CORDIA

INTERNATIONAL ZRT.

IFRS SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2022

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CONTENTS

Separate Statement of Profit or Loss and Other Comprehensive Income

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**Note**	**2022**	**2021**
Revenue			
Interest revenue	*9*	7,627,688	3,075,382
Total investment income		**7,627,688**	**3,075,382**
Other income		35,379	14,772
Total operating income		**35,379**	**14,772**
Administrative expenses		90,981	75,549
Other expense		9,625	0
Interest expense	*9*	2,813,665	2,747,512
Total operating expenses		**2,914,271**	**2,823,061**
Other financial income		859,966	272,112
Other financial expense		492,677	4,700
Other financial result		**367,289**	**267,412**
Fair value change of instruments measured at fair value through profit and loss	*11*	**13,906,462**	**11,859,837**
Foreign exchange gain		4,609,500	1,674,223
Foreign exchange loss		719,848	362,076
Foreign exchange - net gain / (loss)	*10*	**3,889,652**	**1,312,147**
Share of net profit of investments accounted for equity method	*7*	**(1,888,944)**	**4,988,377**
Profit before taxation		**21,023,255**	**18,694,866**
Income tax expense	*12*	**602,225**	**159,101**
Profit for the period		**20,421,030**	**18,535,765**
Exchange differences on translating foreign operations		3,174,803	516,022
Other comprehensive income/(loss)		**3,174,803**	**516,022**
Total comprehensive income for the period, net of tax		**23,595,833**	**19,051,787**

The notes on pages 7 to 39 are an integral part of these separate financial statements

Separate Statement of Financial Position

In thousands of Hungarian Forints (THUF)	***Note***	**31.12.2022**	**31.12.2021**
Assets			
Non-current assets			
Intangible assets		4,166	4,450
Long-term receivables - related parties	*6(a)*	55,133,583	66,313,619
Investment in subsidiaries	*7*	95,722,372	92,073,437
Long-term financial assets		652,571	0
Total non-current assets		**151,512,692**	**158,391,506**
Current assets			
Short-term receivables - related parties	*6(a)*	23,567,447	24,516,102
Other current assets		8,602	5,725
Other short-term financial assets	*6(f)*	6,202,725	0
Cash and cash equivalents	*6(c)*	42,014,949	23,162,705
Total current assets		**71,793,723**	**47,684,532**
Total assets		**223,306,415**	**206,076,038**

The notes on pages 7 to 39 are an integral part of these separate financial statements

In thousands of Hungarian Forints (THUF)	*Note*	31.12.2022	31.12.2021
Equity and liabilities			
Shareholders' equity			
Share capital	*8*	18,013,760	18,013,760
Share premium	*8*	13,461,608	13,461,608
Foreign currency translation reserve		4,026,128	851,325
Retained earnings		100,790,621	80,369,591
Total equity		**136,292,117**	**112,696,284**
Non-current liabilities			
Related party liabilities	*6(b)*	301,036	283,225
Bonds	*6(d)*	85,549,513	85,796,805
Total non-current liabilities		**85,850,549**	**86,080,030**
Current liabilities			
Trade and other payables (current)		8,700	14,993
Bonds	*6(d)*	249,303	237,177
Related party liabilities	*6(b)*	402,017	6,900,153
Other tax liabilities		503,729	147,401
Total current liabilities		**1,163,749**	**7,299,724**
Total liabilities		**87,014,298**	**93,379,754**
Total equity and liabilities		**223,306,415**	**206,076,038**

The notes on pages 7 to 39 are an integral part of these separate financial statements

Separate Statement of Changes in Equity

For the period ended 31 December

In thousands of Hungarian Forints (THUF)	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total equity
Balance at 01 January 2021	**18,013,760**	**13,461,608**	**335,303**	**61,833,826**	**93,644,497**
Total comprehensive income for the period	0	0	516,022	18,535,765	**19,051,787**
Balance at 31 December 2021	**18,013,760**	**13,461,608**	**851,325**	**80,369,591**	**112,696,284**
Balance at 01 January 2022	**18,013,760**	**13,461,608**	**851,325**	**80,369,591**	**112,696,284**
Total comprehensive income for the period	0	0	3,174,803	20,421,030	**23,595,833**
Balance at 31 December 2022	**18,013,760**	**13,461,608**	**4,026,128**	**100,790,621**	**136,292,117**

Please refer to Note 7 for explanation of the equity related movements.

The notes on pages 7 to 39 are an integral part of these separate financial statements

Separate Statement of Cash Flows

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	***Note***	**2022**	**2021**
Profit before tax		**21,023,255**	**18,694,866**
Adjustments to reconcile profit for the period to net cash used in operating activities*:*			
Net interest income		(4,814,023)	(327,870)
Share of net (profit)/loss of investments accounted for equity method	*7*	1,888,944	(4,988,377)
Other non-cash movement*		46,351	(350,294)
Fair value change of instruments measured at fair value through profit and loss	*11*	(13,906,462)	(11,859,837)
(Decrease)/increase in liabilities from related parties	*6(b)*	(6,243,325)	3,740,706
Decrease/(increase) in financial assets	*6(f)*	(6,855,296)	8,862,541
Increase in trade and other payables		(39,832)	(11,999)
Decrease/(increase) of related party receivables	*6(a)*	15,216,442	(8,534,689)
Decrease/(increase) in loan receivables		0	5,230,000
Interest paid	*9*	(3,009,162)	(2,960,000)
Interest received		4,539,937	27,172
Income tax paid		(215,235)	(40,504)
Net cash (used in)/from operating activities		**7,631,594**	**7,481,715**
Consideration paid for investment in subsidiaries	*7*	(8,827,725)	(17,266,965)
Consideration received from sale or redemption of investments	*7*	687,650	1,827,049
Dividend received		19,874,100	0
Net cash from/(used in) investing activities		**11,734,025**	**(15,439,916)**
Loan drawdown		50,000	480,000
Loan repayment		(287,000)	(6,903)
Net cash from financing activities		**(237,000)**	**473,097**
Net change in cash and cash equivalents		**19,128,619**	**(7,485,104)**
Cash and cash equivalents at beginning of the year		23,162,705	30,582,651
Effects of exchange rate changes on cash and cash equivalents		(276,375)	65,158
Cash and cash equivalents at end of the year	***6(c)***	**42,014,949**	**23,162,705**

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

The notes on pages 7 to 37 are an integral part of these separate financial statements

Notes to the Financial Statements

1. Background and business of the Company

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

Cordia International Private Limited Company ('the Company'), a Hungarian private limited company with its statutory seat in Budapest, Hungary, was established on 27 April 2016 by Futureal Property Group Kft.

The Company is a holding company focused on managing its subsidiaries. The core business of the subsidiaries is to develop residential properties and then sell residential units.

The registered office is located at 43-45 Futó street, Budapest, Hungary. The Company (together with its Hungarian Polish, Spanish, Romanian and UK subsidiaries 'the Group') is active in the development and sale of units, primarily apartments, in multi-family residential real-estate projects to individual customers in Hungary, in Poland, in Spain, in Romania and in the United Kingdom.

As of 31 December 2022, the Company had the following owners:
- Cordia Holding B.V. as direct controlling party - 98% (place of business: Laan van Kronenburg 14, 1183 AS Amstelveen, the Netherlands)
- Finext Consultants Limited – 0,80% (place of business: Kyriakou Matsi 16, Eagle House, 10th Floor, Agioi Omologites, P.C. 1082, Nicosia, Cyprus)
- Private individuals – 1,20%

As of 31 December 2021, the Company had the following owners:
- Cordia Holding B.V. as direct controlling party - 98% (place of business in 2021: 3030, Prins Hendriklaan 26, 1075BD Amsterdam)
- Finext Consultants Limited – 1.165% (place of business: Kyriakou Matsi 16, Eagle House, 10th Floor, Agioi Omologites, P.C. 1082, Nicosia, Cyprus)
- Private individuals – 0.835%

The ultimate controlling party has not changed during 2022. Gábor Futó (as the major shareholder) is the ultimate beneficial owner of CORDIA International Ingatlanfejlesztő Zrt. with its registered office in Budapest, Hungary. The ultimate consolidating entity is FR Group B.V.

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

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

2. Cordia International Zrt.'s investment in subsidiaries

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

The Company's principal subsidiaries as of 30 June 2022 are set out below. Unless otherwise stated, their share capital consisting of solely ordinary shares are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/Country of incorporation	Ownership interest held by the Company (direct interest)	
		31.12.2022	31.12.2021
Cordia Lands Investment Ltd.	Nicosia, Cyprus	94.95%	94.95%
Cordia New Times Ingatlanfejlesztő Kft.	Hungary, Budapest	70%	70%
Cordia Central Ingatlanfejlesztő Kft.	Hungary, Budapest	100%	100%
Cordia New Ages Ingatlanfejlesztő Kft.	Hungary, Budapest	100%	100%
Cordia Management Szolgáltató Kft.	Hungary, Budapest	1%	1%
Cordia Management Poland sp. z o.o.	Poland	1%	1%
Cordia Belváros Kft.	Hungary, Budapest	70%	70%
Cereman Vagyonkezelő Zrt.	Hungary, Budapest	95%	95%
Cordia Románia Holding A	Hungary, Budapest	100%	100%
Cordia Iberia Holding, S.L.	Spain	100%	100%
Villena Sp. z o.o.	Poland	100%	100%
Cordia Supernova Sp. Z o.o.	Poland	100%	100%
Cordia Polska SP. Z.o.o.	Poland	100%	100%
Cordia Real Estate Funds Luxembourg SICAV-RAIF	Luxemburg	95.65%	94.65%
CDS-Cordia Development Services SRL	Romania	5%	5%
Cordia Europe Holding Kft.	Hungary, Budapest	0.035%	0.035%
Polnord S.A.	Poland	100%	100%
European Residential Investments Vagyonkezelő Kft.	Hungary	100%	100%
Cordia UK Holdings Limited	United Kingdom	100%	100%
Argo Properties N.V	Germany	0.145%	0.449%
Cordia European Residential Investments Vagyonkezelő Kft.	Hungary, Budapest	100%	100%
Cordia Blackswan UK GP S.a.r.l.	Luxemburg	100%	N/A
Corida UK S.a.r.l.	Luxemburg	100%	N/A

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

3. Basis of preparation and measurement

a. Basis of preparation and statement of compliance

The separate financial statements of Cordia International Zrt. have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and interpretations issued by the IFRS Interpretations Committee (IFRIC). Separate IFRS financial statements are prepared to provide useful information for bond holders.

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

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

The financial statements have been prepared applying a historical cost convention, except for the measurement of investment in subsidiaries which are measured subsequently by using the equity-method in line with IAS 28 and redeemable shares measured at fair value through profit and loss in line with IFRS 9.
The financial statements have been prepared on a going concern basis, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of its operations. The financial statements were authorized by the Boards of Directors of Cordia International on 28 April 2023.

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

b. New and amended standards

The accounting policies adopted are consistent with those of the previous financial year.
A few new or amended standards became applicable for the current reporting period:

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

The above amendments and improvements to IFRSs do not impact the annual separate financial information of Cordia International Zrt.

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

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

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

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

- Amendments to IFRS 17 - to address concerns and implementation challenges that were identified after IFRS 17 'Insurance Contracts' was published in 2017. The amendments are effective for annual periods beginning on or after 1 January 2023.
- IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' standard modification

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

- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after 1 January 2023.
- Amendments to IAS 1 and IFRS Practice Statement 2 - 'Disclosure of Accounting Policies with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023.

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

c. Basis of measurement

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

d. Functional and presentation currency

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

e. Use of estimates and critical judgments

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

Impairment of subsidiaries

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

In considering whether any impairment triggers exist, the company considers, among other factors, the following ones:

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

Impairment of receivables

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

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

If the bad debt rate on these receivables would be 1 percentage point higher, the Company would have had to recognize an additional impairment decreasing the equity by THUF 787,010 as of 31 December 2022 (THUF 908,105 as of 31 December 2021).

Determination of functional currency

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

Equity interest above 50% ownership held by the company

The company holds 50.78% of the investment units in FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund, a newly set-up entity. Although Cordia International Zrt. holds more than 50% of the units it has no control, nor significant influence above the sub-fund based on the criteria in IFRS 10 and IAS 28.

The company is not exposed, nor has rights, to variable returns from its involvement with the investee and has no ability to affect those returns through its power over the investee. The company is a passive investor in the fund and neither delegates nor has the power to nominate directors to the board of the investee. The investment is managed by an independent entity, the Board of Directors (BoD) on behalf of the investor. For this reason, the company does not have management rights of the investee, nor does it delegate representatives to the board of directors of the investee. The investment decision was made based on the prospectus issued by the fund. The company does not have the power to control the board of directors. The financial and operating policies of the fund are largely predetermined and had already been in place in the prospectus when the investment was made. Cordia International Zrt. did not take part in the design of these policies and doesn't have the power to change them.

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

4. Significant accounting policies

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

a. Foreign currency

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

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

b. Revenue

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

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

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

c. Financial instruments

Financial assets

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

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

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

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

Since the Company is a holding entity with mainly intercompany loans as financial instruments, it has only financial assets held at amortized cost. Investments in subsidiaries are measured using the equity method in line with IAS 28. Redeemable shares can be redeemed anytime and are considered debt instruments, valued at fair value through profit and loss. The Company also holds puttable financial instruments in its subsidiary investment fund which do not meet the requirements described in paragraphs 16A to 16B of IAS32. Such instruments are outside of the scope of IAS27 therefore they are measured at Fair Value through Profit and Loss based on IFRS 9.

Recognition and derecognition

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

Measurement

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

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

Financial liabilities – loans and borrowings (including bonds)
Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

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

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

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

Impairment of financial assets
The IFRS 9 impairment model is applied to the receivables from related parties.

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

- Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that (at the option of the entity) have low credit risk at the reporting date. For these assets, 12-month expected credit losses (‘ECL’) are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL is the ECL that results from events of default that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date and this option is taken by the entity), but that do not have objective evidence of impairment. For these assets, lifetime ECL is recognized, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL is the ECL that results from all possible events of default over the maximum contractual period during which the entity is exposed to credit risk. ECL are the weighted average credit losses, with the respective risks of a default occurring as the weights.
- Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognized, and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

For intercompany loan receivables the Company applies practical expedient from IFRS 9 and measures impairment using lifetime ECL.

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

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

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

d. Receivables from related parties

Financial assets recognized in the statement of financial position are loan receivables from related parties. Receivables from related parties are recognized initially at fair value and subsequently measured at amortized cost calculated with the effective interest rate less provision for impairment. Receivables from related parties are classified as current assets if the payment term is less than 12 months, in any other case they are classified as non-current assets.

e. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less, except for collateralized deposits, treasury bills if those are considered highly liquid assets with no significant risk.

f. Liabilities to related parties

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

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

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

g. Equity

i. Share capital

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

ii. Share premium

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

h. Investment in subsidiaries

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

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

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

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

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

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

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

After application of the equity method an entity applies IFRS 9 to determine whether it is necessary to recognize any additional impairment loss with respect to its net investment in the subsidiary, associate, or joint venture. If impairment is indicated, the amount is calculated by reference to IAS 36 Impairment of Assets. The entire carrying amount of the investment is tested for impairment as a single asset, that is, goodwill is not tested separately. The recoverable amount of an investment in an associate or subsidiary is assessed for each individual subsidiary, associate, or joint venture, unless the subsidiary associate or joint venture does not generate cash flows independently.

As previously mentioned, the Company also holds puttable financial instruments in its subsidiary investment fund which do not meet the requirements described in paragraphs 16A to 16B of IAS32. Such instruments are outside of the scope of IAS27 therefore it is measured at Fair Value through Profit and Loss based on IFRS 9.

i. Current income tax

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

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

5. Capital management

When managing capital, it is the Company's objective to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the profit appropriation, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

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

6. Financial assets and financial liabilities

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

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

Financial assets at amortized costs

In thousands of Hungarian Forints (THUF)	*Notes*	**31.12.2022**	**31.12.2021**
Receivables from related parties	6(a)	78,701,030	90,829,721
Cash and cash equivalents	6(c)	42,014,949	23,162,705
Total financial assets		**120,715,979**	**113,992,426**

Financial assets measured at fair value through profit and loss

In thousands of Hungarian Forints (THUF)	*Notes*	**31.12.2022**	**31.12.2021**
Long-term financial assets		652,571	0
Short-term financial assets	6(f)	6,202,725	0
Investments measured at fair value through profit and loss	11	66,777,484	45,274,223
Total financial assets at fair value		**73,632,780**	**45,274,223**

Financial liabilities at amortized costs

In thousands of Hungarian Forints (THUF)	*Notes*	**31.12.2022**	**31.12.2021**
Bonds	6(d)	85,549,513	85,796,805
Liabilities to related parties	6(b)	301,036	283,225
Total non-current financial liabilities		**85,850,549**	**86,080,030**

In thousands of Hungarian Forints (THUF)	*Notes*	**31.12.2022**	**31.12.2021**
Trade and other payables		8,700	14,993
Bonds	6(d)	249,303	237,177
Liabilities to related parties	6(b)	289,798	6,900,153
Total current financial liabilities		**547,801**	**7,152,323**
Total financial liabilities		**86,398,350**	**93,232,353**

Financial liabilities measured at fair value through profit and loss

In thousands of Hungarian Forints (THUF)	*Notes*	**31.12.2022**	**31.12.2021**
Liabilities to related parties	6(b)	112,219	0
Total financial liabilities at fair value		**112,219**	**0**

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

6 (a) Receivables from related parties

Receivables from related parties are recognized initially at fair value and subsequently measured at amortized cost calculated with the effective interest rate less provision for impairment. Receivables from related parties are classified as current assets if the payment term is less than 12 months, in any other case they are classified as non-current assets.

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Loan receivables	55,133,583	66,313,619
Non-current receivables from related parties	**55,133,583**	**66,313,619**
Loan receivables	17,629,455	19,626,107
Accrued interest receivables	5,889,431	4,859,060
Other receivables	48,561	30,935
Current receivables from related parties	**23,567,447**	**24,516,102**
Total receivables from related parties	**78,701,030**	**90,829,721**

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

In thousands of Hungarian Forints (THUF)	**01.01.2022 – 31.12.2022**	**01.01.2021 - 31.12.2021**
Opening balance	85,939,726	66,731,292
Loans granted	33,943,693	91,493,330
Loans repaid	(52,552,000)	(73,995,846)
Capitalization of Interest	2,292,370	717,145
Revaluation (FX difference)	3,139,249	993,805
Closing balance	**72,763,038**	**85,939,726**

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

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

As at 31.12.2022

Loan currency	Balance in THUF	Interest rate	Interest
HUF	1,435,738	13.56%	Variable
HUF	1,080,110	11.91%	Variable
HUF	1,331,785	Interest free	Fixed
EUR	18,508,368	6.92%	Variable
EUR	14,978,458	5.35%	Variable
EUR	227,455	Interest free	Fixed
PLN	15,607,670	13.10%	Variable
GBP	19,453,543	8.78%	Variable
GBP	128,264	7.81%	Variable
GBP	11,647	6.95%	Variable
Closing balance	**72,763,038**		

Most of the outstanding related party loans mature in 2024 and in 2025, from which THUF 17,617,808 is repayable on demand. The expiration dates of two Spanish loans fall in 2026 and the maturity of the loan in the amount of THUF 1,435,738 is 27 July 2030. Loans bearing no interest considered as short term and payable on demand, therefore the loan receivables are not discounted.

As at 31.12.2021

Loan currency	Balance in THUF	Interest rate	Interest
HUF	26,044,145	5.20%	Variable
HUF	2,530,176	3.40%	Variable
HUF	2,710,000	Interest free	Fixed
EUR	15,686,139	2.32%	Variable
EUR	154,283	1.50%	Variable
EUR	13,447,250	1.05%	Variable
EUR	784,398	Interest free	Fixed
PLN	11,785,363	4.27%	Variable
GBP	12,797,972	8.08%	Variable
Closing balance	**85,939,726**		

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

As at 31.12.2022

Nature of relationship	Partner	Balance in THUF
Loan receivable	Subsidiary	72,763,038

As at 31.12.2021

Nature of relationship	Partner	Balance in THUF
Loan receivable	Subsidiary	85,939,726

6 (b) Liabilities to related parties

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

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Loans and borrowings	402,017	283,225
Total non-current liabilities to related parties	**402,017**	**283,225**
Loans and borrowings	62,019	6,824,000
Trade payables	5,717	0
Accrued expenses payable	233,300	76,153
Total current liabilities to related parties	**301,036**	**6,900,153**
Total Liabilities to related parties	**703,053**	**7,183,378**

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

The following table shows the conditions of the borrowings:

As at 31.12.2022

Loan currency	**Balance in THUF**	**Interest rate**
PLN	301,036	13.10%
HUF	163,000	11.91%

As at 31.12.2021

Loan currency	**Balance in THUF**	**Interest rate**
PLN	283,225	4.27%
PLN	6,424,000	8.00%
HUF	400,000	3.40%

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

In thousands of Hungarian Forints (THUF)	**01.01.2022 – 31.12.2022**	**01.01.2021 - 31.12.2021**
Opening balance	**7,107,225**	**2,800,002**
Loans granted	8,481,630	6,841,600
Loans repaid	(15,142,630)	(2,520,339)
Revaluation (FX difference)	17,811	(14,038)
Closing balance	**464,036**	**7,107,225**

6 (c) Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and on hand. Cash at bank earns interest at floating rates based on daily bank deposit rates.

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Cash at hand	0	109
Cash at banks	33,134,685	23,162,596
Bank deposit	8,880,264	0
Total cash and cash equivalents	**42,014,949**	**23,162,705**

The company made bank deposits which have a maturity of one week.

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

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
EUR	5,853,672	3,024,325
PLN	5,391,271	11,381,139
HUF	27,896,925	7,769,532
ILS	254,610	965,092
USD	1,312	0
GBP	2,617,159	22,617
Total cash and cash equivalents	**42,014,949**	**23,162,705**

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

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
A	255,178	965,092
A+	6,763,942	1,306
A-	32,104,750	10,845,066
A2	0	19,314
BBB+	2,134,626	11,329,042
BBB	755,346	1,559
BBB-	388	516
n/a	719	701
Cash at hand	0	109
Total cash and cash equivalents	**42,014,949**	**23,162,705**

*The presented credit ratings are based on S&P's or Moody's long-term ratings. n/a is for bank institutions with no official credit ratings.

6 (d) Bonds

In thousands of Hungarian Forints (THUF)	**2022**	**2021**
Opening balance	**86,033,982**	**86,262,488**
Interest Accrued	2,724,834	2,731,494
Interest paid	(2,960,000)	(2,960,000)
Closing balance	**85,798,816**	**86,033,982**

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

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

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

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

Bond terms and conditions:

Please see the bond conditions summarised below.

Bond series	**Cordia 2026/I**	**Cordia 2030/I**	**Cordia 2030/I tap issuance**
ISIN code	HU0000359211	HU0000359773	HU0000359773
Date of issuance	November 7, 2019	July 27, 2020	July 27, 2020
Maturity	November 7, 2026	July 27, 2030	July 27, 2030
Face value	44,000,000,000 HUF	36,000,000,000 HUF	4,000,000,000 HUF
Bond issued	880	720	80
Face value/Bond	50,000,000 HUF	50,000,000 HUF	50,000,000 HUF
Coupon	Fixed 4%	Fixed 3%	Fixed 3%
Coupon payment frequency	Semi-annually	Semi-annually	Semi-annually
Coupon payment date	November 7, May 8	January 27, July 27	January 27, July 27

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

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

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

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

Suretyship related to bond series Cordia Polska 2024/A:

On 15 July 2021, the Company's wholly owned subsidiary Cordia Polska Finance z.o.o. successfully completed its series A Bonds issuance program in the total aggregate nominal value of PLN 68,797,000. According to the Terms & Conditions, A Series Bonds have a floating interest based on WIBOR6M + 4.25% margin with the redemption date on 15 July 2024. The Bonds have been traded at ATS Catalyst market organized by Warsaw Stock Exchange under CPF0724 code since 29 July 2021.
Relating to the Bond issue, Cordia has undertaken suretyship for a duration until no later than 13 July 2025 and with voluntary submission to enforcement for the payment obligations deriving from the Bonds up to the total amount of PLN 103,195,500.

Issuer undertakings:

No Shareholder Distributions and no New Acquisition shall be made in the event that any of the following conditions are not met, calculated on the basis of the most recently published financial statements of the Issuer:
(i) the Consolidated Leverage Ratio does not exceed 65%, and
(ii) the Issuer Net Debt to Equity Ratio does not exceed 1.

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

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

CD = Consolidated Debt meaning third-party loans and borrowings of the Cordia Group, including bank loans and bonds, plus provisions related to obligations by reason of any guarantee, suretyship or other liability agreement for such obligations of third parties (that are not fully or partially owned by any member(s) of Cordia Group), but not including any debt that is subordinated to the Bonds;
C = Cash and Cash Equivalents;
RC = Restricted Cash meaning
(i) restricted cash deposited by customers purchasing premises in the projects of the Cordia Group, plus
(ii) restricted cash (other than the cash under point (i) above) deposited in order to secure part of the Consolidated Debt;

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

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

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

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

(ii.) The Issuer Net Debt to Equity Ratio (tested on the basis of the Company's Separate Financial 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 mean the debt incurred by the Issuer from the Controlling Shareholder or its Related Parties that are fully subordinated to the Bonds.

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

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

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

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

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

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

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

6 (e) Loan receivables

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

In thousands of Hungarian Forints (THUF)	**01.01.2022 – 31.12.2022**	**01.01.2021 - 31.12.2021**
Opening balance	**0**	**5,230,000**
Loans granted	5,557,972	2,071,926
Loans repaid	(5,557,972)	(7,301,926)
Closing balance	**0**	**0**

6 (f) Other short term financial assets

For liquidity management purposes the Company invested in units of FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund based on the prospectus issued by the fund. The investment is valued at fair value through profit and loss and classified as current asset in the amount of 6,2 billion HUF, because the Company manages its short-term liquidity. The sub-fund's goal is to generate consistent returns without correlation to equity and credit market. It is focused on capital preservation by constructing a portfolio of 10-15 funds with proven track records of limited drawdowns.

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Short-term financial assets	6,202,725	0
Short-term financial assets	**6,202,725**	**0**

7. Investments in subsidiaries

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

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

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

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

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

If Cordia International's share of losses of a subsidiary, associate or joint venture equals or exceeds its interest in the subsidiary, associate or joint venture, Cordia International discontinues recognising its share of further losses. The interest in a subsidiary, associate or joint venture is the carrying amount of the investment in the subsidiary, associate or joint venture under the equity method together with any long-term interests that, in substance, form part of Cordia

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

After application of the equity method an entity applies IFRS 9 to determine whether it is necessary to recognize any additional impairment loss with respect to its net investment in the subsidiary, associate, or joint venture. If impairment is indicated, the amount is calculated by reference to IAS 36 Impairment of Assets. The entire carrying amount of the investment is tested for impairment as a single asset, that is, goodwill is not tested separately. The recoverable amount of an investment in an associate or subsidiary is assessed for each individual subsidiary, associate, or joint venture, unless the subsidiary associate or joint venture does not generate cash flows independently.

The below table shows the movement in investment in subsidiaries:

In thousands of Hungarian Forints (THUF)	**Amount**
As at 31.12.2021	**92,073,437**
New purchases	8,827,725
Sale	(497,012)
Share of net profit of investments accounted for using the equity method	(1,888,944)
Fair value change of instruments measured at fair value through profit and loss	13,906,462
Dividend	(19,874,100)
Revaluation difference	3,174,804
As at 31.12.2022	**95,722,372**

8. Equity

(a) Share capital

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

In thousands of Hungarian Forints (THUF)	Number of shares	Share capital	Share premium	Total
Closing balance 31.12.2022	**18,013,760**	**18,013,760**	**13,461,608**	**31,475,368**

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

			31.12.2022
Company	**Number of shares**	**Nominal value of shares (THUF)**	**Ownership percentage**
Cordia Holding B.V.	17,653,485	17,653,485	98.00%
Finext Consultants Limited	143,717	143,717	0.80%
Private individuals	216,558	216,558	1.20%
Total	**18,013,760**	**18,013,760**	**100.00%**

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

9. Interest income and expense

In thousands of Hungarian Forints (THUF)	**2022**	**2021**
Interest income	7,627,688	3,075,382
Interest expense	2,813,665	2,747,512

Please refer to Note 6 (a) about loans granted to related parties which generate most of the interest income. Interest expense is recognized mainly for bonds. Please also refer to Note 6 (d).

10. Foreign exchange gain/(loss)

In thousands of Hungarian Forints (THUF)	**2022**	**2021**
Foreign exchange gain	4,609,500	1,674,223
Foreign exchange loss	719,848	362,076
Foreign exchange - net gain / (loss)	**3,889,652**	**1,312,147**

The Company has significantly more EUR, PLN and GBP denominated assets than liabilities.

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

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

For the period ended 31 December		
In thousands of Hungarian Forints (THUF)	**2022**	**2021**
Fair value change of instruments measured at fair value through profit and loss	13,906,462	11,859,837
Fair value change of instruments measured at fair value through profit and loss	**13,906,462**	**11,859,837**

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

12. Income tax expense

The income tax expense is calculated from the profit before tax based on 'Act C of 2000 on Accounting' and the local tax regulations. For more information please refer to Note 4 (i) Current income tax section.
The main reason of the increase in the tax expense amount compared to the prior year is the increase of the net result from interest income and interest expense.

13. Related parties

Transactions with the Parent company

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

Transactions with the sister companies

Cordia International acquired the shares of Cordia Blackswan UK GP S.a.r.l. and Cordia UK S.a.r.l. from Futureal Advisors Luxemburg S.a.r.l.

Transactions with subsidiaries

Most of the transactions with related parties are in relation to loans provided and received. The loans and conditions are set out in Note 6 above. Relating to the Polish bond issue, Cordia has undertaken suretyship and receives surety fee in exchange, presented as other income. For a list of direct subsidiaries reference is made to Note 2.

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

For the period ended 31 December

In thousands of Hungarian Forints (THUF)	**2022**	**2021**
Interest revenue	7,053,927	3,023,896
Total investment income	**7,053,927**	**3,023,896**
Other income	34,134	14,772
Other expense	0	0
Total operating result	**34,134**	**14,772**
Administrative expenses	(18,657)	(457)
Interest expense	(54,101)	(16,019)
Total operating expense	**(72,758)**	**(16,476)**
Other financial income	0	0
Other financial expense	(308,990)	0
Other financial result	**(308,990)**	**0**

During the year dividends were received from Polnord S.A. in the amount of 18,840,800 THUF, from Cordia Real Estate Funds Luxembourg SICAV-RAIF Cordia One Sub-fund in the amount of THUF 1,033,200 and from Cordia Management Kft. in the amount of THUF 100. Dividends received are accounted as a decrease in Investment in subsidiaries with equity method.

In 2022 and in 2021 two loans were provided to the subsidiaries without bearing interest. If these loans were entered into at 1% rates, the interest received would have been higher as follows:

For the period ended 31 December

In thousands of Hungarian Forints (THUF)	**2022**	**2021**
Interest received	219,302	39,944

Transactions with associates and joint ventures

Argo Properties N.V. completed an initial public offering (IPO) on the Tel Aviv Stock Exchange (TASE) on 11 May 2021. The company invested EUR 3 million in ARGO during the IPO. Furthermore, a small portion of shares was sold in 2022, therefore the Group's stake at the reporting date is 0.145% directly. There were no other transactions with associates and joint ventures in 2022.

Transactions with key management personnel

There was no transaction with key management personnel. Key management services are provided by a subsidiary (Cordia Management Kft.). Key management services provided on behalf of the Company are not separated from group level management services.

Compensation to Key Management Board personnel

There was no such compensation paid by the Company. Key management services provided on behalf of the Company are not separated from group level management services.

14. Fair value estimation of financial assets and liabilities

The investments in funds are accounted as debt investments. The Company measures its direct investments in funds at fair value through profit and loss based on IFRS 9. The fair value is determined based on independent valuation report prepared by Fund Partner Solutions. Please see amounts recognized in profit and loss related to the financial assets measured at fair value through profit and loss at Note 11.

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

The Company invested in the units of FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund. The sub-fund holds various financial assets in its portfolio. The sub-fund is valued at fair value through profit or loss based on independent valuation report prepared by Fund Partner Solutions.

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

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

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

In thousands of Hungarian Forints (THUF)	**31.12.2022**
Bonds at amortized cost in the balance	85,798,816
Fair value of the bonds	59,597,600

The fair value of the bonds was calculated using a financial model based on benchmark data. Based on the rating of Cordia International Zrt. the credit spread was calculated from the interest rate of comparable bonds with similar conditions and added to the risk-free yield. The fair value was calculated from the face value of the bond and the estimated yield.

15. Financial risk management, objectives and policies

Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk, cash flow interest rate risk and other price risk), credit risk and liquidity risk.

The primary objectives of the financial risk management program are to minimize the potential negative effect of the unexpected changes on financial markets on the Company financial activities.

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

A. Market risk

(i) Foreign exchange risk
The Company is impacted by the following risks related to foreign exchange rates:

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

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

(ii) Price risk
The Group has exposure to price risk as it holds equities in another entity as financial instruments (short-term financial assets measured through profit and loss). The fair value of this asset is affected by changes in the market price of the underlying assets. This financial asset is not traded on regulated markets.

(iii) Cash flow and fair value interest rate risks
The Company's interest rate risk principally arises from related party loans and bond liabilities.
The Group policy is to grant intercompany loans to SPVs and subsidiaries on a rate which covers the interest occurring on bonds and other loan related liabilities. Interest on intercompany loans granted are repayable on demand.
Maturity of intercompany loans granted are matched with principal payment terms of bonds.
The management is constantly monitoring the company and the subsidiaries' cash-flow forecasts which ensures to cover cash-flow risks.
The Company has bonds at fixed rates and therefore has no exposure to fair value interest rate risk for the bonds.

B. Credit risk

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

C. Liquidity risk

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

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

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

Since the Company is a holding entity, there are no significant commitments for future periods.

				As at 31 December 2022
In thousands of Hungarian Forints (THUF)	**Repayable on-demand**	**Less than 1 year**	**1-4 years**	**More than 5 years**
Related party liabilities	0	402,017	301,036	0
Trade and other payables	0	8,700	0	0
Bonds	0	2,960,000	50,678,806	43,540,000
Total	**0**	**3,370,717**	**50,979,842**	**43,540,000**

				As at 31 December 2021
In thousands of Hungarian Forints (THUF)	**Repayable on-demand**	**Less than 1 year**	**1-4 years**	**More than 5 years**
Related party liabilities	0	6,900,153	283,225	0
Trade and other payables	0	14,993	0	0
Bonds	0	2,960,000	53,638,806	43,540,000
Total	**0**	**9,875,146**	**53,922,031**	**43,540,000**

16. Commitments

Capital commitment

The company entered into a subscription agreement with Cordia Real Estate Funds Luxembourg SICAV-RAIF, an investment company, a direct full subsidiary of the Company. The Company as the subscriber will be required to subscribe for shares issued by the fund at such times and in such tranches as the Fund may determine.
The total sub-fund commitment was HUF 77,500,000,000 and the remaining commitment is HUF 33,302,293,352 at the reporting date. This is considered as an off-balance sheet item.

Suretyship related to bond series Cordia Polska 2024/A

Relating to the Polish bond issue, Cordia has undertaken suretyship for a duration until no later than 13 July 2025 and with voluntary submission to enforcement for the payment obligations deriving from the Bonds up to the total amount of PLN 103,195,500. This is considered as off-balance sheet item. The fair value of the suretyship is THUF 129,657.

Guarantees provided by the Company

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

In thousands of Hungarian Forints (THUF)	**Fair value at year end**	**Nominal value**	**Expiry date**
Takarék Bank Zrt.	9,204	383,500	07.09.2025
OTP Bank Nyrt.	15,005	625,200	30.09.2024
OTP Bank Nyrt.	7,855	327,300	30.09.2024
Raiffeisen Bank Zrt.	8,605	358,546	30.04.2024
OTP Bank Nyrt.	13,872	578,006	31.12.2024
Raiffeisen Bank Zrt.	8,537	355,697	31.03.2024
PKO Bank Polski S.A.	9,419	392,456	01.06.2024
PKO Bank Polski S.A.	6,104	254,343	01.07.2024
Alior Bank S.A.	13,261	552,557	01.06.2024
Alior Bank S.A.	31,221	1,300,877	15.12.2024
OTP Bank Nyrt.	58,212	2,425,515	31.03.2024
Total	**181,295**	**7,553,997**	

The Company provided financial guarantees in the following amounts.

In thousands of Hungarian Forints (THUF)	**Fair value at year end**	**Nominal value**	**Expiry date**
CIB Bank Zrt.	0	5,020,041	03.02.2032
Santander Bank Polska S.A.	866	36,080	08.04.2023

17. Segment report

The Company is in the scope of IFRS 8.

As described previously, the Company is a holding company focused on managing its subsidiaries. The Company is directly not involved in development of other real estate projects.

The Board of Directors is the Company's chief operating decision making body. The Board of Directors does not consider the business based on the Company's separate financial statements, but it is assessed on a project basis. There are no separately reportable segments in the Company's separate IFRS financial statements.

The Board of Directors monitors the ratios set out in the bond terms. Please refer to Note 6 (d) for detailed explanation.

Based on the above, the Company discloses the segment report here as presented in the consolidated IFRS financial statements of the Cordia Group. Since this is made and monitored on a consolidated level, it cannot be reconciled to the figures presented in the separate financial statements of the Company.

Consolidated segment information

Revenue

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

For the period ended 31 December 2022

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

For the period ended 31 December 2021

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

Assets at 31 December 2022

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

Liabilities at 31 December 2022

In thousands of Hungarian Forints (THUF)	Hungary	Poland	Romania	Spain	UK	Total
Non-current liabilities						
Loans and borrowings	17,871,476	724,123	3,626,241	0	538,908	**22,760,748**
Bonds	85,549,513	6,106,011	0	0	0	**91,655,524**
Deferred tax liabilities	0	2,001,888	47,461	0	115,504	**2,164,853**
Other provision	0	823,860	236	0	0	**824,096**
Customer advances	2,879,966	679,768	0	3,194,978	0	**6,754,712**
Lease liabilities	744,189	822,520	35,887	0	0	**1,602,596**
Amount withheld for guarantees	416,877	289,035	366,074	0	0	**1,071,986**
Other long-term liabilities	125,991	8,090	0	0	0	**134,081**
Total non-current liabilities	**107,588,012**	**11,455,295**	**4,075,899**	**3,194,978**	**654,412**	**126,968,596**
Current liabilities						
Trade and other payables	4,734,369	2,894,106	324,506	825,515	541,143	**9,319,639**
Bonds	249,303	35,046	0	0	0	**284,349**
Short-term liabilities to related parties	1,086,340	1,005,405	43,549	14,467	58,445	**2,208,206**
Loans and borrowings	589,345	41,521	0	400	404,865	**1,036,131**
Customer advances	8,033,149	18,389,724	1,628,813	0	904	**28,052,590**
Lease liabilities	189,259	16,564,791	17,418	9,916	0	**16,781,384**
Other tax liabilities	957,463	1,365,106	11,369	31,024	82,096	**2,447,058**
Other provision	0	5,106,175	155,186	0	0	**5,261,361**
Income tax liabilities	532,342	91,661	75	0	9,700	**633,778**
Other short-term liabilities	0	0	0	0	119,775	**119,775**
Current derivative liabilities	0	0	0	0	0	**0**
Total current liabilities	**16,371,570**	**45,493,535**	**2,180,916**	**881,322**	**1,216,928**	**66,144,271**
Total liabilities	**123,959,582**	**56,948,830**	**6,256,815**	**4,076,300**	**1,871,340**	**193,112,867**

Assets at 31.12.2021

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

* CODM assesses the performance of the entities based on local GAAP statutory financial statements. In Hungary, the funds revaluate inventories at fair value at the end of each period in the statutory financial statements. This figure represents the revaluation difference calculated based on local GAAP for these entities as of 31 December 2021. In line with IFRS, this fair valuation is eliminated from the consolidated financial statements.

Liabilities at 31.12.2021

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

18. Other information

COVID-19

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

The impact of the Ukrainian-Russian conflict

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

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

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

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

19. Subsequent events

The Company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

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Tibor Földi
Chairman of the Board

Budapest, 28 April 2023