue Date.

Shareholder Distribution means

(i) any payment of dividend or advance dividend, share buy-back, capital decrease or similar transaction to the Shareholders; and/or

(ii) granting of loans or repayment of loans (including interest and principal) to the Controlling Shareholders or their Related Parties that are not part of Cordia Group,

but in each case other than any compensation, dividend, profit sharing, option or share scheme made in the normal course of business to or for the benefit of employees and officers of the Cordia Group that are not ultimate beneficial owners of the Controlling Shareholder or their close relatives (in Hungarian: "*közeli hozzátartozó*") within the meaning of Para. 1 of Section 8:1(1) of the Civil Code.

New Acquisition means any newly made commitment by any member of the Cordia Group which result in cash outlays to third parties outside of the Cordia Group above EUR 1,000,000 for the acquisition of real property, shares or quotas, made since the publication of the relevant financial statement of the Issuer, except for (i) internal transaction, i.e. transactions with other members of Cordia Group and (ii) transactions which are necessary for the daily operations, finalization or development of existing projects/lands and (iii) transactions specifically approved by the Bondholders' Meeting.

(b) *Consolidated Leverage Ratio*

Consolidated Leverage Ratio means the result obtained by applying the following formula:

Consolidated Leverage Ratio = (Net Consolidated Debt) / (Total Consolidated Assets net of Cash & Customer Advances)

Where

Net Consolidated Debt = CD - C – RC

and

Total Consolidated Assets net of Cash & Customer Advances = TA – CA - C – RC

where

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

C = Cash and Cash Equivalents;

RC = Restricted Cash meaning

(i) restricted cash deposited by customers purchasing premises in the projects of the Cordia Group, plus

(ii) restricted cash (other than the cash under point (i) above) deposited in order to secure part of the Consolidated Debt;

TA = Total Assets meaning the consolidated total assets of Cordia Group less (i) right to use assets (IFRS 16) and (ii) deferred tax assets;

CA = Customer Advances meaning the total amount of the advances received by Cordia Group from customers with respect to sale of assets, which have not yet been recognized as revenues.

(c) *Issuer Net Debt to Equity Ratio*

Issuer Net Debt to Equity Ratio the result obtained by applying the following formula:

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

where

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

Issuer 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.

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

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

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

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

12 Remedy

(a) *Methods of remedy*

The Issuer shall be entitled to remedy

(i) any payment default by paying the overdue amount in favour of the Bondholders; and

(ii) any default under Condition 10 (b)) in the following manner:

(A) in the case of Shareholder Distributions, by way of a payment of a capital increase or a Subordinated Shareholder Loan to the Issuer at least in the amount that such Shareholder Distribution was not compliant with Condition 11(a) (*Undertakings of the Issuer*).

(B) in the case of New Acquisitions, (x) by reinstating the original condition, or (y) by the resale of such acquired asset that was acquired not in compliance with Condition 11(a) (*Undertakings of the Issuer*) to a third party outside of Cordia Group at a sale price not less than the original purchase price plus the related costs incurred and receiving such sale price, or (z) by the receipt of the Issuer of a capital increase or a Subordinated Shareholder Loan at least in the value of such purchase price.

(b) Remedy period

The Issuer shall be entitled to remedy

(i) any payment default within the period starting on the day of such default and ending thirty (30) days thereafter, and

(ii) any default under Condition 3 (*Status and Ranking of the Bonds*) or Condition 11(a) within the period starting on the day on which the Bondholders' Meeting passes a resolution on the occurrence of a default in accordance with Paragraph (b)(ii) of Clause 7 of the By-Laws and ending ninety (90) days from the date of the above Bondholders' Meeting,

(the "**Remedy Period**").

13 Listing

Each Bond will be registered on the **XBond multilateral trading platform** operated by the Budapest Stock Exchange within one hundred eighty (180) days following the Issue Date. The Issuer shall decide, at its sole discretion, on the admission of the Bonds to any other regulated market or multilateral trading facility, provided that the Bonds will remain traded on the XBond multilateral trading platform until their maturity.

14 Security Interest

Not applicable. The Bonds constitute **unsecured** obligations of the Issuer.

15 Purpose of the Issue of the Bonds

The net proceeds of the issue of the Bonds will be applied by the Issuer for the financing of investments into real estate projects and real estate developments, various acquisitions (including – among others – lands, portfolios of lands, business shares and immaterial goods), working capital as well as for the potential refinancing of outstanding loans used for the financing of the aforementioned purposes (including, but not limited to senior loans and shareholder loans as well).

16 Paying Agent

The Bonds have been issued subject to and with the benefit of a paying agency agreement (such agreement as amended and/or supplemented and/or restated from time to time, the "**Paying Agent Agreement**") dated 5 November 2019 and made between the Issuer and Raiffeisen Bank Zártkörűen Működő Részvénytársaság (registered seat: 1054 Budapest, Akadémia utca 6.; company registration number: Cg.01-10-041042; tax number: 10198014-4-44; the "**Paying Agent**") as paying agent. Pursuant to the Paying Agent Agreement, the Paying Agent agrees to provide coupon and principal paying agent services set out therein.

The Paying Agent Agreement shall be available free of charge for inspection by physical means, during the Issuer's regular business hours on any Business Day at the Issuer's registered seat, for any Bondholder who has evidenced its ownership title by an Ownership Certificate with a record date as of the day of inspection.

The Issuer is entitled to vary or terminate the appointment of the Paying Agent and/or appoint additional or other Paying Agents, provided that there will at all times be a paying agent in relation to the Bonds in Hungary.

In acting under the Paying Agent Agreement, the Paying Agent acts solely as agent of the Issuer and does not assume any obligation to, or relationship of agent or trust with, any Bondholders.

17 Market Making

The Bonds have been issued subject to and with the benefit of a market making agreement (such agreement as amended and/or supplemented and/or restated from time to time, the "**Market Making Agreement**") dated 11 December 2019 and made between the Issuer and Raiffeisen Bank Zártkörűen Működő Részvénytársaság (registered seat: 1054 Budapest, Akadémia utca 6.; company registration number: Cg.01-10-041042; tax number: 10198014-4-44; the "**Market Maker**") as market maker.

The Issuer is entitled to vary or terminate the appointment of the Market Maker and/or appoint additional or other Market Makers, provided that there will at all times be a market maker in relation to the Bonds in Hungary.

The Market Maker is entitled to terminate the Market Making Agreement with normal and extraordinary termination.

18 Notices

All notices relating to the Bonds shall be deemed to be validly given and delivered if published on the website of the Issuer (https://cordiahomes.com/). Notwithstanding the foregoing, the Issuer shall, solely until the date of registration of the Bonds in the XBond multilateral trading efforts to inform the Bondholders for the time being via e-mail of any notice published on the Issuer's website in relation to any payment or non-payment under the Bonds or circumstances directly relating to it. The Issuer shall ensure that notices are published in accordance with applicable law and in the manner prescribed by the competent supervisory authority. Such notices shall be deemed to have been published on the date of their first publication.

Notices or declarations from the Bondholders shall be duly signed ("*cégszerűen aláírva*"), in written form, in Hungarian and/or English language and, unless otherwise stated, shall be sent to the Issuer, by way of registered post or personal delivery, at its registered seat at – unless otherwise notified to the Bondholders by the Issuer in accordance with this Condition – 1082 Budapest, Futó utca 47-53. VII. em., and shall be accompanied with an ownership certificate issued by KELER or the relevant Securities Account Manager which document certifies at least the title of the Bondholder (the "**Ownership Certificate**").

Any regulated information shall be published on the Issuer's website, the website of BSE (https://www.bet.hu/) and NBH (https://kozzetetelek.mnb.hu/). Any relevant regulated information (if any) is disclosed by the Issuer in accordance with the Capital Markets Act and Decree 24/2008. (VIII. 15.) of the Ministry of Finance on the Detailed Rules of Disclosure Obligations related to Publicly Traded Securities.

19 Governing Law and Submission to Jurisdiction

(a) *Governing Law*

The Bonds and any matters relating to them shall be governed by, and construed in accordance with, the laws of Hungary.

(b) *Submission to jurisdiction*

Any claim against the Issuer in connection with the Bonds shall be submitted to the jurisdiction of the competent ordinary courts of Hungary.

20 Meeting of Bondholders and Amendment of the Conditions of the Bond

The Bondholders' Meeting is be held in accordance with the provisions set out in Annex 1 (*Provisions on Meetings of Bondholders*) of the Information Document (the "**By-Laws**"). Bondholders' Meeting may be convened to consider – among other things –

(a) the amendment of the Conditions (if and as permitted under applicable law); or

(b) any actions to be taken in relation to an Event of Default.

The amendment of the Conditions may result in the replacement (in Hungarian: "*kicserélés*") of the Document deposited with KELER and shall be subject to the fulfilment of the requirements set out under applicable law.

This Condition 20 shall be interpreted in accordance with the By-Laws.

5 INFORMATION ABOUT THE ISSUER

5.1 Introduction

Name of the Issuer:	CORDIA International Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság
Short form:	CORDIA International Zrt.
Registered seat:	1082 Budapest, Futó utca 47-53. VII. em.
E-mail:	cordia.international@cordia.hu
Tel.:	+36 1 688 52 18
Place and Date of incorporation:	Hungary, 10 May 2016
Issuer registration number:	Cg.01-10-048844
Tax number:	25558098-2-42
Legislation under which the Issuer operates:	Hungarian
Legal form:	Private limited company
Main activity:	68.10'08 Buying and selling of own real estate
Registered capital:	HUF 10,582, 720,000
Total Equity:	EUR 157,088,865- (30 June 2019 calculated at 322.76 HUF/EUR)
Type:	Dematerialised shares
Members and ownership structure:	• Cordia Holding B.V (seat: Prins Hendriklaan 26, 1075BD Amsterdam, the Netherlands; CCI number: 75022923) – 98 % • Finext Consultants Limited (Kyriakou Matsi 16, Eagle House, 10th Floor, Agioi Omologites, P.C. 1082, Nicosia, Ciprus) – 2 %
Ultimate beneficial owner:	Gábor András Futó (majority), together with close relatives: Dr. Péter György Futó and Dr. Zsuzsanna Edit Futóné Szántó (minority)
Auditor:	PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság (Tímár Pál) (30 June 2017 – 31 May 2020) PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság (Mészáros Balázs) (10 May 2016 – 30 June 2017)
Management:	Board of Directors (1 January 2019 -)
Members of the management:	Tibor Földi (1 January 2019 -) Pál János Darida (1 January 2019 -) Tomasz Lapinski (1 January 2019 -)

5.2 Date of incorporation and corporate history

The Issuer was founded by Futureal Property Group Ingatlanforgalmazó Kft. on 27 April 2016 and was incorporated on 10 May 2016 as a private limited company ("Zrt.") with the view of creating a company and separate corporate structure for the residential projects of Futureal Group.

The Issuer was incorporated with an initial capital of EUR 120,000 consisting entirely of cash contribution. The initial capital was made up of 1,200,000 pieces of ordinary dematerialized shares with a nominal value of EUR 0.1. On 23 May 2016 Futureal Property Group Ingatlanforgalmazó Kft. resolved to reorganize the capital structure of the Issuer and increased the nominal value of the ordinary shares from EUR 0.1 to EUR 1 and decreased the number of the ordinary shares from 1,200,000 pieces to 120,000 pieces. As result of such reorganization of shares, the registered capital of the Issuer remained EUR 120,000. On 30 June 2017, Futureal Property Group Ingatlanforgalmazó Kft., as the sole shareholder resolved the combined de-merger and merger (please see below) by issuing an additional 29,880,000 pieces of ordinary shares with a nominal value of EUR 1 for the new shareholders of the Issuer. On 20 September 2017, a combined de-merger and merger was executed involving (i) the Issuer, (ii) FutInvest Hungary Kft., (iii) Sparks Limited and (iv) Futureal Real Estate Holding Limited in order to merge also the Polish operation into the Issuer. As a result the combined de-merger and merger the shareholders of the Issuer held the following number of shares in the Issuer:

RATIO OF PREVIOUS SHAREHOLDERS	
Shareholder	**Pieces of shares**
Futureal Property Group Ingatlanforgalmazó Kft.	120,000
Futureal Real Estate Holding Limited	1,800,000
FutInvest Hungary Kft.	9,360,000
Sparks Limited	18,720,000
Total	30,000,000

On 26 September 2018 Sparks Limited has acquired the remaining 37.6 % of the shares issued from the other shareholders by way of share sale and purchase. As a result such transactions, Sparks Limited became the sole shareholder of the Issuer holding 100 % of the shares of the Issuer.

On 15 May 2019 QED Investments Limited (CY 3030 Limassol, Chrysanthou Mylona 3) acquired 100 % of the shares of the Issuer from Sparks Limited by way of a share sale and purchase agreement.

On 28 May 2019, the registered capital of the Issuer was increased for the second time by QED Investments Limited with an additional amount of EUR 2,000,000 to EUR 32,000,000 by issuing new ordinary shares with a nominal value of EUR 1 and an issue price of EUR 13.5. The EUR 25,000,000 difference between the amount of the capital increase and the total issue price of the new shares was paid into the capital reserves of the Issuer.

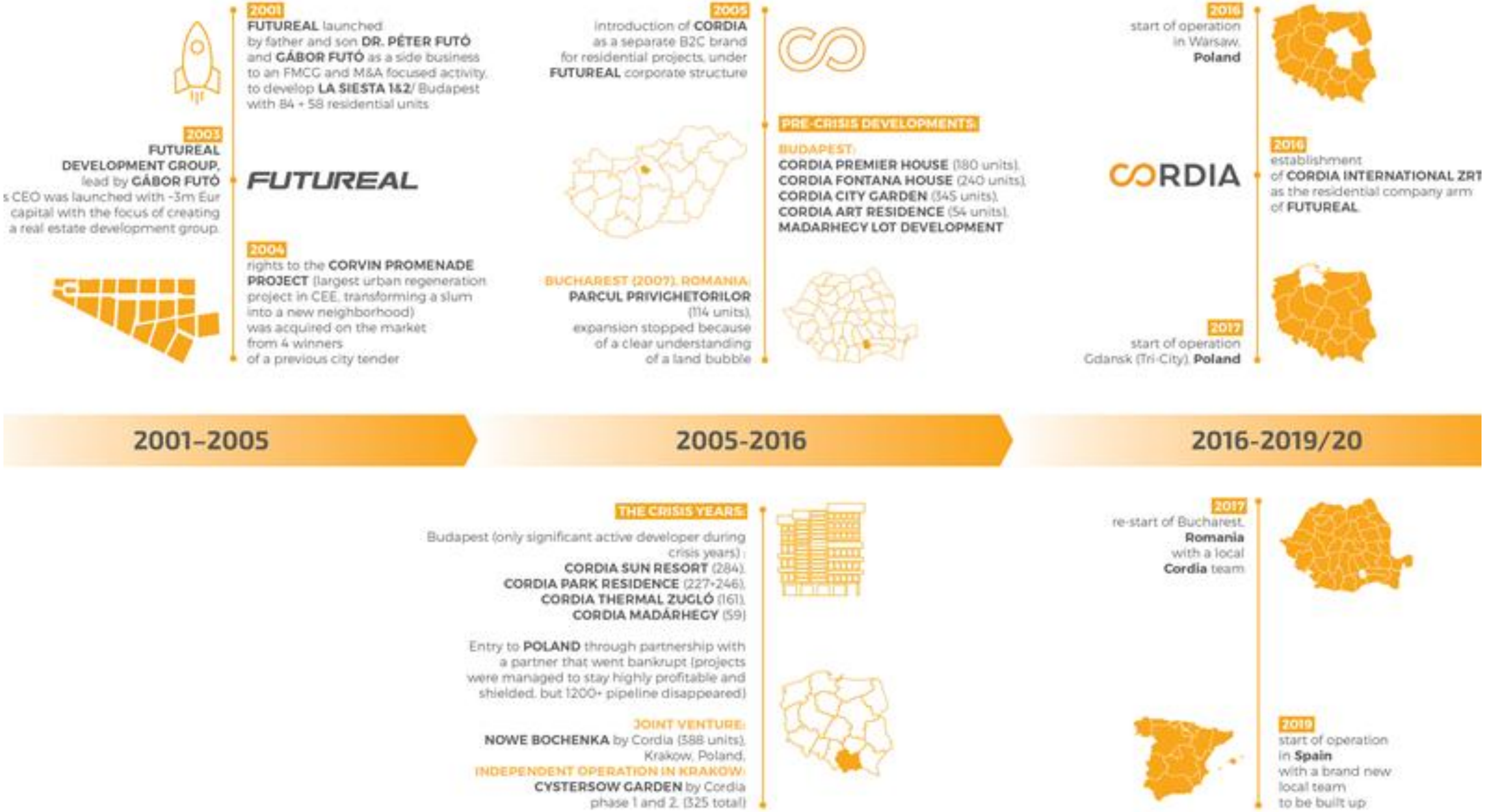
On 5 September 2019, Cordia Holding B.V. (Prins Hendriklaan 26, 1075BD Amsterdam, the Netherlands) acquired 100 % of the shares issued by the Issuer from QED Investments Limited by way of a share sale and purchase.

On 30 December 2019, Finext Consultants Limited (Kyriakou Matsi 16, Eagle House, 10th Floor, Agioi Omologites, P.C. 1082, Nicosia, Ciprus) has acquired 2 % of the shares issued by the Issuer from Cordia Holding B.V. by way of a share sale and purchase as a result of which, as of the date of this Information

Document, 98 % of the shares issued by the Issuer are owned by Cordia Holding B.V. and 2 % of the shares issued by the Issuer are owned by Finext Consultants Limited.

The issuer has changed its presentation currency from EUR to HUF on 1. January 2020. in order to better reflect the Issuer’s business activities and to improve the reporting of the Issuer’s financial results for investors and other external parties. The business rationale for such functional currency change was that a significant portion of the Issuer’s revenues, expenses, assets, liabilities and cash flows are denominated in HUF.

Chart 1 ***History of the Issuer***



Well positioned

Futureal Group was co-founded by Gábor Futó and his father, Dr. Péter Futó in 2001. Since its foundation, Futureal Group's portfolio has encompassed more than 100 projects, with a total value of EUR 3 billion across 2 million square meters. Currently, Futureal Group and Cordia Group are in the construction phase with close to 30 projects simultaneously, with a total value of EUR 1 billion and a gross area of around 700,000 square meters gross.

Pioneers in introducing urban regeneration projects

Beyond residential developments that are developed by Cordia Group, Futureal Group is involved in large-scale mixed use urban renewal projects, office and retail developments, redevelopment projects and commercial property investments. With the 22-hectare Corvin Promenade urban re-development project, Cordia Group together with Futureal Group has managed to revive a prominent section of Józsefváros in the heart of Budapest in terms of architecture, culture and economy.

Strong brand name

Cordia Group has been developed historically from Futureal Group and after several years of separation procedures it is today an organization operating and structured independently from Futureal Group. Over the past 15 years Cordia Group has built 3,397 residential units in Hungary, Romania and Poland, and is currently an additional 4,101 units in 21 projects are under construction and sales in Hungary, Romania, Poland, while 32 more projects are under preparation.

Cordia Group is proud bearer of multiple international awards, including: "ULI Global Awards for Excellence" from ULI, "Best Mixed Use Project in Europe" International Property Awards, Bloomberg TV, The New York Times, "Best Purpose Built Project Worldwide" by International Real Estate Federation (FIABCI).

The apartment brand „Cordia" means more than just harmonious homes: they are also outstanding investments, providing long-term value and secure rental yields. Cordia offers security, convenience, quality of life and well-designed living spaces that fit the location and the community.

Diversification & Focus

Cordia Group has currently projects in 4 countries (Hungary, Poland, Romania, Spain) and 7 cities/regions (Budapest, Balaton, Warsaw, Krakow, Try-City, Bucharest, Marbella/Costa del Sol). Cordia intends to expand its operation in Poland and other European countries, in an organic step-by-step manner as it was done in Poland. Thanks to extensive land banks and active acquisition management, the project vintage can also be flexibly diversified.

Cordia Group has been a real estate development company so far, constructing and selling apartments. The company has currently in Hungary a team to provide comprehensive property and facility management services to its buyers like furnishing, rental, tenant management, maintenance and condominium management services.

Highly skilled management team

In its nineteen years of operation, Cordia Group's highly qualified real estate professionals (currently >200) and local management teams have accumulated extensive knowledge of local markets and demonstrated a proven ability to source strategic development sites, design attractive and innovative projects that meet the demands of the local market and obtain planning and building permissions expeditiously.

5.3 Strategy

5.3.1 General strategy

Integrated, full-service operation, best-in-class team, efficiencies of scale

Cordia Group is one of the leading residential developer with a strong and well-known brand, active in the mid- and mid-to-high segments of the for-sale market in Hungary, in Poland and Romania targeting annual output of ~2-3,000 units in the medium term. Cordia Group has an 18 years track record and industry leading management team with extremely long tenure and limited turnover. The corporate culture of Cordia Group focuses on operational excellence to continuously improve all aspects of the residential development process from land acquisition, project planning, procurement, sales and marketing to benefiting from scale.

Cycle-conscious, geographic diversification, value investor's approach to acquisitions

Cordia Group focuses on step-by step geographic diversification with a value-investor's approach. One of the aims of Cordia Group to achieve a top 10 position in the Polish market targeting annual output in excess of 1,500 units. The geographic diversification of Cordia Group enables optimal and opportunistic allocation of capital across countries whose residential market cycles are non-synchronized. The expansion strategy is based on organic expansion by establishing local teams supported by the Competence Center. Furthermore, land acquisition is based on strict underwriting with volumes and duration differentiated by geography depending on stage in cycle. In addition, Cordia Group provides full-scale letting property- and facility management services to investor clients. There is a long term potential to expand rentals as a strategic business line to create an income yielding residential portfolio.

Strong financing position

Cordia Group has a long-term partnership with the leading local banks in its countries of operation (e.g. OTP, K&H/KBC, Takarékbank, UniCredit, Raiffeisen, Santander, PKO Bank Polski, Alior Bank, etc.).

Strong brand

Cordia Group is focusing in building out a string "CORDIA" brand in all its markets, similar to Hungary where Cordia Group is already a very strong real estate brand. Multiple successful and award-winning developments are creating a strong background for this business to customer exercise.

Capital market access

The Issuer has attracted institutional capital to invest in its residential development projects in joint ventures structures while maintaining full project control.

Strong and supportive ownership with very long-term view

Cordia Group is supported by family owners that have demonstrated a highly responsible and supportive long-term approach by:

- having engaged in long term, complex projects up to a decade-long;
- having supported Cordia Group for almost 2 decades;
- having injected capital during the financial crisis to make whole other stakeholders, including repayment of non-recourse land loans in contrast to the market norm at the time; and
- having supported a loyal team of key employees who have been with the company for over a decade with almost no fluctuation.

5.3.2 Land acquisition strategy

Target land acquisition in diversified and liquid markets of CEE capitals and major regional university cities

Cordia Group uses a strict underwriting criteria based on location, land cost, demand and supply dynamics, and project profitability. According to the above Cordia Group can be portrayed as a real estate development group with a strategic approach to cyclicality-, adjusting land duration- and acquisition intensity, with an extended investment opportunity set. Cordia Group has an outstanding cycle consciousness and is taking advantage of divergences in the local residential and financial market conditions to opportunistically allocate capital among its markets of operation. Cordia Group focuses on markets with at least 5,000 sales of new build units per year with appropriate micro locations for midmarket segment assets and avoid overpaying for land in overheated markets. Furthermore focus on areas with master plan and zoning in place. Cordia Group has a significant opportunity to grow the local platforms in already established cities. Furthermore Cordia Group has an excellent track record of project completions with no "stuck projects".

Decision-making driven by profitability and internal rate of return (IRR), not volume or market share

Cordia Group has no pressure to focus on volumes as can be the case for listed residential developers, and prefer profitability over volumes. The underwriting of Cordia Group currently includes minimum 25 % gross margin requirement, minimum 20 % post tax internal rate of return (IRR) and 1.8x multiple on invested capital. Employee incentive structures are shaped and aligned with a focus on execution and profitability.

5.3.3 Financing strategy

All projects are developed in separate SPVs, either limited liability project companies, partnerships or private real estate development funds. The land acquisitions were typically financed from the equity provided by one of Cordia Group member until launch of development. All projects are financed by local banks in separate, SPVs by construction financing facilities, with project equity provided by a Cordia Group member and by co-investors of Cordia Group. All loans are at the Project Entities' level, non-recourse – except cost overrun and completion guarantees – and are typically not cross-collateralized, however may contain certain cross-default provisions. The project-equity and pre-sales requirements vary from country to country and project to project, but contracted at usually between 20-30 % equity of total development costs and between 20-40 % pre-sales requirements. Peak net leverage at project level usually did not exceed 65 % thanks to customer advances and some cost payable after delivery. Corporate level leverage is lower due to an unleveraged land bank and a portfolio of projects in different development and lower leverage phases. Cordia Group maintains good relationship with multiple senior lenders, currently engaging 8 leading banks for development and construction loans. Furthermore, Cordia Group benefits from favourable margins and loan conditions due to a strong corporate credit track record and never defaulted on a single loan.

New Potential Business Line

Even though residential development shall remain also in the future the main business, Cordia Group is considering to launch a new business line of residential rentals in certain growing European cities. This has strong strategic fit, provides a permanent operating income, enjoys long term secular demand from tenants and offers Cordia Group downside protection. The rapidly changing customer attitudes (millennials) accelerate the demand for rentals and for professional management.

5.4 Corporate structure

5.4.1 Structure chart

The structure chart of Cordia Group as of 30 December 2019 is set out in Annex 3 (*Structure Chart of Cordia Group*). For the avoidance of doubt, the structure chart is subject to any change from time to time.

5.4.2 Summary of the corporate structure

The ultimate beneficial owners of the Issuer is Gábor András Futó (majority) and Dr. Péter György Futó, Dr. Zsuzsanna Edit Futóné Szántó, indirectly, through Cordia Holding B.V., the current shareholders of the Issuer.

The Issuer controls (directly or indirectly) and owns (directly or indirectly, fully or partially) several Subsidiaries. (the "**Subsidiaries**").

The Subsidiaries are mainly used as:

(i) project vehicles (generally each real estate development is carried out in separate limited liability legal entity or real estate fund, real estate sub fund, land bank may be grouped) (the "**Project Entities**"),

(ii) holding entities (including country holdings) (the "**Holding Companies**"), and

(iii) service provider entities (management companies providing development services in each countries, and leasing and property management service provider in Budapest) (the "**Service Companies**").

The legal forms of the Subsidiaries are currently:

(i) limited liability companies and private limited companies,

(ii) partnerships (with general and limited partners), and

(iii) privately placed real estate development funds and sub-funds of umbrella funds.

The Issuer's main assets currently are the equity interests in and loans – as receivables – provided to its Subsidiaries.

5.5 Details of the Subsidiaries

For the details of the material Subsidiaries as of 30 December 2019 please see Annex 4 (*Details of the Subsidiaries*) of this Information Document. For the avoidance of doubt, the list of Subsidiaries will change from time to time.

5.6 Operation and main activities of the Issuer

The Issuer is a classic holding company, which holds Subsidiaries (Holding Companies, Project Entities and Service Companies). Most project Subsidiaries develop condominium units for sale to end-users and investors offering under its brand: "Cordia". Cordia Group is a pan-regional residential developer focused on Central Eastern Europe with a diversification to 6 major cities: Budapest, Bucharest, Warsaw, Krakow, Tri-City, and Costa-del-Sol at the moment. Further expansion in Poland is also targeted (Wroclaw and Poznan for example) with a view of focusing only on strong, growing and liquid markets with over 5,000 new units sold per annum. Cordia may establish presence in other European markets also in the future. First project in Spain has been acquired as a market seeding / test development. The Issuer is also considering to launch a new business line of residential rental apartments that fits strategically and bases on long-term secular demand**.**

The number of condominium units in one development phase is typically between 50-300 residential units. Most projects are in central or near central locations with good public transportation access. The typical customers of Cordia Group are medium and upper medium class urban individuals, couples, young families with children as well as individual investors.

High customer quality is indicated by material non-refundable deposit of 25 % (and also stage payments sometimes) in Hungary, 15-25 % in Romania and stage payments – according to technical progress - in Poland.

Projects are typically financed by local banks by providing non-recourse construction facilities on local currency basis (except Romania where EUR-based loans are typical thanks to EUR based price agreements with the purchasers).

The Issuer is in constant search for new development opportunities using on a value-investment focused selection methodology. Cordia Group makes selective acquisitions with strict underwriting criteria for land (including neighbourhood quality and esteem, access to public transportation, public infrastructure, competitive landscape, identifying competitive advantage for the project concept). The main focus of Cordia Group is mid- and mid to high market products.

Different markets and different market cycles support different land bank tenure periods and optimization of project launching.

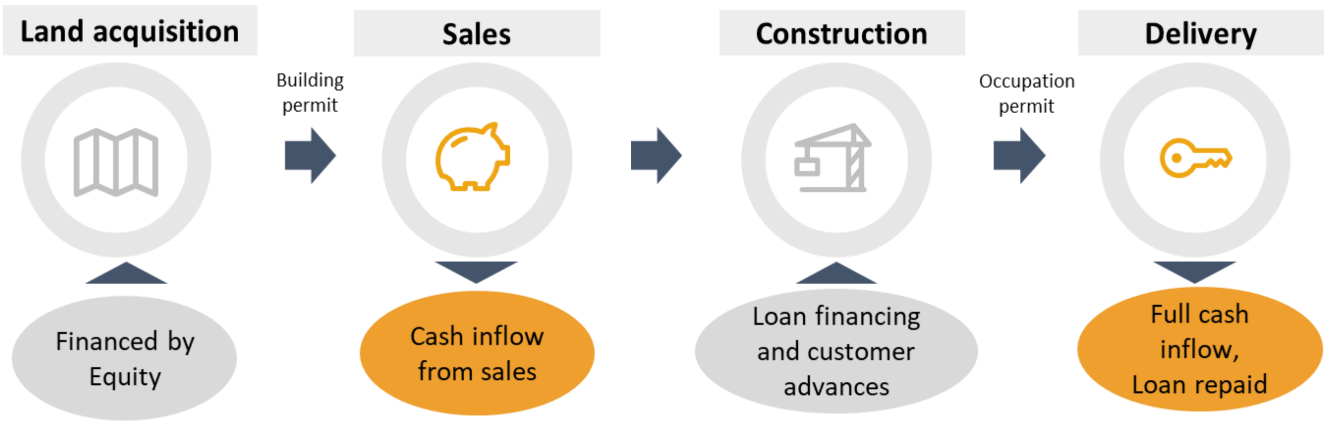
Within Cordia Group, management companies provide transactional, due diligence, development management, technical project management, financial and administration, sales and marketing, and other related services to the Project Entities in each countries of operation.

Cordia Management Kft. also supports the Project Entities in cross-country cooperation, process developments, brand- and knowledge management and concept development of each project and operates as a centre of knowledge and connection for the support of the Subsidiaries (other than the Holding Companies) (the "**Competence Center**"). In-house competencies include: acquisition, legal, due diligence, debt origination, equity origination, architectural concept planning, value engineering, purchasing, marketing, HR and other support.

Architects are selected for each project and managed by Cordia Group's in-house architect team to optimize concept and implement best practices according to the standards of Cordia Group. Construction works are carried out by general contractors selected at tender with the exception of Hungary, where – due to the lack of proper-sized general contractors being experienced in residential construction- Cordia Group's long-term strategic partner, Pedrano Construction Kft. and Pedrano Homes Kft. (as parts of Pedrano Group) are the main and general contractors of the residential buildings developed by Cordia Group. Cordia Group maintains its own sales and customer relations management systems. Sales and marketing are managed by Cordia Group's own sales force in Hungary and Poland and with outsourced agencies in Romania and Spain. Centralized treasury, cash and cash flow management is provided also as a service to the Subsidiaries.

Standardized – but tailored to local legal framework – contract templates of Cordia Group provide very strong legal positions for the Issuer and its Subsidiaries vis-à-vis the customers. Furthermore, computerized document and invoice approval system as well as sales support application are connected to the enterprise resource planning (ERP) system.

The following chart shows a typical circle of development of a residential project (length of this process stretches typically 4-5 years):



5.7 Markets, market position

5.7.1 Market Overview

Cordia Group is currently active in Poland, Hungary, Romania and Spain:*

	Poland	Hungary	Romania	Spain
Population	38.0 million	9.8 million	19.5 million	46.7 million
Number of households	14.5 million	4 million	7.5 million	18.4 million
GDP 2018 (Eurostat)	496,630 million EUR (+5.1%)	131,935 million EUR (+4.9%)	202,079 million EUR (+4.1%)	1,206,878 million EUR (+2.4%)
GDP per capita 2018	12,900 EUR	13,500 EUR	10,300 EUR	25,800 EUR
Households indebtedness to GDP (as end of 2018)	34.20%	14.60%	17.40%	64.04%
Total transactions of housing**	110,000 apartments	150,000 apartments	N/A	580,000 apartments
Foreign buyers of housing				17 %
Total existing stock	14.4 million apartments	4.4 million apartments	8.9 million apartments	25.5 million apartments
New mortgage loans	min.210,000 loans (Q2: 50,200)	108,000 loans	45,000 loans	346,000 loans

Average household size	2.66 persons	2.3 persons	2.76 persons	2.5 persons
Average mortgage loans	61,250 euro	23,700 euro	37,000 euro	125,340 euro
Outstanding Residential Loans per capita over 18 (EUR) 2017	2,991 euro	1,683 euro	895 euro	14,292 euro
Outstanding Residential Loans to disposable income ratio (%) 2017	33.80%	20.00%	10.80%	69.70%
Unemployment ratio	3.70 %	3.60%	3.90%	14.70%
Number of employment	16.6 million persons	4.5 million persons	8.3 million persons	19.5 million persons
Net wealth of households	326,000 million euro	125,000 million euro	89,000 million euro	1,322,863 million euro
Net wealth per capita	8,270 euro	13,400 euro	4,520 euro	29,730 euro
Growth of salaries	8 %	11 %	10 %	1 %
Net average monthly salary	871 euro	742 euro	618 euro	2,039 euro
Building permits	128,000 apartments	36,700 apartments	41,600 apartments	105,159 apartments
VAT on residential units	8 % (max 150 sqm)	5 % (max 150 sqm, till 2020, 27 % (2020-)	5 % (max~100 euro, max 120 sqm)	10 % (no limitation)

**All information contained in the chart above are the most updated data available to the Issuer based on various statistical offices and on other research sources.*

*** Numbers for Poland refer to primary market only (and to the apartments offered within multifamily projects), while in Hungary and Spain the numbers include all transactions in primary and secondary market.*

5.7.2 Market overview - CEE (Hungary, Romania, Poland) real estate market

Structural demand

The main driver in the CEE residential market is the structural demand rather than cyclical factors. Low quality and aging communist era housing stock dominates the housing landscape. 84 % of dwelling stock in Hungary, 75 % in Poland and 90 % in Romania was built before 1990, most of which are low quality, prefabricated communist era housing.

Annual renewal rates of the housing stock (of 0.3 % in Hungary, 0.6 % in Romania and 1.2 % in Poland) imply many years of visibility to upgrade the existing stock. Urbanization and inward migration to key capitals and university cities drives increasing demand in the Issuer's target urban areas despite weaker countrywide demographics.

A reduction in the average household size is the main factor in demographics, leading to an increase of 14 % in the number of households in Poland and 8 % in Hungary since 2005.

Government interventions

Government measures may help to stimulate the demand for residential flats, which measures became a key political intention. Examples of measures include home purchase subsidy program, VAT relief, real estate loans guaranteed by government, supporting program for family housing, subsidized mortgage loans, grant, etc.

Broadening credit access

Mortgage penetration is low all across CEE - household mortgage loans to GDP ratio is less than 20 % in Hungary and Romania. Especially in Romania the residential market still has very significant potential. The average mortgage debt ratio for the adult population was EUR 895 at the end of last year, compared with EUR 2,991 in Poland and EUR 1,683 in Hungary, while the share of mortgage credit in GDP is only 7.6 % (compared ~15 % in Hungary), according to Hypostat 2018 (source: A Review of Europe's Mortgage and Housing Markets) and is around 34 % in Poland, that is well below Eurozone's average of ~50 %.

Supportive and stable banking system - core capital ratios (of a 17 % on average in CEE) exceed the EU average of 13 % credit supply, as does low/mid-teen return on equity (ROE) (19 % at OTP) versus 9 % EU average.

5.7.3 Market overview - Hungary: Budapest

Currently near 3,244 apartments are in construction by Cordia Group, with a total net sellable area of ~200,000 square meters in Budapest. In addition 18 more projects are in the pipeline in different stages of preparation, representing approximately 2,600 units with a total area of approximately 160,000 square meter for future development in Budapest.

Residential prices show a very dynamic increase, well above the regional and the EU average. The average new home price rose by 18 % year-over-year to HUF 832,000 (EUR 2,600) per square meter in Budapest last year.

The average gross rental yields are well above 5 %. The home price rises are due to strong demand, realization of previously postponed purchases, rapidly growing wages, government's Home Purchase Subsidy Scheme for Families and higher construction costs.

Macro-economical background: the European Committee forecasts GDP growth in Hungary of 4.4 % in 2019. There was a robust growth in private consumption thanks to rising employment and dynamic real wage growth.

The domestic housing credit-to-GDP and loan penetration can be still considered low internationally, according to the National Bank of Hungary (NBH). According to NBH, the recently extended Home Purchase Subsidy Scheme for Families (*Családi Otthonteremtési Kedvezmény*) continues to support demand for housing loans.

The number of households is increasing especially in the capital city. Budapest is attracting population in hope of finding jobs, resulting in mass movement from the country to the capital.

5.7.4 Market overview - Poland: Warsaw, Krakow, Tri-City

Cordia Group has sold in Poland (Warsaw and Krakow) almost 1,000 residential units.

557 apartments are in construction with a total area of approximately 28,600 square meters that are expected to be completed during 2019 and 2020. In addition, Cordia Group has some more project in different stages of preparation, with approximately 1,300 units for future development in Warsaw, Krakow and Gdansk and development lands are sought for purchase also in Wroclaw and Poznan.

Average new home prices rose by around 11 % to EUR 2,252 per square meter in Warsaw and EUR 1,795 in Krakow. 6 % gross rental yield is achievable in both cities.

The average price of existing flats in Poland's seven largest cities (Warsaw, Gdańsk, Gdynia, Krakow, Łódź, Poznań and Wrocław) increased by 6.7 % during the year to the first quarter of 2018, according to the National Bank of Poland (NBP).

According to the market research of the Issuer the highest prices of residential apartments in Poland are in Warsaw, with an average square meter price of new homes (on offer) amounting to PLN 10,243 (EUR 2,330) in the second quarter of 2019. Compared to the fourth quarter of 2017, Warsaw experienced price increase by 11.6% during past year.

Prices of residential properties increased substantially also in Krakow, with an average offer price reaching PLN 7,718 (EUR 1,795) per square meter in the second quarter 2019, i.e. increasing by 10.9% if compared to the corresponding period of the previous year. In Tri-City (Gdansk, Gdynia, Sopot) in the third quarter of 2018 the average price of units on offer reached PLN 9,061 (EUR 2,062) per square meter, the second highest result in the history of the market in Tri-City, according to the REAS|JLL report (13.7% growth to previous period).

The rise of the prices is due to rising demand, supply shortages and higher construction costs, as well as a declining share of low-cost MdM programme ('Housing the Young') scheme units, after the programme closed in January 2018. The gross rental yields (i.e., the gross return on investment in an apartment if fully rented out) are 6.0 % for a 90 square meter apartment in the centre of Warsaw. Such an apartment might cost around EUR 1,200 per month to rent, but around EUR 235,000 to buy. There are similar yields on 120 square meter apartments, though prices and rents are obviously higher. The European Committee forecasts GDP growth in Poland of 4.4 % in 2019.

5.7.5 Market overview - Romania: Bucharest

Cordia Group announced its second residential project in Romania at the end of October 2018. The Parcului20, a 469-apartment condominium located in the Expozitiei area, North Bucharest. The condominium is the only smart residential project in Romania, and the fact that over 50 % of the apartments in Parcului20 qualify for the 5 % VAT is another strong selling proposition.

Average new home price rose by 8.1 %. to EUR 1,412 per square meter in Bucharest, although price levels are still significantly lower than in Warsaw or in Budapest.

In Bucharest, the average asking price (old and new apartments) was EUR 1,335 per square meter at the end of December 2018, which means an increase of 6 % on year-over-year, according to Imobiliare.ro, the biggest real estate portal in Romania. Average price of existing dwellings rose by 3.8 % to EUR 1,232 per square meter, up by 3.8 % compared to December 2017. New apartments reached an average price of EUR 1,412 per square meter, which marks an increase of 8.1 % year-over-year.

2018 represented a more mature market behaviour, while the pace of growth was even higher, up to 11 % year-over-year in 2017 and in 2016. Despite this fast increase, average price of new dwellings is far less than in the Polish or in the Hungarian market. According to data compiled by local teams of Cordia Group, the average price per square meter in Bucharest was 22.4 % lower than in Krakow, 38.1 % lower than in Warsaw and 45.9 % than in Budapest at the end of 2018.

Fast economic growth is forecasted by the European Commission in Romania for 2019 with a 4.0 % growth. The economy of Romania grew in the first nine months of 2018 by 4.2 % according to the most recent data from the National Institute of Statistics (INS).

5 % VAT can be applied to multiple properties by a purchaser (new regulation in January 2019), the price ceiling for 5 % VAT remained at RON 450,000, which no longer amounts to an equivalent of EUR 100,000, as the exchange rate is fluctuating against the RON.

”Prima Casă” financing program continues in 2019, being one of the most important financing tools for buying an apartment or a house, with a ceiling of government guaranteed real estate loans of RON 2 billion, as announced by the Ministry of Finance in January.

The Ministry of Finance announced at the end of last year that it would implement a so-called „greed tax” on the assets of banks. This would impact not only their profits but also their ability to offer financing, including real estate loans and mortgages. It remains to be seen if this tax will actually be implemented, as the banks, including the National Bank of Romania, have reacted openly against this.

5.7.6 Market overview - Spain

Cordia Group started its Spanish operation with an approximately 120 units town-houses residential development with a gross saleable area of 7,800 square meter at Costa del Sol in Marbella in 2019. The plot is located in the area called La Montúa, at the feet of the mountain, with sea views.

The new expansionary cycle in Spain’s real estate sector is getting stronger quarter by quarter, growth in construction activity and sales prices are clearly on the rise. The demand for housing will continue, supported by improving employment conditions, increasing disposable household incomes (with an increase of 4 % annually) and by foreigner buyers (17 % of all purchases). Demand is now rising strongly: total housing transactions surged by 10 % year-over-year, while new home sales rose by 12 % The number of new build transactions reached 56,400 in 2018 (by 10 % of total transactions.)

Housing demand is concentrated in metro areas and Mediterranean markets, 26 % of transactions are in the metropolitan area of Madrid and Barcelona, other 25 % are in Mediterranean markets.

As a result of strong demand and dynamic, but still relatively low supply, the housing prices are rising by an 6.6 % increase year-over-year in the fourth quarter of 2018. The average new home prices rose by 8.0 % year-over-year in fourth quarter of 2018. One of the highest growths in new home prices occurred in Barcelona (by 10 % year-over-year), the average square meter price reached EUR 4,100 in the fourth quarter of 2018. The new homes cost 3,300 EUR/square meter in Madrid, which shows a 3 % increase compared to last year.

Today the recovery in Malaga and Valencia is very noticeable, due to no recovery had been detected until early 2017, producing one of the highest growths in new home prices in Malaga in 2018. The average new home price amounted to 2,000 EUR/square meter (13 % increase year-over-year). New homes cost 1,670 EUR/square meter in Valencia (which shows a 7 % increase year-over-year).

Costa del sol is an international market, where the main drivers are the foreign secondary home buyers from each part of the world. There is a huge demand of North Europeans to settle down in Costa del Sol. The developments of the past decade of the City Malaga made the whole Costa del Sol region much more attractive for local and international buyers and investors.

Spanish economy growth (2.6 %) is above all large euro-zone economies and the European average (1.9 %). The GDP growth forecast for 2019 by European Commission is 2.3 %. Unemployment rate has decreased by 11 percentage point since 2013 and currently stands at 14.7 %.

Household debt fell from 85 % of GDP in 2010 to 61 % in 2018. Moreover, this household deleveraging has occurred as strong growth in the flow of bank credit to purchase housing, the number of mortgages grew by 11 % in 2018 compared to former year and the volume of new loans to purchase housing rose by 17 %.

Most of the residential development business comprises small and medium sized developers.

5.8 Information on turnover

The following tables are presenting the revenues of the Issuer with a breakdown of commercial activity and countries of operation:

In thousands of Hungarian Forints (THUF)	**30.06.2019**	**31.12.2018**	**31.12.2017**
Revenues, including:*	**7,831,397**	**19,854,006**	**6,918,141**
Revenue from sale of real estate**	7,190,775	16,885,450	3,658,871
Other revenue***	640,622	2,968,556	3,259,270

** source: management analysis based on internal records*

*** Revenue from sale of real estate, include also proceeds received from sale of garage and parking places, storages, as well as of other properties (also commercial units), that are offered within the residential projects developed by the Issuer.*

**** Other revenues, include income from rental charges, various management-type services as well as assignment fees for the purchase right of land plots.*

In thousands of Hungarian Forints (THUF)	**30.06.2019**	**31.12.2018**	**31.12.2017**
Revenues, per country of operation:*	**7,831,397**	**19,854,006**	**6,918,141**
Hungary	7,771,697	14,166,808	3,060,487
Poland	59,327	5,684,527	3,857,654
Romania	373	2,671	-

**source: management analysis based on internal records*

5.9 Competitive positioning

5.9.1 Market positioning

<u>Market share</u>

Hungary

Cordia Group has maintained a strong, sustained market leadership in Hungary in the past 13 years.

The market share of Cordia Group exceeds 10 % on the whole newly build residential market in Budapest. The total market supply in last 4 years was 6-8,000 units per annum. Cordia Homes are mid-market products representing 60-70 % of the total market. The market share of Cordia Group is 20-25 % in the target markets (segment and geography), where the Issuer is operating.

Poland

Cordia Group has built the infrastructure to support growth to become a top 10 player in the Polish market.

Strategy has focused on developing selective projects that meet Cordia Group's profitability and quality requirements.

Market is more fragmented than in Hungary and current market share is modest, but management experience and parent support provide access to leading deal flow.

Total market contains in recent years: Warsaw: 24-28,000; Krakow: 10,000; Tri-City: 8-9,000 units per annum.

Mid markets representation in the total markets approximately: Warsaw: 70 %, Krakow: 60-70 %, Tri-City: 60 %.

Romania

Cordia Group built infrastructure to become a significant player in the Bucharest market. Mid market is cca. 50-60 % of the total market of 5-6,000 units per annum (excluding Ilfov- metropolitan area). Cordia Group uses cautious and selective approach to land acquisition and project development.

Spain

Thanks to the promising macroeconomic indices, the Issuer contemplates that Spain residential development markets may foresee a dynamic growth. However, the first project at Costa del Sol is considered to be a seeding or test project and will be organically continued by further projects if project proceeds according to the plan.

Competitive advantage / Barriers to entry

Cordia Group's advantages include:

- experience in large scale multi-phase projects;
- in-house architectural, legal, engineering and financial expertise;
- local connection with municipalities, zoning architects, authorities to run effective due diligence processes;
- access to deal flow, constant presence in the land market as trusted and top acquirer (especially in Hungary) provides good access;
- long term and broad relationships with banking system that provides access to bank finance;
- the capital strength to buy land;
- deep expertise in concept and product development;
- access to the great architects and sub-architects;
- economies of scale in sourcing of contractors, materials, equipment and services, scale and reach in procurement and tendering processes;
- credibility, strong relations and a payment track record with contractors, which becomes critical especially when construction capacity is scarce and/or scale is required.;
- deep knowledge of local market trends, demand and supply dynamics, pricing etc.;
- IT systems, project management processes, quality and experienced teams;
- marketing efficiency from scale of the operation and know-how of multiple campaigns;
- deep customer relationship management (CRM) expertise and strong processes; and
- scale to offer full service including property management and access to finance to end-buyers.

The Issuer assumes several years of market presence in a new country before the ability to reach scale.

5.9.2 Diversification of activity

Geographic diversification

Cordia Group is the most geographically diversified residential developer in CEE with 6 active cities in 4 countries. The markets of the Cordia Group are not synchronized (unless there is a repeat of global financial crises). Cordia projects are also well diversified across vintages. Land bank and the 6 city acquisition strategy supports continued diversification and balanced pipeline of projects.

Customer diversification

Cordia Group has a naturally diversified customer base made up of thousands of small customers, around 200 recurring clients. Customer diversification means diversification between first time buyers, upgraders, and investors, as well as diversification of buyers through international sales channels. Furthermore there is no major customer concentration or bulk forward sales.

5.10 Strategic partners and cooperation

5.10.1 Futureal Group

Both Futureal Group and Cordia Group is ultimately owned by the Futó family. Residential developments (with the exception of one location) are developed by Cordia Group, while Futureal Group is involved in large-scale mixed use urban renewal projects, office and retail developments, redevelopment projects and commercial property investments.

The original operation of Cordia Group has historically been within Futureal Group and it has recently been separated to operate as an independent entity focusing on residential developments with separate corporate structure and separate organization.
The two groups cooperate in certain projects (for example in mixed-use projects like Corvin Promenade) and certain functions (like aggregating purchasing, deal sourcing and due diligence). In addition, internationally, Cordia Group’s management companies and Futureal Group’s management companies may, from time to time provide certain services to each other on an arm’s-length basis in order to optimize costs or use special capabilities.

5.10.2 Pedrano Group

One of the main strategic partners of Cordia Group is the Pedrano Group (Pedrano Construction Kft., Pedrano Homes Kft. and their subsidiaries) with the cooperation existing for over a decade now. Pedrano Group has been a stable, dependable participant in the private client market of the Hungarian construction business for more than 10 years. Futureal Group and Cordia Group manage most of their construction projects in Hungary through Pedrano Group (Pedrano Construction Kft. and Pedrano Homes Kft.) as general contractors on a fully transparent basis on cost plus fixed margin contracts, generally ensuring 6% margin for Pedrano Group.

Pedrano acts as general contractor, manages the construction process and ensures Cordia Group’s access to its wide subcontractor network, in addition it protects Cordia Group’s project entities from several project level constructions related liabilities. On the other hand, Pedrano Group derives the vast majority of its revenues from Futureal Group and grants it absolute priority.

5.10.3 Finext Investment Fund Management Co. Ltd.

Finext Befektetési Alapkezelő Zrt. (seat: 1082 Budapest, Futó utca 43-45. VI. em.; company registration number: Cg.01-10-044934; tax number: 13052502-2-42; the "**Fund Manager**") acts as the fund manager of the investment funds belonging to Cordia Group and acts in accordance with the fund management rules (in Hungarian: "*kezelési szabályzat*") of these funds. In Hungary investment funds (including umbrella funds and sub-funds) are recognized as legal entities and authorized and registered by the NBH. The investment fund and their managers are regulated by the Act No. XVI of 2014 on Collective Investment Trusts and Their Managers, and on the Amendment of Financial Regulations, (the "**Finext Befektetési Alapkezelő Zrt.**") and Government Decree no. 78/2014 on the Investment and Borrowing Regulations for collective investment forms.

5.10.4 Institutional co-investors

Cordia Group has long-term strategic partnership with several institutional investors that have invested capital in Cordia projects through privately issued and closed ended investment funds controlled by Cordia Group, namely Finext Real Estate Opportunities One SICAV-SIF Sub-Fund and Finext Real Estate Opportunities Budapest SICAV-SIF Sub-Fund. The funds issue two classes of investment units: Class C is owned by the Cordia Group, Class P is purchased by the non-controlling investors. Based on the funds' management rules (in Hungarian: "*kezelési szabályzat*"), repayment of the original investments and distributions of profits and losses are to be made as follows:

- First, the amount of the original invested capital shall be returned to both Class C and Class P shareholders pro-rata to their invested capital. Potential losses are therefore suffered pro-rata, based on invested capital, neither Class P or Class C is given priority.
- After pro rata distributions equal to the invested capital to all shareholders, potential profits are not distributed on pro-rata basis but in different proportions changing based on the internal rate of return achieved by the Class P unitholders versus pre-agreed hurdles.

Cordia Group does not provide any guarantee on the return of the capital invested by the investors. Based on industry practice, net asset attributable to non-controlling investment unit holders are disclosed on a separate line in the consolidated financial statements.

5.11 Material Contracts in the ordinary course of business

5.11.1 Land sale and purchase agreements

Contracts for the sale and purchase of the land plots are agreed on a case-by-case basis. In each case the documents contain terms and conditions standard for the respective market. In case of tenders or actions organised by State Agencies of Municipalities, the contracts are also negotiated by the parties, sometimes within less flexible but still market standard conditions. In Poland and Romania - and less frequently in Hungary - , in preparatory phase of the projects developers may also conclude preliminary sale and purchase agreements or option agreements which are capable to ensure the developers' title to obtain the land at a later stage of the development. These solutions are standard and well-functioning solutions on these markets of operation.

5.11.2 *General construction contracts*

General construction contracts (the "**GC Contract**") used in the countries of operation contain market standard provisions. The GC Contracts limit the developer's liability to the amount of the contractor's fee (which may be fixed or variable) and, in certain cases, to the delivery of the plans and drawings/building permit as well as lay down market standard performance guarantee undertakings for the on time performance of the general contractor. Also, the developers in certain cases (e.g. unacceptable delay in the construction due to the general contractor's fault) would be entitled to terminate the agreements which would also trigger the general contractors' penalty payment obligation. Nonetheless, penalty payment obligations of the general contractors are capped.

In Hungary, the guarantee obligation of the general contractors derives from mandatory provisions of law and is binding on the general contractors without separate guarantee undertaking. The general contractor shall maintain all-risk construction and installation (CAR) insurance for the whole construction period.

5.11.3 *Sale and Purchase Agreements*

Cordia Group's standardized contract templates, which are tailored to local legal and regulatory framework, provide very strong legal positions for the Issuer and its Subsidiaries. Sale and purchase agreement (the "**SPA**") templates are well elaborated documents providing strong legal position to the projects / the developer.

Accordingly, customer advances being part of the purchase price of the residential properties are key elements in cash flow planning: (i) high non-refundable deposit regime in Hungary and Romania (with limited exception as mentioned below) and (ii) continuous staged-payment system in Poland where the preliminary SPAs supported by the legislation protects the Subsidiaries from the unilateral termination of the agreements.

The above payment mechanism ensures that no material collection losses occurred in the sales history of Cordia Group.

5.11.4 *Joint venture agreement*

Marina Life 1. and Marina Life 2. projects are developed by the Cordia Global Real Estate Development Umbrella Fund - Cordia Global 6. Subfund. The owners of the investment units issued by the Cordia Global 6. Subfund are Cordia Lands Ltd. (50 %) and Termina Kft. (50 %), member of Ofer Investment Group, as a joint venture (JV) partner of Cordia Lands Ltd.

In compliance with the provisions of the JVA (joint venture agreement) (i) Cordia Group provides real estate development management services to the projects, therefore the project is managed by Cordia Group however (ii) there are certain major decisions in relation to the development that shall be adopted by Cordia Lands Ltd. and Termina Kft. jointly, with certain voting mechanisms specified in the JVA. Due to the fact that the construction and the development of the projects are in an advanced stage, the main major decisions were already adopted. Based on the JVA the ratio of the investment is 50 – 50 % between the Cordia Lands Ltd. and Termina Kft. and the settlement of the profit is also 50 – 50 %.

5.11.5 *Co-investment agreements*

Sub-Fund particulars (fund policies) of the sub-funds of Finext Reals Estate Funds and their by-laws (side letters) and related service contracts which are referred to in Section 5.10.4 (*Institutional co-investors*) above.

5.11.6 Trademarks

The details of Cordia Group's trademarks as of the date of this Information Document is presented in Annex 2 (*List of Trademarks*).

5.11.7 Credit Facility Agreements

In Hungary Poland and Romania, certain Subsidiaries have entered into various credit facility agreements with prominent banking partners primarily for the purpose of financing its projects. A long-term relationship is maintained with most of these financing partners allowing. List and details of certain terms of the credit facility agreements are included in the consolidated financial statement of the Issuer for the financial year ended on 31 December 2018.

Credit facility agreements contain market standard provisions, such as restrictions on the redemption of investment units, restrictions on dividend payment or other type of distributions until the full repayment of the loans, with the exception of those credit facility agreements where certain limited amount of invested project equity may be refinanced by the lender and paid back to the owners of the respective Subsidiaries if and when the conditions set for such refinancing are met by the project, potential cross-default clauses related to other liabilities on the project entity level or, in some cases, on the group level. In most of the cases, financed projects themselves serve as collateral for the repayment of the debt borrowed and, accordingly, credit facility agreements are typically secured by land charges, real estate mortgages and, occasionally, backed with payment guarantee by the Issuer, for example completion or cost overrun guarantees.

5.11.1 Other material contracts

The Issuer has no material contracts other than the above.

5.12 List of the Projects of Cordia Group

For the details of Cordia Group's projects as of 30 December 2019, please see Annex 4 (*Details of the Subsidiaries*).

List and main details of Cordia Group's projects as of 30 December 2019 are outlined in the tables (charts) below.

Chart 1: Projects completed (before end of 2019):

Project name	Place of operation	Status	Completion	NSA TOTAL	Apartments (units no.)
			year	sqm	Total
Thermal Zugló 2	Hungary - Budapest	completed	2018	13,481	187
Corvin Atrium 1 (122A 1)	Hungary - Budapest	completed	2018	14,414	265
Kapás 21	Hungary - Budapest	completed	2019	6,952	100
Corvin Atrium 2 (122A 2)	Hungary - Budapest	completed	2019	14,784	273
Rózsa 55	Hungary - Budapest	completed	2019	9,537	157
Zielone Bemowo 1 / Lazurowa	Poland - Warsaw	completed	2019	7,446	118
Cordia Supernowa / Lema	Poland - Kraków	completed	2019	8,659	185
TOTAL COMPLETED (nearly fully delivered)				**75,274**	**1,285**

** in case of completed projects, the value of pre-sold apartments refers to only those apartments which were (as end of June) not delivered to the customers (and does not refer to all apartments that were already pre-sold / sold)*

Chart 2: Projects under construction (as of end of 2019):

Project name	Place of operation	Status	Planned completion	NSA TOTAL	Apartments (units no.)
			year	sqm	Total
Young City 1	Hungary - Budapest	construction	2020	8,033	147
Thermal Zugló 3	Hungary - Budapest	construction	2020	14,485	202
Grand Corvin 1 (Corvin 122B 1)	Hungary - Budapest	construction	2020	10,738	196
Young City 2	Hungary - Budapest	construction	2020	11,658	218
Sasad Resort 1 HILL & SUN	Hungary - Budapest	construction	2020	14,277	206
Marina Garden	Hungary - Budapest	construction	2020	16,056	275
Marina Life 1	Hungary - Budapest	construction	2020	13,246	207
Życzkowskiego / Lotniczkówka	Poland - Kraków	construction	2020	4,083	70
Young City 3	Hungary - Budapest	construction	2021	11,968	215
Grand'OR	Hungary - Budapest	construction	2021	5,567	115
Centropolitain (Bacsó B)	Hungary - Budapest	construction	2021	6,577	142
Akadémia Garden	Hungary - Budapest	construction	2021	16,238	306
Sasad Resort 2 HILLTOP	Hungary - Budapest	construction	2021	9,199	112
Marina Portside	Hungary - Budapest	construction	2021	19,668	290
Marina Life 2	Hungary - Budapest	construction	2021	13,374	207
Zielone Bemowo 2 / Lazurowa	Poland - Warsaw	construction	2021	10,972	200
Parcului 20 phase 1	Romania - Bucharest	construction	2021	15,305	260
Horyzont Praga	Poland - Warsaw	preparation	2021	10,236	168
TOTAL UNDER CONSTRUCTION				**211,680**	**3,536**

** in case of completed projects, the value of pre-sold apartments refers to only those apartments which were (as end of June) not delivered to the customers (and does not refer to all apartments that were already pre-sold / sold)*

Chart 3: Projects in preparation (planning phase):

Project name	Place of operation	Status	Planned completion	NSA TOTAL	Apartments (units no.)
			year	sqm	Total
Thermal Zugló 4	Hungary - Budapest	preparation	2023	7,547	110
Thermal Zugló 5	Hungary - Budapest	preparation	2024	13,653	199
Grand Corvin 2 (Corvin 122B 2)	Hungary - Budapest	preparation	2022	19,010	366
Kertész 21	Hungary - Budapest	preparation	2023	7,008	122
Universo	Hungary - Budapest	preparation	2022	13,307	260
Vaskapu 32-34	Hungary - Budapest	preparation	2026	5,859	107
Vaskapu 47-49	Hungary - Budapest	preparation	2024	12,343	225
Vaskapu 43-45	Hungary - Budapest	preparation	2025	12,343	225
Fonyód	Hungary - Budapest	preparation	2024	9,500	145
Sasad Resort 2 SUNRISE (SR7)	Hungary - Budapest	preparation	2025	11,060	153
Sasad Resort 3 PANORAMA	Hungary - Budapest	preparation	2022	10,690	136
Sasad Resort 4 SKY (SR8)	Hungary - Budapest	preparation	2026	10,761	148
Sasad Resort 5 SUNLIGHT or SUNSET (SR3)	Hungary - Budapest	preparation	2024	4,870	70
Sasad Resort 5 PARK (SR4)	Hungary - Budapest	preparation	2027	6,063	82
Bimbó 155	Hungary - Budapest	preparation	2021	1,242	8
Gellérthegy u (Naphegy 12)	Hungary - Budapest	preparation	2023	3,522	55
Illés st.	Hungary - Budapest	preparation	2024	7,607	162
Futo Street 5	Hungary - Budapest	preparation	2024	5,122	100
Fantazja (Kopalniana) 1	Poland - Warsaw	preparation	2021	9,229	149
Fantazja (Kopalniana) 2	Poland - Warsaw	preparation	2021	1,353	45
Bokserska	Poland - Warsaw	preparation	2022	14,000	274
Jaśkowa Dolina 1	Poland - Gdańsk	preparation	2022	6,714	112
Jaśkowa Dolina 2	Poland - Gdańsk	preparation	2023	6,714	112
Rogozińskiego 1	Poland - Kraków	preparation	2022	10,252	200
Rogozińskiego 2	Poland - Kraków	preparation	2021	2,633	30
Wielicka / Jerozolimska	Poland - Kraków	preparation	2021	7,940	189
Krokusowa	Poland - Kraków	preparation	2022	5,313	101
23 Marca / Sopot	Poland - Sopot	preparation	2022	8,300	121
Modena / Poznań	Poland - Poznań	preparation	2025	39,237	805
Parcului 20 phase 2	Romania - Bucharest	preparation	2021	12,111	209
Laminorul 2	Romania - Bucharest	preparation	2023	21,159	385
Laminorul 1	Romania - Bucharest	preparation	2022	25,168	457
Marbella - La Montua	Spain - Marbella	preparation	2024	7,800	120
Fuengirola	Spain - Fuengirola	preparation	2022	13,542	116
TOTAL PROJECTS UNDER PREPARATION				**352,970**	**6,098**

5.13 Corporate details

5.13.1 Corporate details of the Issuer

CORDIA INTERNATIONAL ZRT.

BOARD OF DIRECTORS

1. Tibor Földi

Mother's birth name: Emődi Ilona Erzsébet
Date of birth: 1975/08/20
Address: 5520 Szeghalom, Jókai utca 33/3
Tax identification number: 8396771448
Manner of representation: **independent**
Title of the person entitled to representation: Chairman of the Board of Directors (executive officer)
Start of legal relationship: 01/01/2019

2. Darida Pál János

Mother's birth name: Kepenyes Mária Katalin
Date of birth: 1974/12/14
Address: 2092 Budakeszi, Etheles Park 6.
Tax identification number: 8394280528
Manner of representation: **joint** (wtih Tomasz Lapinski)
Title of the person entitled to representation: Member of the Board of Directors (executive officer)
Start of legal relationship: 01/01/2019

3. Tomasz Lapinski

Mother's birth name: Bujnowska Teresa
Date of birth: 1976/05/25
Permanent or temporary residence of foreigner: Pl 02-765 Warsaw, Aleja Wilanowska 208/30
Tax identification number: 83999566640
Service mandate (*kézbesítési megbízott*): Dr. Nagy Andrea Ügyvédi Iroda
1082 Budapest, Futó utca 47-53. VII.emelet
Manner of representation:
joint (with: Darida Pál János)
Title of the person entitled to representation: Member of the Board of Directors (executive officer)
Start of legal relationship: 01/01/2019

AUDITOR

PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság

Address: 1055 Budapest, Bajcsy-Zsilinszky út 78.
Company number: 01-09-603022
Data on the person responsible for the audit:
Tímár Pál (mother's birth name: Pardi Róza)
1188 Budapest, Táncsics Mihály út 98/b
Start of legal relationship: 30/06/2017
End of legal relationship: 31/05/2020

5.13.2 Board of Directors

The Issuer is managed by the Board of Directors as of 1 January 2019. The members of the Board of Directors are (i) Tibor Földi (chairman and former CEO), (ii) Pál János Darida and (iii) Tomasz Lapinski. Formerly the Issuer was managed by Tibor Földi as CEO whose mandate as CEO has been revoked with the effect of 1 January 2019 due to the appointment of the Board of Directors.

The members of the Board of Directors are appointed for an indefinite period of time. Tibor Földi as chairman of the Board of Directors is entitled to individually represent and sign on behalf of the Issuer. Pál János Darida and Tomasz Lapinski are entitled to represent and sign on behalf of the Issuer jointly. The mandate of the members of Board cannot fulfilled under an employment agreement.

The Board of Directors represents the Issuer before third parties, courts and other authorities. The Board specifies and manages the daily operation of the Issuer. The employer's rights over the employees of the Issuer is exercised by the Chairman of the Board of Directors. The employer's rights over the Chairman of the Board of Directors is exercised by the Issuer's general meeting or a person appointed by the Issuer's general meeting for such purposes.

The members of the Board of Directors qualify as executive officers under the Civil Code, therefore they must comply with the relevant provisions of the Civil Code pertaining to executive officers. The members of the Board of Directors shall manage the Issuer with such due diligence as it is required from persons in such positions. They are liable towards the Issuer for any damage caused to the Issuer as a result of negligently breaching the law, the articles of association of the Issuer or the resolutions of the sole shareholder or their management duties under.

On the last three (3) years, no proceedings have been initiated against any of the member of the Board of Directors in relation to their professional activity.

NAME	POSITION	MANDATE
Tibor Földi	CEO	27 April 2016 - 1 January 2019
Tibor Földi	Chairman and Member of the Board of Directors	1 January 2019 -
Pál János Darida	Member of the Board of Directors	1 January 2019 -
Tomasz Lapinski	Member of the Board of Directors	1 January 2019 -

Tibor Földi

Tibor Földi is the member of the Board of Directors, dealing with residential real estate development. He started at Futureal Group in 2000 as the director of the residential property department, and became the CEO of the residential development part of the Futureal Group. He participated in the preparation and development of all "Cordia" projects, building up the whole Cordia structure and brand in cooperation with the owners. Cordia Group participated in the development of over 3,000+ flats while currently 4,000+ units are in sales and construction and a further 5,000+ residential units are in preparation phase. Cordia Group became during his management the number one residential real estate developer in Hungary and expanded to 3 other countries. Before Futureal Group, he held the position of the finance director at a smaller property developer company. Tibor Földi finished his studies in the Budapest University of Economics, Economics department, financial studies.

Pál János Darida

Pál Darida has been financial director of Futureal Group since 2005. Mr. Darida is responsible for the financing, treasury and asset management strategies of the Futureal Group and for their realisation, also as a member of the investment committee of the Futureal Group for the investment decisions of the group. Mr. Darida has been chief executive officer of Futureal Fund management Co. since 2005. He has been managing successfully the funding of Cordia Group and Futureal Group development projects over the last 15 years. He has 20 years of industry experience, prior to joined Cordia Group, he served as Head of RE Financing at CIB Bank Zrt. Mr. Darida studied at University of Economics of Budapest (today Corvinus University of Budapest) Faculty of Economics & Finance Department from 1993 to 1998.

Tomasz Lapinski

Tomasz is Chief Financial Officer of Cordia Group, responsible for Cordia Group's group finance activity and manages investor relationships. Tomasz plays a key role in introducing Cordia Group to the regional capital markets. He has more than 10 years of experience in real estate industry and nearly 10 in investment banking. Before joining Cordia in late 2017, Tomasz served as the CFO and CEO in Ronson Development, listed in the Warsaw Stock Exchange (since 2008). He was responsible for many successful equity and debt issues and managed investor relations (awarded for high quality by Warsaw Stock Exchange and by investors).

Before, he held a Director position at UniCredit CAIB Poland SA and was in charge of M&A transactions and other corporate finance projects.

He is a graduate of Warsaw School of Economics in finance and banking.

5.13.3 Supervisory Board

No supervisory board has been established at the Issuer. The Issuer is not obliged to appoint a supervisory board in accordance with the applicable legal regulations.

5.13.4 Other organisational units

No audit committee, other type of committee or any organisational unit has been established at the Issuer.

5.13.5 Shareholder Information

The current shareholders of the Issuer are Cordia Holding B.V. owning 98% of the shares of the Issuer and Finext Consultants Limited owning 2 % of the shares of the Issuer each of which have acquired such shares by way of a share sale and purchase agreement.

The Issuer did not issue preference shares with prior voting rights, therefore there is no preferred/prior voting rights in connection with the shares of the Issuer.

5.13.6 General Meeting

The general meeting is the supreme governing body of the Issuer which consists of all of its shareholders. Decision on general operational matters fall within the general meeting's competence, such as the approval of the Issuer's annual report, decision on dividend payment, election and removal of the members of the management.

5.13.7 Key personnel

There is no other key personnel other than the members of the Board of Directors.

5.13.8 Employees

The Issuer runs its operations via multiple of subsidiary companies, which include, among the others, the management companies employing employees in particular countries of their operations and providing services to all other companies belonging to the Issuer's Group. The Issuer employs directly only one person based on the employment contract.

6 CREDIT RATING AND RATING RATIONALE

Scope Ratings GmbH as Credit Rating Agency has assigned a first-time issuer rating of BB to the Issuer and a BB instrument (senior unsecured debt) rating to the Bonds.

The latest information on the rating above, including rating reports and related methodologies applied, are published by the Credit Rating Agency and are also available on NBH's website through the following link: https://www.mnb.hu/monetaris-politika/novekedesi-kotvenyprogram-nkp.

The rating shall, pursuant to the terms of the BGS, be subject to regular revision by the Credit Rating Agency and may be revised anytime during the term of the Bonds. The Credit Rating Agency may also be replaced during the term of the Bonds with another entity as Credit Rating Agency.

Further details of the credit rating requirement prescribed by the BGS may be found in the BGS Handout.

7 SELECTED FINANCIAL INFORMATION

This Section contains the analysis on the Issuer's financial condition and operating result regarding the preceding financial year based on the consolidated financial statements prepared in accordance to IFRS. The only exception is made in case of presentation of the equity engaged by the leading shareholder, in which case, both consolidated, as well as stand-alone perspective is presented.

a) Major Factors Impacting the Business Results

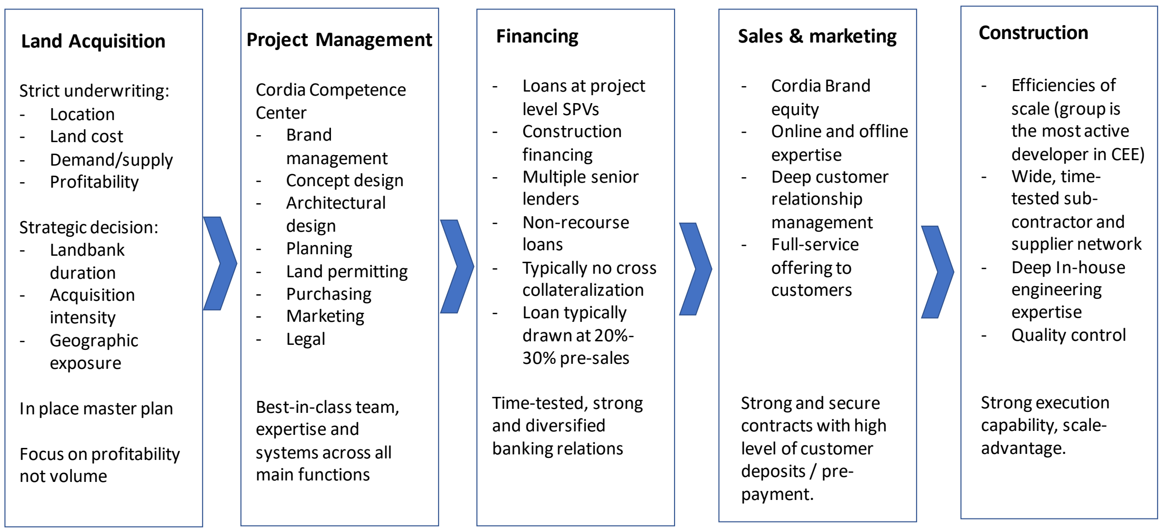
Cordia Group is an experienced residential developer focused on development of residential projects.

Cordia Group operates in Hungary, Poland, Romania as well as acquired its first residential asset in Spain and is present in leading local residential markets, i.e. in Budapest, Warsaw, Krakow, Tri-City (Gdańsk) and Bucharest.

The residential projects are being developed by individual Subsidiaries established for that purpose, i.e. the Project Entities. Therefore the below analysis of the financial position of the Issuer is based on the consolidated financial statements (prepared in accordance to IFRS). The only exception is made – as mentioned above – in case of presentation of the equity engaged by the leading shareholder (i.e. based both on consolidated and on stand-alone perspective).

Cordia Group has very unique competences and extensive experience in managing each of the stages of development process.

The below chart illustrates particular stages of the entire development process.



Revenue, costs and profits from the sale of residential units are recognized upon transfer to the buyer of significant risks and rewards of the ownership of the residential units (in accordance with IFRS 15). It means that as long as the respective residential project cannot be handed over to the final customers (even despite all apartments can be pre-sold and the construction process can be nearly finished), the potential benefits and profits are not evidenced in the Profit and Loss accounts yet. Revenue and profit recognition is delayed until the project is finally delivered to the customers.

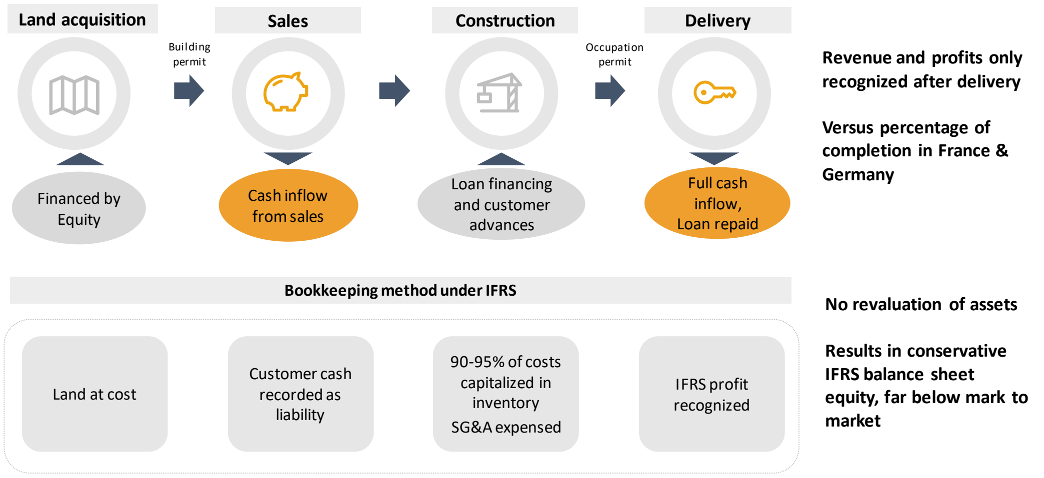
Before recognition of the revenues from sales of apartments, all direct costs associated with development of the residential project (including costs of land, construction costs, costs of preparation like architect design, as well as direct financing costs) are capitalized to the inventories, while advances pre-paid by customers are recognized as liabilities. It is important also that some indirect costs related to preparation of the residential projects (like management, marketing, administration) are not capitalized and are evidenced as current costs decreasing profitability in the current period and translating into lower equity of Cordia Group.

The dynamic expansion of Cordia Group in the past year resulted in the significant increase of the number of projects in Cordia Group's portfolio, including the projects that are under construction as well as number of projects which are still in the preparatory (and planning) phase.

At the end of June 2019 Cordia Group was involved in development of as many as 21 projects that were under construction, including as many as 4,101 apartments, of which 2,542 were already pre-sold to the customers. Direct expenses which were associated with preparation of those units were capitalized and evidenced in inventories, while all revenues and profits expected from development and sales of these apartments will be recognized by Cordia Group in the next periods.

The revenues and profits recognized by Cordia Group during 2018 and during first six months of 2019 were driven mainly by revenues from delivery to the end users of 536 and of 160 apartments respectively.

IFRS profit recognition lags value creation by two to three years



b) Revenue

In thousands of Hungarian Forints (THUF)	**6m ending 30.06.2019**	**6m ending 30.06.2018**	**31.12.2018**	**31.12.2017**
Revenue from sale of real estate	7,190,775	3,773,068	16,885,450	3,658,871
Other revenue	640,622	576,282	2,968,556	3,259,270
Total revenue	**7,831,397**	**4,349,350**	**19,854,006**	**6,918,141**

The revenues from sale of real estate of Cordia Group are driven mainly by value of apartments handed over to its clients. Despite Cordia Group has not accomplished any new project during H1 2019, 160 apartments were delivered to the customers – mainly in three projects (Atrium 1, Kapas and Paskal) which were completed in Budapest in late 2018 (156), while during H1 of 2018 Cordia Group delivered as many as 127 apartments – mainly in the second stage of project Cystersów Garden in Krakow (119), which was the only project that was accomplished by Cordia Group in H1 2018. Other revenue includes revenues from rental and service charge, as well as assignment fees for the purchase right of a land plot. Revenues from service and rental charges are recognized over time, other fees are recorded at a point in time.

During 2018 Cordia Group finished three projects in Hungary (Atrium 1, Paskal and Kapas) and one in Poland (Cystersów Garden 2) and started to hand over the apartments to its customers, which allowed for delivery of 536 units during 2018, of which 353 were delivered in Budapest and 183 were delivered in Krakow. The aggregated revenues from sale of residential assets to the customers amounted to nearly HUF 17 billion during entire 2018. Cordia Group has completed only one residential project during 2017 – the first stage of Cystersów Garden in Krakow.

c) Operating Expenditures

Cost of sales represent all direct costs capitalized during development of the apartments and other assets delivered to the customers in the same period. Despite the revenues from sale of residential units increased during H1 of 2019 in comparison to results of H1 of 2018 by over 90%, the cost of sales increased only by 49% in the same period.

The below table presents the cost of sales in the past periods, as well as the break-down of the other operating costs of Cordia Group, which are not capitalized to inventories and affect the profitability of Cordia Group in particular period, in which they occur.

In thousands of Hungarian Forints (THUF)	**6m ending 30.06.2019**	**6m ending 30.06.2018**	**31.12.2018**	**31.12.2017**
Cost of Sales	4,210,879	2,835,276	12,149,655	2,939,111
Selling and marketing expenses	775,255	626,087	1,956,791	1,141,535
Personnel expenses and external services	1,381,761	1,018,967	1,366,235	1,522,148
Materials and energy	28,013	7,652	46,579	35,385
Depreciation	241,386	46,148	154,930	124,108
Bank fees and other charges	18,974	87,446	61,516	178,456
Other expenses	485,222	202,932	609,984	112,689
Other income	-23,034	-8,704	-19,570	-1,149,705
Operating Expenses	**7,118,456**	**4,815,804**	**16,326,120**	**4,903,727**

Lower increase of cost of sales than of the revenues resulted in the gross profit margin (sales profit as a difference between revenues and cost of sales, compared to revenues) increasing from 39% during 2018 to 46% evidenced during first 6 months of 2019.

d) Operating Profit, EBITDA

The ratio that is the most commonly used in evaluation of the financial performance and profitability of the residential developers is the gross profit margin. This ratio allows for assessment of profitability of the residential projects delivered by a developer to its customers. The average gross profit margin in particular period corresponds to profitability of the projects / apartments which were delivered to the customers in this particular period.

The projects that have been delivered by Cordia Group to the customers in the analysed period were very profitable and the gross profit margin of 39% recorded by Cordia Group during 2018 increased to even 46% during H1 of 2019. Even despite relatively little volume and value of the apartments delivered to the customers during first six month of 2019, the gross margin recorded by Cordia Group allowed to cover the SG&A costs and to report operating profit in the same period.

The management of Cordia Group believes that the Subsidiaries will be able to hand over increased volumes of apartments during second half of 2019 (due to expected completions of the next projects) which will translate not only into the healthy gross profit margin but also into substantial operating profits.

In thousands of Hungarian Forints (THUF)	**6m ending 30.06.2019**	**6m ending 30.06.2018**	**31.12.2018**	**31.12.2017**
Revenue	**7,831,397**	**4,349,350**	**19,854,006**	**6,918,141**
Cost of sales	**4,210,879**	**2,835,276**	**12,149,655**	**2,939,111**
Gross profit	**3,620,518**	**1,514,074**	**7,704,350**	**3,979,030**
gross profit margin	*46%*	*35%*	*39%*	*58%*

In thousands of Hungarian Forints (THUF)	**6m ending 30.06.2019**	**6m ending 30.06.2018**	**31.12.2018**	**31.12.2017**
Operating profit	**712,941**	**-466,454**	**3,527,885**	**2,014,414**

e) *Financial Result*

It is important to note that all financial costs which directly relate to execution of the residential projects (interest costs and other banking fees related to projects under execution) are not disclosed in the profit and loss account but they are capitalized to inventories and are recognized as one of the elements of costs of sales upon delivery of apartments to their buyers (in the same way, like for instance construction costs, costs of land purchase or costs of architects design). Therefore the financial costs disclosed in the Statement of Profit and Loss relate only to those expenses which cannot be capitalized.

Interest income on cash deposits, like exchange rate gains or losses are also not capitalized to the inventories and affect the results in particular period when they occur.

The below table presents the result on financial operations of Cordia Group in the past periods. Other finance income and cost is mainly related to realized and non-realized foreign exchange differences arising on EUR denominated borrowings and trade payables.

In thousands of Hungarian Forints (THUF)	**6m ending 30.06.2019**	**6m ending 30.06.2018**	**31.12.2018**	**31.12.2017**
Interest income	59,945	53,118	294,912	115,292
Other financial income	1,611,515	902,230	961,613	820,377
Finance income	**1,671,461**	**955,348**	**1,256,523**	**935,669**
Interest expense	242,449	18,738	-35,531	-214,517
Other financial expense	1,169,181	409,068	-1,101,313	-619,285
Finance expense	**1,411,630**	**427,806**	**-1,136,844**	**-833,802**
Net finance income/(expense)	**259,831**	**527,542**	**119,681**	**101,867**

f) *Profit After Tax*

The profit after tax of Cordia Group amounted to HUF 3.28 billion in 2018 and was generated by revenues and profits associated with delivery of 536 apartments to the final customers. Cordia Group made over 0.87 billion profit during first six months of 2019 despite delivery of only 160 apartments to the customers.

In thousands of Hungarian Forints (THUF)	**6m ending 30.06.2019**	**6m ending 30.06.2018**	**31.12.2018**	**31.12.2017**
Profit/(loss) for the period	**872,877**	**-209,829**	**3,278,195**	**1,912,250**

g) *Non-Current Assets*

Non-Current Assets of Cordia Group do not include real estate properties which are used in the developers' cycle and are evidenced as current assets as part of the inventories.

The most significant balances of the Non-Current Assets relate to Property, plant and equipment, which are used for internal purposes of Cordia Group as well as financial assets, of which the most significant item is Investments accounted for using equity method as well as – until end of 2018 - Restricted cash balances.

In thousands of Hungarian Forints (THUF)	**As at 30.06.2019**	**As at 31.12.2018**	**As at 31.12.2017**
Intangible assets	220,795	187,856	136,988
Property, plant and equipment	1,645,569	666,784	0
Long-term receivables from third parties	9,846	8,426	563,989
Long-term receivables from related parties	0	1,150,746	11,493
Investments accounted for using equity method	1,298,144	729,800	1,050,379
Deferred tax assets	126,222	124,939	135,090
Restricted cash	0	10,869,940	5,483,415
Long-term VAT receivables	0	242,616	1,505,296
Other long-term assets	426,275	577,376	353,714
Total non-current assets	**3,726,851**	**14,558,483**	**9,240,364**

Property, plant and equipment balance increased during first 6 months of 2019 due to the following reasons. Cordia group has adopted IFRS 16 simplified method retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on 1 January 2019.

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- property, plant and equipment – increase by 1,093,600, and
- inventory – increase by 1,333,390.

The investment in its joint-venture increased in 2019 as below. There were no other changes compared to the 31 December 2018 consolidated financial statements.

In thousands of Hungarian Forints (HUF)	Investments accounted for using equity method
Opening	729,800
Purchase of investments	579,652
Profit attributable to Group	(11,308)
Closing carrying amount	**1,298,144**

h) Current Assets

Increasing balance of inventories reflect dynamic development of Cordia Group in recent periods – both by increasing the balance of the land bank as well as increasing the balance of the construction costs capitalized.

The most significant element of the current assets are inventories, which cumulate all costs that have been capitalized in relation to development and preparations of the residential projects by Cordia Group, that were not yet delivered to the customers.

In thousands of Hungarian Forints (THUF)	**As at 30.06.2019**	**As at 31.12.2018**	**As at 31.12.2017**
Current assets			
Inventory	80,807,924	58,713,306	37,536,704
Trade and other receivables	639,637	191,521	332,278
Short-term receivables from related parties	861,416	4,359,861	1,807,482
Income tax receivable	32,834	30,040	23,054
Short-term VAT receivables	4,848,745	3,057,847	819,580
Restricted cash	13,947,655	240,281	2,720,115
Other financial assets	156,381	29,553	30,119

Other short-term assets	1,335,772	301,199	423,471
Cash and cash equivalents	12,080,318	12,289,550	9,971,253
Total current assets	**114,710,682**	**79,213,158**	**53,664,056**

The very dynamic expansion of Cordia Group is confirmed by all main categories of inventories increasing over the past periods, including lands as well as construction costs. The below table presents the breakdown of inventories into particular subgroups referring to the nature of the expenses capitalized.

In thousands of Hungarian Forints (THUF)	**As at 30.06.2019**	**As at 31.12.2018**	**As at 31.12.2017**
Inventory			
Borrowing costs	991,437	802,936	768,622
Construction costs	34,647,568	21,486,689	13,843,132
Lands (including acquisition costs)	32,621,827	23,848,389	19,351,264
Other costs (including planning and other costs)	7,733,623	6,083,318	3,162,189
Work in progress	**75,994,455**	**52,221,332**	**37,125,207**
Finished goods	**3,055,734**	**6,424,014**	**236,773**
Goods for resale	**214,308**	**67,960**	**0**
Advances paid for delivery of goods	**210,037**	**0**	**174,724**
Rights of perpetual usufruct of land (lease)	**1,333,390**	**0**	**0**
Total inventory	**80,807,924**	**58,713,306**	**37,536,704**

Restricted cash

Cordia Group's model of operations assumes that instead of using customer deposits for the development, most of it are deposited as restricted cash securing construction loans received. Despite most of the banks allow full or partial use of such funds, (sometimes subject to utilization fees) these balances are presented as restricted cash in the financial statements.

Due to expected changes in financing and as a result of several projects turning into the delivery phase within the next 12 months, in 2019 the management implemented a new policy of more openly using these balances during the normal operating cycle. To reflect these changes and Management's expectation that these amounts may be realized within the normal operating cycle, all restricted cash balances are presented under current assets as of 30 June 2019.

VAT receivables

VAT receivables mainly contain VAT receivables relating to customer advance payments. Similarly to restricted cash, now Management's expectation is that these amounts may be realized within the normal operating cycle, therefore these balances are presented under current assets as of 30 June 2019.

Receivables from related parties

Following earlier initiatives aimed at separation of Cordia Group from Futureal Group (affiliated due to involvement of the joint leading shareholder), all loans granted by Subsidiaries to the companies within the Futureal Group (in total amount of HUF 4.34 billion) have been repaid during H1 2019. As a result of this operation the total loan balances between Cordia Group and Futureal Group has been substantially decreased.

i) Equity and Liabilities

The below tables present the figures based on the consolidated financial statements of Cordia Group.

It is important to remember that based on the IFRS regime applied by the Issuer in its financial reporting, the Balance Sheet data is presented mainly based on the historical, cost figures not reflecting any potential gains in value of the residential assets. All residential assets acquired and held by Cordia Group for the purpose of development and sale of residential apartments are evidenced based on the historical acquisition cost (unless any impairment is required).

In thousands of Hungarian Forints (THUF)	As at 30.06.2019	As at 31.12.2018	As at 31.12.2017
Shareholders' equity			
Share capital	9,897,492	9,252,912	9,252,912
Share premium	8,690,521	592,166	592,166
Currency translation reserve	-330,657	143,877	141,872
Other reserves	-286,680	-234,382	-189,439
Retained earnings	8,034,564	7,117,547	3,768,631
Equity attributable to equity holders of the parent	**26,005,240**	**16,872,120**	**13,566,142**
Non-controlling interests	84,973	86,823	111,305
Total equity	**26,090,213**	**16,958,943**	**13,677,447**
Net assets attributable to non-controlling investment unit holders	**18,745,739**	**16,286,632**	**7,468,455**
Liabilities			
Non-current liabilities			
Loans and borrowings	6,259,146	4,829,609	5,746,263
Long-term liabilities to related parties	49,441	4,429,058	2,274,895
Deferred tax liabilities	56,900	44,550	165,986
Customer advances	22,333,872	7,635,951	5,337,026
Lease liabilities	609,124	0	0
Amounts withheld for guarantees	1,890,252	1,733,237	648,677
Other long-term liabilities	146,502	137,101	2,477
Total non-current liabilities	**31,345,237**	**18,809,506**	**14,175,324**
Current liabilities			
Trade and other payables	7,561,367	4,471,907	2,949,018
Short-term liabilities to related parties	6,349,640	3,124,653	3,450,854
Loans and borrowings	6,266,134	5,239,689	735,812
Customer advances	19,805,143	28,127,855	20,190,907
Lease liabilities	1,673,900	0	0
Other tax liabilities	496,250	707,187	168,287
Income tax liabilities	53,677	45,269	88,316
Other provision	50,223	0	0
Total current liabilities	**42,256,344**	**41,716,560**	**27,583,194**
Total liabilities	**73,601,581**	**60,526,066**	**41,758,518**
Total	**118,437,533**	**93,771,641**	**62,904,420**

Equity - share capital and share premium (based on the consolidated financial statements)

The parent company's share capital is EUR 32,000,000 (9,897,492 thousands HUF) consisting of ordinary shares with nominal value of EUR 1 in the number of 32,000,000. All shares are fully paid. Ordinary shares provide the rights to the holders on a pro-rata basis.

Recent injections of equity by controlling major shareholder

The previous direct shareholder of the Company, QED Investments Limited, following purchase of 100% of the Company from Sparks Ltd. in May 2019, decided about capital increase of the Company. Out of total EUR 27 million, EUR 2 million was declared as new share capital, while EUR 25 million have been contributed to the Company as share premium. All contributions were declared in May 2019 and were fully paid until end of June 2019. QED Investments Ltd. decided to sell (in September 2019) its entire holding in the Company to Cordia Holding B.V. with registered seat in Amsterdam.

Share capital

In thousands of Hungarian Forints (THUF)	As at 30.06.2019			
Company	**Nominal value of shares (THUF)**	**Ownership percentage**	**Nominal value of shares (THUF)**	**Ownership percentage**
QED Investments Ltd*	9,897,492	100.00%	9,897,492	**100.00%**
Total	**9,897,492**	**100.00%**	**9,897,492**	**100.00%**

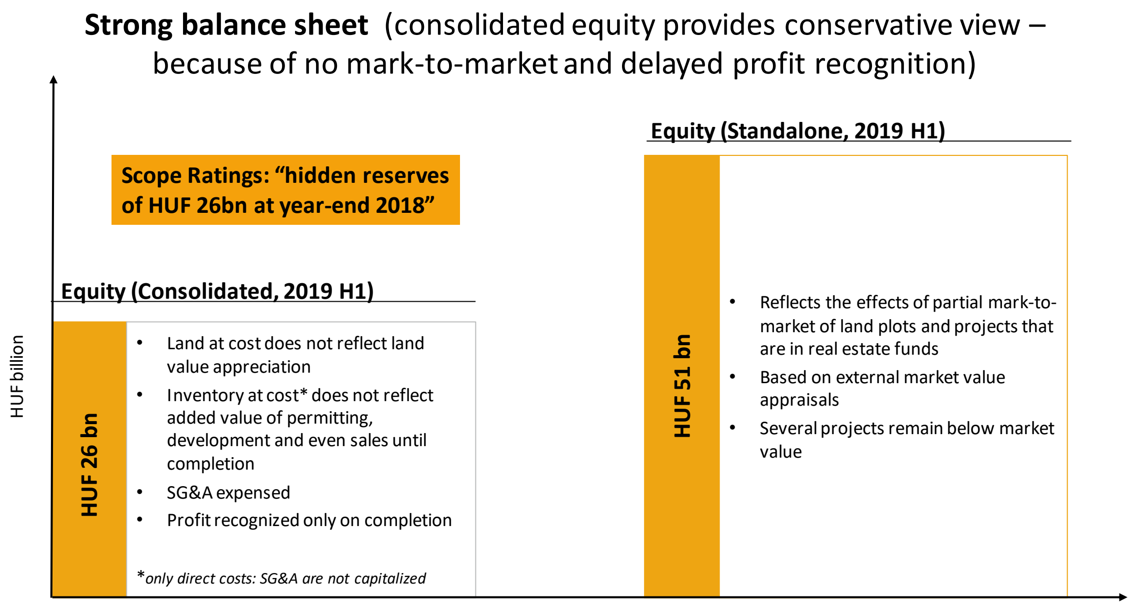
*Cordia Holding B.V. since September 2019

Share premium

In thousands of Hungarian Forints (HUF)	**01.01.2019-30.06.2019**
Opening balance	**592,166**
Proceeds from capital increase	8,098,355
Closing balance	**8,690,521**

Equity - share capital based on the stand-alone financial statements

The potential discrepancy between historical and market value approach and its impact on the balance sheets of the residential developers can be easily observed when comparing the stand-alone Balance Sheet of the Issuer and consolidated Balance Sheet of Cordia Group. Due to possible recognition of the residential assets held by real estate funds (mainly Hungarian assets) at the market value (based on the external market value appraisers) and dividends declared by subsidiaries increasing the equity of the Issuer, the equity evidenced in the stand-alone Balance Sheet of the Issuer as of 30 June 2019 amounts to HUF 51 billion, while in the consolidated financial statement (where all intercompany transactions must be eliminated) the consolidated equity of Cordia Group amounts to HUF 26 billion, which is illustrated on the chart below:



Net assets attributable to non-controlling investment unit holders

Cordia Group has long-term strategic partnership with several institutional investors that have invested capital in Cordia projects through privately issued and closed ended investment funds controlled by Cordia Group, namely Finext Real Estate Opportunities One SICAV-SIF Sub-Fund and Finext Real Estate Opportunities Budapest SICAV-SIF Sub-Fund. The funds issue two classes of investment units in the form of shares: Class C is owned by the Cordia Group, Class P is purchased by the non-controlling investors. Based on the funds' prospectus, repayment of the original investments and distributions of profits and losses are to be made as follows:

- first, original investments into Class P and Class C shares shall be returned pro-rata and pari passu. Potential losses are therefore suffered pro-rata, based on invested capital.
- after pro rata distributions equal to the invested capital to all shareholders, potential profits are not distributed on pro-rata basis but in different proportions changing based on the internal rate of return achieved by the Class P unitholders versus pre-agreed hurdles.

Cordia Group does not provide any guarantee on the return of the capital invested by the investors. Based on industry practice, net asset attributable to non-controlling investment unit holders are disclosed on a separate line in the consolidated financial statements.

The investment of the non-controlling investment unit holders in two subsidiaries (Finext Funds BP SICAV-SIF and Finext Funds One SICAV-SIF) and the movements in the balances is presented in the table below. The change in the balance recorded during 2019 is due to mainly the new investments and the redemptions made to the non-controlling investment unit holders.

In thousands of Hungarian Forints (HUF)

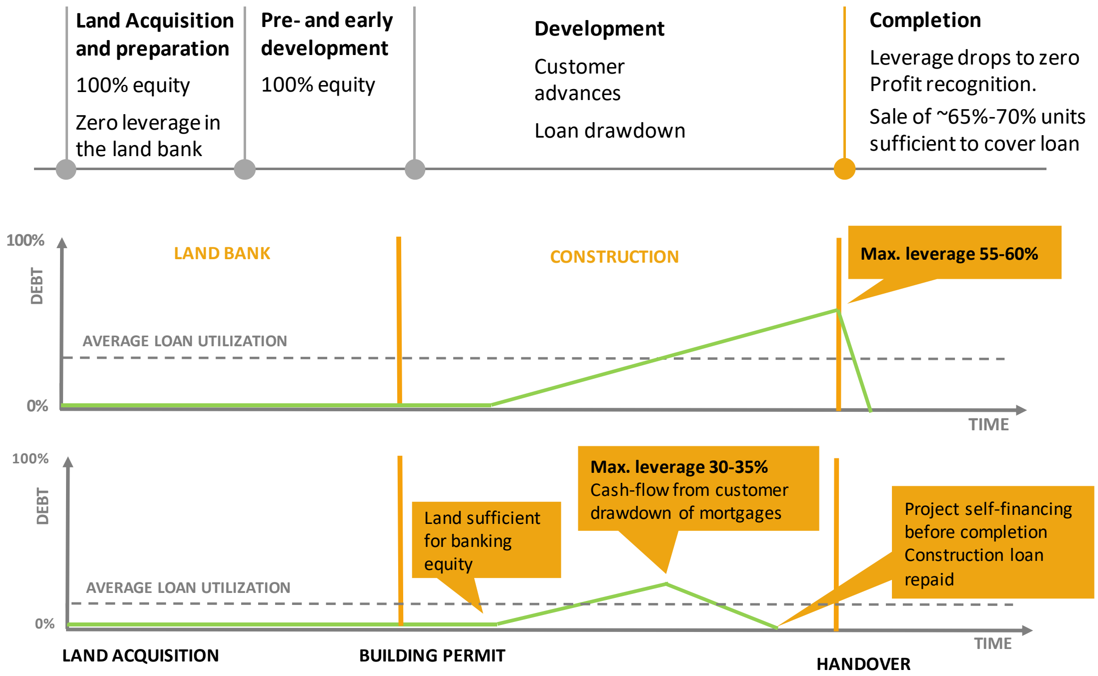
Opening balance 31 December 2018	**16,286,632**
Investment made by non-controlling investment unit holders	5,000,000
Change in net assets attributable to non-controlling investment unit holders*	(42,290)
Redemption of investment units of non-controlling investment unit holders	(2,700,000)
Profit distribution to be paid out	201,397
Closing balance as at 2019	**18,745,739**

At each period end, Cordia Group calculates the profit distribution to be paid out on finished projects to non-controlling investment unit holders and presents the balance in the statement of financial position among net assets attributable to non-controlling investment unit holders instead of non-controlling interests.

Loans and borrowings

Cordia Group finances its activity to great extent by bank loans, which are utilized during the period of construction works, while the pre-development phase (all preparatory works, including land purchase, preparation of design, arrangement of all needed permits, etc.) is usually financed by Cordia Group's equity.

The below chart presents the typical division between phases of development of the residential project (in Hungary and Romania on the first chart and in Poland – where staged payments are typical - on the second chart):



The table below presents the movement in loans and borrowings from third parties during first six months of 2019 as well as during 2017 and 2018:

In thousands of Hungarian Forints (HUF)	01.01.2019-30.06.2019	01.01.2018-31.12.2018	01.01.2017-31.12.2017
Opening balance	**10,069,298**	**6,482,075**	**4,727,345**
New bank loan drawdown	3,756,437	16,108,315	6,107,989
Loan repayments	-1,249,752	-12,584,290	-4,475,639
Other (non-cash changes)	-50,703	63,198	122,380
Total closing balance	**12,525,280**	**10,069,298**	**6,482,075**

In thousands of Hungarian Forints (HUF)	30.06.2019	31.12.2018	31.12.2017
HUF	11,321,585	7,668,640	3,937,634
EUR	0	669,315	1,292,022
PLN	1,203,695	1,731,343	1,252,419
Total closing balance	**12,525,280**	**10,069,298**	**6,482,075**
Closing balance includes:	**30.06.2019**	**31.12.2018**	**31.12.2017**
Current liabilities	6,266,134	5,239,689	735,812
Non-current liabilities	6,259,146	4,829,609	5,746,263
Total closing balance	**12,525,280**	**10,069,298**	**6,482,075**

New bank loan drawdowns and loan repayments relate solely to progress (new openings or completions) of the residential projects realized by Cordia Group and to increasing scale of Group operations. Loan repayments during H1 of 2019 were mainly related to final settlements of projects completed in Budapest in December 2018, as well as to the Polish projects (Supernova in Krakow and Zielone Bemowo I), which were completed after 30 June 2019 (i.e. in July 2019). New bank loan drawdowns were related to other projects run by Cordia Group in Hungary.

The table below presents the list of the construction loan facilities, which Cordia Group arranged for in regards to entering into loan agreements with the banks in order to secure financing of the construction and other outstanding costs of the ongoing projects. The amounts presented in the table below include the unutilized part of the construction loans available to the Subsidiaries:

In thousands of Hungarian Forints (HUF)

Entity name	Project name	As at 30.06.2019	As at 31.12.2018
Cordia Development 2. Development Fund	Thermal Zugló 2	0	3,512,712
Cordia Development 2. Development Fund	Thermal Zugló 3	1,205,143	49,886
Cordia Global 3. Development Subfund	Young City	414,125	3,639,967
Cordia Global 3. Development Subfund	Young City 2	1,949,457	166,137
Cordia Global 4. Development Subfund	Rózsa55	1,887,953	650,174
Cordia Global 5. Development Subfund	Grand'Or	2,269,436	2,733,692
Cordia Global 7. Development Subfund	Marina Garden	1,401,110	1,577,884
Cordia Global 8. Development Subfund	Sasad Resort Sun	4,162,893	3,642,408
Cordia Global 9. Development Subfund	Centropolitan	2,700,000	0
Cordia Global 10. Development Subfund	Sasad Hilltop	4,610,000	0
Cordia Global 11. Development Subfund	Grand Corvin	3,874,217	0
Cordia Global 12. Development Subfund	Marina Portside	7,500,000	0
Cordia Global 17. Development Subfund	Young City 3	5,580,000	0
Cordia Global 18. Development Subfund	Akadémia Garden	7,620,000	0
Projekt Warszawa 1	Zielone Bemowo 1	1,626,156	4,639,890
Projekt Warszawa 1	Zielone Bemowo 2	3,569,206	0
Cordia Supernova Sp. Z o.o.	Supernova	0	6,279,308
Villena sp. z o.o.	Villena	0	0
Total subsidiaries		**50,369,696**	**26,892,058**
Cordia Global 6. Development Subfund	Marina Life	5,115,360	0
Cordia Global 6. Development Subfund	Marina Life 2	5,115,360	0
Total including joint ventures		**60,600,416**	**26,892,058**

Liabilities to related parties

Following earlier initiatives aimed at separation of Cordia Group from Futureal Group (affiliated due to involvement of the joint leading shareholder), the open balance of the loans granted as well as of the loans received from the companies belonging to Futureal Group has been reduced and structured in a way, that as of 30 June 2019 all the loan balances are from one single sister company.

Moreover as of 30 June 2019 a related party loan balance received by Cordia Group amounted to 17.9 million EUR and by September 2019 Cordia Group has repaid related party loans in the amount of EUR 17.0 million therefore decreasing the outstanding related party loan balance as of 25 September 2019 to EUR 0.88 million only.

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

In thousands of Hungarian Forints (HUF)	**As at 30.06.2019**	**As at 31.12.2018**	**As at 31.12.2017**
Trade payables	258,799	0	141,674
Loan	5,830,057	7,028,529	5,236,325
Accrued expenses payables	310,255	525,182	347,077
Other liabilities	0	0	673
Total closing balance	**6,399,081**	**7,553,711**	**5,725,749**
Closing balance includes:			
Current liabilities	6,349,640	3,124,653	3,450,854
Non-current liabilities	49,441	4,429,058	2,274,895
Total closing balance	**6,399,081**	**7,553,711**	**5,725,749**

Customer advances received

The table below presents the breakdown of customer advances received by projects. These are recorded as contract liabilities as required by IFRS 15.

Despite deliveries of the completed projects to the customers, the overall balance of the received advanced payments has been constantly increasing over the past periods – in line with dynamically growing scale of Cordia Group operations (which was also evidenced by number of contracted customer agreements as well as by increasing balances of inventories).

In thousands of Hungarian Forints (HUF)

Entity name	Project name	As at 30.06.2019	As at 31.12.2018	As at 31.12.2017
Cordia Development 1. Development Fund	Corvin Átrium	166,908	1,718,788	1,617,461
Cordia Development 2. Development Fund	Thermal Zugló 2	0	751,494	967,676
Cordia Development 2. Development Fund	Thermal Zugló 3	2,184,975	1,466,090	5,620,000
Cordia Global 1. Development Subfund	Kapás 21	728,441	3,272,616	0
Cordia Global 10. Development Subfund	Sasad Hilltop	1,002,823	362,959	0
Cordia Global 11. Development Subfund	Grand Corvin	2,228,723	1,353,576	0
Cordia Global 12. Development Subfund	Marina Portside	1,385,706	397,942	0
Cordia Global 13. Development Subfund	Universo	140,491	0	0
Cordia Global 14. Development Subfund	N/A	0	184,279	0
Cordia Global 17. Development Subfund	Young City 3	712,597	0	0
Cordia Global 18. Development Subfund	Akadémia Garden	986,731	145,137	0
Cordia Global 19. Development Subfund	Grand Corvin 2	126,593	0	0
Cordia Global 2. Development Subfund	Corvin Átrium 2	6,952,533	6,754,793	2,451,985
Cordia Global 3. Development Subfund	Young City	1,415,594	1,372,536	1,928,057
Cordia Global 3. Development Subfund	Young City 2	1,869,919	1,625,524	3,846,650
Cordia Global 4. Development Subfund	Rózsa55	4,360,098	4,059,227	0
Cordia Global 5. Development Subfund	Grand'Or	922,762	696,197	0
Cordia Global 7. Development Subfund	Marina Garden	7,600,913	5,515,641	0
Cordia Global 8. Development Subfund	Sasad Resort Hill	1,162,642	1,115,162	0
Cordia Global 8. Development Subfund	Sasad Resort Sun	1,076,051	1,049,102	0
Cordia Global 9. Development Subfund	Centropolitan	663,414	317,684	0
Cordia FM Társasházkezelő Kft	N/A	49,387	37,459	0
Cordia Parcului Residential project SRL	Parcului201	220,146	15,546	0
Projekt Krakow 1	Lotniczówka	6,469	0	0
Cordia Supernova Sp. Z o.o.	Supernova	3,593,666	2,347,030	2,909,375
Projekt Warszawa 1	Zielone Bemowo 1	2,432,222	1,176,157	5,903,815
Villena sp. z o.o.	Cystersów Garden 2	149,211	28,867	1,140,761
Total subsidiaries		**42,139,015**	**35,763,806**	**26,385,780**
Cordia Global 6. Development Subfund	Marina Life	1,760,401	1,104,495	0
Cordia Global 6. Development Subfund	Marina Life 2	259,957	0	0
Total including joint venture		**44,159,373**	**36,868,300**	**26,385,780**

For the period ended

In thousands of Hungarian Forints (THUF)	**01.01.2019-30.06.2019**
Opening balance of customer advances	**35,763,806**
Increase in contract liabilities from customer advances received for not completed performance obligations	11,201,726
Revenue recognised that was included in the contract liability balance at the beginning of the period	(4,913,519)
Cumulative translation adjustment	87,002
Closing balance of customer advances	**42,139,015**

j) Cash Flow

The cash-flow statement confirms and well illustrates the trends presented and described in previous chapters, namely the very dynamic expansion of Cordia Group (which can be traced as ongoing increase in inventory line) has been financed since the beginning of 2017 by: i) equity injected by major shareholder (HUF 18.0 billion), ii) capital contributed by non-controlling holders of shares and investment notes (total net change of the balance amounting to HUF 18.5 billion), while the balance of iii) bank loan financing remained stable, i.e. decreasing in the analysed period by HUF 5.6 billion (which to the great extent was possible mainly due to very positive inflow of cash from customers buying apartments and prepaying construction costs).

In thousands of Hungarian Forints (THUF)	**6m ending 30.06.2018**	**6m ending 30.06.2018**	**31.12.2018**	**31.12.2017**
Cash flows from/(used in) operating activities				
Profit/(loss) before taxation for the period	961,463	20,455	3,544,811	2,116,281
Adjustments to reconcile profit before for taxation to net cash used in operating activities:				
Depreciation	241,386	76,708	154,930	144,457
Other non-cash movements*	855,013	302,268	616,823	192,567
(Profit)/loss on sale of tangible and intangible assets	-41,381	-3,932	0	-1,140,694
Profit/loss on sale of tangible and intangible assets	0	0	21,261	-8,995
Net finance income/expense	-259,381	-527,542	-119,681	-101,867
Increase in inventory	-20,591,792	-10,806,258	-17,848,785	-17,810,664
Share of loss in joint venture	11,308	40,643	102,756	0
Decrease/(increase) in trade and other receivables	-8,560,606	-1,055,659	1,251,687	-1,941,726
(Decrease)/increase in liabilities from related parties	1,780,458	-1,590,490	-2,552,379	-3,280,654
Increase in trade and other payables	2,845,477	-2,693,756	-810,345	1,484,179
Increase in provision	50,223	0	0	0
Increase in advances received	6,375,209	9,528,783	10,235,873	18,627,733
Interest paid	-431,490	-371,092	-723,472	-218,829
Income tax paid	-71,905	-229,678	-427,934	-54,630
Net cash from/(used in) operating activities	**-16,836,458**	**-7,309,560**	**-6,554,456**	**-1,992,842**
Cash flows from/(used in) investing activities				
Proceeds from sale of investment property	0	0	0	1,132,000
Proceeds from sale of non-current assets held for sale	0	0	0	7,213,689
Cash paid for acquisition of subsidiaries	-15,000	-137,924	-137,924	0
Cash of acquired subsidiaries	1,510,746	241,104	241,104	0
Acquisitions of tangible and intangible assets	-118,129	-102,947	-316,631	-648,214
Investing in other long-term financial assets	-431,142	-5,162,459	-4,347,507	-5,481,337
Increase of long-term loan receivables	0	-39,545	-182,387	-1,050,379
Repayment of long-term loan receivables	1,150,746	783	147,940	74,680
Repayment of short-term loan receivables	3,159,575	0	0	0
Interest received	59,945	0	294,912	115,292
Purchase of investments in joint ventures	-579,652	-355,385	-832,556	0
Net cash from/(used in) investing activities	**4,737,089**	**-5,556,373**	**-5,133,049**	**1,355,731**
Cash flows from/(used in) financing activities				
Proceeds from loans and borrowings	20,521,503	17,628,716	28,642,619	8,549,507
Repayment of loans and borrowings	-19,478,930	-9,443,069	-23,302,397	-20,541,919
Capital increase	8,742,935	0	0	9,252,908
Issuance of non-controlling shares and investment notes	5,000,000	10,198,849	10,240,551	7,581,121
Redemption of non-controlling shares and investment notes	-2,700,000	-74,970	-1,574,971	0
Repayment of lease liability	-195,371	0	0	0
Net cash from financing activities	**11,890,137**	**18,309,526**	**14,005,802**	**4,841,617**
Net change in cash and cash equivalents	-209,232	5,443,593	2,318,297	4,204,506
Cash and cash equivalents at beginning of the year	12,289,550	9,971,253	9,971,253	5,766,747
Cash and cash equivalents at end of the period	**12,080,318**	**15,414,846**	**12,289,550**	**9,971,253**

**Other non-cash movements mainly include unrealized foreign exchange differences.*

k) Current and Planned Investments and Constructions

Cordia Group was involved in active development (construction) project in Hungary, Poland, Romania and Spain. In 2019 year Cordia Group has sold 980 apartments.

The entire detailed list of the residential projects that are in the pre-development (preparatory) phase as well as which are on-going and active developments under construction is presented in Section 5.12 (*List of the Projects of Cordia Group*).

l) Source of Equity and Liability

Source of capital financing Issuer operations is presented in details in the foregoing chapters „Equity and Liabilities" and „Cashflow".

8 FINANCIAL STATEMENT

The copy of the audited Consolidated Financial Statements as of and for the financial year ended on 31 December 2018 and the copy of the audit report thereon are attached to this Information Document in Annex 5 (*Consolidated Financial Statements 31 December 2018*).

The copy of the Interim separate financial statements for the period ended 30 June 2019 and the relating audit report dated 26 September 2019 are attached to this Information Document in Annex 6 (*Interim Separate Financial Statement*).

The copy of the Condensed interim consolidated financial information for the period ended on 30 June 2019, and the copy of the audit report thereon are attached to this Information Document in Annex 7 (*Condensed Interim Consolidated Financial Information*).

9 LITIGATION

To the best of the Issuer's knowledge, neither the Issuer nor any other member of Cordia Group is, or is threatening to be, involved in any governmental, legal or arbitration proceedings relating to claims or amounts that are material in the context of the Issue or the Information Document (including any such proceedings which are pending or threatened of which the Issuer is aware) or are in excess of 10 % of the Issuer's equity.

As of the date of this Information Document, neither the Issuer nor any other member of Cordia Group is intending to initiate any governmental, legal or arbitration proceedings relating to claims or amounts that are material in the context of the Issue or the Information Document.

10 MATERIAL CONTRACTS

The Issuer has not entered into any material contracts outside of its ordinary course of business which could result in any Cordia Group member being under an obligation or having any entitlement that is material to the Issuer's ability to perform its obligations, to the assessment of the Issuer and/or of the Bonds.

11 CONTEMPLATED USE OF PROCEEDS

The net proceeds of the Issue will be applied by the Issuer for the financing of investments into real estate projects and real estate developments, various acquisitions (including – among others – lands, portfolios of lands, business shares and immaterial goods), working capital as well as for the potential refinancing of outstanding loans used for the financing of the aforementioned purposes (including, but not limited to senior loans and shareholder loans as well).

12 COVERAGE FOR THE PERFORMANCE OF THE LIABILITIES BASED ON BONDS

The contemplated financial coverage for the performance of the Issuer's payment obligation under the Bonds will be available from the free cash-flow generated by the Issuer and from the funds distributed by other members of the Cordia Group to the Issuer as well as – to the extent necessary – the assets of Issuer.

Majority of the Issuer's income is deriving from Cordia Group members in different ways depending on the legal form of the relevant Cordia Group members, including dividend payments, dividends / distributions on investment units and interest accrued on intercompany loans provided by the Issuer as well as capital / principal repayments. Source of the cash-flow is expected to be generated from – inter alia – Cordia Group's ongoing projects and from new investments that may be realised from the net proceeds of the Bonds (as contemplated under Section 11 (*Contemplated Use of Proceeds*)).

13 OTHER MATERIAL INFORMATION

The Issuer is not aware of any information which is material or key with respect the Bonds or the Issuer and which has not been disclosed in this Information Document.

14 DOCUMENTS INCORPORATED BY REFERENCE OR ON DISPLAY

The deed of foundation (in Hungarian: "*alapszabály*") of the Issuer dated 30 December 2019 shall be published in electronic form on the website of the Issuer, https://cordiahomes.com/.

The audited Consolidated annual financial statement of the Issuer for the financial year ended 31 December 2017 and the audit report thereon shall be incorporated by reference in, and form part of, this Information Document.

Copies of the documents incorporated by reference in this Information Document can be obtained in electronic form from the website of the Issuer, https://cordiahomes.com/.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Information Document shall not form part of this Information Document.

Without any limitation, the contents of any websites, rules, policies of any authority, entity (including the Issuer) or person referred to in this Information Document are for information purposes only and do not form part of this Information Document.

15 INFORMATION FROM THIRD PARTY, EXPERT REPORTS

This Information Document does not contain any statement or report attributed to a person as an expert engaged by Cordia Group.

Information incorporated into this Information Document has been produced by the Issuer and third parties explicitly indicated in this Information Document.

The Issuer does not take any liability or responsibility for any statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Issuer's and Cordia Group's business and market contained in this Information Document.

16 DEFINITIONS

In this Information Document, unless the context indicates otherwise, reference to the singular shall include the plural and vice versa, words denoting on gender include others, expressions denoting natural persons include juristic persons and associations of persons, and the words in the first column have the meaning stated opposite them in the second column as follows:

Amortized Face Value	has the meaning given to such term in Condition 5(a) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Amortisation Amount	has the meaning given to such term in Condition 7(a)(i) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Arranger	has the meaning given to such term on Page 3 under Clause "Important Notices" of this Information Document.
Auditor	means the respective auditor of the Issuer, being currently PricewaterhouseCoopers Könyvvizsgáló Korlátolt Felelősségű Társaság (registered seat: 1055 Budapest, Bajcsy-Zsilinszky út 78.) and Pál Tímár (registration number with Chamber of Hungarian Auditors: 002527)
BGS	means the Bond Funding for Growth Scheme of the National Bank of Hungary (in Hungarian: "*Növekedési Kötvényprogram*").
Board of Directors	has the meaning given to such term on Page 2 in "Important Notices" of this Information Document.
Bondholder(s)	has the meaning given to such term in Condition 1(d) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Bonds	has the meaning given to such term on Page 2 under Clause "Important Notices" of this Information Document.
Bondholders' Meeting	means the meeting of the Bondholders stipulated under Condition 20 of Section 4 (*Terms and Conditions of the Bonds*) and Annex 1 (*Provisions on Meeting of Bondholders*) of this Information Document.
BGS Handout	has the meaning given to such term on Page 1 of this Information Document.
BSE	has the meaning given to such term on Page 1 of this Information Document.
Business Day	has the meaning given to such term in Condition 5(d) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
By-Laws	has the meaning given to such term in Condition 20 of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Cash and Cash Equivalents	has the meaning given to such term in Conditions 11 (c) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.

Capital Markets Act	has the meaning given to such term on Page 1 of this Information Document.
CEE	means Central and Eastern Europe.
Civil Code	has the meaning given to such term in Condition 1(a) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Competence Center	has the meaning given to such term in Section 5.6 (*Operation and main activities of the Issuer*) of this Information Document.
Condition(s)	means the terms and conditions pertaining to the Bond as set out in Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Consolidated Leverage Ratio	means the result of the formula in Conditions 11 (b) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Controlling Shareholder	has the meaning given to such term in Condition 11(a) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Cordia Group	has the meaning given to such term in Condition 11 (a) in Section 4 (*Terms and Conditions*) of this Information Document.
Coupon Payment Date	has the meaning given to such term in Condition 5 (b) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
CRA Regulation	has the meaning given to such term on Page 1 of this Information Document.
Credit Rating Agency	means the respective credit rating agency appointed with respect to the Bonds in accordance with the BGS Handout, being currently Scope Ratings GmbH (registered seat: Lennéstraße 5., 10785 Berlin, Germany).
Document	has the meaning given to such term in Condition 1 (b) in Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Early Redemption Amount	has the meaning given to such term in Condition 10 of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
ESMA	has the meaning given to such term on Page 1 of this Information Document.
EU	means the European Union.
Event(s) of Default	has the meaning given to such term in Condition 10 of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Face Value	has the meaning given to such term in Condition 2(a) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Final Redemption Amount	has the meaning given to such term in Condition 7(a)(ii) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.

Finext Befektetési Alapkezelő Zrt.	has the meaning given to such term in Section 5.10.3 (*Finext Investment Fund Management Co. Ltd.)* of this Information Document.
Fund Manager	has the meaning given to such term in Section 5.10.3 *(Finext Investment Fund Management Co. Ltd.*) of this Information Document.
Futureal Group	has the meaning given to such term in Section 3.3 *(Risks related to the company structure*) of this Information Document.
GC Contract	has the meaning given to such term in Section 5.11.2 (*General construction contracts*) of this Information Document.
Holding Companies	has the meaning given to such term in Section 5.4 (*Corporate structure*) of this Information Document.
IFRS	has the meaning given to such term on Page 4 under Clause "*Presentation of Financial Information*" of this Information Document.
Information Document	means the present Information Document.
Investor	means a person who invested or is intending to invest into the Bonds.
Issue	has the meaning given to such term on Page 2 *under Clause "Important Notices"* of this Information Document.
Issue Date	has the meaning given to such term in Condition 2(b) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Issuer	has the meaning given to such term on Page 1 of this Information Document.
Issuer Debt	has the meaning given to such term in Condition 11 (c) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Issuer Equity	has the meaning given to such term in Condition 11 (c) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
KELER	has the meaning given to such term in Condition 1 (b) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Late Payment Interest	has the meaning given to such term in Condition 5 (c) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
List of Bondholders	has the meaning given to such term in Clause 1 (d) of Annex 1 (*Provisions on Meeting of Bondholders*) of this Information Document.
Market Maker	has the meaning given to such term in Condition 17 of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Market Making Agreement	has the meaning given to such term in Condition 17 of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.

Maturity Date	has the meaning given to such term in Condition 2 (c) of Section 4 (*Terms and Conditions of the Bonds)* of this Information Document*.*
NBH	has the meaning given to such term on Page 1 of this Information Document.
New Acquisition	has the meaning given to such term in Condition 11 (a) of Section 4 (*Terms and Conditions of Bonds*) of this Information Document.
New Document	has the meaning given to such term in Condition 1 (b) of Section 4 (*Terms and Conditions of Bonds*) of this Information Document.
Net Issuer Debt	has the meaning given to such term in Condition 11 (c) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Ownership Certificate	has the meaning given to such term in Condition 18 of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Paying Agent	has the meaning given to such term in Condition 16 of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Paying Agent Agreement	has the meaning given to such term in Condition 16 of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Payment Day	has the meaning given to such term in Condition 6 (b) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Principal Amount	has the meaning given to such term in Condition 7 (a) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Project Entities	has the meaning given to such term in Section 5.4 (*Corporate structure*) of this Information Document.
Prospectus Regulation	has the meaning given to such term on Page 1 of this Information Document.
Quorum	has the meaning given to such term in Clause 5 (a) of Annex 1 (*Provisions on Meeting of Bondholders*) of this Information Document.
Reference Date	has the meaning given to such term in Condition 6 (a) of Section 4 (*Terms and Conditions of Bonds*) of this Information Document.
Related Party	has the meaning given to such term in Condition 11 (a) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Remedy Period	has the meaning given in Condition 12 (b) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
SEC	has the meaning given to such term on Page 4 *under Clause "Important Notices"* of this Information Document.
Securities Account Manager(s)	has the meaning given in Condition 1 (e) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.

Service Companies	has the meaning given to such term in Section 5.4 (*Corporate structure*) of this Information Document.
Shareholder(s)	has the meaning given to such term in Condition 11 (a) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
Shareholder Distribution	has the meaning given to such term in Condition 11 (a) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
SPA	has the meaning given to such term in Section 5.11.3 (*Sale and Purchase Agreements*) of this Information Document.
Special Restricted Cash	has the meaning given to such term in Condition 11 (c) of Section 4 (*Terms and Conditions of the Bonds*) of this Information Document.
SPV	has the meaning given to such term in Section 3.3 (*Risks related to the company structure*) of this Information Document.
Subordinated Shareholder Loans	has the meaning given to such term in Condition 11 (c) of Section 4 (*Terms and Conditions of the Bonds*).
Subsidiary or Subsidiaries	has the meaning given to such term in Condition 11 (*Issuer Undertakings*) of Section 4 of this Information Document.
VAT	means the applicable value added tax in the respective countries where Cordia Group carries out its activities.
XBond	means the multilateral trading facility organized and operated by BSE which serves as a trading platform for debt securities.
XBond Business Rules	has the meaning given to such term on Page 1 of this Information Document.

ANNEX 1

PROVISIONS ON MEETINGS OF BONDHOLDERS

The present terms and conditions shall be applicable for each Bondholders' Meetings convened in connection with the Bonds (the "**By-Laws**").

Capitalised terms and expressions not defined in this By-Laws shall have the meanings attributed to them in the Information Document or in the Conditions.

1 Convening of the Bondholders' Meeting

(a) The Issuer may at any time convene a Bondholders' Meeting. A Bondholders' Meeting shall be convened by the Issuer upon the request of Bondholder(s) holding at least the smaller of: Bonds with the aggregate Face Value of HUF 1,000,000,000 or 2.5 % of the number of Bonds outstanding (in any case other than any Bond being subject to redemption). Request to convene a Bondholders' Meeting to the Issuer shall be submitted in accordance with Condition 18 (*Notices*) along with a justification and a proposed agenda. The Issuer shall convene the Bondholders' Meeting for a day falling no later than 30 days from the receipt by the Issuer of the request fulfilling the aforementioned requirements. The Bondholders' Meeting is convened by way of an announcement published through the website of the Issuer (www.cordiahomes.com) at least 20 Business Days prior to the planned date of the meeting, and indicating the date, time, place and agenda of the Bondholders' Meeting. The announcement may also include other information necessary for the Bondholders to decide whether to participate in the Bondholders' Meeting.

(b) The Bondholders' Meeting shall be held in Budapest. The precise venue for the Bondholders' Meeting shall be defined by the Issuer in the announcement on the convening of the Bondholders' Meeting. The Bondholders' Meeting shall not start earlier than 11:00 a.m. (Budapest time).

(c) The right to participate in the Bondholders' Meeting (including any adjourned Bondholders' Meeting) shall vest with the Bondholder who, at the drawing up of the attendance list of the Bondholders' Meeting (as set out in Condition 4(c) below), has submitted an Ownership Certificate with a record date no earlier than two (2) Business Days prior to the date of the relevant Bondholders' Meeting.

(d) The list of Bondholders that are entitled to participate in a given Bondholders' Meeting (the "**List of Bondholders**") shall be published by the Issuer at its website at least 3 Business Days prior the commencement of the Bondholders' Meeting. The List of Bondholders shall contain the Bondholder's name and registered office as well as the number of Bonds held by such Bondholder and the number of votes to which it is entitled.

(e) A Bondholder may review the List of Bondholders and may request a copy of the List of the Bondholders or request that the List of Bondholders be sent free of charge by e-mail to such Bondholder's e-mail address. Each Bondholder is entitled to request copies of documents regarding any matter on the agenda of that Bondholders' Meeting. Such copies should be provided to the Bondholder within 2 Business Days from the receipt by the Issuer of the Bondholder's request thereon.

(f) A person representing a Bondholder at the Bondholders' Meeting shall evidence its right of representation by providing the underlying documents in form qualifying at least private deed with full probative force (in Hungarian: "*teljes bizonyító erejű magánokirat*") in original or certified copy.

(g) A Bondholder can be represented at a Bondholders' Meeting by a proxy, subject to paragraph (f) above and based on an authorisation incorporated into a document with full probative force. Any Bondholder may act as proxy for another Bondholder. A member of the Issuer's corporate bodies, an employee of the Issuer shall not be entitled to act as a proxy for the Bondholder.

(h) A Bondholder's right to participate in the Bondholders' Meeting include in particular the right to:

(i) participate in voting, and

(ii) take floor.

(i) The Issuer shall bear reasonable, justified and documented costs and expenses associated with convening and holding the Bondholders' Meeting, except for the costs and expenses associated with the participation of a given Bondholder, or such Bondholder's representative, proxy or advisor at the Bondholders' Meeting.

2 Attendance

The following may attend and speak at a Bondholders' Meeting:

(a) Bondholders or their representatives;

(b) the chairman;

(c) any member of the Board of Directors;

(d) any representative and financial, legal and other professional advisor of the Issuer; and

(e) any other person approved in writing by the Issuer in advance.

No one else may attend or speak at a Bondholders' Meeting.

3 Chairman

(a) The chairman of a Bondholders' Meeting shall be such person as the Issuer may nominate in writing, either prior to or at the Bondholders' Meeting, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the Bondholders' Meeting the simple majority of the Bondholders present shall choose one of the attendees to be chairman, failing which the Issuer may appoint a chairman. The chairman of an adjourned meeting shall not be the same person as the chairman of the original meeting.

(b) The duties of the chairman of the Bondholders' Meeting include the following:

(i) checking and signing the attendance list and verifying that the attendance list is drafted correctly as well as verifying that the quorum requirement is fulfilled;

(ii) ensuring the efficient and appropriate course of discussions;

(iii) giving the floor and ensuring that the discussions are to the point;

(iv) adjourning the discussions;

(v) managing voting and ensuring it proceeds correctly;

(vi) ensuring that all the items on the agenda are considered;

(vii) counting the votes cast (or supervising the counting of votes);

(viii) providing the Issuer with the original of the meeting minutes and all relating documents in accordance with Clause 8(g) below; and

(ix) issuing relevant orders and instructions for the purpose of performing the above indicated duties.

4 Holding a Bondholders' Meeting

(a) A Bondholders' Meeting shall be opened by a member of the Board of Directors or a duly authorized representative of the Issuer.

(b) Once the Bondholders' Meeting is opened, the chairman of the Bondholders' Meeting shall be appointed in accordance with Clause 3(a) above.

(c) An attendance list is drawn up immediately upon electing the chairman. The attendance list shall include: (i) identification details of the Bondholder, (ii) the information regarding the number of the Bonds held by the given Bondholder, (iii) the aggregate Face Value of the Bonds held by a Bondholder being present, (iv) the number of votes to which the given Bondholder is entitled and (v) type of representative (personal or by way of representative). If a Bondholder is represented by a proxy or other representative, the attendance list shall additionally include its role and identification data of such proxy or representative.

(d) The attendance list shall be signed by the chairman and each Bondholder being present at the Bondholders' Meeting.

(e) The attendance list shall be available for review during the Bondholders' Meeting.

(f) Subject to Clause 5 (*Quorum and Adjournment*), once the agenda of the Bondholders' Meeting is presented, the chairman shall open the discussion by giving the floor to the participant in the sequence in which they submitted their request. The participants may take floor only with regard to the matters included on the agenda which are the subject of the discussion at a given moment in time. Sequence of the agenda items may be amended by the chairman subject to the consent of the participants of the Bondholders' Meeting. The representatives of the Issuer may take the floor out of turn.

(g) Each participant in a Bondholders' Meeting shall be entitled to submit questions regarding the matters included on the agenda.

(h) A Bondholder shall have the right to request that certified copies of resolutions be released to such Bondholder by the Issuer at the Bondholder's expense.

5 Quorum and Adjournment

(a) A Bondholders' Meeting is valid if attended by Bondholders representing at least 20 % of the number of Bonds outstanding (other than any Bond being subject to redemption) (**quorum**). The Board of Directors is obliged to submit at the Bondholders' Meeting a written declaration regarding the number of Bonds outstanding (excluding any Bond being subject to redemption) which shall be read out at the Bondholders' Meeting by the chairman and then enclosed to the minutes of the Bondholders' Meeting.

(b) No business (except choosing and appointing a chairman) shall be transacted at a Bondholders' Meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the Bondholders' Meeting, it shall, if convened on the requisition of Bondholders, be dissolved. In any other case it shall be adjourned until such date, not less than 15 Business Days nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a Bondholders' Meeting so adjourned, the Bondholders' Meeting shall be dissolved. For the avoidance of doubt, following its dissolution, that Bondholders' Meeting cannot be adjourned or postponed further, and the respective parties would need to initiate the convention of a new Bondholders' Meeting.

(c) The chairman may, with the consent of (and shall if directed by) a Bondholders' Meeting, adjourn the Bondholders' Meeting from time to time and from place to place. Only business which could have been transacted at the original Bondholders' Meeting may be transacted at a Bondholders' Meeting adjourned in accordance with this Clause 5.

(d) At least 10 days' notice of a Bondholders' Meeting adjourned due to the quorum not being present shall be given in the same manner as for an original Bondholders' Meeting and that notice shall state the quorum required at the adjourned Bondholders' Meeting. Subject the foregoing, it shall not be necessary to give any other notice of an adjourned Bondholders' Meeting.

6 Voting

(a) Each question submitted to a Bondholders' Meeting shall be decided by a show of hands, unless a ballot is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer or one or more Bondholders representing at least the smaller of: Bonds with the aggregate Face Value of HUF 1,000,000,000 or 2.5 % of the number of Bonds outstanding (in any case other than any Bond being subject to redemption).

(b) Unless a ballot is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

(c) If a ballot is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the ballot shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a ballot shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

(d) A ballot demanded on the election of a chairman or on a question of adjournment shall be taken at once.

(e) On a show of hands or a ballot, each Bond entitles a Bondholder to one vote at the Bondholders' Meeting including the adjourned Bondholders' Meeting. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

(f) In case of equality of votes the chairman shall both on a show of hands and on a ballot have a casting vote in addition to any other votes which it may have.

7 Adopting Resolutions

(a) The Bondholders' Meeting adopts resolution only on matters included in the agenda.

(b) A resolution of the Bondholders' Meeting

(i) (subject to and to the extent permitted under applicable law) on the amendment of the Conditions shall be adopted by the supporting votes of the Bondholders holding 85 % of the number of Bonds outstanding (other than any Bond being subject to redemption) and subject to the proposal and consent of the Issuer given in the form of a declaration which shall also be published on the Issuer's website. The declaration on the amendment of the Conditions (consent or rejection) shall be published within three (3) Business Days following the Bondholders' Meeting. In the case of failure to publish such declaration, the amendment of the Conditions shall be deemed to be rejected by the Issuer;

(ii) on giving notice to the Issuer to remedy, in accordance with Condition 12 (*Remedy*), any default under Condition 3 (*Status and Ranking of the Bonds*) or Condition 11(a) may be passed with the supporting votes of the Bondholders holding 20 % of the number of Bonds outstanding (other than any Bond being subject to redemption); and

(iii) on any matter (other than those set out in paragraphs (i)-(ii) above) may be passed with the supporting vote of the simple majority of Bondholders being present at the Bondholders' Meeting.

(c) For the purpose of passing a resolution under Clause 7(b)(ii), any request for convening a Bondholders' Meeting can be submitted by the Bondholders (holding Bonds at least in the amount set out in Clause 1.(a) above) to the Issuer only within forty-five (45) days calculated from

(i) the date of publication of the relevant Financial Statement of the Issuer, in the case of breach of undertaking under Condition 11(a); and

(ii) the date when the Bondholder becomes aware of the breach, in the case of breach of undertaking under Condition 3 (*Status and Ranking of the Bonds*).

At such Bondholders' Meeting the Issuer shall disclose and present to the Bondholders the documents necessary for the objective establishment of the occurrence of a breach or the absence thereof.

(d) The Bondholders' Meeting may pass a resolution (other than any resolution on the amendment of the Conditions) in spite of not being formally convened if all Bondholder is present or is represented at the Bondholders' Meeting and if no objections have been raised by those present at the Bondholders' Meeting against the holding of the Bondholders' Meeting or any specific items proposed for the agenda.

(e) A resolution passed by a correctly convened and held Bondholders' Meeting shall be binding upon all the Bondholders, including those who did not attend the Bondholders' Meeting or voted against such resolution.

8 Minutes

(a) Minutes shall be made of all resolutions and proceedings at each Bondholders' Meeting.

(b) Minutes of the Bondholders' Meeting are signed by the chairman and the person taking the minutes.

(c) Until the contrary is proved every Bondholders' Meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

(d) The minutes shall contain – at least – (i) a confirmation on the correctness of the convening the Bondholders' Meeting, (ii) confirmation on the capacity of the Bondholders' Meeting to adopt resolutions, (ii) an indication of the resolutions considered by the Bondholders' Meeting, including indication of their content; (iii) for each resolution the total number of valid votes, the percentage share of the Bonds from which valid votes were cast in the number of Bonds outstanding (other than any Bond being subject to redemption), the number of votes "for", "against" and "abstaining", the decision of the Bondholders' Meeting formulated as a result of the vote, and the objections that were raised. The attendance list which contains the signatures of the participants of the Bondholders' Meeting is attached to the minutes of the Bondholders' Meeting.

(e) The minutes must be published on the website of the Issuer within fifteen (15) days after they have been signed.

(f) The originals or excerpts of the minutes shall be stored in the minute book maintained by the Issuer. The confirmations of proper convening of the Bondholders' Meeting and the proxies granted by Bondholders are added to the minute book. The chairman of the Bondholders' Meeting shall, at the latest within one (1) Business Day following the date of the Bondholders' Meeting, provide the Issuer with the original of each minutes together with each of its annexes, attachments and any other document that are required to be stored by the Issuer pursuant to this By-Laws.

(g) The Issuer shall be entitled to record any Bondholders' Meeting provided that the Bondholders present at such Bondholders' Meeting is notified of the fact and method of recording. For the avoidance of doubt, recording shall not be subject to the approval of any Bondholder being present.

ANNEX 2

LIST OF TRADEMARKS

The table below contains the list of trademarks of the Issuer as of 31 October 2019.

TYPE	STATUS	NUMBER	OWNER	BRAND	CLASS	APPLICATION DATE
National	Registered	M1800192	CORDIA International Zrt.	UniverCity by Cordia	N36; N37; N42	23.01.2018
National	Registered	M1800191	CORDIA International Zrt.	UniverCity	N36; N37; N42	23.01.2018
National	Registered	M1800113	CORDIA International Zrt.	Akadémia Garden by Cordia	N36; N37; N42	16.01.2018
National	Registered	M1800112	CORDIA International Zrt.	Universo	N36; N37; N42	16.01.2018
National	Registered	M1800111	CORDIA International Zrt.	Universo by Cordia	N36 ; N37 ; N42	16.01.2018
National	Registered	M1703765	CORDIA International Zrt.	Millenium negyed	N36; N37; N42	22.11.2017
National	Registered	M1703764	CORDIA International Zrt.	MILLENIUM	N36; N37	22.11.2017
National	Registered	M1703121	CORDIA International Zrt.	Marina Portside by Cordia	N36; N37; N42	05.10.2017
National	Registered	M1700678	CORDIA International Zrt.	HostMe	N36; N43	28.02.2017
National	Registered	M1700677	CORDIA International Zrt.	HostMe by Cordia	N36; N43	28.02.2017

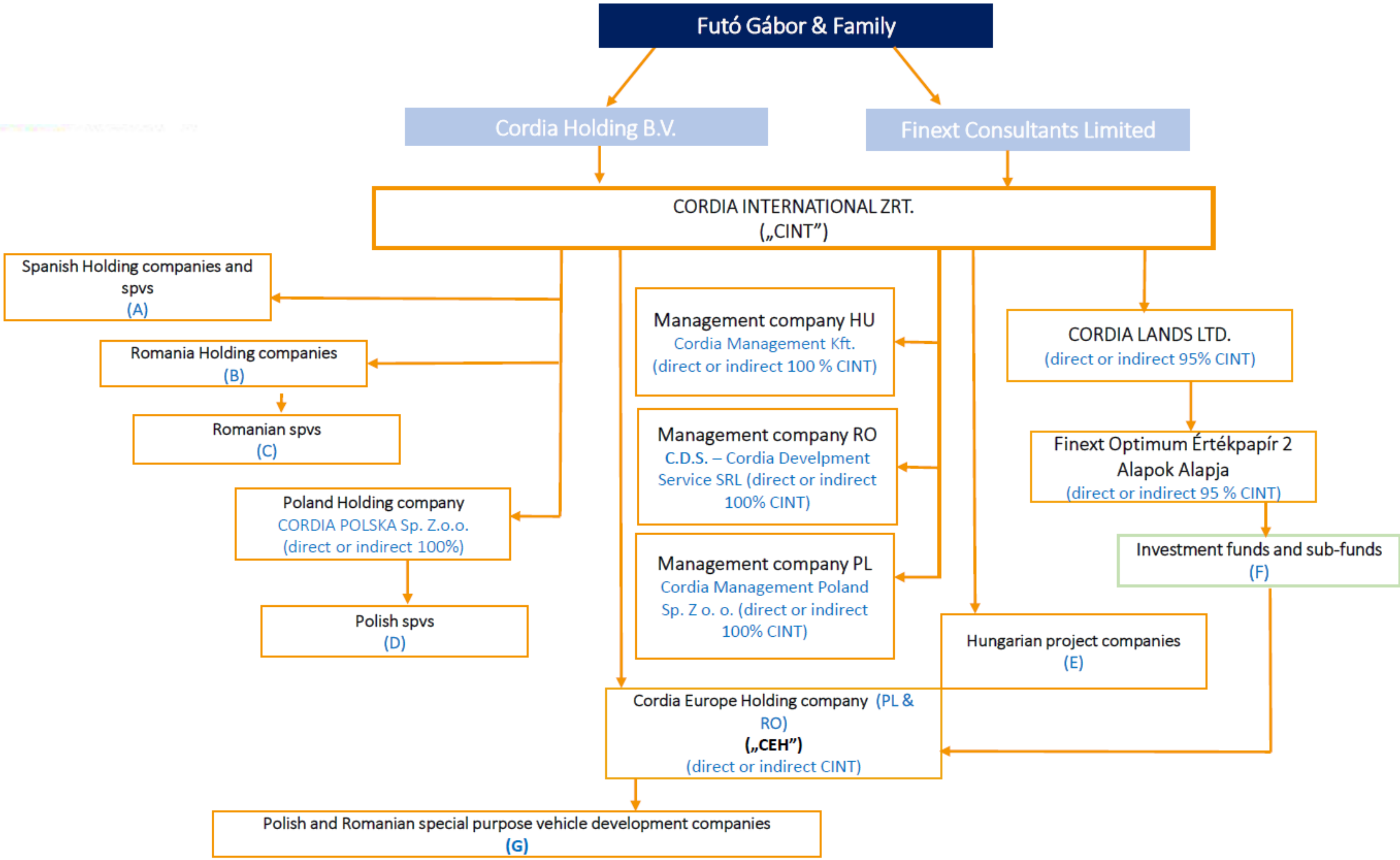
National	Registered	M1700265	CORDIA International Zrt.	Centropolitan by Cordia	N36; N37; N42	27.01.2017
National	Registered	M1603714	CORDIA International Zrt.	GRAND'OR	N36; N37; N42	25.11.2016
National	Registered	M1603713	CORDIA International Zrt.	GRANDOR	N36; N37; N42	25.11.2016
National	Registered	M1603588	CORDIA International Zrt.	Soho by Cordia	N36; N37; N42	16.11.2016
National	Registered	M1603587	CORDIA International Zrt.	Origo by Cordia	N36; N37; N42	16.11.2016
National	Registered	M1603586	CORDIA International Zrt.	Metropolitan by Cordia	N36; N37; N42	16.11.2016
National	Registered	M1603532	CORDIA International Zrt.	Cordia. Végre otthon.	N36; N37; N42	10.11.2016
National	Registered	M1601150	CORDIA International Zrt.	Smarthomes	N36; N37; N42	05.04.2016
National	Registered	M1601132	CORDIA International Zrt.	Cordia Okos Otthonok	N36; N37; N42	05.04.2016
National	Registered	M1601131	CORDIA International Zrt.	Cordia Okos Otthon	N36; N37; N42	05.04.2016
National	Registered	M1601130	CORDIA International Zrt.	Cordia Okosotthon	N36; N37; N42	05.04.2016
National	Registered	M1601129	CORDIA International Zrt.	Cordia Okosotthonok	N36; N37; N42	05.04.2016

National	Registered	M1601128	CORDIA International Zrt.	Cordia Smarthomes	N36; N37; N42	05.04.2016
National	Registered	M1601127	CORDIA International Zrt.	Cordia Smarthome	N36; N37; N42	05.04.2016
National	Registered	M1601121	CORDIA International Zrt.	Marina City	N36; N37; N42	05.04.2016
National	Registered	M1600986	CORDIA International Zrt.	Marina Park	N36; N37; N42	23.03.2016
National	Registered	M1600985	CORDIA International Zrt.	Marina Garden	N36; N37; N42	23.03.2016
National	Registered	M1600756	CORDIA International Zrt.	Soho Central	N36; N37; N42	02.03.2016
National	Registered	M1600755	CORDIA International Zrt.	Soho Life	N36; N37; N42	02.03.2016
National	Registered	M1600754	CORDIA International Zrt.	Young City	N36; N37; N42	02.03.2016
National	Registered	M1600753	CORDIA International Zrt.	Corvin Atrium	N36; N37; N42	02.03.2016
National	Registered	M1600752	CORDIA International Zrt.	Rose Garden	N36; N37; N42	02.03.2016
National	Registered	M1600751	CORDIA International Zrt.	Andrássy Corner	N36; N37; N42	02.03.2016
National	Registered	M1600750	CORDIA International Zrt.	Smart City	N36; N37; N42	02.03.2016

National	Registered	M1600749	CORDIA International Zrt.	Cordia Homes	N36; N37; N42	02.03.2016
National	Registered	M1002335	CORDIA International Zrt.	cordia.hu OTTHONOK SZÍVVEL-LÉLEKKEL	27.5.1; 27.5.9; 27.5.10; N36; N37; N42	30.07.2010
National	Registered	M1002334	CORDIA International Zrt.	CORDIA - otthonok szívvel-lélekkel	N36; N37; N42	30.07.2010
International	Registered	1356376	CORDIA International Zrt.	CORDIA	N36; N37; N42	28.02.2017
EU	Registered	016556219	CORDIA International Zrt.	HostMe by Cordia	N36; N43	02.08.2017
EU	Registered	016556227	CORDIA International Zrt.	HostMe	N36; N43	02.08.2017
EU	Registered	017879250	CORDIA International Zrt.	UniverCity by Cordia	N36; N37; N42	17.07.2018
EU	Registered	017879252	CORDIA International Zrt.	UniverCity	N36; N37; N42	17.07.2018
EU	Registered	005109822	CORDIA International Zrt.	CORDIA	N36; N37; N42	03.04.2007
US	Registered	79212680	CORDIA International Zrt.	CORDIA	N36; N37; N42	28.02.2017

ANNEX 3

STRUCTURE CHART OF CORDIA GROUP



A group:

1. Cordia Iberia Holding Sociedad Limitada (direct or indirect 100% CINT)
2. Cordia Development Services Company SL (direct or indirect 100% CINT)
3. Futureal Project Company SL (direct or indirect 100% CINT)
4. Cordia Development Company SL (direct or indirect 90% CINT)
5. Cordia Fuengirola Developemtn SL Company (direct or indirect 90% CINT)
6. Cordia Project Company SL (direct or indirect 100% CINT)

B group:

1. Cordia Romania Holding Two Kft. (direct or indirect 100% CINT)
2. Cordia Romania Holding A Kft. (direct or indirect 100% CINT)

C group:

1. Cordia Dante Project SRL (direct or indirect 100% CINT)
2. Cordia Navigatorilor Project SRL (direct or indirect 100% CINT)
3. Cordia Corarilor Development SRL (direct or indirect 100% CINT)
4. Cordia Project Services SPV3 SRL (direct or indirect 100% CINT)
5. Cordia Project Development SPV2 SRL (direct or indirect 100% CINT)

D group:

1. Cordia Supernova Sp. z o.o (direct or indirect 100% CINT)
2. Villena Sp. Z.o.o. (direct or indirect 100% CINT)
3. Projekt Warszava 1 Cordia Poland GP One Sp. Z.o.o. Sp. K. (direct or indirect 100% CINT)
4. Projekt Warszava 4. Cordia Partner 2. Sp. Z.o.o. Sp. K. (direct or indirect 100% CINT)
5. Projekt Warszava 5 Cordia Partner 2 Sp. Z.o.o. Sp. K (direct or indirect 100% CINT)
6. Projekt Kraków 4 Cordia Partner 2 Sp. Z.o.o. Sp. K. (direct or indirect 100% CINT)
7. Projekt Kraków 5 Cordia Partner 2 Sp. Z.o.o. Sp. K. (direct or indirect 100% CINT)
8. Projekt Kraków 2 Cordia Partner 2 Sp. Z.o.o. Sp. K. (direct or indirect 100% CINT)
9. Projekt Kraków 3 Cordia Partner 2 Sp. Z.o.o. Sp. K (direct or indirect 100% CINT)
10. Projekt Warszava 6 Cordia Partner 2 Sp. Z.o.o. Sp. K. (direct or indirect 100% CINT)
11. Projekt Warszava 7 Cordia Partner 2 Sp. Z.o.o. Sp. K (direct or indirect 100% CINT)
12. Projekt Trójmiasto Cordia Partner 2 Sp. Z.o.o. Sp. K. K (direct or indirect 100% CINT)
13. Cordia Zyrardów Sp. Z.o.o (direct or indirect 100% CINT)
14. Cordia Poland GP One SP. Z.o.o. (direct or indirect 100% CINT)
15. Cordia Partner 2 SP. Z.o.o. (direct or indirect 100% CINT)
16. Cordia Development 9 SP. Z.o.o. (direct or indirect 100% CINT)
17. Cordia Development 10 SP. Z.o.o. (direct or indirect 100% CINT)
18. Cordia Partner 5 SP. Z.o.o. (direct or indirect 100% CINT)
19. Cordia Partner 6 SP. Z.o.o. (direct or indirect 100% CINT)
20. Projekt Warszava 3 Cordia Partner 2 Sp. Z.o.o. Sp. K. (direct or indirect 100% CINT)
21. Projekt Gdansk 1 Cordia Partner 6 Sp. Z.o.o . Sp.k. (direct or indirect 100% CINT)
22. Cordia Development 1. SP. Z.o.o. (direct or indirect 100% CINT)
23. Cordia Development 2. SP. Z.o.o. (direct or indirect 100% CINT)
24. Cordia Development 3. SP. Z.o.o. (direct or indirect 100% CINT)
25. Cordia Development 4. SP. Z.o.o. (direct or indirect 100% CINT)
26. Cordia Development 5. SP. Z.o.o. (direct or indirect 100% CINT)

E group:

1. Cordia New Ages Kft. (direct or indirect 100 % CINT)
2. Cordia FM Kft. (direct or indirect 100 % CINT)
3. Cordia New Homes Kft. (direct or indirect 100 % CINT)
4. Sasad Resort II Hungary Kft (direct or indirect 100 % CINT)
5. Cordia Belváros Kft. (direct or indirect 70 % CINT)
6. Cordia Central Kft. (direct or indirect 100 %/ CINT)
7. Cordia New Times Kft.(direct or indirect 70 % CINT)

F group:

1. Cordia Global Real Estate Development Umbrella Fund (Cordia Global 1.-25. Subfund)
2. Cordia Investment Fund
3. Cordia Development 1. Fund
4. Cordia Development 2. Fund
5. Finext Funds Real Estate
6. Finext Funds Real Estate Budapest

G group:

1. CORDIA PARCULUI Residental Project SRL (direct or indirect CINT)
2. Cordia Partner 4 SP. Z.o.o. (direct or indirect CINT)
3. Cordia Partner 3 SP. Z.o.o. (direct or indirect CINT)
4. Cordia Development 6 SP. Z.o.o. (direct or indirect CINT)
5. Cordia Development 8 SP. Z.o.o. (direct or indirect CINT)
6. Projekt Kraków 1 Cordia Partner 3 Sp. Z.o.o. Sp. K. (direct or indirect CINT)
7. Projekt Warszava 2 Cordia Partner 2 Sp. Z.o.o. Sp. K. (direct or indirect CINT)

OTHERS:

1. Cereman Zrt. (direct or indirect 95 % CINT)

ANNEX 4
DETAILS OF THE SUBSIDIARIES

Project data presented below may change any time and Issuer may sell any or multiple projects or project vehicles during the course of day-to-day business.

1. HUNGARY

1.1. Project Entities:

Fund:	**Cordia Global Real Estate Development Umbrella Fund- Cordia Global 1. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund's sub-fund
Project:	Kapás21: Located in Budapest, Kapás Street 21. The building comprises 98 smart apartments. Status: completed.

Fund:	**Cordia Global Real Estate Development Umbrella Fund- Cordia Global 2. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund's sub-fund
Project:	Corvin Átrium 2. Phase: Located in the newly renovated area of the Corvin Promenade, in the area enclosed by Bókay Street, Práter Street and Leonardo da Vinci Street. The building comprises 273 apartments. Status: under construction.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 3. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella's sub-fund
Project:	• Young City 1. A and B: Located in a central, but green area within the thirteenth district of Budapest. The building comprises 147 apartments. Status: under construction. • Young City 2.: Located in a central, but green area within the thirteenth district of Budapest. The building comprises 218 apartments. Status: under construction.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 4. I Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund's sub-fund
Project:	Rózsa 55.: Located on the outskirts of the diplomatic quarter, close to the prestigious Andrássy Avenue and City Park, and just a few minutes' walk from Király Street. The building comprises 157 smart apartments. Status: under construction.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 5. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund's sub-fund
Project:	Grand'Or: Located in the seventh district, downtown Budapest. The building comprises 115 apartments. Status: under construction.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 6. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund's sub-fund
Project:	• Marina Life 1.: Located in Cserhalom Street in a prestigious, fast-growing area of the thirteenth district, just a few minutes' walk from the Danube riverside. The building comprises 414 apartments. Status: under construction. • Marina Life 2.: Located in Cserhalom Street in a prestigious, fast-growing area of the thirteenth district, just a few minutes' walk from the Danube riverside. The building comprises 207 apartments. Status: under construction.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 7. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund's sub-fund
Project:	Marina Garden: Located in the thirteenth district of Budapest, on Marina Part near by the River Danube. The building comprises 275 apartments. Status: under construction.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 8. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund’s sub-fund
Project:	• Sasad Resort HILL and SUN: Sasad Resort is a unique location, located in the eleventh district of Budapest. The building comprises 206 apartments. Status: under construction.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 9. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund’s sub-fund
Project:	Centropolitan (Bacsó Béla): Located in Budapest, Bacsó Béla street 17-23.. The building comprises 142 apartments. Status: under construction.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 10. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund’s sub-fund
Project:	Sasad Resort HILLTOP: Sasad Resort is a unique location, located in the eleventh district of Budapest. The building comprises 112 apartments. Status: under construction.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 11. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund’s sub-fund
Project:	Grand Corvin 1. Phase: Located in the area enclosed by Bókay Street, Tömő Street and Leonardo da Vinci Street in Corvin Quarter. The building comprises 196 apartments. Status: under construction.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 12. Real Estate Development Subfund**

Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund’s sub-fund
Project:	Marina Portside: Located in right by the River Danube in the thirteenth district of Budapest. The building comprises 290 apartments. Status: under construction.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 13. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund’s sub-fund
Project:	Universo: Located in the area bordered by Balázs Béla street, Lenhossék street, Márton street and Vendel street in the rapidly developing Millenium Quarter. The building comprises 260 apartments. Status: under preparation.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 14. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund’s sub-fund
Project:	Sasad Resort PANORAMA: Sasad Resort is an unique location, located in the eleventh district of Budapest. The building comprises 136 apartments. Status: under preparation

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 15. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund’s sub-fund
Project:	Kertész: Located in Budapest, Kertész street 21-23. The building comprises 122 apartments. Status: under preparation.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 16. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund’s sub-fund
Project:	Thermal Zugló 4.: Located directly next to the former phases, on Egressy Road and István Fischer Street The building comprises 110 apartments. Status: under preparation.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 17. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund’s sub-fund
Project:	Young City 3.: Located in a central , but green area within the thirteenth district. The building comprises 215 apartments. Status: under construction.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 18. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund’s sub-fund
Project:	Akadémia Garden: Located in Budapest, Pápay István street 7., in the developing area found at the intersection of Haller street, Mester street and the Könyves Kálmán boulevard, a short walk from the Danube riverside. The building comprises 306 apartments. Status: under construction.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 19. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund’s sub-fund
Project:	Grand Corvin 2.: Located in the area enclosed by Bókay Street, Tömő Street and Leonardo da Vinci Street in Corvin Quarter. The building comprises 366 apartments. Status: under preparation.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 21. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund's sub-fund
Project:	Futó utca 5.: Located at VIII. district, , which is a short walk away from the Corvin Promenade . The building comprises 100 apartments. Status: under preparation.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 22. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund's sub-fund
Project:	Vaskapu 32-34. (Millennium Residence 1. Phase): Located in Vaskapu street surrounded by Mester Street and Soroksári Street in the renewing Millennium Quarter. The building comprises 107 apartments. Status: under preparation.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 23. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund's sub-fund
Project:	Vaskapu 47-49. (Millennium Residence 2. Phase):: Located in Vaskapu street surrounded by Mester Street and Soroksári Street in the renewing Millennium Quarter. The building comprises 225 apartments. Status: under preparation.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 24. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund's sub-fund
Project:	Vaskapu 43-45.:. (Millennium Residence 3. Phase): Located in Vaskapu street surrounded by Mester Street and Soroksári Street in the renewing Millennium Quarter. The building comprises 225 apartments. Status: under preparation.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 25. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund’s sub-fund
Project:	Illés st.: Located in central Pest, in a residential area next to Kalvaria square, close to Üllői Street. The building comprises 162 apartments. Status: under preparation.

Fund:	**Cordia Global Real Estate Development Umbrella Fund - Cordia Global 26. Real Estate Development Subfund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end umbrella fund’s sub-fund
Project:	Gellérthegy utca: Located at the foot of Sun Hill in Krisztinaváros, which is a short walk away from the Castle District. The building comprises 55 apartments. Status: under preparation.

Fund:	**Cordia Development 1 Fund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end fund
Project:	Corvin Átrium 1. Phase: Phase: Located in the newly renovated area of the Corvin Promenade, in the area enclosed by Bókay Street, Práter Street and Leonardo da Vinci Street. The building comprises 265 apartments. Status: completed.

Fund:	**Cordia Development 2 Fund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	privately placed, open-end fund
Project:	• Thermal Zugló 2.: Located directly next to the first phase, on Egressy Road and István Fischer Street in the fourteenth district of Budapest. The building comprises 187 apartments. Status: completed. • Thermal Zugló 3.: Located directly next to the former phases, on Egressy Road and István Fischer Street The building comprises 202 apartments. Status: under construction

Fund:	**Cordia Real Estate Investments Fund**
Fund management:	Finext Befektetési Alapkezelő Zrt.

Type of Fund:	privately placed, open-end fund
Project:	Bimbó 155: Located in Rózsadomb, second district. The building comprises 8 apartments. Status: under preparation.

Name of the company:	**Cordia Belváros Ingatlanfejlesztő Korlátolt Felelősségű Társaság**
Short name:	Cordia Belváros Kft.
Registered seat:	1082 Budapest, Futó utca 47-53. VII.
Place of incorporation:	Hungary
Date of incorporation:	28 January 2016
Company registration number:	01-09-276982
Duration of operation of the company:	Indefinite
Legal form:	Limited liability company
Legislation under which the company operates:	Hungarian
Registered capital:	HUF 3,000,000
The date of the deed of foundation:	3 January 2019
Main business activity:	6810 '08 Buying and selling of own real estate
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	Company Gazette

Name of the company:	**Sasad Resort II. Hungary Ingatlanfejlesztő Korlátolt Felelősségű Társaság**
Short name:	Sasad Resort II. Hungary Kft.
Registered seat:	1082 Budapest, Futó utca 47-53. VII.
Place of incorporation:	Hungary
Date of incorporation:	11 April 2007
Company registration number:	01-09-880998
Duration of operation of the company:	Indefinite
Legal form:	Limited liability company
Legislation under which the company operates:	Hungarian
Registered capital:	HUF 3,003,000
The date of the deed of foundation:	29 November 2018
Main business activity:	6810 '08 Buying and selling of own real estate
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	Company Gazette

1.2. Holding Companies:

Name of the company:	**Cordia Europe Holding Korlátolt Felelősségű Társaság**
Short name:	Cordia Europe Holding Kft.
Registered seat:	1082 Budapest, Futó utca 47-53. VII.
Place of incorporation:	Hungary
Date of incorporation:	24 April 2019
Company registration number:	01-09-340680
Duration of operation of the company:	Indefinite
Legal form:	Limited liability company
Legislation under which the company operates:	Hungarian
Registered capital:	HUF 287,100,000
The date of the deed of foundation:	28 May 2019
Main business activity:	6420 '08 Asset management (holding)
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	Company Gazette

Name of the company:	**Cordia Land Investments Limited**
Short name:	(-)
Registered seat:	Kyriakou Matsi, 16, Eagle House, 10th floor, Agioi Omologites, P.C. 1082, Nicosia, Cyprus
Place of incorporation:	Cyprus
Date of incorporation:	20 September 2007.
Company registration number:	HE-208506
Duration of operation of the company:	Indefinite
Legal form:	Limited liability company
Legislation under which the company operates:	Cyprus
Registered capital:	219.500 EUR
The date of the deed of foundation:	05. June 2019.
Main business activity:	holding
Financial year:	Shall correspond to the calendar year

Name of the company:	**CEREMAN Vagyonkezelő Zártkörűen Működő Részvénytársaság**
Short name:	CEREMAN Zrt.
Registered seat:	1082 Budapest, Futó utca 47-53. VII.
Place of incorporation:	Hungary
Date of incorporation:	22 August 2016

Company registration number:	01-10-048941
Duration of operation of the company:	Indefinite
Legal form:	Private limited company
Legislation under which the company operates:	Hungarian
Registered capital:	HUF 20,000,000
The date of the deed of foundation:	16 August 2019
Main business activity:	6420 '08 Asset management (holding)
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	Company Gazette

Name of the company:	**Cordia Romania Holding A Korlátolt Felelősségű Társaság**
Short name:	Cordia Romania Holding A Kft.
Registered seat:	1082 Budapest, Futó utca 47-53. VII.
Place of incorporation:	Hungary
Date of incorporation:	15 August 2016
Company registration number:	01-09-287061
Duration of operation of the company:	Indefinite
Legal form:	Limited liability company
Legislation under which the company operates:	Hungarian
Registered capital:	HUF 8,000,000
The date of the deed of foundation:	23 September 2019
Main business activity:	6420 '08 Asset management (Activities of holding companies)
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	Company Gazette

Name of Sub-Fund (Luxembourg):	**Finext Funds Real Estate Opportunities One Sub-Fund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	• privately placed • alternative investment fund
Role	• Co-investment platform with institutional investors being non-controlling investment unit holders

Name of Sub-Fund (Luxembourg):	**Finext Funds Real Estate Opportunities Budapest Sub-Fund**
Fund management:	Finext Befektetési Alapkezelő Zrt.
Type of Fund:	• privately placed • alternative investment fund
Role	• Co-investment platform with institutional investors being non-controlling investment unit holders

1.3. Service Companies:

Name of the company:	**Cordia Management Szolgáltató Korlátolt Felelősségű Társaság**
Short name:	Cordia Management Kft.
Registered seat:	1082 Budapest, Futó utca 47-53. VII.
Place of incorporation:	Hungary
Date of incorporation:	07 November 2016
Company registration number:	01-09-289024
Duration of operation of the company:	Indefinite
Legal form:	Limited liability company
Legislation under which the company operates:	Hungarian
Registered capital:	HUF 100,000,000
The date of the deed of foundation:	20 September 2017
Main business activity:	7022 '08 Business and other management consultancy activities
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	Company Gazette

2. POLAND

2.1. Project Entities:

Name of the company:	**Supernova** **Społka z ograniczoną odpowiedzialnością**
Short name:	„Sp. z o.o.”
Registered seat:	Warsaw
Place of incorporation:	Koszykowa 61B,00-667 Warsaw
Company registration number:	KRS 0000523927 REGON: 147376346, NIP: 5252593108
Duration of operation of the company:	Unlimited
Legal form:	Limited liability company
Legislation under which the company operates:	Polish
Registered capital:	PLN 5,000
The date of the deed of foundation:	27 August 2014
Main business activity:	41, 10, Z, Implementation of construction projects connected with building buildings
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	MSiG - judicial and economic monitor
Project:	Cordia Supernowa / Lema: Located at ul. Stanisława Lema, Krakow, in the vicinity of Tauron Arena, Krakow. The building comprises 185 apartments. Status: under construction.

Name of the company:	**Projekt Warszawa 1 Cordia Poland GP one Spółka z ograniczoną odpowiedzialnością Spółka komandytowa**
Short name:	„Sp. z o.o. Sp. k”
Registered seat:	Koszykowa 61B,00-667 Warsaw
Place of incorporation:	Poland
Company registration number:	KRS 0000646536 REGON: 365841900, NIP: 5213755156
Duration of operation of the company:	Unlimited
Legal form:	Limited partnership
Legislation under which the company operates:	Polish
Registered capital:	PLN 29,699
The date of the deed of foundation:	09 November 2016
Main business activity:	41, 10, Z, Implementation of construction projects connected with building buildings
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	MSiG - judicial and economic monitor

Project:	• Zielone Bemowo 1 / Lazurowa: Located in Bemowo district. The building comprises 118 apartments. Status: under construction. • Zielone Bemowo 2 / Lazurowa: Located in Bemowo district. The building comprises 200 apartments. Status: under construction.

Name of the company:	**Projekt Kraków 4 Cordia Partner 2 Spółka z ograniczoną odpowiedzialnością Spółka komandytowa**
Short name:	„Sp. z o.o. Sp. k”
Registered seat:	Koszykowa 61B,00-667 Warsaw
Place of incorporation:	Poland
Company registration number:	KRS 0000646215 REGON: 365824735, NIP: 5213754903
Duration of operation of the company:	Unlimited
Legal form:	Limited partnership
Legislation under which the company operates:	Polish
Registered capital:	PLN 25,000
The date of the deed of foundation:	08 November 2016
Main business activity:	41, 10, Z, Implementation of construction projects connected with building buildings
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	MSiG - judicial and economic monitor
Project:	Rogozińskiego 2: Located in Krakow, Poland. The building comprises 30 apartments. Status: under preparation.

Name of the company:	**Projekt Kraków 2 Cordia Partner 2 Spółka z ograniczoną odpowiedzialnością Spółka komandytowa**
Short name:	„Sp. z o.o. Sp. k”
Registered seat:	Koszykowa 61B,00-667 Warsaw
Place of incorporation:	Poland
Company registration number:	KRS 0000745357 REGON: 381045332, NIP: 7010843287
Duration of operation of the company:	Unlimited
Legal form:	Limited partnership
Legislation under which the company operates:	Polish
Registered capital:	PLN 5,000
The date of the deed of foundation:	13 August 2018

Main business activity:	41, 10, Z, Implementation of construction projects connected with building buildings
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	MSiG - judicial and economic monitor
Project:	Wielicka / Jerozolimska: Located in Krakow, Poland. The building comprises 189 apartments. Status: under preparation

Name of the company:	**Projekt Warszawa 6 Cordia Partner 2 Spółka z ograniczoną odpowiedzialnością Spółka komandytowa**
Short name:	„Sp. z o.o. Sp. k"
Registered seat:	Koszykowa 61B,00-667 Warsaw
Place of incorporation:	Poland
Company registration number:	KRS 0000786427 REGON: 383367962, NIP: 7010925341
Duration of operation of the company:	Unlimited
Company registration number:	Limited partnership
Legal form:	Polish
Registered capital:	PLN 5,000
The date of the deed of foundation:	07 May 2019
Main business activity:	41, 10, Z, Implementation of construction projects connected with building buildings
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	MSiG - judicial and economic monitor
Project:	23 Marca / Sopot: Located between 23 Marca Street and Sopot Forests in Sopot. The building comprises 121 apartments. Status: under preparation.

Name of the company:	**Projekt Warszawa 3 Cordia Partner 2 Spółka z ograniczoną odpowiedzialnością Spółka komandytowa** (we changed the name to Projekt Warszawa 3 Cordia Partner 5 Społka z ograniczoną odpowiedzialnością Spółka komandytowa – change during registration)
Short name:	„Sp. z o.o. Sp. k"
Registered seat:	Koszykowa 61B,00-667 Warsaw
Place of incorporation:	Poland
Company registration number:	KRS 0000661675 REGON: 366483704, NIP: 5213766332
Duration of operation of the company:	Unlimited
Legal form:	Limited partnership
Legislation under which the company operates:	Polish

Registered capital:	PLN 25,000
The date of the deed of foundation:	31 January 2017
Main business activity:	41, 10, Z, Implementation of construction projects connected with building buildings
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	MSiG - judicial and economic monitor
Project:	• Fantazja (Kopalniana) 1: Located in Warsaw's Bemowo district. The building comprises 149 apartments. Status: under preparation. • Fantazja (Kopalniana) 2: Located in Warsaw's Bemowo district. The building comprises 45 apartments. Status: under preparation

Name of the company:	**Projekt Warszawa 4 Cordia Partner 6 Spółka z ograniczoną odpowiedzialnością Spółka komandytowa** (we change the name to Projekt Gdańsk 1 Cordia Partner 6 Spółka z ograniczoną odpowiedzialnością Spółka komandytowa – change during registration)
Short name:	„Sp. z o.o. Sp. k"
Registered seat:	Koszykowa 61B,00-667 Warsaw
Place of incorporation:	Poland
Date of incorporation:	
Company registration number:	KRS 0000661672 REGON: 366483673, NIP: 5213766326
Duration of operation of the company:	Unlimited
Legal form:	Limited partnership
Legislation under which the company operates:	Polish
Registered capital:	PLN 25,000
The date of the deed of foundation:	31 January 2017
Main business activity:	41, 10, Z, Implementation of construction projects connected with building buildings
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	MSiG - judicial and economic monitor
Project:	• Jaśkowa Dolina 1: Located in Gdańsk, Poland. The building comprises 112 apartments. Status: under preparation • Jaśkowa Dolina 2: Located in Gdańsk, Poland. The building comprises 112 apartments. Status: under preparation

Name of the company:	**Cordia Żyrardów** **Spółka z ograniczoną odpowiedzialnoscią**
Short name:	„Sp. z o.o."
Registered seat:	Koszykowa 61B,00-667 Warsaw

Place of incorporation:	Poland
Company registration number:	KRS 0000564457 REGON: 361841464, NIP: 5252622169
Duration of operation of the company:	Unlimited
Legal form:	Limited liability company
Legislation under which the company operates:	Polish
Registered capital:	PLN 5,000
The date of the deed of foundation:	22 June 2015
Main business activity:	41, 10, Z, Implementation of construction projects connected with building buildings
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	MSiG - judicial and economic monitor
Project:	Rogozińskiego 1: Located in Krakow, Poland. The building comprises 200 apartments. Status: under preparation.

Name of the company:	**Projekt Warszawa 2 Cordia Partner 4 Spółka z ograniczoną odpowiedzialnością Spółka komandytowa**
Short name:	„Sp. z o.o. Sp. k”
Registered seat:	Koszykowa 61B,00-667 Warsaw
Place of incorporation:	Poland
Company registration number:	KRS 0000646544 REGON: 365842727, NIP: 5213755162
Duration of operation of the company:	Unlimited
Legal form:	Limited partnership
Legislation under which the company operates:	Polish
Registered capital:	PLN 1,850,000
The date of the deed of foundation:	09 November 2016
Main business activity:	41, 10, Z, Implementation of construction projects connected with building buildings
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	MSiG - judicial and economic monitor
Project:	Horyzont Praga: Located in Krakow, Poland. The building comprises 168 apartments. Status: under preparation.

Name of the company:	**Projekt Kraków 1 Cordia Partner 3 Spółka z ograniczoną odpowiedzialnością Spółka komandytowa**
Short name:	„Sp. z o.o. Sp. k”

Registered seat:	Koszykowa 61B,00-667 Warsaw
Place of incorporation:	Poland
Company registration number:	KRS 0000646527 REGON: 365841076, NIP: 5213755133
Duration of operation of the company:	Unlimited
Legal form:	Limited partnership
Legislation under which the company operates:	Polish
Registered capital:	PLN 631,097
The date of the deed of foundation:	09 November 2016
Main business activity:	41, 10, Z, Implementation of construction projects connected with building buildings
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	MSiG - judicial and economic monitor
Project:	Życzkowskiego / Lotniczkówka: Located in the northeastern part of Krakow with easy access to the city's primary throughways. The building comprises 70 apartments. Status: under construction.

Name of the company:	**Projekt Warszawa 7 Cordia Partner** **2 Spółka z ograniczoną odpowiedzialnością** **Spółka komandytowa**
Short name:	„Sp. z o.o. Sp. k"
Registered seat:	Koszykowa 61B,00-667 Warsaw
Place of incorporation:	Poland
Company registration number:	KRS 0000789609 REGON: 383557533, NIP: 7010929333
Duration of operation of the company:	Unlimited
Company registration number:	Limited partnership
Legal form:	Polish
Registered capital:	PLN 5,000
The date of the deed of foundation:	27 May 2019
Main business activity:	41, 10, Z, Implementation of construction projects connected with building buildings
Financial year:	Shall correspond to the calendar year

The place of publication of notices:	MSiG - judicial and economic monitor
Project:	Poznań (Modena) - Jackowskiego Street, Kraszewskiego Street, Wawrzyniaka Street. Status: under preparation.

Name of the company:	**Projekt Kraków 5 Cordia Partner 2 Sp. z o.o. Sp.k**
Short name:	„Sp. z o.o. Sp. k"
Registered seat:	Koszykowa 61B,00-667 Warsaw
Place of incorporation:	Poland
Company registration number:	KRS 0000789322 REGON: 383558432, NIP: 7010929356
Duration of operation of the company:	Unlimited
Company registration number:	Limited partnership
Legal form:	Polish
Registered capital:	PLN 5,000
The date of the deed of foundation:	27 May 2019
Main business activity:	41, 10, Z, Implementation of construction projects connected with building buildings
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	MSiG - judicial and economic monitor
Project:	Cracow, Krokusowa-Zbrojarzy street. Status: under preparation.

2.2. Holding Companies:

Name of the company:	**CORDIA POLSKA** **Spółka z ograniczoną odpowiedzialnością**
Short name:	„Sp. z o.o."
Registered seat:	Koszykowa 61B,00-667 Warsaw
Place of incorporation:	Poland
Company registration number:	KRS 0000565787 REGON: 361952614, NIP: 5252623134
Duration of operation of the company:	Unlimited

Legal form:	Limited liability company
Legislation under which the company operates:	Polish
Registered capital:	PLN 5,000
The date of the deed of foundation:	30 June 2015
Main business activity:	41, 10, Z, Implementation of construction projects connected with building buildings
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	MSiG - judicial and economic monitor

2.3. Service Companies:

Name of the company:	**Cordia Management Poland** **Spółka z ograniczoną odpowiedzialnością**
Short name:	„Sp. z o.o.”
Registered seat:	Koszykowa 61B,00-667 Warsaw
Place of incorporation:	Poland
Date of incorporation:	
Company registration number:	KRS 0000392081 REGON: 143334629, NIP: 5252510476
Duration of operation of the company:	Unlimited
Legal form:	Limited liability company
Legislation under which the company operates:	Polish
Registered capital:	PLN 5,000
The date of the deed of foundation:	03 June 2011
Main business activity:	41, 10, Z, Implementation of construction projects connected with building buildings
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	MSiG - judicial and economic monitor

3. ROMANIA:

3.1. Project Entities:

Name of the company:	**CORDIA PARCULUI RESIDENTIAL PROJECT S.R.L.**
Short name:	(-)
Registered seat:	Bucharest, 1st District, 19-21 Primaverii Blvd., entrance B, 1st floor
Place of incorporation:	Romania
Date of incorporation:	Resolution no. 69690/05.04.2016
Company registration number:	35914965
Duration of operation of the company:	Unlimited
Legal form:	Limited liability company
Legislation under which the company operates:	Romanian
Registered capital:	RON 45,000
The date of the deed of foundation:	4 April 2018.
Main activity:	7022 - Business and other management consultancy activities
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	Trade Registry/Official Gazette of Romania, Part IV
Project:	Parcului20 Phase 1: Located in the capital of Romania's dynamically developing neighbourhood. The building comprises 469 apartments. Status: under construction.

3.2. Holding Companies:

There are no Holding Companies registered in Romanian. Project Entities in Romania are owned by Holding Companies registered in Hungary.

3.3. Service Companies:

Name of the company:	**C.D.S. – Cordia Development Service SRL**
Short name:	(-)
Registered seat:	Bucharest, 1st District, 19-21 Primaverii Blvd., entrance B, 1st floor, office
Place of incorporation:	Romania
Date of incorporation:	Resolution no. 197024/28.12.2015
Company registration number:	35362631
Duration of operation of the company:	Unlimited
Legal form:	Limited liability company
Legislation under which the company operates:	Romanian
Registered capital:	RON 45,000

The date of the deed of foundation:	
Main activity:	4110 - Development of building projects
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	Trade Registry/Official Gazette of Romania, Part IV

4. SPAIN

4.1. Project Entities:

Name of the company:	**Cordia Marbella Project Company Sociedad Limitada**
Short name:	Cordia Marbella Project Company SL
Registered seat:	Calle Alcala, 209 - BJ C, Madrid, 28028, Madrid
Place of incorporation:	Spain
Date of incorporation:	24 December 2018
Company registration number:	B88274444
Duration of operation of the company:	Indefinite
Legal form:	Limited liability company
Legislation under which the company operates:	Spain
Registered capital:	EUR 3,000.00
The date of the deed of foundation:	24 December 2018
Main business activity:	6810 Buying and selling of own real estate
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	Individual communication addressed to the registered domicile of the shareholder by any mode ensuring its receipt
Project:	Marbella – La Montua: Located in the area called "Tenis de Marbella" just below "La montúa".. The building comprises 120 apartments. Status: under preparation

4.2. Project Entities:

Name of the company:	**Cordia Fuengirola Development Sociedad Limitada**
Short name:	Cordia Fuengirola Development SL
Registered seat:	Calle Alcala, 209 - BJ C, Madrid, 28028, Madrid
Place of incorporation:	Spain
Date of incorporation:	24 December 2018
Company registration number:	B88538905
Duration of operation of the company:	Indefinite
Legal form:	Limited liability company
Legislation under which the company operates:	Spain
Registered capital:	EUR 50.000,00
The date of the deed of foundation:	29. November 2019.
Main business activity:	6810 Buying and selling of own real estate

Financial year:	Shall correspond to the calendar year
The place of publication of notices:	Individual communication addressed to the registered domicile of the shareholder by any mode ensuring its receipt
Project:	Fuengirola: Located in Fuengirola with cadastral reference 4442102UF5444S0001OI, The building comprises 116 apartments. Status: under preparation

4.3. Holding entity:

Name of the company:	**Cordia Iberia Holding Sociedad Limitada**
Short name:	Cordia Iberia Holding SL
Registered seat:	Calle Alcala, 209 - BJ C, Madrid, 28028, Madrid
Place of incorporation:	Spain
Date of incorporation:	22 October 2018
Company registration number:	B88225248
Duration of operation of the company:	Indefinite
Legal form:	Limited liability company
Legislation under which the company operates:	Spain
Registered capital:	EUR 337.500
The date of the deed of foundation:	23. December 2019
Main business activity:	Activities of holding companies
Financial year:	Shall correspond to the calendar year
The place of publication of notices:	Registered letter with acknowledgment of receipt addressed to the registered domicile of the shareholder

4.4. Service Provider:

There are no Service Company registered in Spain.

ANNEX 5

CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2018

CORDIA INTERNATIONAL ZRT.

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2018

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Cordia International Zrt.

Opinion

We have audited the accompanying consolidated financial statements of Cordia International Zrt ("the Company") and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as at 31 December 2018, the related consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards of Auditing ("ISA"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Group in accordance with the applicable laws of Hungary, with the Hungarian Chamber of Auditors' Rules on ethics and professional conduct of auditors and on disciplinary process and, for matters not regulated in the Rules, with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board (IESBA Code of Ethics) and we also comply with further ethical requirements set out in these.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis in preparation of the consolidated financial statements. Management has to apply the going concern basis of accounting in the consolidated financial statements unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Budapest, 17 June 2019

László Radványi
Partner
PricewaterhouseCoopers Könyvvizsgáló Kft.

Cordia International Zrt.

IFRS consolidated financial statements 31 December 2018

Contents

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	*Note*	2018	Restated 2017
Revenue	*6*	**19,854,006**	**6,918,141**
Cost of sales	*7*	**(12,149,655)**	**(2,939,111)**
Gross profit		**7,704,350**	**3,979,030**
Selling and marketing expenses	*8*	(1,956,791)	(1,141,535)
Administrative expenses	*9*	(1,629,260)	(1,860,097)
Other expenses	*11*	(609,984)	(112,689)
Other income	*12*	19,570	1,149,705
Operating profit		**3,527,885**	**2,014,414**
Interest income	*13*	294,912	115,292
Other financial income	*13*	961,613	820,377
Finance income		**1,256,523**	**935,669**
Interest expense	*13*	(35,531)	(214,517)
Other financial expense	*13*	(1,101,313)	(619,285)
Finance expense		**(1,136,844)**	**(833,802)**
Net finance income/(expense)		**119,681**	**101,867**
Share of loss in joint venture	*2(b)*	102,756	0
Profit before taxation		**3,544,811**	**2,116,281**
Current income tax	*14*	(245,489)	(91,640)
Deferred tax	*14*	(21,127)	(112,391)
Income tax expense		**(266,616)**	**(204,031)**
Profit for the year		**3,278,195**	**1,912,250**
Exchange differences on translating foreign operations		2,005	(15,261)
Other comprehensive income/(loss)		**2,005**	**(15,261)**
Total comprehensive income for the year, net of tax		**3,280,200**	**1,896,989**
Total profit/(loss) for the year attributable to:			
owners of the parent		3,348,916	1,935,511
non-controlling interests		(70,721)	(23,261)
Total profit/(loss) for the year		**3,278,195**	**1,912,250**
Total comprehensive income attributable to:			
owners of the parent		3,263,390	1,920,250
non-controlling interests		(70,721)	(23,261)
Total comprehensive income for the year, net of tax		**3,280,200**	**1,896,989**

The notes on pages 8 to 76 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

In thousands of Hungarian Forints (THUF)	*Note*	31.12.2018	Restated 31.12.2017
Assets			
Non-current assets			
Intangible assets	*15(a)*	187,856	136,988
Property, plant and equipment	*15(b)*	666,784	563,989
Long-term receivables from third parties		8,426	11,493
Long-term receivables from related parties	*16(a)*	1,150,746	1,050,379
Investments accounted for using equity method	*2(b)*	729,800	0
Deferred tax assets		124,939	135,090
Other long-term financial assets	*16*	10,869,940	5,483,415
Other long-term assets	*15(d)*	819,992	1,859,010
Total non-current assets		**14,558,483**	**9,240,364**
Current assets			
Inventory	*15(c)*	58,713,306	37,536,704
Trade and other receivables	*16(b)*	191,521	332,278
Short-term receivables from related parties	*16(a)*	4,359,861	1,807,482
Other short-term assets	*15(d)*	301,199	423,471
Income tax receivable		30,040	23,054
Other tax receivables	*15(f)*	3,057,847	819,580
Other financial assets	*16*	269,834	2,750,234
Cash and cash equivalents	*16(c)*	12,289,550	9,971,253
Total current assets		**79,213,158**	**53,664,056**
Total		**93,771,641**	**62,904,420**

The notes on pages 8 to 76 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position (cont'd)

In thousands of Hungarian Forints (THUF)	*Note*	**31.12.2018**	**Restated 31.12.2017**
Equity[1]			
Shareholders' equity			
Share capital	*1(d)*	9,252,912	9,252,912
Share premium	*17(b)*	592,166	592,166
Currency translation reserve		143,877	141,872
Other reserves	*17(c)*	(234,382)	(189,439)
Retained earnings	*17(d)*	7,117,547	3,768,631
Equity attributable to equity holders of the parent		**16,872,120**	**13,566,142**
Non-controlling interests	*2(d)*	86,823	111,305
Total equity		**16,958,943**	**13,677,447**
Net assets attributable to non-controlling investment unit holders	*2(c)*	**16,286,632**	**7,468,455**
Liabilities[1]			
Non-current liabilities			
Loans and borrowings	*16(d)*	4,829,609	5,746,263
Long-term liabilities to related parties	*16(e)*	4,429,058	2,274,895
Deferred tax liabilities		44,550	165,986
Customer advances	*15(e)*	7,635,951	5,337,026
Other long-term liabilities	*15(g)*	1,870,338	651,154
Total non-current liabilities		**18,809,506**	**14,175,324**
Current liabilities			
Trade and other payables	*16(f)*	4,471,907	2,949,018
Short-term liabilities to related parties	*16(e)*	3,124,653	3,450,854
Loans and borrowings	*16(d)*	5,239,689	735,812
Customer advances	*15(e)*	28,127,855	20,190,907
Other tax liabilities		707,187	168,287
Income tax liabilities		45,269	88,316
Total current liabilities		**41,716,560**	**27,583,194**
Total liabilities		**60,526,066**	**41,758,518**
Total		**93,771,641**	**62,904,420**

The notes on pages 8 to 76 are an integral part of these consolidated financial statements.

[1] excluding net assets attributable to non-controlling investment unit holders

Consolidated Statement of Changes in Equity

For the years ended 31 December 2018	Attributable to the equity holders of the parent							
In thousands of Hungarian Forints (THUF)	**Share capital**	**Share premium**	**Currency translation reserve**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2017	**37,322**	**0**	**157,133**	**36,074**	**1,281,960**	**1,512,489**	**53,446**	**1,565,935**
Profit/(loss) for the year	**0**	**0**	**0**	**0**	**1,967,057**	**1,967,057**	**(54,807)**	**1,912,250**
Other comprehensive loss	**0**	**0**	**(15,261)**	**0**	**0**	**(15,261)**	**0**	**(15,261)**
Proceeds from shares issued	8,660,742	592,166	0	0	0	9,252,908	0	9,252,908
Other change in reserves	0	0	0	(220,301)	774	(219,527)	0	(219,527)
Reclassification made upon legal merger	554 848	0	0	(5,212)	(554,848)	(5,212)	0	(5,212)
Non-controlling interests arising on acquisition	0	0	0	0	0	0	8,428,379	8,428,379
Pre-acquisition retained earnings of transferred entity	0	0	0	0	1,066,586	1,066,586	0	1,066,586
Redemption of non-controlling interests	0	0	0	0	7,102	7,102	(847,258)	(840,156)
Transactions with owners	**9,215,590**	**592,166**	**0**	**(225,513)**	**519,614**	**10,101,857**	**7,581,121**	**17,682,978**
Balance at 1 January 2018 as previously presented	**9,252,912**	**592,166**	**141,872**	**(189,439)**	**3,768,631**	**13,566,142**	**7,579,760**	**21,145,902**
Adjustment (Note 23)							(7,468,455)	
Balance at 1 January 2018 as restated	**9,252,912**	**592,166**	**141,872**	**(189,439)**	**3,768,631**	**13,566,142**	**111,305**	**13,677,447**
Profit/(loss) for the year	**0**	**0**	**0**	**0**	**3,348,916**	**3,348,916**	**9,938***	**3,358,854**
Other comprehensive loss	**0**	**0**	**2,005**	**0**	**0**	**2,005**	**0**	**2,005**
Other change in reserves *17(c)*	0	0	0	(44,943)	0	**(44,943)**	0	**(44,943)**
Non-controlling interests arising on acquisition	0	0	0	0	0	**0**	40,551	**40,551**
Redemption of non-controlling interests	0	0	0	0	0	**0**	(74,971)	**(74,971)**
Transactions with owners	**0**	**0**	**0**	**(44,943)**	**0**	**(44,943)**	**(34,420)**	**(79,363)**
Balance at 31 December 2018	**9,252,912**	**592,166**	**143,877**	**(234,382)**	**7,117,547**	**16,872,120**	**86,823**	**16,958,943**

The significant movements in the equity items presented above are explained in details in Note 17.
*Please also refer to Note 2 (c) about Net assets attributable to non-controlling investment unit holders.

The notes on pages 8 to 76 are an integral part of these consolidated financial statements

Consolidated Statement of Cash Flows

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	*Note*	**2018**	**2017**
Cash flows from/(used in) operating activities			
Profit/ before taxation for the period		3,544,811	2,116,281
Adjustments to reconcile profit before for taxation to net cash used in operating activities:			
Depreciation	*15(a),15(b)*	154,930	144,457
Other non-cash movements*		616,823	192,567
Profit on sale of non-current assets classified as held for sale		0	(1,140,694)
Profit/loss on sale of tangible and intangible assets		21,261	(8,995)
Net finance income/expense	*13*	(119,681)	(101,867)
Increase in inventory	*15(c)*	(17,848,785)	(17,810,664)
Share of loss in joint venture	*2(b)*	102,756	0
Decrease/(increase) in trade and other receivables	*16(b)*	1,251,687	(1,941,726)
(Decrease)/increase in liabilities from related parties	*16(a),16(e)*	(2,552,379)	(3,280,654)
Increase in trade and other payables	*16(f)*	(810,345)	1,484,179
Increase in advances received	*15(e)*	10,235,873	18,627,733
Interest paid	*13*	(723,472)	(218,829)
Income tax paid	*14*	(427,934)	(54,630)
Net cash from/(used in) operating activities		***(6,554,456)***	***(1,992,842)***
Cash flows from/(used in) investing activities			
Proceeds from sale of investment property		0	1,132,000
Proceeds from sale of non-current assets held for sale		0	7,213,689
Consideration paid for the acquisition of subsidiaries	*2(a)*	(137,924)	0
Cash of acquired subsidiaries	*2(a)*	241,104	0
Acquisitions of tangible and intangible assets	*15(a),15(b)*	(316,631)	(648,214)
Investing in long-term financial assets	*16*	(4,347,507)	(5,481,337)
Increase of long-term loan receivables	16(a)	(182,387)	(1,050,379)
Repayment of long-term loan receivables	16(a)	147,940	74,680
Interest received	13	294,912	115,292
Investments accounted for using equity method	2(b)	(832,556)	0
Net cash from/(used in) investing activities		***(5,133,049)***	***1,355,73***
Cash flows from/(used in) financing activities			
Proceeds from loans and borrowings	*16(d),16(e)*	28,642,619	8,549,507
Repayment of loans and borrowings	*15(e),15(b)*	(23,302,397)	(20,541,919)
Capital increase	*17(a)*	0	9,252,908
Purchase of non controlling shares and investment notes	*2(c),2(d)*	10,240,551	7,581,121
Redemption of non controlling shares and investment notes	*2(c),2(d)*	(1,574,971)	0
Net cash from financing activities		**14,005,802**	**4,841,617**
Net change in cash and cash equivalents		2,318,297	4,204,506
Cash and cash equivalents at beginning of the year		9,971,253	5,766,747
Cash and cash equivalents at end of the year	*16(c)*	**12,289,550**	**9,971,253**

The notes on pages 8 to 76 are an integral part of these consolidated financial statements

*Significant transactions with no cash movement

For period ending as of 31 December 2018

Other long-term liabilities

Other long-term liabilities (please see also 15(g)) increased by 1,219,184 THUF in 2018. This includes construction related supplier payables balances. Since this change does not represent a cash movement, the change in the inventories calculated from the balance sheet shall be adjusted with the balance of these unpaid suppliers at the end of each year.

For period ending as of 31 December 2017

Legal merger

Cordia International Zrt. acquired several entities through a legal merger as of 20 September 2017.

As a result of the merger, the Group acquired the following assets and liabilities:

Balance sheet line item	Amount (THUF)
Long-term receivables from related parties	7,725,002
Other current asset	123,421
Long-term liabilities to related parties	6,781,837

All the acquired long-term receivables and liabilities were balances with companies in the Group, therefore after the merger these were eliminated in the consolidation. Repayment of loans and proceeds from loans granted are presented in the consolidated statement of cash flows showing only the transactions with cash movement. In order to reconcile the cash flow with the balance sheet for these lines, these non-cash movements shall be considered.

Other long-term liabilities

Other long-term liabilities (please see also 15(g)) increased by 455,433 THUF in 2017. This includes construction related supplier payables balances. Since this change does not represent a cash movement, the change in the inventories calculated from the balance sheet shall be adjusted with the balance of these unpaid suppliers at the end of each year.

Notes to the Consolidated Financial Statements

1. Background and business of the Company

(a) **Company name:** Cordia International Private Limited Company ('Cordia International Zrt.')
Headquarter: 7th floor, 47-53 Futó street, 1082 Budapest
Company registration number: 01-10-048844
Statistical number: 25558098-6810-114-01
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 incorporated on 17 April 2016.
The core business of the company is to develop residential properties and then sale residential units. The Company is not involved in development of other real estate projects.
The registered office is located at 47-53 Futó street, Budapest, Hungary. The Company (together with its Hungarian Polish and Romanian 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 and in Romania.
Cordia International Zrt. (the 'Parent') was established as of 27 April 2016 by Futureal Property Group Kft.

As of 31 December 2018 the Company has the following owner:
- Sparks Limited 100% (place of business: Brewery Street, Mriehel, BKR3000, Malta)

Direct controlling party of the Company was Sparks Limited as of 31 December 2018 (and as of 31 December 2017). The direct controlling party company does not prepare consolidated financial statements and there is no consolidated financial statement available into which the Company is consolidated.

The ultimate controlling parties are Futó Gábor and Futó Péter.A list of the companies from which the financial data are included in these Consolidated Financial Statements and the extent of ownership and control are presented in Note 2.

2. Interests in other entities

(a) Group structure

The details of the Hungarian, and Polish and Romanian entities whose financial statements have been included in these Consolidated Financial Statements, the percentage of ownership and voting rights held by the Company and the classification of investments as at 31 December 2018 and 2017, are presented in the table.
The projects managed by the companies are in various stages of development ranging from being in the process of acquiring land for development to projects which are completed or near completion.

		Share of ownership & voting rights at		Nature of relationship	
Entity name	**Place of operation**	**12.31.2018**	**12.31.2017**	**12.31.2018**	**12.31.2017**
Villena Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Wroclaw I Sp. Z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Zyrardów Sp.z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Futureal Management Poland Sp. Z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
CORDIA Polska SP. Z.o.o..	Poland	100%	100%	Subsidiary	Subsidiary
Cereman Vagyonkezelő Zrt.	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Lands Investment Ltd.	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Property Management Kft.	Hungary	N/A	100%	Not in the group	Subsidiary
Cordia Development 1 Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Development 2 Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 1 Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 2 Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 3 Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 4 Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 5 Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Ingatlanbefektetési Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Management Szolgáltató Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia New Ages Ingatlanfejlesztő Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
CM-HoldCo Kft	Hungary	100%	100%	Subsidiary	Subsidiary
Sasad Resort 2 Kft	Hungary	72,50%	72,5%	Subsidiary	Subsidiary
IPOPEMA 146 Alapusz Inwestycyjny Zamkniety Aktywow Niepublicznych	Poland	N/A	100%	Not in the group	Subsidiary
Cordia Poland GP One Spólka Z	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Project Holding Cordia Poland GP One Spk.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 1 Cordia Poland GP One Spólka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 2 Cordia Poland GP One Spólka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 3 Cordia Poland GP One Spólka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 4 Cordia Poland GP One Spólka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 1 Cordia Poland GP One Spólka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Central Ingatlanfejlesztő Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Finext Funds One SICAV-SIF	Luxembourg	25%	25%	Subsidiary	Subsidiary
Cordia Global 6 Alap	Hungary	50%	100%	Joint-venture	Subsidiary
Cordia Global 7 Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 8 Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 9 Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 10 Alap	Hungary	100%	4,71%	Subsidiary	Subsidiary
Cordia Global 11 Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 12 Alap	Hungary	100%	N/A	Subsidiary	Not in the group
Cordia Global 13 Alap	Hungary	100%	N/A	Subsidiary	Not in the group
Cordia Global 14 Alap	Hungary	100%	N/A	Subsidiary	Not in the group
Cordia Global 15 Alap	Hungary	100%	N/A	Subsidiary	Not in the group
Cordia Global 16 Alap	Hungary	100%	N/A	Subsidiary	Not in the group
Cordia Global 17 Alap	Hungary	100%	N/A	Subsidiary	Not in the group
Cordia Global 18 Alap	Hungary	100%	N/A	Subsidiary	Not in the group
Cordia Global 19 Alap	Hungary	100%	N/A	Subsidiary	Not in the group

Entity name	Place of operation	12.31.2018	12.31.2017	12.31.2018	12.31.2017
Cordia Global 20 Alap	Hungary	100%	N/A	Subsidiary	Not in the group
CORDIA Munkavállalói Résztulajdonosi Program Szervezet	Hungary	100%	N/A	Subsidiary	Not in the group
CDS-Cordia Development Services Srl	Romania	100%	N/A	Subsidiary	Not in the group
Cordia Parcului Residential Project Srl	Romania	100%	N/A	Subsidiary	Not in the group
Cordia Belváros Ingatlanfejlesztő Kft.	Hungary	70%	N/A	Subsidiary	Not in the group
Cordia FM Társasházkezelő Kft	Hungary	100%	N/A	Subsidiary	Not in the group
Cordia New Times Ingatlanfejlesztő Kft.	Hungary	70%	N/A	Subsidiary	Not in the group
Cordia New Homes Kft	Hungary	100%	N/A	Subsidiary	Not in the group
Finext Funds BP SICAV-SIF	Luxembourg	20%	N/A	Subsidiary	Not in the group
Cordia Romania Holding One Kft.	Hungary	100%	N/A	Subsidiary	Not in the group
Cordia Romania Holding Two Kft.	Hungary	100%	N/A	Subsidiary	Not in the group
Cordia Development 3 Spółka z ograniczoną odpowiedzialnością	Poland	100%	N/A	Subsidiary	Not in the group
Cordia Development 4 Spółka z ograniczoną odpowiedzialnością	Poland	100%	N/A	Subsidiary	Not in the group
Cordia Development 5 Spółka z ograniczoną odpowiedzialnością	Poland	100%	N/A	Subsidiary	Not in the group
Cordia Development 1 Spółka z ograniczoną odpowiedzialnością	Poland	100%	N/A	Subsidiary	Not in the group
Projekt Warszawa 5 Cordia Partner 2 spółka z ograniczoną odpowiedzialnością	Poland	100%	N/A	Subsidiary	Not in the group
Projekt Kraków 2 Cordia Partner 2 spółka z ograniczoną odpowiedzialnością	Poland	100%	N/A	Subsidiary	Not in the group
Projekt Kraków 3 Cordia Partner 2 spółka z ograniczoną odpowiedzialnością	Poland	100%	N/A	Subsidiary	Not in the group
Cordia Dante Project SRL	Romania	100%	N/A	Subsidiary	Not in the group
Cordia Navigatorilor Project SRL	Romania	100%	N/A	Subsidiary	Not in the group
Cordia Corarilor Development SRL	Romania	100%	N/A	Subsidiary	Not in the group
Cordia Project Services SPV3 SRL	Romania	100%	N/A	Subsidiary	Not in the group
Cordia Project Development SPV2 SRL	Romania	100%	N/A	Subsidiary	Not in the group
Cordia Partner 2 Spółka z ograniczoną odpowiedzialnością	Poland	100%	N/A	Subsidiary	Not in the group
Cordia Partner 3 Spółka z ograniczoną odpowiedzialnością	Poland	100%	N/A	Subsidiary	Not in the group
Cordia Partner 4 Spółka z ograniczoną odpowiedzialnością	Poland	100%	N/A	Subsidiary	Not in the group
Cordia Development 2 Spółka z ograniczoną odpowiedzialnością	Poland	100%	N/A	Subsidiary	Not in the group

Please also refer to Note 3(a) about critical judgments and significant accounting policies.

Cordia International Zrt. established the following entities in 2018:

Newly established entities
Cordia Global 12 Alap
Cordia Global 13 Alap
Cordia Global 14 Alap
Cordia Global 15 Alap
Cordia Global 16 Alap
Cordia Global 17 Alap
Cordia Global 18 Alap
Cordia Global 19 Alap
Cordia Global 20 Alap
CORDIA Munkavállalói Résztulajdonosi Program Szervezet
Cordia New Homes Kft
Finext Funds BP SICAV-SIF
Cordia Romania Holding One Kft.
Cordia Romania Holding Two Kft.
Cordia Development 3 Spółka z ograniczoną odpowiedzialnością
Cordia Development 4 Spółka z ograniczoną odpowiedzialnością
Cordia Development 5 Spółka z ograniczoną odpowiedzialnością
Cordia Development 1 Spółka z ograniczoną odpowiedzialnością
Projekt Warszawa 5 Cordia Partner 2 spółka z ograniczoną odpowiedzialnością
Projekt Kraków 2 Cordia Partner 2 spółka z ograniczoną odpowiedzialnością
Projekt Kraków 3 Cordia Partner 2 spółka z ograniczoną odpowiedzialnością
Cordia Dante Project SRL
Cordia Navigatorilor Project SRL
Cordia Corarilor Development SRL
Cordia Project Services SPV3 SRL
Cordia Project Development SPV2 SRL
Cordia Partner 2 Spółka z ograniczoną odpowiedzialnością
Cordia Partner 3 Spółka z ograniczoną odpowiedzialnością
Cordia Partner 4 Spółka z ograniczoną odpowiedzialnością
Cordia Development 2 Spółka z ograniczoną odpowiedzialnością

Cordia International Zrt. acquired the following entities in 2018:

Newly acquired entities
Cordia New Times Ingatlanfejlesztő Kft.
Cordia FM Társasházkezelő Kft
CDS-Cordia Development Services Srl
Cordia Parcului Residential Project Srl
Cordia Belváros Ingatlanfejlesztő Kft.

(b) Interests in joint-ventures

Set out below is the joint venture of the group as at 31 December 2018 (as of 31 December 2017 there were no such investment). The entity listed below have share capital consisting solely of ordinary shares, which are held directly by the group.

Entity name	Nature of relationship	Measurement method
Cordia Global 6 alap	Joint-venture	Equity method

Cordia Global 6 alap entity consists projects named Marina Life 1 and 2. The entity is jointly controlled with a partner which is another Hungarian legal entity operating in the real estate industry.

31.12.2018 *In thousands of Hungarian Forints (HUF)*	**Cordia Global 6 Alap**
Net assets	**1,459,600**
Group'share in %	50
Group's share in THUF	729,800
Carrying amount	**729,800**

2018 *In thousands of Hungarian Forints (HUF)*	**Cordia Global 6 Alap**
Revenue	12
Profit as subsidiary	(849)
Profit as joint-venture	(205,512)
Other comprehensive income	0
Total comprehensive income	(206,361)

Reconciliation to carrying amounts:

2018 *In thousands of Hungarian Forints (HUF)*	**Cordia Global 6 Alap**
Opening	0
Change in investments	832,556
Profit attributable to Group	(102,756)
Closing carrying amount	**729,800**

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

As described previously, the Group has controlling investment in two investment funds as of 31 December 2018, namely Finext Real Estate Opportunities One SICAV-SIF Sub-Fund and Finext Real Estate Opportunities Budapest SICAV-SIF Sub-Fund. Besides the Group, there are other non-controlling investors as owners of these two funds.
The two sub-funds operate under a similar scheme in which, the funds' life is limited and pre-determined upon establishment. The funds issue two classes of investment notes in form of shares, Class C is owned by the Group, Class P is purchased by the non-controlling investors. The two share classes provide different rights and they have different risk profile. Based on the funds' prospectus, repayment of the original investments and distributions of profits and losses are to be made as follows:

- First, original investments into Class P and Class C shares shall be returned pro-rata and pari passu. Potential losses are therefore suffered pro-rata, based on the invested capital.
- After distributions equal to the invested capital to all unit holders, the potential profits are not distributed on pro-rata basis but in different proportions, with such proportions changing based on IRR achieved by the Class P unitholders versus pre-agreed IRR hurdles.

The Group does not provide any guarantee on the return on the capital invested by the non-controlling party. In case the projects in the fund generate losses, the losses are shared between the Group and the non-controlling investment unit holders on a pro-rata basis up to the amount of the capital invested. Each parties' liability is limited to the amount of capital invested in the fund.
The Group has no unconditional obligation to pay back any amount invested by the non-controlling investment unit holders, however – after the completion of any project in the fund – the generated free cash shall be returned to the investors and the Group has no sole right to decide about potential reinvestments into potential new projects. Therefore the Management believes that presenting these balances among general liabilities or among the Group equity would be misleading and it would not provide a fair picture about the financial position of the Group. Based on the above, and based on the industry practice, net asset attributable to non-controlling investment unit holders are disclosed on a separate line in the consolidated statement of financial position.
Please also refer to Note 23 about change in previous year's presentation for these balances.
Please see below the movements in the balances during the period.

In thousands of Hungarian Forints (HUF)	
Opening balance 31 December 2016	**0**
Investment made by non-controlling parties	7,500,000
Change in net assets attributable to non-controlling parties	(31,545)
Balance 31 December 2017	**7,468,455**
Investment made by non-controlling parties	10,200,000
Redemption	(1,500,000)
Change in net assets attributable non-controlling parties	(80,660)
Profit distribution to be paid out	198,837
Closing balance 31 December 2018	**16,286,632**

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

Please see below the most important financial information regarding these two funds. Please note, that these figures are based on the funds' stand-alone statutory financial statements, therefore consolidation adjustments are not included. In their stand-alone statutory financial statements, the funds measure their investments in other entities within the Group at fair value with gains and losses recognized through the P&L.

31.12.2018 *In thousands of Hungarian Forints (HUF)*	**Finext Funds BP SICAV-SIF**	**Finext Funds One SICAV-SIF**
Current assets	253,997	182,825
Current liabilities	9,519	11,621
Current net assets	244,478	171,204
Non-current assets	13,182,705	17,940,976
Non-current liabilities	0	0
Non-current net assets	13,182,705	17,940,976
Net assets	**13,427,183**	**18,112,180**
Accumulated net assets attributable to non-controlling Class P investment unit holders	**10,165,064**	**5,922,731**
Accumulated net assets attributable to controlling, Class C investment unit holders (i.e. the Group)	**3 262 119**	**12 189 449**

2018 *In thousands of Hungarian Forints (HUF)*	**Finext Funds BP SICAV-SIF**	**Finext Funds One SICAV-SIF**
Revenue	0	0
Profit for period	1,877,183	8,289,370
Other comprehensive income	0	0
Total comprehensive income	1,877,183	8,289,370
Profit allocated	(34,936)	(45,724)
Dividends paid	0	0

2018 *In thousands of Hungarian Forints (HUF)*	**Finext Funds BP SICAV-SIF**	**Finext Funds One SICAV-SIF**
Cash flow from operating activities	19,819	(49,345)
Cash flow from investing activities	(11,265,822)	960,616
Cash flow from financing activities	11,500,000	(2,000,000)
Net change in cash and equivalents	**253,997**	**(1,088,729)**

31.12.2017 *In thousands of Hungarian Forints (HUF)*	**Finext Funds One SICAV-SIF**
Current assets	1,271,554
Current liabilities	0
Current net assets	1,271,554
Non-current assets	10,551,257
Non-current liabilities	0
Non-current net assets	10,551,257
Net assets	11,822,811
Accumulated net assets attributable to non-controlling investment unit holders	7,468,455

2017 *In thousands of Hungarian Forints (HUF)*	**Finext Funds One SICAV-SIF**
Revenue	1,864,872
Profit for period	1,822,511
Other comprehensive income	0
Total comprehensive income	1,822,511
Profit allocated	(31,546)
Dividends paid	0

2017 *In thousands of Hungarian Forints (HUF)*	**Finext Funds One SICAV-SIF**
Cash flow from operating activities	42,061
Cash flow from investing activities	8,686,385
Cash flow from financing activities	(10,000,000)
Net change in cash and equivalents	(1,271,554)

(d) Non-controlling interests

Movements in non-controlling interests during the year ended 31 December 2018 are as follows:

In thousands of Hungarian Forints (HUF)	**2018**
Opening balance	**111,305**
Comprehensive income/(loss) attributable to non-controlling interests	9,938
Non-controlling interest arising on acquisition	40,551
Redemption of shares owned by non-controlling interest	(74,971)
Closing balance	**86,823**

3. Basis of preparation and measurement

(a) Basis of preparation and statement of compliance

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

The consolidated financial statements have been prepared on a going concern basis, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of its operations. The consolidated financial statements were authorized by the Boards of Directors of Cordia International on 17 June 2019.

The parent company and the subsidiaries operating in Hungary prepare their separate financial statements according to the Hungarian Accounting Standards 2000. C. (the HAS), the subsidiaries operating in Poland prepare their separate financial statements in accordance with accounting policies specified in the Polish Accounting Act dated 29 September 1994 with subsequent amendments and the regulations issued based on that Act (all together: 'Polish Accounting Standards'). The subsidiaries operating in Romania prepare their separate financial statements in accordance with accounting policies specified in Accounting Law no. 82/1991 with subsequent amendments and the regulations issued based on that Act (all together: 'Romanian Accounting Standards'). Some of the regulations in the Hungarian, Polish or Romanian accounting standards are different from IFRS. These consolidated financial statements include a number of adjustments not included in the books of account of the Group entities, which were made in order to bring the financial statements of those entities to conformity with IFRSs as adopted by EU.

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

(b) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of those financial assets that have been measured at fair value through profit or loss.
The methods used to measure fair values for the purpose to prepare the consolidated financial statements are discussed further in Note 18.

(c) Functional and presentation currency

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

(d) Basis of consolidation

These Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

All the Group companies have 31 December as their year-end. Consolidated financial statements are prepared using uniform accounting policies for similar transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Inter-company transactions, balances and unrealized gains or losses on transactions between Group companies are fully eliminated, except where there are indications for impairment.

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

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

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

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

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

(e) Use of estimates and critical judgments

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

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

Revenue recognition

IFRS 15, Revenue from Contracts with Customers (issued in May 2014 and effective for the periods beginning on or after 1 January 2018)Management analyzed impact of initial application of IFRS 15 and identified the following topics, where difference between IAS 18 and IFRS 15 might arise. Cordia applied modified retrospective approach upon transition to IFRS 15. Based on the analysis, Management concluded that transition to IFRS 15 does not have a material impact on the Cordia Group's financial statements.:

(i) Capitalization of incremental costs to obtain a contract

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

(ii) Recognizing revenue

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

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

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

(iii) Significant financing component

Notwithstanding the provisions of IFRS 15 para 61, a contract with a customer would not have a significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference.

Cordia Group believes that the customer pays in advance to ensure purchase of the apartment. This is the market practice and significant majority of the apartments are sold before completion of the projects.

Selling price in case of paying in advance is not lower than the price that would be paid upon completion. Cordia Group believes that based on these arguments, payments are not made in advance to provide financing, therefore no significant financing component exists. Therefore transition to IFRS 15 had no impact on the financial statements.

Subsidiaries with less than 50% ownership held by the Group

As of 31 December 2018, in Finext Funds BP SICAV-SIF, Finext Funds One SICAV-SIF the Group owns less than 50% of the investment units, but it is capable of controlling the entities through the rights provided by its shares. This means that funds issued two classes of investment units, where the ones owned by the Group allow it to control the entities as required by IFRS 10 (i.e. all the major decisions are to be decided by Cordia International). Please also refer to Note 2 (d) about net assets attributable to non-controlling investment unit holders of these two funds.

4. Significant accounting policies

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

(a) Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss for the year except for the exchange gains and losses related to cash flow hedges or hedges for qualified investments which shown in other comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within finance costs and finance income respectively, unless they are capitalized as explained in Note 4(i) ("Borrowing costs"). All other foreign exchange gains and losses are presented net also in the income statement within finance costs and finance income respectively.

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

(b) Revenue

Revenue is recorded based on IFRS 15 from 1 January 2018. Management assessed the difference between IAS 18 and IFRS 15 and identified that transition to IFRS 15 had no impact on the consolidated financial statements.

Below the accounting policy for IFRS 15 is described based on the 5-step model.

Identifying the contract

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

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

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

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

Identify the performance obligations

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

A performance obligation is a promise to provide a distinct good or service or a series of distinct goods or services. At contract inception, Cordia Group assesses the goods or services promised to a customer, and identifies each promise to transfer as either:
a. a good or service (or a bundle of goods or services) that is distinct; or
b. a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

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

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

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

Cordia Group considers each property (i.e. apartment, parking lot, storage) as one performance obligation. Cordia Group transfers the control to the customer over the properties at the same time. Revenue for different property types is not reported separately. Services are not sold together with the properties. Based on this, Cordia Group treats properties in each customer contract as a single performance obligation, because separation would not have an impact on the financial statements.

Determining the transaction price

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

Allocating the transaction price to separate performance obligations

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

Recognizing revenue

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

Control either transfers over time or at a point in time. Management needs to determine, at contract inception, whether control of a good or service transfers to a customer over time or at a point in time. If the performance obligation is not satisfied over time, it is satisfied at a point in time.

Revenue is recognised over time if any of the following three criteria are met:
a. the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
b. the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
c. the entity's performance does not create an asset with an alternative use to the entity, and the entity has an enforceable right to payment for performance completed to date.

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

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

Based on the indicators above, Cordia Group recognizes revenue based on date of transferring the control of the properties to the customers. Please see the detailed accounting policy in Note 3 (e) about critical judgments.

Other considerations

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

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

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

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

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

(c) Financial instruments

As described previously, the Group applies IFRS 9 for accounting of financial instruments from 1 January 2018. Management assessed the differences between IAS 39 and IFRS 9 and identified that transition to IFRS 9 had no significant impact on the consolidated financial statements.

Classification and measurement

Financial assets

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

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

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

- The entity's business model for managing the financial asset.
- The contractual cash flows characteristics of the financial asset.

A financial asset should be subsequently measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding; 'principal' and 'interest'.

A financial asset should be subsequently measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both holding financial assets in order to collect contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

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

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

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

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

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

Financial liabilities

Cordia Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract. It is, therefore, necessary to measure those contractual rights and obligations on initial recognition.

All financial liabilities in IFRS 9 are initially recognised at fair value, minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability.
There are two measurement categories for financial liabilities: fair value, and amortised cost. Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL or an entity has opted to measure a liability at FVTPL.

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

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

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

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

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

Offsetting financial assets and financial liabilities

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

Impairment of financial assets

Cordia Group applies IFRS 9 impairment model to:

- investments in debt instruments measured at amortised cost;
- investments in debt instruments measured at fair value through other comprehensive income (FVOCI);
- all loan commitments not measured at fair value through profit or loss;
- financial guarantee contracts to which IFRS 9 is applied and that are not accounted for at fair value through profit or loss; and
- lease receivables that are within the scope of IAS 17, 'Leases', trade receivables and contract assets within the scope of IFRS 15 that give rise to a conditional right to consideration.

The model does not apply to investments in equity instruments.

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

- Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that (at the option of the entity) have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the ECL that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date and this option is taken by the entity) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the ECL that result from all possible default events over the maximum contractual period during which the entity is exposed to credit risk. ECL are the weighted average credit losses, with the respective risks of a default occurring as the weights.
- Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

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

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

Where inter-company loans do not meet any of the three criteria above, lifetime expected credit losses will need to be calculated, which are more likely to give rise to a material impairment provision.
For trade receivables, contract assets and lease receivables Cordia Group applies simplifications eliminate the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred.
For trade receivables or contract assets that do not contain a significant financing component, the loss allowance should be measured at initial recognition and throughout its life at an amount equal to lifetime ECL. As a practical expedient, a provision matrix is be used to estimate ECL for these financial instruments

(d) Trade and other receivables

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

(e) Receivables from related parties

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

(f) Cash and cash equivalents

Cash and cash equivalents in the statement of financial positions comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, except for collateralized deposits.

The overdrafts are shown in current liabilities in borrowings line.

(g) Trade and other payables

Trade payables are contract amount payable in the normal business activity for goods and services. Trade payables are classified as current liabilities if the payment term is less than 12 months, in any other cases they are classified as non-current liability.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(h) Liabilities to related parties

Liabilities to related parties are contract amount payable in the normal business activity for goods and services, as well as loans payable to affiliates. Liabilities to related parties are classified as current liabilities if the payment term is less than 12 months, in any other cases they are classified as non-current liability.

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

(i) Borrowings

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

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

(j) Property and equipment

i. Recognition and measurement

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

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

ii. Depreciation

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

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

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

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

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

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

(k) Leases

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

(l) Inventories of residential units

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

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

Project construction costs include:

- land or leasehold rights for land;
- construction costs paid to the general contractor building the residential project;
- planning and design costs;
- perpetual usufruct fees and real estate taxes incurred during the period of construction;
- borrowing costs to the extent they are directly attributable to the development of the project (see accounting policy (q));
- professional fees attributable to the development of the project;
- construction overheads and other directly related costs.

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

(n) Impairment of non-financial assets

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

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

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

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

(o) Equity

i. Share capital

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

ii. Share premium

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

(p) Dividend distribution

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

(q) Borrowing costs

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

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

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

(r) Interest income and expense

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

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

(s) Current and deferred income tax

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

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

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

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

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

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

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

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

(t) Fair Value

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

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

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

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

5. Adoption of new and revised Standards

A) New and amended standards adopted by the group

- IFRS 9 "Financial Instruments: Classification and Measurement" (amended in July 2014 and effective for annual periods beginning on or after 1 January 2018). Key features of the new standard are:
    - Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortized cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).
    - Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortized cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.
    - Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.
    - Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.
    - IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.

The adoption of IFRS 9 has no significant impact on the consolidated financial statements, because:

- All the financial assets and financial liabilities will continue to be recorded at amortized cost using the effective interest rate method. Therefore there will be no difference arising regarding classification and measurement of financial instruments.
- Entities within group does not have material third-party receivables. Financial assets consist mainly of cash and cash equivalents; restricted deposits at banks and related party loans. Management believes that expected credit loss arising on these items is immaterial, therefore no adjustment is made as a result of transition to IFRS 9.
- The group does not have any derivatives.

In accordance with the transitional provisions in IFRS 9(7.2.15) and (7.2.26), comparative figures have not been restated.

	Measurement category		Carrying amount		
01.01.2018	**Original (IAS 39)**	**New (IFRS 9)**	**Original**	**New**	**Difference**
Non-current financial asset					
Long-term receivables from related parties	Amortized cost	Amortized cost	1,050,379	1,050,379	0
Loans receivables from third parties	Amortized cost	Amortized cost	11,493	11,493	0
Restricted Cash	Amortized cost	Amortized cost	5,483,415	5,483,415	0
Current financial assets					
Securities	Fair value through profit or loss	Fair value through profit or loss	30,119	30,119	0
Restricted Cash	Amortized cost	Amortized cost	2,720,115	2,720,115	0
Short-term receivables from related parties	Amortized cost	Amortized cost	1,807,482	1,807,482	0
Trade and other receivables	Amortized cost	Amortized cost	332,278	332,278	0
Cash and cash equivalents	Amortized cost	Amortized cost	9,971,253	9,971,253	0
Non-Current financial liabilities					
Loans and borrowings	Amortized cost	Amortized cost	5,746,281	5,746,281	0
Long-term liabilities to related parties	Amortized cost	Amortized cost	2,441,517	2,441,517	0
Current financial liabilities					
Trade and other payables	Amortized cost	Amortized cost	2,837,287	2,837,287	0
Loans and borrowings	Amortized cost	Amortized cost	735,812	735,812	0
Short-term liabilities to related parties	Amortized cost	Amortized cost	3,284,215	3,284,215	0

- IFRS 15 "Revenue from customers": Please refer to Note 3 (e)

- IFRIC 22 - Foreign Currency Transactions and Advance Consideration (issued on 8 December 2016, the EU has endorsed the interpretation on 1 January 2018). The interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) on the derecognition of a non-monetary asset or non-monetary liability arising from an advance consideration in a foreign currency. Under IAS 21, the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transaction for each payment or receipt of advance consideration. IFRIC 22 only applies in circumstances in which an entity recognizes a non-monetary asset or non-monetary liability arising from an advance consideration. IFRIC 22 does not provide application guidance on the definition of monetary and non-monetary items. An advance payment or receipt of consideration generally gives rise to the recognition of a non-monetary asset or non-monetary liability, however, it may also give rise to a monetary asset or liability. An entity may need to apply judgment in determining whether an item is monetary or non-monetary.

  Some projects have been completed, so the relating revenues are recognized in compliance with the new methodology. Since the majority of the invoicing has the same currency as the functional currency of the entities, the application of IFRIC 22 has no significant impact on the financial statements.

B) Impact of standards issued but not yet applied by the Group

- IFRS 16, Leases (issued in January 2016 and effective for annual periods beginning on or after 1 January 2019). The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases.

All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the group's operating leases (The Group is presenting operating lease commitments according to IAS 17 in Note 19.) As at the reporting date, the group has non-cancellable operating lease commitments of approximately HUF 1 800 000 thousand. However, this is just an estimation and the group has not yet determined to what extent these commitments will result concretely in the recognition of an asset and a liability for future payments and how this will affect factually the group's profit and classification of cash flows.

6. Revenue

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	2018	2017
Revenue from sale of real estate	16,885,450	3,658,871
Other revenue	2,968,556	3,259,270
Total revenue	**19,854,006**	**6,918,141**

Revenue from sales of real estate is recognized at point in time and consists of sale of residential units and related parking lots and storage, while other revenue includes revenues from rental and service charge, as well as assignment fees for the purchase right of a land plot, which – in majority – are recognized over time.

The Group finished three projects in Hungary and one in Poland and started to hand over the apartments to its customers in 2018. The Group has not completed, nor delivered to its clients, any residential projects during 2017.

Please refer also to note 20 about related party transactions.

For the period ended 31 December 2018 *In thousands of Hungarian Forints (THUF)*	2018
Opening balance of capitalized variable sales commissions	**306,495**
Increase in contract assets	281,269
Amortization of contract assets	(161,591)
Closing balance of capitalized variable sales commissions	**426,173**

Please refer also to note 15(e) about contract liabilities, note 19 about the contracted sales and note 26 about the sales breakdown by segment.

7. Cost of sales

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	2018	2017
Cost of sales of main activities	11,920,952	2,660,741
Cost of sales of other revenue	228,703	278,370
Total cost of sales	**12,149,655**	**2,939,111**

Cost of sales of other revenue consists of service charge costs and depreciation of the investment properties. Selling investment property was a one-off item in the previous year, which contributed most of the cost of sales of other revenue balance. No such transaction occurred during 2018.

8. Selling and marketing expenses

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	2018	2017
Advertising	1,245,256	704,853
Sales and other	711,535	436,682
Total selling and marketing expenses	**1,956,791**	**1,141,535**

The majority of selling and marketing expenses is related to advertising residential properties under construction. Sales and other costs includes all the sales costs not directly related and not incremental to a specific customer contract. Incremental sales bonuses are capitalized as "Other long-term assets" in an amount of THUF 426,173 as of 31 December 2018 (THUF 306,495 as of 31 December 2017).

9. Administrative expenses

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	**2018**	**2017**
Personnel expenses and external services	1,366,235	1,522,148
Materials and energy	46,579	35,385
Depreciation	154,930	124,108
Bank fees and other charges	61,516	178,456
Total administrative expenses	**1,629,260**	**1,860,097**

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

10. Breakdown of expenses by nature

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	**2018**	**2017**
Employee benefits expenses	481,838	1,317,088
Material type expenditures	2,949,283	1,560,436
Depreciation and amortization	154,930	124,108
Total	**3,586,051**	**3,001,632**

11. Other expenses

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	**2018**	**2017**
Taxes	152,182	106,752
Fines, penalties, default interest and compensation	189,189	0
Other	268,613	5,937
Total other expense	**609,984**	**112,689**

12. Other income

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	**2018**	**2017**
Net gain (loss) on non-current asset held for sale and investment property sold	0	1,140,694
Other	19,570	9,011
Total other income	**19,570**	**1,149,705**

13. Finance income and expense

For the year ended 31 December 2018

In thousands of Hungarian Forints (THUF)	**Total amount**
Interest income	294,912
Other finance income	961,613
Finance income	**1,256,525**
Interest expense	35,531
Other finance expense	1,101,313
Finance expense	**1,356,844**
Net finance income / (expense)	**119,681**

For the year ended 31 December 2017

In thousands of Hungarian Forints (THUF)	**Total amount**
Interest income	115,292
Other finance income	820,377
Finance income	**935,669**
Interest expense	214,517
Other finance expense	619,285
Finance expense	**833,802**
Net finance income / (expense)	**101,867**

Other finance income and cost is mainly related to realized foreign exchange differences on borrowing and trade payables.

Please refer to Note 16(a) about loans granted to related parties, which generates most of the interest income. Interest expense is recognized mainly for bank and related party loans. Please also refer to Note 16(d) about loans and Note 16(e) about liabilities to related parties.

14. Income tax

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	2018	2017
Current tax		
Current period	245,489	91,640
Taxation in respect of previous periods	0	0
Total current tax expense / (benefit)	**245,489**	**91,640**
Deferred tax		
Origination and (reversal) of temporary differences	21,227	103,644
Tax losses utilized / (recognized)	0	8,747
Total deferred tax expense / (benefit)	**21,227**	**112,391**
Total income tax expense / (benefit)	**266,616**	**204,031**

Reconciliation of effective tax rate

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	2018	2017
Profit / (loss) for the year	3,389,536	1,912,250
Total income tax expense / (benefit)	266,616	204,031
Profit / (loss) before income tax	**3,656,152**	**2,116,281**
Expected income tax using the Hungarian tax rate (9%)	**305,058**	**190,465**
***Tax effect of*:**		
Impact of other income taxes[2]	49,466	44,621
Non-taxable profit[3]	(126,867)	(91,555)
Other differences[4]	38,959	60,500
Tax expense for the period	**266,616**	**204,031**
Effective tax rate	7%	10%

[2] This line mainly includes the impact of Hungarian local business tax, which is also classified as income tax based on IAS 12.
[3] Hungarian investments funds are not subject to income tax.
[4] Other differences contain non deductible expenses, impacts of different tax rates used at foreign entities, change in tax rate in Hungary in 2017 and foreign exchange differences. None of these items are material separately.

15. Non-financial assets and liabilities

This note provides information about the group's non-financial assets and liabilities, including specific information about each type of non-financial asset and non-financial liability:

- Intangible assets (note 15(a))
- Property, plant and equipment (note 15(b))
- Inventories (note 15(c))
- Other assets (note 15(d))
- Customer advances (note 15(e))
- Other tax receivables (note 15(f))
- Other long-term liabilities (note 15(g)).

15.(a) Intangible assets

For the year ended 31 December 2018 *In thousands of Hungarian Forints (THUF)*	**Software**	**Intellectual property and rights**	**Total**
Cost or deemed cost			
Balance at 1 January	15,502	142,963	158,465
Additions	9,117	96,717	105,834
Sales and disposals	(5,186)	(2,329)	(7,515)
Closing balance	**19,433**	**237,351**	**256,784**
Depreciation and impairment losses			
Balance at 1 January	3,930	17,547	21,477
Depreciation for the period	7,347	42,510	49,857
Sales and disposals	(1,293)	(1,113)	(2,406)
Closing balance	**9,984**	**58,944**	**68,928**
Carrying amounts			
At 1 January	11,572	125,416	136,988
Closing balance	**9,449**	**178,407**	**187,856**

The increase in intangible assets consists of the normal office software and the implementation of IT systems.. All intangible assets has finite useful lives and they are amortized using the straight-line method. Average useful life is 3 years.

15.(b) Property and equipment

For the year ended 31 December 2018 *In thousands of Hungarian Forints (THUF)*	**Buildings**	**Machinery and vehicles**	**Furniture, fittings and equipment**	**Assets under construction**	**Total**
Cost or deemed cost					
Balance at 1 January	264,320	45,983	373,218	0	683,521
Additions	84,027	6,837	112,916	210,797	414,577
Sales and disposals	0	0	(6,705)	0	(6,705)
Capitalization	0	0	0	(203,780)	(203,780)
Closing balance	**348,347**	**52,820**	**479,429**	**7,017**	**887,613**
Depreciation and impairment losses					
Balance at 1 January	8,073	12,210	99,249	0	119,532
Depreciation for the period	17,460	3,064	80,766	0	101,290
Sales and disposals	0	0	(3)	0	(3)
Closing balance	**25,533**	**15,274**	**180,022**	**0**	**220,829**
Carrying amounts					
At 1 January	256,247	33,773	273,969	0	563,989
Closing balance	**322,814**	**37,546**	**299,407**	**7,017**	**666,784**

Impairment loss

In the years ended 31 December 2018 and 31 December 2017, the Group did not recognize any impairment loss with respect to property and equipment.

15.(c). Inventory

For the year ended 31 December 2018

In thousands of Hungarian Forints (HUF)	**Opening balance 01.01.2018**	**Closing balance 31.12.2018**
Borrowing costs	768,622	802,936
Construction costs	13,843,132	21,486,689
Acquisition	11,898,011	11,058,613
Lands	7,453,253	12,789,776
Engineering and construction fees	1,380,158	3,359,331
Planning	1,521,792	2,094,340
Other	260,239	629,647
Work in progress	**37,125,207**	**52,221,332**

In thousands of Hungarian Forints (HUF)	**Opening balance 01.01.2018**	**Closing balance 31.12.2018**
Finished goods	**236,773**	**6,424,014**

In thousands of Hungarian Forints (HUF)	**Opening balance 01.01.2018**	**Closing balance 31.12.2018**
Goods for resale	**0**	**67,960**

In thousands of Hungarian Forints (HUF)	**Opening balance 01.01.2018**	**Closing balance 31.12.2018**
Advances for delivery of goods	**174,724**	**0**

In thousands of Hungarian Forints (HUF)	**Opening balance 01.01.2018**	**Closing balance 31.12.2018**
Write-down	**0**	**0**

In thousands of Hungarian Forints (HUF)	**Opening balance 01.01.2018**	**Closing balance 31.12.2018**
Total inventories at the lower of cost or net realizable value	37,536,704	58,713,306

Write-down revaluating the inventory:

The company internally assessed the net realizable value of the inventory and decreased the value when the net realizable value was lower than the cost amount. In view of the situation in the Hungarian, Polish and Romanian property market in which the Group operates, during the year ended 31 December 2018 and 31 December 2017 the Group performed an inventory review with regard to its valuation to net realizable value based on the valuation report issued by the independent property valuation expert. As a result, during the years ended 31 December 2018 and 31 December 2017, the Group did not made any write-down adjustment. The Group examined a possible write-down on inventory for each project separately, according to the projection of revenues net of cost of sales.

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The valuation of inventory is as follows:

As at 31 December *In thousands of Hungarian Forints (HUF)*	**31.12.2018**	**31.12.2017**
Net realizable value exceeding cost	58,713,306	37,536,704
Valued at net realizable value*	0	0
Total inventory	**58,713,306**	**37,536,704**

*These inventories had to be impaired to net realizable value since their costs exceeded their net realizable value.

For information about future commitments to the general contractor for construction services related to inventory construction, see Note 19.

Inventory is pledged and used to secure bank loans. Please refer to note 16(d) about the pledging.

15.(d) Other assets

In thousands of Hungarian Forints (HUF)	**31.12.2018**	**31.12.2017**
VAT receivables related customer advances	242,616	1,505,296
Advances and prepayments made for inventories	0	277,809
Advances and prepayments made for services	33,985	2,272
Prepaid expenses	844,590	497,104
Total closing balance	**1,121,191**	**2,282,481**
Closing balance includes:		
Other long-term assets	819,992	1,859,010
Other short-term assets	301,199	423,471
Total closing balance	**1,121,191**	**2,282,481**

Based on the Hungarian legislation, in case advances from customers, VAT[5] shall be paid by the Company upon receiving the advance from the customer. This amount is shown as other asset and it is deductible from the VAT payable upon invoicing the final invoice to the customer (i.e. upon handing over the finished apartments). Since finalizing the construction projects takes more than one year, the VAT related to project to be completed after 31 December 2018 is classified as non-current. Balances presented as other assets are not a financial assets based on IFRS 9.

[5] generally VAT is 5% for these type of properties in Hungary

15.(e) Customer advances received

The table below presents the breakdown of customer advances received by projects:

In thousands of Hungarian Forints (HUF)	**31.12.2018**	**31.12.2017**
Villena	28,865	1,694,189
Cordia Development 1 Alap	1,718,788	5,223,591
Cordia Development 2 Alap	2,217,585	3,342,709
Cordia Global 1 Alap	3,272,616	3,392,945
Cordia Global 2 Alap -	6,754,793	4,006,884
Cordia Global 3 Alap	2,998,061	2,018,063
Cordia Global 4 Alap	4,059,227	1,915,267
Cordia Global 5 Alap	696,197	119,950
Cordia Global 7 Alap	5,515,641	2,212,259
Cordia Global 8 Alap	2,164,264	1,431,875
Cordia Global 9 Alap	317,684	117,173
Cordia Global 10 Alap	362,959	0
Cordia Global 11 Alap	1,353,576	0
Cordia Global 12 Alap	397,942	0
Cordia Global 17 Alap	184,279	0
Cordia Global 18 Alap	145,137	0
Cordia FM Társasházkezelő Kft	37,459	0
Cordia Corarilor Development SRL	15,546	0
Cordia Wroclaw I Sp. Z o.o.	2,347,030	45,963
Projekt Warszawa 1 Cordia Poland GP One	1,176,157	7,065
Total closing balance	**35,763,806**	**25,527,933**

Closing balance includes:		
Current liabilities	28,127,855	20,190,907
Non-current liabilities	7,635,951	5,337,026
Total closing balance	**35,763,806**	**25,527,933**

For the year ended *In thousands of Hungarian Forints (THUF)*	**2018**
Opening balance of customer advances	**25,527,933**
Increase in contract liabilities from customer advances received for not completed performance obligations	16,651,453
Revenue recognised that was included in the contract liability balance at the beginning of the period	(6,415,580)
Closing balance of customer advances	**35,763,806**

15.(f) Other tax receivables

Other tax receivables contains each year the receivables coming from different non-income tax type of taxes. The majority is VAT, balances from other taxes are not material. Since the Companies paid significant input VAT for their purchases and currently output VAT is not significant,
VAT related to customer advances is presented separately under the line of “other current assets”, please refer also to Note 15(d).

15.(g) Other long-term liabilities

Other long-term liabilities include trade payables due after one year from the balance sheet date. It is highly common in the construction industry, that suppliers assume warranty for their work for a certain period of time. Based on the contracts, certain payments are due only after the expiration of the warranty period. The general warranty period is between 1-2 years, therefore the time value of the money is considered to be highly immaterial.

16. Financial assets and financial liabilities

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

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

The group holds the following financial instruments:

For the year ended 31 December 2018:

In thousands of Hungarian Forints (HUF)	Financial assets at FV through P/L	Financial assets at amortized cost	Total
Non-current financial assets			
Long-term receivables from related parties	0	1,150,746	**1,150,746**
Loans receivables from third parties	0	8,426	**8,426**
Restricted Cash	0	10,869,940	**10,869,940**
Current financial assets			
Securities	29,553	0	**29,553**
Restricted Cash	0	240,281	**240,281**
Short-term receivables from related parties	0	4,359,861	**4,359,861**
Trade and other receivables	0	192,521	**192,521**
Cash and cash equivalents	0	12,289,550	**12,289,550**
Total financial assets	**29,553**	**29,111,325**	**29,140,878**

For the year ended 31 December 2018

In thousands of Hungarian Forints (HUF)	Financial liabilities at amortized cost	Total
Non-current financial liabilities		
Loans and borrowings	4,829,609	4,829,609
Long-term liabilities to related parties	2,691,668	2,691,668
Current financial liabilities		
Trade and other payables	4,670,744	4,671,734
Loans and borrowings	5,239,689	5,239,689
Short-term liabilities to related parties	4,862,043	4,862,043
Total financial liabilities	**22,293,753**	**22,293,753**

For the year ended 31 December 2017:

n thousands of Hungarian Forints (HUF)	Financial assets at FV through P/L	Financial assets at amortized cost	Total
Non-current financial assets			
Long-term receivables from related parties	0	1,050,379	1,050,379
Loans receivables from third parties	0	11,493	11,493
Restricted Cash	0	5,483,415	5,483,415
Current financial assets			
Securities	30,119	0	30,119
Restricted Cash	0	2,720,115	2,720,115
Short-term receivables from related parties	0	1,807,482	1,807,482
Trade and other receivables	0	332,278	332,278
Cash and cash equivalents	0	9,971,253	9,971,253
Total financial assets	**30,119**	**21,376,415**	**21,406,534**

For the year ended 31 December 2017

In thousands of Hungarian Forints (HUF)	Financial liabilities at amortized cost	Total
Non-current financial liabilities		
Loans and borrowings	5,746,281	5,746,281
Long-term liabilities to related parties	2,441,517	2,441,517
Current financial liabilities		
Trade and other payables	2,837,287	2,837,287
Loans and borrowings	735,812	735,812
Short-term liabilities to related parties	3,284,215	3,284,215
Total financial liabilities	**15,045,112**	**15,045,112**

16.(a) Receivables from related parties

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

In thousands of Hungarian Forints (HUF)	31.12.2018	31.12.2017
Trade receivables	36,448	72,752
Loan receivables	4,343,378	2,678,363
Accrued interest receivables	235,824	4,938
Accrued expenses	246,836	44,370
Accrued revenue	372,214	46,877
Other receivables	275,907	10,561
Total closing balance	**5,510,607**	**2,857,861**

Closing balance includes:		
Current assets	1,150,746	1,807,482
Non-current assets	4,359,861	1,050,379
Total closing balance	**5,510,607**	**2,857,861**

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

In thousands of Hungarian Forints (HUF)	2018
Opening balance	**2,678,363**
Loans granted (short-term)	2,678,363
Loans granted (long-term)	1,924,511
Loans repaid	(3,078)
Impact of acquisition	(315,317)
Revaluation	(74,716)
Other	93,024
Total closing balance	**4,343,378**

In thousands of Hungarian Forints (HUF)	31.12.2018	31.12.2017
HUF	380,331	140,859
EUR	604,322	1,399,397
PLN	4,525,898	1,317,605
RON	56	0
Total closing balance	5,510,607	**2,857,861**

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

As of 31 December 2018

In thousands of Hungarian Forints (HUF)

Counterparty	Balance	Maturity	Interest rate	Currency
Related Party	1 084 815	2022.12.31	EURIBOR 3M + 3,2%	EUR
Related Party	3 258 563	on demand	WIBOR 1M +3,0%	PLN

As of 31 December 2017

In thousands of Hungarian Forints (HUF)

Counterparty	Balance	Maturity	Interest rate	Currency
Related Party	1 050 379	2022.12.31	EURIBOR 3M + 3,2%	EUR

16.(b) Trade and other receivables

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

In thousands of Hungarian Forints (HUF)	31.12.2018	31.12.2017
Gross trade receivables	87,029	26,133
Decreased by impairment	(6,950)	0
Net trade receivables	**80,079**	**26,133**
Vendor overpayment	37,357	143,490
Accrued revenue	150	153,191
Other receivables	73,935	9,464
Total trade and other receivables	**191,521**	**332,278**

Classification as trade and other receivables

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

Other receivables

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

The following tables presents the maturity of trade receivables:

In thousands of Hungarian Forints (HUF)			31.12.2017
Trade receivables			
Overdue	Not	5,100	19,52 %
	1-30 days	8,079	30,91 %
	31-90 days	2,503	9,58 %
	91-364 days	9,741	37,27 %
	365+ day	710	2,72 %
Total closing balance		**26,133**	**100 %**

In thousands of Hungarian Forints (HUF)		31.12.2018
Trade receivables		
Overdue	Not	80,079
	1-30 days	0
	31-90 days	0
	91-364 days	0
	365+ day	6,950
Total closing balance		87,029

As at 31 December

In thousands of Hungarian Forints (HUF)	31.12.2018	31.12.2017
Opening	**0**	**653**
Impairment loss	6,950	0
Reversal of impairment	0	(653)
Closing impairment balance	6,950	**0**

As at 31 December 2018 the Group has allowance for doubtful debts in the amount of HUF 6,950 thousand. As at 31 December 2017 the Group had no allowance for doubtful debts.
During the year ended 31 December 2018, the Group wrote down an amount of HUF 6,950 thousand, respectively as irrecoverable debts included in trade and other receivables.

In thousands of Hungarian Forints (HUF)	31.12.2018	31.12.2017
HUF	140,872	300,136
EUR	11,642	304
PLN	38,630	31,838
RON	647	0
Total closing balance	**191,521**	**332,278**

16.(c) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits freely available for the Group. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits have a duration varying between one day and three months depending on the immediate cash requirements of the Group. As at 31 December 2018 and 31 December 2017, they earn interest at the respective short-term deposit rates.

In thousands of Hungarian Forints (HUF)	31.12.2018	31.12.2017
Cash at bank and in hand	12,289,550	9,941,859
Short-term deposit	0	29,394
Total cash and cash equivalents	**12,289,550**	**9,971,253**

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

In thousands of Hungarian Forints (HUF)	31.12.2018	31.12.2017
EUR	1,630,604	1,736,136
USD	4,898	102
PLN	1,650,138	1,037,033
HUF	8,994,679	7,197,753
RON	9,231	74
ILS	0	155
Total cash and cash equivalents	**12,289,550**	**9,971,253**

The Group minimizes its credit risks by holding its funds in financial institutions with high credit ratings as follows*:

In thousands of Hungarian Forints (HUF)	31.12.2018	31.12.2017
A	4,982,613	5,512,268
A-	1,101,760	1,970
AA-	436,822	1,271,554
BBB+	413,901	870,454
BBB	1,063,601	648,892
BBB-	2,010,981	1,465,430
BB+	2,255,312	196,654
Cash at hand	24,560	4,031
Total cash and cash equivalents	**12,289,550**	**9,971,253**

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

For information about the fair value of cash and cash equivalents see Note 17.

There is no pledge over cash and cash equivalents see.

16.(d) Loans and borrowings

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

For the year ended 31 December *In thousands of Hungarian Forints (HUF)*	**2018**
Opening balance	**6,482,075**
Acquisitions	0
New bank loan drawdown	16,108,315
Loan repayments	(12,584,290)
Other changing (FX, other correction)	63,198
Total closing balance	**10,069,298**

	31.12.2018	**31.12.2017**
Closing balance includes:		
Current liabilities	5,239,689	735,812
Non-current liabilities	4,829,609	5,746,263
Total closing balance	**10,069,298**	**6,482,075**

In thousands of Hungarian Forints (HUF)	**31.12.2018**	**31.12.2017**
HUF	7,668,640	3,937,634
EUR	669,315	1,292,022
PLN	1,731,343	1,252,419
Total closing balance	**10,069,298**	**6,482,075**

Conditions of significant loans and borrowings:

Loans related to the Hungarian entities:

As of 31 December 2018

	Bank	Loan currency	Maturity	Interest %	31.12.2018 Withdrawn	Real estate property mortgage	Covenant breached?
Cordia Development 2 Fund	Takarék Bank	HUF	2020.10.08	1 month BUBOR + margin	1,152,186	Yes	NO
Cordia Development 2 Fund	Takarék Bank	HUF	2020.10.08	1 month BUBOR + margin	50,114		
Cordia Global 3 Fund	Takarék Bank	HUF	2019,.12.21	1 month BUBOR + margin	2,006,176	Yes	NO
Cordia Global 3 Fund	Takarék Bank	HUF	2019.12.21	1 month BUBOR + margin	33,863		
Cordia Global 4 Fund	Unicredit	HUF	2020.05.29	3 month BUBOR + margin	2,246,007	Yes	NO
Cordia Global 4 Fund	Unicredit	HUF	2020.05.29	3 month BUBOR + margin	231,819		
Cordia Global 5 Fund	Takarék Bank	HUF	2020.11.26	1 month BUBOR + margin	211,414	Yes	NO
Cordia Global 5 Fund	Takarék Bank	HUF	2020.11.26	1 month BUBOR + margin	2,394		
Cordia Global 7 Fund	OTP Bank	HUF	2020.03.20	1 month BUBOR + margin	422,116	Yes	NO
Cordia Global 8 Fund	OTP Bank	HUF	2020.03.20	1 month BUBOR + margin	1,312,550	Yes	NO
Cordia Global 8 Fund	OTP Bank	HUF	2020.03.20	1 month BUBOR + margin	0	Yes	NO
Sasad Resort 2	Hungarian Real Estate Financing Zrt	EUR	2019.06.30	1 month BUBOR + margin	669,315	Yes	NO

As of 31 December 2017

Company	Bank	Loan currency	Maturity	Interest %	31.12.2017 Withdrawn	Real estate property mortgage	Covenant breached?
Cordia Development 1 Fund	FHB	HUF	2019.09.19	1 month BUBOR + margin	261,423	Yes	NO
Cordia Development 1 Fund	FHB	HUF			0		
Cordia Development 2 Fund	FHB	HUF	2019.09.19	1 month BUBOR + margin	1,169,142	Yes	NO
Cordia Development 2 Fund	FHB	HUF			4,496		
Cordia Development 2 Fund	FHB	HUF	2020.10.08	1 month BUBOR + margin	0	Yes	NO
Cordia Development 2 Fund	FHB	HUF			0		
Cordia Global 2 Fund	OTP	HUF	2019.08.31	1 month BUBOR + margin	1,883,394	Yes	NO
Cordia Global 2 Fund	OTP	HUF			44,858		
Cordia Global 3 Fund	FHB	HUF	2019.12.21	1 month BUBOR + margin	260,482	Yes	NO
Cordia Global 3 Fund	FHB	HUF			40,753		
Cordia Global 3 Fund	FHB	HUF	2019.12.21	1 month BUBOR + margin	305,341	Yes	NO
Cordia Global 3 Fund	FHB	HUF			54 000		
Cordia Global 4 Fund	UniCredit	HUF	2020.05.29	1 month BUBOR + margin	0	Yes	NO
Cordia Global 4 Fund	UniCredit	HUF			0		
Cordia Global 8 Fund	OTP	HUF	2020.03.30	1 month BUBOR + margin	0	Yes	NO
Cordia Global 8 Fund	OTP	HUF			0		

Loans related to the Polish entities:

As of 31 December 2018

Company	Bank	Currency	Withdrawn	Maturity	Interest rate	Collateral on property?	Covenant breached?
Cordia Supernova Sp. z o.o.	Alior Bank S.A.	PLN	69,955	2020-04-30 for construction facility ; 2019-12-31 for VAT loan	WIBOR 3M + margin	Yes	No
Projekt Warszawa 1 Cordia Poland GP One Sp. z o.o. Sp. k.	Santander Bank Polska S.A.	PLN	1,661,388	2020-12-19 for Phase I Tranche; 2022-06-19 for Phase II Tranche; 2020-12-19 for VAT loan; 2022-06-19 for VAT loan if Phase II Tranche is paid out	WIBOR 1M + margin	Yes	No

Company	Bank	Currency	Withdrawn	Maturity	Interest rate	Collateral on property?	Covenant breached?
Villena Sp. z o.o.	Santander Bank Polska S.A.	PLN	1,184,050	2019.12.31	WIBOR 1M + margin	Yes	No
Cordia Supernova Sp. z o.o.	Alior Bank S.A.	PLN	36,498	2020-04-30 for construction facility ; 2019-12-31 for VAT loan	WIBOR 3M + margin	Yes	No
Projekt Warszawa 1 Cordia Poland GP One Sp. z o.o. Sp. k.	Santander Bank Polska S.A.	PLN	0	2020-12-19 for Phase I Tranche; 2022-06-19 for Phase II Tranche; 2020-12-19 for VAT loan; 2022-06-19 for VAT loan if Phase II Tranche is paid out	WIBOR 1M + margin	Yes	No

16.(e) Liabilities to related parties

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

In thousands of Hungarian Forints (HUF)	31.12.2018	31.12.2017
Trade payables	0	141,674
Loan	7,028,529	5,236,325
Accrued expenses payables	525,182	347,077
Other liabilities	0	673
Total closing balance	**7,553,711**	**5,725,749**

Closing balance includes:		
Current assets	3,124,653	3,450,854
Non-current assets	4,429,058	2,274,895
Total closing balance	**7,553,711**	**5,725,749**

The table below presents the movement in loans and borrowings:

In thousands of Hungarian Forints (HUF)	2018
Opening balance	**5,236,325**
New loan drawdown	12,534,304
Loan repayments	(10,718,107)
Other changing (revaluation, other correction)	(23,993)
Total closing balance	**7,028,529**

The tables below present the most important conditions of the significant related party loans of the Group:

31-Dec-18

Entity	Counterparty	Balance (in THUF)	Maturity	Currency
HU entity	Related Party	2,660,497	Current	EUR
PO Entity	Related Party	4,368,032	Non-Current	EUR
Total		**7,028,529**		

31-Dec-17

Entity	Counterparty	Balance (in THUF)	Maturity	Currency
HU entity	Related Party	2,990,887	Current	EUR
PO Entity	Related Party	2,025,264	Non-Current	PLN
PO Entity	Related Party	220,174	Non-Current	EUR
Total		**5,236,325**		

In thousands of Hungarian Forints (HUF)	**31.12.2018**	**31.12.2017**
HUF	1,354,907	385,613
EUR	6,183,412	3,314,872
PLN	12,286	2,025,264
RON	3,106	0
Total closing balance	**7,553,711**	**5,725,749**

16.(f) Trade and other payables

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

In thousands of Hungarian Forints (HUF)	**31.12.2018**	**31.12.2017**
Trade payables	3,976,604	2,517,382
Accrued expenses	112,783	229,901
Other payables	382,520	201,735
Closing balance	**4,471,907**	**2,949,018**

Trade payables are unsecured and are usually paid within 30 days of recognition.

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

In thousands of Hungarian Forints (HUF)	**31.12.2018**	**31.12.2017**
HUF	3,163,959	1,517,875
EUR	71,091	67,990
PLN	797,778	1,363,153
RON	438,573	0
GBP	506	0
Total closing balance	**4,471,907**	**2,949,018**

17. Shareholders' equity

17.(a) Share capital

The parent company's share capital is EUR 30,000,000 (9,252,912 thousands HUF) consisting of ordinary shares with nominal value of EUR 1 in the number of 30,000,000. All shares are fully paid. Ordinary shares provide the rights to the holders on a pro-rata basis.

	31.12.2018			
Company	**Nominal value of shares (THUF)**	**Ownership percentage**	**Nominal value of shares (THUF)**	**Ownership percentage**
Sparks Limited	9,252,912	100.00%	**9,252,912**	**100.00%**
Total	**9,252,912**	**100.00%**	**9,252,912**	**100.00%**

	31.12.2017			
Company	**Nominal value of shares (THUF)**	**Ownership percentage**	**Nominal value of shares (THUF)**	**Ownership percentage**
Futureal Property Group Ingatlanforgalmazó Kft.	37,322	0.40%	37,322	0.40%
Sparks Limited	5,773,623	62.40%	5,773,623	62.40%
FutInvest Hungary Kft.	2,886,811	31.20%	2,886,811	31.20%
Futureal Real Estate Holding Ltd.	555,156	6.00%	555,156	6.00%
Total	**9,252,912**	**100.00%**	**9,252,912**	**100.00%**

17.(b) Share premium

In thousands of Hungarian Forints (HUF)	**2018**
Opening balance	**592,166**
Proceeds from capital increase	0
Closing balance	**592,166**

17.(c) Other reserves

In thousands of Hungarian Forints (HUF)	**2018**
Opening balance	**(189,439)**
Other capital contribution	(44,943)
Closing balance	**(234,382)**

The effect of the mergers accounted for using the predecessor method is recorded in other reserves. Please refer to Note 2 (a) for the details about current year's transactions.

17.(d) Retained earnings

In thousands of Hungarian Forints (HUF)	**2018**
Opening balance	**3,768,631**
Profit of the year	3,348,916
Closing balance	**7,117,547**

18. Fair value estimation of financial assets and liabilities

The solely financial asset that is measured at fair value through profit or loss in the consolidated financial statements is an other investment, that is not material in neither reporting period (the fair value of the listed investment is HUF 29,553 thousands in 2018 and HUF 30,118 thousands in 2017 respectively). All other financial assets and liabilities are measured at amortized cost.. Furthermore, there are no non-financial assets or liabilities that are measured at fair value.
The fair value of the financial assets and liabilities measured at amortized cost approximates their carrying value, as they are loans and receivables either with variable interest rate (e.g. in case of borrowings) or short-term receivables and liabilities, where the time value of money is not material (e.g. in case of related party loans).

19. Commitments and contingencies

Investment commitments:

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

In thousands of Hungarian Forints (HUF)	**31.12.2018**	**31.12.2017**
Cordia Development 1 Alap	119,489	1,319,738
Cordia Development 2 Alap	2,810,954	1,242,899
Cordia Globál 1 Alap	0	1,015,032
Cordia Globál 2 Alap	228,970	2,665,287
Cordia Globál 3 Alap	3,093,534	1,299,951
Cordia Globál 4 Alap	682,971	2,468,391
Cordia Globál 5 Alap	4,466,720	3,320,982
Cordia Globál 6 Alap	10,017,708	0
Cordia Globál 7 Alap	3,175,671	1,456,965
Cordia Globál 8 Alap	2,920,853	1,755,810
Cordia Globál 9 Alap	6,005,825	0
Cordia Globál 10 Alap	1,313,702	0
Cordia Globál 11 Alap	3,716,726	0
Cordia Globál 12 Alap	7,819,627	0
Cordia Globál 17 Alap	225,504	0
Cordia Globál 18 Alap	7,200,000	0
Cordia Wroclaw I Sp. Z o.o	579,127	1,831,591
Projekt Warszawa 1	617,740	2,015,917
Villena Sp. z o.o.	0	317,974
Closing balance	**54,995,121**	**20,710,537**

Unutilized construction loans:

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

In thousands of Hungarian Forints (HUF)	**31.12.2018**	**31.12.2017**
Cordia Development 1 Alap	0	1,617,461
Cordia Development 2 Alap	3,512,712	967,676
Cordia Development 2 Alap	49,886	5,620,000
Villena Sp. z o.o.	0	1,140,761
Projekt Warszawa 1	4,639,890	5,903,815
Cordia Globál 2 Alap	0	2,451,985
Cordia Globál 3 Alap	3,639,967	1,928,057
Cordia Globál 3 Alap	166,137	3,846,650
Cordia Global 4 Fund	597,993	0
Cordia Global 4 Fund	52,181	0
Cordia Global 5 Fund	2,636,086	0
Cordia Global 5 Fund	97,606	0
Cordia Global 7 Fund	1,577,884	0
Cordia Global 8 Fund	3,442,408	0
Cordia Global 8 Fund	200,000	0
Cordia Wroclaw I Sp. Z o.o	6,279,308	2,909,375
Closing balance	**26,892,058**	**26,385,780**

Operating lease commitments:

The table below presents the operating lease fee payable by the Group for the non-cancellable lease-term as of 31 December 2018:

In thousands of Hungarian Forints (HUF)	Within 1 year	Between 1 and 3 years	After 3 years	Total
Office rental contracts	244,128	689,264	814,245	**1,747,637**
Car leases	17,220	35,699	9,207	**62,126**
Total closing balance	261,348	724,963	823,452	**1,809,764**

The table below presents the operating lease fee payable by the Group for the non-cancellable lease-term as of 31 December 2017:

In thousands of Hungarian Forints (HUF)	Within 1 year	Between 1 and 3 years	After 3 years	Total
Office lease	162,423	328,432	960,317	**1,451,172**
Car lease	17,635	28,907	0	**46,272**
Total closing balance	**180,058**	**357,339**	**960,317**	**1,497,444**

Contingent liabilities:

In a sales agreement the company made a commitment to renting of all available spaces. If Cordia breaches the contract, the company will be obliged to make amends for it in amount of THUF 94,120. The Group's Management is not aware of any other contingent liability.

Contingent receivables - contracted sales not yet recognized:

The table below presents amounts to be received from the customers having bought apartments from Cordia and its subsidiary companies and which are based on the value of the sale and purchase agreements signed with the clients until 31 December 2018 after deduction of payments received at reporting date (such payments being presented in the Consolidated Statement of Financial Position as customer advances):

In thousands of Hungarian Forints (HUF)	**31.12.2018**	**31.12.2017**
Cordia Development 1 Alap	3,596,340	5,703,938
Cordia Globál 2 Alap	4,202,352	5,455,356
Cordia Globál 6 Alap	3,400,102	556,735
Cordia Globál 5 Alap	2,555,958	1,581,931
Cordia Globál 1 Alap	2,082,483	2,368,055
Cordia Globál 7 Alap	4,896,054	6,517,014
Cordia Globál 4 Alap	2,643,242	3,476,382
Cordia Globál 8 Alap	3,039,785	4,274,060
Cordia Globál 8 Alap	2,773,479	0
Cordia Globál 9 Alap	1,382,800	0
Cordia Globál 10 Alap	1,521,405	0
Cordia Globál 11 Alap	5,155,482	0
Cordia Globál 12 Alap	3,031,060	0
Cordia Globál 14 Alap	2,005,988	0
Cordia Globál 17 Alap	1,173,017	0
Cordia Development 2 Alap	906,721	5,286,089
Cordia Development 2 Alap	3,720,859	1,721,740
Cordia Globál 3 Alap	3,073,001	3,054,459
Cordia Globál 3 Alap	4,392,593	2,616,532
Cordia Wroclaw I Sp. Z o.o	1,271,685	0
Project Warszawa 1	1,536,889	0
Closing balance	**58,361,295**	**42,612,291**

20. Related parties

Parent company

Please refer to Note 16(e) about loan received from the parent company. Besides this, there were no transactions with the parent company.

For a list of subsidiaries reference is made to Note 2.

The main related parties' transactions arise on:

(a) Property plant and equipment

In thousands of Hungarian Forints (HUF)	2018	2017
Sister company	42,799	201,299
Closing balance	**42,799**	**201,299**

Property, plant and equipment from related parties are mainly purchasing of office equipment.

(b) Semi-finished products and work in progress

In thousands of Hungarian Forints (HUF)	2018	2017
Sister company	528,665	1,760,249
Closing balance	**528,665**	**1,760,249**

Semi-finished products and work in progress from related parties are mainly land plot and related costs, predevelopment works, technical project management fee and design cost.

(c) Other balances

Please refer to Note 16 for detailed description about balances with related parties.

(d) Sales revenue

In thousands of Hungarian Forints (HUF)	2018	2017
Sister company	988,127	3,994,739
Closing balance	**988,127**	**3,994,739**

Sales revenue from related parties is mainly coming from administration, marketing and management fee. Furthermore, the sales revenue contains a land plot assignor fee and its related costs in the amount of 700,322 THUF (2,274,858 THUF in 2017). In 2017 there was an additonal one-off item, the sale of casino property in the amount of 1,132,000 THUF.

(e) Services rendered

In thousands of Hungarian Forints (HUF)	2018	2017
Sister company	397,106	894,995
Closing balance	**397,106**	**894,995**

Services rendered from related parties are mainly utilities and rental costs, shared service center costs, recharged development costs, marketing and sales costs.

(f) Other

In thousands of Hungarian Forints (HUF)	2018	2017
Sister company	120,632	46,535
Closing balance	**120,632**	**46,535**

The row contains interest income.

Transactions with key management personnel

There was no transaction with key management personnel.

Key Management Board personnel compensation

Apart from the compensation listed below, there were no further benefits, including share based payments granted to key management personnel that were granted during 2018. Key management personnel compensation can be presented as follows:

As at 31 December *In thousands of Hungarian Forints (HUF)*	2018	2017
Salary and other short time benefit	24,993	65,788
Incentive plan linked to financial results	188,252	111,731
Total	**213,245**	**177,519**

Loans to directors

As at 31 December 2018 and 31 December 2017, there were no loans granted to directors.

21. Financial risk management, objectives and policies

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

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

(a) Market risk

(i) Foreign exchange risk

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

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

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

The functional currency of the Company is the Hungarian forint and its subsidiaries have different functional currencies depending on the place of activity. The Company and each of its subsidiaries are exposed to currency risk arising from financial instruments held in currencies other than their individual functional currencies. At 31 December 2018 if the Hungarian forint weakened/strengthened by 5% against the euro the post-tax profit for the year would have been 63,326 THUF higher (31 December 2017: 304,262 THUF), which caused mainly by the exchange gain on trade payables and loans denominated in HUF.

(ii) Price risk

The Group has no significant exposure to price risk as it does not hold any equity securities or commodities.

The Group is exposed to price risk other than in respect of financial instruments, such as property price risk including property sales price risk.

The current sales price levels are in line with the market environments of the properties.

(iii) Cash flow and fair value interest rate risks

The Group's interest rate risk principally arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, which is partially covered by the variable rate cash and cash equivalents. The Group has borrowings at fixed rates and therefore has exposure to fair value interest rate risk.
The Group's individual development loans financing the projects have and average duration of less than two years, therefore the interest rate changes on these loans would not have material effect on the Group's result.

Taking into consideration the current market environment the management expects no interest rate decrease, so only the effect of interest rate increase is shown in the following table:

Interest rate increase:	**Yearly effect on profit before tax (THUF)**
0,5 percentage point	50,346

Please also refer to Note 16(a), 16(d) and 16(e) for the main conditions of the loan agreements.

(b) Credit risk

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

(c) Liquidity risk

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

		As at 31 December 2018
In thousands of Hungarian Forints (HUF)	**Less than 1 year**	**Between 1 and 5 years**
Loans and borrowings	5,239,689	4,829,609
Trade and other payables	4,471,907	1,870,338
Liabilities to related parties	3,124,653	4,429,058
Net assets attributable to non-controlling investment unit holders	0	16,286,632
Total	**12,836,249**	**27,415,637**

		As at 31 December 2017
In thousands of Hungarian Forints (HUF)	**Less than 1 year**	**Between 1 and 5 years**
Loans and borrowings	1,107,984	6,701,012
Trade and other payables	2,949,018	651,154
Liabilities to related parties	3,450,854	2,302,646
Net assets attributable to non-controlling investment unit holders	0	7,468,455
Total	**7,507,856**	**17,123,267**

22. Capital management

When managing capital, it is the Group's objective to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the profit appropriation, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio and leverage.

Banking covenants vary according to each loan agreement, but typically are not related directly to the gearing ratio of the Company but to the proportion of loan to value of the mortgage collateral which usually is required not to cross the limit of 70% or 80%.

During the period the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated Statement of Financial Position) less cash and cash equivalents. Leverage is calculated as net debt divided by total capital employed. Total capital employed is calculated as 'equity' as shown in the Consolidated Statement of Financial Position plus net debt financing assets in operation.

The gearing ratios and leverage at 31 December 2018 and 31 December 2017 were as follows:

As at 31 December

In thousands of Hungarian Forints (HUF)	**2018**	**2017**
Loan and borrowings, including current portion	10,069,298	6,482,075
Less: cash and cash equivalents	12,289,550	9,971,253
Net debt	**(2,220,252)**	**(3,489,178)**
Total equity	16,871,412	13,677,447
Total capital employed	**14,651,160**	**10,188,269**
Gearing ratio	-13,16%	-25,51%
Leverage	-15,15%	-34,25%

Neither the Company nor its subsidiaries are subject to externally imposed capital requirements. There were no changes in the Groups approach to capital management during the year.

23. Adjustment in connection with Consolidated Financial Statements as of 31 December 2017

The Group has controlling interest in two investment funds (Finext Real Estate Opportunities Budapest SICAV-SIF Sub-Fund and Finext Real Estate Opportunities One SICAV-SIF Sub-Fund) as of 31 December 2018 (in Finext Real Estate Opportunities One SICAV-SIF Sub-Fund as of 31 December 2017). Please see also Note 2 (c) for more details.
Management of the Group has reviewed the classification and presentation of those investment notes, which are owned by the non-controlling investors. The review discovered that the investment notes owned by the non-controlling investors were not properly presented and will be more fairly and transparently presented if are not classified in equity together with the non-controlling interests of other companies in the group.
Therefore, despite as of 31 December 2017 these balances were presented in equity, as of 31 December 2018, they are presented in the statement of financial position on a separate line called „Net assets attributable to non-controlling investment unit holders". Comparative period has been restated accordingly.
Management believes that this presentation is also more in line with the industry practice and ensures increased comparability with other similar groups.
The restatement did not have an impact on the profit for the year or the cash-flow statement. Since the funds were established in 2017, the change did not have an impact on periods ending before 2017.
Changes in the consolidated statement of financial position and statement of changes in equity are presented below:

Consolidated statement of financial position

In THUF	**31.12.2017 As previously presented**	**Change**	**31.12.2017 Restated**
Shareholders' equity			
Share capital	9,252,912	0	9,252,912
Share premium	592,166	0	592,166
Currency translation reserve	141,872	0	141,872
Other reserves	(189,439)	0	(189,439)
Retained earnings	3,768,631	0	3,768,631
Equity attributable to equity holders of the parent	**13,566,142**	0	**13,566,142**
Non-controlling interests	7,579,760	(7,468,455)	111,305
Total equity	**21,145,902**	(7,468,455)	**13,677,447**
Net assets attributable to non-controlling investment unit holders	**0**	7,468,455	**7,468,455**

Consolidated statement of changes in equity

In THUF	Attributable to the equity holders of the parent							
	Share capital	Share premium	Currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2018 as previously presented	**9,252,912**	**592,166**	**141,872**	**(189,439)**	**3,768,631**	**13,566,142**	**7,579,760**	**21,145,902**
Change							(7,468,455)	
Balance at 1 January 2018 as restated	**9,252,912**	**592,166**	**141,872**	**(189,439)**	**3,768,631**	**13,566,142**	**111,305**	**13,677,447**

24. Subsequent events

Change of the leading shareholder:

Sparks Investments Ltd., the sole shareholder of Cordia International Zrt. sold in May 2019 its entire holding in the Company to QED Investments Ltd., with registered seat in Cyprus. QED Investments Ltd. is also the sole shareholder of Sparks Investments Ltd.

Capital increase:

The new sole shareholder – QED Investments Ltd. – has declared the capital increase of the Company by EUR 27m. Relevant resolution of the Company's shareholders was taken in May. The newly issued shares have been fully paid up already.

Commencement of operations in new market (Spain):

Cordia Group commenced its operations in Spain by purchasing in April (via fully owned and controlled subsidiary) a plot of land in Marbella which is dedicated for development of the residential project comprising potentially up to 120 apartments. The Company plans its development in the Spanish market very carefully with rather opportunistic approach searching for unique opportunities in selected attractive and promising urban areas.

Acquisition of new plots:

The Company's subsidiary has purchased plots of land located in Cracow, in district Podgórze. The purchase agreement was signed in February. The plots are dedicated for development of the residential project comprising over 150 apartments.

A land plot in Bucharest was purchased by Company's subsidiary from a private individual in February 2019.The plot is dedicated for development of the residential project comprising 450 apartments.

A land plot in Bucharest was purchased by Company's subsidiary from a private individual in March 2019. The plot is dedicated for development of the residential project comprising nearly 400 apartments.

In May 2019 the Company's subsidiary purchased a plot of land in Warsaw, district Ursynów. The plot is dedicated for development of the residential project comprising 260 apartments.

In May 2019 the Company's subsidiary entered into the purchase agreement related to plot of land in Budapest, district VIII. The plot is dedicated for development of the residential project comprising approximately 100 apartments.

In June 2019 the Company's subsidiary entered into final sale-purchase agreement related to a plot of land in Sopot, Poland. The plot is dedicated for development of the residential project comprising 120 apartments.

Commencements of new projects:

The Company's subsidiary involved in development of the residential project Lotniczówka (comprising 65 apartments) in Cracow obtained the valid building permit in January 2019 and commenced its realization. The construction works are performed by general contractor Zakład Budowlano-Montażowy Grimbud Sp. z o.o.

The Company's subsidiary involved in development of the residential project Zielone Bemowo in Warsaw (I stage comprising 118 apartments and II stage comprising 200 units) commenced realization of the second stage of this project in February 2019. Construction works are performed by general contractor Fundamental Group S.A.

The Company's subsidiary involved in development of the residential project Parcului20 in Bucharest (I stage comprising 260 apartments and II stage comprising 209 apartments) commenced realization of the first stage of this project in April 2019. Construction works are performed by general contractor Concelex s.r.l.

The Company has commenced also realization of two projects in Budapest: Universo (260 apartments) in District IX and Grand Corvin Phase 2 (360 apartments) in District VIII.

Financing:

Cordia Global Subfund 18: The Fund signed a project construction facility loan with OTP bank in an amount of 7.260.000.000 HUF, the maturity of the loan is December 31st, 2021.

Cordia Global Subfund 10: The Fund signed a project construction facility loan with Sberbank in an amount of 4.610.000.000 HUF, the maturity of the loan is March 31st, 2022.

25. Segment report

Segment information

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

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

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

Revenue

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

Year ended 31 December 2018

In thousands of Hungarian Forints (HUF)	**Total segment revenue**	**Inter-segment revenue**	**Revenue from external customers**
Hungary	13,629,907	7,367	13,622,540
Poland	5,821,889	81,501	5,740,388
Romania	2,671	0	2,671
Other	0	0	0
Total	**19,454,467**	**88,868**	**19,365,599**

Year ended 31 December 2017

In thousands of Hungarian Forints (HUF)	**Total segment revenue**	**Inter-segment revenue**	**Revenue from external customers**
Hungary	3,060,487	0	3,060,487
Poland	3,943,591	85,937	3,857,654
Romania	0	0	0
Other	0	0	0
Total	**7,004,078**	**85,937**	**6,918,141**

Gross profit

Year ended 31 December 2018

In thousands of Hungarian Forints (HUF)	**2018**
Hungary	5,752,657
Poland	1,594,951
Romania	2,608
Other	0
Total	**7,350,216**

Year ended 31 December 2017

In thousands of Hungarian Forints (HUF)	**2017**
Hungary	2,990,457
Poland	988,573
Romania	0
Other	0
Total	**3,979,030**

Net profit

Year ended 31 December 2018

In thousands of Hungarian Forints (HUF)	**2018**
Hungary	3,626,881
Poland	333,080
Romania	(75,916)
Other	(605,850)
Total	**3,278,195**

Year ended 31 December 2017

In thousands of Hungarian Forints (HUF)	**2017**
Hungary	2,115,646
Poland	98,042
Romania	0
Other	(301,438)
Total	**1,912,250**

Assets as 31.12.2018

In thousands of Hungarian Forints (THUF)	Hungary	Poland	Romania	Other
Assets				
Non-current assets				
Intangible assets	179,384	4,202	4,270	0
Investment properties	0	0	0	0
Property, plant and equipment	533,982	108,815	23,987	0
Long-term receivables from third parties	8,426	-	-	0
Long-term receivables from related parties	-	1,150,746	-	0
Investments accounted for using equity method	729,800	-	-	0
Deferred tax assets	49,986	74,953	-	0
Other long-term financial assets	8,891,957	1,976,351	1,632	0
Other long-term assets	819,992	0	0	0
Total non-current assets	**11,213,527**	**3,315,067**	**29,889**	**0**
Current assets				
Inventory	44,585,333	12,144,751	1,983,222	-
Trade and other receivables	152,514	38,360	647	-
Short-term receivables from related parties	4,354,457	5,348	56	-
Other short-term assets	245,865	21,337	33,985	12
Income tax receivable	25,785	4,255	-	-
Other tax receivables	2,533,615	461,553	62,679	-
Loan receivables	-	-	-	-
Other financial assets	161,291	-	78,990	29,553
Cash and cash equivalents	10,807,184	549,590	14,161	918,615
Total current assets	**62,886,044**	**13,225,194**	**2,173,740**	**948,180**
Total assets	**74,079,571**	**16,540,261**	**2,203,629**	**948,180**
Fair value difference on inventories*	12,104,048			
Adjusted total assets	**86,183,619**	**16,540,261**	**2,203,629**	**948,180**

* CODM assesses the performance of the entities based on local GAAP statutory financial statements. In Hungary, the funds are revaluate inventories to fair value at the end of each period in the statutory financial statements. This figure represent the revaluation difference calculated based on local GAAP for these entities as of 31 December 2018. In line with IFRS, this fair valuation is eliminated from the consolidated financial statements.

Liabilities as of 31.12.2018

In thousands of Hungarian Forints (THUF)	Hungary	Poland	Romania	Other
Non-current liabilities				
Loans and borrowings	3,098,266	1,731,343	0	-
Bonds	0	0	0	-
Long-term liabilities to related parties	0	4,429,058	0	-
Deferred tax liabilities	33,712	10,838	0	-
Customer advances	7,635,951	0	0	-
Other long-term liabilities	1,774,106	96,232	0	-
Total non-current liabilities	**12,542,035**	**6,267,471**	**0**	**0**
Current liabilities				
Trade and other payables	3,590,736	796,650	49,423	233,935
Bonds	0	0	0	0
Short-term liabilities to related parties	2,984,491	2,822	2,547	134,793
Loans and borrowings	5,239,689	0	0	0
Customer advances	24,560,257	3,639,145	15,546	0
Other tax liabilities	665,394	32,818	8,975	0
Income tax liabilities	20,438	6,827	1,063	16,941
Total current liabilities	**37,061,005**	**4,391,169**	**77,554**	**385,669**
Total liabilities	**49,603,040**	**10,658,640**	**77,554**	**385,669**

Assets as 31.12.2017

In thousands of Hungarian Forints (THUF)	Hungary	Poland	Romania	Other
Assets				
Non-current assets				
Intangible assets	126,786	10,202	0	0
Investment properties	508,500	55,489	0	0
Property, plant and equipment	11,494	0	0	0
Long-term receivables from third parties	0	1,050,379	0	0
Long-term receivables from related parties	0	0	0	0
Deferred tax assets	60,608	74,482	0	0
Other long-term financial assets	4,893,499	589,916	0	0
Other long-term assets	1,713,199	145,811	0	0
Total non-current assets	**7,314,086**	**1,926,279**	**0**	**0**
Current assets				
Inventory	32,353,776	5,182,928	0	0
Trade and other receivables	302,489	32,142	0	(2,353)
Short-term receivables from related parties	1,888,403	(85,889)	0	4,968
Other short-term assets	190,801	232,670	0	0
Income tax receivable	4,125	18,929	0	0
Other tax receivables	394,597	424,983	0	0
Loan receivables	0	0	0	0
Other financial assets	2,719,665	450	0	30,119
Cash and cash equivalents	8,073,357	595,774	0	1,302,122
Total current assets	**45,927,213**	**6,401,987**	**0**	**1,334,856**
Total assets	**53,241,299**	**8,328,266**	**0**	**1,334,856**
Fair value difference on inventories*	**4,377,597**			
Adjusted total assets	**57,618,896**	**8,328,266**	**0**	**1,334,856**

* CODM assesses the performance of the entities based on local GAAP statutory financial statements. In Hungary, the funds are revaluate inventories to fair value at the end of each period in the statutory financial statements. This figure represent the revaluation difference calculated based on local GAAP for these entities as of 31 December 2017.

Liabilities as of 31.12.2017

In thousands of Hungarian Forints (THUF)	Hungary	Poland	Romania	Other
Non-current liabilities				
Loans and borrowings	4,493,115	1,253,148	0	0
Bonds	0	0	0	0
Long-term liabilities to related parties	0	2,274,896	0	0
Deferred tax liabilities	22,878	143,108	0	0
Customer advances	0	0	0	0
Other long-term liabilities	5,337,026	0	0	0
Total non-current liabilities	**10,420,578**	**3,754,747**	**0**	**0**
Current liabilities				
Trade and other payables	1,974,481	967,656	0	6,881
Bonds	0	0	0	0
Short-term liabilities to related parties	3,449,543	1,311	0	0
Loans and borrowings	735,812	0	0	0
Customer advances	18,705,207	1,485,700	0	0
Other tax liabilities	155,439	12,848	0	0
Income tax liabilities	67,695	10,771	0	9,850
Total current liabilities	**25,088,177**	**2,478,286**	**0**	**16,731**
Total liabilities	**35,508,755**	**6,233,033**	**0**	**16,731**

ANNEX 6

INTERIM SEPARATE FINANCIAL STATEMENT

CORDIA INTERNATIONAL ZRT.

IFRS INTERIM SEPARATE FINANCIAL STATEMENTS

30 JUNE 2019

pwc

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Cordia International Zrt.

Opinion

We have audited the accompanying interim financial statements of Cordia International Zrt. ("the Company") which comprise the statement of financial position as at 30 June 2019, the related statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the six-month period then ended and the notes to the interim financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying interim financial statements have been prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards of Auditing ("ISA"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the interim financial statements" section of our report.

We are independent of the Company in accordance with the applicable laws of Hungary, with the Hungarian Chamber of Auditors' Rules on ethics and professional conduct of auditors and on disciplinary process and, for matters not regulated in the Rules, with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board (IESBA Code of Ethics) and we also comply with further ethical requirements set out in these.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the interim Financial Statements

Management is responsible for the preparation of the interim financial statements in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis in preparation of the interim financial statements. Management has to apply the going concern basis of accounting in the interim financial statements unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the interim financial statements

Our objectives are to obtain reasonable assurance about whether the interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in the interim financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim financial statements, including the disclosures, and whether the interim financial statements represent the underlying transactions and events, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the EU.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Budapest, 26 September 2019

László Radványi
Partner
PricewaterhouseCoopers Könyvvizsgáló Kft.

Cordia International Zrt.

IFRS interim separate financial statements 30 June 2019

Contents

Statement of Profit or Loss and Other Comprehensive Income

In thousands of Hungarian Forints (THUF)	*Notes*	**Six months ending as of 30 June 2019**	**Six months ending as of 30 June 2018**
Interest income		364 149	161 974
Dividend income	7	24 194 422	-
Total investment income		**24 558 571**	**161 974**
Administrative and other expenses		2 989	33 915
Interest expense		26 106	-
Total operating expenses		**29 095**	**33 915**
Foreign exchange gain		91 106	829 445
Foreign exchange loss		58 282	78 645
Foreign exchange - net	8	**32 824**	**750 800**
Profit before taxation		**24 562 300**	**878 859**
Income tax expense		**49 185**	**-**
Profit for the period		**24 513 115**	**878 859**
Total comprehensive income for the period, net of tax		**24 513 115**	**878 859**

Statement of Financial Position

In thousands of Hungarian Forints (THUF)	*Note*	30.06.2019	31.12.2018	01.01.2018
Assets				
Non-current assets				
Intangible assets		5 092	5 386	2 120
Investment in subsidiaries	6	24 391 920	1 726 277	1 677 955
Total non-current assets		**24 397 012**	**1 731 663**	**1 680 075**
Current assets				
Short-term receivables - related parties	5	26 091 662	18 060 423	17 448 696
Other current assets		18 166	47 662	1 551
Income tax receivable		1 032	1 032	688
Cash and cash equivalents	5	6 118 442	1 175 031	515 169
Total current assets		**32 229 302**	**19 284 148**	**17 966 104**
Total		**56 626 314**	**21 015 811**	**19 646 179**
Equity and liabilities				
Shareholders' equity				
Share capital	7	9 897 492	9 252 912	9 252 912
Share premium	7	8 690 521	592 166	592 166
Retained earnings		32 113 989	7 600 874	6 895 913
Total equity		**50 702 002**	**17 445 952**	**16 740 991**
Total non-current liabilities		-	-	-
Current liabilities				
Trade and other payables (current)		3 460	13 671	946
Related party liabilities	5	5 878 132	3 537 915	2 893 229
Income tax liabilities		42 720	18 273	11 013
Total current liabilities		**5 924 312**	**3 569 859**	**2 905 188**
Total liabilities		**5 924 312**	**3 569 859**	**2 905 188**
Total equity and liabilities		**56 626 314**	**21 015 811**	**19 646 179**

The notes on pages 7 to 29 are an integral part of these Interim Separate Financial Statements

Statement of Changes in Equity

For the period ended 30 June 2019

In thousands of Hungarian Forints (THUF)	Share capital	Share premium	Retained earnings	Total equity
Balance at 01 January 2018	**9 252 912**	**592 166**	**6 895 913**	**16 740 991**
Profit for the period	0	0	878 859	**878 859**
Balance as at 30 June 2018	**9 252 912**	**592 166**	**7 774 772**	**17 619 850**
Balance as at 31 December 2018	**9 252 912**	**592 166**	**7 600 874**	**17 445 952**
Proceeds from capital increase	644 580	8 098 355	0	**8 742 935**
Profit for the period	0	0	24 513 115	**24 513 115**
Balance at 30 June 2019	**9 897 492**	**8 690 521**	**32 113 989**	**50 702 002**

The notes on pages 7 to 29 are an integral part of these Interim Separate Financial Statements

Statement of Cash Flows

In thousands of Hungarian Forints (THUF)		**Six months ending as of 30 June 2019**	**Six months ending as of 30 June 2018**
Profit before tax		**24 562 300**	**878 859**
Adjustments to reconcile profit for the period to net cash used in operating activities:			
Depreciation		294	0
Net interest income		-338 043	-161 974
Dividend income	8	-24 194 422	0
Decrease/(increase) in trade and other receivables		268 057	-1 833 229
(Decrease)/increase in liabilities from related parties	5	2 340 217	278 410
Increase/(decrease) in trade and other payables		-10 211	29 891
(Increase)/decrease of related party receivables	5	-8 031 239	2 016 002
Interest paid		-26 106	0
Interest received		125 588	175 413
Income tax paid		-24 738	-11 357
Net cash from/(used in) operating activities		**-5 328 597**	**1 372 015**
Consideration paid for investment in subsidiaries	6	-22 665 643	-202 425
Consideration received from sale or redemption of investments		3 298	0
Acquisitions of tangible and intangible assets		0	-1 601
Dividend received	8	24 194 422	0
Net cash from/(used in) investing activities		**1 532 371**	**-204 026**
Capital increase received	7	8 742 935	0
Net cash from financing activities		**8 742 935**	**0**
Net change in cash and cash equivalents		**4 943 411**	**1 167 989**
Cash and cash equivalents at beginning of the year		1 175 031	515 169
Cash and cash equivalents at end of the year		**6 118 442**	**1 683 158**

The notes on pages 7 to 29 are an integral part of these Interim 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.')
Headquarter: 7th floor, 47-53 Futó street, 1082 Budapest
Company registration number: 01-10-048844
Statistical number: 25558098-6810-114-01
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 incorporated on 17 April 2016.

The Company is a holding company focused on managing its subsidiaries. The core business of the subsidiaries is to develop residential properties and then sale residential units. The Company is not involved in development of other real estate projects.

The registered office is located at 47-53 Futó street, Budapest, Hungary. The Company (together with its Hungarian Polish, Spanish and Romanian 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 and in Romania.
Cordia International Zrt. (the 'Parent') was established as of 27 April 2016 by Futureal Property Group Kft.

As of 30 June 2019 the Company has the following owner:

- QED Investments Limited 100% (place of business: Brewery Street, Mriehel, BKR3000, Malta)

Direct controlling party of the Company was Sparks Ltd. as of 31 December 2018. Sparks Ltd., the sole shareholder of Cordia International Zrt. sold in May 2019 its entire holding in the Company to QED Investments Ltd., with registered seat in Malta. QED Investments Ltd. is also the sole shareholder of Sparks Ltd., therefore the ultimate controlling party has not been changed as a result of this transaction. The direct controlling party company does not prepare consolidated financial statements and there is no consolidated financial statement available into which the Company is consolidated.

The ultimate controlling parties are Futó Gábor and Futó Péter.

Cordia International Zrt. also prepares IFRS consolidated financial statements. Accounting policies applied in those financial statements are in line with the accounting policies used for preparation of IFRS consolidated financial statements.

Preparation of separate IFRS financial statements is not mandatory for the Company. Separate IFRS financial statements are prepared on a voluntary basis, to provide useful information for the potential investors within the Company's initiatives related to third-party corporate debt financing.

A list of the companies from which the financial data are included in these Consolidated Financial Statements and the extent of ownership and control are presented in Note 2.

2. Interests in other entities

Group structure

The details of the Hungarian, Polish, Romanian and Spanish subsidiaries are presented in the table.
The projects managed by the companies are in various stages of development ranging from being in the process of acquiring land for development to projects which are completed or near to completion.

		Share of ownership & voting rights at			Nature of relationship		
Entity name	**Place of operation**	**06.30.2019**	**12.31.2018**	**01.01.2018**	**06.30.2019**	**12.31.2018**	**01.01.2018**
Villena Sp. z o.o.	Poland	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Wroclaw I Sp. Z o.o.	Poland	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Zyrardów Sp.z.o.o.	Poland	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Futureal Management Poland Sp. Z.o.o.	Poland	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
CORDIA Polska SP. Z.o.o..	Poland	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cereman Vagyonkezelő Zrt.	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Lands Investment Ltd.	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Property Management Kft.	Hungary	N/A	N/A	100%	Not in the group	Not in the group	Subsidiary
Cordia Development 1 Alap	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Development 2 Alap	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Global 1 Alap	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Global 2 Alap	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Global 3 Alap	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Global 4 Alap	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Global 5 Alap	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Ingatlanbefektetési Alap	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Management Szolgáltató Kft.	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia New Ages Ingatlanfejlesztő Kft.	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
CM-HoldCo Kft	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Sasad Resort 2 Kft	Hungary	72,50%	72,50%	72,5%	Subsidiary	Subsidiary	Subsidiary
IPOPEMA 146 Alapusz Inwestycyjny Zamkniety Aktywow Niepublicznych	Poland	N/A	N/A	100%	Not in the group	Not in the group	Subsidiary
Cordia Poland GP One Spólka Z	Poland	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Project Holding Cordia Poland GP One Spk.	Poland	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Projekt Warszawa 1 Cordia Poland GP One Spólka z.o.o.	Poland	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Projekt Warszawa 2 Cordia Poland GP One Spólka z.o.o.	Poland	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Projekt Warszawa 3 Cordia Poland GP One Spólka z.o.o.	Poland	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary

Entity name	Place of operation	Share of ownership & voting rights at 06.30.2019	12.31.2018	01.01.2018	Nature of relationship 06.30.2019	12.31.2018	01.01.2018
Projekt Warszawa 4 Cordia Poland GP One Spólka z.o.o.	Poland	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Projekt Kraków 1 Cordia Poland GP One Spólka z.o.o.	Poland	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Central Ingatlanfejlesztő Kft.	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Finext Funds One SICAV-SIF	Luxembourg	25%	25%	25%	Subsidiary	Subsidiary	Subsidiary
Cordia Global 6 Alap	Hungary	50%	50%	100%	Joint-venture	Joint-venture	Subsidiary
Cordia Global 7 Alap	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Global 8 Alap	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Global 9 Alap	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Global 10 Alap	Hungary	100%	100%	4,71%	Subsidiary	Subsidiary	Subsidiary
Cordia Global 11 Alap	Hungary	100%	100%	100%	Subsidiary	Subsidiary	Subsidiary
Cordia Global 12 Alap	Hungary	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Global 13 Alap	Hungary	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Global 14 Alap	Hungary	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Global 15 Alap	Hungary	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Global 16 Alap	Hungary	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Global 17 Alap	Hungary	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Global 18 Alap	Hungary	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Global 19 Alap	Hungary	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Global 20 Alap	Hungary	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
CORDIA Munkavállalói Résztulajdonosi Program Szervezet	Hungary	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
CDS-Cordia Development Services Srl	Romania	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Parcului Residential Project Srl	Romania	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Belváros Ingatlanfejlesztő Kft.	Hungary	70%	70%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia FM Társasházkezelő Kft	Hungary	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia New Times Ingatlanfejlesztő Kft.	Hungary	70%	70%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia New Homes Kft	Hungary	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Finext Funds BP SICAV-SIF	Luxembourg	20%	20%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Romania Holding One Kft.	Hungary	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Romania Holding Two Kft.	Hungary	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Development 3 Spółka z	Poland	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group

		Share of ownership & voting rights at			Nature of relationship		
Entity name	**Place of operation**	**06.30.2019**	**12.31.2018**	**01.01.2018**	**06.30.2019**	**12.31.2018**	**01.01.2018**
Cordia Development 4 Spółka z ograniczoną odpowiedzialnością	Poland	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Development 5 Spółka z ograniczoną odpowiedzialnością	Poland	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Development 1 Spółka z ograniczoną odpowiedzialnością	Poland	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Projekt Warszawa 5 Cordia Partner 2 spółka z ograniczoną odpowiedzialnością	Poland	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Projekt Kraków 2 Cordia Partner 2 spółka z ograniczoną odpowiedzialnością	Poland	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Projekt Kraków 3 Cordia Partner 2 spółka z ograniczoną odpowiedzialnością	Poland	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Dante Project SRL	Romania	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Navigatorilor Project SRL	Romania	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Corarilor Development SRL	Romania	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Project Services SPV3 SRL	Romania	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Project Development SPV2 SRL	Romania	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Partner 2 Spółka z ograniczoną odpowiedzialnością	Poland	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Partner 3 Spółka z ograniczoną odpowiedzialnością	Poland	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Partner 4 Spółka z ograniczoną odpowiedzialnością	Poland	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Development 2 Spółka z ograniczoną odpowiedzialnością	Poland	100%	100%	N/A	Subsidiary	Subsidiary	Not in the group
Cordia Development 10 Sp. z o.o	Poland	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Cordia Development 6 Sp. z o.o	Poland	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Cordia Development 7 Sp. z o.o	Poland	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Cordia Development 8 Sp. z o.o	Poland	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Cordia Development 9 Sp. z o.o	Poland	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Cordia Europe Holding Kft.	Hungary	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Cordia Global 21 Alap	Hungary	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Cordia Global 22 Alap	Hungary	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group

		Share of ownership & voting rights at			Nature of relationship		
Entity name	**Place of operation**	**06.30.2019**	**12.31.2018**	**01.01.2018**	**06.30.2019**	**12.31.2018**	**01.01.2018**
Cordia Global 23 Alap	Hungary	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Cordia Global 24 Alap	Hungary	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Cordia Global 25 Alap	Hungary	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Cordia Partner 5 Sp. z o.o.	Poland	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Cordia Partner 6 Sp. z o.o.	Poland	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Projekt Kraków 4 Cordia Partner 2 Sp. z o.o. Sp.k	Poland	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Projekt Trójmiasto 1 Cordia Partner 2 Sp. z o.o. Sp.k	Poland	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Projekt Warszawa 6 Cordia Partner 2 Sp. z o.o. Sp.k	Poland	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Projekt Warszawa 7 Cordia Partner 2 Sp. z o.o. Sp.k	Poland	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Cordia Project Company Sociedad Limitada	Spain	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
FUTUREAL DEVELOPMENT COMPANY Sociedad Limitada	Spain	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Futureal Iberia Holding Sociedad Limitada	Spain	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Futureal Project Company Sociedad Limitada	Spain	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Cordia Development Company Sociedad Limitada	Spain	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group
Cordia Spain Holding Kft.	Hungary	100%	N/A	N/A	Subsidiary	Not in the roup	Not in the group

All the acquisitions were at market prices from entities under common control.

3. Basis of preparation and measurement

a. Basis of preparation and statement of compliance

This interim financial statement for the half-year reporting period ended 30 June 2019 has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. Since the Company has not yet prepared its first time IFRS financial statements (please see more details on this below), this interim financial statement is not a condensed financial statement.

Cordia International Zrt. prepares is 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 are published and they serve also as the basis for taxation and for all other local regulatory purposes.

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 25 September 2019.

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

b. First time adoption of IFRS

The separate IFRS financial statements to be prepared as at 31 December 2019 will be the Company's first annual separate financial statements that comply with IFRS. The Company's IFRS transition date is 1 January 2018. Subject to certain exceptions, IFRS 1 requires retrospective application of the version of standards and interpretations effective as of 31 December 2019 in preparing the opening IFRS separate statement of financial position at 1 January 2018 and throughout all periods presented in its first IFRS separate financial statements. In preparing these separate financial statements, the Company has applied the mandatory exceptions to the retrospective application of other IFRSs and has elected to apply the following optional exemptions:

(a) ***Fair value as deemed cost exemption.*** Based on IFRS 1.D17, when a parent entity that becomes a first-time adopter in its own separate financial statements at a different date from the one for its consolidated financial statements should use the same carrying amounts (except for consolidation adjustments) in both sets of financial statements. The transition date for the consolidated financial statements was 1 January 2016, therefore the amounts presented in this IFRS separate financial statements are in line with the consolidated financial statements.

(b) ***Investment in subsidiaries, joint ventures and associates.*** In line with IFRS 1.D14, Company elected to use deemed cost for determining cost of its investments as at 1 January 2018. Carrying amount under previous GAAP (i.e. HAR) was used as deemed cost on the opening IFRS balance sheet. Subsequently the Company records the investment using the cost method based on IAS 27.

(c) ***Business combinations.*** Based on IFRS 1.C1 an entity can choose not to restate any business combination that occurred prior to its transition to IFRS standards, and it can apply IFRS 3 prospectively from the date of transition. An entity might choose to restate earlier business combinations in accordance with IFRS 3 from any point in time prior to the date of transition. Company elected to apply this exemption for all business combinations occurred before the transition date (i.e. 1 January 2018) and did not restate those business combinations based on IFRS 3.

Exceptions to the retrospective application, which are mandatory under IFRS 1 are:

(a) ***Estimates exception.*** Estimates under IFRS at 1 January 2018 and 31 December 2018 should be consistent with estimates made for the same dates under the previous GAAP, unless there is evidence that those estimates were an error. This exception has no significant impact in case of the Company.

(b) ***Derecognition of financial assets and liabilities exception.*** Financial assets and liabilities derecognised before the transition to IFRS are not re-recognised under IFRS.

(c) ***Hedge accounting exception.*** The Company does not apply hedge accounting.

(d) ***Non-controlling interests exception.*** This is not relevant for this separate financial statements.

(e) ***Government loans.*** The Company does not have government loans.

The following reconciliations provide a quantification of the effect of the transition from Hungarian Accounting Regulations ("HAR") to IFRS at 1 January 2018, 31 December 2018 and for the year ended 31 December 2018. Company's most recent statutory financial statements under HAR are issued as at 31 December 2018. The Company does not prepare interim financial statements under HAR.

Since the Company is a holding entity there are no material differences between HAR and IFRS financial statements. The most significant difference is that under HAR it is permitted for the company to freely select EUR or USD as its functional currency, while under IFRS it should be the currency of the primary economic environment. The functional currency under IFRS is HUF, but for HAR purposes EUR is used. This means, the transactions recorded under HAR shall be converted to IFRS to reflect what would have been the situation, if HUF were be used as the functional currency. This mostly have an impact on equity and non-monetary items, however the difference is not material.

In the reconciliation below HAR figures are based on statutory local financial statements and they are translated to HUF using year-end foreign exchange rates as published by the Hungarian National Bank (321.51 HUF/EUR for 31 December 2018 and 310.14 HUF/EUR for 1 January 2018).

In thousands of Hungarian Forints	**31 December 2018**	**1 January 2018**
EQUITY UNDER HAR	**17,503,821**	**16,740,991**
Effects of changes in accounting policies:		
(i) Unrealized foreign exchange gain on subsidiaries	(60,660)	0
(ii) Impact of different functional currency	2,791	0
IFRS EQUITY	**17,445,952**	**16,740,991**

i) Under HAR, investment are treated monetary item, therefore year-end revaluation recorded under HAR shall be reversed to comply with IAS 21.

In thousands of Hungarian forints	**01.01.2018-12.31.2018**
PROFIT UNDER HAR	**151,881**
Effects of changes in accounting policies:	
(i) Impact of different functional currency	553,079
TOTAL COMPREHENSIVE INCOME [LOSS] UNDER IFRS	**704,960**

The Company has significant assets and liabilities denominated in EUR and PLN (please also refer to Note 5 about loan and cash balances). This means that under HAR there was no foreign exchange gain/loss recorded for most of the assets and liabilities by using EUR as the functional currency. Upon transition to IFRS, being HUF the functional currency there was a significant increase in the foreign exchange result recorded in the P&L. Though, it should be noted – as presented above – that the impact on the total equity is wholly marginal.

Please see below the impact of transition to IFRS. In the reconciliation below HAR figures are based on statutory local financial statements and they are translated to HUF using year-end foreign exchange rates as published by the Hungarian National Bank (321.51 HUF/EUR for 31 December 2018).

As at 31 December 2018 *In thousands of Hungarian Forints*	**HAR**	**Transition adjustment**	**IFRS**
Share capital	9,645,300	(392,388)	9,252,912
Share premium	617,299	(25,133)	592,166
Retained earnings	7,241,222	359,652	7,600,874
IFRS EQUITY	**17,503,821**	(57,869)	**17,445,952**

This means that total impact on equity as of 31 December 2018 is only thHUF (57,869). This comes from two impacts:

- a financial gain of thHUF 553,079 recognized in the income statement

- a decrease of share capital, share premium and retained earnings, because of using the historical fx rates under IFRS, instead of year-end fx rates, as used for calculation of HAR balances (this cause a total decrease of thHUF 610,948).

The P&L impact was supported with the fact, that during 2018 the HUF weakened compared to EUR.

The Company's operating, investing and financing cash flows reported under HAR did not significantly differ from IFRS.

c. New and amended standards

As of 1 January 2019, IFRS 16 leases came into effect. Due to the nature of the company, holding entity, the adoption of IFRS 16 did not have an effect. The Company does not hold any leases.

There no other new or amended standards or interpretations that are expected to have a significant impact on the financial statements of the Company.

d. Basis of measurement

The financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of those financial assets that have been measured at fair value through profit or loss.

e. Functional and presentation currency

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

f. Use of estimates and critical judgments

The Company makes estimates and assumptions that affect the amounts recognised 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 recognised 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

Investment in subsidiaries are recognized at costs. The company assess at each balance sheet date whether there is objective evidence that an investment in 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, the following factors:

- The performance of its subsidiaries
- Market conditions and economic developments
- In case of a dividend payment:
    - o 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,
    - o if the dividend exceeds the total comprehensive income of the subsidiary.

In May 2019 the subsidiary Cordia Lands Investments Limited paid a dividend to the Company of a substantial amount compared to its equity as it was considered as an impairment trigger. As of 30 June 2019, the carrying value of investment in this subsidiary in the books of the Company is not significantly different from the equity recorded in the books of the subsidiary. Moreover Cordia Lands holds investments in several project entities, where the cost of its investments is significantly lower than the net asset value of these relevant project entities, which confirms that the fair value of Cordia Lands significantly exceeds the carrying value of its net assets. Therefore no impairment was recognized.

Please see below a comparison of the carrying value of the investment in Cordia Lands Ltd. and the subsidiary's net assets:

Calculated in thHUF	**30-06-2019**
Carrying value of Cordia Lands Investments Limited	24,298,382
Net assets of Cordia Lands Investments Limited	23,907,932

If the impairment on the investments would be 1 percentage point higher, the Company had to recognize an additional impairment decreasing the equity by thHUF 243,919 as at 30 June 2019.

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 inter-company loans, the company considers them low-risk and estimated an impairment provision of nil, due to the following reasons:

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

If the bad debt rate on these receivables would be 1 percentage point higher, the Company had to recognize an additional impairment decreasing the equity by thHUF 260,917 as at 30 June 2019 (thHUF 180,604 as at 31 December 2018 and thHUF 174,487 as at 1 January 2018).

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 also in PLN and EUR. Management believes that indicators provided by IAS 21 show a mixed picture. Considering that the shareholder 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, management determined the functional currency to be the Hungarian Forint (HUF).

4. Significant 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.

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. Income of the Company comprises dividend and interest income. Based on this, impact of IFRS 15 'Revenue from contracts with customers' is not considered to be relevant.

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 amortised 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, it has only financial assets held at amortized cost. Investment in subsidiaries are measured at cost in line with IAS 27.

Recognition and derecognition
Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised 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 (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Currently the company only holds financial assets measured at amortized costs. Refer also to Note 5 for more information on financial assets.

Financial liabilities – loans and borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised 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 recognised 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 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:

- Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that (at the option of the entity) have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the ECL that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date and this option is taken by the entity) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the ECL that result from all possible default events over the maximum contractual period during which the entity is exposed to credit risk. ECL are the weighted average credit losses, with the respective risks of a default occurring as the weights.
- Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

For intercompany loan receivables the Company applies practical expedient from IFRS 9 and measures impairment using lifetime ECL.

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

- they are repayable on demand and the lender expects to be able to recover the outstanding balance of the loan if demanded;
- they are low credit risk, so 12-month expected credit losses can be calculated, which might not be material; or
- they have not had a significant increase in credit risk since the loan was first recognised, 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 inter-company loans do not meet any of the three criteria above, lifetime expected credit losses will need to be calculated, which are more likely 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 cases they are classified as non-current assets.

e. Cash and cash equivalents

Cash and cash equivalents in the statement of financial positions comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, except for collateralized deposits.

f. Liabilities to related parties

Financial liabilities to 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. Equity

i. Share capital

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

ii. Share premium

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

h. Investment in subsidiaries

Subsidiaries are all entities over which the Company has direct or indirect control. The Company controls directly or indirectly an entity 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.

Investment in subsidiaries are recognized at cost. Assets that qualify as impaired are measured at their impaired value, any impairment is recorded in the income statement.

i. Dividend income

Dividend income is recognised when the right to receive payment is established. The date when the right to receive is established might be different in case of certain subsidiaries, therefore the Company continuously assesses the changes in the local rules and regulations.

j. 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.

5. Financial assets and financial liabilities

This note provides information about the company's financial instruments, 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 thousands of Hungarian Forints (HUF)	*Notes*	**30-06-2019**	**31-12-2018**	**01-01-2018**
Current financial assets				
Short-term receivables from related parties	5(a)	26 091 662	18 060 423	17 448 696
Cash and cash equivalents	5(c)	6 118 442	1 175 031	515 169
Total financial assets		**32 210 104**	**19 235 454**	**17 963 865**

Financial liabilities at amortized costs

In thousands of Hungarian Forints (HUF)	*Notes*	**30-06-2019**	**31-12-2018**	**01-01-2018**
Current financial liabilities				
Trade and other payables		3 460	13 671	946
Short-term liabilities to related parties	5(b)	5 878 132	3 537 915	2 893 229
Total current liabilities		**5 881 592**	**3 551 586**	**2 894 175**

5(a) Receivables related parties

In thousands of Hungarian Forints (HUF)	*Notes*	**30-06-2019**	**31-12-2018**	**01-01-2018**
Loan receivables	(i)	25 489 288	17 432 888	11 039 882
Accrued interest receivables		474 385	235 824	77 546
Other receivables		9 667	27 465	0
Dividend receivable		118 321	364 246	6 331 268

Dividend receivable show the unpaid balance of dividend from subsidiaries. Please refer to Note 2 for more details about subsidiaries.

(i) Loans receivables from related parties

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

In thousands of Hungarian Forints (HUF)	**01-01-2019 30-06-2019**	**01-01-2018 31-12-2018**
Opening balance	17 432 888	11 349 928
Loans granted	15 352 071	9 763 205
Loans repaid	-7 748 887	-3 718 707
Revaluation (FX difference)	453 216	38 462
Closing balance	**25 489 288**	**17 432 888**

All loans are provided to subsidiary companies of the group and are unsecured. The loans are denominated in different currencies and repayable on-demand. The Company is dynamically reacting to the financing needs of the subsidiaries and reallocates loan as necessary on a continuous basis. Based on this, Management considers all the related party loan to be current and expects to realize them within one year. Since the Company is a holding entity, Management believes that its operating acitvities 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 30-06-2019

Loan currency	**Balance in thHUF**	**Interest rate**
HUF	676 609	Interest free
EUR	9 183 702	Interest free
PLN	15 628 977	WIBOR + margin

As at 31-12-2018

Loan currency	**Balance in thHUF**	**Interest rate**
HUF	604 882	Interest free
EUR	4 959 621	Euribor + margin
EUR	6 912 034	Interest free
PLN	4 956 351	WIBOR + margin

As at 01-01-2018

Loan currency	**Balance in thHUF**	**Interest rate**
HUF	83 997	Interest free
EUR	7 996 797	Interest free
PLN	2 959 088	WIBOR + margin

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

As at 30-06-2019

Nature of relationship	**Partner**	**Balance in thHUF**
Loan receivable	Subsidiary	25,489,288

As at 31-12-2018

Nature of relationship	Partner	Balance in thHUF
Loan receivable	Sister company	3,258,186
Loan receivable	Subsidiary	14,174,702

As at 01-01-2018

Nature of relationship	Partner	Balance in thHUF
Loan receivable	Sister company	1,312,624
Loan receivable	Subsidiary	10,037,304

The intercompany loan receivables are repayable on demand, they have no maturity, all the amounts presented above are not due.

As at 30 June 2019, related party loan receivables represent 26,3 % of the total assets. From this balance thHUF 14,809,979 is due from a Polish subsidiary, Cordia Polska sp. z.o.o.. This represent 58% of al related party receivables as of 30 June 2019.

5 (b) Liabilities to related parties

In thousands of Hungarian Forints (HUF)	*Notes*	30-06-2019	31-12-2018	01-01-2018
Loans and borrowings	(i)	5 865 998	3 529 192	2 892 861
Accrued expenses payable		158 262	8 265	368

(i) Loans and borrowings
The loans and borrowings are obtained from subsidiaries in the group and are unsecured. All loans are repayable on-demand, therefore they are classified among current liabilities. Since the Company is a holding entity, Management believes that its operating acitvities 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 30-06-2019

Loan currency	Balance in thHUF	Interest rate
PLN	68 490	WIBOR + margin
EUR	5 797 508	Interest free

As at 31-12-2018

Loan currency	Balance in thHUF	Interest rate
PLN	860 430	WIBOR + margin
EUR	2 668 762	Interest free

As at 01-01-2018

Loan currency	Balance in thHUF	Interest rate
HUF	15 093	Interest free
EUR	2 877 768	Interest free

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

In thousands of Hungarian Forints (HUF)	01-01-2019 30-06-2019	01-01-2018 31-12-2018
Opening balance	**3 529 192**	**2 892 861**
Loans granted	12 566 810	11 268 150
Loans repaid	-10 274 017	-10 727 519
Revaluation (FX difference)	44 013	95 700
Closing balance	**5 865 998**	**3 529 192**

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

As at 30-06-2019

Nature of relationship	Partner	Balance in thHUF
Loan payable	Sister company	5,797,508
Loan payable	Subsidiary	68,490

As at 31-12-2018

Nature of relationship	Partner	Balance in thHUF
Loan payable	Sister company	2,668,762
Loan payable	Subsidiary	860,430

As at 01-01-2018

Nature of relationship	Partner	Balance in thHUF
Loan payable	Sister company	2,877,768
Loan payable	Subsidiary	15,093

5 (c) Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand. Cash at bank earns interest at floating rates based on daily bank deposit rates.

In thousands of Hungarian Forints (HUF)	30-06-2019	31-12-2018	01-01-2018
Cash at hand	109	109	24
Cash at banks	6 118 333	1 174 922	515 145
Total cash and cash equivalents	**6 118 442**	**1 175 031**	**515 169**

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

In thousands of Hungarian Forints (HUF)	**30-06-2019**	**31-12-2018**	**01-01-2018**
EUR	4 034 158	26 052	2 095
PLN	2 078 152	1 103 148	507 085
HUF	6 132	45 824	5 965
Total cash and cash equivalents	**6 118 442**	**1 175 024**	**515 145**

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

In thousands of Hungarian Forints (HUF)	**30-06-2019**	**31-12-2018**	**01-01-2018**
A	127	0	0
AA	2 075 871	1,098 678	0
BBB+	28 871	52 837	515 145
BBB	4 013 464	23 407	0
Cash at hand	109	109	24
Total cash and cash equivalents	**6 118 442**	**1 175 031**	**515 169**

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

6. Investments in subsidiaries

The investments in subsidiaries comprises the investment in equity shares of group companies and are measured at cost.

The Company's principal subsidiaries at 30 June 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that 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)**	
		30-06-2019	**31-12-2018**
Cordia Lands Investment Ltd.	Nicosia, Cyprus	100%	100%
Cordia New Times Ingatlanfejlesztő Kft.	Hungary, Budapest	70%	67%
Cordia Spain Holding Kft	Hungary, Budapest	100%	n.a.
Cordia Romania Holding One Kft.	Hungary, Budapest	100%	100%
Cordia Romania Holding Two Kft.	Hungary, Budapest	100%	100%
CORDIA Central Ingatlanfejlesztő Kft.	Hungary, Budapest	100%	100%
Cordia New Ages Ingatlanfejlesztő Kft.	Hungary, Budapest	2,75%	3,33%
Cordia Management Szolgáltató Kft.	Hungary, Budapest	1%	1%

Due to indirect interest through different group companies, the investments in Cordia New Ages Ingatlanfejlesztő Kft. and Cordia Management Szolgáltató Kft. are considered subsidiaries. The company has control over these entities as defined in IFRS 10 'Consolidated financial statements' and are therefore accounted at cost in accordance with IAS 27 'separate financial statements'.

The below table shows the movement in investment in subsidiaries:

In thousands of Hungarian Forints (HUF)		**Cost**
As at 01-01-2018		1 677 955
New purchases (investments)		889 877
Consideration received for sale or redemption	-	829 821
Gain/(loss) on sale or redemption	-	11 733
As at 31-12-2018		**1 726 277**
New purchases (Cordia Lands Ltd.)		22 647 800
New purchases (Other)		21 140
Consideration received for sale or redemption	-	3 298
Gain/(loss) on sale or redemption		-
As at 30-06-2019		**24 391 920**

In June of 2019, the Company significantly increased its investment in Cordia Lands Investment Limited. In May 2019, Cordia Lands Investment Limited declared dividend to the Company in the amount of EUR 70 million, while in the same time the Company has decided to increase Cordia Lands Investment Limited's share capital with 70 shares each with a par value of EUR 1 and premium of EUR 999,999 – issued to the Company.

The shares purchased by Cordia International Zrt. resulted in an increase of THUF 22,668,940 in investment in subsidiaries. The increase of the investment was recognized by Cordia International Zrt. as 28 June 2019. The shares newly issued by Cordia Lands Investment Limited to the Company can be redeemed anytime against payment by Cordia Lands Investment Limited payable from the profit, profit reserves, and share premium account.

7. Equity

7(a) Share capital

The Company's share capital is EUR 32,000,000 (9,897,492 thousands HUF) consisting of ordinary shares with nominal value of EUR 1 in the number of 32,000,000. All shares are fully paid. Ordinary shares provide the rights to the holders on a pro-rata basis.

(i) Movement in ordinary shares

	Number of shares (thousand)	**Par value (THUF)**	**Share premium**	**Total**
Opening balance 01-01-2018	30 000	9 252 912	592 166	9 845 078
Closing balance 31-12-2018	**30 000**	**9 252 912**	**592 166**	**9 845 078**
Capital increase	2000	644 580	8 098 355	8 742 935
Closing balance 30-06-2019	**32 000**	**9 897 492**	**8 690 521**	**18 588 013**

The new direct shareholder of the Company, QED Investments Limited, following purchase of 100% of the Company from Sparks Ltd. (May 2019), decided about capital increase of the Company. Out of total EUR 27m, EUR 2m was declared as new share capital, while EUR 25m have been contributed to the Company as share premium. All contributions were declared in May 2019 and were fully paid until end of June 2019.

Company	30-06-2019 Nominal value of shares (THUF)	Ownership percentage
QED Limited	9 897 492	100.00%
Total	**9 897 492**	**100.00%**

Company	31.12.2018 Nominal value of shares (THUF)	Ownership percentage
Sparks Ltd.	9 252 912	100.00%
Total	**9 252 912**	**100.00%**

Company	01.01.2018 Nominal value of shares (THUF)	Ownership percentage
Futureal Property Group Ingatlanforgalmazó Kft.	37 322	0,40%
Sparks Ltd.	5 773 623	62,40%
FutInvest Hungary Kft.	2 886 811	31,20%
Futureal Real Estate Holding Ltd.	555 156	6,00%
Total	**9 252 912**	**100,00%**

8. Dividend Income

During the first half of 2019 (2018: zero) two dividend payments were received from subsidiaries:

Name of the subsidiary	Date of payment	Amount 2019 (THUF)	Amount 2018 (THUF)
Cordia Lands Investment Ltd.*	28-05-2019	22 848 000	-
Villena sp. z o.o.	17-06-2019	1 346 422	-
Total		**24 194 422**	-

**for more details please see also Note 6 (Investments in Subsidiaries)*

9. Foreign exchange gain/(loss)

During 2019 the company incurred a net foreign exchange gain of THUF 32,824 (2018: THUF 750,800). This is a significant decrease compared to last year. The decrease is due to the fact that the HUF weakened significantly compared to the EUR and the PLN during 2018. Since the Company has significantly more EUR and PLN denominated asset, than liabilities, weak HUF caused a significant foreign exchange gain as at 30 June 2018. HUF/EUR and HUF/PLN exchange rates have not changed significant in 2019, this caused a significantly lower net foreign exchange gain than in the comparative period.

10. Related parties

All transactions with related parties are in relation to loans provided and received. The loans and conditions are set out in note 5 above. No other transactions with related parties occurred. For a list of subsidiaries reference is made to Note 2.

Part of the loans issued/received to/from related parties bear no interest. If these loans were entered into at 1% rates the interest paid/received would have been higher as follows:

Period ended 30 June **Interest**	**2018**	**2019**
Interest paid	21,166	13,866
Interest received	38,784	43,443

Transactions with key management personnel

There were no such transactions.

Key Management Board personnel compensation

There was no such compensation paid directly by the Company. For more details on the compensation received by the key personnel please refer to the IFRS consolidated financial statements of Cordia Group prepared as of 31 December 2018.

11. Fair value estimation of financial assets and liabilities

There is no financial asset that is measured at fair value through profit or loss in the financial statements. 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 they are related party short-term loans where the time value of money is not material.

12. 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 and PLN significantly weakening against HUF to be remote. Based on this, this risk is considered to be not significant.

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

(ii) Price risk

The Company has no significant exposure to price risk as it does not hold any equity securities or commodities.

(iii) Cash flow and fair value interest rate risks

The Company's interest rate risk principally arises from related party loans. Borrowings issued at variable rates expose the Company to cash flow interest rate risk, which is partially covered by the variable rate cash and cash equivalents. The Company has loans at fixed rates and therefore has exposure to fair value interest rate risk.
The Company's related party loans are all short-term and repayable on-demand, therefore the interest rate changes on these loans would not have material effect on the Company's result.

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 case of cash, since it is held at major international banks. Loans are only granted for companies under common control. Based on this, credit is considered to be minimal for the Company.

For concentration of credit risk please refer to Note 5 (a).

C. Liquidity risk

The cash flow forecast is based on the dividend and interest payments, because there are 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 5 for detailed information about credit ratings.

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

Since the Company is a holding entity, there are no significant commitments for future periods.

	As at 30 June 2019	
In thousands of Hungarian Forints (HUF)	Repayable on-demand	Less than 1 year
Related party liabilities	5,865,998	158,262
Trade and other payables	0	3,460
Total	**5,865,998**	**161,722**

	As at 31 December 2018	
In thousands of Hungarian Forints (HUF)	Repayable on-demand	Less than 1 year
Related party liabilities	3,529,192	8,265
Trade and other payables	0	13,671
Total	**3,529,192**	**21,936**

13. 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 intercompany loans.

Currently the Company has no external financing and it is not subject to any financial covenants.

Net debt is calculated as loan liabilities less cash and cash equivalents and loan receivables. The net debt at 30 June 2019 and 31 December 2018 are presented in the below table.

In thousands of Hungarian Forints (HUF)	30.06.2019	12.31.2018
Loan liabilities	5,865,998	3,529,192
Less: cash and cash equivalents	(6,118,442)	(1,175,031)
Less: loan receivables	(25,489,288)	(17,432,888)
Net debt	(25,741,732)	(15,078,727)

Net Debt of the Company is negative mainly due to substantial balance of loan receivables from Company's subsidiaries. Please refer to Note 5 for detailed information about related party loan receivables.

Since net debt is negative, calculation of gearing or other equity ratios based on it would show negative figures, therefore it would not provide useful information.

Neither the Company nor its subsidiaries are subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

14. Subsequent events

Change of the leading shareholder:

QED Investments Ltd., the sole shareholder of Cordia International Zrt. sold in September 2019 its entire holding in the Company to Cordia Holding B.V. with registered seat in Amsterdam with no change in the ultimate controlling parties.

Related party financing:

As of 30 June 2019 The Company had a related party loan balance in the amount of 17.9 million EUR. Until the date of this report, the Group has repaid related party loans in the amount of EUR 17.0 million and the outstanding related party loan balance as of 25 September 2019 amounts to EUR 0.88 million. The Company intends to fully repay related party loan before end of 2019.

Acquisition of new plots:

The Company's subsidiary has purchased plots of land located in Cracow, in district Podgórze. The purchase agreement was signed in August. The plots are dedicated for development of the residential project comprising over 100 apartments.

Commencements of new projects:

The Company's subsidiary involved in development of the residential project Horyzont Praga (comprising 168 apartments) in Warsaw obtained the valid building permit and commenced its realization. The construction works are performed by general contractor Kalter Sp. z o.o.

The Company has commenced also realization of the project **Akadémia** (306 apartments) in Budapest, Distrixt IX.

Completions of residential projects:

The Company's subsidiary involved in development of the residential project Supernova in Cracow obtained the valid permit for occupancy of this project (comprising 185 apartments) and commenced in August delivery of the finished apartments to its customers.

The Company's subsidiary involved in development of the residential project Zielone Bemowo I and Zielone Bemowo II in Warsaw obtained the valid permit for occupancy of the I stage of this project (comprising 118 apartments) and commenced in September delivery of the finished apartments to its customers.

The Management Board

Tibor Földi Chief Executive Officer	Tomasz Łapiński Chief Financial Officer	Pál Darida

Budapest, 25 September 2019

ANNEX 7

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

CORDIA INTERNATIONAL ZRT.

IFRS CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2019

pwc

Report on review of condensed interim consolidated financial information

To the shareholders of Cordia International Zrt.

Introduction

We have reviewed the accompanying condensed interim consolidated financial information of Cordia International Zrt. ("the Company") and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as at 30 June 2019, the related consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the six-month period then ended and the notes to the condensed interim consolidated financial information.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial information in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. Our responsibility is to express a conclusion on these condensed interim consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial information is not prepared, in all material respect, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

Budapest, 26 September 2019

László Radványi
Partner
PricewaterhouseCoopers Könyvvizsgáló Kft.

Cordia International Zrt.

IFRS condensed interim consolidated financial information 30 June 2019

Contents

Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June *In thousands of Hungarian Forints (THUF)*	*Note*	**Six months ending 30 June 2019**	**Six months ending 30 June 2018**
Revenue	5	**7,831,397**	**4,349,350**
Cost of sales	6	**4,210,879**	**2,835,276**
Gross profit		**3,620,518**	**1,514,074**
Selling and marketing expenses		775,255	626,087
Administrative expenses	7	1,670,134	1,160,213
Other expenses		485,222	202,932
Other income		23,034	8,704
Operating profit		**712,941**	**(466,454)**
Interest income		59,945	53,118
Other financial income	10	1,611,515	902,230
Finance income		**1,671,461**	**955,348**
Interest expense		242,449	18,738
Other financial expense	10	1,169,181	409,068
Finance expense		**1,411,630**	**427,806**
Net finance income/(expense)		**259,831**	**527,542**
Share of loss in joint venture	2(b)	(11,308)	(40,463)
Profit before taxation		**961,463**	**20,445**
Current income tax		75,459	166,998
Deferred income tax		13,127	63,276
Income tax expense		**88,586**	**230,274**
Profit/(loss) for the period		**872,877**	**(209,829)**
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations		(474,534)	(250,682)
Other comprehensive loss		**(474,534)**	**(250,682)**
Total comprehensive income/(loss) for the period, net of tax		**398,343**	**(460,511)**
Total profit/(loss) for the year attributable to:			
owners of the parent		917,017	(144,591)
non-controlling interests		(44,140)*	(65,238)
Total profit/(loss) for the period		**872,877**	**(209,829)**
Total comprehensive income attributable to:			
owners of the parent		442,483	(395,273)
non-controlling interests		(44,140)*	(65,238)
Total comprehensive income for the period, net of tax		**398,343**	**(460,511)**

* Please refer to Note 2 (d) for reconciliation of total comprehensive income attributable to non-controlling interests.

The notes on pages 8 to 41 are an integral part of these condensed interim consolidated financial information.

Interim Consolidated Statement of Financial Position

In thousands of Hungarian Forints (THUF)	*Note*	30.06.2019	31.12.2018 Restated Note 20	01.01.2018 Restated Note 20
Assets				
Non-current assets				
Intangible assets		220,795	187,856	136,988
Property, plant and equipment	*3*	1,645,569	666,784	0
Long-term receivables from third parties		9,846	8,426	563,989
Long-term receivables from related parties	*11*	0	1,150,746	11,493
Investments accounted for using equity method	*2(b)*	1,298,144	729,800	1,050,379
Deferred tax assets		126,222	124,939	135,090
Restricted cash	*10*	0	10,869,940	5,483,415
Long-term VAT receivables		0	242,616	1,505,296
Other long-term assets		426,275	577,376	353,714
Total non-current assets		**3,726,851**	**14,558,483**	**9,240,364**
Current assets				
Inventory	*3,8*	80,807,924	58,713,306	37,536,704
Trade and other receivables		639,637	191,521	332,278
Short-term receivables from related parties	*11*	861,416	4,359,861	1,807,482
Income tax receivable		32,834	30,040	23,054
Short-term VAT receivables		4,848,745	3,057,847	819,580
Restricted cash	*10*	13,947,655	240,281	2,720,115
Other financial assets	*10*	156,381	29,553	30,119
Other short-term assets		1,335,772	301,199	423,471
Cash and cash equivalents		12,080,318	12,289,550	9,971,253
Total current assets		**114,710,682**	**79,213,158**	**53,664,056**
Total		**118,437,533**	**93,771,641**	**62,904,420**

The notes on pages 8 to 41 are an integral part of these condensed interim consolidated financial information.

Interim Consolidated Statement of Financial Position (cont'd)

In thousands of Hungarian Forints (THUF)	*Note*	30.06.2019	31.12.2018 Restated Note 20	01.01.2018 Restated Note 20
Equity[1]				
Shareholders' equity				
Share capital	*15(a)*	9,897,492	9,252,912	9,252,912
Share premium	*15(b)*	8,690,521	592,166	592,166
Currency translation reserve		(330,657)	143,877	141,872
Other reserves		(286,680)	(234,382)	(189,439)
Retained earnings		8,034,564	7,117,547	3,768,631
Equity attributable to equity holders of the parent		**26,005,240**	**16,872,120**	**13,566,142**
Non-controlling interests	*2(d)*	84,973	86,823	111,305
Total equity		**26,090,213**	**16,958,943**	**13,677,447**
Net assets attributable to non-controlling investment unit holders	*2(c)*	**18,745,739**	**16,286,632**	**7,468,455**
Liabilities[1]				
Non-current liabilities				
Loans and borrowings	*12*	6,259,146	4,829,609	5,746,263
Long-term liabilities to related parties	*13*	49,441	4,429,058	2,274,895
Deferred tax liabilities		56,900	44,550	165,986
Customer advances	*9*	22,333,872	7,635,951	5,337,026
Lease liabilities	*3*	609,124	0	0
Amounts withheld for guarantees	*4,10*	1,890,252	1,733,237	648,677
Other long-term liabilities		146,502	137,101	2,477
Total non-current liabilities		**31,345,237**	**18,809,506**	**14,175,324**
Current liabilities				
Trade and other payables	*14*	7,561,367	4,471,907	2,949,018
Short-term liabilities to related parties	*13*	6,349,640	3,124,653	3,450,854
Loans and borrowings	*12*	6,266,134	5,239,689	735,812
Customer advances	*9*	19,805,143	28,127,855	20,190,907
Lease liabilities	*3*	1,673,900	0	0
Other tax liabilities		496,250	707,187	168,287
Income tax liabilities		53,677	45,269	88,316
Other provision		50,223	0	0
Total current liabilities		**42,256,344**	**41,716,560**	**27,583,194**
Total liabilities		**73,601,581**	**60,526,066**	**41,758,518**
Total		**118,437,533**	**93,771,641**	**62,904,420**

The notes on pages 8 to 41 are an integral part of these condensed interim consolidated financial information..

[1] excluding net assets attributable to non-controlling investment unit holders

Interim Consolidated Statement of Changes in Equity

For the period ended 30 June 2019

In thousands of Hungarian Forints (THUF)	Attributable to the equity holders of the parent: Share capital	Share premium	Currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests*	Total equity
Balance at 31 December 2018	9,252,912	592,166	143,887	(234,382)	7,117,547	16,872,120	86,823	16,958,943
Profit/(loss) for the period	0	0	0	0	917,017	917,017	(1,850)	915,167
Other comprehensive loss	0	0	(474,534)	0	0	(474,534)	0	(474,534)
Proceeds from capital increase	644,580	8,098,355	0	0	0	8,742,935	0	8,742,935
Other equity contributions	0	0	0	(52,298)	0	(52,298)	0	(52,298)
Transactions with owners	644,580	8,098,355	0	(52,298)	0	8,690,637	0	8,690,637
Balance at 30 June 2019	9,897,492	8,690,521	(330,657)	(286,680)	8,034,564	26,005,240	84,973	26,090,213

The significant movements in the equity items presented above are explained in details in Note 15.
*Please also refer to Note 2 (c) about Net assets attributable to non-controlling investment unit holders and Note 2 (d) for reconciliation of total comprehensive income attributable to non-controlling interests.

The notes on pages 8 to 41 are an integral part of these condensed interim consolidated financial information.

Interim Consolidated Statement of Changes in Equity

For the period ended 30 June 2018

In thousands of Hungarian Forints (THUF)	Attributable to the equity holders of the parent							
	Share capital	Share premium	Currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests*	Total equity
Balance at 31 December 2017	9,252,912	592,166	141,872	(189,439)	3,768,631	13,566,142	111,305	13,667,447
Loss for the period	0	0	0	0	(144,591)	(144,591)	(36,335)	(180,926)
Other comprehensive loss	0	0	(250,682)	0	0	(250,682)	0	(250,682)
Other equity contributions	0	0	0	(87,442)	0	(87,442)	0	(87,442)
Non-controlling interests arising on acquisition	0	0	0	0	0	0	5,000	5,000
Redemption of non-controlling interests							(74,970)	(74,970)
Transactions with owners	0	0	0	(87,442)	0	(87 442)	(69,970)	(157,412)
Balance at 30 June 2018	9,252,912	592 166	(108,810)	(276,881)	3,624,040	13,083,427	5,000	13,088,427

The significant movements in the equity items presented above are explained in details in Note 15.
*Please also refer to Note 2 (c) about Net assets attributable to non-controlling investment unit holders.

The notes on pages 8 to 41 are an integral part of these condensed interim consolidated financial information.

Interim Consolidated Statement of Cash Flows

In thousands of Hungarian Forints (THUF)	*Note*	**Six months ending 30 June 2019**	**Six months ending 30 June 2019**8
Cash flows from/(used in) operating activities			
Profit/(loss) before taxation for the period		961,463	20,455
Adjustments to reconcile profit before for taxation to net cash used in operating activities:			
Depreciation		241,386	76,708
Other non-cash movements*		855,013	302,268
(Profit)/loss on sale of tangible and intangible assets		(41,381)	(3,932)
Net finance income/expense		(259,381)	(527,542)
Increase in inventory	*8*	(20,591,792)	(10,806,258)
Share of loss in joint venture	*2(b)*	11,308	40,643
Decrease/(increase) in trade and other receivables		(8,560,606)	(1,055,659)
(Decrease)/increase in liabilities from related parties	*11, 13*	1,780,458	(1,590,490)
Increase in trade and other payables		2,845,477	(2,693,756)
Increase in provision		50,223	0
Increase in advances received	*9*	6,375,209	9,528,783
Interest paid		(431,490)	(371,092)
Income tax paid		(71,905)	(229,678)
Net cash from/(used in) operating activities		**(16,836,458)**	**(7,309,560)**
Cash flows from/(used in) investing activities			
Cash paid for acquisition of subsidiaries	*2(a)*	(15,000)	(137,924)
Cash of acquired subsidiaries	*2(a)*	1,510,746	241,104
Acquisitions of tangible and intangible assets		(118,129)	(102,947)
Investing in other long-term financial assets		(431,142)	(5,162,459)
Increase of long-term loan receivables		0	(39,545)
Repayment of long-term loan receivables	*11*	1,150,746	783
Repayment of short-term loan receivables	*11*	3,159,575	0
Interest received		59,945	0
Purchase of investments in joint ventures	*2(b)*	(579,652)	(355,385)
Net cash from/(used in) investing activities		***4,737,089***	***(5,556,373)***
Cash flows from/(used in) financing activities			
Proceeds from loans and borrowings	*12,13*	20,521,503	17,628,716
Repayment of loans and borrowings	*12,13*	(19,478,930)	(9,443,069)
Capital increase	*15(a)*	8,742,935	0
Issuance of non controlling shares and investment notes	*2(c),2(d)*	5,000,000	10,198,849
Redemption of non controlling shares and investment notes	*2(c),2(d)*	(2,700,000)	(74,970)
Repayment of lease liability		(195,371)	0
Net cash from financing activities		**11,890,137**	**18,309,526**
Net change in cash and cash equivalents		(209,232)	5,443,593
Cash and cash equivalents at beginning of the year		12,289,550	9,971,253
Cash and cash equivalents at end of the period		**12,080,318**	**15,414,846**

*Other non-cash movements mainly include unrealized foreign exchange differences.

The notes on pages 8 to 41 are an integral part of these condensed interim consolidated financial information.

Notes to condensed interim the Consolidated Financial Information

1. Background and business of the Company

Company name: Cordia International Private Limited Company ('Cordia International Zrt.')
Headquarter: 7th floor, 47-53 Futó street, 1082 Budapest
Company registration number: 01-10-048844
Statistical number: 25558098-6810-114-01
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 incorporated on 17 April 2016.
The core business of the company is to develop residential properties and then sale residential units. The Company is not involved in development of other real estate projects.
The registered office is located at 47-53 Futó street, Budapest, Hungary. The Company (together with its Hungarian Polish and Romanian 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 and in Romania.
Cordia International Zrt. (the 'Parent') was established as of 27 April 2016 by Futureal Property Group Kft.

As of 30 June 2019 the Company has the following owner:

- QED Investments Limited 100% (place of business: Brewery Street, Mriehel, BKR3000, Malta)

Direct controlling party of the Company was Sparks Ltd. as of 31 December 2018. Sparks Ltd., the sole shareholder of Cordia International Zrt. sold in May 2019 its entire holding in the Company to QED Investments Ltd., with registered seat in Malta. QED Investments Ltd. is also the sole shareholder of Sparks Ltd., therefore the ultimate controlling party has not been changed as a result of this transaction. The direct controlling party does not prepare consolidated financial statements and there is no consolidated financial statement available into which the Company is consolidated.

The ultimate controlling parties are Futó Gábor and Futó Péter.

2. Basis of preparation and measurement

This condensed interim consolidated interim financial information for the half-year reporting period ended 30 June 2019 has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. The condensed interim consolidated financial statements were authorized by the Boards of Directors of Cordia International on 25 September 2019.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2018 and any public announcements made by Cordia International Zrt. during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except change in presentation as disclosed in note 20. A number of new or amended standards became applicable for the current reporting period, and the group had to change its accounting policies and make retrospective adjustments as a result of adopting IFRS 16 Leases. The impact of the adoption of the leasing standard are disclosed in note 3 below. The other standards did not have any impact on the group's accounting policies and did not require retrospective adjustments.

Seasonality of operations has no significant impact on the interim condensed consolidated financial information.

Interests in other entities

(a) Changes in group structure

In comparison to 31 December 2018, there were only few minor changes in group structure by establishing and acquiring new subsidiaries.

Cordia International Zrt. established the following entities in 2019:

Newly established entities
Cordia Development 10 Sp. z o.o
Cordia Development 6 Sp. z o.o
Cordia Development 7 Sp. z o.o
Cordia Development 8 Sp. z o.o
Cordia Development 9 Sp. z o.o
Cordia Europe Holding Kft.
Cordia Global 21 Alap
Cordia Global 22 Alap
Cordia Global 23 Alap
Cordia Global 24 Alap
Cordia Global 25 Alap
Cordia Partner 5 Sp. z o.o.
Cordia Partner 6 Sp. z o.o.
Projekt Kraków 4 Cordia Partner 2 Sp. z o.o. Sp.k
Projekt Trójmiasto 1 Cordia Partner 2 Sp. z o.o. Sp.k
Projekt Warszawa 6 Cordia Partner 2 Sp. z o.o. Sp.k
Projekt Warszawa 7 Cordia Partner 2 Sp. z o.o. Sp.k

Cordia International Zrt. acquired the following entities in 2019. All of the acquisitions were at market prices from entities under common control. In line with the accounting policy of the Group, the acquisitions were recorded by using the predecessor method. Since there was no consolidated financial information where these entities were consolidated, assets and liabilities were recognized at the amount recognized in the separate financial statements of the acquired entities. No goodwill was recognized as a result of the transaction.

Newly acquired entities
Cordia Project Company Sociedad Limitada
FUTUREAL DEVELOPMENT COMPANY Sociedad Limitada
Futureal Iberia Holding Sociedad Limitada
Futureal Project Company Sociedad Limitada
Cordia Development Company Sociedad Limitada
Cordia Spain Holding Kft.

As a result of the acquisitions, the Group acquired the following assets and liabilities. The total consideration was THUF 15,000. Difference between the consideration and the net assets acquired was recorded in other reserves in 2019.

Balance sheet line item	Amount (THUF)
Cash and cash equivalents	1,510,746
Other current asset	202,989
Related party liabilities	1,717,987
Other current liabilities	33,046

(b) Interests in joint-ventures

The investment in its joint-venture increased (proportionally with the other investor) in 2019 as below. There were no other changes compared to the 31 December 2018 consolidated financial statements.

2019 *In thousands of Hungarian Forints (HUF)*	**Cordia Global 6 Alap**
Opening	729,800
Purchase of investments	579,652
Profit attributable to Group	(11,308)
Closing carrying amount	**1,298,144**

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

Just as in the previous period, this line represents the investment of the non-controlling investment unit holders in two subsidiaries (Finext Funds BP SICAV-SIF and Finext Funds One SICAV-SIF). The change in the balance is due to mainly the new investments and the redemptions made to the non-controlling investment unit holders.

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

In thousands of Hungarian Forints (HUF)	
Opening balance 31 December 2018	**16,286,632**
Investment made by non-controlling investment unit holders	5,000,000
Change in net assets attributable to non-controlling investment unit holders*	(42,290)
Redemption of investment units of non-controlling investment unit holders	(2,700,000)
Profit distribution to be paid out	201,397
Closing balance 30 June 2019	**18,745,739**

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

*Please refer also to Note 2(d) below for reconciliation of total comprehensive income attributable to non-controlling interests.

(d) Non-controlling interests

Movements in non-controlling interests during the period ended 30 June 2019 are as follows:

In thousands of Hungarian Forints (HUF)	**2019**
Opening balance	**86,823**
Comprehensive income/(loss) attributable to non-controlling interests	(1,850)
Closing balance	**84,973**

Reconciliation of total comprehensive income attributable to non-controlling interests for ther period ending as of 30 June 2019:

Net assets attributable to non-controlling investment unit holders (Note 2 c)	(42,290)
Comprehensive income/(loss) attributable to non-controlling interests (Note 2 d)	(1,850)
Total comprehensive income attributable to non-controlling interests	**(44,140)**

3. Adoption of new and revised Standards

(A) Adjustments recognised on adoption of IFRS 16

This note explains the impact of the adoption of IFRS 16 Leases on the group's financial information and discloses the new accounting policies that have been applied from 1 January 2019. The group has adopted IFRS 16 simplified method retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 2%.

The Group has not classified any leases as financial lease in 2018, so this not resulted adjustments in measurement.

In thousands of Hungarian Forints (THUF)		**01.01.2019**
Operating lease commitments disclosed as at 31 December 2018		1,809,764
Rights of perpetual usufruct of land	*a*	1,333,390
Discounted using the lessee's incremental borrowing rate at the date of initial application	*b*	(83,156)
Change in office rental extension option	*c*	(633,008)
(Less): short-term leases recognised on a straight-line basis as expense		0
(Less): low-value leases recognised on a straight-line basis as expense		0
Lease liability recognised as at 1 January 2019		**2,426,990**
Of which are		
Current lease liabilities		**1,817,866**
Non-current lease liabilities		**609,124**

"a" Perpetual usufruct fees payable by Polish subsidiaries were not disclosed as operating lease commitments as at 31 December 2018. Management reassessed the classification of perpetual usufruct fees based on IFRS 16 and considered them to be leases. This causes a difference between the IFRS 16 lease liability as of 1 January 2019 and the operating lease commitment presented in prior year's financial statements. Please see below more details about perpetual usufruct fees and their accounting under IFRS 16.

"b" Operating lease commitment were presented – in line with IAS 17 – using undiscounted amounts. IFRS 16 lease liabilities are discounted.

"c" Upon implementation of IFRS 16, Management analysed the lease contracts and the lease term based on IFRS 16 requirements and calculated lease liability accordingly. In case of certain office lease agreements, Management considers it to be reasonably certain to use termination options provided by the lease contracts for early termination. Amounts disclosed in IAS 17 operating lease commitment table were incorrectly calculated using the full contractual term, without considering termination options.

The associated right-of-use assets for property leases were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised as of 1 January 2019, as permitted

by IFRS 16. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.
The Group has decided to present right-of-use assets within the same item in which the relevant underlying assets would be presented if they were owned by the Group (as lessee).

In thousands of Hungarian Forints (THUF)	**30.06.2019**	**01.01.2019**
Buildings	915,088	1,045,718
Machinery and vehicles	29,989	47,882
Rights of perpetual usufruct of land (inventory)	1,333,390	1,333,390
Total right of use asset	**2,278,467**	**2,426,990**

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- property, plant and equipment – increase by 1,093,600
- inventory – increase by 1,333,390
- lease liabilities – increase by 2,283,024

The net impact on retained earnings on 1 January 2019 was 0.

(i) Impact on segment disclosures

Segment assets and segment liabilities for June 2019 all increased as a result of the change in accounting policy. Lease liabilities are now included in segment liabilities. The following segments were affected by the change in policy:

In thousands of Hungarian Forints (THUF)	**Segment asset**	**Segment liability**
Hungary	504,980	507,579
Poland	1,746,207	1,748,022
Romania	27,280	27,423
Spain	0	0
Total	**2,278,467**	**2,283,024**

(ii) Practical expedients applied

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

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

(B) The Group leasing activities and how these are accounted for

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

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

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

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

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

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

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

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

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

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

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

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

Rights of perpetual usufruct of land (Poland)

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

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

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

Until the time of transfer of the above mentioned ownership, land-related lease liabilities remain on the balance sheet of the Group. At the time of handover of the unit (which is also the time of recognition of the revenue from the sale of the unit), the portion of the asset related to the lease is transferred from Inventory to Receivables from the customer, in the amount corresponding to the recognised land-related lease liability.
Until the time of transfer of the ownership to the customer, both the receivable and the liability are recognised as a short-term receivable or liability, because they will be settled through the transfer to the customer within the "operating cycle". At the date of ownership transfer to the buyer, land-related lease liability and the related receivables from the buyer of the unit are reversed from the accounting records.

30.06.2019 *In thousands of Hungarian Forints (HUF)*	**30 June 2019**	**Impact of IFRS 16**	**30 June 2019 as presented**
Current assets	104,842,068	1,333,390	114,710,682
Current liabilities	40,582,444	1,673,900	42,256,344
Current net assets	72,794,848	(340,510)	72,454,338
Non-current assets	2,781,774	945,077	3,726,851
Non-current liabilities	30,736,113	609,124	31,345,237
Non-current net assets	(27,954,339)	335,953	(27,618,386)
Net assets	**44,840,509**	**(4,557)**	**44,835,952**

01.01.2019-30.06.2019 *In thousands of Hungarian Forints (HUF)*	**30 June 2019**	**Impact of IFRS 16**	**30 June 2019 as presented**
Operating profit	661,086	51,405	712,491
Finance cost	1,355,669	55,961	1,411,630
Profit before tax	966,020	(4,557)	961,463
Income tax expense	88,586	0	88,586
Profit for the year	**877,434**	**(4,557)**	**872,877**

01.01.2019-30.06.2019 *In thousands of Hungarian Forints (HUF)*	**30 June 2019**	**Impact of IFRS 16**	**30 June 2019 as presented**
Cash flow from operating activities	(17,031,829)	195,371	(16,836,458)
Cash flow from investing activities	4,737,089	0	4,737,089
Cash flow from financing activities	12,085,508	(195,371)	11,890,137
Net change in cash and equivalents	**(209,232)**	**0**	**(209,232)**

01.01.2019

In thousands of Hungarian Forints (HUF)	**31 December 2018 as presented**	**Impact of IFRS 16**	**1 January 2019**
Current assets	79,213,158	1,333,390	80,546,548
Current liabilities	41,716,560	1,817,866	43,534,426
Current net assets	37,496,598	(484,476)	37,012,122
Non-current assets	14,558,483	1,093,600	15,652,083
Non-current liabilities	18,809,506	609,124	19,418,630
Non-current net assets	(4,251,023)	484,476	(3,766,547)
Net assets	**33,245,575**	**0**	**33,245,575**

4. New significant accounting policies

Amounts withheld for guarantees

As of 31 June 2019, the Group presents seperately the amounts witheld for guaranteees in its statement of financial position. Please refer to Note 20 for the impact on change in presentation.

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

IFRS 16

The Group has adopted IFRS 16 Leases from 1 January 2019. For further details (accounting policies) please refer to Note 3(b).

5. Revenue

For the period ended 30 June *In thousands of Hungarian Forints (THUF)*	**01.01.2019-30.06.2019**	**01.01.2018-30.06.2018**
Revenue from sale of real estate	7,190,775	3,773,068
Other revenue	640,622	576,282
Total revenue	**7,831,397**	**4,349,350**

The revenues from sale of real estate of the Group are driven mainly by value of apartments handed over to its clients. Despite the Group has not accomplished any new project during IH 2019, 160 apartments were delivered to the customers – mainly in three projects which were completed in Budapest in late 2018 (156), while during IH of 2018 the Group delivered as many as 127 apartments – mainly in the second stage of project Cystersów Garden(119), which was the only project that was accomplished by the Group in IH 2018. In line with IFRS 15, revenue is recognized when control over the apartment is transferred and it is delivered to the customer.

Other revenue includes revenues from rental and service charge, as well as assignment fees for the purchase right of a land plot. Revenues from service and rental charges are recognized over time, other fees are recorded at a point in time.

For the period ended 30 June *In thousands of Hungarian Forints (THUF)*	**2019**
Opening balance of capitalized variable sales commissions	**426,173**
Increase in contract assets	229,296
Amortization of contract assets	(64,032)
Closing balance of capitalized variable sales commissions	**591,437**

Capitalized variable sales commission are presented among other long-term assets and other short-term assets based on the expected delivery date of the related construction project.

Please refer also to note 9 about contract liabilities and the contracted sales and note 19 about the sales breakdown by segment.

6. Cost of sales

For the period ended 30 June *In thousands of Hungarian Forints (THUF)*	**01.01.2019-30.06.2019**	**01.01.2018-30.06.2018**
Cost of sales of main activities	3,906,705	2,741,723
Cost of sales of other revenue	304,174	93,553
Total cost of sales	**4,210,879**	**2,835,276**

7. Administrative expenses

For the period ended 30 June *In thousands of Hungarian Forints (THUF)*	**01.01.2019-30.06.2019**	**01.01.2018-30.06.2018**
Personnel expenses and external services	1,381,761	1,018,967
Materials and energy	28,013	7,652
Depreciation	241,386	46,148
Bank fees and other charges	18,974	87,446
Total administrative expenses	**1,670,134**	**1,160,213**

Personnel expenses are related to staff of the Hungarian, Polish and the Romanian management companies (Cordia Management Szolgáltató Kft., Futureal Management Poland Sp. Z.o.o. and Cordia Development Services Srl.). This does not include construction and engineering staff costs, which are capitalized as inventory.
Comparison of the personnel expenses during IH 2018 and IH 2019 may suggest substantial dynamics, while the expenses evidenced during IH 2019 include also some part of additional remuneration to the Company's employees related to their performance in 2018 which was not planned earlier. Taking into account this one-off item would indicate a year over year increase of personnel expenses at 7%.

8. Inventory

In thousands of Hungarian Forints (HUF)	**Closing balance 30.06.2019**	**Opening balance 31.12.2018**
Borrowing costs	991,437	802,936
Construction costs	34,647,568	21,486,689
Acquisition	10,823,804	11,058,613
Lands	21,798,023	12,789,776
Engineering and construction fees	4,262,889	3,359,331
Planning	2,588,209	2,094,340
Other	882,525	629,647
Work in progress	**75,994,455**	**52,221,332**

In thousands of Hungarian Forints (HUF)	**Closing balance 30.06.2019**	**Opening balance 31.12.2018**
Finished goods	**3,055,734**	**6,424,014**

In thousands of Hungarian Forints (HUF)	**Closing balance 30.06.2019**	**Opening balance 31.12.2018**
Goods for resale	**214,308**	**67,960**

In thousands of Hungarian Forints (HUF)	**Closing balance 30.06.2019**	**Opening balance 31.12.2018**
Advances paid for delivery of goods	**210,037**	**0**

In thousands of Hungarian Forints (HUF)	**Closing balance 30.06.2019**	**Opening balance 31.12.2018**
Rights of perpetual usufruct of land (lease)	**1,333,390**	**0**

In thousands of Hungarian Forints (HUF)	**Closing balance 30.06.2019**	**Opening balance 31.12.2018**
Write-down	**0**	**0**

In thousands of Hungarian Forints (HUF)	**Closing balance 30.06.2019**	**Opening balance 31.12.2018**
Total inventories at the lower of cost or net realizable value	**80,807,924**	**58,713,306**

Write-down revaluating the inventory:

The company internally assessed the net realizable value of the inventory and decreased the value when the net realizable value was lower than the cost amount. In view of the situation in the Hungarian, Polish, Spain and Romanian property market in which the Group operates, during the period ended 30 June 2019 the Group performed an inventory review with regard to its valuation to net realizable value based on the valuation report issued by the independent property valuation expert. As a result, during the period ended 30 June 2019, the Group did not made any write-down adjustment. The Group examined a possible write-down on inventory for each project separately, according to the projection of revenues net of cost of sales.

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

For information about future commitments to the general contractor for construction services related to inventory construction, see Note 16.

Majority of inventory is pledged and used to secure bank loans, there were no significant change compared to prior year.

9. Customer advances received

The table below presents the breakdown of customer advances received by projects. These are recorded as contract liabilities as required by IFRS 15.

In thousands of Hungarian Forints (HUF)	**Project name**	**30.06.2019**	**31.12.2018**
Cordia Development 1. Development Fund	Corvin Átrium	166,908	1,718,788
Cordia Development 2. Development Fund	Thermal Zugló 2	0	751,494
Cordia Development 2. Development Fund	Thermal Zugló 3	2,184,975	1,466,090
Cordia Global 1. Development Subfund	Kapás 21	728,441	3,272,616
Cordia Global 10. Development Subfund	Sasad Hilltop	1,002,823	362,959
Cordia Global 11. Development Subfund	Grand Corvin	2,228,723	1,353,576
Cordia Global 12. Development Subfund	Marina Portside	1,385,706	397,942
Cordia Global 13. Development Subfund	Universo	140,491	0
Cordia Global 14. Development Subfund	N/A	0	184,279
Cordia Global 17. Development Subfund	Young City 3	712,597	0
Cordia Global 18. Development Subfund	Akadémia Garden	986,731	145,137
Cordia Global 19. Development Subfund	Grand Corvin 2	126,593	0
Cordia Global 2. Development Subfund	Corvin Átrium 2	6,952,533	6,754,793
Cordia Global 3. Development Subfund	Young City	1,415,594	1,372,536
Cordia Global 3. Development Subfund	Young City 2	1,869,919	1,625,524
Cordia Global 4. Development Subfund	Rózsa55	4,360,098	4,059,227
Cordia Global 5. Development Subfund	Grand'Or	922,762	696,197
Cordia Global 7. Development Subfund	Marina Garden	7,600,913	5,515,641
Cordia Global 8. Development Subfund	Sasad Resort Hill	1,162,642	1,115,162
Cordia Global 8. Development Subfund	Sasad Resort Sun	1,076,051	1,049,102
Cordia Global 9. Development Subfund	Centropolitan	663,414	317,684
Cordia FM Társasházkezelő Kft	N/A	49,387	37,459
Cordia Parcului Residential project SRL	Parcului201	220,146	15,546
Projekt Krakow 1	Lotniczówka	6,469	0
Cordia Supernova Sp. Z o.o.	Supernova	3,593,666	2,347,030
Projekt Warszawa 1	Zielone Bemowo 1	2,432,222	1,176,157
Villena sp. z o.o.	Cystersów Garden 2	149,212	28,865
Total subsidiaries		**42,139,015**	**35,763,806**
Cordia Global 6. Development Subfund	Marina Life	1,760,401	1,104,495
Cordia Global 6. Development Subfund	Marina Life 2	259,957	0
Total including joint venture		**44,159,373**	**36,868,300**

For the period ended *In thousands of Hungarian Forints (THUF)*	**01.01.2019-30.06.2019**
Opening balance of customer advances	**35,763,806**
Increase in contract liabilities from customer advances received for not completed performance obligations	11,201,726
Revenue recognised that was included in the contract liability balance at the beginning of the period	(4,913,519)
Cumulative translation adjustment	87,002
Closing balance of customer advances	**42,139,015**

10. Financial assets and financial liabilities

The group holds the following financial instruments:

For the period ended 30 June 2019

In thousands of Hungarian Forints (HUF)	Financial assets at FV through P/L	Financial assets at amortized cost	Total
Non-current financial assets			
Long-term receivables from related parties	0	0	**0**
Loans receivables from third parties	0	9,846	**9,846**
Restricted Cash	0	0	**0**
Current financial assets			
Securities	156,381	0	**156,381**
Restricted Cash	0	13,947,655	**13,947,655**
Short-term receivables from related parties	0	861,416	**861,416**
Trade and other receivables	0	639,637	**639,637**
Cash and cash equivalents	0	12,080,318	**12,080,318**
Total financial assets	**156,381**	**27,538,872**	**27,695,253**

For the period ended 30 June 2019

In thousands of Hungarian Forints (HUF)	Financial liabilities at amortized cost	Total
Non-current financial liabilities		
Loans and borrowings	6,259,146	**6,259,146**
Long-term liabilities to related parties	49,441	**49,441**
Lease liabilities	609,124	**609,124**
Amount withheld for guarantees	1,890,252	**1,890,252**
Current financial liabilities		
Trade and other payables	7,561,369	**7,561,369**
Loans and borrowings	6,266,134	**6,266,134**
Lease liabilities	1,673,900	**1,673,900**
Short-term liabilities to related parties	6,349,640	**6,349,640**
Total financial liabilities	**30,659,006**	**30,659,006**

Other finance income and cost is mainly related to realized and non-realized foreign exchange differences arising on EUR denominated borrowings and trade payables.

For the period ended 31 December 2018 as restated

n thousands of Hungarian Forints (HUF)	Financial assets at FV through P/L	Financial assets at amortized cost	Total
Non-current financial assets			
Long-term receivables from related parties	0	1,150,746	**1,150,746**
Loans receivables from third parties	0	8,426	**8,426**
Restricted Cash	0	10,869,940	**10,869,940**
Current financial assets			
Securities	29,553	0	**29,553**
Restricted Cash	0	240,281	**240,281**
Short-term receivables from related parties	0	4,359,861	**4,359,861**
Trade and other receivables	0	192,521	**192,521**
Cash and cash equivalents	0	12,289,550	**12,289,550**
Total financial assets	**29,553**	**29,111,325**	**29,140,878**

For the period ended 31 December 2018 (as restated, please see Note 20)

In thousands of Hungarian Forints (HUF)	Financial liabilities at amortized cost	Total
Non-current financial liabilities		
Loans and borrowings	4,829,609	4,829,609
Long-term liabilities to related parties	2,691,668	2,691,668
Amount withheld for guarantees	1,733,237	1,733,237
Current financial liabilities		
Trade and other payables	4,671,734	4,671,734
Loans and borrowings	5,239,689	5,239,689
Short-term liabilities to related parties	4,862,043	4,862,043
Total financial liabilities	**24,027,980**	**24,027,980**

Restricted cash

Cordia's model of operations assumes that instead of using customer deposits for the development, most of it are deposited as restricted cash securing construction loans received. Despite all banks allow full or partial the use of such funds, (sometimes subject to utilization fees) these balances are presented as restricted cash in the financial information.

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

Due to expected changes in financing and as a result of several projects turning into the delivery phase within the next 12 months, in 2019 Management implemented a new policy of more openly using these balances during the normal operating cycle. To reflect these changes and Management's expectation that these amounts may be realized within the normal operating cycle, all restricted cash balances are presented under current asset as at 30 June 2019.

VAT receivables

VAT receivables mainly contain VAT receivable relating to customer advance payments. Similarly to restricted cash, now Management's expectation is that these amounts may be realized within the normal operating cycle, therefore these balances are presented under current asset as at 30 June 2019.

11. Receivables from related parties

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

In thousands of Hungarian Forints (HUF)	30.06.2019	31.12.2018
Trade receivables	272,972	36,448
Loan receivables	0	4,343,378
Accrued interest receivables	0	235,824
Accrued expenses	0	246,836
Accrued revenue	586,599	372,214
Other receivables	1,845	275,907
Total closing balance	**861,416**	**5,510,607**
Closing balance includes:		
Non-current assets	0	1,150,746
Current assets	861,416	4,359,861
Total closing balance	**861,416**	**5,510,607**

Following earlier initiatives aimed at separation of Cordia Group from Futureal Group (affiliated due to involvement of the joint leading shareholder), all loans granted by Cordia subsidiary companies to the companies within the Futureal Group (in total amount of HUF 4.34 bn) have been repaid during IH 2019. As a result of this operation the total loan balances between Cordia Group and Futureal Group has been substantially decreased.

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

In thousands of Hungarian Forints (HUF)	01.01.2019-30.06.2019
Opening balance	**4,343,378**
Loans repaid	(4,310,321)
Foreign exchange difference	(33,057)
Total closing balance	**0**

In thousands of Hungarian Forints (HUF)	30.06.2019	31.12.2018
HUF	117,992	380,331
EUR	624,776	604,322
PLN	117,881	4,525,898
RON	767	56
Total closing balance	**861,416**	**5,510,607**

12. Loans and borrowings

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

In thousands of Hungarian Forints (HUF)	**01.01.2019-30.06.2019**
Opening balance	**10,069,298**
New bank loan drawdown	4,426,420
Loan repayments	(1,919,735)
Other (non-cash changes)	(50,703)
Total closing balance	**12,525,280**

	30.06.2019	**31.12.2018**
Closing balance includes:		
Current liabilities	6,266,134	5,239,689
Non-current liabilities	6,259,146	4,829,609
Total closing balance	**12,525,280**	**10,069,298**

In thousands of Hungarian Forints (HUF)	**30.06.2019**	**31.12.2018**
HUF	11,321,585	7,668,640
EUR	0	669,315
PLN	1,203,695	1,731,343
Total closing balance	**12,525,280**	**10,069,298**

New bank loan drawdowns and loan repayments relate solely to progress (new openings or completions) of the residential projects realized by the Group and to increasing scale of Group operations. Loan repayments during IH of 2019 were mainly related to final settlements of projects completed in Budapest in December 2018, as well as to the Polish projects (Supernova in Kraków and Zielone Bemowo I), which were completed after 30 June 2019 (i.e. in July 2019). New bank loan drawdowns were related to other projects run by Cordia Group in Hungary.

13. Liabilities to related parties

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

In thousands of Hungarian Forints (HUF)	30.06.2019	31.12.2018
Trade payables	258,799	0
Loan	5,830,057	7,028,529
Accrued expenses payables	310,255	525,182
Total closing balance	**6,399,081**	**7,553,711**
Closing balance includes:		
Current liabilities	6,349,640	3,124,653
Non-current liabilities	49,441	4,429,058
Total closing balance	**6,399,081**	**7,553,711**

The table below presents the movement in loans and borrowings:

In thousands of Hungarian Forints (HUF)	01.01.2019-30.06.2019
Opening balance	**7,028,529**
New loan drawdown	16,095,083
Loan repayments	(17,559,195)
Other (non-cash changes)	265,640
Total closing balance	**5,830,057**

In thousands of Hungarian Forints (HUF)	30.06.2019	31.12.2018
HUF	0	1,354,907
EUR	5,797,508	6,183,412
PLN	601,573	12,286
RON	0	3,106
Total closing balance	**6,399,081**	**7,553,711**

Following earlier initiatives aimed at separation of Cordia Group from Futureal Group (affiliated due to involvement of the joint leading shareholder), the open balance of the loans granted as well as of the loans received from the companies belonging to Futureal Group has been reduced and structured in a way, that as of 30 June 2019 all the loan balances are from one single sister company.

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

As of 30 June 2019

In thousands of Hungarian Forints (HUF)

Counterparty	Balance	Maturity	Interest rate	Currency
Sister company	5 797 508	on-demand	Free	EUR

As of 31 December 2018

In thousands of Hungarian Forints (HUF)

Counterparty	Balance	Maturity	Interest rate	Currency
Sister company	1 084 815	2022.12.31	EURIBOR 3M + 3,2%	EUR
Sister company	3 258 563	on demand	WIBOR 1M +3,0%	PLN

There were no other significant related party transactions and there was no significant change in the key management's compensation in the period ending as of 30 June 2019.

14. Trade and other payables

The reason for the significant increase of trade and other payables balance is the growth of Cordia Group's portfolio. Besides this, there is no other reason behind the change in the balance compared to previous year.

15. Shareholders' equity

15.(a) Share capital

The parent company's share capital is EUR 32,000,000 (9,897,492 thousands HUF) consisting of ordinary shares with nominal value of EUR 1 in the number of 32,000,000. All shares are fully paid. Ordinary shares provide the rights to the holders on a pro-rata basis.

	30.06.2019			
Company	**Nominal value of shares (THUF)**	**Ownership percentage**	**Nominal value of shares (THUF)**	**Ownership percentage**
QED Investments Ltd	9,897,492	100.00%	9,897,492	**100.00%**
Total	**9,897,492**	**100.00%**	**9,897,492**	**100.00%**

	31.12.2018			
Company	**Nominal value of shares (THUF)**	**Ownership percentage**	**Nominal value of shares (THUF)**	**Ownership percentage**
Sparks Ltd.	9,252,912	100.00%	**9,252,912**	**100.00%**
Total	**9,252,912**	**100.00%**	**9,252,912**	**100.00%**

15.(b) Share premium

In thousands of Hungarian Forints (HUF)	**01.01.2019-30.06.2019**
Opening balance	**592,166**
Proceeds from capital increase	8,098,355
Closing balance	**8,690,521**

The new direct shareholder of the Company, QED Investments Limited, following purchase of 100% of the Company from Sparks Ltd. (May 2019), decided about capital increase of the Company. Out of total EUR 27m, EUR 2m was declared as new share capital, while EUR 25m have been contributed to the Company as share premium. All contributions were declared in May 2019 and were fully paid until end of June 2019.

16. (a) Fair value estimation of financial assets and liabilities

There are two financial assets which are measured at fair value through profit or loss in the condensed interim consolidated financial information, these are not material in neither reporting period (the fair value of these listed investments is 126,251 and 30,130 THUF at 30.06.2019, 29,553 THUF in 2018 in respectively). All other financial assets and liabilities are measured at amortized cost. Furthermore, there are no non-financial assets or liabilities that are measured at fair value.

The fair value of the financial assets and liabilities measured at amortized cost approximates their carrying value, as they are loans and receivables either with variable interest rate (e.g. in case of borrowings) or short-term receivables and liabilities, where the time value of money is not material (e.g. in case of related party loans).

16. (b) Commitments and contingencies

Investment commitments:

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

In thousands of Hungarian Forints (HUF)	**Project name**	**30.06.2019**	**31.12.2018**
Cordia Development 1. Development Fund	Corvin Átrium	0	119,489
Cordia Development 2. Development Fund	Thermal Zugló 2	18,414	18,414
Cordia Development 2. Development Fund	Thermal Zugló 3	2,415,799	2,792,540
Cordia Global 1. Development Subfund	Kapás 21	735	0
Cordia Global 2. Development Subfund	Corvin Átrium 2	409,697	228,970
Cordia Global 3. Development Subfund	Young City	196,597	519,005
Cordia Global 3. Development Subfund	Young City 2	2,551,769	2,574,529
Cordia Global 4. Development Subfund	Rózsa55	456,074	682,971
Cordia Global 5. Development Subfund	Grand'Or	1,835,431	4,466,720
Cordia Global 7. Development Subfund	Marina Garden	1,716,676	3,175,671
Cordia Global 8. Development Subfund	Sasad Resort Hill	327,042	1,194,080
Cordia Global 8. Development Subfund	Sasad Resort Sun	1,088,824	1,726,773
Cordia Global 9. Development Subfund	Centropolitan	2,308,728	6,005,825
Cordia Global 10. Development Subfund	Sasad Hilltop	3,801,882	1,313,702
Cordia Global 11. Development Subfund	Grand Corvin	3,144,052	3,716,726
Cordia Global 12. Development Subfund	Marina Portside	918,040	7,819,627
Cordia Global 17.Development Subfund	Young City 3	4,276,694	225,504
Cordia Global 18. Development Subfund	Akadémia Garden	6,355,085	7,200,000
Cordia Supernova Sp. Z o.o.	Supernova	113,302	579,127
Projekt Krakow 1	Lotniczówka	1,205,135	0
Projekt Warszawa 1	Zielone Bemowo 1	109,898	617,740
Projekt Warszawa 1	Zielone Bemowo 2	3,267,601	0
Cordia Parcului Residential project SRL	Parcului201	4,658,162	0
Total subsidiaries		**41,175,637**	**44,977,413**
Cordia Global 6. Development Subfund	Marina Life	3,367,081	9,477,390
Cordia Global 6. Development Subfund	Marina Life 2	4,656,094	540,318
Total including JV		**49,198,812**	**54,995,121**

Unutilized construction loans:

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

In thousands of Hungarian Forints (HUF)	**Project name**	**30.06.2019**	**31.12.2018**
Cordia Development 2. Development Fund	Thermal Zugló 2	0	3,512,712
Cordia Development 2. Development Fund	Thermal Zugló 3	1,205,143	49,886
Cordia Global 3. Development Subfund	Young City	414,125	3,639,967
Cordia Global 3. Development Subfund	Young City 2	1,949,457	166,137
Cordia Global 4. Development Subfund	Rózsa55	1,887,953	650,174
Cordia Global 5. Development Subfund	Grand'Or	2,269,436	2,733,692
Cordia Global 7. Development Subfund	Marina Garden	1,401,110	1,577,884
Cordia Global 8. Development Subfund	Sasad Resort Sun	4,162,893	3,642,408
Cordia Global 9. Development Subfund	Centropolitan	2,700,000	0
Cordia Global 10. Development Subfund	Sasad Hilltop	4,610,000	0
Cordia Global 11. Development Subfund	Grand Corvin	3,874,217	0
Cordia Global 12. Development Subfund	Marina Portside	7,500,000	0
Cordia Global 17. Development Subfund	Young City 3	5,580,000	0
Cordia Global 18. Development Subfund	Akadémia Garden	7,620,000	0
Projekt Warszawa 1	Zielone Bemowo 1	1,626,156	4,639,890
Projekt Warszawa 1	Zielone Bemowo 2	3,569,206	0
Cordia Supernova Sp. Z o.o.	Supernova	0	6,279,308
Total subsidiaries		**50,369,696**	**26,892,058**
Cordia Global 6. Development Subfund	Marina Life	5,115,360	0
Cordia Global 6. Development Subfund	Marina Life 2	5,115,360	0
Total including joint ventures		**60,600,416**	**26,892,058**

Contracted sales not yet recognized – Contingent receivables:

The current volume and value of the preliminary sales agreements signed with the clients do not impact the Interim Condensed Consolidated Statement of Comprehensive Income immediately but only after final settlement of the contracts with the customers. The Contracted sales present the aggregated value of the preliminary sales agreements (excluding VAT) executed with the Company's clients in particular for units that have not been recognized in the Interim Condensed Consolidated Statement of Comprehensive Income.

The contingent receivable present the amounts to be received from the customers having bought apartments from Cordia and its subsidiary companies and which are based on the value of the sale and purchase agreements signed with the clients until 30 June 2019 after deduction of payments received at reporting date (such payments being presented in the Consolidated Statement of Financial Position as customer advances):

In thousands of Hungarian Forints (HUF)		**Contracted sales**	**Contingent receivables**	
	Project name	**30.06.2019**	**30.06.2019**	**31.12.2018**
Cordia Development 1. DF	Corvin Átrium	805,592	635,651	3,596,340
Cordia Development 2. DF	Thermal Zugló 2	0	0	906,721
Cordia Development 2. DF	Thermal Zugló 3	6,640,125	4,810,076	3,720,859
Cordia Global 1. DS	Kapás 21	1,009,257	275,400	2,082,483
Cordia Global 10. DS	Sasad Hilltop	3,737,336	2,745,452	1,521,405
Cordia Global 11. DS	Grand Corvin	7,177,004	5,102,452	5,155,482
Cordia Global 12. DS	Marina Portside	5,362,575	3,680,729	3,031,060
Cordia Global 17. DS	Young City 3	2,695,182	1,974,926	1,173,017
Cordia Global 2. DS	Corvin Átrium 2	10,487,561	3,595,606	4,202,352
Cordia Global 3. DS	Young City	4,417,219	2,972,806	3,073,001
Cordia Global 3. DS	Young City 2	6,714,871	4,842,945	4,392,593
Cordia Global 4. DS	Rózsa55	6,951,110	2,585,783	2,643,242
Cordia Global 5. DS	Grand'Or	3,626,709	2,196,591	2,555,958
Cordia Global 7. DS	Marina Garden	10,216,923	2,597,450	4,896,054
Cordia Global 8. DS	Sasad Resort Hill	4,184,980	3,020,969	3,039,785
Cordia Global 8. DS	Sasad Resort Sun	3,898,226	2,820,673	2,773,479
Cordia Global 9. DS	Centropolitan	2,456,063	2,099,146	1,382,800
Cordia Global 13. DS	Universo	0	1,498,917	0
Cordia Global 18. DS	Akadémia Garden	3,813,364	2,722,964	2,005,988
Cordia Global 19. DS	Grand Corvin 2	0	1,762,626	0
Cordia Parcului Residential SRL	Parcului201	1,073,088	852,942	0
Projekt Warszawa 1	Zielone Bemowo 1	4,089,770	1,657,548	1,271,685
Projekt Warszawa 1	Zielone Bemowo 2	46,564	46,564	0
Cordia Supernova Sp. Z o.o.	Supernova	4,723,729	1,130,063	1,536,889
Total excluding JV		**94,127,248**	**55,628,279**	**54,961,193**
Cordia Global 6. DS	Marina Life	6,515,459	4,753,140	3,400,102
Cordia Global 6. DS	Marina Life 2	1,289,755	1,029,798	0
Total including JV		**101,932,680**	**61,411,217**	**58,361,295**

In the above table we used the following abbreviations:
DF: Development Fund
DS: Development Subfund

17. Financial risk management

In this condensed interim consolidated financial information the Group presents the risks, where change compared to 31 December 2018 provide useful information. In case of other risks, not presented here, there were no significant change compared to 31 December 2018.

Liquidity risk

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

		As at 30 June 2019
In thousands of Hungarian Forints (HUF)	**Less than 1 year**	**Between 1 and 5 years**
Loans and borrowings	6,266,134	6,259,146
Trade and other payables	7,561,367	1,890,252
Liabilities to related parties	6,349,640	49,441
Net assets attributable to non-controlling investment unit holders	4,373,812	15,445,739
Total	**24,550,953**	**23,644,578**

		As at 31 December 2018
In thousands of Hungarian Forints (HUF)	**Less than 1 year**	**Between 1 and 5 years**
Loans and borrowings	5,239,689	4,829,609
Trade and other payables	4,471,907	1,870,338
Liabilities to related parties	3,124,653	4,429,058
Net assets attributable to non-controlling investment unit holders	0	16,286,632
Total	**12,836,249**	**27,415,637**

This section sets out an analysis of financing cash-flows for the period ended as of 30 June 2019

In thousands of Hungarian Forints (HUF)	**30.06.2019.**	**31.12.2018.**
Loans and borrowings (third-party)	12,525,280	10,069,298
Loans from related parties	5,830,057	7,028,529
Lease liabilities (IFRS 16)	2,283,024	0
Total	**20,638,361**	**17,097,827**

In thousands of Hungarian Forints (HUF)	**Loans and borrowings (third party)**	**Loans from related parties**	**Lease liabilities (IFRS 16)**	**Total**
As at 31.12.2018	**10,069,298**	**7,028,529**	**0**	**17,097,827**
Change in accounting policy due to IFRS 16 implementation 01.01.2019			2,426,990	**2,426,990**
Restated as at 01.01.2019	**10,069,298**	**7,028,529**	**2,426,990**	**19,524,817**
Cash flow - repayment	(1,919,735)	(17,559,195)	(199,927)	**(19,678,857)**
Cash flow - drawdown	4,426,420	16,095,083	0	**20,521,503**
Unwinding of discount	0	0	55,961	**55,961**
Foreign exchange adjustments	(50,703)	26,5640	0	**(24,139)**
As at 30.06.2019.	**12,525,280**	**5,830,057**	**2,283,024**	**20,638,361**

18. Subsequent events

Change of the leading shareholder:

QED Investments Ltd., the sole shareholder of Cordia International Zrt. sold in September 2019 its entire holding in the Company to Cordia Holding B.V. with registered seat in Amsterdam with no change in the ultimate controlling parties.

Related party financing:

As of 30 June 2019 Cordia Group had a related party loan balance in the amount of 17.9 million EUR. Until the date of this report, the Group has repaid related party loans in the amount of EUR 17.0 million and the outstanding related party loan balance as of 25 September 2019 amounts to EUR 0.88 million. The Company intends to fully repay related party loan before end of 2019.

Acquisition of new plots:

Cordia Group has purchased plots of land located in Cracow, in district Podgórze. The purchase agreement was signed in August. The plots are dedicated for development of the residential project comprising over 100 apartments.

Commencements of new projects:

Cordia Group involved in development of the residential project Horyzont Praga (comprising 168 apartments) in Warsaw obtained the valid building permit and commenced its realization. The construction works are performed by general contractor Kalter Sp. z o.o.

The Company has commenced also realization of the project Akadémia (306 apartments) in Budapest, Distrixt IX.

Completions of residential projects:

Cordia Group involved in development of the residential project Supernova in Cracow obtained the valid permit for occupancy of this project (comprising 185 apartments) and commenced in August delivery of the finished apartments to its customers.

Cordia Group involved in development of the residential project Zielone Bemowo I and Zielone Bemowo II in Warsaw obtained the valid permit for occupancy of the I stage of this project (comprising 118 apartments) and commenced in September delivery of the finished apartments to its customers.

19. Segment report

Segment information

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

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

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

The Group started operations in Spain in 2019, therefore Spain is disclosed as separate segment in this interim consolidated report.

Revenue

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

For the period ended 30 June 2019

In thousands of Hungarian Forints (HUF)	**Total segment revenue**	**Inter-segment revenue**	**Revenue from external customers**
Hungary	7,728,906	2,084	7,726,822
Poland	108,019	3,817	104,202
Romania	373	0	373
Spain	0	0	0
Other	0	0	0
Total	**7,837,298**	**5,901**	**7,831,397**

For the period ended 30 June 2018

In thousands of Hungarian Forints (HUF)	**Total segment revenue**	**Inter-segment revenue**	**Revenue from external customers**
Hungary	940,620	0	940,620
Poland	3,408,726	0	3,408,726
Romania	4	0	4
Spain	n.a.	n.a.	n.a.
Other	0	0	0
Total	**4,349,350**	**0**	**4,349,350**

Gross profit

For the period ended 30 June 2019

In thousands of Hungarian Forints (HUF)	**2019**
Hungary	3,223,079
Poland	397,439
Romania	0
Spain	0
Other	0
Total	**3,620,518**

For the period ended 30 June 2018

In thousands of Hungarian Forints (HUF)	**2018**
Hungary	460,842
Poland	1,053,232
Romania	0
Spain	n.a.
Other	0
Total	**1,514,074**

Net profit

For the period ended 30 June 2019

In thousands of Hungarian Forints (HUF)	**2019**
Hungary	2,046,674
Poland	(624,050)
Romania	(107,639)
Spain	(124,669)
Other	(312,882)
Total	**872,877**

For the period ended 30 June 2018

In thousands of Hungarian Forints (HUF)	**2018**
Hungary	(377,185)
Poland	352,923
Romania	(96,448)
Spain	n.a.
Other	(89,119)
Total	**(209,829)**

Assets as of 30.06.2019

In thousands of Hungarian Forints (THUF)	Hungary	Poland	Romania	Spain	Other
Assets					
Non-current assets					
Intangible assets	168,666	46,198	5,931	-	-
Property, plant and equipment	1,062,939	516,034	66,596	-	-
Long-term receivables from third parties	9,846	-	-	-	-
Investments accounted for using equity method	1,298,144	-	-	-	-
Deferred tax assets	49,986	76,236	-	-	-
Restricted Cash	-	-	-	-	-
Long-term VAT receivables	-	-	-	-	-
Other long-term assets	349,261	77,014	-	-	-
Total non-current assets	**2,938,842**	**715,482**	**72,527**	-	-
Current assets					
Inventory	53,913,286	22,118,016	3 379,819	1,396,803	-
Trade and other receivables	520,952	35,597	79,632	3,448	8
Short-term receivables from related parties	741,328	119,322	766	-	-
Other short-term assets	795,460	283,779	256,533	-	-
Income tax receivable	28,453	4,381	-	-	-
Short-term VAT receivables	2,496,331	1,850,646	185,648	316,120	-
Restricted cash	12,522,588	1,850,646	1,615	3,397	-
Other financial assets	125,521	-	-	-	31,130
Cash and cash equivalents	11,054,972	507,577	109,467	39,576	368,726
Total current assets	**82,198,621**	**26,339,373**	**4,013,480**	**1,759,344**	**399,864**
Total assets	**85,137,463**	**27,054,855**	**4,086,007**	**1,759,344**	**399,864**
Fair value difference on inventories*	13,985,136				
Adjusted total assets	**99,122,599**	**27,054,855**	**4,086,007**	**1,759,344**	**399,864**

* CODM assesses the performance of the entities based on local GAAP statutory financial statements. In Hungary, the funds are revaluate inventories to fair value at the end of each period in the statutory financial statements. This figure represent the revaluation difference calculated based on local GAAP for these entities as of 30 June 2019. In line with IFRS, this fair valuation is eliminated from the consolidated financial information.

Liabilities as of 30.06.2019

In thousands of Hungarian Forints (THUF)	Hungary	Poland	Romania	Spain	Other
Non-current liabilities					
Loans and borrowings	5,055,451	1,203,695	-	-	-
Long-term liabilities to related parties	-	17,105	-	32,336	-
Deferred tax liabilities	42,267	14,633	-	-	-
Customer advances	22,113,726	-	220,146	-	-
Lease liabilities	349,196	244,016	15,912	-	-
Amount withheld for guarantees	1,890,252	-	-	-	-
Other long-term liabilities	51,199	95,303	-	-	-
Total non-current liabilities	**29,502,091**	**1,574,752**	**236,058**	**32,336**	**-**
Current liabilities					
Trade and other payables	5,866,943	1,278,649	369,891	13,310	32,574
Short-term liabilities to related parties	5,858,715	129,178	-	85,253	276,494
Loans and borrowings	6,266,134	-	-	-	-
Customer advances	13,623,574	6,181,569	-	-	-
Other tax liabilities	31,621	177,233	3,856	283,540	-
Income tax liabilities	45,302	-	970	-	7,405
Other provision	50,233	-	-	-	-
Lease liabilities	158,384	1,504,006	11,510	-	-
Total current liabilities	**31,900,906**	**9,270,635**	**386,227**	**382,103**	**316,473**
Total liabilities	**61,402,997**	**10,845,387**	**622,285**	**414,439**	**316,473**

Assets as of 31.12.2018

In thousands of Hungarian Forints (THUF)	Hungary	Poland	Romania	Other
Assets				
Non-current assets				
Intangible assets	179,384	4,202	4,270	-
Property, plant and equipment	533,982	108,815	23,987	-
Long-term receivables from third parties	8,426	-	-	-
Long-term receivables from related parties	-	1,150,746	-	-
Investments accounted for using equity method	729,800	-	-	-
Deferred tax assets	49,986	74,953	-	-
Restricted cash	8,891,957	1,976,351	1,632	-
Long-term VAT receivables	242,616	.	.	-
Other long-term assets	577,376	-	-	-
Total non-current assets	**11,213,527**	**3,315,067**	**29,889**	**0**
Current assets				
Inventory	44,585,333	12,144,751	1,983,222	-
Trade and other receivables	152,514	38,360	647	-
Short-term receivables from related parties	4,354,457	5,348	56	-
Other short-term assets	245,865	21,337	33,985	12
Income tax receivable	25,785	4,255	-	-
Short-term VAT receivables	2,533,615	461,553	62,679	-
Restricted cash	161,291	-	78,990	-
Other financial assets	-	-	-	29,553
Cash and cash equivalents	10,807,184	549,590	14,161	918,615
Total current assets	**62,886,044**	**13,225,194**	**2,173,740**	**948,180**
Total assets	**74,079,571**	**16,540,261**	**2,203,629**	**948,180**
Fair value difference on inventories*	12,104,048			
Adjusted total assets	**86,183,619**	**16,540,261**	**2,203,629**	**948,180**

* CODM assesses the performance of the entities based on local GAAP statutory financial statements. In Hungary, the funds are revaluate inventories to fair value at the end of each period in the statutory financial statements. This figure represent the revaluation difference calculated based on local GAAP for these entities as of 30 June 2019. In line with IFRS, this fair valuation is eliminated from the consolidated financial information.

Liabilities as of 31.12.2018

In thousands of Hungarian Forints (THUF)	Hungary	Poland	Romania	Other
Non-current liabilities				
Loans and borrowings	3,098,266	1,731,343	-	-
Long-term liabilities to related parties	-	4,429,058	-	-
Deferred tax liabilities	33,712	10,838	-	-
Customer advances	7,635,951	-	-	-
Amount withheld for guarantees	1,733,237	-	-	-
Other long-term liabilities	40,869	96,232	-	-
Total non-current liabilities	**12,542,035**	**6,267,471**	**0**	**0**
Current liabilities				
Trade and other payables	3,590,736	796,650	49,423	233,935
Short-term liabilities to related parties	2,984,491	2,822	2,547	134,793
Loans and borrowings	5,239,689	-	-	-
Customer advances	24,560,257	3,639,145	15,546	-
Other tax liabilities	665,394	32,818	8,975	-
Income tax liabilities	20,438	6,827	1,063	16,941
Total current liabilities	**37,061,005**	**4,391,169**	**77,554**	**385,669**
Total liabilities	**49,603,040**	**10,658,640**	**77,554**	**385,669**

20. Changes in presentation of consolidated statement of financial position

The Group is rapidly expanding its activities and management would like to reflect these changes and provide the most useful information for the readers of the financial information. Based on the recent analysis performed, in 2019 the Group changed the presentation of the consolidated statement of financial position by adding new lines for items, that became material. This change did not have any impact on the profit, equity or the total assets, but it provides a more detailed breakdown of balances on the face of the statement of financial position. In previous period, these breakdowns were available in the relevant notes.

In line with IAS 8, Group considered this to be a change in accounting policy and applied it retrospectively. Since the change had no impact on the statement of comprehensive income, no additional balance is presented. Change had no impact on the statement of cash-flows.

The table below summarizes the impact of the change in presentation on the statements of financial position as of 31 December 2018:

In thousands of Hungarian Forints (THUF)	**31 December 2018 As stated**	**Reclassification**	**31 December 2018 Restated**
Non-current assets			
Other long-term financial assets	10,869,940	(10,869,940)	0
Restricted cash (new line)	n.a.	10,869,940	10,869,940
Long-term VAT receivable (new line)	n.a.	242,616	242,616
Other long-term assets	819,992	(242,616)	577,376
Current assets			
Other financial assets	269,834	(240,281)	29,553
Restricted cash (new line)	n.a.	240,281	240,281
Short-term VAT receivable (new line)	n.a.	3,057,847	3,057,847
Other tax receivables	3,057,847	(3,057,847)	0
Non-current liabilities			
Amounts withheld for guarantees (new line)	n.a.	1,733,237	1,733,237
Other long-term liabilities	1,870,338	(1,733,237)	137,101

The table below summarizes the impact of the change in presentation on the statements of financial position as of 1 January 2018:

In thousands of Hungarian Forints (THUF)	**01 January 2018 As stated**	**Reclassification**	**01 January 2018 Restated**
Non-current assets			
Other long-term financial assets	5,483,415	(5,483,415)	0
Restricted cash (new line)	n.a.	5,483,415	5,483,415
Long-term VAT receivable (new line)	n.a.	1,505,296	1,505,296
Other long-term assets	1,859,010	(1,505,296)	353,714
Current assets			
Other financial assets	2,750,234	(2,720,115)	30,119
Restricted cash (new line)	n.a.	2,720,115	2,720,115
Short-term VAT receivable (new line)	n.a.	819,580	819,580
Other tax receivables	819,580	(819,580)	0
Non-current liabilities			
Amounts withheld for guarantees (new line)	n.a.	648,677	648,677
Other long-term liabilities	651,154	(648,677)	2,477

The Management Board

Tibor Földi
Chief Executive Officer

Tomasz Łapiński
Chief Financial Officer

Pál Darida

Budapest, 25 September 2019

ANNEX 8

LIST OF CROSS-REFERENCES

The table below contains a cross-reference list to the requirements set out in Schedule 1 of the XBond Business Rules, which are applicable for this Information Document, for the purpose of assisting the review of this Information Document by BSE.

	SCHEDULE 1 OF THE XBOND BUSINESS RULES	RELEVANT SECTION OF THE INFORMATION DOCUMENT
1.	**Felelős személyek**	
	A kibocsátó vezető tisztségviselői közül felelős személyek megjelölése és tőlük nyilatkozat arról, hogy az Információs Dokumentumban szereplő információk az elvárható gondosság mellett, a lehető legjobb tudásuk szerint megfelelnek a tényeknek, és nem mellőzik azon körülmények bemutatását, amelyek befolyásolhatnák az információkból levonható fontos következtetéseket.	**Section 1 (*Persons responsible – declaration of responsibility*)**
2.	**Könyvvizsgálók**	
	Bejegyzett könyvvizsgálók megjelölése, a korábbi pénzügyi információk által lefedett időszakban, ha változott az előző üzleti periódushoz képest ennek jelzése és a változás indokának leírása (rotáció, összeférhetetlenség, stb.).	**Section 2 (*Auditors*)**
3.	**Kockázati tényezők és kockázatkezelés**	**Section 3 (*Risk factors and risk management*)**
	Kizárólag a kibocsátót közvetlenül érintő kockázati tényezők egyértelmű bemutatása, annak érdekében, hogy értékelni lehessen az érintett értékpapírokhoz kapcsolódó piaci kockázatokat; továbbá olyan kockázati tényezők bemutatása, amelyek közvetlenül befolyásolhatják a kibocsátó képességét, hogy teljesítse a befektetőkkel szemben az értékpapírokból eredő fennálló kötelezettségeit beleértve a következőket:	**Section 3.1-3.4**
	a. kötelezettségvállalások vagy váratlan események bemutatása, amelyek valószínűleg jelentős hatást gyakorolhatnak a kibocsátó üzleti kilátásaira legalább a folyó pénzügyi évben	
	b. minden olyan kormányzati, gazdasági, költségvetési, pénzügyi vagy politikai tényezőre vonatkozó információ, amely közvetve vagy közvetlenül jelentősen befolyásolja vagy befolyásolhatja a kibocsátó üzleti tevékenységét.	
	A kibocsátó kockázatkezelési mechanizmusainak a bemutatása.	**Section 3.5**
4.	**A társaság általános bemutatása**	**Section 5 (*Information about the Issuer*); Annex 2 (*List of trademarks*) and Annex 4 (*Details of the subsidiaries*)**
	a. Céginformációk a kibocsátóról	**Section 5.1**
	Céginformációk és fontos változások a kibocsátó múltjára visszatekintve, 1 évre visszamenőleg.	**Section 5.2**
	i. A kibocsátó cégneve.	
	ii. A kibocsátó cégbejegyzésének helye és cégjegyzékszáma.	
	iii. A kibocsátó bejegyzésének időpontja és tevékenységének időtartama, amennyiben nem határozatlan időre hozták létre.	
	iv. A kibocsátó székhelye, jogi formája, a működésére irányadó jog, a bejegyzés országa, létesítő okirat szerinti székhelyének (vagy a gazdasági tevékenység székhelyének, ha az eltér a létesítő okirat szerinti székhelytől) címe és telefonszáma.	

	v. tulajdonos, tényleges tulajdonos személye	
	b. Cégstruktúra, szervezeti felépítés	**Section 5.4-5.5 and Annex 4**
	i. A vállalatcsoport és jelentős leányvállalatok rövid bemutatása	**Section 5.4.2; 5.5 and Annex 4**
	ii. Szervezeti ábra	**Section 5.4.1**
	c. Lényeges szabadalmak, licencek, ipari, kereskedelmi vagy pénzügyi szerződések vagy gyártási eljárások rövid bemutatása	**Section 5.11 and Annex 3**
	d. Az alkalmazottak létszáma az információs dokumentumban szereplő pénzügyi időszak végén	**Section 5.13.7**
5.	**A társaság üzleti tevékenységének bemutatása**	**Section 5.2; 5.3; 5.6-5.10 and 5.12;**
	a. A társaság működése	**Section 5.6**
	b. A kibocsátó főbb tevékenységi köreinek/termékeinek és/vagy szolgáltatásainak ismertetése	**Section 5.2; 5.6 and 5.12**
	c. A kibocsátó legfontosabb piacainak bemutatása, ideértve a teljes forgalmat tevékenységi körönkénti és földrajzi bontásban, a kibocsátó versenyhelyzete	**Section 5.7; 5.8 and 5.9**
	d. Stratégiai partnerek és a velük történő együttműködés bemutatása	**Section 5.10**
	e. A kibocsátó üzleti stratégiájának rövid összefoglalása	**Section 5.3**
6.	**A társaság vezetésének elemzése a társaság elmúlt egy évének pénzügyi helyzetéről és a működés eredményéről**	**Section 7 (*Selected financial information*)**
	a. Üzleti tevékenységből származó eredményt jelentősen befolyásoló lényeges tényezők bemutatása	**Paragraph a)**
	b. Árbevétel	**Paragraph b)**
	c. Működési ráfordítások	**Paragraph c)**
	d. Üzleti tevékenység eredménye, EBITDA	**Paragraph d)**
	e. Pénzügyi eredmény	**Paragraph e)**
	f. Adózott eredmény	**Paragraph f)**
	g. Befektetett eszközök	**Paragraph g)**
	h. Forgóeszközök	**Paragraph h)**
	i. Források	**Paragraph i)**
	j. Cash Flow	**Paragraph j)**
	k. Információk a kibocsátó meglévő, folyamatban lévő és jövőbeli beruházásairól és befektetéseiről	**Paragraph k)**
	l. Tőkeforrások bemutatása mind rövid, mind hosszú távon (saját tőke, hitelek mértéke, lejárata, fajtája, EU-s és állami támogatások)	**Paragraph l)**
7.	**Tulajdonosok, tisztségviselők, munkavállalók**	**Section 5.13**
	a. az igazgatási, irányító és felügyelő szervek (ügyvezetés, IT, IG, FB, audit bizottság, esetleges egyéb bizottság, testület, ha releváns) tagjainak, valamint a kulcsfontosságú munkatársak neve és beosztása, rövid bemutatása, ellenük az elmúlt 3 évben lefolytatott bármilyen, szakmai tevékenységükkel kapcsolatos eljárás és azok eredménye; 5%-nál nagyobb tulajdoni részesedéssel vagy szavazati joggal rendelkező részvényesek megnevezése	**Section 5.13.1-5.13.4 and 5.13.5**
	b. rendelkeznek-e a kibocsátó 5%-nál nagyobb tulajdoni részesedéssel bíró részvényesei eltérő szavazati jogokkal; amennyiben nem, erről nyilatkozni kell	**Section 5.13.5**

8.	**Pénzügyi információk**	**Annex 6 (*Financial Statements*)**
	a. a legutolsó pénzügyi évre (illetve rövidebb időszakra, ha a kibocsátó rövidebb ideje működik) vonatkozó, auditált pénzügyi beszámoló (az üzleti jelentéssel és egyéb mellékletekkel együtt), továbbá könyvvizsgálói jelentés (IFRS alkalmazása nem kötelező); amennyiben a kibocsátó készít saját és konszolidált éves pénzügyi beszámolót is, a konszolidált éves beszámoló,	
	b. amennyiben a kibocsátó az utolsó ellenőrzött pénzügyi beszámolójának időpontja óta negyedévente vagy félévente pénzügyi információkat tett közzé, ezeket fel kell tüntetni az Információs Dokumentumban.	
9.	**A saját tőke 10%-át meghaladó értékre vonatkozó, folyamatban lévő bírósági, választottbírósági vagy egyéb hatósági (pl. adó) eljárások**	**Section 9 (*Litigation*)**
10.	**Lényeges szerződések**	**Section 10 (*Material Contracts*)**
	A kibocsátó szokásos üzletmenete során kötött szerződéseken kívül minden olyan fontosabb szerződés rövid összefoglalása, amelyek értelmében a kibocsátót olyan kötelezettség terheli, illetve olyan jogosultsággal rendelkezik, ami jelentőséggel bír a kibocsátó megítélése vagy az általa kibocsátott Értékpapír értékelése szempontjából.	
11.	**Információ a kibocsátásról**	**Section 11 (*Contemplated use of proceeds*) and Section 12 (*Coverage for the performance of the liabilities based on Bonds*)**
	A kibocsátás célja és a bejövő források felhasználása. A kötvényen alapuló kötelezettségek teljesítésének tervezett pénzügyi fedezetének bemutatása.	
12.	**Egyéb, kulcsfontosságúnak ítélt információk**	**Section 13 (*Other Material Information*)**
13.	**Értékpapírokhoz kapcsolódó információk:**	**Section 4 (*Terms and conditions of the Bonds*) and Annex 1 (*Provisions on meetings of the Bondholders*)**
	A kibocsátott Értékpapírok fő jellemzői, ennek körében legalább:	**Section 4**
	a) a kibocsátás teljes összege,	**(a) of Paragraph 2**
	b) a címletbeosztást,	**(a) of Paragraph 2**
	c) a kötvények darabszáma,	**(a) of Paragraph 2**
	d) a futamidő, a lejárat,	**(b) of Paragraph 2**
	e) az Értékpapír kamata vagy egyéb járulékai,	**Paragraph 5**
	f) a forgalomba hozatal módja és helye, a forgalomba hozatalra és az Értékpapírra alkalmazandó jog,	**(a) of Paragraph 19**
	g) az értékpapír-sorozat értékpapírkódja,	**First sentence of Paragraph 4**
	h) az értékpapírokhoz kapcsolódó jogok ismertetése (ideértve a jogok bármely korlátozását, és a gyakorlásukra vonatkozó eljárást, az Értékpapír szabad átruházhatóságára vonatkozó korlátozások leírása, kiemelve a többségi tulajdonosok és a társaságra vonatkozó értékesítési korlátozásokat.	**Paragraph 4 and Annex 1**

	i) nyilatkozat azon határozatokról, engedélyekről és jóváhagyásokról, amelyek alapján az értékpapírokat előállították és/vagy kibocsátották, illetve a jövőben előállítják és/vagy kibocsátják,	**(f) of Paragraph 1**
	j) minden olyan szabályozott vagy azzal egyenértékű piac megnevezése, amelyen - a kibocsátó ismeretei szerint - a regisztrálandó értékpapírokkal kereskednek.	**Paragraph 13**
14.	**Megtekinthető dokumentumok**	**Section 14 (*Documents incorporated by reference or on display*)**
	Nyilatkozat arról, hogy a következő dokumentumokba (vagy másolataikba) lehet adott esetben betekinteni:	
	a. a kibocsátó alapító okirata és alapszabálya;	
	b. a kibocsátóra vonatkozó korábbi pénzügyi információk, illetve vállalatcsoport esetén a kibocsátóra és leányvállalataira vonatkozó korábbi pénzügyi információk, az Információs Dokumentum közzétételét megelőző pénzügyi év tekintetében.	
	Jelezni kell, hogy a nyomtatott vagy elektronikus formátumú dokumentumok hol tekinthetők meg.	
15.	**Egyéb kötelező tartalmi elemek**	
	a. Annak feltűnő módon történő szerepeltetése, hogy az Információs Dokumentum nem tekinthető és nem minősül a Tpt. és a vonatkozó EU jogszabályok alapján tájékoztatónak, azt a Felügyelet nem vizsgálta meg és nem látta el jóváhagyásával, továbbá, hogy a Piacműködtető az Információs Dokumentum jóváhagyása során az abban foglalt, a kibocsátóra, illetve működésére vonatkozó információk megfelelő alátámasztottságát és pontosságát, illetve teljességét nem vizsgálta, ezzel kapcsolatban kizárólag a kibocsátót, illetve az Információs Dokumentumban felelősségvállalóként kifejezetten feltüntetettszemélyt terheli minden jogi felelősség és ezért ebből a szempontból az értékpapírba történő befektetés nagyobb kockázatot képvisel azokhoz az esetekhez képest, ahol rendelkezésre áll az illetékes felügyeleti hatóság által jóváhagyott tájékoztató.	**Warning section of the first page and page 4 of the Information Document**
	b. Amennyiben az Információs Dokumentummal kapcsolatosan kizárólag a kibocsátó vállal felelősséget, annak az Információs Dokumentum elején feltűnő módon történő szerepeltetése, hogy az értékpapír a befektetők szempontjából ezen körülmény miatt kiemelten kockázatos	**Warning section of the first page**
	c. Pontosan, egyértelműen azonosítható módon meg kell jelölni annak a jogi személynek a nevét, a regisztrációban betöltött szerepét, valamint székhelyét, amely az Információs Dokumentum vagy annak valamely része tartalmáért felel. Az Információs Dokumentumban foglalt minden információra, illetve az információ hiányára is ki kell terjednie valamely személy felelősségvállalásának.	**Warning section of the first page and page 4 of this Information Document**
	d. Az Információs Dokumentumot valamennyi felelős személy köteles külön aláírt felelősségvállaló nyilatkozattal ellátni. A nyilatkozatnak tartalmaznia kell azt, hogy az Információs Dokumentuma valóságnak megfelelő adatokat és állításokat tartalmazza, illetve nem hallgat el olyan tényeket és információkat, amelyek az értékpapír, valamint a kibocsátó és – amennyiben alkalmazandó - az értékpapírban foglalt kötelezettségért kezességet (garanciát) vállaló személy helyzetének megítélése szempontjából jelentőséggel bírnak.	**Section 1 (*Persons responsible – declaration of responsibility*)**
	e. Az Információs Dokumentumban fel kell tüntetni azt is, hogy a felelős személyt az Információs Dokumentum közzétételétől számított öt évig terheli a fenti felelősség, valamint, hogy e felelősség érvényesen nem zárható ki és nem korlátozható.	**Section 1 (*Persons responsible – declaration of responsibility*)**
	Az Információs Dokumentumnak összefoglalót nem kell tartalmaznia.	**N.A**
	Az Információs Dokumentum kizárólag auditált jövőre vonatkozó pénzügyi előrejelzést tartalmazhat.	**Page 5 of this Information Document**

16.	**Az Alap Információs Dokumentumra vonatkozó eltérő előírások**	**Not applicable.**
	Amennyiben az Értékpapír forgalomba hozatala ismétlődő kibocsátások keretében történik, Információs Dokumentum helyett Alap Információs Dokumentumot is készíthet.	**Not applicable.**
	Az Alap Információs Dokumentum az ismétlődő kibocsátások egészére együttesen vonatkozó összes információt egyetlen dokumentumban tartalmazza.	**Not applicable.**
	Az Alap Információs Dokumentumnak a jelen mellékletben meghatározott információkat kell tartalmaznia, kivéve a fenti 13. pontban meghatározott, az Értékpapírokhoz kapcsolódó információkat. Ez utóbbi információkat mint a forgalomba hozatal végleges feltételeit a kibocsátónak a forgalomba hozatal kezdő napját megelőzően közzé kell tennie a Szabályzatban meghatározott módon. A végleges feltételek közzététele nem igényli a Piacműködtető jóváhagyását, erre a végleges feltételekben feltűnő módon utalni kell.	**Not applicable.**

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