



## INDEPENDENT AUDITOR'S REPORT

**To the shareholders of CORDIA International Zrt.**

**Report on the audit of the separate financial statements**

### **Opinion**

We have audited the separate financial statements of CORDIA International Zrt. (from 1 January 2024 CORDIA International SE) (the "Company") for the financial year ended on 31 December 2023 which comprise the separate statement of financial position as at 31 December 2023 (in which total assets equal to total equity and liabilities are MHUF 232,265), the separate statement of profit or loss and other comprehensive income (in which the total comprehensive income for the period, net of tax is MHUF 14,325 profit), the separate statement of changes in equity, the separate statement of cash flows for the financial year then ended and the notes to the separate financial statements comprising material accounting policy information and other explanatory information.

In our opinion, the separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2023, and of its separate financial performance and its separate cash flows for the financial year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

### **Basis for opinion**

We conducted our audit in accordance with Hungarian National Standards on Auditing ("HNSA") and with applicable laws and regulations in force in Hungary. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the separate financial statements" section of our report.

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

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



## Our audit approach

### Overview

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<i>Overall materiality</i>	Overall materiality applied was MHUF 1,800
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<i>Key Audit Matter</i>	Recoverability of the investments in subsidiaries and the long-term loans granted to subsidiaries
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the separate financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the separate financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the separate financial statements as a whole.

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<i>Materiality</i>	MHUF 1,800
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<i>Determination</i>	0.77% of total assets
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<i>Rationale for the materiality benchmark applied</i>	We chose total assets as the Company is a holding company without operating activity, and in our view, this is the most appropriate benchmark to calculate our materiality.
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### ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### ***Key audit matter***

#### ***How our audit addressed the key audit matter***

### ***Recoverability of the investments in subsidiaries and the long-term loans granted to subsidiaries***

The Company presents investments in subsidiaries in the “Investments in subsidiaries” financial statements line in the amount of MHUF 101,666 as of 31 December 2023. The Company recognised impairment in the amount of MHUF 443 for these investments.

The disclosures regarding the investments in subsidiaries are presented in note 7 of the notes to the separate financial statements.

The Company presents loans granted to subsidiaries in the „Long-term receivables – related parties” financial statements line in the amount of MHUF 68,248 and in the “Short-term receivables -related parties –loan receivables” financial line in the amount of MHUF 2,622 as of 31 December 2023. No impairment was recognized on these receivables.

The disclosures regarding the loans provided to subsidiaries are presented in note 6(a) of the notes to the separate financial statements.

As the value of “Investments in subsidiaries”, loan receivables from “Long-term receivables – related parties” and “Short-term receivables – related parties” financial line items represent 74% of the total assets, we have concluded these areas to be key audit matters.

The recoverability of the investments in subsidiaries and the long-term loans granted to related companies was in the focus of our audit. We performed the following procedures:

We checked the cost of the investments; we reconciled the current year increases, decreases to underlying documentation – contracts, supporting documents, and examined the consistency with accounting policy. We checked the liquidity position of the subsidiaries and assessed their ability to pay back the respective loan balances.

Written confirmation letters were obtained directly from related parties about the loan balances. We reconciled the confirmed balances to the accounting records.

We evaluated the judgments made and assumptions used by management whether they are in line with the accounting policy of the Company, when assessing the liquidity of the subsidiaries, the counterparties of the loans, and the potential magnitude of the impairment.



### **Other information: the management report included in the annual report**

Other information comprises the management report included in the annual report of the Company for the financial year ended on 31 December 2023. Management is responsible for the preparation of the management report and for the preparation of the annual report. Our opinion on the separate financial statements does not cover the management report or the annual report.

In connection with our audit of the separate financial statements, our responsibility is to read the management report and the annual report and, in doing so, consider whether the management report and the annual report is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed we conclude that the management report and the annual report is materially misstated, we are required to report this fact, and the nature of the misstatement.

In our opinion, regarding the financial year ended on 31 December 2023, the management report and the annual report of the Company is consistent, in all material respects, with the separate financial statements for the financial year ended on 31 December 2023.

We are not aware of any other material inconsistency or material misstatement in the management report and the annual report and therefore we have nothing to report in this respect.

### **Responsibilities of management and those charged with governance for the separate financial statements**

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

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

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

### **Auditor's responsibilities for the audit of the separate financial statements**

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement



resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

The engagement partner on the audit resulting in this independent auditor's report is Pál Tímár.

Budapest, 30 April 2024

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