



CORDIA

INTERNATIONAL ZRT.

IFRS CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period ended 31 December

<i>In thousands of Hungarian Forints (THUF)</i>	<i>Note</i>	2021	2020
Revenue	6	92,226,058	68,289,499
Cost of sales	7	(67,268,255)	(56,149,873)
Gross profit		24,957,803	12,139,626
Selling and marketing expenses	8	(4,007,912)	(2,738,159)
Administrative expenses	9	(6,236,740)	(4,864,567)
Net gain/loss from fair valuation of investment and development properties	16	402,222	(8,384)
Other expenses	12	(2,586,183)	(2,198,850)
Other income	11	791,449	4,368,806
Operating profit		13,320,639	6,698,472
Interest income		74,102	163,618
Other financial income		7,869,214	6,634,681
Finance income	13	7,943,316	6,798,299
Interest expense		(3,404,301)	(2,176,577)
Other financial expense		(2,275,595)	(4,562,988)
Finance expense	13	(5,679,896)	(6,739,565)
Net finance income/(expense)	13	2,263,420	58,734
Share of profit/(loss) in associate and joint venture	19	6,449,962	15,587,554
Profit before taxation		22,034,021	22,344,760
Current income tax		(1,023,054)	(273,829)
Deferred tax		(407,364)	(634,387)
Income tax expense	14	(1,430,418)	(908,216)
Profit for the period		20,603,603	21,436,544
Exchange differences on translating foreign operations net of tax and subsequently recycled to profit and loss		360,052	(129,473)
Other comprehensive income/(loss)		360,052	(129,473)
Total comprehensive income for the period, net of tax		20,963,655	21,307,071
Total profit/(loss) for the period attributable to:			
owners of the parent		13,494,499	20,826,896
non-controlling interests	37, 38	7,109,104	609,648
Total profit/(loss) for the period		20,603,603	21,436,544
Total comprehensive income attributable to:			
owners of the parent		13,929,341	20,684,287
non-controlling interests		7,034,314	622,784
Total comprehensive income for the period, net of tax		20,963,655	21,307,071

Consolidated Statement of Financial Position

<i>In thousands of Hungarian Forints (THUF)</i>	<i>Note</i>	31.12.2021	31.12.2020
Assets			
Non-current assets			
Intangible assets	15	181,204	179,229
Investment properties	16	25,616,165	24,566,409
Property, plant and equipment	17	2,479,075	3,431,034
Long-term receivables from third parties	18	6,175,227	7,481,045
Long-term receivables from related parties		0	0
Investments accounted for using equity method	19	23,088,434	21,488,755
Deferred tax assets		373,209	613,380
Restricted cash	23	30,432	895,826
Long-term VAT receivables		447,639	558,783
Other long-term assets	20, 23	349,813	449,302
Goodwill		461,549	461,570
Non-current derivative assets	23	2,128,281	0
Total non-current assets		61,331,028	60,125,333
Current assets			
Inventory	22	132,163,509	145,294,754
Trade and other receivables	26	2,098,505	2,594,586
Short-term receivables from related parties	24	546,922	412,769
Other short-term assets	20	3,070,042	4,011,324
Income tax receivables		84,831	46,605
Loan receivables	25	0	5,230,000
Short-term VAT receivables	21	6,702,070	3,456,349
Restricted cash	23	3,979,801	4,389,570
Other financial assets	23	17,464,987	6,505,491
Cash and cash equivalents	27	53,590,085	66,534,808
Total current assets		219,700,752	238,476,256
Disposal group of assets classified as held for sale			
Assets classified as held for sale		244,112	610,533
Total disposal group of assets classified as held for sale		244,112	610,533
Total		281,275,892	299,212,122

Consolidated Statement of Financial Position (cont'd)

<i>In thousands of Hungarian Forints (THUF)</i>	<i>Note</i>	31.12.2021	31.12.2020
Equity			
Shareholders' equity			
Share capital	36	18,013,760	18,013,760
Share premium	36	13,461,608	13,461,608
Currency translation reserve		735,705	375,653
Other reserves	36	(242,448)	(286,680)
Retained earnings		48,931,683	34,952,514
Equity attributable to equity holders of the parent		80,900,308	66,516,855
Non-controlling interests	37	161,437	2,700,530
Total equity		81,061,745	69,217,385
Net assets attributable to non-controlling investment unit holders			
	38	16,252,666	18,196,884
Liabilities			
Non-current liabilities			
Loans and borrowings	28	10,497,483	8,308,903
Bonds	35	91,250,362	85,925,646
Deferred tax liabilities		1,266,793	1,046,149
Other provision	34	1,195,077	843,515
Customer advances	29	4,175,325	9,746,064
Lease liabilities	33	5,726,544	6,921,749
Amounts withheld for guarantees	32	784,402	1,301,097
Other long-term liabilities		234,730	250,465
Total non-current liabilities		115,130,716	114,343,588
Current liabilities			
Trade and other payables	31	12,910,027	16,328,131
Bonds	35	342,269	5,280,690
Short-term liabilities to related parties	30	837,281	1,549,807
Loans and borrowings	28	3,417,677	31,708,301
Customer advances	29	30,556,403	24,722,164
Lease liabilities	33	12,723,130	10,565,727
Other tax liabilities		1,820,533	987,592
Other provision	34	4,621,649	5,173,497
Income tax liabilities		651,534	180,408
Other short-term liabilities		509,455	957,948
Current derivative liabilities	23	440,807	0
Total current liabilities		68,830,765	97,454,265
Total liabilities		183,961,481	211,797,853
Total		281,275,892	299,212,122

Consolidated Statement of Changes in Equity

For the period ended 31 December

<i>In thousands of Hungarian Forints (THUF)</i>	Attributable to the equity holders of the parent					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Currency translation reserve	Other reserves	Retained earnings			
Balance at 1 January 2020	9,897,492	8,690,521	505,126	(286,680)	15,011,843	33,818,302	208,384	34,026,686
Proceeds from shares issues	7,431,040	4,570,090	0	0	0	12,001,130	0	12,001,130
Reclassification due to legal changes	685,228	200,997	0	0	(886,225)	0	0	0
Profit/(loss) for the year	0	0	0	0	20,826,896	20,826,896	(72,784)	20,754,112
Other comprehensive income/(loss)	0	0	(129,473)	0	0	(129,473)	0	(129,473)
Non-controlling interests arising on acquisition	0	0	0	0	0	0	2,564,930	2,564,930
Transactions with owners	8,116,268	4,771,087	(129,473)	0	19,940,671	32,698,553	2,492,146	35,190,699
Balance at 31 December 2020	18,013,760	13,461,608	375,653	(286,680)	34,952,514	66,516,855	2,700,530	69,217,385
Balance at 1 January 2021	18,013,760	13,461,608	375,653	(286,680)	34,952,514	66,516,855	2,700,530	69,217,385
Reclassification between equity lines	0	0	0	44,232	(44,232)	0	0	0
Profit/(loss) for the year	0	0	0	0	13,494,499	13,494,499	(133,164)	13,361,335
Other comprehensive income/(loss)	0	0	360,052	0	0	360,052	0	360,052
Non-controlling interests arising on acquisition	0	0	0	0	0	0	45,553	45,553
Retained earnings arising on transaction with Non-controlling interest	0	0	0	0	528,902	528,902	0	528,902
Decrease of NCI	0	0	0	0	0	0	(2,451,482)	(2,451,482)
Transactions with owners	0	0	360,052	44,232	13,979,169	14,383,453	(2,539,093)	11,844,360
Balance at 31 December 2021	18,013,760	13,461,608	735,705	(242,448)	48,931,683	80,900,308	161,437	81,061,745

The significant movements in the equity items presented above are explained in detail in Note 36. Please also refer to Note 38 about Net assets attributable to non-controlling investment unit holders.

Consolidated Statement of Cash Flows

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	Note	2021	2020
Profit/(loss) before taxation for the period		22,034,021	22,344,760
Adjustments to reconcile profit before for taxation to net cash used in operating activities:			
Depreciation		645,856	721,526
Other non-cash movements*		2,490,033	622,690
Profit on sale of investment property		(33,677)	(10,137)
(Profit)/loss on sale of tangible and intangible assets		(28,814)	(24,960)
Net finance (income)/expense in the profit and loss statement	13	(2,263,420)	58,734
Decrease/(increase) in inventory	22	13,736,398	(1,130,368)
Share of (Profit)/loss in joint ventures and associates	19	(6,449,962)	(15,587,554)
Decrease/(increase) in trade and other receivables	18, 26	7,322,097	(7,015,922)
Decrease/(increase) in receivables from related parties	24	(134,153)	0
(Decrease)/increase in liabilities to related parties	30	(712,526)	299,439
Decrease/(increase) in other long-term assets		236,316	1,142,319
(Decrease)/increase in other long and short term liabilities		586,723	157,991
Increase in trade and other payables	31	(2,585,163)	(50,133)
Decrease/(increase) in short-term loan receivables	25	5,230,000	(8,093,718)
Increase/(decrease) in provision	34	(504,888)	(1,245,421)
Increase/(decrease) in advances received	29	263,500	(19,596,588)
Interest paid	13, 35	(4,342,324)	(3,501,147)
Income tax paid		(173,521)	(278,456)
Net cash from/(used in) operating activities		35,316,496	(31,186,945)
Cash flows from/(used in) investing activities			
Consideration paid for the acquisition of POLNORD group	5	0	(7,615,691)
Consideration paid for other acquisitions	5	(682,047)	(3,697,687)
Cash of acquired subsidiaries		0	8,030,351
Cash of deconsolidated subsidiaries	5	(344,773)	0
Acquisitions of investment property	16	(2,507,263)	0
Acquisitions of tangible and intangible assets	15, 17	(1,121,470)	(625,309)
Sale of tangible and intangible assets	15, 17	132,231	129,100
Investing in long-term financial assets		(136,827)	0
Investing in short-term financial assets	23	(14,105,621)	0
Proceeds from sale of investment property	16	2,127,876	140,482
Proceeds from repayment of short-term loan receivables		0	3,205,697
Interest received		71,707	41,049
Dividend received from joint-venture	19	5,474,163	1,215,698
Purchase of investment in associate	5, 19	(1,069,807)	(13,133,136)
Sale of investment in associate and in joint venture	5, 19	739,426	0
Purchase of investments in joint ventures		0	(824,898)
Net cash from/(used in) investing activities		(11,422,406)	(13,134,344)

Consolidated Statement of Cash Flows (cont'd)

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	Note	2021	2020
Cash flows from/(used in) financing activities			
Proceeds from loans and borrowings	28	14,647,047	33,908,390
Repayment of loans and borrowings	28	(39,986,441)	(21,216,379)
Capital increase		0	12,001,130
Proceeds from bonds issue	35	5,305,596	41,573,805
Repayment and redemption of bonds	35	(4,879,375)	(5,765,177)
Purchase of non-controlling shares	37, 38	1,803,068	35,791
Redemption of non controlling shares and investment notes	37	(2,036,080)	0
Distribution paid out to non-controlling investment unit holders	38	(10,944,001)	0
Repayment of lease liability	33	(748,628)	(663,392)
Repayment of other long term liabilities		0	(88,263)
Net cash from financing activities		(36,838,814)	59,785,905
Net change in cash and cash equivalents		(12,944,723)	15,464,616
Cash and cash equivalents at beginning of the year		66,534,808	51,070,192
Cash and cash equivalents at end of the period	27	53,590,085	66,534,808

*The other non-cash movements derive mainly from foreign exchange differences, accounting of leasing liability and rights of perpetual usufruct presented within inventory, gains or loss on acquisitions and on deconsolidation, change in fair value of investment properties.

Summary of significant accounting policies and other explanatory notes

1. Background and business of the Company

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

Headquarters: 7th floor, 47-53 Futó street, 1082 Budapest

Company registration number: 01-10-048844

Statistical number: 25558098-6810-114-01

Tax registration number: 25558098-2-42

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

The core business of the company is to develop residential properties and then sell residential units.

The registered office is located at 47-53 Futó street, Budapest, Hungary. The Company (together with its Hungarian, Polish, Romanian, Spanish 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 Romania, in Spain and in the United Kingdom.

As of 31 December 2020 the Company had the following owners:

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

As of 31 December 2021 the Company had the following owners:

- Cordia Holding B.V. - 98% (place of business: 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 parties have not changed during 2021. Gábor Futó (as the major shareholder) together with his parents, are the ultimate beneficial owners of CORDIA International Ingatlanfejlesztő Zrt. with its registered office in Budapest, Hungary. The ultimate consolidating entity is FR Group B.V. The changes of the companies from which the financial data are included in this Consolidated Financial Statements and the extent of ownership and control are presented in Note 4 and in the Appendix.

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

2. Basis of preparation and measurement

(a) Basis of preparation and statement of compliance

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

The consolidated financial statements have been prepared on a going concern basis, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of its operations. The consolidated financial statements were authorized by the Boards of Directors of Cordia International on the 29th April 2022.

The parent company and the subsidiaries operating in Hungary prepare their separate financial statements according to the Hungarian Accounting Standards 2000. C. (the HAS). The parent company prepares a separate IFRS financial statements for bond holders information purposes. The subsidiaries operating in Poland prepare their separate financial statements in accordance with accounting policies specified in the Polish Accounting Act dated 29 September 1994 with subsequent amendments and the regulations issued based on that Act (all together: 'Polish Accounting Standards'). The subsidiaries operating in Romania prepare their separate financial statements in accordance with accounting policies specified in Accounting Law no. 82/1991 with subsequent amendments and the regulations issued based on that Act (all together: 'Romanian Accounting Standards'). The subsidiaries operating in Spain prepare their separate financial statements in accordance with accounting policies specified in 'Plan General de Contabilidad 2008 (PGC2008)'. The subsidiaries operating in the United Kingdom prepare their separate financial statements in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. Some of the regulations in the Hungarian, Polish, Spanish, Romanian or British accounting standards are different from IFRS. These consolidated financial statements include a number of adjustments not included in the books of account of the Group entities, which were made in order to bring the financial statements of those entities to conformity with IFRSs as adopted by the EU.

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

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, please see Note 3.

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

- IFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021 (unaccompanied)
- Interest Rate Benchmark Reform Phase 2

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

(b) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of the financial assets that have been measured at fair value through profit or loss. The methods used to measure fair values for the purpose to prepare the consolidated financial statements are discussed further in Note 23.

(c) Functional and presentation currency

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

(d) Basis of consolidation

These Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

The Group companies have 31 December as their year-end. In case a subsidiary has different financial year-end then for consolidation purposes its most recent financial statements are adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements in line with requirements in IFRS10 par. B93.

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

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

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

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

interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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

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

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Use of estimates and critical judgments

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

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

Revenue recognition

IFRS 15, Revenue from Contracts with Customers (issued in May 2014 and effective for the periods beginning on or after 1 January 2018):

(i) Capitalization of incremental costs to obtain a contract

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

(ii) Recognizing revenue

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

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

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

(iii) Significant financing component

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

Cordia Group believes that the customer pays in advance to ensure purchase of the apartment. This is the market practice and significant majority of the apartments are sold before completion of the projects. Selling price in case of paying in advance is not lower than the price that would be paid upon completion. Cordia Group believes that based on these arguments, payments are not made in advance to provide financing, therefore no significant financing component exists.

Write-down revaluating the inventory

The company internally assesses the net realizable value of the inventory and decreases the value when the net realizable value is lower than the cost amount. In view of the situation in the Hungarian, Polish, Spanish, English and Romanian property market in which the Group operates, during the year ended 31 December 2021 and 31 December 2020 the Group performed an inventory review with regard to its valuation to net realizable value based on the valuation report issued by the independent property valuation expert. As a result, during the years ended 31 December 2021 and 31 December 2020, the Group did not make any write-down adjustment. The Group examined a possible write-down on inventory for each project separately, according to the projection of revenues net of cost of sales.

Subsidiaries with less than 50% ownership held by the Group

Judgement is required to determine whether the Group has controlling rights over entities with less than 50% ownership and can be consolidated fully or not. Finext BP SICAV-SIF and Cordia Residential Partners 1. Alapok Alapja Részalap entities are noted as such.

Finext BP SICAV-SIF

As of 31 December 2021, the Group owns less than 50% of the investment units in Finext BP SICAV-SIF, but it is capable of controlling the entities through the rights provided by its shares. This means that the fund issued two classes of investment units, where the ones owned by the Group allows to control the entity as required by IFRS 10 (i.e. all the major decisions are to be decided by Cordia International). Please also refer to Note 4 (c) about net assets attributable to non-controlling investment unit holders of these fund.

Cordia Residential Partners 1. Alapok Alapja Részalap

This newly established fund works under the similar owner structure as Finext BP SICAV-SIF. The Group holds less than 50% of the investment units of the fund, but through the shares owned by the Group it is capable of controlling the entity.

3. Significant accounting policies

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

(a) Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss for the year except for the exchange gains and losses related to cash flow hedges or hedges for qualified investments which shown in other comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within finance expense and finance income respectively, unless they are capitalized as explained in Note 3 (i) ("Borrowing costs"). All other foreign exchange gains and losses are presented net also in the income statement within finance expense and finance income respectively.

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

IAS 21 requires entities to translate foreign currency monetary items outstanding at the end of balance sheet date using the closing rate. The closing rate is the spot exchange rate at the balance sheet date.

A foreign currency transaction is recorded, on initial recognition, at the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. This process is known as 'translation' – that is, financial data denominated in one currency is expressed in terms of another currency.

The date of transaction is the date on which the transaction first qualifies for recognition in accordance with IFRS. For revenues, expenses, gains and losses, the spot exchange rate at the dates on which those elements are recognised should be used; however, this might be impracticable in practice. Management might, therefore, use a rate that approximates to the actual rate (such as an average rate).

(b) Revenue

Revenue is recorded based on IFRS 15 from 1 January 2018.

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

Identifying the contract

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

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

The following criteria should be met before Cordia Group accounts for a contract with a customer:

- a. the contract has been approved (in writing, orally, or in accordance with other customary business practices) and the parties are committed to perform their respective obligations,
- b. the entity can identify each party's rights;
- c. the entity can identify the payment terms;
- d. the contract has commercial substance; and
- e. it is probable that the entity will collect the consideration to which it is entitled for transferring the goods and services to the customer.

Cordia Group believes that the criteria above is met in case of all its written customer contracts.

Identify the performance obligations

Performance obligations are the unit of account for the purposes of applying the revenue standard, and they therefore determine when and how revenue is recognised.

A performance obligation is a promise to provide a distinct good or service or a series of distinct goods or services. At contract inception, Cordia Group assesses the goods or services promised to a customer, and identifies each promise to transfer as either:

- a. a good or service (or a bundle of goods or services) that is distinct; or
- b. a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Promises in a contract can be explicit, or implicit if they create a valid expectation that the entity will provide a good or service based on the entity's customary business practices, published policies or specific statements.

A series of distinct goods or services provided over a period of time is a single performance obligation if the distinct goods or services are substantially the same and have the same pattern of transfer to the customer. A series of distinct goods or services has the 'same pattern of transfer' if both of the following criteria are met:

- a. each distinct good or service meets the criteria to be a performance obligation satisfied over time; and
- b. the same measure of progress towards complete satisfaction of the performance obligation is used.

A good or service that is promised to a customer is distinct if:

- a. the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is, the good or service is capable of being distinct); and
- b. the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the promise to transfer the good or service is distinct within the context of the contract).

Cordia Group considers each property (i.e. apartment, parking lot, storage) as one performance obligation. Cordia Group transfers the control to the customer over the properties at the same time. Services are not sold together with the properties. Based on this, Cordia Group treats properties in each customer contract as a single performance obligation, because separation would not have an impact on the financial statements.

Determining the transaction price

The transaction price in a contract reflects the amount of consideration that Cordia Group expects to be entitled to in exchange for goods or services transferred. The transaction price includes only those amounts to which the entity has rights under the present contract and excludes amounts collected on behalf of third parties. The consideration promised in a contract with a customer might include fixed amounts, variable amounts, or both. Contractually stated prices for goods or services might not represent the amount of consideration that Cordia Group expects to be entitled to as a result of its customary business practices with customers.

Allocating the transaction price to separate performance obligations

The transaction price should be allocated to each separate performance obligation, or distinct good or service, so that revenue is recorded at an amount that depicts the amount of consideration that the entity expects to be entitled to in exchange for transferring the promised goods or services.

The transaction price should be allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services being provided to the customer.

Recognizing revenue

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised good or service to a customer.

Control either transfers over time or at a point in time. Management needs to determine, at contract inception, whether control of a good or service transfers to a customer over time or at a point in time. If the performance obligation is not satisfied over time, it is satisfied at a point in time.

Revenue is recognised over time if any of the following three criteria are met:

- a. the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- b. the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c. the entity's performance does not create an asset with an alternative use to the entity, and the entity has an enforceable right to payment for performance completed to date.

A performance obligation is satisfied at a point in time if none of the criteria for satisfying a performance obligation over time are met. The guidance on control should be considered, to determine when the performance obligation is satisfied by transferring control of the good or service to the customer. In addition, there are five indicators that a customer has obtained control of an asset:

- The entity has a present right to payment.
- The customer has legal title.
- The customer has physical possession.
- The customer has the significant risks and rewards of ownership.
- The customer has accepted the asset. [IFRS 15 para 38]

Based on the indicators above, Cordia Group recognizes revenue based on date of transferring the control of the properties to the customers. Please see the detailed accounting policy in Note 3 (e) about critical judgments.

Significant payment terms

The payment terms are defined in the customer contracts. The customer advance is received when the contract is signed and the remaining payment is typically due before the control is transferred to the customer. The payment does not contain variable consideration elements.

Other considerations

Cordia Group capitalises the incremental costs of obtaining a contract with a customer if it expects to recover those costs. However, costs to obtain a customer do not include payments to customers.

Cordia Group capitalizes variable sales commission of real estate agents in case those commissions can be directly linked to the specific sales contract. Capitalized sales commission is recognized as other asset and reversed to cost of sales upon transferring the property to the customer and recording the revenue.

Advances received related to pre-sales of residential units, which represent deferred income, are deferred when they do not meet the criteria to be recognized as revenue. When they subsequently meet these criteria, they are recognized as revenue.

Other revenues include rental income, service charges and management charges from properties. Revenue from service and management charges is measured at the fair value of the consideration received or receivable, and amounts disclosed as net of rebates and VAT.

Rental income from operating leases is recognized on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives is recognized over the lease term, on a straight-line basis, as a reduction of rental income. Revenues from the early termination of operating leases recognized at the date of occurrence.

(c) Interest income and expense

Interest income and expense are recognized within 'finance income' and 'finance expense' in profit or loss using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalized as part of the cost of that asset. The Group has chosen to capitalize borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not. Properties built in residential property development projects are considered to be qualifying assets for the Group.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(d) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in other comprehensive income or equity - in which case, the tax is also recognized in other comprehensive income or equity.

The Group based on the operation of the mother company considers the following taxes as income tax defined by IAS 12:

- corporate income tax;
- local business tax;
- innovation duty.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group established a tax-efficient legal structure, as the property development funds and subfunds are not obliged to pay income taxes under the current laws and regulations, therefore the Group's effective tax rate is low (please see effective tax reconciliation in Note 14).

(e) Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed of. Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

If an investment property becomes owner occupied, it is reclassified as property, plant and equipment. Its fair value as at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item as at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in the income statement to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increased directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to the income statement.

Where an investment property undergoes a change in use, such as commencement of development with a view to sell, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

(f) Property and equipment***i. Recognition and measurement***

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of comprehensive income as incurred.

ii. Depreciation

Depreciation is calculated on the straight-line basis over the estimated useful life of each component of an item of property and equipment.

Depreciation, based on a component approach, is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives, as follows:

- Buildings: 50 years;
- Equipment's: 7 years;
- Fixtures and fittings: 7 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year-end. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Depreciation methods, useful lives and residual values are reassessed at the reporting date, and adjusted prospectively since the beginning of the following year, if appropriate.

(g) Recognising and measuring goodwill or a gain from a bargain purchase

Goodwill is defined as "an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised".

Goodwill is measured, at the acquisition date, as the amount by which the figure at 1 exceeds the figure at 2 below:

1. The aggregate of:

- The fair value of consideration transferred.
- The amount of any non-controlling interest recognised.
- In a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree.

2. The assets and liabilities recognised in accordance with IFRS 3 (see para 29.88 onwards). [IFRS 3 para 32].

A gain on a bargain purchase occurs where the consideration, non-controlling interest and the previously held interest are less than the value of the identifiable net assets. A gain on a bargain purchase is immediately recognised by the acquirer in profit or loss. [IFRS 3 para 34]

Acquisition costs

Acquisition-related costs are considered separate transactions and are not part of the consideration transferred. Acquisition-related costs represent services that have been rendered to and consumed by the acquirer. They are accounted for as an expense when the acquirer consumes the related service. [IFRS 3 para 53]

Measurement period

The acquirer has a period of time, referred to as the 'measurement period', to finalise the accounting for a business combination. The measurement period ends on the earlier of the date when the acquirer receives the information that it needs (or determines that it cannot obtain the information) and one year after the acquisition date.

Subsequent measurement of goodwill

Impairment assessment is performed annually or whenever there is an indication that the goodwill may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units. A cash-generating unit to which goodwill has been allocated is tested for impairment by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. If the recoverable amount of the unit exceeds the carrying amount of the unit, the unit and the goodwill allocated to that unit shall be regarded as not impaired. If the carrying amount of the unit exceeds the recoverable amount of the unit, the entity shall recognise the impairment loss

(h) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's or a cash generating unit's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or a cash generating unit exceeds its recoverable amount.

The recoverable amount of an asset or a cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Leases

This section summarizes the accounting policies related to IFRS 16 Leases. The group leases various offices, parking places and cars. Rental contracts are typically made for fixed periods of 4 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option,
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option .

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are wholly immaterial.

Extension and termination options are included in a number of property and equipment leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

The Group separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components.

The group does not provide residual value guarantees in relation to equipment leases.

The Group as lessor

Properties leased under operating leases are presented as investment and development properties in the consolidated statement of financial position, rental fees received are presented as rental income in revenue.

Rights of perpetual usufruct of land (Poland)

On 20 July 2018, the Act on the transformation of perpetual usufruct of land developed for residential purposes into ownership of that land came into force. In respect of land on which as of 1 January residential buildings were built for which an occupancy permit had been issued prior to that date, the perpetual usufruct of that land shall be transformed into ownership of that land. As regards land developed with multi-family residential buildings that have not been commissioned before 1 January 2019, the conversion date for such properties will be the day on which the decision permitting the occupancy of the building becomes final.

The Group is legally released from the debt arising from the obligation to pay perpetual usufruct fees or transformation fees only upon the legal (notarised) transfer to the buyer of the interest in the land appurtenant to the unit sold.

From 1 January 2019, costs related to lease of perpetual usufruct of land are recognized as inventories for the duration of the property project development. Before implementation of IFRS 16, these fees were expensed as incurred. Since these fees related to the land, no depreciation is recorded on these right-of-use assets.

The related lease liability is recognised under short-term liabilities.

Until the time of transfer of the above mentioned ownership, land-related lease liabilities remain on the balance sheet of the Group. At the time of handover of the unit (which is also the time of recognition of the revenue from the sale of the unit), the portion of the asset related to the lease is transferred from Inventory to Receivables from the customer, in the amount corresponding to the recognised land-related lease liability.

Until the time of transfer of the ownership to the customer, both the receivable and the liability are recognised as a short-term receivable or liability, because they will be settled through the transfer to the customer within the "operating cycle". At the date of ownership transfer to the buyer, land-related lease liability and the related receivables from the buyer of the unit are reversed from the accounting records.

The Group has decided to present right-of-use assets within the same item in which the relevant underlying assets would be presented if they were owned by the Group (as lessee).

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(j) Inventories of residential units

Inventories consist of multi-family residential real estate projects to individual customers.

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred relating to the construction of a project. Costs relating to the construction of a project are included in inventories of residential units as follows: costs incurred relating to projects or a phase of a project which are not available for sale (work in progress), costs incurred relating to units unsold associated with a project.

Project construction costs include:

- land or leasehold rights for land;
- construction costs paid to the general contractor building the residential project;
- planning and design costs;
- borrowing costs to the extent they are directly attributable to the development of the project (see accounting policy (p));
- professional fees attributable to the development of the project;
- construction overheads and other directly related costs.

Inventory is recognized as a cost of sales in the statement of comprehensive income when the sale of residential units is recognized.

(k) Borrowing costs

Borrowing costs directly attributable to the inventory of properties which necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of the respective assets.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalized equals the gross interest incurred on those borrowings. Interest is capitalized as from the commencement of the development work until the date of completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

To the extent that an entity borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the entity shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to all borrowings of the entity that are outstanding during the period. However, an entity shall exclude from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The amount of borrowing costs that an entity capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(I) Financial instruments

As described previously, the Group applies IFRS 9 for accounting of financial instruments from 1 January 2018.

Classification and measurement**Financial assets**

All financial assets under IFRS 9 are to be initially recognised at fair value, plus or minus (in the case of a financial asset not at FVTPL) transaction costs that are directly attributable to the acquisition of the financial instrument.

IFRS 9 has two measurement categories: amortised cost and fair value. Movements in fair value are presented in either profit or loss or other comprehensive income (OCI), subject to certain criteria being met, as described below.

If the financial asset is a debt instrument (or does not meet the definition of an equity instrument in its entirety), management should consider the following assessments in determining its classification:

- The entity's business model for managing the financial asset.
- The contractual cash flows characteristics of the financial asset.
- A financial asset should be subsequently measured at amortised cost if both of the following conditions are met:
 - the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
 - the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding; 'principal' and 'interest'.
- A financial asset should be subsequently measured at FVOCI if both of the following conditions are met:
 - the financial asset is held within a business model whose objective is achieved by both holding financial assets in order to collect contractual cash flows and selling financial assets; and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

If the financial asset does not pass the business model assessment and SPPI criteria, or the fair value option is applied it is measured at FVTPL. This is the residual measurement category.

Cordia Group's business model refers to how an entity manages its financial assets in order to generate cash flows. IFRS 9 prescribes two business models: holding financial assets to collect contractual cash flows; and holding financial assets to collect contractual cash flows and selling. FVTPL is the residual category which is used for financial assets that are held for trading or if a financial asset does not fall into one of the two prescribed business models.

Investments in equity instruments are always measured at fair value. Equity instruments that are held for trading (including all equity derivative instruments, such as warrants and rights issues) are required to be classified at FVTPL, with dividend income recognised in profit or loss.

For all other equities within the scope of IFRS 9, management has the ability to make an irrevocable election on initial recognition, on an instrument-by-instrument basis, to present changes in fair value in OCI rather than profit or loss.

Cordia Group's financial assets are debt instruments that are measured at amortized cost because those are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and contractual term of the financial asset gives rise to cash flows that pass the SPPI test.

Financial liabilities

Cordia Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract. It is, therefore, necessary to measure those contractual rights and obligations on initial recognition. All financial liabilities in IFRS 9 are initially recognised at fair value, minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability.

There are two measurement categories for financial liabilities: fair value, and amortised cost. Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL or an entity has opted to measure a liability at FVTPL.

Trade receivables that do not have a significant financing component are initially measured at their transaction price. A similar concept is commonly applied to short-term trade payables where the effect of discounting would be immaterial, consistent with the requirements of paragraph 8 of IAS 8.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

The amortised cost of a financial asset or financial liability is defined as the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

All the financial liabilities of the Group are kept at amortized cost.

Offsetting financial assets and financial liabilities

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

Impairment of financial assets

Cordia Group applies IFRS 9 impairment model to:

- investments in debt instruments measured at amortised cost;
- investments in debt instruments measured at fair value through other comprehensive income (FVOCI);
- all loan commitments not measured at fair value through profit or loss;
- financial guarantee contracts to which IFRS 9 is applied and that are not accounted for at fair value through profit or loss; and
- lease receivables that are within the scope of IFRS 16, 'Leases', trade receivables and contract assets within the scope of IFRS 15 that give rise to a conditional right to consideration.

The model does not apply to investments in equity instruments.

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

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that (at the option of the entity) have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the ECL that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date and this option is taken by the entity) but that do not have objective

evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the ECL that result from all possible default events over the maximum contractual period during which the entity is exposed to credit risk. ECL are the weighted average credit losses, with the respective risks of a default occurring as the weights.

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

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

- they are repayable on demand and the lender expects to be able to recover the outstanding balance of the loan if demanded;
- they are low credit risk, so 12-month expected credit losses can be calculated, which might not be material; or
- they have not had a significant increase in credit risk since the loan was first recognised, or have a remaining life of less than 12 months, so 12-month expected credit losses are calculated, which, as noted above, might not be material.

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

For trade receivables, contract assets and lease receivables Cordia Group applies simplifications eliminate the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred.

For trade receivables or contract assets that do not contain a significant financing component, the loss allowance should be measured at initial recognition and throughout its life at an amount equal to lifetime ECL. As a practical expedient, a provision matrix is used to estimate ECL for these financial instruments

(m) Trade and other receivables

Financial assets recognized in the consolidated statement of financial position as trade receivables are recognized initially at fair value and subsequently measured at amortized cost calculated with the effective interest rate less provision for impairment.

(n) Receivables from related parties

Financial assets recognized in the consolidated statement of financial position as receivables from related parties consist of contract amount receivable in the normal business activity for goods and services, as well as loans granted to affiliates. Receivables from related parties are recognized initially at fair value and subsequently measured at amortized cost calculated with the effective interest rate less provision for impairment. Receivables from related parties are classified as current assets if the payment term is less than 12 months, in any other cases they are classified as non-current assets.

(o) Cash and cash equivalents

Cash and cash equivalents in the statement of financial positions 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 furthermore the advance payment received from customers for project financing purposes if withdraw process is considered perfunctory.

The restricted cash classified as cash equivalent are related to cash received from customers as advance payment for financing the projects and the cash withdrawn from the project loan facilities. The banks providing loan financing have light restriction over these funds to secure their loan facility however the approval process to use these funds are considered perfunctory.

Cordia's model of operations assumes that instead of using payments received from customers directly to cover the development costs, majority of the cash received is deposited at accounts with restricted use as cash securing construction

loans received. The banks allow however for full or partial the use of such funds, (sometimes subject to utilization fees) and these balances are presented as cash and cash equivalents in the financial information.

The control over the use of the deposited sums is always with Cordia based upon the agreement between the respective bank and Cordia and such action of unlocking deposited cash can take place in due time after such decision of Cordia management, i.e. without any unnecessary delay (but in any case not later than within a few banking days). This means, that the cash, which is deposited in the accounts with some restrictions applicable, can be fully and immediately exploited by the subsidiaries in order to net with the pre-agreed financial liabilities (e.g. bank loans) as well as to finance the relevant costs of the projects co-financed by the customers buying apartments.

The overdrafts are shown in current liabilities in borrowings line.

(p) Equity

i. Share capital

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

ii. Share premium

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

iii. Currency translation reserve

Exchange differences arising on translation of the entities with different functional currency are recognized in currency translation reserve

iv. Other reserves

Any difference between the consideration given and the aggregate book value of the assets and liabilities of the acquired entity during an asset acquisition made between entities under common control are included other reserve. Other reserved could also change due to reclassification from Retained Earnings.

v. Retained Earnings

The cumulated profit and loss attributable to the owners of the parent.

(q) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as finance cost over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down (and should be calculated with in the effective interest calculation and the amortized cost of the loan). In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

(r) Bonds

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

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

Based on IAS23 general and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

(s) Amounts withheld for guarantees

Amounts withheld for guarantees is the contractual amount that the Group withholds from the vendor's final invoice at the time of delivery. The remaining amount serves as a security for the Cordia Group's warranty rights. At the end of the warranty period, the remaining amount is paid to the contractor, provided that it has not been used up previously to cover the warranty claims of the developer due to non-contractual delivery. Amounts, where the expected payment date is after the balance sheet date by more than 1 year are presented among non-current liabilities. The Group believes, that – since the payment date is generally within 2 years – the impact of discounting would be wholly immaterial, therefore presents these balances using the contractual amounts.

(t) Trade and other payables

Trade payables are contract amount payable in the normal business activity for goods and services. Trade payables are classified as current liabilities if the payment term is less than 12 months, in any other cases they are classified as non-current liability.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(u) Liabilities to related parties

Liabilities to related parties are contract amount payable in the normal business activity for goods and services, as well as loans payable to affiliates. Liabilities to related parties are classified as current liabilities if the payment term is less than 12 months, in any other cases they are classified as non-current liability.

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

(v) Dividend distribution

Dividend distribution to the parent company's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved.

(w) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4. Interests in other entities

(a) Group structure

The details of the Hungarian, Polish, Spanish, English and Romanian entities whose financial statements have been included in these Consolidated Financial Statements, the percentage of ownership and voting rights held by the Company and the classification of investments as at 31 December 2021 and 2020, are presented in the Appendix.

The projects managed by the companies are in various stages of development ranging from being in the process of acquiring land for development to projects which are completed or near completion.

Please refer to Note 5 for the changes in the group structure.

(b) Interests in joint-ventures and associates

Set out below is the joint ventures and associates of the group as at 31 December 2021. The entity listed below have share capital consisting solely of ordinary shares, which are held directly by the group.

Entity name	Place of operation	Share of ownership & voting rights at		Nature of relationship	Measurement method
		31.12.2021	31.12.2020		
Cordia Global 6 Alap	Hungary	50%	50%	Joint venture	Equity method
Argo Properties N.V	Germany	15.38%	18.00%	Associate	Equity method
FPP Powsin Sp. z o.o.	Poland	49.00%	45.53%	Joint venture	Equity method
FPP Osiedle Moderno Sp. z o.o.	Poland	49.00%	45.53%	Joint venture	Equity method
Fadesa Polnord Polska Sp. z o.o.	Poland	49.00%	45.53%	Joint venture	Equity method
Hydrosspol Sp. z o.o. w likwidacji	Poland	30.00%	27.88%	Associate	Equity method
Osiedle Innova Sp. z o.o.	Poland	49.00%	45.53%	Joint venture	Equity method
Stacja Kazimierz I Sp. z o.o.	Poland	50.00%	46.46%	Join venture	Equity method
Stacja Kazimierz III Sp. z o.o.	Poland	50.00%	46.46%	Join venture	Equity method
Stacja Kazimierz III Sp. z o.o. SK	Poland	50.00%	46.46%	Join venture	Equity method

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

Entity name	Place of operation	Share of ownership & voting rights at		Nature of relationship	Measurement method
		31.12.2021	31.12.2020		
Finext BP SICAV-SIF	Luxembourg	20%	20%	Subsidiary	Full consolidation
Cordia Residential Partners 1. Alapok Alapja Részalap	Hungary	17.01%	N/A	Subsidiary	Full consolidation

As described previously, the Group has controlling investment in two investment funds as of 31 December 2021, namely Finext Real Estate Opportunities Budapest SICAV-SIF Sub-Fund and Cordia Residential Partners 1. Alapok Alapja Részalap. At the financial year-end besides the Group, there were only other non-controlling investors as owners of these funds.

The two sub-funds (Finext BP SICAV-SIF, Cordia Residential Partners 1. Alapok Alapja Részalap) operate under a similar scheme in which, the funds' life is limited and pre-determined upon establishment. For further details please see Note 38.

(d) Non-controlling interests

Movements in non-controlling interests during the year ended 31 December 2021 and 31 December 2020 are as follows:

<i>In thousands of Hungarian Forints (HUF)</i>	2021	2020
Opening balance	2,700,530	208,384
Comprehensive income/(loss) attributable to non-controlling interests	(133,164)	(72,784)
Non-controlling interest arising on acquisition	45,553	2,564,930
Redemption of shares owned by non-controlling interest*	(2,451,482)	0
Closing balance	161,437	2,700,530

*The Group acquired the remaining shares of Polnord, please see details in Note 5 (b).

5. Group composition

(a) Change in group structure

In comparison to 31 December 2020 there were the following changes in the group structure.

Newly established entities:

Entity name	Place of operation	Voting rights	Nature of relationship
Cordia Blackswan (22 Great Hampton Street) Limited	United Kingdom	97%	Subsidiary
Cordia Blackswan (Key Hill) Limited	United Kingdom	97%	Subsidiary
Cordia Blackswan (Nightingale) Limited	United Kingdom	97%	Subsidiary
Cordia Blackswan (Cheapside) Limited	United Kingdom	97%	Subsidiary
Cordia Blackswan (Project 1) Limited	United Kingdom	97%	Subsidiary
Cordia Polska Finance sp. z o.o.	Poland	100%	Subsidiary
Cordia Preferred Return 1 Részalap	Hungary	100%	Subsidiary
Cordia Residential Partners 1. Alapok Alapja Részalap	Hungary	17.01%	Subsidiary
Cordia European Residential Investments Vagyonkezelő Korlátolt Felelősségű Társaság	Hungary	100%	Subsidiary

Cordia International Zrt. acquired the following entity in 2021.

Newly acquired entity:

Entity name	Place of operation	Voting rights	Nature of relationship
Nightingale Knitwear Centre Limited	United Kingdom	97%	Subsidiary

On 1 April 2021, the Group completed the purchase of a company, Nightingale Knitwear Centre Limited in the UK. The company purchased held the property that would form the third phase of our currently running project known as the Gothic. With the acquisition the whole site is ready to be developed. As part of the international expansion additional five entities were established for the new projects in the United Kingdom.

Sold and closed entities:

Three holding entities, 100% subsidiaries of Cordia International Zrt. were sold to the related party, Futoreal Holding Vagyonkezelő és Ingatlanhasznosító Zrt. in January: Cordia Spain Holding Kft., Cordia Romania Holding One Kft. and Cordia Romania Holding Two Kft.

Additional entities were also sold to the related party during the second half of the year.

Entity name	Place of operation	Voting rights	Nature of relationship
Cordia Romania Holding One Kft.	Hungary	100%	Subsidiary
Cordia Romania Holding Two Kft.	Hungary	100%	Subsidiary
Cordia Spain Holding Kft.	Hungary	100%	Subsidiary
Cordia Partner 4 Spółka z.o.o.	Poland	100%	Subsidiary
Universo CG13 Kft.	Hungary	100%	Subsidiary
Kertész CG15 Kft.	Hungary	100%	Subsidiary
GrandCorvin2 CG19 Kft.	Hungary	100%	Subsidiary
Futó CG21 Kft.	Hungary	100%	Subsidiary
Millenium Residence Első Ütem CG22 Kft.	Hungary	100%	Subsidiary
Millenium Residence Második Ütem CG23 Kft.	Hungary	100%	Subsidiary

The following fund was closed in December, because the development project has successfully ended. The profit for the year is consolidated fully for the year.

Closed entities

Entity name	Place of operation	Voting rights	Nature of relationship
Cordia Global 2 Ingatlanbefektetési Részalap	Hungary	100%	Subsidiary

Spanish segment

On 12 May 2021 Cordia Holdco Fuengirola, S.L. (“Cordia”) reached a mutual settlement agreement with its Joint Venture Partner, Otero Patrimonial, S.L. (“Otero”) and acquired Otero’s 10% shares held in Cordia Development Company S.L.U. As a result of the settlement Cordia become the sole owner of the Spanish subsidiary owing the project at Costa del Sol, Fuengirola, Spain.

Additionally due to restructuring, the following two entities merged into Cordia Fuengirola Development Company SL.

Entity name	Place of operation	Nature of relationship
Cordia Holdco Fuengirola SL	Spain	Subsidiary
Cordia Development Company SL	Spain	Subsidiary

KB DOM

There was a change in control over KB Dom SA in the reporting period. Polnord SA was consolidating KB DOM SA as part of the financial statements of the Polnord Group in accordance with IFRS 10 and recommendation of the Polish Financial Supervision Authority. However, on 11 October 2021, the bankruptcy court has decided to open bankruptcy proceedings regarding KB DOM SA, and appointed a bankruptcy administrator (syndyk). The above circumstance constitutes a significant change in the existing relations between Polnord SA and KB DOM SA.

First and foremost, on the day of issuing the court’s decision, the bankruptcy proceeding is open, in which KB DOM SA (as a bankrupt) is dissolved and its property ceases to be the property of the company itself, and becomes the bankruptcy estate dedicated to satisfy the creditors. All decisions regarding the management of the former assets of KB DOM SA are then made by the appointed bankruptcy administrator, acting under the supervision of the court. As a further result, all governing bodies of the company, i.e. the Shareholders Meeting, the Supervisory Board or the Management Board, lose any possibility of influencing the company's operations. Basing on the above, Polnord SA, as a shareholder of the company under bankruptcy proceedings, does not have any administrative power over KB DOM SA and has no influence on its financial results.

Additionally, according to IFRS, preparation of consolidated financial statements are necessary when a given entity controls / exercises power over such controlled entity, which is not our case.

As a consequence of the above the management board of Polnord SA decided to deconsolidate KB Dom SA with 11th October 2021.

Argo

The Group maintained significant influence in Argo Properties N.V. in the reporting period, although its stake declined due to a few transactions. Argo completed an initial public offering (IPO) on the Tel Aviv Stock Exchange (TASE) on 11 May 2021 raising EUR 54m from investors at a pre-money valuation of EUR 270m. Cordia invested further EUR 3 million in ARGO during the IPO however its stake declined to 15.9% in the company due to dilution. Furthermore a small portion of shares was sold in September 2021, therefore the Group’s stake at reporting date is 15,38%. (see more details at Note 19).

Despite the decline in its stake, the Group further considers to maintain significant influence in Argo. Firstly, the Group has the right to delegate a member to the board of Argo. Secondly, due to the fractured ownership structure of the entity Cordia is still considered to be one of the largest shareholders.

(b) Significant acquisitions

Public tender offer for all remaining shares of Polnord SA and decision on delisting of the shares

Cordia International Zrt. was 92.92% shareholder of Polnord SA as at 31.12.2020, had announced on 1 December 2020 a public tender offer to acquire the remaining, approximately 7.08% of shares in Polnord SA. The goal was to increase Cordia’s stake in Polnord SA to 100% of outstanding shares. The tender offer price was set at 3.55 PLN a share in line with the requirements of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies, offering significant upside to the most recent market price.

On 28 January 2021 as a result of settlement of the Tender-Offer, the Group purchased 3,278,966 shares, representing approximately 3.36% of voting rights and capital of Polnord, and increased its stake to 96.28%.

On 8 January 2021 the Extraordinary General Meeting of Polnord Shareholders adopted Resolution No. 3 on the withdrawal of all Polnord shares from trading on the regulated market operated by the Warsaw Stock Exchange.

On 18 February 2021, CORDIA announced compulsory buyout (Squeeze-Out) to the remaining 3,626,678 (three million six hundred and twenty-six thousand six hundred and seventy-eight) Polnord shares representing approximately 3.72% of Polnord's share capital, at the price of 3.55 PLN per share. On 23 February 2021 as a result of settlement of the Squeeze-Out, CORDIA became the sole owner of Polnord, i.e. the Company holds 97,543,127 shares, representing 100% of the Polnord's share capital and 100% of the total number of votes in Polnord.

As of 26 February 2021 the Management Board of Polnord submitted an application to the Polish Financial Supervision Authority ("PFSA") for a permit to withdraw all Polnord's shares from trading on the regulated market. On 20 August 2021 the PFSA expressed its consent to the withdrawal of Polnord's shares from trading on the regulated market operated by the Warsaw Stock Exchange ("WSE") as of 10 September 2021, the decision is final and binding.

Additionally, the extraordinary shareholders' meeting of Polnord S.A. dated 29 November 2021 adopted the share redemption in Polnord S.A., from 195,086,254 PLN to the current amount of 125,086,254 PLN. The share redemption was registered in the Polish commercial registry as of 24 February 2022.

(c) Significant acquisition in the comparative period

Acquisition of Polnord in the previous period had a significant effect on the current year's comparative data. Please see the summary of the details below. For further information please see the IFRS Consolidated Financial Statements for the year 2020.

In the first half of 2020 the Company had successfully accomplished the acquisition of new shares issued by Polnord Spółka Akcyjna (a public listed company, well established and focused on the residential projects in Poland). Based on the share-purchase agreement, the Company purchased newly issued T-Series Shares representing 65.27% of total voting rights (following the capital increase). The purchase price was PLN 2.12 per 1 share.

On 10 February 2020 as a result of the registration of the share capital increase Cordia International Zrt. completed the acquisition of 63,668,800 (sixty three million six hundred sixty eight thousand eight hundred) T-Series Shares. Cordia purchased 373,309 number of shares of POLNORD from the market which represents 0.39% of total shares by which it reached 65.66% ownership.

Despite the fact that Cordia became the leading shareholder the operational control was not yet obtained, therefore Polnord was classified as associate from consolidation perspective.

The cost of an associate acquired in stages was measured as the sum of the fair value of the interest previously held plus the fair value of any additional consideration transferred as of the date when the investment became an associate.

As a result the Company recognised Bargain Gain on the acquisition of Polnord as an associate, which has a significant effect on the prior period's Consolidated Statement of Profit or Loss amounts.

On 14 February 2020 the Company announced a tender offer for the sale of the remaining approximately 34.34% of the shares in Polnord for the price per share of PLN 3.55 (the "Tender Offer"). Upon the conclusion of the Tender Offer and in connection with the settlement thereof, on 9 April 2020, the Company purchased 26,595,374 shares in Polnord for the purchase price of PLN 3.55 per share. Therefore, the Company increased its stake in Polnord from 64,042,109 shares (approximately 65.66% of the share capital) prior to the settlement of the Tender Offer to 90,637,483 shares (approximately 92.92% of the share capital of Polnord).

The Group took over operational control over Polnord as of 10 April 2020, when Cordia representatives were authorised to represent Polnord towards third parties as well. The Polnord comparative Profit and Loss data were consolidated from that date. Please see the Note of Segment information for the amounts recognized in the Consolidated Financial Information.

6. Revenue

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	2021	2020
Revenue from sale of real estate and rental income	89,426,372	65,748,915
Other revenue	2,799,686	2,540,584
Total revenue	92,226,058	68,289,499

Revenue from sales of real estate is recognized at point in time and consists of sale of residential units, parking lots, storage and land plots which were previously classified as inventory. Rental revenue from investment properties are recognized as revenue from sale of real estate and rental income.

Other revenue includes revenues from administrative service charges and revenue from selling investment property. Revenues from service and rental charges under IFRS 16 are recognized over time, other fees are recorded at a point in time.

During of the year 2021, the Group finished six development projects in Hungary, one in Romania, two in Poland and started to hand over the apartments to its customers. One project in Poland received the occupancy permit in December 2020, but hand over started in the first quarter of 2021. Revenue was also recognized from delivering apartments on projects finished in the previous period.

In the year 2 plots at Budapest and three plots in Poland, previously held as inventory were sold for a total amount of 2.9 billion HUF.

The revenue increase reflects the progress in finishing more and more projects but also the revenue recognized in the acquired Polnord subsidiary.

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	Cordia group without Polnord	Polnord	Total 2021
Revenue from sale of real estate and rental income	79,756,657	9,669,715	89,426,372
Other revenue	2,053,683	746,003	2,799,686
Total revenue	81,810,340	10,415,718	92,226,058

The Group delivered 1,861 residential units to its customers during 2021, out of which 1,180 units were delivered in Hungary, 221 units were delivered in Romania and 460 units were delivered in Poland. During 2020 the total amount of delivered residential units was 1,750 of which 961 units were delivered in Hungary and 789 units were delivered in Poland.

Residential units delivered during the year

Number of residential units

	2021	2020
Hungary	1,180	961
Poland	460	789
Romania	221	0
Total residential units handed over	1,861	1,750

Further to the above, in entities jointly controlled by Cordia and third-party investors, the Group delivered 320 residential units in Hungary and 4 units in Poland. Another 67 units were handed over by Fadesa SA, where Polnord, Cordia's subsidiary is a 49% owner. The profit on these transactions are reflected in the balance sheet as Investments accounted for using the equity method (see Note 19). The Group recognized the change in the Net assets of these companies through Share of profit/(loss) in associate and joint venture in the profit and loss statement (see Note 19).

For the period ended 31 December

<i>In thousands of Hungarian Forints (THUF)</i>	Cordia group without Polnord 2021	Cordia group without Polnord 2020
Revenue from sale of real estate and rental income	79,756,657	45,738,989
Other revenue	2,053,683	1,603,289
Total revenue	81,810,340	47,342,278

For the period ended 31 December

<i>In thousands of Hungarian Forints (THUF)</i>	Polnord 2021	Polnord 2020*
Revenue from sale of real estate and rental income	9,669,715	20,009,926
Other revenue	746,003	937,295
Total revenue	10,415,718	20,947,221

* The Polnord comparative Profit and Loss data were consolidated from 10 April 2020. For more information please see Note 5.

7. Cost of sales

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	2021	2020
Cost of sales of main activities	66,807,026	54,798,984
Cost of sales of other revenue	461,229	1,350,889
Total cost of sales	67,268,255	56,149,873

Under IFRS the inventories are measured at the lower of cost and net realisable value. However the assets acquired with the Polnord acquisition during 2020 were recognized at fair value in line with IFRS3 para18. Since the projects were already at or close to delivery phase with very high presale ratio the projects had low risk factor and uncertainty which resulted in a fair-value uplift by which the expected gain was realized through bargain gain instead of gross margin. Later in the normal operating cycle the uplifted inventory of finished projects were transferred to cost of sales.

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	Cordia group without Polnord	Polnord	Total 2021
Cost of sales of main activities	58,572,518	8,234,508	66,807,026
Cost of sales of other revenue	346,254	114,975	461,229
Total cost of sales	58,918,772	8,349,483	67,268,255

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	Cordia group without Polnord 2021	Cordia group without Polnord 2020
Cost of sales of main activities	58,572,518	35,170,541
Cost of sales of other revenue	346,254	806,462
Total cost of sales	58,918,772	35,977,003

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	Polnord 2021	Polnord 2020*
Cost of sales of main activities	8,234,508	19,628,443
Cost of sales of other revenue	114,975	544,427
Total cost of sales	8,349,483	20,172,870

* The Polnord comparative Profit and Loss data were consolidated from 10 April 2020. For more information please see Note 5..

Capitalized variable sales commission is presented among other short-term assets.

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	2021	2020
Opening balance of capitalized variable sales commissions	578,898	533,085
Increase	455,520	347,633
Amortization	(545,406)	(301,820)
Closing balance of capitalized variable sales commissions	489,012	578,898

Gross Profit

For the period ended 31 December

<i>In thousands of Hungarian Forints (THUF)</i>	Cordia group without Polnord	Polnord	Total 2021
Gross Profit from sale of real estate	21,184,139	1,435,207	22,619,346
Gross margin from sale of real estate	27%	15%	25%

<i>In thousands of Hungarian Forints (THUF)</i>	Cordia group without Polnord	Polnord*	Total 2020
Gross Profit from sale of real estate	10,568,448	381,483	10,949,931
Gross margin from sale of real estate	23%	2%	17%

* The Polnord comparative Profit and Loss data were consolidated from 10 April 2020. For more information please see Note 5.

8. Selling and marketing expenses

For the period ended 31 December

<i>In thousands of Hungarian Forints (THUF)</i>	2021	2020
Advertising	1,102,061	737,645
Sales and other	2,905,851	2,000,514
Total selling and marketing expenses	4,007,912	2,738,159

The majority of selling and marketing expenses is related to advertising residential properties under construction. Sales and other costs includes all the sales costs not directly related and not incremental to a specific customer contract. Variable sales commission is considered in incremental cost hence it is capitalized as "Other current assets" in an amount of THUF 489,012 as of 31 December 2021 (THUF 578,898 as of 31 December 2020). See movement schedule at note 7.

For the period ended 31 December

<i>In thousands of Hungarian Forints (THUF)</i>	Cordia group without Polnord 2021	Cordia group without Polnord 2020
Advertising	1,053,651	713,839
Sales and other	2,721,414	1,868,135
Total selling and marketing expenses	3,775,065	2,581,974

For the period ended 31 December

<i>In thousands of Hungarian Forints (THUF)</i>	Polnord 2021	Polnord 2020*
Advertising	48,410	23,806
Sales and other	184,437	132,379
Total selling and marketing expenses	232,847	156,185

* The Polnord comparative Profit and Loss data were consolidated from 10 April 2020. For more information please see Note 5.

9. Administrative expenses

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	2021	2020
Personnel expenses and external services	5,219,662	3,938,614
Materials and energy	172,173	102,140
Depreciation	645,856	554,189
Bank fees and other charges	199,049	269,624
Total administrative expenses	6,236,740	4,864,567

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

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

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	Cordia group without Polnord 2021	Cordia group without Polnord 2020
Personnel expenses and external services	3,825,316	2,813,685
Materials and energy	131,329	72,488
Depreciation	541,541	511,695
Bank fees and other charges	120,272	200,437
Total administrative expenses	4,618,458	3,598,305

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	Polnord 2021	Polnord 2020*
Personnel expenses and external services	1,394,346	1,124,929
Materials and energy	40,844	29,652
Depreciation	104,315	42,494
Bank fees and other charges	78,777	69,187
Total administrative expenses	1,618,282	1,266,262

* The Polnord comparative Profit and Loss data were consolidated from 10 April 2020. For more information please see Note 5.

10. Breakdown of expenses by nature

For the year ended 31 December

In thousands of Hungarian Forints (THUF)

	2021	2020
Employee benefits expenses	2,412,834	1,600,721
Material type expenditures	7,185,962	5,447,816
Depreciation and amortization	645,856	554,189
Total	10,244,652	7,602,726

11. Other income

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	2021	2020
Bargain Gain on Acquisition of Polnord NCI	0	2,316,106
Net gain (loss) on investment property and property, plant and equipment sold	28,814	24,960
Received compensation	302,413	11,899
Reversal of write-off on inventories	150,580	84,332
Reversal of provision	12,132	1,632,467
Other	297,510	299,042
Total other income	791,449	4,368,806

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	Cordia group without Polnord 2021	Cordia group without Polnord 2020
Bargain Gain on Acquisition of Polnord NCI	0	2,316,106
Net gain (loss) on investment property and property, plant and equipment sold	3,383	5,495
Reversal of write-off on receivables	0	0
Reversal of provision	0	96,231
Other	141,814	5,872
Total other income	145,197	2,423,704

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	Polnord 2021	Polnord 2020*
Net gain (loss) on investment property and property, plant and equipment sold	25,431	19,465
Received compensation	302,413	11,899
Reversal of write-off on inventories	150,580	84,332
Reversal of write-off on receivables	0	0
Reversal of provision	12,132	1,536,236
Other	155,696	293,170
Total other income	646,252	1,945,102

* The Polnord comparative Profit and Loss data were consolidated from 10 April 2020. For more information please see Note 5.

12. Other expense

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	2021	2020
Taxes	291,913	139,262
Fines, penalties, default interest and compensation	129,882	219,011
Abandoned projects & investments	21,667	0
Creation of a provision other and KOWR	310,499	1,103,162
Write-downs on receivables	610,767	158,251
Write-off on inventory	106,165	0
Deconsolidation of KB DOM*	490,571	0
Other	624,719	579,164
Total other expense	2,586,183	2,198,850

*Please see Note 5

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	Cordia group without Polnord 2021	Cordia group without Polnord 2020
Taxes	239,316	139,262
Fines, penalties, default interest and compensation	105,222	138,464
Abandoned projects & investments	21,667	0
Creation of a provision	0	0
Write-off on inventory	0	0
Other	238,609	228,340
Total other expense	604,814	506,066

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	Polnord 2021	Polnord 2020*
Taxes	52,597	0
Fines, penalties, default interest and compensation	24,660	80,547
Abandoned projects & investments	0	0
Creation of a provision	310,499	1,103,162
Write-downs on receivables	610,767	158,251
Write-off on inventory	106,165	0
Deconsolidation of KB DOM	490,571	0
Other	386,110	350,824
Total other expense	1,981,369	1,692,784

* The Polnord comparative Profit and Loss data were consolidated from 10 April 2020. For more information please see Note 5..

13. Finance income and expense

Interest income is the interest received from the banks on cash balance.

ARGO Properties N.V. issued an option warrant letter to the Group prior to the initial public offering (IPO). The Group has been granted options to acquire 500,000 shares of ARGO. The exercise period begins after 4 years of the trade date of shares on TASE, 11 May 2021 and the option is exercisable within a three months period. Exercise price shall be nominal price at an amount equal to 25% above the share price in the issuance under Argo's IPO Prospectus (70.09 NIS / share).

The option warrant is presented at fair value on the reporting date. The fair value was measured with the Black-Scholes model. The group has unrealized fair valuation gain on this option in the amount of THUF 2,068,124.

The fair value gain on the valuation of financial assets is the revaluation of the UK investments presented in Note 23.

Other finance income consist mainly the result of selling Argo shares on the market in the second half of the year.

Interest expense include those finance expenses that are not capitalized – directly nor indirectly – to the inventories which are typically interest on project loans occurring after the related project has been finalized. This line also contains interest related to IFSR16 leasing liabilities.

Cost of bank financing, if relates to securing the needs of the asset under development (work in progress) are typically capitalized (directly) to the particular asset.

A portion of the bond interest expense is indirectly capitalized to the inventories, as the funds raised by the Company via the bonds issues are used – among the other needs – for financing of the properties acquisition and their preparations and development. The capitalization is calculated in line with IAS 23 Borrowing costs. The uncapitalized amount is presented on this line. Please refer to Note 35 for more detailed information on bonds.

The fair valuation loss on the revaluation of the derivative liabilities is a contracted liability to sell 60,000 ARGO N.V. shares. The end of the option period is 15 February 2022. The derivative contracted liability is recognized and measured at fair value at the reporting date with the Black-Scholes model.

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	2021	2020
Interest income	74,102	163,618
Fair value gain on the valuation of derivative asset	2,068,124	0
Fair value gain on the valuation of financial assets	2,751,063	0
Foreign exchange gain	2,771,659	6,634,681
Other finance income	278,368	0
Finance income	7,943,316	6,798,299
Interest expense	1,230,351	902,612
Bond interest expense	2,173,948	1,273,965
Fair value loss on the valuation of derivative liability	428,348	0
Foreign exchange loss	1,428,421	4,562,988
Other finance expense	418,826	0
Finance expense	5,679,896	6,739,565
Net finance income / (expense)	2,263,420	58,734

14. Income tax

For the year ended 31 December		
<i>In thousands of Hungarian Forints (THUF)</i>	2021	2020
Current tax		
Current period	949,342	253,272
Taxation in respect of previous periods	73,712	20,557
Total current tax expense / (benefit)	1,023,054	273,829
Deferred tax		
Origination and (reversal) of temporary differences	407,364	702,552
Tax losses utilized / (recognized)	0	(68,165)
Total deferred tax expense / (benefit)	407,364	634,387
Total income tax expense / (benefit)	1,430,418	908,216
Reconciliation of effective tax rate		
For the year ended 31 December		
<i>In thousands of Hungarian Forints (THUF)</i>	2021	2020
Profit / (loss) for the year	20,603,603	21,436,544
Total income tax expense / (benefit)	1,430,418	908,216
Profit / (loss) before income tax	22,034,021	22,344,760
Expected income tax using the Hungarian tax rate (9%)	1,983,062	2,011,028
<i>Tax effect of:</i>		
Impact of other income taxes ¹	83,577	66,986
Non-taxable profit ²	(1,208,367)	(1,188,265)
Other differences ³	572,146	18,467
Tax expense for the period	1,430,418	908,216
Effective tax rate	6%	4%

¹ This line mainly includes the impact of Hungarian local business tax, which is also classified as income tax based on IAS 12.

² Hungarian investments funds are not subject to income tax. Share of loss/(profit) in joint venture and Bargain gain realized on acquisition is a non-taxable item.

³ Other differences contain non-deductible expenses, impacts of different tax rates used at foreign entities and foreign exchange differences. None of these items are material separately.

15. Intangible assets

For the year ended 31 December 2021

<i>In thousands of Hungarian Forints (THUF)</i>	Software	Intellectual property and rights	Total
Cost or deemed cost			
Balance at 1 January	105,415	317,344	422,759
Additions	14,599	80,134	94,733
Sales and disposals	0	0	0
Closing balance	120,014	397,478	517,492
Depreciation and impairment losses			
Balance at 1 January	74,225	170,361	244,586
Depreciation for the period	20,530	72,656	93,186
Sales and disposals	0	0	0
Closing balance	94,755	243,017	337,772
Currency Translation Adjustment	1,409	75	1,484
Carrying amounts			
At 1 January	32,210	147,019	179,229
Closing balance	26,668	154,536	181,204

The increase in intangible assets consists of the normal office software and the implementation of IT systems and increase due to acquisition of Polnord. All intangible assets have finite useful lives and they are amortized using the straight-line method. Average useful life is 3 years.

For the year ended 31 December 2020

<i>In thousands of Hungarian Forints (THUF)</i>	Software	Intellectual property and rights	Total
Cost or deemed cost			
Balance at 1 January	75,537	266,538	342,075
Acquisition	19,266	5,205	24,471
Additions	10,911	45,681	56,592
Sales and disposals	(299)	(80)	(379)
Closing balance	105,415	317,344	422,759
Depreciation and impairment losses			
Balance at 1 January	34,826	112,009	146,835
Acquisition	3,323	407	3,730
Depreciation for the period	36,138	57,990	94,128
Sales and disposals	(62)	(45)	(107)
Closing balance	74,225	170,361	244,586
Currency Translation Adjustment	1,020	36	1,056
Carrying amounts			
At 1 January	42,353	154,552	196,905
Closing balance	32,210	147,019	179,229

16. Investment properties

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

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

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

In accordance with the IFRS 13 standard, all resulting fair value estimates for investment and development properties are included as level 3 inputs of the fair value hierarchy.

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
Opening balance	24,566,409	0
Deconsolidation of KB DOM	(75,283)	24,519,831
Increases / (decreases)	413,064	(130,345)
Revaluation of investment property to fair value	434,105	(12,391)
Translation differences	277,870	189,314
Closing balance	25,616,165	24,566,409

<i>In thousands of Hungarian Forints (HUF)</i>	Cordia group without		
	Polnord 2021	Polnord 31.12.2021	Total
Investment properties	4,779,591	15,339,307	20,118,898
Investment properties - Rights of perpetual usufruct of land (lease)	0	5,497,267	5,497,267
Total closing balance	4,779,591	20,836,574	25,616,165

<i>In thousands of Hungarian Forints (HUF)</i>	Cordia group without		
	Polnord 2020	Polnord 31.12.2020	Total
Investment properties	4,388,359	14,847,824	19,236,183
Investment properties - Rights of perpetual usufruct of land (lease)	0	5,330,226	5,330,226
Total closing balance	4,388,359	20,178,050	24,566,409

Amounts recognised in Profit and loss for investment and development properties

<i>In thousands of Hungarian Forints (HUF)</i>	2021	2020
Rental income from operating lease	100,272	24,120
Direct operating expenses	(51,618)	(68,875)
Leasing interest	494,770	(384,731)
Fair value gain recognised	223,296	(6,943)
Profit from sale of investment and development property	(33,677)	10,137
Amounts recognised in PL for investment and development properties	733,043	(426,292)

17. Property, plant and equipment

For the year ended 31 December 2021

<i>In thousands of Hungarian Forints (THUF)</i>	Buildings	Machinery and vehicles	Furniture, fittings and equipment	Assets under construction	Land Rights of perpetual usufruct	Total
Cost or deemed cost						
Balance at 1 January	2,908,752	647,994	756,238	101,213	227,063	4,641,260
Additions	36,108	61,198	81,726	834,823	0	1,013,855
Sales and disposals	0	(10,665)	(34,725)	(85,381)	0	(130,771)
Deconsolidation of KB DOM	(781,402)	(355,883)	(48,379)	(20,126)	(227,063)	(1,432,853)
Reclassification*	511,777	27,933	4,473	188,266	15,113	747,562
Capitalization	0	0	0	(702,130)	0	(702,130)
Closing balance	2,675,235	370,577	759,333	316,665	15,113	4,136,923
Depreciation and impairment losses						
Balance at 1 January	689,278	128,152	419,743	0	1,505	1,238,678
Depreciation charge for the period	394,451	91,318	98,142	0	963	584,874
Deconsolidation of KB DOM	(35,554)	(55,702)	(4,462)	0	(2,468)	(98,186)
Reclassification	(2,272)	2,272	0	0	0	0
Impairment	0	0	774	0	0	774
Sales and disposals	0	(6,398)	(20,956)	0	0	(27,354)
Closing balance	1,045,903	159,642	493,241	0	0	1,698,786
Currency Translation Adjustment	20,640	3,729	5,793	10,776	0	40,938
Carrying amounts						
At 1 January	2,236,253	526,682	340,279	101,408	226,412	3,431,034
Closing balance	1,649,972	214,664	271,885	327,441	15,113	2,479,075

* Reclassification includes an item reclassified from inventory and an owner-occupied part of an office from Investment Properties.

For the year ended 31 December 2020

<i>In thousands of Hungarian Forints (THUF)</i>	Buildings	Machinery and vehicles	Furniture, fittings and equipment	Assets under construction	Land Rights of perpetual usufruct	Total
Cost or deemed cost						
Balance at 1 January	1,529,573	105,635	571,799	55,177	0	2,262,184
Acquisition	1,319,333	404,839	59,226	128,340	227,063	2,138,801
Additions	142,340	164,881	142,945	142,502	0	592,668
Sales and disposals	(82,494)	(27,361)	(17,732)	0	0	(127,587)
Capitalization	0	0	0	(224,806)	0	(224,806)
Closing balance	2,908,752	647,994	756,238	101,213	227,063	4,641,260
Depreciation and impairment losses						
Balance at 1 January	315,180	39,140	285,128	0	0	639,448
Depreciation charge for the period	374,098	102,188	145,402	0	1,980	623,668
Sales and disposals	0	(13,176)	(10,787)	0	(475)	(24,438)
Closing balance	689,278	128,152	419,743	0	1,505	1,238,678
Currency Translation Adjustment	16,779	6,840	3,784	195	854	28,452
Carrying amounts						
At 1 January	1,215,193	67,096	288,167	55,458	0	1,625,914
Closing balance	2,236,253	526,682	340,279	101,408	226,412	3,431,034

The following table shows the movements of Right of use assets included within Property, plant and equipment tables above:

For the year ended 31 December

<i>In thousands of Hungarian Forints (THUF)</i>	2021	2020
Cost or deemed cost		
Balance at 1 January	1,996,996	1,179,764
Acquisition	0	747,010
Additions to right of use assets	36,198	126,474
Termination of contracts	(227,063)	(56,252)
Closing balance	1,806,131	1,996,996
Depreciation and impairment losses		
Balance at 1 January	637,667	285,309
Depreciation charge for right of use assets	363,105	352,358
Termination of contracts	(2,468)	0
Closing balance	998,304	637,667
Carrying amounts		
At 1 January	1,359,329	894,455
Closing balance	807,827	1,359,329

Impairment loss

Small amount of impairment was recognized in the amount of THUF 774. There was no impairment in the previous years.

18. Long-term receivables from third parties

For the period ended 31 December

<i>In thousands of Hungarian Forints (THUF)</i>	2021	2020
Claim against the City of Warsaw (Case 10H)	4,523,459	4,433,355
Claim against Pol-Aqua S.A. (not paid rent for the office building)	971,785	1,919,545
Amounts kept in the escrow account in connection with the sale of office buildings	566,280	1,008,880
Receivables from long-term deposits (office rental)	92,182	98,399
Other	21,521	20,866
Total Long-term receivables from third parties	6,175,227	7,481,045

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

The so called 10H case is Polnord's claim against the Town Hall of Warsaw. On 28 June 2013 Polnord SA's subsidiary tabled a motion with the Mayor of the Capital City of Warsaw, pursuant to Article 98, paragraphs (1) and (3) of the Real Property Management Act, for undertaking negotiations on determination and payment of indemnities for plots of land, located in the district of Wilanów in the City of Warsaw, with the total area of 10 hectares, allocated for public roads ("the Plots of Land"). An expert appraisal has been ordered by the court and the market value of these properties had been assessed at a value of PLN 56.5 Million. Polnord SA submitted its reservations on the above -mentioned valuation surveys. On 29 July 2020 the Head of Legionowo County issued a decision determining only a compensation for plots of land comprising an area of ca 10 ha. The total amount of the compensation to be granted to Polnord SA according to above mentioned decisions of the Head of Legionowo County for plots of land is PLN 56,472,300. The above mentioned decision were appealed by Polnord SA and Town Hall of Warsaw. We are still awaiting Mazovia Province Governor's decision.

The case against Pol-Aqua raised from the lease contract concluded with POL – AQUA Sp. z o.o. of the whole B1 office building with a leasable space of 7,277 sq. m in the Wilanów Office Park complex in Warsaw in 15 A. Branickiego Street in Warsaw ("Building"). The Lease Contract was concluded for a period of 10 years. Both cases (brought by the Lessee for determining of non-existence of lease relationship and by the Lessor for payment of the rent) have been combined for joint examination. As a result of the last ruling of the Appeal Court (regarding building B1), and due to dismissal of the WOP BI's complaint by the Supreme Court's decision as of December 9, 2021, the case is fully returned to the Court of First Instance. Due to the guidelines contained in the judgment of the Court of Appeal in Warsaw as to the fact that the building rented by WOP BI for Polaqua should be considered to have defects, additional evidence from the expert's opinion will have to take into account how the defects of the building affected the amount of rent. We are waiting for the new judgment of the Court of First Instance.

The amounts are kept in the escrow account in the sale of office buildings – Wilanów Office Park B1 and Wilanów Office Park B3, to Polski Holding Nieruchomości Wilanów Sp. z o.o. on 1 July 2019. The amounts are secured against defects and possible claims resulting from court proceedings with Pol-Aqua. Due the fact that a detailed circumstances occurred (deletion of a given rights from the land and mortgage registry kept for the property), Polnord S.A. is able to ask the bank to release part of the escrow amount, and Polnord S.A. will be filing an application to release the amount of 4,683,640.85 PLN. Release of the applied escrow account should be released within 1-3 days from delivery of the proper application.

19. Interests in joint-ventures and associates

Compared to 2020 the investments accounted with equity method changed due to increase in the Net Assets of the joint ventures and associate, decreased with dividend and yield payment received and in case of ARGO N.V. decreased due to the initial public offering and increased of purchase of investments.

Investments in joint-ventures and associates

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
Cordia Global 6 Ingatlanbefektetési Részalap	744,782	1,083,641
Argo Properties N.V.	19,474,607	15,237,313
Group of Stacja Kazimierz	1,110,283	2,191,932
Group of Fadesa	1,758,762	2,975,869
Total investment value at year end	23,088,434	21,488,755

Share of profit/(loss) in associate and joint venture

<i>In thousands of Hungarian Forints (HUF)</i>	2021	2020
Bargain Gain on Polnord as associate	0	13,483,594
Share of profit and loss		
Cordia Global 6 Ingatlanbefektetési Részalap	3,211,141	196,181
Argo Properties N.V.	3,503,722	1,506,419
Stacja Kazimierz	(114,557)	60,832
Fadesa	(150,344)	137,382
Other	0	203,146
Total share of profit and loss in associate and joint venture	6,449,962	15,587,554

In the prior period Cordia realized 13 billion HUF on the acquisition of Polnord as an associate, please see Note 5. There is no similar transaction in the current period.

Cordia Global 6 development sub-fund

Cordia Global 6 development sub-fund consists of two projects named Marina Life 1 and 2. The entity is jointly controlled with a third-party Hungarian legal entity also operating in the real estate industry. During the financial year 320 residential units were handed over in the sales value of HUF 16,791 million.

<i>In thousands of Hungarian Forints (HUF)</i>	2021	2020
Opening	1,083,641	1,177,460
Change in investments	0	70,000
Profit/(Loss) attributable to Group	3,211,141	196,181
Yield received from the joint venture	(3,550,000)	(360,000)
Closing carrying amount	744,782	1,083,641

Argo Properties N.V.

ARGO Properties N.V. completed an initial public offering (IPO) on 11 May 2021 raising EUR 54m from investors at a pre-money valuation of EUR 270m. Cordia invested further EUR 3 million in ARGO during the IPO. The ownership percentage diluted due to the IPO, therefore the Group's share decreased compared to the 18% interest in ARGO at 31.12.2020. A small portion of shares was sold in September, therefore the stake at reporting date is 15.38%.

The Group is considered to maintain significant influence in Argo due to its right to delegate a member to the board of Argo and the fractured ownership structure of the entity Cordia is still considered to be one of the largest shareholders.

<i>In thousands of Hungarian Forints (HUF)</i>	2021	2020
Opening	15,237,313	0
Purchase of investments	1,069,807	13,133,136
Sale of investments	(616,851)	0
Profit or (Loss) attributable to the Group	3,503,722	1,506,419
Foreign currency translation difference	280,616	597,758
Closing carrying amount	19,474,607	15,237,313

ARGO's shares are listed on the Tel Aviv Stock Exchange (TASE) since 18 May 2021. As of 31 December, 2021 market price reached EUR 33.53 per share, which pushed the market value of the Group stake up to EUR 93.3 mn (HUF 34.4 bn), compared to EUR 52.8 mn (HUF 19.5 bn) book value in the Cordia Balance Sheet.

Stacja Kazimierz

The Stacja Kazimierz project is carried out jointly with Grupa Holdingowa Waryński S.A. Throughout Polnord S.A. Cordia Group is holding 50% directly in Stacja Kazimierz I Sp. z o.o., Stacja Kazimierz II Sp. z o.o. and Kazimierz Station III Sp. z o.o. Sp. k. The decrease in investments was withdrawal of shares. The other owner also withdrew its shares, therefore there was no change in the interest of shares. During the financial year 4 residential units were handed over in the sales value of HUF 273 million.

<i>In thousands of Hungarian Forints (HUF)</i>	2021	2020
Opening	2,191,932	0
Purchase of investments	0	2,131,100
Decrease in investments	(122,575)	0
Profit or (Loss) attributable to the Group	(114,557)	60,832
Dividend received	(847,115)	0
Foreign currency translation difference	2,598	0
Closing carrying amount	1,110,283	2,191,932

Fadesa

Polnord S.A. is holding 49% directly in Fadesa Polnord Polska Sp. z o.o. and 49% indirectly (via Fadesa Polnord Polska Sp. z o.o.) in FPP Powsin Sp. z o.o., Osiedle Innova Sp. z o.o., FPP Osiedle Moderno Sp. z o.o. The company was established jointly with the Spanish developer Martinsa Fadesa. During the financial year 67 residential units were handed over in the sales value of HUF 2,713 million.

<i>In thousands of Hungarian Forints (HUF)</i>	2021	2020
Opening	2,975,869	0
Purchase of investments	0	2,838,487
Profit or (Loss) attributable to the Group	(150,344)	137,382
Dividend received	(1,077,048)	0
Foreign currency translation difference	10,285	0
Closing carrying amount	1,758,762	2,975,869

20. Other Assets

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
Consideration paid for the acquisition of subsidiaries	0	1,944,588
Advances and prepayments made for inventories	1,139,001	780,795
Advances and prepayments made for services	934,050	439,198
Other prepaid expenses	324,529	452,010
Other current assets	602,352	598,880
Other	70,110	0
Total closing balance	3,070,042	4,215,471
Closing balance includes:		
Other long-term assets	0	204,147
Other short-term assets	3,070,042	4,011,324
Total closing balance	3,070,042	4,215,471

Balances presented as other assets are not a financial assets based on IFRS 9.

21. VAT receivables

Other tax receivables contains each year the receivables coming from different non-income tax type of taxes. The majority is VAT, balances from other taxes are not material. Since the Companies paid significant input VAT for their purchases and currently output VAT is not significant.

Based on the Hungarian legislation, in case advances from customers, VAT shall be paid by the Company upon receiving the advance from the customer. This amount is shown as other asset and it is deductible from the VAT payable upon invoicing the final invoice to the customer (i.e. upon handing over the finished apartments). Since finalizing the construction projects takes more than one year, the VAT related to project to be completed after 31 December 2022 is classified as non-current.

VAT receivables mainly contain VAT receivable relating to customer advance payments. Similarly to restricted cash, now Management's expectation is that these amounts may be realized within the normal operating cycle, therefore these balances are presented under current asset as at 31 December 2021.

22. Inventory

<i>In thousands of Hungarian Forints (HUF)</i>	Closing balance 31.12.2021	Closing balance 31.12.2020
<i>Lands and Acquisition costs</i>	66,934,057	53,230,385
<i>Construction and Engineering costs</i>	31,936,106	44,323,765
<i>Planning</i>	5,157,658	3,643,598
<i>Borrowing costs</i>	1,972,890	2,552,146
<i>Other, including capitalized VAT</i>	1,638,032	3,260,612
Work in progress	107,638,743	107,010,506
<i>In thousands of Hungarian Forints (HUF)</i>	Closing balance 31.12.2021	Closing balance 31.12.2020
Finished goods	18,974,483	33,350,862
<i>In thousands of Hungarian Forints (HUF)</i>	Closing balance 31.12.2021	Closing balance 31.12.2020
Goods for resale	135,336	230,669
<i>In thousands of Hungarian Forints (HUF)</i>	Closing balance 31.12.2021	Closing balance 31.12.2020
Advances for delivery of goods	330,346	214,988
<i>In thousands of Hungarian Forints (HUF)</i>	Closing balance 31.12.2021	Closing balance 31.12.2020
Rights of perpetual usufruct of land (lease)	5,111,356	4,505,874
<i>In thousands of Hungarian Forints (HUF)</i>	Closing balance 31.12.2021	Closing balance 31.12.2020
Write-down	(26,755)	(18,145)
<i>In thousands of Hungarian Forints (HUF)</i>	Closing balance 31.12.2021	Closing balance 31.12.2020
Total inventories at the lower of cost or net realizable value	132,163,509	145,294,754

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The Group examined a possible write-down on inventory for each project separately, according to the projection of revenues net of cost of sales. The inventory value is also supported by valuation reports prepared by independent property valuation experts.

The Group did not have to book significant write-down on its inventory. The closing balance of write down is HUF 26,755 thousands, HUF 18,145 thousands in 2020. Based on current market tendencies there is no indication of impairment triggering events. There is a significant puffer between the cost of inventory and its fair value which information is also presented within the Adjusted total assets in Note 43 at the bottom of the Assets as of 31.12.2021 and 31.12.2020.

For information about future commitments to the general contractor for construction services related to inventory construction, see Note 39.

Inventory is pledged and used to secure bank loans.

23. Financial assets and financial liabilities

This note provides information about the group's financial instruments, including:

- valuation method of financial assets and liabilities
- an overview of all financial instruments held by the group
- specific information about each type of financial instrument.

Fair Value estimation of financial assets and financial liabilities

The investments acquired during the first half of 2021 are valued at fair value through profit and loss. The valuation is performed yearly for the investments.

The remaining other short-term financial asset that is measured at fair value through profit or loss in the consolidated financial statements is another investment, that is not material in neither reporting period (the fair value of the listed investment is HUF 247,252 thousands at the current period end).

Derivative assets and liabilities are also measured at fair value through profit and loss. The underlying asset of the derivatives are shares traded on stock market, therefore 1 level information is used in the valuation with financial model at the reporting date.

All other financial assets and liabilities are measured at amortized cost. Furthermore, there are no non-financial assets or liabilities that are measured at fair value.

The fair value of the financial assets and liabilities measured at amortized cost approximates their carrying value, as they are loans and receivables either with variable interest rate (e.g. in the case of borrowings) or short-term receivables and liabilities, where the time value of money is not material (e.g. in case of related party loans).

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

The group holds the following financial instruments:

For the period ended 31 December 2021

<i>In thousands of Hungarian Forints (HUF)</i>	Financial assets at FV through P/L	Financial assets at amortized cost	Total
Non-current financial assets			
Long-term bank deposits	0	302,079	302,079
Other long-term receivables	0	6,180,484	6,180,484
Derivative assets	2,128,281	0	2,128,281
Other long-term financial assets	0	40,714	40,714
Restricted cash	0	30,432	30,432
Total Non-current financial assets	2,128,281	6,553,709	8,681,990
Current financial assets			
Other financial assets	17,103,967	361,020	17,464,987
Restricted Cash	0	3,979,801	3,979,801
Short-term receivables from related parties	0	546,922	546,922
Trade and other receivables less Other tax receivables	0	2,041,162	2,041,162
Cash and cash equivalents	0	53,590,085	53,590,085
Total Current financial assets	17,103,967	60,518,990	77,622,957
Total financial assets	19,232,248	67,072,699	86,304,947

Long-term bank deposits

Amounts deposited by the SPVs (Special Purpose Vehicle) mainly as guarantees provided for the infrastructure development requirement for the state. It will be paid back to the SPVs after their obligation is fulfilled.

Other long-term receivables

Long-term receivables from third parties are mostly claims from litigation in Polnord detailed in Note 18.

Derivative assets

ARGO Properties N.V. issued an option warrant letter to the Group prior to the initial public offering (IPO) in May 2021. The Group has been granted options to acquire 500,000 shares of ARGO. The exercise period begins after 4 years of the trade date of shares on TASE, 11 May 2021 and the option is exercisable within a three months period. Exercise price shall be nominal price at an amount equal to 25% above the share price in the issuance under Argo's IPO Prospectus (70.09 NIS / share). The option warrant is presented at fair value on the reporting date. The fair value was measured with the Black-Scholes model. The group has unrealized fair valuation gain on this option.

Other long-term financial assets

Treasury bills were classified as Other financial assets and measured at fair value in the prior year.

Restricted cash

The Restricted Cash relating to the payments that were deposited in escrow accounts by the customers purchasing premises in the projects of the Cordia Group. In the event that certain requirements are met, these payments can be released and used for project financing purposes based on which they will be reclassified to the cash and cash equivalent balance sheet line.

Restricted cash also contains deposits made in non-liquid collateral accounts which serve as guarantees for the subcontractors working on the projects. This money can be retrieved at the end of the project when all subcontractors have been duly paid.

Other financial assets:

Most of this amount consist the passive financial investment in three British entities in which the Group sees substantial growth potential through value appreciation and also gives access to know-how in different business models. Currently the group has such investments in RAF I fund managed by Matter Real Estate, St Arthur Homes Limited and Auxesia Homes. These investments are normally valued only once at the end of the year. These investments are considered to be financial investments from IFRS classification point of view as the Group has neither control nor significant influence. These investments are classified as current assets as The Group plans to sell them in the near future.

RAF I

On 7 May 2021, the Group invested in "Real Asset Fund I", a real estate investment fund with a select few large investors, managed by the London-based investment manager, Matter Real Estate. The stake in the fund is ca. 10%. The fund finances 3 development entities in England and Ireland. The funding for these developers is a mix of equity and debt. The fund acquires a majority stake in the operating entity, as well as provides a revolving debt facility for project financing. There are two residential developers – Placefirst in England and Genesis in Ireland – as well as an Irish health care facility developer called Zest, which the fund invests with. It is a passive investment for Cordia.

St Arthur Homes Limited

On 29 March 2021, the Group established a company named STAH S.C.Sp together with Matter Real Estate (formerly ESO Capital). The STAH S.C.Sp owns 60% of St Arthur Homes Limited (STAH), an English FPRP (For Profit Registered Provider), which is a housing association providing affordable homes. Cordia's share in STAH S.C.Sp is 70%. Additionally, STAH S.C.Sp – through a separate FinCo – provides a revolving credit facility to STAH for acquisition purposes. STAH's operation is exclusively focused on the shared ownership tenure of affordable housing. STAH buys homes from developers at a large discount or with the help of affordable housing grants. Each unit is then managed under a shared ownership scheme, ie. STAH sells a portion (usually 40%) of the unit to a buyer, while for the remaining 60% the buyer pays a rent.

Auxesia Homes

On 17 May 2021, the Group entered into another financial investment with Matter Real Estate. Just like STAH, Auxesia Homes is also a For Profit Registered Provider of affordable housing. The difference with STAH is that Auxesia operates in the North of England, provides both shared ownership and affordable rent tenures, and services mostly army veterans, NHS workers and “blue light” emergency workers such as fire fighters, policemen, etc., who are considered to be the most reliable and sought after tenants. The deal is an 80/20 joint venture between Cordia and Matter Real Estate to buy 60% of Auxesia and provide a revolving credit facility.

For the year ended 31 December 2020

<i>In thousands of Hungarian Forints (HUF)</i>	Financial assets at FV through P/L	Financial assets at amortized cost	Total
Non-current financial assets			
Long term bank deposits		204,602	204,602
Other long term receivables		7,488,121	7,488,121
Other long term financial assets		33,477	33,477
Restricted cash		895,826	895,826
Total Non-current financial assets	0	8,622,026	8,622,026
Current financial assets			
Other short-term financial assets	6,231,886	273,605	6,505,491
Restricted Cash		4,389,570	4,389,570
Short-term receivables from related parties		412,769	412,769
Trade and other receivables less Other tax receivables		2,583,923	2,583,923
Loan receivable		5,230,000	5,230,000
Cash and cash equivalents		66,534,808	66,534,808
Total Current financial assets	6,231,886	79,424,675	85,656,561
Total financial assets	6,231,886	88,046,701	94,278,587

For the period ended 31 December 2021

<i>In thousands of Hungarian Forints (HUF)</i>	Financial liabilities at FV through P/L	Financial liabilities at amortized cost	Total
Non-current financial liabilities			
Loans and borrowings	0	10,497,483	10,497,483
Bond	0	91,250,362	91,250,362
Lease liabilities	0	5,726,544	5,726,544
Amount withheld for guarantees	0	784,402	784,402
Total Non-current financial liabilities	0	108,258,791	108,258,791
Current financial liabilities			
Trade and other payables	0	12,910,027	12,910,027
Loans and borrowings	0	3,417,677	3,417,677
Short-term liabilities to related parties	0	837,281	837,281
Bond	0	342,269	342,269
Lease liabilities	0	12,723,130	12,723,130
Current derivative liabilities	440,807	0	440,807
Total Current financial liabilities	440,807	30,230,384	30,671,191
Total financial liabilities	440,807	138,489,175	138,929,982

For the year ended 31 December 2020

In thousands of Hungarian Forints (HUF)

	Financial liabilities at amortized cost	Total
Non-current financial liabilities		
Loans and borrowings	8,308,903	8,308,903
Bond	85,925,646	85,925,646
Lease liabilities	6,921,749	6,921,749
Amount withheld for guarantees	1,301,097	1,301,097
Total Non-current financial liabilities	102,457,395	102,457,395
Current financial liabilities		
Trade and other payables	16,328,131	16,328,131
Loans and borrowings	31,708,301	31,708,301
Short-term liabilities to related parties	1,549,807	1,549,807
Bond	5,280,690	5,280,690
Lease liabilities	10,565,727	10,565,727
Total Current financial liabilities	65,432,656	65,432,656
Total financial liabilities	167,890,051	167,890,051

24. Receivables from related parties

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

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
Trade receivables	281,438	196,785
Loan receivables	37,793	0
Accrued revenue	226,820	211,499
Other receivables	871	4,485
Total closing balance	546,922	412,769
Closing balance includes:		
Current assets	546,922	412,769
Non-current assets	0	0
Total closing balance	546,922	412,769

25. Loan receivable

In the prior year the Parent company provided a short term interest free loan facility to Pedrano Construction Kft. and Pedrano Homes Kft., which are the general contractors in numerous Hungarian projects and are considered strategic partners. This advance payment is to finance construction of Cordia projects.

26. Trade and other receivables

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

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
Gross trade receivables	599,245	1,031,902
Decreased by impairment	(11,068)	(74,936)
Net trade receivables	588,177	956,966
Vendor overpayment	60,499	8,770
Accrued revenue	507,058	538,007
Accrued interest	0	3,003
Advances for the acquisition of real estate	88,330	87,219
Other taxes receivables	57,342	51,458
Other receivables	797,099	949,163
Total trade and other receivables	2,098,505	2,594,586

The balances from Polnord acquisition were recognized on fair value at the acquisition date in the prior year. Trade and other receivables are regularly examined and monitored by the Management. The presented balances are considered recoverable.

The Other receivables balance contains the short-term receivables part of the long-term receivables 'Amounts kept in the escrow account in connection with the sale of office buildings' in the amount of THUF 376,096, Note 18.

Classification as trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as noncurrent assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. The group's impairment and other accounting policies for trade and other receivables are outlined in different notes respectively.

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and payable within three years from the end of the reporting period.

The following tables presents the maturity of trade receivables:

<i>In thousands of Hungarian Forints (HUF)</i>		31.12.2021	31.12.2020
Trade receivables			
Overdue	Not	155,208	152,952
	1-30 days	54,368	44,407
	31-90 days	72,697	186,193
	91-364 days	74,569	140,208
	365+ day	242,403	508,142
Total closing balance		599,245	1,031,902

<i>In thousands of Hungarian Forints (HUF)</i>		Cordia without Polnord	Polnord	Total 31.12.2021
Trade receivables				
Overdue	Not	150,659	4,549	155,208
	1-30 days	49,663	4,705	54,368
	31-90 days	71,015	1,682	72,697
	91-364 days	43,948	30,621	74,569
	365+ day	54,186	188,217	242,403
Total closing balance		369,471	229,774	599,245

<i>In thousands of Hungarian Forints (HUF)</i>		Cordia without Polnord	Polnord	Total 31.12.2020
Trade receivables				
Overdue	Not	49,109	103,843	152,952
	1-30 days	8,158	36,249	44,407
	31-90 days	39,240	146,953	186,193
	91-364 days	87,245	52,963	140,208
	365+ day	17,597	490,545	508,142
Total closing balance		201,349	830,553	1,031,902

The aged trade receivable balances are increased due to the acquisition of Polnord group in the prior year. These trade receivables were recognized at fair value at acquisition.

From the overdue trade receivables HUF 159 million is related to Cordia FM, the subsidiary mainly provides services for condominiums.

As at 31 December

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
Opening	74,936	8,588
Impairment loss	7,504	66,348
Reversal of impairment	(72,281)	0
CTA	909	0
Closing impairment balance	11,068	74,936

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
HUF	741,886	196,472
EUR	65,806	60,538
PLN	1,176,497	1,867,795
RON	54,591	12,053
GBP	59,725	457,728
Total closing balance	2,098,505	2,594,586

27. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, short-term deposits or other highly liquid short-term financial instrument which are freely available for the Group and customer advances (restricted cash) available for project financing. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits have a duration varying between one day and three months depending on the immediate cash requirements of the Group. As at 31 December 2021 they earn interest at the respective short-term deposit rates.

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
Cash at bank and in hand	47,279,739	21,142,495
Short-term bank deposit	0	27,190,272
Discount treasury bill	0	7,476,572
Restricted cash	6,310,346	10,725,469
Total cash and cash equivalents	53,590,085	66,534,808

The restricted cash classified as cash equivalent are related to cash received from customers as advance payments for financing the projects and the cash withdrawn from the project loan facilities. The banks providing loan financing have light restriction over these funds to secure their loan facility, however the approval process to use these funds are considered perfunctory. The cash, which is deposited in the accounts with some restrictions applicable, can be fully and immediately exploited by the subsidiaries in order to net with the pre-agreed financial liabilities (e.g. bank loans) as well as to finance the relevant costs of the projects co-financed by the customers buying apartments not later than within a few banking days.

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

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
EUR	7,700,861	7,750,300
PLN	15,973,012	14,507,790
HUF	27,033,884	44,065,299
RON	337,228	155,329
GBP	1,579,656	40,481
USD	128	15,609
ILS	965,284	0
Other	32	0
Total cash and cash equivalents	53,590,085	66,534,808

There is no pledge over cash and cash equivalents.

Please see the financial institutions with credit ratings.*

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
A	965,092	2,407,973
A+	1,648	168
AA	0	2,913
A-	23,926,730	19,505,814
AA-	2,625,754	111,784
A2	19,314	0
BA1	0	12
BAA2	0	2,738,549
BBB+	12,721,101	455,036
BBB	1,060,484	20,037,707
BBB-	3,377,511	6,166,595
BB+	0	2,305,742
BB	437,051	31,449
B	0	459,126
C	683,935	0
Cash at hand	9,655	6,105
N/A	7,761,810	12,305,835
Total cash and cash equivalents	53,590,085	66,534,808

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

28. Loans and borrowings

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

For the period ended 31 December		
<i>In thousands of Hungarian Forints (HUF)</i>	2021	2020
Opening balance	40,017,204	25,614,914
Acquisitions	0	1,430,274
New bank loan drawdown	14,647,047	33,908,390
Loan repayments	(39,986,441)	(21,164,559)
Deconsolidation KB DOM	(767,357)	0
Other changing (FX, other)	4,707	228,185
Total closing balance	13,915,160	40,017,204
<i>In thousands of Hungarian Forints (HUF)</i>		
	31.12.2021	31.12.2020
Closing balance includes:		
Current liabilities	3,417,677	31,708,301
Non-current liabilities	10,497,483	8,308,903
Total closing balance	13,915,160	40,017,204
<i>In thousands of Hungarian Forints (HUF)</i>		
	31.12.2021	31.12.2020
HUF	9,396,029	32,531,735
EUR	2,224,289	4,156,544
PLN	1,312,887	2,793,234
RON	171,389	78,648
GBP	810,566	457,043
Total closing balance	13,915,160	40,017,204

Conditions of significant bank loans:

As at the period ended 31 December 2021

Legal entity	Bank	Loan Type	Maturity	Currency	Loan facility in currency	Withdrawn loan amount in THUF	Interest rate base
CG5	Takarék Kereskedelmi Bank Zrt.	Construction loan	2022.03.24	HUF	3,030,000,000	2,708,246	BUBOR 1M+margin
CG5	Takarék Kereskedelmi Bank Zrt.	VAT loan	2022.03.24	HUF	100,000,000	28,207	BUBOR 1M+margin
CG13	Takarék Kereskedelmi Bank Zrt.	Construction loan	2024.02.09	HUF	6,951,289,000	4,065,180	BUBOR 1M+margin
CG13	Takarék Kereskedelmi Bank Zrt.	VAT loan	2024.02.09	HUF	150,000,000	71,092	BUBOR 1M+margin
CG16	Takarék Kereskedelmi Bank Zrt.	Construction loan	2025.09.07	HUF	4,561,910,400	691,389	BUBOR 1M+margin
CG16	Takarék Kereskedelmi Bank Zrt.	VAT loan	2025.09.07	HUF	150,000,000	20,530	BUBOR 1M+margin
CG27	CIB Bank Zrt.	Land loan	2027.02.03	HUF	3,250,000,000	1,811,385	BUBOR 6M+margin
PPK2	Alior Bank	Construction loan	2022.09.30	PLN	53,281,304	376,788	WIBOR 3M+margin
PPK2	Alior Bank	VAT loan	2022.04.30	PLN	2,000,000	93,389	WIBOR 3M+margin
PPW3	Santander Bank Polska S.A.	Construction loan	2025.01.25	PLN	46,446,760	384,194	WIBOR 1M+margin
PPW3	Santander Bank Polska S.A.	VAT loan	2025.01.25	PLN	4,000,000	18,723	WIBOR 1M+margin
PPW6	Powszechna Kasa Oszczędności Bank Polski S.A. PKO	Construction loan	2024.06.30	PLN	63,400,000	439,714	EURIBOR 3M+margin
RCPR	OTP Bank Romania S.A.	Construction loan	2023.03.31	EUR	3,480,000	666,882	EURIBOR 3M+margin
RCPR	OTP Bank Nyrt.	VAT loan	2023.03.31	EUR	8,120,000	1,557,038	EURIBOR 3M+margin
RCPR	OTP Bank Romania S.A.	Construction loan	2022.09.30	RON	4,948,000	171,389	ROBOR 3M+margin
SCFD	Banco Sabadell	Construction loan	2044.06.30	EUR	27,571,000	369	EURIBOR 1M+margin
UBDG	HSBC Bank plc	UK COVID Bounceback loan	2021.11.09	GBP	50,000	21,611	Free
UBSP	HSBC Bank plc	UK COVID Bounceback Loan	2021.10.07	GBP	50,000	21,221	Free
Total of fully consolidated entities						13,147,347	

Conditions of significant borrowings from partners:

As at the period ended 31 December 2021

Legal entity	Partner	Loan Type	Maturity	Currency	Loan facility	Withdrawn loan amount in THUF	Interest rate base
UBDG	Kandler Investments	Loan from previous owner	2021.12.31	GBP	875,110	385,075	Free
UBSP	Marcus Hawley	Pre-acquisition loan	2021.12.31	GBP	4,702	2,069	Free
UCBH	Marcus Hawley	Construction loan	2025.09.03	GBP	864,920	380,590	Free
Total of fully consolidated entities						767,734	
PSK2	Jointly from Polnord Finanse 50% and MS Waryński50%	Operative financing	2021.12.31	PLN	160,000	85,684	5%
Total including JVs and associates						853,418	

The remaining balance of Loans and borrowings is overdraft in Polish entity in the amount of 79 thousand HUF.

Conditions of significant bank loans:

As at the period ended 31 December 2020:

Legal entity	Bank	Loan Type	Maturity	Loan currency	Loan facility in currency	Withdrawn loan amount in THUF	Interest rate base
CG3	Takarék Kereskedelmi Bank Zrt.	Construction loan	2021.03.12	HUF	4,730,000,000	3,715,604	BUBOR 1M+margin
CG3	Takarék Kereskedelmi Bank Zrt.	VAT Loan	2021.03.12	HUF	100,000,000	60,965	BUBOR 1M+margin
CG5	Takarék Kereskedelmi Bank Zrt.	Construction loan	2021.09.26	HUF	3,030,000,000	2,367,364	BUBOR 1M+margin
CG5	Takarék Kereskedelmi Bank Zrt.	VAT loan	2021.09.26	HUF	100,000,000	24,229	BUBOR 1M+margin
CG9	K&H Bank Zrt.	Land loan	2021.09.30	HUF	2,700,000,000	1,865,931	BUBOR 1M+margin
CG9	K&H Bank Zrt.	VAT loan	2021.09.30	HUF	150,000,000	0	BUBOR 1M+margin
CG10	OTP Bank Nyrt.	Construction	2022.03.31	HUF	4,610,000,000	3,766,906	BUBOR 1M+margin
CG12	K&H Bank Zrt.	Construction loan	2021.09.30	HUF	7,500,000,000	7,308,067	BUBOR 1M+margin
CG12	K&H Bank Zrt.	VAT loan	2021.09.30	HUF	150,000,000	54,247	BUBOR 1M+margin
CG13	Takarék Kereskedelmi Bank Zrt.	Construction loan	2024.02.09	HUF	6,951,289,000	653,356	BUBOR 1M+margin
CG13	Takarék Kereskedelmi Bank Zrt.	VAT loan	2024.02.09	HUF	150,000,000	2,721	BUBOR 1M+margin
CG17	Takarék Kereskedelmi Bank Zrt.	Construction loan	2022.04.02	HUF	5,580,000,000	4,449,990	BUBOR 1M+margin
CG17	Takarék Kereskedelmi Bank Zrt.	VAT loan	2022.04.02	HUF	100,000,000	91,036	BUBOR 1M+margin
CG18	OTP Bank Nyrt.	Construction loan	2021.12.31	HUF	7,260,000,000	6,292,004	BUBOR 1M+margin
CG18	OTP Bank Nyrt.	VAT loan	2021.12.31	HUF	200,000,000	67,929	BUBOR 1M+margin
CG27	CIB Bank Zrt.	Construction loan	2027.02.03	HUF	3,250,000,000	1,811,385	BUBOR 6M+margin
KB DOM	ING	Construction loan	2019.09.30	PLN	9,775,000	775,060	WIBOR 3M+margin
PPK2	Alior Bank	Construction loan	2022.09.30	PLN	53,281,304	0	WIBOR 3M+margin
PPK2	Alior Bank	VAT loan	2022.04.30	PLN	2,000,000	0	WIBOR 3M+margin
PPW2	Powszechna Kasa Oszczędności Bank Polski S.A.	Construction loan	2022.06.30	PLN	61,725,000	1,835,670	WIBOR 3M+margin
PPW2	Powszechna Kasa Oszczędności Bank Polski S.A.	VAT loan	2022.06.30	PLN	3,000,000	181,637	WIBOR 3M+margin
PPW4	Alior Bank	Construction loan	2023.08.15	PLN	41,455,546	0	WIBOR 3M+margin
PPW4	Alior Bank	VAT loan	2022.12.15	PLN	1,500,000	0	WIBOR 3M+margin
RCPR	OTP Bank Nyrt.	Construction loan	2023.03.31	EUR	11,060,000	2,903,689	EURIBOR 3M+margin
RCPR	OTP Bank Romania S.A.	VAT loan	2022.09.30	RON	4,779,800	78,648	ROBOR 3M+margin
RCPR	OTP Bank Romania S.A.	Construction loan	2023.03.31	EUR	4,740,000	1,245,405	EURIBOR 3M+margin
RCPR	OTP Bank Nyrt.	Construction loan	2023.03.31	EUR	8,120,000	0	EURIBOR 3M+margin
RCPR	OTP Bank Romania S.A.	VAT loan	2023.03.31	RON	1,000,000	0	ROBOR 3M+margin
RCPR	OTP Bank Romania S.A.	Construction loan	2023.03.31	EUR	3,480,000	0	EURIBOR 3M+margin
UBDG	HSBC Bank plc	UK COVID Bounceback loan	2021.11.09	GBP	50,000	20,308	Free
UBSP	HSBC Bank plc	UK COVID Bounceback Loan	2021.10.07	GBP	50,000	20,308	Free
Total of fully consolidated entities						39,592,459	

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

29. Customer advances received

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

In thousands of Hungarian Forints (HUF)

Legal entity	Project name	31.12.2021	31.12.2020
CD2	Thermal Zugló 3	149,948	900,995
CG10	Sasad Hilltop	143,006	1,550,554
CG11	Grand Corvin	15,792	1,962,160
CG12	Marina Portside	1,336,617	2,492,479
CG13	Universo	3,982,002	2,872,428
CG14	Sasad Resort Panorama	1,081,852	0
CG16	Termál Zugló 4	996,528	44,538
CG17	Young City 3	1,125,969	1,313,395
CG18	Akadémia Garden	580,806	2,473,457
CG19	Grand Corvin 2	10,766,681	6,704,261
CG3	Young City	0	1,722,044
CG3	Young City 2	59,517	16,510
CG5	Grand'Or	3,120,039	1,206,862
CG7	Marina Garden	0	251,972
CG8	Sasad Resort Hill	0	114,871
CG8	Sasad Resort Sun	0	151,217
CG9	Centropolitan	416,460	951,192
CG20	Naphegy 12	96,667	0
CG22	Millennium Residence 1	480,921	0
CG25	I6 Residence	71,347	0
CG28	Sasad Resort Sunlight	125,039	0
COR	N/A	170,211	22,727
RCPR	Parcului20-1	191,003	1,582,726
RCPR	Parcului20-2	1,075,957	47,491
PPK1	Lotniczówka	52,615	235,140
PPW1	Zielone Bemowo 2	631	3,988,201
PPW1	Zielone Bemowo 1	51,303	0
PPW2	Horyzont Praga	1,878,727	1,414,926
PPW3	Fantazja 1	1,969,158	11,497
PPK3	Bokserska	14,454	11,894
PPW4	Jaškowa Dolina 1	1,301,143	3,172
PPW4	Jaškowa Dolina 2	485,200	0
PPK2	Jerozolimska	1,140,816	36,449
PPK4	Safrano	117,528	0
PPW6	Leśna Sonata	688,253	0
SCFD	Jade Tower- Fuenghirola	64,206	0
PNAP	Fotoplastykon II	0	82,904
PNAP	Fotoplastykon III	0	35,515
PNAP	Morena Studio	0	197,637
PNBW	Wilania	22,339	578,001
PNRE	Wiktoria	73,280	1,198,656
PSRW	Wioletta	845,835	182,691
UBDG	The Gothic	880	0
Other	N/A	38,998	109,666
Total of fully consolidated entities		34,731,728	34,468,228

In thousands of Hungarian Forints (HUF)

Legal entity	Project name	31.12.2021	31.12.2020
CG6	Marina Life	169,970	2,383,084
CG6	Marina Life 2	540,667	1,580,904
PSK3	Stacja Kazimierz building 4AB	2,661,431	0
POSI	Osiedle Innova	64,240	0
PFPP	Innova Concept	0	5,137,379
Total including JVs and associates		38,168,036	43,569,595

For the year ended

In thousands of Hungarian Forints (THUF)

	2021	2020
Opening balance of customer advances	34,468,228	40,810,106
Increase due to Acquisition	0	13,254,710
Increase in contract liabilities from customer advances received for not completed performance obligations	22,014,603	13,194,889
VAT related contract liability decrease that was included in the contract liability balance at the beginning of the period	(765,398)	(1,239,777)
Revenue recognised that was included in the contract liability balance at the beginning of the period	(21,084,570)	(31,755,803)
Other changing (FX, other)	98,865	204,103
Closing balance of customer advances	34,731,728	34,468,228

In thousands of Hungarian Forints (HUF)

	31.12.2021	31.12.2020
Closing balance includes:		
Current customer advance	30,556,403	24,722,164
Non-current customer advance	4,175,325	9,746,064
Total closing balance	34,731,728	34,468,228

30. Liabilities to related parties

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

In thousands of Hungarian Forints (HUF)

	31.12.2021	31.12.2020
Trade payables	180,744	151,103
Accrued expenses payables	656,537	543,030
Advance dividends received	0	855,674
Total closing balance	837,281	1,549,807
Closing balance includes:		
Current liabilities	837,281	1,549,807
Non-current liabilities	0	0
Total closing balance	837,281	1,549,807

There were no related party loans and borrowings as at 31 December 2021 and 31 December 2020.

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

31. Trade and other payables

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

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
Trade payables	10,302,452	14,018,481
Accrued expenses	1,452,717	1,173,342
Other payables	251,873	702,465
Deferred income	64,732	433,843
Advance payment for the sale of real estate	838,253	0
Closing balance	12,910,027	16,328,131

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

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
HUF	7,695,802	10,792,813
EUR	1,008,252	968,573
PLN	3,320,404	3,936,781
RON	410,334	503,958
GBP	465,815	121,608
USD	5,473	4,398
Other	3,947	0
Total closing balance	12,910,027	16,328,131

32. Amount withheld for guarantees

Amounts withheld for guarantees is the contractual amount that the Group withholds from the vendor's final invoice at the time of delivery. The remaining amount serves as security for the Cordia Group's warranty rights. Amounts where the expected payment date is after the balance sheet date by more than 1 year are presented among non-current liabilities. The Group believes, that – since the payment date is generally within 2 years – the impact of discounting would be wholly immaterial, therefore presents these balances using the contractual amounts.

33. Leasing Liabilities

This note provides information for leases where the group is a lessee.

The lease liabilities are calculated and presented based on IFRS16 Leasing standard which is requiring to present the discounted value of expected future cash-flows on this matter. By nature it is related to the Polish rights of perpetual usufruct of land (lease) and Investment properties.

<i>In thousands of Hungarian Forints (HUF)</i>	2021	2020
Opening balance	17,487,476	2,961,357
Acquisition	0	14,092,875
Recognition of new lease liability	569,933	197,956
Derecognition of lease liability	(12,363)	(55,728)
Interest expense	848,783	719,799
Foreign exchange difference	(4,783)	82,495
Currency translation adjustment	309,256	152,114
Repayment of lease liability	(748,628)	(663,392)
Total closing balance	18,449,674	17,487,476
Closing balance includes:		
Short-term lease liabilities	12,723,130	10,565,727
Long-term lease liabilities	5,726,544	6,921,749
Total closing balance	18,449,674	17,487,476

The majority of the lease liability relates to the Polnord group acquired amounts. Please see the breakdown of the lease liability of Polnord based on the asset class below as of the reporting date.

<i>In thousands of Hungarian Forints (HUF)</i>	Cordia group without Polnord	Polnord	Total 2021
Leasing liability related to property, plant and equipments	532,774	403,284	936,058
Leasing liability related to investment property	0	10,798,583	10,798,583
Leasing liability related to inventory	1,113,764	0	1,113,764
Leasing liability related to rights of perpetual usufruct of land within inventory	2,181,648	3,419,621	5,601,269
Total closing balance of leasing liabilities	3,828,186	14,621,488	18,449,674

The statement of profit or loss shows the following amounts relating to leases except for depreciation charges of Right of use assets:

<i>In thousands of Hungarian Forints (HUF)</i>	Note	2021	2020
Interest expense	13	848,783	719,799
Expense relating to short-term leases	9	284,822	0
Expense relating to leases of low-value assets that are not shown above as short-term leases	9	1,701	0
Expense relating to variable lease payments not included in lease liabilities		0	0

The total cash outflow for leases in 2021 was 701,341 thousand HUF and 558,407 thousand HUF in 2020.

34. Provision

Most of the provisions were acquired with the acquisition of Polnord group in 2020.

<i>In thousands of Hungarian Forints (THUF)</i>	2021YE	2020YE
Provision for severance pays, retirement benefits, holidays and similar	74,748	142,478
Provisions for warranties	613,456	506,302
Provisions for legal claims	369,784	527,860
Provisions for onerous contract	668,838	818,184
Provision for PWUG (interest and principal)	4,089,338	3,926,379
Other	562	95,809
Total provision	5,816,726	6,017,012

Provision for warranty repairs are recognised in relation to development projects in the subsidiaries of Polnord S.A. The provision created for legal claims is related to housing associations' claim against Polnord projects in Olsztyn and Tricity. The onerous contract provision is for liabilities and litigations in relation to a vacant space in Polnord's subsidiary office building.

Polish subsidiaries are the parties in litigation with the National Support Centre for Agriculture involvement, related to perpetual usufruct of land in area of the Warsaw's Wilanów District and the connected annual fees for which the Group has provision as the right of perpetual usufruct of land.

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
Closing balance includes:		
Current liabilities	4,621,649	5,173,497
Non-current liabilities	1,195,077	843,515
Total closing balance	5,816,726	6,017,012

Movements in provision during the financial year

For the period ended 31 December 2021

<i>In thousands of Hungarian Forints (THUF)</i>	Employee related provision	Warranties	Legal claim	Onerous contract	Perpetual usufruct	Other	Total
Carrying amount at start of year	142,478	506,302	527,860	818,184	3,926,379	95,809	6,017,012
Charged/credited to profit or loss							
<i>Additional provision recognised</i>	58,933	127,786	0	10,485	178,592	0	375,796
<i>Unused amounts reversed</i>	(17,387)	0	0	(44,605)	0	(3,008)	(65,000)
Amounts used during the year	(84,471)	(48,104)	(161,647)	(211,003)	0	0	(505,225)
Reclassification	(1,303)	19,196	0	141,628	(67,292)	(92,229)	0
Deconsolidation of KB DOM	(23,786)	0	0	(53,044)	0	0	(76,830)
Revaluation at year end	78	0	0	259	0	0	337
Currency Translation Adjustment	206	8,276	3,571	6,934	51,659	(10)	70,636
Closing balance	74,748	613,456	369,784	668,838	4,089,338	562	5,816,726

For the period ended 31 December 2020							
<i>In thousands of Hungarian Forints (THUF)</i>	Employee related provision	Warranties	Legal claims	Onerous contract	Perpetual usufruct	Other	Total
Carrying amount at start of year	9,936	0	0	0	0	92,215	102,151
Acquired through business combination	657,140	269,958	438,017	2,045,185	3,749,951	0	7,160,251
Charged/credited to profit or loss							
<i>Additional provision recognised</i>	88,653	271,814	88,066	650,810	151,427	3,580	1,254,350
<i>Unused amounts reversed</i>	(215,862)	(38,694)	(1,584)	(1,192,298)	0	0	(1,448,438)
<i>Unwinding of discount</i>	0	0	0	0	0	0	0
Amounts used during the year	(399,167)	0	0	(692,923)	0	0	(1,092,090)
Currency Translation Adjustment	1,778	3,224	3,361	7,410	25,001	14	40,788
Carrying amount at end of year	142,478	506,302	527,860	818,184	3,926,379	95,809	6,017,012

35. Bonds

The Group has carried out a successful bond issue on 5 November 2019 (Cordia 2026/I). The financial settlement date is 7 November 2019, the maturity is 7 November 2026. The amount of funds raised is HUF 44.4 billion. The capitalization rate equals to the effective interest rate of the Bonds.

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

On 10 December 2020 a tap issuance was performed on the bond series named "CORDIA2030/I HUF" with the same conditions. The tap issuance consisted of 80 Bonds with a total face value of HUF 4,000,000,000 (i.e. four billion Hungarian forints).

On 15 July 2021, the wholly owned subsidiary Cordia Polska Finance z.o.o. ("CPF") successfully completed its series A Bonds issuance program in the total aggregate nominal value of PLN 68,797,000. The 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 organised by Warsaw Stock Exchange under CPF0724 code since 29 July 2021.

Due to the acquisition of POLNORD bond liabilities increased in 2020. As of 31 December 2021 all bonds acquired were repaid in line with the maturity date as presented in the movement table of bond liability.

The table below presents the movement in bond related liabilities:

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
Opening balance	91,206,336	44,490,029
Increase due to acquisition	0	10,649,570
Proceeds from bond loans	5,305,596	41,450,840
Repayment of bond loans	(4,879,375)	(2,851,269)
Redemption	0	(2,913,908)
Effective interest	2,956,262	2,469,743
Interest payment	(3,056,680)	(2,124,218)
Other	60,492	35,549
Total closing balance	91,592,631	91,206,336

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
Closing balance includes:		
Current liabilities	342,269	5,280,690
Non-current liabilities	91,250,362	85,925,646
Total closing balance	91,592,631	91,206,336

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
HUF	86,033,982	86,262,488
PLN	5,558,649	4,943,848
Total closing balance	91,592,631	91,206,336

Bond terms and conditions

Please see the bond conditions summarised below.

Bond series	Cordia 2026/I	Cordia 2030/I	Cordia 2030/I tap issuance	Cordia Polska 2024/A
ISIN code	HU0000359211	HU0000359773	HU0000359773	PLCRDPF00017
Date of issuance	07 Nov 2019	July 27, 2020	July 27, 2020	July 15, 2021
Maturity	07 Nov 2026	July 27, 2030	July 27, 2030	July 15, 2024
Face value	44,000,000,000 HUF	36,000,000,000 HUF	4,000,000,000 HUF	68,797,000 PLN
Bond issued	880	720	80	68,797
Face value/Bond	50,000,000 HUF	50,000,000 HUF	50,000,000 HUF	1,000 PLN
Coupon	Fixed 4%	Fixed 3%	Fixed 3%	WIBOR 6M + 4,25%
Coupon payment frequency	Semi-annually	Semi-annually	Semi-annually	Semi-annually
Coupon payment date	November 7, May 8	January 27, July 27	January 27, July 27	January 13, 13 July

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.

Bond terms and conditions of bond series Cordia Polska 2024/A:

The total aggregate nominal value of the bond is PLN 68,797,000. Interest is payable semi-annually on the face value of PLN 1,000 per Bond. 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.

Relating to the Bond issue, Cordia has undertaken a suretyship for a duration until no later than 13 July 2025 and with voluntary submission to the enforcement for the payment obligations deriving from the Bonds up to the total amount of PLN 103,195,500.

All bond series share the same Issuer Undertakings, please see details on the next page.

Valuation of the Bond liability

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

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

Issuer undertakings:

No Shareholder Distributions and no New Acquisition shall be made in case any of the following conditions are not met, calculated on the basis of the most recently published financial statements of the Issuer:

- (i) the Consolidated Leverage Ratio does not exceed 65 %, and
- (ii) the Issuer Net Debt to Equity Ratio does not exceed 1.

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

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

Net Consolidated Debt = CD - C – RC

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

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

C = Cash and Cash Equivalents;

RC = Restricted Cash meaning

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

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

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

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
Consolidated Debt (CD)	111,324,517	137,240,527
Cash and Cash Equivalents (C)	53,590,085	66,534,808
Restricted cash (RC)	2,542,420	376,375
Net Consolidated Debt	55,192,012	70,329,344
Total Assets (TA)	280,094,854	285,935,228
Customer Advances (CA)	34,731,728	34,468,228
Cash and cash equivalents (C)	53,590,085	66,534,808
Restricted cash (RC)	2,542,420	376,375
Total Consolidated Assets net of Cash & Customer Advances	189,230,621	184,555,817
Consolidated Leverage Ratio	29.17%	38.11%

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

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

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

Issuer Debt means the loans and borrowings of the Issuer from entities outside of 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 members of the Cordia Group), but not including any debt that is subordinated to the Bonds.

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

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

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

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

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

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

<i>In thousands of Hungarian Forints (HUF)</i>	31.12.2021	31.12.2020
Share capital	18,013,760	18,013,760
Share premium	13,461,608	13,461,608
Foreign currency translation reserve	851,325	335,303
Retained earnings	80,369,591	61,833,826
Issuer Equity	112,696,284	93,644,497

<i>In thousands of Hungarian Forints (HUF)</i>	30.06.2021	31.12.2020
Bonds (non-current)	85,796,805	85,925,646
Bonds (current)	237,177	336,842
Issuer Debt	86,033,982	86,262,488
Cash and Cash Equivalents	23,162,705	30,582,651
Issuer Net Debt	62,871,277	55,679,837
Issuer Net Debt to Equity Ratio	0.56	0.59

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

36. Shareholders' equity

Share capital

The Shareholders of the Company have unanimously voted for increasing the capital of the Company by HUF 12,001,129,600. The capital increase has taken place by issuing 7,431,040 ordinary shares of a par value of HUF 1,000 each, at an issue value of HUF 1,615/share with rights identical to the existing ordinary shares of the Company, thus the registered capital of the Company increases by HUF 7,431,040,000 equalling to HUF 18,013,760,000. The amount exceeding the sum of the registered capital of the Company will be accounted for capital reserve. As of date of this report, the shareholders have fully paid the new shares by injecting HUF 12,001,129,600 to the Company.

A small portion of shares held by Finext Consultants Limited were sold to private individuals in 2021.

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%

31.12.2020			
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	360,275	360,275	2.00%
Total	18,013,760	18,013,760	100.00%

Other reserves

<i>In thousands of Hungarian Forints (HUF)</i>	2021
Opening balance	(286,680)
Reclassification between equity lines	44,232
Closing balance	(242,448)

The effect of the acquisitions accounted for using the predecessor method is recorded in other reserves. Due to legal regulation in Romania some part of the Retained Earnings must be reclassified to Other reserve from the Retained Earnings.

37. Non-controlling interests

Movements in non-controlling interests during the period ended 31 December 2021 are as follows:

<i>In thousands of Hungarian Forints (HUF)</i>	2021
Opening balance	2,700,530
Comprehensive income/(loss) attributable to non-controlling interests	(133,164)
Non-controlling interest arising on acquisition	45,553
Redemption of shares owned by non-controlling interest	(2,451,482)
Closing balance	161,437

The Company made a public tender offer for all remaining shares of Polnord SA and purchased all of the remaining shares of Polnord during the first half of the year. Please see details in Note 5. The Non-controlling interest amount of Polnord was recognized mainly at the acquisition in 2020.

The difference between the share price and the Non-controlling interest value presented in the financial statement is directly accounted in the consolidated Retained Earnings.

38. Net assets attributable to non-controlling investment unit holders

Just as in the previous period, this line represents the investment of the non-controlling investment unit holders in the investment subfund subsidiaries out of which only Finext Funds BP SICAV-SIF had such non-controlling investment unit holders.

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

<i>In thousands of Hungarian Forints (HUF)</i>	2021	2020
Opening	18,196,884	17,514,542
Investment made by non-controlling investment unit holders	1,757,515	0
Change in net assets attributable to non-controlling investment unit holders	7,242,268	682,432
Redemption of investment units of non-controlling investment unit holders	(10,944,001)	0
Closing carrying amount	16,252,666	18,196,884

At each period end, the Group calculates the profit distribution to be paid out on finished projects to non-controlling investment unit holders and presents the balance in the statement of financial position among net assets attributable to non-controlling investment unit holders instead of non-controlling interests. The investors are expecting a return on their investment which depends on the performance of some selected projects. Their return is booked when the SPVs are realizing the accounting profit of the projects. The carrying amount increased due to projects completed under this scheme.

Finext BP SICAV-SIF

The fund issues two classes of investment notes in the form of shares, Class C is owned by the Group, Class P is purchased by the non-controlling investors. The two share classes provide different rights and they have different risk profile. Based on the funds' prospectus, repayment of the original investments and distributions of profits and losses are to be made as follows:

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

Cordia Residential Partners 1. Alapok Alapja Részalap

The fund issued three investment unit classes. Class 'AT' and 'AH' units are owned by the Group, class 'P' was distributed to the non-controlling investors. The three classes provide different controlling rights and risk/return schemes – all controlling rights regarding the development (underlying asset) are linked to 'AT' and 'AH' units. Repayment of the original investments and distribution of P&L are as follows:

- If the fund is profitable, exceeding the maximum return of the Class 'P' investors – original investments of Class 'P' and its' maximum return shall be returned first, then Class 'AH' units receive the remaining capital of the fund.
- If the fund is profitable, but the cumulated return is less than the maximum return of the Class 'P' investors – original investments of Class 'P' and its' return shall be returned first, then Class 'AH' units receive the remaining capital of the fund. (Initial investment)
- Potential losses are suffered pro-rata, based on the invested capital.

Under both scheme the Group does not provide any guarantee on the return on the capital invested by the non-controlling investment unit holders. In case the projects in the fund generate losses, the losses are shared between the Group and the non-controlling investment unit holders on a pro-rata basis up to the amount of the capital invested. Each parties' liability is limited to the amount of capital invested in the fund.

The Group has no unconditional obligation to pay back any amount invested by the non-controlling investment unit holders, however – after the completion of any project in the fund – the generated free cash shall be returned to the investors and the Group has no sole right to decide about potential reinvestments into potential new projects. Therefore the Management believes that presenting these balances among general liabilities or among the Group equity would be misleading and it would not provide a fair picture about the financial position of the Group. Based on the above, and based on the industry practice, net asset attributable to non-controlling investment unit holders are disclosed on a separate line in the consolidated statement of financial position.

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

In thousands of Hungarian Forints (HUF)

Balance 31 December 2019	17,514,452
Profit / (Loss) attributable to non-controlling parties	682,432
Closing balance 31 December 2020	18,196,884
Investment made by non-controlling investment unit holders	1,757,515
Change in net assets attributable to non-controlling investment unit holders	7,242,268
Redemption of investment units of non-controlling investment unit holders	(10,944,001)
Closing balance 31 December 2021	16,252,666

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

Please see below the most important financial information regarding Finext Real Estate Opportunities Budapest SICAV-SIF Sub-Fund. Please note, that these figures are based on the stand-alone statutory financial statements, therefore consolidation adjustments are not included. In their stand-alone statutory financial statements, the fund measures its investments in other entities within the Group at fair value with gains and losses recognized through the P&L.

31.12.2021

In thousands of Hungarian Forints (HUF)

	Finext Funds BP SICAV-SIF
Current assets	2,611,961
Current liabilities	25,086
Current net assets	2,586,875
Non-current assets*	31,250,100
Non-current liabilities	0
Non-current net assets	31,250,100
Net assets	33,836,975
Accumulated net assets attributable to non-controlling Class P investment unit holders	14,495,151

*Majority of Non-current assets represent the investments in subsidiaries.

For the period ended 31 December 2021

In thousands of Hungarian Forints (HUF)

	Finext Funds BP SICAV-SIF
Revenue	0
Profit for period	10,013,395
Other comprehensive income	0
Total comprehensive income	10,013,395
Profit allocated to non-controlling investment unit holders	7,242,268
Dividends paid	10,944,001

For the period ended 31 December 2021

In thousands of Hungarian Forints (HUF)

	Finext Funds BP SICAV-SIF
Cash flow from operating activities	3,779,223
Cash flow from investing activities	12,463,191
Cash flow from financing activities	(13,680,001)
Net change in cash and equivalents	2,562,413

31.12.2020

In thousands of Hungarian Forints (HUF)

Finext Funds BP SICAV-SIF

Current assets	8,237,616
Current liabilities	39,784
Current net assets	8,197,832
Non-current assets*	29,305,749
Non-current liabilities	0
Non-current net assets	29,305,749
Net assets	37,503,581
Accumulated net assets attributable to non-controlling Class P investment unit holders	18,196,884

*Majority of Non-current assets represent the investments in subsidiaries.

For the period ended 31 December 2020

In thousands of Hungarian Forints (HUF)

Finext Funds BP SICAV-SIF

Revenue	0
Profit for period	7,084,522
Other comprehensive income	0
Total comprehensive income	7,084,522
Profit allocated to non-controlling investment unit holders	1,416,904
Dividends paid	0

For the period ended 31 December 2020

In thousands of Hungarian Forints (HUF)

Finext Funds BP SICAV-SIF

Cash flow from operating activities	(399,722)
Cash flow from investing activities	(1,393,720)
Cash flow from financing activities	0
Net change in cash and equivalents	(1,793,442)

Please see below the most important financial information regarding Cordia Residential Partners 1. Alapok Alapja Részalap. Please note, that these figures are based on the stand-alone statutory financial statements, therefore consolidation adjustments are not included. In their stand-alone statutory financial statements, the fund measures its investments in other entities within the Group at fair value with gains and losses recognized through the P&L. The fund was established in December 2021, therefore no comparative data is available.

31.12.2021

In thousands of Hungarian Forints (HUF)

Cordia Residential Partners 1. Alapok Alapja Részalap

Current assets	2,124,988
Current liabilities	1,797,512
Current net assets	327,476
Non-current assets	1,993,046
Non-current liabilities	0
Non-current net assets	1,993,046
Net assets	2,320,522
Accumulated net assets attributable to non-controlling Class P investment unit holders	1,757,515

For the period ended 31 December 2021

In thousands of Hungarian Forints (HUF)

Cordia Residential Partners 1. Alapok Alapja Részalap

Revenue	0
Profit for period	(5,843)
Other comprehensive income	0
Total comprehensive income	(5,843)
Profit allocated to non-controlling investment unit holders	0
Dividends paid	0

For the period ended 31 December 2021

In thousands of Hungarian Forints (HUF)

Cordia Residential Partners 1. Alapok Alapja Részalap

Cash flow from operating activities	1,799,238
Cash flow from investing activities	(1,791,502)
Cash flow from financing activities	2,117,252
Net change in cash and equivalents	2,124,988

39. Commitments and contingencies

Investment commitments:

The amounts in the table below present uncharged investment commitments of the Group in respect of construction services to be rendered by the general contractors:

Legal entity	Project name	31.12.2021	31.12.2020
CG5	Grand'Or	0	305,912
CG9	Centropolitan	0	327,959
CG12	Marina Portside	0	1,096,163
CG13	Universo	1,108,049	4,150,894
CG14	Sasad Panorama	4,427,420	0
CG16	Thermal Zugló 4	2,424,420	3,778,957
CG17	Young City 3	0	762,344
CG18	Akadémia Garden	0	987,411
CG19	Grand Corvin 2	2,679,791	8,888,570
CG22	Millennium Residence 1	2,630,622	0
CG25	I6 Residence	1,206,947	0
CG28	Sasad Resort Sunlight	3,286,780	0
CBI	Naphegy 12	3,585,456	0
PPK2	Jerozolimska	1,879,689	3,326,523
PPW3	Fantazja 1	2,787,516	3,985,235
PPW4	Jaskowa Dolina 1	1,666,913	2,682,509
PPW4	Jaskowa Dolina 2	3,095,067	3,105,661
PPW6	Leśna Sonata	3,337,939	0
PPW2	Horyzont Praga	0	949,553
PNRE	Wiktoria	0	49,985
PSRW	Wioletta	0	540,049
UBDG	The Gothic	613,965.0	0
SCFD	Jade Tower	7,647,853	0
RCPR	Parcului20-2	1,133,702	4,302,187
Total of fully consolidated entities		43,512,129	39,239,912
CG6	Marina Life 2	0	992,072
PSK3	Stacja Kazimierz 5	672,537	2,311,491
PFPP	Innova Concept	0	179,188
Total including JVs and associates		44,184,666	42,722,663

Capital commitment

One of the subsidiaries of the Group entered into a subscription agreement with Auxesia Lux S.C.Sp and STAH S.C.Sp. The Company as the subscriber will be required to subscribe for the Limited Partnership interests issued by the Investment Vehicle.

The total sub-fund commitment is up to GBP 11,400,000 in Auxesia. The remaining maximum commitment is GBP 2,898,958 (THUF 1,275,628) at reporting date. This is considered as an off-balance sheet item.

The total sub-fund commitment is up to GBP 27,000,000 in STAH. The remaining maximum commitment is GBP 14,600,000 (THUF 6,424,438) at reporting date. This is considered as an off-balance sheet item.

Unutilized construction loans:

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

Legal entity	Project name	31.12.2021	31.12.2020
CG3	Young City 2	0	665,781
CG5	Grand'Or	393,547	738,407
CG9	Centropolitan	0	984,069
CG10	Sasad Hilltop	0	843,094
CG12	Marina Portside	0	287,685
CG13	Universo	2,965,017	6,445,212
CG16	Termál Zugló 4	3,999,992	0
CG17	Young City 3	0	1,138,975
CG18	Akadémia Garden	0	1,100,066
CG19	Grand Corvin 2	11,858,255	0
CG26	Termál Zugló 5	8,167,599	0
CG27	Marina City	1,438,615	1,438,615
CG28	Sasad Resort Sunlight	4,309,591	0
PPK2	Jerozolimska	3,968,911	4,383,255
PPW2	Horyzont Praga	0	3,114,738
PPW3	Fantazja 1	3,647,958	0
PPW4	Jaškowa Dolina	0	3,405,945
PPW6	Leśna Sonata	4,211,593	0
SCFD	Jade Tower- Fuenghirola	10,173,330	0
RCPR	Parcului201	0	1,900,047
RCPR	Parcului202	2,253,593	4,600,638
Total of fully consolidated entities		57,388,001	31,046,527

Contingent receivables - contracted sales not yet recognized:

The table below presents amounts to be received from the customers having bought apartments from Cordia and its subsidiary companies and which are based on the value of the sale and purchase agreements signed with the clients until 31 December 2021 after deduction of payments received at the reporting date (such payments being presented in the Consolidated Statement of Financial Position as customer advances):

<i>In thousands of Hungarian Forints (HUF)</i>		Contracted sales	Contingent receivables	Contingent receivables
Legal entity	Project name	31.12.2021	31.12.2021	31.12.2020
CD2	Thermal Zugló 3	195,766	56,162	1,188,968
CG10	Sasad Hilltop	148,591	7,539	4,003,791
CG11	Grand Corvin	60,161	45,410	2,777,649
CG12	Marina Portside	3,510,178	2,267,845	6,977,807
CG13	Universo	7,712,842	3,936,716	606,380
CG14	Sasad Resort Panorama	4,178,784	3,163,134	0
CG16	Thermal Zugló 4	3,531,673	2,596,087	224,614
CG17	Young City 3	2,729,300	1,666,754	3,490,577
CG18	Akadémia Garden	1,135,311	614,162	6,875,988
CG19	Grand Corvin 2	14,342,467	4,141,533	716,118
CG20	Naphegy 12	640,509	550,030	0
CG22	Millennium Residence 1	2,000,772	1,546,888	0
CG25	I6 Residence	302,731	235,318	0
CG28	Sasad Resort Sunlight	556,612	438,981	0
CG3	Young City	0	0	52,001
CG3	Young City 2	155,330	151,453	4,290,034
CG5	Grand'Or	4,897,385	2,005,125	3,326,077
CG7	Marina Garden	0	0	225,645
CG8	Sasad Resort Hill	0	0	302,412
CG8	Sasad Resort Sun	0	0	272,137
CG9	Centropolitan	900,403	508,087	1,621,318
RCPR	Parcului20-1	689,364	498,361	5,038,257
RCPR	Parcului20-2	5,946,172	4,870,215	5,038,257
PPW1	Zielone Bemowo 1	51,303	0	0
PPW1	Zielone Bemowo 2	0	0	982,614
PPW2	Horyzont Praga	2,458,896	580,169	1,439,585
PPW3	Fantazja 1	3,201,541	1,232,383	0
PPW4	Jaskowa Dolina 1	3,792,457	2,490,511	0
PPW4	Jaskowa Dolina 2	1,777,986	1,292,786	0
PPW6	Leśna Sonata	2,602,148	1,913,895	0
PPK1	Lotniczówka	261,362	208,747	45,197
PPK2	Jerozolimaska	2,701,865	1,684,185	183,761
PPK4	Safrano	739,131	621,603	0
PNAP	Fotoplastikon I	0	0	3,286
PNAP	Fotoplastikon II	0	0	76,719
PNAP	Fotoplastikon III	0	0	50,888
PNAP	Studio Morena	0	0	47,122
PNRE	Wiktoria	48,393	0	117,104
PNBW	Wilania	104,935	94,442	255,926
PSRW	Wioletta	1,320,496	180,543	216,046
SCFD	Jade Tower- Fuenghirola	1,942,767	1,878,561	0
Other	Other	0	0	129,991
Total of fully consolidated entities		74,637,631	41,477,625	50,576,269

Contingent receivables (cont'd)

In thousands of Hungarian Forints (HUF)

Legal entity	Project name	Contracted sales	Contingent receivables	Contingent receivables
		31.12.2021	31.12.2021	31.12.2020
CG6	Marina Life	215,337	122,483	4,407,510
CG6	Marina Life 2	536,918	248,967	4,399,975
PFP2	Ostoja Wilanów B2	0	0	101,296
POSI	Osiedle Innova	112,019	47,779	0
PSK3	Stacja Kazimierz 5	3,496,973	998,477	67,461
PFPP	Innova Concept	0	0	357,807
Total including JVs and associates		78,998,878	42,895,331	59,910,318

40. Related parties

Open balances with related parties are presented in the Notes 24 and 30.

Transactions with parent company

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

During the prior period capital contribution was made by the owners of the company, please see the change in the Consolidated Statement of Changes in Equity.

Transactions with associates

The movement of the investment in Argo Properties N.V. is presented in Note 19. There was no other transaction with associates in 2021 and 2020.

Transactions with joint ventures

Services provided

For the year ended 31 December

<i>In thousands of Hungarian Forints (HUF)</i>	2021	2020
Other revenue	489,129	369,659
Total	489,129	369,659

Joint ventures paid the following amounts to the Group, which was accounted as decrease in Investments accounted for using equity method. Please see Note 19.

For the year ended 31 December

<i>In thousands of Hungarian Forints (HUF)</i>	2021	2020
Dividend received	1,924,163	0
Yield received	3,550,000	360,000
Total	5,474,163	360,000

Transactions with other related companies

Entities sold to related parties is presented in Note 5 (a). Entities were sold on net asset value. No entity was sold in 2020, but in the previous year the Group acquired Finext Global 1 subfund.

Sales revenue

For the year ended 31 December

<i>In thousands of Hungarian Forints (HUF)</i>	2021	2020
Revenue from sale of real estate and rental income	1,215,138	0
Other revenue	207,336	373,240
Closing balance	1,422,474	373,240

The Group recognized revenue in the amount of HUF 1.2 billion on the sale of land plot to a sister company. No similar transaction occurred in 2020. Sales revenue from related parties is mainly coming from administration, marketing and management fee.

Property plant and equipment

For the year ended 31 December

In thousands of Hungarian Forints (HUF)

2021

2020

Purchased from Sister company	23,390	39,127
Sold to Sister company	(5,518)	0
Closing balance	17,872	39,127

Services rendered

For the year ended 31 December

In thousands of Hungarian Forints (HUF)

2021

2020

External services	1,123,961	820,963
Closing balance	1,123,961	820,963

Services rendered from related parties are mainly utilities and rental costs, external services and IT costs, marketing and sales costs.

Transactions with key management personnel

During the financial year the Group recognized a total net sales revenue in the amount of HUF 116,141 thousand by delivering three residential units to the key management personnel and its close member of family. The transactions occurred on arm's length basis.

Key management personnel purchased in total 94,630 shares of the Parent entity from Finext Consultants Limited, representing 0.53% ownership. The purchase agreement provides call option to the Seller of the acquired shares and put option to the key management personnel.

Key Management Board personnel compensation

Apart from the compensation listed below, there were no further benefits, including share based payments granted to key management personnel that were granted during 2021. Key management personnel compensation can be presented as follows:

As at 31 December

In thousands of Hungarian Forints (HUF)

2021

2020

Salary and other short time benefit	37,063	44,024
Incentive plan linked to financial results	585,644	364,388
Total	622,707	408,412

Loans to directors

As at 31 December 2021 and 31 December 2020, there were no loans granted to directors.

41. Financial risk management, objectives and policies

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

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

Risk management is carried out by a central treasury department (Group Treasury). Group Treasury identifies and evaluates financial risks in close co-operation with the Group's operating units.

(a) Market risk

(i) Foreign exchange risk

The Group operates in foreign currencies too and therefore is exposed to foreign exchange risk, primarily with respect to Euro, Polish Zloty and the British pound sterling. Foreign exchange risk arises in respect of those recognized monetary financial assets and liabilities that are not in the functional currency of the respective Group entity.

Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency.

The Company and each of its subsidiaries are exposed to currency risk arising from financial instruments held in currencies other than their individual functional currencies. In addition, the Group manages foreign currency risk by matching its principal cash outflows to the currency in which the principal cash inflows (such as residential sales revenue) are denominated. This is generally achieved by obtaining loan finance in the relevant currency.

(ii) Price risk

The Group has no significant exposure to price risk as it does not hold any equity securities or commodities.

The Group is exposed to price risk other than in respect of financial instruments, such as property price risk including property sales price risk.

The current sales price levels are in line with the market environments of the properties.

(iii) Cash flow and fair value interest rate risks

The group's cash-flow and fair value interest rate risk is predominantly controlled by a central treasury department (group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and mitigate financial risks in close co-operation with the group's operating units.

The Group's interest rate risk principally arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, which is partially covered by the variable rate cash and cash equivalents.

The Group has borrowings at fixed rates and therefore has exposure to fair value interest rate risk however this is considered insignificant. The Group issued Bonds with fixed interest rate which bear a coupon of 3.00% and 4.00%.

The Group's individual development loans financing the projects have an average duration of less than two years, therefore the interest rate changes on these loans would not have material effect on the Group's result.

The management is constantly monitoring the Group's cash-flow forecasts which ensures to cover cash-flow risks.

Taking into consideration the current market environment the management expects no interest rate decrease, so only the effect of interest rate increase is shown in the following table:

Interest rate increase:

Yearly effect on profit before tax (THUF)

0,5 percentage point

42,002

Please also refer to Note 28 for the main conditions of the loan agreements.

(b) Credit risk

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

(c) Liquidity risk

The cash flow forecast is prepared by the operating units of the Group. The forecasts are summarized by the Group's finance department. The finance department monitors the rolling forecasts on the Group's required liquidity position in order to provide the necessary cash balance for the daily operation. The Group aims to maintain flexibility in funding by keeping committed credit lines available not to overdraw the credit lines and to meet the credit covenants. These forecasts take into consideration the Group's financial plans, the contracts' covenants, the key performance indicators and the legal environment.

As at 31 December 2021

<i>In thousands of Hungarian Forints (HUF)</i>	Less than 1 year	Between 1 and 5 years	Beyond 5 years
Loans and borrowings	3,246,288	8,857,487	1,811,385
Trade and other payables	12,846,705	0	0
Liabilities to related parties	837,281	0	0
Bonds	2,960,322	53,645,133	43,540,000
Lease liabilities	12,723,130	5,726,544	0
Net assets attributable to non-controlling investment unit holders	14,500,000	1,752,666	0
Total	47,113,726	69,981,830	45,351,385

As at 31 December 2020

<i>In thousands of Hungarian Forints (HUF)</i>	Less than 1 year	Between 1 and 5 years	Beyond 5 years
Loans and borrowings	31,708,301	8,308,903	0
Trade and other payables	16,328,131	0	0
Liabilities to related parties	1,549,807	0	0
Bonds	7,903,848	40,293,345	59,845,461
Lease liabilities	10,565,727	6,921,749	0
Net assets attributable to non-controlling investment unit holders	0	18,196,884	0
Total	68,055,814	73,720,881	59,845,461

42. Capital management

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

Banking covenants vary according to each loan agreement, but typically are not related directly to the gearing ratio of the Company but to the proportion of loan to value of the mortgage collateral which usually is required not to cross the limit of 70% or 80%.

During the period the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

There were no changes in the Groups approach to capital management during the year.

There are no covenants imposed on the Group by the terms and conditions of the Bonds issued by the Group. For the relevant calculation of the financial ratios which relate to the Undertakings committed by the Group see Note 35.

43. Segment report

Segment information

The Board of Directors is the Group's chief operating decision-making body. The Group's operating segments are defined as separate entities developing particular residential projects, which were aggregated for reporting purposes. The aggregation for reporting purposes is based on geographical locations.

The Board of Directors considers the business from a geographic perspective. Geographically, management considers the performance in Hungary, Poland, Spain, Romania and in the United Kingdom. The segments derive their revenue primarily from the sales of residential properties to individual customers. According to the assessment of the Board of Directors, the operating segments identified have similar economic characteristics.

The Board of Directors monitors the budgeted and forecasted financial results of the operating segments for the purpose of making decisions about resource allocation and performance assessment.

Revenue

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

For the period ended 31 December 2021

<i>In thousands of Hungarian Forints (HUF)</i>	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

For the period ended 31 December 2020

<i>In thousands of Hungarian Forints (HUF)</i>	Hungary	Poland	Romania	Spain	United Kingdom	Total
Revenue	41,285,858	26,882,121	27,401	12,730	81,389	68,289,499
Gross Profit	9,314,421	2,730,758	328	12,730	81,389	12,139,626
Net Profit	20,807,102	1,056,403	(369,770)	(71,214)	14,023	21,436,544

Assets as of 31.12.2021

<i>In thousands of Hungarian Forints (THUF)</i>	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 reevaluate 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 30 June 2021. In line with IFRS, this fair valuation is eliminated from the consolidated financial statements.

Liabilities as of 31.12.2021

<i>In thousands of Hungarian Forints (THUF)</i>	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	105,092	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

Assets as of 31.12.2020

<i>In thousands of Hungarian Forints (THUF)</i>	Hungary	Poland	Romania	Spain	UK
Assets					
Non-current assets					
Intangible assets	143,023	35,014	1,192	0	0
Investment properties	3,605,454	20,960,955	0	0	0
Property, plant and equipment	957,195	2,351,156	118,729	1,620	2,334
Long-term receivables from third parties	10,815	7,470,230	0	0	0
Long-term receivables from related parties	0	0	0	0	0
Investments accounted for using equity method	16,320,954	5,167,801	0	0	0
Deferred tax assets	49,986	563,394	0	0	0
Restricted cash	895,826	0	0	0	0
Long-term VAT receivables	558,783	0	0	0	0
Other long-term assets	32,415	207,263	208,529	1,095	0
Goodwill	0	1,305	0	0	460,265
Total non-current assets	22,574,451	36,757,118	328,450	2,715	462,599
Current assets					
Inventory	72,430,593	51,445,545	10,241,269	7,727,639	3,449,708
Trade and other receivables	250,802	1,867,794	12,053	6,209	457,728
Short-term receivables from related parties	410,143	2,626	0	0	0
Other short-term assets	3,287,858	397,658	325,808	0	0
Income tax receivable	15,390	31,182	33	0	0
Loan receivables	5,230,000	0	0	0	0
Short-term VAT receivables	1,038,284	2,048,990	263,238	82,377	23,460
Restricted cash	4,013,195	376,375	0	0	0
Other financial assets	6,232,169	90,744	182,578	0	0
Cash and cash equivalents	51,922,886	14,231,721	237,504	104,434	38,263
Total current assets	144,831,320	70,492,635	11,262,483	7,920,659	3,969,159
Disposal group of assets classified as held for sale					
Assets classified as held for sale	0	610,533	0	0	0
Total disposal group of assets classified as held for sale	0	610,533	0	0	0
Total assets	167,405,771	107,860,286	11,590,933	7,923,374	4,431,758
Fair value difference on inventories*	15,220,351				
Adjusted total assets	182,626,122	107,860,286	11,590,933	7,923,374	4,431,758

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

Liabilities as of 31.12.2020

<i>In thousands of Hungarian Forints (THUF)</i>	Hungary	Poland	Romania	Spain	UK
Non-current liabilities					
Loans and borrowings	6,231,647	2,018,174	0	0	59,082
Bonds	85,925,646	0	0	0	0
Long-term liabilities to related parties	0	0	0	0	0
Deferred tax liabilities	0	988,542	2,034	0	55,573
Other provision	0	843,515	0	0	0
Customer advances	9,647,454	51,118	47,492	0	0
Lease liabilities	148,838	5,685,382	60,850	0	1,026,679
Amount withheld for guarantees	821,048	180,154	299,895	0	0
Other long-term liabilities	91,239	159,226	0	0	0
Total non-current liabilities	102,865,872	9,926,111	410,271	0	1,141,334
Current liabilities					
Trade and other payables	11,600,392	4,052,891	503,958	51,386	119,504
Bonds	336,842	4,943,848	0	0	0
Short-term liabilities to related parties	596,029	910,508	27,688	15,582	-
Loans and borrowings	26,300,088	775,060	4,227,743	7,449	397,961
Customer advances	15,171,209	7,968,230	1,582,725	0	0
Lease liabilities	176,767	10,361,140	14,474	0	13,346
Other tax liabilities	623,651	341,143	9,627	10,467	2,704
Other provision	101,348	5,057,840	14,309	0	0
Income tax liabilities	42,068	136,224	0	1,369	747
Other short-term liabilities	0	194,642	0	1,128	762,178
Total current liabilities	54,948,394	34,741,526	6,380,524	87,381	1,296,440
Total liabilities	157,814,266	44,667,637	6,790,795	87,381	2,437,774

The Board of Directors examined the effect of Polnord Group acquisition on the consolidated figures. For information purposes please see below this effect on the statement of financial position and on the statement of profit and loss. Polnord Group is not considered to be a separate operating segment but part of the Polish segment.

For the period ended 31 December 2021

<i>In thousands of Hungarian Forints (THUF)</i>	Cordia group without Polnord	Polnord	Total in 2021
Revenue	81,810,340	10,415,718	92,226,058
Cost of sales	(58,918,772)	(8,349,483)	(67,268,255)
Gross profit	22,891,568	2,066,235	24,957,803
Selling and marketing expenses	(3,775,065)	(232,847)	(4,007,912)
Administrative expenses	(4,618,458)	(1,618,282)	(6,236,740)
Net gain/loss from fair valuation of investment and development properties	335,024	67,198	402,222
Other expenses	(604,815)	(1,981,368)	(2,586,183)
Other income	145,197	646,252	791,449
Operating profit	14,373,451	(1,052,812)	13,320,639
Interest income	70,379	3,723	74,102
Other financial income	7,683,226	185,988	7,869,214
Finance income	7,753,605	189,711	7,943,316
Interest expense	(2,745,345)	(658,956)	(3,404,301)
Other financial expense	(1,849,448)	(426,147)	(2,275,595)
Finance expense	(4,594,793)	(1,085,103)	(5,679,896)
Net finance income/(expense)	3,158,812	(895,392)	2,263,420
Share of profit/(loss) in associate and joint venture	6,714,863	(264,901)	6,449,962
Profit before taxation	24,247,126	(2,213,105)	22,034,021

For the period ended 31 December

In thousands of Hungarian Forints (THUF)

	Cordia group without Polnord	Polnord	Total in 2020
Revenue	47,342,278	20,947,221	68,289,499
Cost of sales	(35,977,003)	(20,172,870)	(56,149,873)
Gross profit	11,365,275	774,351	12,139,626
Selling and marketing expenses	(2,581,974)	(156,185)	(2,738,159)
Administrative expenses	(3,618,437)	(1,246,130)	(4,864,567)
Net gain/loss from fair valuation of investment and development properties	54,235	(62,619)	(8,384)
Other expenses	(506,066)	(1,692,784)	(2,198,850)
Other income	2,423,704	1,945,102	4,368,806
Operating profit	7,136,737	(438,265)	6,698,472
Interest income	157,394	6,224	163,618
Other financial income	6,436,204	198,477	6,634,681
Finance income	6,593,598	204,701	6,798,299
Interest expense	(1,351,446)	(105,507)	(1,456,953)
Other financial expense	(4,694,117)	(588,495)	(5,282,612)
Finance expense	(6,045,563)	(694,002)	(6,739,565)
Net finance income/(expense)	548,035	(489,301)	58,734
Share of profit/(loss) in associate and joint venture	15,186,193	401,361	15,587,554
Profit before taxation	22,870,965	(526,205)	22,344,760

* The Polnord comparative Profit and Loss data were consolidated from 10 April 2020. For more information please see Note 5.

Assets as of 31 December 2021 and 31 December 2020

<i>In thousands of Hungarian Forints (THUF)</i>	Cordia group without Polnord	Polnord	Total in 2021	Total in 2020
Non-current assets				
Intangible assets	168,967	12,237	181,204	179,229
Investment properties	4,779,591	20,836,574	25,616,165	24,566,409
Property, plant and equipment	2,065,505	413,570	2,479,075	3,431,034
Long-term receivables from third parties	19,024	6,156,203	6,175,227	7,481,045
Investments accounted for using equity method	20,219,389	2,869,045	23,088,434	21,488,755
Deferred tax assets	3,668	369,541	373,209	613,380
Restricted cash	30,432	0	30,432	895,826
Long-term VAT receivables	447,639	0	447,639	558,783
Other long-term assets	345,321	4,492	349,813	449,302
Goodwill	460,265	1,284	461,549	461,570
Non-current derivative assets	2,128,281	0	2,128,281	0
Total non-current assets	30,668,082	30,662,946	61,331,028	60,125,333
Current assets				
Inventory	115,619,537	16,543,972	132,163,509	145,294,754
Trade and other receivables	1,079,577	1,018,928	2,098,505	2,594,586
Short-term receivables from related parties	546,922	0	546,922	412,769
Other short-term assets	3,046,295	23,747	3,070,042	4,011,324
Income tax receivable	52,420	32,411	84,831	46,605
Loan receivables	0	0	0	5,230,000
Short-term VAT receivables	5,873,010	829,060	6,702,070	3,456,349
Restricted cash	3,843,333	136,468	3,979,801	4,389,570
Other financial assets	17,464,987	0	17,464,987	6,505,491
Cash and cash equivalents	51,445,915	2,144,170	53,590,085	66,534,808
Total current assets	198,971,996	20,728,756	219,700,752	238,476,256
Disposal group of assets classified as held for sale				
Assets classified as held for sale	244,112	0	244,112	610,533
Total disposal group of assets classified as held for sale	244,112	0	244,112	610,533
Total assets	229,884,190	51,391,702	281,275,892	299,212,122

Liabilities as of 31 December 2021 and 31 December 2020

<i>In thousands of Hungarian Forints (THUF)</i>	Cordia group without Polnord	Polnord	Total in 2021	Total in 2020
Non-current liabilities				
Loans and borrowings	10,497,483	0	10,497,483	8,308,903
Bonds	91,250,362	0	91,250,362	85,925,646
Deferred tax liabilities	420,829	845,964	1,266,793	1,046,149
Other provision	0	1,195,077	1,195,077	843,515
Customer advances	4,175,325	0	4,175,325	9,746,064
Lease liabilities	264,198	5,462,346	5,726,544	6,921,749
Amount withheld for guarantees	784,402	0	784,402	1,301,097
Other long-term liabilities	102,473	132,257	234,730	250,465
Total non-current liabilities	107,495,072	7,635,644	115,130,716	114,343,588
Current liabilities				
Trade and other payables	11,506,097	1,403,930	12,910,027	16,328,131
Bonds	342,269	0	342,269	5,280,690
Short-term liabilities to related parties	714,724	122,557	837,281	1,549,807
Loans and borrowings	3,417,677	0	3,417,677	31,708,301
Customer advances	29,587,176	969,227	30,556,403	24,722,164
Lease liabilities	3,563,988	9,159,142	12,723,130	10,565,727
Other tax liabilities	1,477,911	342,622	1820533	987,592
Other provision	31,977	4,589,672	4,621,649	5,173,497
Income tax liabilities	582,031	69,503	651,534	180,408
Other short-term liabilities	509,422	33	509,455	957,948
Current derivative liabilities	440,807	0	440,807	0
Total current liabilities	52,174,079	16,656,686	68,830,765	97,454,265
Total liabilities	159,669,151	24,292,330	183,961,481	211,797,853

44. Other information

COVID-19

During the prior period the Group reacted immediately and decisively to the threat related to COVID-19, ensuring continuity of operations with vast majority of staff working remotely.

The Group's companies introduced online sales meetings and implemented procedures for remote signing of sales agreements with clients. Aside from online sales, the Group's 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 Group's construction sites in all countries of the Group's operations are progressing normally.

The impact of the Ukrainian-Russian conflict

The impact of the Ukrainian-Russian conflict at the end of February 2022 has been considered by the Group's management and concluded that it has no direct impact on the assets presented in the books at the reporting date. The Group has no direct exposure or business relationships in Ukraine and Russia.

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

In the opinion of the management, the war conflict may have only an indirect impact in the fiscal year 2022 through the general economic situation.

For 2022, the management expects the Group'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.

45. Subsequent events

Completion and change of projects

On 7th January 2022, Blackswan (Bradford Works) Limited completed its acquisition of a 855 m2 development site on Barr Street in Birmingham's Jewellery Quarter. Planning permission is already secured for 28 residential units to be built on the site, to be delivered as part of a shared living scheme.

Project bank financing Loans

A new credit facility agreement was signed for the 1st phase of the Modena project in Poznan, Poland. The loan is provided by Alior Bank in the total amount of HUF 9.3 billion.

On 8 March 2022, Cordia's subsidiary, Cordia Global Ingatlanfejlesztő Esernyőalap – Cordia Global 25. Részalap entered into a new credit facility agreement in the sum of HUF 6.6 billion with OTP Bank Nyrt. for the development and construction of i6 Residence project in Budapest, Hungary.

On 28 January 2022, Cordia's subsidiary, Cordia Global Ingatlanfejlesztő Esernyőalap – Cordia Global 20. Részalap entered into a new credit facility agreement in the sum of HUF 4.8 billion with Raiffeisen Bank for the development and construction of Naphegy 12 project in Budapest, Hungary.

Change in the composition of the Management Board

Mr Pál Darida the member of the Board of Directors passed away in March, 2022, therefore his mandate was terminated.

Ms Johanna Mezővári was appointed by the Extraordinary General Meeting as the new member of the Board of Directors as of 30 March 2022 for indefinite period. Ms Johanna Mezővári has spent her professional career mainly in leading HR positions in multinational companies representing a variety of size and industries (Hungarian Productivity Center, AstraZeneca, UPC). She has been working for the group since 2016, currently she is the Chief Operating Officer of Cordia Group. She earned her economist degree at the College for Commerce, Catering and Tourism that has been extended later with an MBA at the Budapest Technical University and speaks 3 languages (Hungarian, English, Italian).

Tibor Földi
Chairman of the Board

Péter Bódis
Member of the Board

Johanna Mezővári
Member of the Board

Budapest, 29 April 2022

Appendix

Group composition as at 31 December 2021

Entity name	Place of operation	Share of ownership & voting rights at		Nature of relationship	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
Argo Properties N.V.	Germany	15.38%	18%	Associate	Associate
Cereman Vagyonkezelő Zrt.	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Development 1 Ingatlanbefektetési Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Development 2 Ingatlanbefektetési Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 2 Ingatlanbefektetési Részalap	Hungary	N/A	100%	N/A	Subsidiary
Cordia Global 3 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 5 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Ingatlanbefektetési Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Management Szolgáltató Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia New Ages Ingatlanfejlesztő Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Sasad Resort 2 Kft	Hungary	72.50%	72.50%	Subsidiary	Subsidiary
Cordia Central Ingatlanfejlesztő Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 6 Ingatlanbefektetési Részalap	Hungary	50%	50%	Joint-venture	Joint-venture
Cordia Global 7 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 8 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 9 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 10 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 11 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 12 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 13 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 14 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 15 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 16 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 17 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 18 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 19 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 20 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Munkavállalói Résztulajdonosi Program Szervezet	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Belváros Ingatlanfejlesztő Kft.	Hungary	70%	70%	Subsidiary	Subsidiary
Cordia FM Társasházkezelő Kft	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia New Times Ingatlanfejlesztő Kft.	Hungary	70%	70%	Subsidiary	Subsidiary
Cordia New Homes Kft	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Romania Holding One Kft.	Hungary	N/A	100%	N/A	Subsidiary
Cordia Romania Holding Two Kft.	Hungary	N/A	100%	N/A	Subsidiary
Cordia Europe Holding Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 21 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 22 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 23 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 24 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 25 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 26 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 27 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 28 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 29 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 30 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Spain Holding Kft.	Hungary	N/A	100%	N/A	Subsidiary
Universo CG13 Kft.	Hungary	N/A	100%	N/A	Subsidiary
Kertész CG15 Kft.	Hungary	N/A	100%	N/A	Subsidiary
GrandCorvin2 CG19 Kft.	Hungary	N/A	100%	N/A	Subsidiary
Futó CG21 Kft.	Hungary	N/A	100%	N/A	Subsidiary

Entity name	Place of operation	Share of ownership & voting rights at		Nature of relationship	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
Millenium Residence Első Ütem CG22 Kft.	Hungary	N/A	100%	N/A	Subsidiary
Millenium Residence Második Ütem CG23 Kft.	Hungary	N/A	100%	N/A	Subsidiary
Finext Optimum 2 értékpapír alapok alapja részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Romania Holding A Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
European Residential Investments Vagyonkezelő Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Finext Global 1. Ingatlanforgalmazó Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Preferred Return 1 Részalap	Hungary	100%	N/A	Subsidiary	N/A
Cordia Residential Partners 1. Alapok Alapja Részalap	Hungary	17.01% ¹	N/A	Subsidiary	N/A
Cordia European Residential Investments Vagyonkezelő Korlátolt Felelősségű Társaság	Hungary	100%	N/A	Subsidiary	N/A
Cordia Real Estate Funds Luxembourg SICAV-RAIF /previously FINEXT Funds LUX One	Luxembourg	100%	100%	Subsidiary	Subsidiary
Finext Funds BP SICAV-SIF	Luxembourg	20% ¹	20%	Subsidiary	Subsidiary
Cordia Lands Investment Ltd.	Nicosia, Cyprus	100%	100%	Subsidiary	Subsidiary
Villena Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Zyrardów Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Management Poland Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Polska Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Poland GP One SP. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 1 Cordia Poland GP One Spółka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 2 Cordia Partner 3 Sp. z o.o. Sp.k.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 3 Cordia Partner 5 Sp. z o.o. Sp.k.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 1 Cordia Partner 3 Spółka z o.o. Sp.k.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 3 Spółka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 4 Spółka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 5 Spółka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 1 Spółka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 5 Cordia Partner 2 spółka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 2 Cordia Partner 2 spółka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 3 Cordia Partner 2 spółka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Partner 2 Spółka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Partner 3 Spółka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Partner 4 Spółka z.o.o.	Poland	N/A	100%	N/A	Subsidiary
Cordia Development 2 Spółka z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 10 Sp. z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 6 Sp. z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 8 Sp. z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 9 Sp. z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Partner 5 Sp. z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Partner 6 Sp. z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 4 Cordia Partner 2 Sp. z.o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Trójmiasto 1 Cordia Partner 2 Sp. z.o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 6 Cordia Partner 2 Sp. z.o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 7 Cordia Partner 2 Sp. z.o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 5 Cordia Partner 2 Sp. z.o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 6 Cordia Partner 2 Sp. z.o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Trójmiasto 2 Cordia Partner 2 Sp. z.o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 8 Cordia Partner 2 Sp. z.o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 9 Cordia Partner 2 Sp. z.o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Supernova Sp. z.o.o.	Poland	100%	100%	Subsidiary	Subsidiary

¹ The Group has control over these entities with less than 50% ownership, please see Note 2.

Entity name	Place of operation	Share of ownership & voting rights at		Nature of relationship	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
Projekt Gdansk 1 Cordia Partner 6 Spółka z.o.o. Sp.k.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 7 Cordia Partner 2 Sp. z.o.o. Sp.k.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Polska Finance sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Polnord SA	Poland	100%	92.92%	Subsidiary	Subsidiary
FPP Powsin Sp. z o.o.	Poland	49.00%	45.53%	Join venture	Join venture
FPP Osiedle Moderno Sp. z o.o.	Poland	49.00%	45.53%	Join venture	Join venture
Fadesa Polnord Polska Sp. z o.o.	Poland	49.00%	45.53%	Join venture	Join venture
Haffnera Apart Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
Haffnera Park Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
Hydrosspol Sp. z o.o. w likwidacji	Poland	30.00%	27.88%	Associate	Associate
Korporacja Budowlana DOM SA	Poland	34.65%	32,20%	Associate	Subsidiary
Korporacja Budowlana Dom Sp. z o.o. w restrukturyzacji	Poland	34.65%	32,20%	Associate	Subsidiary
Cogilco Polonia Sp. z o. o.	Poland	34.65%	32,20%	Associate	Subsidiary
KBD Prefabrykacja Sp. z o. o.	Poland	34.65%	32,20%	Associate	Subsidiary
Polnord Spółka Akcyjna Finanse S.j.	Poland	100%	92.92%	Subsidiary	Subsidiary
Polnord Apartamenty Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
Polnord Brama Wilanowska Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
Polnord Construction Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
Polnord Gdańsk Dwa Tarasy Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
Polnord Haffnera 1 Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
Polnord Inwestycje Sp. z o.o. S.j.	Poland	100%	92.92%	Subsidiary	Subsidiary
Polnord inwestycje Sp. z o.o. Łódź City	Poland	100%	92.92%	Subsidiary	Subsidiary
Polnord Inwestycje Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
Polnord Olsztyn Tęczowy Las Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
Polnord Rezydencje Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
Polnord Szczecin Ku Słońcu Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
Polnord Warszawa-Ząbki Neptun Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
Osiedle Innova Sp. z o.o.	Poland	49.00%	45.53%	Join venture	Join venture
Stacja Kazimierz I Sp. z o.o.	Poland	50.00%	46.46%	Join venture	Join venture
Stacja Kazimierz III Sp. z o.o.	Poland	50.00%	46.46%	Join venture	Join venture
Stacja Kazimierz III Sp. z o.o. SK	Poland	50.00%	46.46%	Join venture	Join venture
Śródmieście Wilanów Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
Wilanów Office Park-bud. B1 Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
Wilanów Office Park-bud. B3 Sp. z o.o.	Poland	100%	92.92%	Subsidiary	Subsidiary
CDS-Cordia Development Services Srl	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Parcului Residential Project Srl	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Dante Project SRL	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Navigatorilor Project SRL	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Corarilor Development SRL	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Project Services SPV3 SRL	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Project Development SPV2 SRL	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Project Real Estate Development SPV4 S.R.L.	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Project Real Estate Services SPV5 S.R.L.	Romania	100%	100%	Subsidiary	Subsidiary
Stroj Dom ZSA (Rosja)	Russia	100.00%	92.92%	Subsidiary	Subsidiary
Cordia Project Company Sociedad Limitada	Spain	100%	100%	Subsidiary	Subsidiary
Cordia Holdco Fuengirola SL	Spain	N/A	100%	N/A	Subsidiary
Cordia Iberia Holding Sociedad Limitada	Spain	100%	100%	Subsidiary	Subsidiary
Cordia Marbella Project Company, S.L.	Spain	100%	100%	Subsidiary	Subsidiary
Cordia Development Company SL	Spain	N/A	90%	N/A	Subsidiary
Cordia Fuengirola Development Company Sociedad Limitada	Spain	100%	90%	Subsidiary	Subsidiary

CORDIA International Zrt.

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Entity name	Place of operation	Share of ownership & voting rights at		Nature of relationship	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
Cordia UK Holdings Limited	United Kingdom	100%	100%	Subsidiary	Subsidiary
Cordia Blackswan Property Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Cordia Blackswan Holdings Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Blackswan Property Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Blackswan Developments (The Gothic) Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Blackswan (Bradford Works) Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Blackswan Developments (Barr Street) Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Cordia Blackswan (Thorp) Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Cordia Blackswan (22 Great Hampton Street) Limited	United Kingdom	97%	N/A	Subsidiary	N/A
Cordia Blackswan (Key Hill) Limited	United Kingdom	97%	N/A	Subsidiary	N/A
Cordia Blackswan (Nightingale) Limited	United Kingdom	97%	N/A	Subsidiary	N/A
Cordia Blackswan (Cheapside) Limited	United Kingdom	97%	N/A	Subsidiary	N/A
Cordia Blackswan (Project 1) Limited	United Kingdom	97%	N/A	Subsidiary	N/A
Nightingale Knitwear Centre Limited	United Kingdom	97%	N/A	Subsidiary	N/A