



CORDIA

INTERNATIONAL ZRT.

CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION FOR THE PERIOD ENDED
30 JUNE 2020



Report on review of the 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 condensed interim consolidated statement of financial position as at 30 June 2020, the related condensed interim consolidated statement of profit or loss and other comprehensive income, the condensed interim consolidated statement of changes in equity, the condensed interim consolidated statement of cash flows for the six-month period then ended and the summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. Our responsibility is to express a conclusion on this 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 respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

Budapest, 9 November 2020

A handwritten signature in blue ink, appearing to read 'László Radványi'.

László Radványi
Partner
PricewaterhouseCoopers Könyvvizsgáló Kft.

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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June

<i>In thousands of Hungarian Forints (THUF)</i>	<i>Note</i>	2020H1	2019H1
Revenue	4	28,449,193	7,831,397
Cost of sales	5	(24,618,062)	(4,210,879)
Gross profit		3,831,131	3,620,518
Selling and marketing expenses		(1,127,898)	(775,255)
Administrative expenses	6	(1,782,990)	(1,670,134)
Other expenses		(904,530)	(485,222)
Other income	3, 7	2,574,000	23,034
Operating profit		2,589,713	712,941
Interest income		111,026	59,945
Other financial income		3,792,996	1,611,515
Finance income		3,904,022	1,671,461
Interest expense		(425,249)	(242,449)
Other financial expense		(3,067,422)	(1,169,181)
Finance expense		(3,492,671)	(1,411,630)
Net finance income/(expense)		411,351	259,831
Share of profit/(loss) in associate and joint venture	3, 10	13,924,353	(11,308)
Profit before taxation		16,925,417	961,463
Current income tax		130,704	(75,459)
Deferred tax		(375,665)	(13,127)
Income tax expense		(244,961)	(88,586)
Profit for the period		16,680,456	872,877
Exchange differences on translating foreign operations		582,422	(474,534)
Other comprehensive income/(loss)		582,422	(474,534)
Total comprehensive income for the period, net of tax		17,262,878	398,343
Total profit/(loss) for the period attributable to:			
owners of the parent		16,815,810	917,017
non-controlling interests		(135,354)	(44,140)
Total profit/(loss) for the period		16,680,456	872,877
Total comprehensive income attributable to:			
owners of the parent		17,461,703	442,483
non-controlling interests		(198,825)	(44,140)
Total comprehensive income for the period, net of tax		17,262,878	398,343

The notes on pages 7 to 44 are an integral part of these consolidated financial statements.

Condensed Interim Consolidated Statement of Financial Position

<i>In thousands of Hungarian Forints (THUF)</i>	<i>Note</i>	30.06.2020	31.12.2019
Assets			
Non-current assets			
Intangible assets		202,696	196,905
Investment properties	8	21,153,967	0
Property, plant and equipment		2,050,671	1,625,914
Long-term receivables from third parties	9	7,440,958	9,486
Long-term receivables from related parties	13	1,097	1,010
Investments accounted for using equity method	10	18,681,036	1,177,459
Deferred tax assets		924,935	127,714
Restricted cash		131,048	2,100,120
Long-term VAT receivables		600,597	1,526,564
Other long-term assets		644,443	613,036
Total non-current assets		51,831,448	7,378,208
Current assets			
Inventory	11	147,688,649	102,954,301
Trade and other receivables	15	1,839,450	328,946
Short-term receivables from related parties	13	120,877	846,049
Other short-term assets		2,078,171	11,468,750
Income tax receivables		169,333	58,410
Loan receivables	14	5,437,237	342,963
Short-term VAT receivables		4,015,420	3,782,709
Restricted cash		6,316,331	3,062,290
Other financial assets		258,608	277,833
Cash and cash equivalents	16	38,291,995	51,070,192
Total current assets		206,216,071	174,192,443
Disposal group of assets classified as held for sale			
Assets classified as held for sale		614,767	0
Total disposal group of assets classified as held for sale		614,767	0
Total		258,662,286	181,570,651

The notes on pages 7 to 44 are an integral part of these consolidated financial statements.

Condensed Interim Consolidated Statement of Financial Position (cont'd)

<i>In thousands of Hungarian Forints (THUF)</i>	<i>Note</i>	30.06.2020	31.12.2019
Equity¹			
Shareholders' equity	24		
Share capital		18,013,760	9,897,492
Share premium		13,461,608	8,690,521
Currency translation reserve		1,087,548	505,126
Other reserves		(286,680)	(286,680)
Retained earnings		30,941,427	15,011,843
Equity attributable to equity holders of the parent		63,217,663	33,818,302
Non-controlling interests	25	2,673,377	208,384
Total equity		65,891,040	34,026,686
 Net assets attributable to non-controlling investment unit holders	26	17,479,619	17,514,452
 Liabilities¹			
Non-current liabilities			
Loans and borrowings	17	23,764,777	14,108,026
Bonds	23	44,383,497	44,421,137
Deferred tax liabilities		758,848	4,875
Other provision	22	1,095,504	0
Customer advances	18	12,145,093	29,104,998
Lease liabilities		6,030,152	632,638
Amounts withheld for guarantees	21	1,699,249	2,393,654
Other long-term liabilities		549,473	196,521
Total non-current liabilities		90,426,593	90,861,849
 Current liabilities			
Trade and other payables	20	13,822,927	10,314,925
Bonds	23	9,916,192	68,892
Short-term liabilities to related parties	19	154,381	542,695
Loans and borrowings	17	10,039,175	11,506,888
Customer advances	18	33,629,931	11,705,108
Lease liabilities		10,236,372	2,328,719
Other tax liabilities		973,005	2,500,935
Other provision	22	6,008,607	102,151
Income tax liabilities		84,444	97,351
Total current liabilities		84,865,034	39,167,664
 Total liabilities		175,291,627	130,029,513
 Total		258,662,286	181,570,651

The notes on pages 7 to 44 are an integral part of these consolidated financial statements.

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

Condensed Interim Consolidated Financial Information for the period ended 30 June 2020

Condensed Interim Consolidated Statement of Changes in Equity

For the period ended 30 June 2020

Attributable to the equity holders of the parent

<i>In thousands of Hungarian Forints (THUF)</i>	<u>Share capital</u>	<u>Share premium</u>	<u>Currency translation reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at 1 January 2019	9,252,912	592,166	143,887	(234,382)	7,117,547	16,872,120	86,823	16,958,943
Profit/(loss) for the year	0	0	0	0	917,017	917,017	(1,850)	915,167
Other comprehensive income/(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
Balance at 1 January 2020	9,897,492	8,690,521	505,126	-286,680	15,011,843	33,818,302	208,384	34,026,686
Proceeds from shares issues	7,431,040	4,570,090	0	0	0	12,001,130	0	12,001,130
Reclassification due to legal changes	685,228	200,997	0	0	-886,225	0	0	0
Profit/(loss) for the year	0	0	0	0	16,815,810	16,815,810	-100,521	16,715,289
Other comprehensive income/(loss)	0	0	582,422	0	0	582,422	0	582,422
Non-controlling interests arising on acquisition	0	0	0	0	0	0	2,565,514	2,565,514
Transactions with owners	8,116,268	4,771,087	582,422	0	15,929,585	29,399,362	0	31,864,355
Balance at 30 June 2020	18,013,760	13,461,608	1,087,548	-286,680	30,941,428	63,217,664	2,673,377	65,891,040

The significant movements in the equity items presented above are explained in details in Note 24.

*Please also refer to Note 25 about Net assets attributable to non-controlling investment unit holders.

The notes on pages 7 to 44 are an integral part of these consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

For the period ended 30 June

In thousands of Hungarian Forints (THUF)

	Note	2020H1	2019H1
Adjustments to reconcile profit before for taxation to net cash used in operating activities:			
Profit/(loss) before taxation for the period		16,925,417	961,463
Adjustments to reconcile profit before for taxation to net cash used in operating activities:			
Depreciation		273,057	241,386
Other non-cash movements*		(2,012,651)	855,013
Profit on sale of non-current assets classified as held for sale			0
(Profit)/loss on sale of tangible and intangible assets			(41,381)
Net finance (income)/expense		411,351	(259,381)
Increase in inventory	11	(6,742,666)	(20,591,792)
Share of (Profit)/loss in joint venture	2, 10	(13,924,353)	11,308
Decrease/(increase) in trade and other receivables		(591,531)	(8,560,606)
(Decrease)/increase in liabilities from related parties		0	1,780,458
Decrease/(increase) in receivables from related parties	13	725,172	0
Increase in trade and other payables	20	(1,091,571)	2,845,477
Increase in short-term loan receivables	14	(5,094,274)	0
Increase/(decrease) in provision		(90,720)	50,223
Increase/(decrease) in advances received	9	(8,289,812)	6,375,209
Interest paid		(1,327,039)	(431,490)
Income tax paid		(307,904)	(71,905)
Net cash from/(used in) operating activities		(21,137,524)	(16,836,458)
Cash flows from/(used in) investing activities			
Consideration paid for the acquisition of POLNORD group	3	(7,615,691)	0
Cash paid for acquisition of subsidiaries		0	(15,000)
Cash of acquired subsidiaries	3	7,418,656	1,510,746
Acquisitions of tangible and intangible assets		(74,231)	(118,129)
Sale of tangible and intangible assets		1,308	0
Investing in other long-term financial assets		897,206	(431,142)
Increase of long-term loan receivables		0	0
Proceeds from repayment of long-term financial assets		0	
Repayment of short-term loan receivables		0	3,159,575
Repayment of long-term loan receivables		0	1,150,746
Interest received		111,026	59,945
Purchase of investment in associate	3	(12,051,352)	0
Purchase of investments in joint ventures		0	(579,652)
Net cash from/(used in) investing activities		(11,313,078)	4,737,089
Cash flows from/(used in) financing activities			
Proceeds from loans and borrowings	17	20,143,579	20,521,503
Repayment of loans and borrowings	17	(12,342,855)	(19,478,930)
Capital increase	24	12,001,129	8,742,935
Issuance of non controlling shares and investment notes		0	5,000,000
Redemption of non controlling shares and investment notes		0	(2,700,000)
Repayment of lease liability		(129,449)	(195,371)
other long term liabilities		0	0
Net cash from financing activities		19,672,404	11,890,137
Net change in cash and cash equivalents		(12,778,198)	(209,232)
Cash and cash equivalents at beginning of the year		51,070,192	12,289,550
Cash and cash equivalents at end of the period	16	38,291,995	12,080,318

*The other non-cash movements derive mainly from foreign exchange differences on acquisitions and bond related interests.

The notes on pages 7 to 44 are an integral part of these consolidated financial statements.

Summary of significant accounting policies and other explanatory notes

1. Background and business of the Company

Company name: Cordia International Private Limited Company ('Cordia International Zrt.')

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, Romanian and Spanish subsidiaries 'the Group'), is active in the development and sale of units, primarily apartments, in multi-family residential real-estate projects to individual customers in Hungary, in Poland, in Romania and in Spain.

As of 30 June 2020 the Company had the following owners:

- Cordia Holding B.V. - 98% (place of business: 3030, Prins Hendriklaan 26, 1075BD Amsterdam)
- Finext Consultants Limited - 2% (place of business: Kyriakou Matsi 16, Eagle House, 10th Floor, Agioi Omologites, P.C. 1082, Nicosia, Cyprus)

The ultimate controlling parties have not been changed during 2020. Gábor Futó (as the major shareholder) together with his parents, are the ultimate beneficial owners of CORDIA International Ingatlanfejlesztő Zrt. with its registered office in Budapest, Hungary. The ultimate consolidating entity is FR Group B.V. A list of the companies from which the financial data are included in this condensed interim consolidated financial information and the extent of ownership and control are presented in Note 3.

Preparation of the condensed interim consolidated financial information ('financial statements') is not mandatory for the Company. These financial statements are prepared on a voluntary basis to provide useful information for bond holders.

2. Basis of preparation and measurement

This condensed interim consolidated financial information for the half-year reporting period ended 30 June 2020 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 9th November 2020.

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 2019 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.

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

- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

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

Seasonality of operations has no significant impact on the interim condensed consolidated financial information.

3. Group composition

(a) Change in group structure

In comparison to 31 December 2019 there were the following changes in the group structure.

Newly established entities:

Entity name	Place of operation	Voting rights	Nature of relationship
European Residential Investments	Hungary	100%	Subsidiary
Cordia Real Estate Funds Luxembourg SICAV-RAIF	Luxembourg	100%	Subsidiary

Newly acquired entities:

Entity name	Place of operation	Voting rights	Nature of relationship
Argo Properties N.V.	Germany	20,6%	Associate
Polnord S.A.	Poland	92,92%	Subsidiary

No divestment occurred in the current reporting period.

(b) Significant acquisitions

Argo Properties N.V.

On 24th March 2020 European Residential Investment Vagyonkezelő Kft. a wholly owned subsidiary of the Company entered into a share sale and purchase agreement as Buyer with Futuereal Holding B.V. (a sister company) as Seller in regard of the sale and purchase of 2,492,910 shares representing 20.6% ownership of ARGO Properties N.V. ("ARGO") Purchase price of the stock package is EUR 34,400,000. By this transaction the Company launches its new business line of residential leasing / residential investments. ARGO is a dynamically growing company buying residential leasing properties. ARGO currently owns properties at Berlin Leipzig, Dresden and Magdeburg.

Polnord S.A:

The Company has successfully accomplished the acquisition of new shares issued by Polnord Spółka Akcyjna (a public listed company, well established and focused on the residential projects in Poland). Based on the share-purchase agreement executed in December 2019, the Company purchased 63,668,800 (sixty three million six hundred sixty eight thousand eight hundred) newly issued T-Series Shares representing 65.27% of the POLNORD's share capital and 65.27% of total voting rights (following the capital increase). The purchase price was PLN 2.12 per 1 share.

On February 10th 2020 as a result of the registration of the share capital increase Cordia International Zrt. has completed the acquisition of 63,668,800 (sixty three million six hundred sixty eight thousand eight hundred) T-Series Shares representing 65.27% of the POLNORD's share capital and 65.27% of total voting rights. Cordia purchased 373,309 number of shares of POLNORD from the market which represents 0.39% of total shares by which reached a 65,66% ownership.

Despite Cordia became the leading shareholder the operational control was not yet obtained by which Polnord was classified as associate from consolidation perspective.

The cost of an associate acquired in stages is measured as the sum of the fair value of the interest previously held plus the fair value of any additional consideration transferred as of the date when the investment became an associate. As this method is based on the analogy with the revised IFRS 3 guidance on step acquisition of subsidiaries, any acquisition-related costs are expensed in the period in which the costs are incurred. All the consideration was paid in cash.

<i>In thousands of Hungarian Forints (THUF)</i>	<i>10th February 2020</i>
Fair Value of Polnord consolidated Net Asset	35,922,586
Cordia Ownership	65.66%
Proportionate share from Polnord Net Asset	23,586,770
Consideration paid in cash	10,560,242
Bargain Gain on Polnord investment	13,026,528

The abovementioned bargain gain appears on 'Share of profit/(loss) in associate and joint venture' PnL line.

(c) Acquisition of NCI and Subsidiary

Pursuant to Polish law, i.e. Article 74.1. of the Act of 29 July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies, and also fulfilling its obligation under Article 73.2.1 of the Act, on 14 February 2020, the Company announced a tender offer for the sale of the remaining approximately 34.34% of the shares in Polnord for the price per share of PLN 3.55 (the "Tender Offer"). Upon the conclusion of the Tender Offer and in connection with the settlement thereof, on 9 April 2020, the Company purchased 26,595,374 shares in Polnord for the purchase price of PLN 3.55 per share. Therefore, the Company increased its stake in Polnord from 64,042,109 shares (approximately 65.66% of the share capital) prior to the settlement of the Tender Offer to 90,637,483 shares (approximately 92.92% of the share capital of Polnord). The Company **took over operational control** over Polnord as of 10th of April, when Cordia representatives were authorised to represent also Polnord towards third parties. As of 24th of April 2020, the extraordinary meeting of shareholders of Polnord appointed – following instructions from the Company - new supervisory board members, which day after appointed also Cordia's representatives to the management board of Polnord. All the consideration transferred was paid in cash.

<i>In thousands of Hungarian Forints (THUF)</i>	<i>9th April 2020</i>
Fair Value of Polnord consolidated NetAsset	35,847,146
Cost of purchasing shares from public call (consideration transferred)	7,528,145
Remaining Non-Controlling Interest (7,08%)	2,537,978
Fair Value of previously held interest	23,537,236
Other	95,560
Bargain Gain on recognizing Polnord as subsidiary	2,148,227

The fair value of previously held interest is calculated based on quoted share price.

The abovementioned bargain gain appears on 'Other Income' PnL line.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition of POLNORD Group with the exception of the abovementioned KB DOM.

In thousands of Hungarian Forints (THUF)

Assets

Intangible assets	18,387
Investment properties	20,894,295
Property, plant and equipment	612,295
Long-term receivables from third parties	7,272,574
Investments accounted for using equity method	4,214,705
Deferred tax assets	915,539
Restricted cash	2,646
Inventory	39,300,855
Trade and other receivables	1,288,577
Other short-term assets	26,042
Income tax receivables	135,009
Short-term VAT receivables	1,539,568
Loan receivables	7,069
Other financial assets	638,526
Cash and cash equivalents	7,418,656

Liabilities

Deferred tax liabilities	946,413
Other provision	882,451
Lease liabilities	5,492,506
Other long-term liabilities	112,018
Trade and other payables	2,857,297
Bonds	10,649,566
Customer advances	13,254,730
Income tax liabilities	455,280
Other provision	6,210,229
Lease liabilities	7,577,110

Total identifiable net assets acquired	35,847,143
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Measurement period:

Based on IFRS3.45 The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

The Group considers the accounting for business combination of POLNORD incomplete. The preliminary purchase price allocation has been performed, subject to change in the next twelve months from the acquisition date, presented below.

A related party of Polnord S.A. called KB DOM S.A. and its effect has not yet been reflected in the consolidated accounts of Polnord S.A. due to reasons described below.

DETERMINING WHETHER POLNORD S.A. has control over KORPORACJA BUDOWLANA DOM S.A. ("KB DOM S.A.")

The question of control in some aspects are ambiguous and therefore the determination of the degree of influence of Polnord S.A. over KB DOM S.A. requires judgment. The management board of Polnord SA has been consistently of the opinion that the key issue is to assess the possibility of other shareholders to attend freely the General Meeting of KB DOM SA and, consequently, to be able to have more votes than Polnord S.A. Given that currently Polnord SA holds only 34.65% of shares in KB DOM S.A. (41.25% of voting rights taking into consideration the treasury shares of KB DOM S.A.), and other shareholders have always been free to attend the General Meeting of KB DOM SA, the management board of Polnord SA has never decided to consolidate KB DOM SA.

The need to revisit the above issue of control over KB DOM resulted from the recommendation of the Polish Financial Supervision Authority ("PFSA") received by Polnord S.A. on 22 September, 2020 ("**Recommendation**"). In the opinion of the PFSA, the course of general meetings of KB DOM in 2016-2019 show that Polnord S.A. has had the ability to control KB DOM despite not having the majority of votes in the share capital of KB DOM. On these general meetings Polnord S.A. was present but other shareholders were not, so Polnord SA had the majority of the votes. In the opinion of PFSA, this confirms that Polnord S.A. has had the ability to exercise control over KB DOM S.A. and consequently needs to consolidate it as a subsidiary into Polnord S.A.'s consolidated financial statement in 2019 in accordance with par. 20 of IFRS 10.

In light of the above, the Management Board of Polnord S.A. has decided to respect and follow PFSA's recommendation and change its previous assessment recognizing that Polnord S.A. may indeed exercise control over KB DOM S.A. in meaning of IAS and consequently to prepare the periodic report of Polnord S.A. in accordance with PFSA's Recommendation.

Due to lack of sufficient time required to prepare corrected financial statements for 1H2020 between the time of the official recommendation of PFSA and the publishing date of Polnord S.A.'s financial report for 1H2020, Polnord S.A. presented only the potential impact of KB DOM SA's consolidation according to the best it's knowledge. This assessment however does not take into consideration any fair value adjustments on the assets and liabilities. Polnord is working on preparing the consolidation of KB DOM SA as fast as possible.

<i>In thousands of Polish Zloty (TPLN)</i>	For the period of 3 months ended on March 31, 2020	For the year ended on December 31, 2019
Continued operations		
Sales revenue	3,058	12,661
Revenues from the sale of products and services	3,040	12,154
Revenues from the sale of goods and materials	18	507
Cost of sale	-2,424	-10,129
Cost of sale of products and services	-2,416	-9,688
Cost of sale of goods and materials	-8	-441
Gross profit / (loss) from sales	634	2,532
Selling and marketing expenses	-156	-552
Administrative expenses	-854	-3,234
Other expenses	-1	-852
Other income	16	749
Operating results	-361	-1,356
Finance expenses	-575	-2,336
Finance income	138	111
Profit/(loss) before taxation	-798	-3,581
Income tax benefit /(expense)	24	44
Profit/(loss) for the period	-774	-3,537

<i>In thousands of Polish Zloty (TPLN)</i>	As at 31.03.2020	As at 31.12.2019
Assets		
Non - current assets	24,354	24,541
Intangible assets	30	37
Investment properties	760	760
Property, plant and equipment	14,509	14,704
Goodwill	7,942	7,942
Deferred tax assets	1,010	986
Other financial assets	103	112
Current assets	16,558	15,571
Inventory	1,094	1,097
Trade and other receivables	8,735	8,478
Tax assets	897	905
Cash and cash equivalents	5,832	5,090
Total assets	40,912	40,112

<i>In thousands of Polish Zloty (TPLN)</i>	As at 31.03.2020	As at 31.12.2019
Equity		
Shareholders equity	-43,280	-42,391
Share capital	39,707	39,707
Treasury shares	-2,052	-1,937
Other reserves	13	13
Retained earnings	-80,948	-80,174

<i>In thousands of Polish Zloty (TPLN)</i>		
Liabilities	As at 31.03.2020	As at 31.12.2019
Non-current liabilities	4,224	4,247
Provision	18	18
Other long-term financial liabilities	233	285
Other long-term liabilities	3,973	3,944
Current liabilities	79,968	78,256
Trade and other payables (current)	54,687	53,953
Loans	18,955	18,489
Tax liabilities	3,836	3,311
Provision	2,172	2,157
Other short-term financial liabilities	318	346
Total liabilities and equity	40,912	40,112

TRANSACTIONS WITH THE KB DOM GROUP RECOGNIZED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF THE CORDIA GROUP FOR THE PERIODS

Statement of Financial position	As at 30.06.2020
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<i>In thousands of Polish Zloty (TPLN)</i>		
	Gross value	Write down
Investment (shares) in the companies of GK KB Dom	23,821	-23,821
Loans granted	3,443	-3,344
Trade and other receivables	10,166	-10,057
Trade and other payables (current)	178	0

As at 31.12.2019

<i>In thousands of Polish Zloty (TPLN)</i>		
	Gross value	Write down
Investment (shares) in the companies of GK KB Dom	23,821	-23,821
Loans granted	3,443	-3,344
Trade and other receivables	10,026	-10,026
Trade and other payables (current)	178	0

Transactions with GK KB DOM included in the consolidated profit or loss statements of the Polnord Group in the periods

<i>In thousands of Polish Zloty (TPLN)</i>	2020H1
Sales revenue	3
Cost of sale	17
Other expenses	0
Finanse income	0

4. Revenue

For the period ended 30 June	2020H1	2019H1
<i>In thousands of Hungarian Forints (THUF)</i>		
Revenue from sale of real estate	27,664,926	7,190,775
Other revenue	784,267	640,622
Total revenue	28,449,193	7,831,397

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. 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 the financial year 2020, the Group finished four projects in Hungary and started to hand over the apartments to its customers. Revenue was also recognized from delivering apartments on projects finished in the previous period.

In total the Company delivered 792 apartments to its customers during the first half of 2020, of which 439 units were delivered in Hungary and 353 units were delivered in Poland, while during 2019 the relevant results amount to 160 apartments to its customers of which 156 units were delivered in Hungary and 4 units were delivered in Poland.

For the period ended 30 June	2020
<i>In thousands of Hungarian Forints (THUF)</i>	
Opening balance of capitalized variable sales commissions	533,085
Increase	186,185
Amortization	82,501
Closing balance of capitalized variable sales commissions	636,769

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 28 about investment commitments, and contracted sales, and note 30 about the sales breakdown by segment.

5. Cost of sales

For the period ended 30 June	2020H1	2019H1
<i>In thousands of Hungarian Forints (THUF)</i>		
Cost of sales of main activities	24,426,665	3,906,705
Cost of sales of other revenue	191,398	304,174
Total cost of sales	24,618,062	4,210,879

6. Administrative expenses

For the period ended 30 June	2020H1	2019H1
<i>In thousands of Hungarian Forints (THUF)</i>		
Personnel expenses and external services	1,371,766	1,381,761
Materials and energy	49,495	28,013
Depreciation	273,057	241,386
Bank fees and other charges	88,675	18,974
Total administrative expenses	1,782,993	1,670,134

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

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

7. Other income

For the period ended 30 June	2020H1	2019H1
<i>In thousands of Hungarian Forints (THUF)</i>		
Bargain Gain on Acquisition of Polnord NCI	2,148,227	0
Net gain (loss) on investment property and property, plant and equipment sold	5,873	0
Reversal of provision	185,116	0
Other	234,784	23,034
Total other income	2,574,000	23,034

See detailed calculation of the Bargain Gain on the acquisition of Polnord in note 3 (c).

8. Investment properties

Based on IAS40 Investment property is a real estate (land, building or part of a building or both) owned or leased, treated as a source of income from rents or held due for capital appreciation.

The Group acquired investment properties as part of the acquisition of POLNORD. These are land plots hold for capital appreciation.

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

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

Due to the acquisition of Polnord, all the assets (including investment property) were re-evaluated. All owned investment properties have been appraised with the involvement of external appraisers (Ernst & Young sp. Z o.o. Corporate Finance sp. K.). The market values of the properties have been estimated using the comparative approach, the average price adjustment method or the pairwise comparison method.

In thousands of Hungarian Forints (HUF)

Opening balance	0
Acquisition	20,894,312
Increases / (decreases)	0
Revaluation of investment property to fair value	0
Translation differences	259,655
Closing balance	21,153,967

9. Long-term receivables from third parties

For the period ended 30 June

In thousands of Hungarian Forints (THUF)

	2020	2019
Claim against the City of Warsaw (Case 10H)	4,460,022	0
Claim against Pol-Aqua S.A. (not paid rent for the office building)	1,872,488	0
Amounts kept in the escrow account in connection with the sale of office buildings	984,108	0
Receivables from long-term deposits (office rental)	99,081	0
Other	25,259	9,486
Total Long-term receivables from third parties	7,440,958	9,486

This balance has increased due to the acquisition of Polnord Group. The balances were recognized on fair value at acquisition date. Claims and receivables are considered recoverable by the Management.

The so called 10H case is Polnord's claim against the Town Hall of Warsaw. On 28 June 2013 Polnord SA' subsidiary tabled a motion with the Mayor of the Capital City of Warsaw, pursuant to Article 98, paragraphs. (1) and (3) of the Real Property Management Act, for undertaking negotiations on determination and payment of indemnities for plots of land, located in the district of Wilanów in the City of Warsaw, with the total area of 10 hectares, allocated for public roads ("the Plots of Land"). On July 29th 2020 the Head of Legionowo County has issued a decision determining a compensation for plots of land comprising an area of 8.4 ha in the sum of PLN 49.5 Million. With respect to the remaining properties, proceedings are still pending in relation to the value of the appraisal.

10. Interests in joint-ventures and associates

The investment in its joint-ventures increased (proportionally with the other investor) in 2020 as below. For the period between 10th of February to the 9th of April Polnord Group was considered an associate from consolidation perspective. See detailed description at note 2.

Cordia Global 6 development sub-fund

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.

In thousands of Hungarian Forints (HUF)

Opening	1,177,459
Purchase of investments	70,000
Profit or (Loss) attributable to the Group	(36,562)
Closing carrying amount	1,210,897

Argo Properties N.V

Cordia Group acquired 20,6% of the shares in Argo Properties N.V. by which it obtained significant influence.

In thousands of Hungarian Forints (HUF)

Opening	0
Purchase of investments	12,051,352
Bargain gain on purchase	217,782
Profit or (Loss) attributable to the Group	883,802
Closing carrying amount	13,152,936

Stacja Kazimierz

The Stacja Kazimierz project is carried out jointly with Grupa Holdingowa Waryński S.A. Throughout Polnord S.A. Cordia Group is holding 50% directly in Stacja Kazimierz I Sp. z o.o., Stacja Kazimierz II Sp. z o.o. and Kazimierz Station III Sp. z o.o. Sp. k.

In thousands of Hungarian Forints (HUF)

Opening	0
Purchase of investments	1,369,010
Profit or (Loss) attributable to the Group	8,325
Closing carrying amount	1,377,335

Fadesa:

Polnord S.A. is holding 49% directly in Fadesa Polnord Polska Sp. z o.o. and 49% indirectly (via Fadesa Polnord Polska Sp. z o.o.) in FPP Powsin Sp. z o.o., Osiedle Innova Sp. z o.o., FPP Osiedle Moderno Sp. z o.o.

In thousands of Hungarian Forints (HUF)

Opening	0
Purchase of investments	2,868,454
Profit or (Loss) attributable to the Group	71,415
Closing carrying amount	2,939,868

11. Inventory

<i>In thousands of Hungarian Forints (HUF)</i>	Closing balance 30.06.2020	Closing balance 31.12.2019
<i>Lands and Acquisition costs</i>	66,283,611	43,088,118
<i>Construction and Engineering costs</i>	49,742,167	46,190,554
<i>Planning</i>	2,815,355	2,846,612
<i>Borrowing costs</i>	1,912,123	1,358,735
<i>Other, including capitalized VAT</i>	3,695,961	3,248,666
Work in progress	124,449,217	96,732,685
<i>In thousands of Hungarian Forints (HUF)</i>	Closing balance 30.06.2020	Closing balance 31.12.2019
Finished goods	18,069,035	4,013,992
<i>In thousands of Hungarian Forints (HUF)</i>	Closing balance 30.06.2020	Closing balance 31.12.2019
Goods for resale	276,159	146,809
<i>In thousands of Hungarian Forints (HUF)</i>	Closing balance 30.06.2020	Closing balance 31.12.2019
Advances for delivery of goods	384,416	0
<i>In thousands of Hungarian Forints (HUF)</i>	Closing balance 30.06.2020	Closing balance 31.12.2019
Rights of perpetual usufruct of land (lease)	4,509,822	2,060,815
<i>In thousands of Hungarian Forints (HUF)</i>	Closing balance 30.06.2020	Closing balance 31.12.2019
Write-down	0	0
<i>In thousands of Hungarian Forints (HUF)</i>	Closing balance 30.06.2020	Closing balance 31.12.2019
Total inventories at the lower of cost or net realizable value	147,688,649	102,954,301

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.

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 2020, the Group did not make any write-down adjustment. The Group examined a possible write-down on inventory for each project separately, according to the projection of revenues net of cost of sales.

For information about future commitments to the general contractor for construction services related to inventory construction, see Note 28.

Inventory is pledged and used to secure bank loans. Please refer to note 11 about the pledging.

12. 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 period ended 30 June 2020:

<i>In thousands of Hungarian Forints (HUF)</i>	Financial assets at FV through P/L	Financial assets at amortized cost	Total
Non-current financial assets			
Long-term receivables from related parties	0	1,097	1,097
Loans receivables from third parties	0	7,440,958	7,440,958
Restricted cash	0	131,048	131,048
Current financial assets			
Securities (Other short-term financial assets)	258,608	0	258,608
Restricted Cash	0	6,316,331	6,316,331
Short-term receivables from related parties	0	120,877	120,877
Trade and other receivables	0	1,839,450	1,839,450
Loan receivable	0	5,437,237	5,437,237
Cash and cash equivalents	0	38,291,995	38,291,995
Total financial assets	258,608	59,578,993	59,837,601

The Restricted Cash relating to the payments that were deposited in escrow accounts by the customers purchasing premises in the projects of the Cordia Group.

For the year ended 31 December 2019:

<i>In thousands of Hungarian Forints (HUF)</i>	Financial assets at FV through P/L	Financial assets at amortized cost	Total
Non-current financial assets			
Long-term receivables from related parties	0	1,010	1,010
Loans receivables from third parties	0	9,486	9,486
Restricted cash	0	2,100,120	2,100,120
Current financial assets			
Securities (Other short-term financial assets)	277,833	0	277,833
Restricted Cash	0	3,062,290	3,062,290
Short-term receivables from related parties	0	846,049	846,049
Trade and other receivables	0	328,946	328,946
Loan receivable	0	342,963	342,963
Cash and cash equivalents	0	51,070,192	51,070,192
Total financial assets	277,833	57,761,056	58,038,889

For the period ended 30 June 2020

<i>In thousands of Hungarian Forints (HUF)</i>	Financial liabilities at amortized cost	Total
Non-current financial liabilities		
Loans and borrowings	23,764,777	23,764,777
Amount withheld for guarantees	1,699,249	1,699,249
Bond	44,383,497	44,383,497
Lease liabilities	6,030,152	6,030,152
Total Non-current financial liabilities	75,877,675	75,877,675
Current financial liabilities		
Trade and other payables	13,822,927	13,822,927
Loans and borrowings	10,039,175	10,039,175
Short-term liabilities to related parties	154,381	154,381
Bond	9,916,192	9,916,192
Lease liabilities	10,236,372	10,236,372
Total Current financial liabilities	44,169,047	44,169,047
Total financial liabilities	120,046,722	120,046,722

For the year ended 31 December 2019

<i>In thousands of Hungarian Forints (HUF)</i>	Financial liabilities at amortized cost	Total
Non-current financial liabilities		
Loans and borrowings	14,108,026	14,108,026
Amount withheld for guarantees	2,393,654	2,393,654
Bond	44,421,137	44,421,137
Lease liabilities	632,638	632,638
Total Non-current financial liabilities	61,555,455	61,555,455
Current financial liabilities		
Trade and other payables	10,314,925	10,314,925
Loans and borrowings	11,506,888	11,506,888
Short-term liabilities to related parties	542,695	542,695
Bond	68,892	68,892
Lease liabilities	2,328,719	2,328,719
Total Current financial liabilities	24,762,119	24,762,119
Total financial liabilities	86,317,574	86,317,574

13. Receivables from related parties

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

<i>In thousands of Hungarian Forints (HUF)</i>	30.06.2020	31.12.2019
Trade receivables	0	137,501
Accrued revenue	120,877	603,179
Other receivables	0	106,379
Total closing balance	120,877	847,059
Closing balance includes:		
Current assets	120,877	846,049
Non-current assets	1,097	1,010
Total closing balance	121,974	847,059

As of 30 June 2020 The Group has not provided loan to related parties.

14. Loan receivable

The Parent company provided a short term interest free loan facility to Pedrano Construction Kft. and Pedrano Homes Kft. who are the general contractors in numerous Hungarian projects and are considered strategic partners. The provided amount can not exceed the consolidated liability of the Group to Pedrano therefor it is considered fully recoverable and so the Group did not account any impairment. The loan is constantly repaid by the borrower as the liabilities of the subsidiaries are settled.

15. Trade and other receivables

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

<i>In thousands of Hungarian Forints (HUF)</i>	30.06.2020	31.12.2019
Gross trade receivables	533,420	214,966
Decreased by impairment	(4,940)	(4,940)
Net trade receivables	528,480	210,026
Accrued revenue	357,548	66,788
Other receivables	953,422	52,132
Total trade and other receivables	1,839,450	328,946

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.

16. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits or other highly liquid short-term financial instrument which are freely available for the Group and customer advances (restricted cash) available for project financing. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits have a duration varying between one day and three months depending on the immediate cash requirements of the Group. As at 30 June 2020 and 31 December 2019, they earn interest at the respective short-term deposit rates.

<i>In thousands of Hungarian Forints (HUF)</i>	30.06.2020	31.12.2019
Cash at bank and in hand	20,262,530	28,319,935
Short-term bank deposit	8,901,390	10,000,000
2-month discount treasury bill	0	2,299,968
Restricted cash	9,128,076	10,450,289
Total cash and cash equivalents	38,291,996	51,070,192

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

<i>In thousands of Hungarian Forints (HUF)</i>	30.06.2020	31.12.2019
EUR	3,527,579	2,677,768
PLN	11,193,312	2,810,885
HUF	23,272,313	45,465,384
RON	298,429	115,236
Other	363	919
Total cash and cash equivalents	38,291,996	51,070,192

There is no pledge over cash and cash equivalents.

17. Loans and borrowings

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

For the period ended 30 June

In thousands of Hungarian Forints (HUF)

2020

Opening balance	25,614,914
Acquisitions	0
New bank loan drawdown	20,381,113
Loan repayments	(12,342,855)
Other changing (FX, other)	150,780
Total closing balance	33,803,952

In thousands of Hungarian Forints (HUF)

30.06.2020

31.12.2019

Closing balance includes:		
Current liabilities	10,039,175	11,506,888
Non-current liabilities	23,764,777	14,108,026
Total closing balance	33,803,952	25,614,914

For the period ended 30 June

In thousands of Hungarian Forints (HUF)

2019

Opening balance	10,069,298
Acquisitions	0
New bank loan drawdown	4,426,420
Loan repayments	(1,919,735)
Other changing (FX, other)	(50,703)
Total closing balance	12,525,280

In thousands of Hungarian Forints (HUF)

30.06.2020

31.12.2019

HUF	28,606,366	23,425,487
EUR	2,492,936	0
RON	137,162	0
PLN	2,567,488	2,189,427
Total closing balance	33,803,952	25,614,914

**Conditions of significant loans and borrowings:
As at the period ended 30 June 2020:**

Legal entity	Bank	Loan Type	Maturity	currency	Loan facility	Withdrawn loan amount in THUF	Interest rate base
Cordia Global 3 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	Construction loan	2020.12.21	HUF	4,730,000,000	3,715,604	BUBOR 1M+margin
Cordia Global 3 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	VAT loan	2020.12.21	HUF	100,000,000	59,253	BUBOR 1M+margin
Cordia Global 5 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	Construction loan	2020.11.26	HUF	3,030,000,000	1,577,309	BUBOR 1M+margin
Cordia Global 5 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	VAT loan	2020.11.26	HUF	100,000,000	21,399	BUBOR 1M+margin
Cordia Global 11 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	Construction loan	2021.10.26	HUF	5,335,000,000	1,363,465	BUBOR 1M+margin
Cordia Global 11 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	VAT loan	2021.10.26	HUF	100,000,000	42,403	BUBOR 1M+margin
Cordia Development 2 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	Construction loan	2020.10.08	HUF	5,620,000,000	4,321,423	BUBOR 1M+margin
Cordia Development 2 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	VAT loan	2020.10.08	HUF	100,000,000	46,345	BUBOR 1M+margin
Cordia Global 10 Ingatlanfejlesztési Részalap	Sberbank Magyarország Zrt.	Construction loan	2022.03.25	HUF	4,610,000,000	2,031,717	BUBOR 1M+margin
Cordia Global 18 Ingatlanfejlesztési Részalap	OTP Bank Nyrt.	Construction loan	2021.12.31	HUF	7,260,000,000	4,091,036	BUBOR 1M+margin
Cordia Global 18 Ingatlanfejlesztési Részalap	OTP Bank Nyrt.	VAT loan	2021.12.31	HUF	200,000,000	100,644	BUBOR 1M+margin
Cordia Global 17 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	Construction loan	2022.04.02	HUF	5,580,000,000	2,906,217	BUBOR 1M+margin
Cordia Global 17 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	VAT loan	2022.04.02	HUF	100,000,000	72,513	BUBOR 1M+margin
Cordia Global 9 Ingatlanfejlesztési Részalap	KERESKEDELMi ÉS HITELbank ZRT.	Construction loan	2021.09.30	HUF	2,700,000,000	1,116,662	BUBOR 1M+margin
Cordia Global 9 Ingatlanfejlesztési Részalap	KERESKEDELMi ÉS HITELbank ZRT.	VAT loan	2021.09.30	HUF	150,000,000	17753.831	BUBOR 1M+margin
Cordia Global 12 Ingatlanfejlesztési Részalap	KERESKEDELMi ÉS HITELbank ZRT.	Construction loan	2021.09.30	HUF	7,500,000,000	5,246,968	BUBOR 1M+margin
Cordia Global 12 Ingatlanfejlesztési Részalap	KERESKEDELMi ÉS HITELbank ZRT.	VAT loan	2021.09.30	HUF	150,000,000	64,529	BUBOR 1M+margin
Cordia Global 27 Ingatlanfejlesztési Részalap	CIB Bank Zrt.	Construction loan	2027.02.03	HUF	3,250,000,000	1,811,385	BUBOR 6M+margin
Projekt Krakow 1	PKO Bank Polski	Construction loan	2021.08.31	PLN	24,800,000	3,612	WIBOR 3M+margin
Projekt Krakow 1	PKO Bank Polski	VAT loan	2021.08.31	PLN	1,000,000	41,632	WIBOR 3M+margin
Projekt Warszawa 1	Santander Bank Polaks SA	Construction loan	2022.06.19	PLN	46,901,525	1,561,496	WIBOR 1M+margin
Projekt Warszawa 1	Santander Bank Polaks SA	VAT loan	2020.12.19	PLN	5,000,000	0	WIBOR 1M+margin
Projekt Warszawa 2 Cordia Partner 3 Sp. z o.o. Sp.k.	PKO Bank Polski	Construction loan	2022.06.30	PLN	61,725,000	857,894	WIBOR 3M+margin
Projekt Warszawa 2 Cordia Partner 3 Sp. z o.o. Sp.k.	PKO Bank Polski	VAT loan	2022.06.30	PLN	3,000,000	102,597	WIBOR 3M+margin
CORDIA PARCULUI RESIDENTIAL PROJECT SRL	OTP Bank	Construction loan	2023.03.31	EUR	15,800,000	2,492,936	EURIBOR 3M+margin
CORDIA PARCULUI RESIDENTIAL PROJECT SRL	OTP Bank	VAT loan	2022.09.30	RON	4,779,800	137,163	RORIBOR 3M+margin
Total of fully consolidated entities						33,803,952	
Cordia Global 6 Ingatlanfejlesztési Részalap	OTP Bank Nyrt.	Construction loan	2021.09.30	HUF	5,115,360,000	4,570,322	BUBOR 1M+margin
Cordia Global 6 Ingatlanfejlesztési Részalap	OTP Bank Nyrt.	VAT loan	2021.09.30	HUF	200,000,000	12,945	BUBOR 1M+margin
Cordia Global 6 Ingatlanfejlesztési Részalap	OTP Bank Nyrt.	Construction loan	2021.09.30	HUF	5,115,360,000	2,197,017	BUBOR 1M+margin
Cordia Global 6 Ingatlanfejlesztési Részalap	OTP Bank Nyrt.	VAT loan	2021.09.30	HUF	200,000,000	25,135	BUBOR 1M+margin
Total including JVs and associates						40,609,371	

As at the year ended 31 December 2019:

Legal entity	Bank	Loan Type	Maturity	currency	Loan facility	Withdrawn loan amount in THUF	Interest rate base
Cordia Global 8 Ingatlanfejlesztési Részalap	OTP Bank Nyrt.	Construction loan	2020.03.30	HUF	5,700,000,000	1,951,339	BUBOR 1M+margin
Cordia Global 8 Ingatlanfejlesztési Részalap	OTP Bank Nyrt.	VAT loan	2020.03.30	HUF	200,000,000	0	BUBOR 1M+margin
Cordia Global 7 Ingatlanfejlesztési Részalap	OTP Bank Nyrt.	Construction loan	2020.03.30	HUF	2,000,000,000	1,434,068	BUBOR 1M+margin
Cordia Global 3 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	Construction loan	2020.03.16	HUF	2,600,000,000	1,930,539	BUBOR 1M+margin
Cordia Global 3 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	VAT loan	2020.03.16	HUF	100,000,000	4,160	BUBOR 1M+margin
Cordia Global 3 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	Construction loan	2020.03.16	HUF	4,730,000,000	3,075,112	BUBOR 1M+margin
Cordia Global 3 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	VAT loan	2020.03.16	HUF	100,000,000	48,285	BUBOR 1M+margin
Cordia Global 5 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	Construction loan	2020.11.26	HUF	3,030,000,000	1,022,580	BUBOR 1M+margin
Cordia Global 5 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	VAT loan	2020.11.26	HUF	100,000,000	15,406	BUBOR 1M+margin
Cordia Global 11 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	Construction loan	2021.10.26	HUF	5,335,000,000	1,124,130	BUBOR 1M+margin
Cordia Global 11 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	VAT loan	2021.10.26	HUF	100,000,000	57,660	BUBOR 1M+margin
Cordia Development 2 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	Construction loan	2020.10.08	HUF	5,620,000,000	4,206,592	BUBOR 1M+margin
Cordia Development 2 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	VAT loan	2020.10.08	HUF	100,000,000	70,506	BUBOR 1M+margin
Cordia Global 10 Ingatlanfejlesztési Részalap	Sberbank Magyarország Zrt.	Construction loan	2022.03.25	HUF	1,300,000,000	885,740	BUBOR 1M+margin
Cordia Global 18 Ingatlanfejlesztési Részalap	OTP Bank Nyrt.	Construction loan	2021.12.31	HUF	7,260,000,000	1,856,540	BUBOR 1M+margin
Cordia Global 18 Ingatlanfejlesztési Részalap	OTP Bank Nyrt.	VAT loan	2021.12.31	HUF	200,000,000	54,752	BUBOR 1M+margin
Cordia Global 17 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	Construction loan	2022.04.02	HUF	5,580,000,000	1,867,629	BUBOR 1M+margin
Cordia Global 17 Ingatlanfejlesztési Részalap	Takarék Kereskedelmi Bank Zrt.	VAT loan	2022.04.02	HUF	100,000,000	69,316	BUBOR 1M+margin
Cordia Global 9 Ingatlanfejlesztési Részalap	KERESKEDELMi ÉS HITELbank ZRT.	Construction loan	2021.09.30	HUF	2,700,000,000	475,588	BUBOR 1M+margin
Cordia Global 9 Ingatlanfejlesztési Részalap	KERESKEDELMi ÉS HITELbank ZRT.	VAT loan	2021.09.30	HUF	150,000,000	778	BUBOR 1M+margin
Cordia Global 12 Ingatlanfejlesztési Részalap	KERESKEDELMi ÉS HITELbank ZRT.	Construction loan	2021.09.30	HUF	7,500,000,000	3,254,650	BUBOR 1M+margin
Cordia Global 12 Ingatlanfejlesztési Részalap	KERESKEDELMi ÉS HITELbank ZRT.	VAT loan	2021.09.30	HUF	150,000,000	18,738	BUBOR 1M+margin
Projekt Krakow 1	PKO Bank Polski	Construction loan	2021.08.31	PLN	24,800,000	370,964	WIBOR 3M+margin
Projekt Krakow 1	PKO Bank Polski	VAT loan	2021.08.31	PLN	1,000,000	35,315	WIBOR 3M+margin
Projekt Warszawa 1	Santander Bank Polaks SA	Construction loan	2022.06.19	PLN	46,901,525	1,780,823	WIBOR 1M+margin
Projekt Warszawa 2 Cordia Partner 3 Sp. z o.o. Sp.k.	PKO Bank Polski	Construction loan	2022.06.30	PLN	61,725,000	0	WIBOR 3M+margin
Projekt Warszawa 2 Cordia Partner 3 Sp. z o.o. Sp.k.	PKO Bank Polski	VAT loan	2022.06.30	PLN	3,000,000	0	WIBOR 3M+margin
Total of fully consolidated entities						25,611,210	
Cordia Global 6 Ingatlanfejlesztési Részalap	OTP Bank Nyrt.	Construction loan	2021.09.30	HUF	10,230,720,000	3,287,026	BUBOR 1M+margin
Cordia Global 6 Ingatlanfejlesztési Részalap	OTP Bank Nyrt.	VAT loan	2021.09.30	HUF	400,000,000	53,847	BUBOR 1M+margin
Total including JVs and associates						28,952,083	

No bank covenants were breached. The bank loans are secured by real estate property mortgages.

18. Customer advances received

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

<i>In thousands of Hungarian Forints (HUF)</i>	Project name	30.06.2020	31.12.2019
Cordia Development 1. Development Fund	Corvin Átrium	0	880
Cordia Development 2. Development Fund	Thermal Zugló 3	2,962,964	2,717,965
Cordia Global 1. Development Subfund	Kapás 21	23,210	75,226
Cordia Global 10. Development Subfund	Sasad Hilltop	1,242,562	1,192,212
Cordia Global 11. Development Subfund	Grand Corvin	4,273,805	3,619,833
Cordia Global 12. Development Subfund	Marina Portside	1,826,646	1,583,568
Cordia Global 13. Development Subfund	Universo	2,840,271	2,820,664
Cordia Global 17. Development Subfund	Young City 3	856,820	765,586
Cordia Global 18. Development Subfund	Akadémia Garden	1,706,580	1,372,184
Cordia Global 19. Development Subfund	Grand Corvin 2	6,644,967	6,480,881
Cordia Global 2. Development Subfund	Corvin Átrium 2	39,093	913,816
Cordia Global 3. Development Subfund	Young City	259,924	1,429,614
Cordia Global 3. Development Subfund	Young City 2	2,039,137	2,017,741
Cordia Global 4. Development Subfund	Rózsa55	0	1,326,021
Cordia Global 5. Development Subfund	Grand'Or	1,097,893	968,666
Cordia Global 7. Development Subfund	Marina Garden	2,824,172	7,805,922
Cordia Global 8. Development Subfund	Sasad Resort Hill	988,024	1,204,576
Cordia Global 8. Development Subfund	Sasad Resort Sun	1,158,251	1,193,490
Cordia Global 9. Development Subfund	Centropolitan	829,833	737,951
Cordia FM Társasházkezelő Kft	N/A	52,636	62,747
Cordia Parcului Residential project SRL	Parcului20	1,063,348	675,464
Projekt Krakow 1	Lotniczówka	1,484,561	489,104
Cordia Supernova Sp. z o.o.	Supernova	0	66,804
Projekt Warszawa 1	Zielone Bemowo 1	598	517,817
Projekt Warszawa 1	Zielone Bemowo 2	2,699,336	715,039
Projekt Warszawa 2 Cordia Partner 3 Sp. z o.o. Sp.k.	Horyzont Praga	688,147	44,696
Projekt Kraków 2 Cordia Partner 2 Sp. z o.o. Sp.k.	Jerozolimska	9,102	0
Projekt Kraków 3 Cordia Partner 2 Sp. z o.o. Sp.k.	Bokszerska	11,976	11,639
Polnord Apartamenty Sp. z o.o.	Fotoplastykon II	2,384,400	N/A
Polnord Apartamenty Sp. z o.o.	Fotoplastykon III	1,069,741	N/A
Polnord Apartamenty Sp. z o.o.	Studio Morena	743,458	N/A
Polnord Brama Wilanowska Sp. z o.o.	Wilania	3,415,972	N/A
Polnord Rezydencje Sp. z o.o.	Wiktoria	138,690	N/A
Other	N/A	398,907	0
Total of fully consolidated entities		45,775,024	40,810,106
Cordia Global 6. Development Subfund	Marina Life	1,993,882	1,843,563
Cordia Global 6. Development Subfund	Marina Life 2	1,135,144	982,397
Stacja Kazimierz III Sp. z o.o. SK	Stacja Kazimierz III	247,579	N/A
Fadesa Polnord Polska Sp. z o.o.	Innova Concept	3,682,409	N/A
Total including JVs and associates		52,834,038	43,636,066

19. Liabilities to related parties

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

<i>In thousands of Hungarian Forints (HUF)</i>	30.06.2020	31.12.2019
Trade payables	60,425	264,349
Loan	0	51,820
Accrued expenses payables	93,956	226,526
Other liabilities	0	0
Total closing balance	154,381	542,695
Closing balance includes:		
Current liabilities	154,381	542,695
Non-current liabilities	0	0
Total closing balance	154,381	542,695

The table below presents the movement in loans and borrowings:

<i>In thousands of Hungarian Forints (HUF)</i>	2020H1
Opening balance	51,820
New loan drawdown	0
Loan repayments	51,820
Other changing (revaluation, other correction)	0
Total closing balance	0

At the reporting date The Group did not provide loan to related parties outside of the consolidation group.

20. Trade and other payables

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

<i>In thousands of Hungarian Forints (HUF)</i>	30.06.2020	31.12.2019
Trade payables	13,455,425	9,955,599
Accrued expenses	271,667	187,217
Other payables	95,835	172,109
Closing balance	13,822,927	10,314,925

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

21. Amount withheld for guarantees

Amounts withheld for guarantees is the contractual amount that the Group withholds from the vendor's final invoice at the time of delivery. The remaining amount serves as 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.

22. Provision

Most of the provisions are acquired with the acquisition of Polnord group.

For the period ended 30 June

In thousands of Hungarian Forints (THUF)

	2020H1
Provision for severance pays, retirement benefits, holidays and similar	355,666
Provisions for liabilities and litigation	2,917,612
Provision for PWUG (interest and principal)	3,830,833
Total provision	7,104,111

Provisions for liabilities and litigation

The main item in provisions for liabilities and litigations are for potential income tax payment in the amount of HUF 1,353,700 thousand, a provision for compensation payment for non-rented areas totalling HUF 756,000 thousand, provision for court cases in the amount of HUF 447,100 thousand as well as provision for warranty repairs HUF 292,012 thousand.

23. Bonds

The table below presents the movement in bond related liabilities:

<i>In thousands of Hungarian Forints (HUF)</i>	30.06.2020
Opening balance	44,490,029
Increase due to acquisition	10,649,566
Proceeds from bond loans	0
Repayment of bond loans	(816,164)
Effective interest	965,396
Interest payment	(1,049,693)
Other	60,556
Total closing balance	54,299,689

<i>In thousands of Hungarian Forints (HUF)</i>	30.06.2020	31.12.2019
Closing balance includes:		
Current liabilities	9,916,192	68,892
Non-current liabilities	44,383,497	44,421,137
Total closing balance	54,299,689	44,490,029

<i>In thousands of Hungarian Forints (HUF)</i>	30.06.2020	31.12.2019
HUF	44,455,912	44,490,029
PLN	9,843,777	0
Total closing balance	54,299,689	44,490,029

The Group has carried out a successful bond issue on 5 November 2019 (Cordia 2026/I). The financial settlement date was 7 November 2019, the maturity is 7 November 2026. The offered volume was HUF 40 billion at face value which attracted HUF 53.55 billion in bids. The amount of funds raised is HUF 44.4 billion.

The fair value of bond liability was determined by reference to the average bid of commercial institutions which is considered as a level 1 information in the fair value hierarchy.

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

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

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.

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

Coupon Payment Date:

The first coupon payment date was made on 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").

Amortisation, Redemption and Purchases:

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

Issuer undertakings:

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.

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

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

Net Consolidated Debt = CD - C - RC

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

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

C = Cash and Cash Equivalents;

RC = Restricted Cash meaning

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

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

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

<i>In thousands of Hungarian Forints (HUF)</i>	30.06.2020	31.12.2019
Consolidated Debt (CD)	88,103,641	70,207,094
Cash and Cash Equivalents (C)	38,291,995	51,070,192
Restricted cash (RC)	1,025,058	271,496
Net Consolidated Debt	48,786,588	18,865,406
Total Assets (TA)	258,662,287	181,570,651
Customer Advances (CA)	45,775,024	40,810,106
Cash and cash equivalents (C)	38,291,995	51,070,192
Restricted cash (RC)	1,025,058	271,496
Total Consolidated Assets net of Cash & Customer Advances	173,570,209	89,418,857
Consolidated Leverage Ratio	28.11%	21.10%

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

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

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

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

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

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

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

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

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

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

<i>In thousands of Hungarian Forints (HUF)</i>	30.06.2020	31.12.2019
Share capital	18,013,760	9,897,492
Share premium	13,461,608	8,690,521
Foreign currency translation reserve	180,395	0
Retained earnings	52,529,441	34,347,479
Issuer Equity	84,185,204	52,935,492
<i>In thousands of Hungarian Forints (HUF)</i>	30.06.2020	31.12.2019
Bank Loans	0	0
Bonds (non-current)	44,383,497	44,421,137
Bonds (current)	72,415	68,891
Provision	0	0
Issuer Debt	44,455,912	44,490,028
Cash and Cash Equivalents	7,468,538	16,043,682
Special Restricted Cash	0	0
Issuer Net Debt	36,987,374	28,446,346
Issuer Net Debt to Equity Ratio	0.44	0.54

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

Polnord Bond description:

Due to the acquisition of POLNORD bond liability consist the following items at the reporting date.

As of the reporting date the following bonds are consolidated.

Series	Nominal value	Coupon	Issuance Date	Maturity Date	Coupon Payment Date
NS10	18,000 PLN	Wibor 3m + margin	29.09.2017	29.09.2020	quarterly
Series D	30,000 PLN	Wibor 6m + margin	18.12.2015	31.12.2020	semi-annually
Series P**	36,750 PLN	Wibor 3m + margin	07.03.2018	07.03.2021	quarterly
Series MB3	40,000 PLN	Wibor 6m + margin	22.06.2018	22.06.2021	semi-annually

Based on the conditions of bond series MB3 in each reporting period Polnord shall test the ratio of Net debt to Equity. The Ratio shall not exceed 70% on the Check Date.

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

Issuer Equity - mean total equity indicated in Polnord S.A. published Consolidated Financial Report prepared in accordance with IFRS.

Issuer Debt - mean indicated in Polnord S.A. published Consolidated Financial Report balance sheet or off-balance sheet obligation to pay the amount indicated in this report, resulting from a loan or lease agreement, factoring, bonds, granted

surety or guarantee, accession to a debt or takeover liabilities or other financial liabilities resulting from the concluded derivative transaction which is not a security in 1: 1 (one to one) ratio of another transaction concluded by the Issuer or another entity covered by the Report Financial in the ordinary course of business.

Issuer Net Debt - mean Issuer Debt less (i) Cash and Cash Equivalents of the Issuer and (ii) Special Restricted Cash (up to 50 mln PLN)

As at 30.06.2020 Net Debt to Equity Ratio was equal 4% based POLNORD published consolidated financial statement.

24. Shareholders' equity

Share capital

As at 31 December 2019 the parent company's share capital was 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.

As of 1st January 2020 the parent company changed its statutory book keeping currency from EUR to HUF which resulted in translating share capital and share premium to HUF. The effects of this legal change has been presented in the equity movement schedule.

The Shareholders of the Company have unanimously voted for increasing the capital of the Company by HUF 12,001,129,600. The capital increase has taken place by issuing 7,431,040 pieces of ordinary shares of a par value of HUF 1,000 each, at an issue value of HUF 1,615/share with rights identical to the existing ordinary shares of the Company, thus the registered capital of the Company increases by HUF 7.431.040.000 equalling to HUF 18.013.760.000. The amount exceeding the sum of the registered capital of the Company will be accounted for capital reserve. As of date of this report, the shareholders have fully paid the new shares by injecting HUF 12,001,129,600 to the Company.

30.06.2020		
Company	Nominal value of shares (THUF)	Ownership percentage
Cordia Holding B.V.	17,653,485	98.00%
Finext Consultants Limited	360,275	2.00%
Total	18,013,760	100.00%

Other reserves

In thousands of Hungarian Forints (HUF)

30.06.2020	
Closing balance	(286,680)

The effect of the acquisitions accounted for using the predecessor method is recorded in other reserves. There was no transaction effecting other reserve in current period.

25. Non-controlling interests

Movements in non-controlling interests during the period ended 30 June 2020 are as follows:

<i>In thousands of Hungarian Forints (HUF)</i>	2020
Opening balance	208,384
Comprehensive income/(loss) attributable to non-controlling interests	(100,521)
Non-controlling interest arising on acquisition	2,565,514
Redemption of shares owned by non-controlling interest	0
Closing balance	2,673,377

26. 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 the investment subfund subsidiaries out of which only Finext Funds BP SICAV-SIF had such non-controlling investment unit holders.

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

<i>In thousands of Hungarian Forints (HUF)</i>	
Opening	17,514,452
Investment made by non-controlling investment unit holders	0
Change in net assets attributable to non-controlling investment unit holders*	(34,833)
Redemption of investment units of non-controlling investment unit holders	0
Profit distribution to be paid out	0
Closing carrying amount	17,479,619

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.

27. 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 another investment, that is not material in neither reporting period (the fair value of the listed investment is HUF 258,608 thousands at the current period end of 30 June 2020 and was HUF 258,092 thousands at 2019 year-end 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).

The fair value of bond liability was determined by reference to the average bid of commercial institutions which is considered as a level 1 information in the fair value hierarchy.

28. 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:

<i>In thousands of Hungarian Forints (HUF)</i>	Project name	30.06.2020	31.12.2019
Cordia Development 2. Development Fund	Thermal Zugló 3	648,316	1,487,768
Cordia Global 3. Development Subfund	Young City 2	0	1,221,385
Cordia Global 5. Development Subfund	Grand'Or	1,082,865	1,203,964
Cordia Global 7. Development Subfund	Marina Garden	0	151,647
Cordia Global 8. Development Subfund	Sasad Resort Hill	0	132,059
Cordia Global 9. Development Subfund	Centropolitan	1,098,853	1,842,943
Cordia Global 10. Development Subfund	Sasad Hilltop	2,077,329	2,680,487
Cordia Global 11. Development Subfund	Grand Corvin	682,124	1,859,910
Cordia Global 12. Development Subfund	Marina Portside	4,076,546	4,985,279
Cordia Global 13. Development Subfund	Universo	5,334,103	2,272,687
Cordia Global 17. Development Subfund	Young City 3	2,252,207	3,207,031
Cordia Global 18. Development Subfund	Akadémia Garden	2,997,750	4,318,705
Projekt Krakow 1	Lotniczówka	75,146	745,263
Projekt Warszawa 1	Zielone Bemowo 2	731,744	2,270,558
Projekt Warszawa 2 Cordia Partner 3 Sp. z o.o. Sp.k.	Horyzont Praga	2,518,130	3,413,607
Polnord Brama Wilanowska Sp. z o.o.	Wilania	64,441	N/A
Polnord Rezydencje Sp. z o.o.	Wiktoria	406,033	N/A
Śródmieście Wilanów Sp. z o.o.	Wioletta	1,188,426	N/A
Cordia Parcului Residential project SRL	Parcului20	995,947	2,872,227
Total of fully consolidated entities		26,229,960	34,665,520
Cordia Global 6. Development Subfund	Marina Life	1,338,331	2,262,760
Cordia Global 6. Development Subfund	Marina Life 2	2,481,328	3,572,100
FPP Osiedle Moderno Sp. z o.o.	Innova Concept	1,254,896	N/A
Total including JVs and associates		31,304,514	40,500,380

Unutilized construction loans:

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

<i>In thousands of Hungarian Forints (HUF)</i>	Project name	30.06.2020	31.12.2019
Cordia Development 2. Development Fund	Thermal Zugló 3	53,257	1,442,902
Cordia Global 3. Development Subfund	Young City	0	95,840
Cordia Global 3. Development Subfund	Young City 2	36,860	1,706,603
Cordia Global 5. Development Subfund	Grand'Or	1,211,307	2,092,014
Cordia Global 7. Development Subfund	Marina Garden	0	565,932
Cordia Global 8. Development Subfund	Sasad Resort Sun	0	3,948,661
Cordia Global 9. Development Subfund	Centropolitan	1,715,584	2,373,634
Cordia Global 10. Development Subfund	Sasad Hilltop	2,578,283	414,260
Cordia Global 11. Development Subfund	Grand Corvin	1,445,051	2,673,273
Cordia Global 12. Development Subfund	Marina Portside	2,338,503	4,376,611
Cordia Global 17. Development Subfund	Young City 3	2,701,382	3,743,055
Cordia Global 18. Development Subfund	Akadémia Garden	3,268,320	5,548,708
Cordia Global 27. Development Subfund	Marina City	1,438,615	N/A
Projekt Warszawa 1	Zielone Bemowo 2	1,005,672	1,858,267
Cordia Supernova Sp. Z o.o.	Supernova	1,004,293	1,595,544
Projekt Krakow 1	Lotnicówka	3,742,874	5,022,013
Projekt Warszawa 2	Horyzont Praga	4,413,659	0
Cordia Parcului srl	Parcului20 1	3,139,608	N/A
Cordia Parcului srl	Parcului20 2	214,726	N/A
Total of fully consolidated entities		30,307,995	37,457,317
Cordia Global 6. Development Subfund	Marina Life	732,093	1,974,487
Cordia Global 6. Development Subfund	Marina Life 2	3,093,306	5,315,360
Total including JVs and associates		34,133,393	44,747,164

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 30 June 2020 after deduction of payments received at reporting date (such payments being presented in the Consolidated Statement of Financial Position as customer advances):

<i>In thousands of Hungarian Forints (HUF)</i>		Contracted sales	Contingent receivables	Contingent receivables
Legal entity	Project name	30.06.2020	31.12.2019	31.12.2019
Cordia Development 1. DF	Corvin Átrium	0	750	0
Cordia Development 2. DF	Thermal Zugló 2	0	0	0
Cordia Development 2. DF	Thermal Zugló 3	8,636,547	5,851,570	4,991,242
Cordia Global 1. DS	Kapás 21	48,141	27,257	264,913
Cordia Global 10. DS	Sasad Hilltop	4,297,946	3,130,657	2,988,948
Cordia Global 11. DS	Grand Corvin	8,088,539	4,023,441	4,356,892
Cordia Global 12. DS	Marina Portside	6,852,230	5,138,070	4,462,496
Cordia Global 17. DS	Young City 3	3,060,941	2,250,936	1,969,152
Cordia Global 2. DS	Corvin Átrium 2	58,251	21,003	419,228
Cordia Global 3. DS	Young City	440,674	198,666	3,100,414
Cordia Global 3. DS	Young City 2	6,974,302	5,057,234	5,110,681
Cordia Global 4. DS	Rózsa55	0	169	522,117
Cordia Global 5. DS	Grand'Or	4,295,238	3,277,203	2,994,436
Cordia Global 7. DS	Marina Garden	4,071,991	1,418,591	2,871,487
Cordia Global 8. DS	Sasad Resort Hill	2,080,494	1,156,763	3,020,974
Cordia Global 8. DS	Sasad Resort Sun	3,084,450	1,997,303	2,881,681
Cordia Global 9. DS	Centropolitan	2,965,906	2,180,492	1,924,279
Cordia Global 13. DS	Universo	3,329,897	631,101	661,536
Cordia Global 18. DS	Akadémia Garden	6,354,959	4,744,420	3,722,851
Cordia Global 19. DS	Grand Corvin 2	6,832,911	522,790	553,112
Cordia Parcului Residential SRL	Parcului20	4,836,762	3,774,317	1,583,573
Projekt Warszawa 1	Zielone Bemowo 1	2,218	1,620	125,218
Projekt Warszawa 1	Zielone Bemowo 2	4,551,703	1,878,684	1,486,543
Cordia Supernova Sp. Z o.o.	Supernova	N/A	N/A	251,560
Projekt Warszawa 2	Horyzont Praga	1,920,845	1,281,130	353,070
Projekt Kraków 1	Lotniczówka	2,082,760	601,279	578,998
Polnord Apartamenty	Fotoplastikon I	50,324	19,557	N/A
Polnord Apartamenty	Fotoplastikon II	3,013,963	641,134	N/A
Polnord Apartamenty	Fotoplastikon III	1,457,099	396,277	N/A
Polnord Apartamenty	Studio Morena	1,258,031	516,597	N/A
Polnord Rezydencje	Wiktoria	864,898	743,361	N/A
Polnord Brama Wilanowska	Wilania	4,483,272	1,087,199	N/A
Śródmieście Wilanów	Wioletta	112,951	112,951	N/A
Other	N/A	199,289	129,844	N/A
Total of fully consolidated entities		96,307,533	52,812,367	51,195,401
Cordia Global 6. DS	Marina Life	7,083,018	5,204,102	4,790,559
Cordia Global 6. DS	Marina Life 2	4,198,472	3,131,529	2,728,569
Stacja Kazimierz III	Stacja Kazimierz III	234,384	5,144	N/A
FPP Osiedle Moderno Sp. z o.o	Innova Concept	5,424,639	2,250,148	N/A
Total including JVs and associates		113,248,046	63,403,291	58,714,529

29. 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, Spain 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.

For the period ended 30 June 2020

<i>In thousands of Hungarian Forints (HUF)</i>	Hungary	Poland	Romania	Spain	Other	Total
Revenue	17,889,577	10,530,494	16,605	12,517	0	28,449,193
Gross Profit	3,704,447	97,561	16,605	12,517	0	3,831,131
Net Profit	19,612,064	(2,497,905)	(244,819)	(188,884)	0	16,680,456

For the period ended 30 June 2019

<i>In thousands of Hungarian Forints (HUF)</i>	Hungary	Poland	Romania	Spain	Other	Total
Revenue	7,726,822	104,202	0	0	0	7,831,024
Gross Profit	3,223,079	397,439	0	0	0	3,620,518
Net Profit	2,042,117	(624,050)	(107,639)	(124,669)	(312,882)	872,877

Assets as 30.06.2020	Hungary	Poland	Romania	Spain
<i>In thousands of Hungarian Forints (THUF)</i>				
Assets				
Non-current assets				
Intangible assets	154,417	46,267	2,012	0
Investment properties	0	21,153,967	0	0
Property, plant and equipment	933,120	1,056,391	60,586	574
Long-term receivables from third parties	13,453	7,427,505	0	0
Long-term receivables from related parties	1,097	0	0	0
Investments accounted for using equity method	12,039,184	4,946,004	0	1,695,848
Deferred tax assets	49,986	874,949	0	0
Restricted cash	0	131,048	0	0
Long-term VAT receivables	600,597	0	0	0
Other long-term assets	631,337	13,106	0	0
Total non-current assets	14,423,191	35,649,237	62,598	1,696,422
Current assets				
Inventory	71,411,008	60,583,417	8,344,336	7,349,888
Trade and other receivables	663,305	1,071,167	12,877	92,101
Short-term receivables from related parties	120,877	0	0	0
Other short-term assets	1,212,926	357,403	507,842	0
Income tax receivables	19,404	149,929	0	0
Loan receivables	5,430,000	7,237	0	0
Short-term VAT receivables	1,423,143	2,104,813	444,320	43,144
Restricted cash	5,112,428	1,116,604	87,299	0
Other financial assets	258,608	0	0	0
Cash and cash equivalents	28,307,519	9,480,140	359,628	144,708
Total current assets	113,959,217	74,870,710	9,756,302	7,629,841
Disposal group of assets classified as held for sale				
Assets classified as held for sale	0	614,767	0	0
Total disposal group of assets classified as held for sale	0	614,767	0	0
Total	128,382,408	111,134,714	9,818,900	9,326,263
Fair value difference on inventories*	18,048,438			
Adjusted Total Assets	146,430,847	111,134,714	9,818,900	9,326,263

* CODM assesses the performance of the entities based on local GAAP statutory financial statements. In Hungary, the funds are revalue 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 2020. In line with IFRS, this fair valuation is eliminated from the consolidated financial statements.

Liabilities as of 30.06.2020

<i>In thousands of Hungarian Forints (THUF)</i>	Hungary	Poland	Romania	Spain
Liabilities¹				
Non-current liabilities				
Loans and borrowings	18,567,191	2,567,488	2,630,098	0
Bonds	44,383,497	0	0	0
Long-term liabilities to related parties	0	0	0	0
Deferred tax liabilities	0	758,377	471	0
Other provision	0	1,095,504	0	0
Customer advances	11,081,745	0	1,063,348	0
Lease liabilities	347,281	5,665,604	17,267	0
Amounts withheld for guarantees	1,699,249	0	0	0
Other long-term liabilities	72,436	258,877	218,160	0
Total non-current liabilities	76,151,399	10,345,850	3,929,344	0
Current liabilities				
Trade and other payables	8,849,430	3,974,747	910,550	88200
Bonds	72,415	9,843,777	0	0
Short-term liabilities to related parties	154,381	0	0	0
Loans and borrowings	10,039,175	0	0	0
Customer advances	20,889,335	12,740,596	0	0
Lease liabilities	0	10,236,372	0	0
Other tax liabilities	481,045	467,218	11,240	13502
Other provision	61,111	5,940,768	6,728	0
Income tax liabilities	36,667	47,777	0	0
Total current liabilities	40,583,559	43,251,255	928,518	101,702
Total liabilities	116,734,958	53,597,105	4,857,862	101,702

Assets as 31.12.2019

*In thousands of Hungarian Forints
(THUF)*

	Hungary	Poland	Romania	Spain	Other
Assets					
Non-current assets					
Intangible assets	155,000	38,688	3,213	0	4
Investment properties	0	0	0	0	0
Property, plant and equipment	1,023,928	542,349	59,637	0	0
Long-term receivables from third parties	9,486	0	0	0	0
Long-term receivables from related parties	0	1,010	0	0	0
Investments accounted for using equity method	1,177,459	0	0	0	0
Deferred tax assets	49,986	77,728	0	0	0
Restricted cash	2,100,120	0	0	0	0
Long-term VAT receivables	1,526,564		0	0	0
Other long-term assets	587,386	25,650	0	0	0
Total non-current assets	6,629,929	685,425	62,850	0	4
Current assets					
Inventory	65,705,316	25,728,274	5,248,207	6,272,504	0
Trade and other receivables	192,935	49,652	80,983	5,376	0
Short-term receivables from related parties	653,137	192,912	0	0	0
Other short-term assets	271,849	10,698,780	498,121	0	0
Income tax receivable	27,594	4,412	1,225	25,179	0
Other tax receivables	813,136	2,466,421	452,455	50,697	0
Loan receivables	342,963	0	0	0	0
Restricted cash	1,259,556	1,719,373	83,361	0	0
Other financial assets	277,833	0	0	0	0
Cash and cash equivalents	47,992,442	2,642,697	140,616	294,437	0
Total current assets	117,536,761	43,502,521	6,504,968	6,648,193	
Total assets	124,166,690	44,187,946	6,567,818	6,648,193	4
Fair value difference on inventories*	13,647,348			-	
Adjusted total assets	137,814,038	44,187,946	6,567,818	6,648,193	4

* CODM assesses the performance of the entities based on local GAAP statutory financial statements. In Hungary, the funds are revalue 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 2019. In line with IFRS, this fair valuation is eliminated from the consolidated financial statements.

Liabilities as of 31.12.2019

<i>In thousands of Hungarian Forints (THUF)</i>	Hungary	Poland	Romania	Spain	Other
Non-current liabilities					
Loans and borrowings	11,920,925	2,187,101	0	0	0
Bonds	44,421,137	0	0	0	0
Long-term liabilities to related parties	0	0	0	0	0
Deferred tax liabilities	0	4,875	0	0	0
Customer advances	27,410,213	1,019,321	675,464	0	0
Lease liabilities	288,875	329,049	14,714	0	0
Amount withheld for guarantees	2,307,562	86,092	0	0	0
Other long-term liabilities	51,451	37,747	107,323	0	0
Total non-current liabilities	86,400,163	3,664,185	797,501	0	0
Current liabilities					
Trade and other payables	7,334,470	2,192,236	610,147	104,019	74,053
Bonds	68,892	0	0	0	0
Short-term liabilities to related parties	331,156	155,509	0	0	56,030
Loans and borrowings	11,504,562	0	0	2,326	0
Customer advances	10,879,330	825,778	0	0	0
Other tax liabilities	2,360,883	131,865	8,131	56	-
Income tax liabilities	46,724	43,062	0	0	7,565
Other provision	92,215	0	9,936	0	0
Lease liability	142,009	2,177,547	9,163	0	0
Total current liabilities	32,760,241	5,525,997	637,377	106,401	137,648
Total liabilities	119,160,404	9,190,182	1,434,878	106,401	137,648

* CODM assesses the performance of the entities based on local GAAP statutory financial statements. In Hungary, the funds are revalue 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.

30. Subsequent events

Change on the composition of the Board of Directors

Mr Tomasz Lapinski resigned from his position as the member of the Board of Directors of the Company as of 1 August 2020 and Mr Péter Bódis has been appointed by the General Meeting as new member of the Board of Directors as of 1 August 2020 for indefinite period.

Mr Péter Bódis has spent over 20 years in the investment fund management industry. In most of his career, he worked at UniCredit's investment management arm, Pioneer Investments and its preceding companies under Bank Austria. Between 2011 and 2018, he was Chief Investment Officer and Vice President of the Management Board at Pioneer Investments' Polish unit in Warsaw. Prior to that, he spent 8 years at Pioneer Investments' Vienna office, managing investment funds dedicated to Eastern Europe. He started his career in 1997 at Creditanstalt Securities' asset management department in Budapest. Mr Bódis earned his master's degree in Finance from the Budapest University of Economic Sciences in 1998, holds the Chartered Financial Analyst title and speaks 5 languages (English, German, Polish, Russian, Hungarian).

Bond issuance

The Group has successfully issued a new bond series named "CORDIA2030/I HUF" on the 27 July 2020. The issue consisted of 720 Bonds. Each Bond have been issued in Hungarian forint and with a face value of HUF 50,000,000 (fifty million Hungarian forint). Total Face Value of the Bonds issued is HUF 36,000,000,000 (i.e. thirty-six billion Hungarian forint). The term of the Bonds is a ten-year period commencing on the Issue Date and ending on 27 July 2030. Each Bond bears a coupon of 3.00 % per annum, with semi-annual coupon.

The Budapest stock exchange registered the bonds on its platform on the 16th of October.

Bond redemption

In September, 2020, in line with the maturity date, the Company redeemed series NS10 bonds in the amount of PLN 18 mln. In September, 2020, in line with the maturity date, the Company redeemed part of the series D bonds in the amount of PLN 7.5 mln.

Argo ownership percentage change

Argon decided on increasing its equity based on shareholder's resolution. Cordia Group has not paid its proportionate share therefore its interest decreased from 20.6% to 18%. The Group still considers to have significant influence in Argo.

Acquisition in UK

Cordia International Zrt., as a latest milestone of its international expansion strategy, has acquired UK developer Blackswan. Cordia financed the transaction by using funds collected from the bond issuance under National Bank of Hungary's Bond Funding for Growth Scheme. The acquisition allows Blackswan to deliver a GBP 550 million project pipeline across the West Midlands.

Acquisition of Finext Global 1 real estate sub-fund

The group acquired Finext Global 1 real estate sub-fund (FG1) from a sister company. The transaction was at market price. Majority of its assets are investment properties from which rental revenue is generated. The Fair Value of investment properties owned by the subsidiary at acquisition date is around EUR 10 million.

Completion of projects

The Company's subsidiary involved in development of the residential project Lotniczówka in Kraków obtained the valid permit for occupancy of this project (comprising 70 apartments) in July and commenced delivery of the finished apartments to its customers.

The Company's subsidiary involved in development of the residential project Thermal Zugló III in Budapest obtained the valid permit for occupancy of this project (comprising 202 apartments) in August and commenced delivery of the finished apartments to its customers.

The Company's subsidiary involved in development of the residential project Zielone Bemowo II in Warsaw obtained the valid permit for occupancy of this project (comprising 200 apartments) in September and commenced delivery of the finished apartments to its customers.

The Management Board



Tibor Földi
Chief Executive Officer



Péter Bódis
Chief Financial Officer



Pál Darida

Budapest, 9th November 2020