



INDEPENDENT AUDITOR'S REPORT

on verification of consolidated financial statements

as of 31 December 2022

to the owners and statutory representatives of

CORWIN j. s. a.

Company seat:

CORWIN j. s. a.
Námestie Mateja Korvína 1
811 07 Bratislava
ID: 53 317 556

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INDEPENDENT AUDITOR'S REPORT

To the owners and Statutory Representatives of CORWIN j. s. a.:

Report from the audit of consolidated financial statements

Opinion

1. We have audited the accompanying consolidated financial statements of CORWIN j. s. a and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of 31 December 2022, the consolidated statement of profit and loss and of other comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement for the year then ended and Notes, which contain a summary of significant accounting policies and accounting principles.
2. In our opinion, the accompanying consolidated financial statements present fairly in all material respects the consolidated financial position of the Group as of 31 December 2022 and its consolidated financial performance and consolidated cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by European Union.

Basis for opinion

3. We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibility under those standards is further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section, below. We are independent of the Group in accordance with regulations of Act 423/2015 on statutory audit and in accordance with the changes and amendment to and supplement of Act 431/2002 on accounting, as amended ("the Act on Statutory Audit") related to ethics, including the Code of Ethics for Auditor, that are relevant for our audit of consolidated financial statements and we have also fulfilled the other requirements of these regulations related to ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Statutory Representatives' and Those, charged with governance Responsibility for the consolidated financial statements

4. The Statutory Representatives are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by European Union and for such internal controls as management determines necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, Statutory Representatives are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting: unless management intends to, either, liquidate the Group or to cease its operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the consolidated financial statements

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



6. As part of an audit conducted in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, and / or the override of internal controls.
 - Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
 - Evaluate the appropriateness of accounting principles and policies used, the reasonableness of accounting estimates and the related disclosures made by Statutory Representatives.
 - Conclude on the appropriateness of Statutory Representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention, in our audit report, to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
7. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other requirements of Slovak Acts and other legal regulations

Report on information presented in the consolidated annual report

8. The Statutory Representatives are responsible for the information presented in the Group's consolidated sustainability and annual report, prepared in accordance with the Act on Accounting. Our above presented opinion on the financial statements does not relate to other information presented in the consolidated annual report.

In connection with the audit of the consolidated financial statements it is our responsibility to gain an understanding of the information presented in the consolidated sustainability and annual report and assess whether such information is materially inconsistent with the audited consolidated financial statements or the knowledge gained during the audit of the consolidated financial statements, or otherwise appears to be materially misstated.

As of the date of this audit report to the financial statements the annual report has not been made available to us.



When we obtain annual report, we will assess if the annual report includes information required by the Act on Accounting. Based on the work performed during the audit of the financial statements we will express an opinion, on whether:

- The information presented in the annual report for 2022 is consistent with the financial statements for that year,
- The annual report includes information required by the Act on Accounting.

In addition, based on our understanding of the Group and its position, obtained during the audit of the consolidated financial statements, we are required to disclose, whether material misstatements were identified in the consolidated annual report, which we received prior to the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

Bratislava, 24 November 2023

TPA

TPA AUDIT s.r.o.
Licence SKAu No. 304

Ing. Ivan Paule, CA, FCCA
Responsible auditor
Licence SKAu No. 847

**Corwin j.s.a.
and Subsidiary Companies**

**Consolidated financial statements
for the period from 1 January 2022 to 31 December 2022**

**prepared in accordance
with the International Financial Reporting Standards (IFRS) as adopted by the EU**

Consolidated statement of profit and loss and other comprehensive income

in '000 EUR	Note	1.1.2022 – 31.12.2022	1.1.2021 – 31.12.2021
Continuing operations			
Revenues from sales of inventory (real estate)	6	1 411	4 629
Cost of inventories sold (real estate)	6	(925)	(3 326)
Profit/(loss) on sale of inventories		486	1 303
Rental income	7	3 830	2 540
Expenses related to rent	7	(2 116)	(1 664)
Net rental income		1 714	876
Profit on revaluation of investment property	15	4 355	13 945
Profit on disposal of subsidiaries	22	3 082	-
Other operating income	8	508	457
Expected credit losses	8	(123)	(56)
Other operating expenses	8	(2 431)	(1 890)
Operating result		7 591	14 635
Financial Income	9	6	12
Financial Expense	9	(1 584)	(2 309)
Net financial result		(1 578)	(2 297)
Profit / loss Before Tax from continuing operations		6 013	12 338
Income Tax Expense	10	(401)	(2 650)
Profit / loss for the year from continuing operations		5 612	9 688
Discontinued operations			
Profit after tax from discontinued operations	22	1 153	7 382
Profit / loss for the Year		6 765	17 070
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)		(3)	-
Total Comprehensive Income		6 762	17 070
Profit for the Year			
- attributable to Owners of the Company		3 147	13 970
- attributable to NCI		3 618	3 100
Total comprehensive income for the year			
- attributable to Owners of the Company		3 144	13 970
- attributable to NCI		3 618	3 100

The Notes provided on pages 7 to 47 constitute an integral part of the consolidated financial statements.

Consolidated statement of financial position
in '000 EUR**Assets****Non-current assets**

	Note	31.12.2022	31.12.2021
Investment property	13	63 279	63 200
Investment property in development	14	102 443	48 700
Property, Plant and Equipment	12	2 513	531
Other non-current assets	19	3 989	948
Deferred tax asset	11	2 406	1 259
Intangible Assets		115	99
		174 745	114 737

Current assets

Loans provided	17	2 061	704
Inventories	16	105 751	82 228
Trade Receivables	18	693	643
Tax assets		142	210
Other Assets	20	4 228	6 049
Cash and Cash Equivalents	21	13 223	27 372
		126 098	117 206

Assets held for sale

22 - 91 278

Total assets**300 843 323 221****Equity and liabilities****Equity**

Share capital		(1 000)	-
Other capital funds	23	(76 947)	(79 647)
Retained earnings (losses)		(13 967)	3
Foreign currency translation reserve		3	-
Net result for the period		(3 147)	(13 970)
		(95 058)	(93 614)
Equity attributable to equity holders of the parent		(42 439)	(16 415)
Non-controlling interes		(137 497)	(110 029)

Non-current liabilities

Subordinated debt	25	(20 514)	(23 546)
Borrowings	24	(23 422)	(51 840)
Deferred tax liabilities	11	(13 714)	(12 393)
Prepayments received		(4 460)	(13 872)
Lease liability		(1 197)	-
Other non-current liabilities	26	(2 602)	(2 575)
		(65 909)	(104 226)

Current liabilities

Short-Term Borrowings	24	(73 828)	(36 344)
Provisions	28	(682)	(648)
Lease liability		(349)	-
Tax liabilities		(64)	(164)
Trade and other liabilities	26	(22 514)	(8 243)
		(97 437)	(45 399)

Liabilities directly associated with the assets held for sale

22 - (63 567)

Total liabilities**(163 346) (213 192)****Total equity and liabilities****(300 843) (323 221)**

The Notes provided on pages 7 to 47 constitute an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

in €000s

	Share capital	Legal reserve fund	Other capital reserve funds	Foreign currency translation reserve	Retained earnings	Net result for the period	Equity attributable to equity holders of the parent	Non-controlling interest	Total
Balance as at 1 January 2022	-	-	79 647	-	(3)	13 970	93 614	16 415	110 029
Profit/(loss) for the year	-	-	-	-	-	3 147	3 147	3 618	6 765
Other comprehensive income				(3)	-		(3)	-	(3)
Total comprehensive income for the period	-	-	-	(3)	-	3 147	3 144	3 618	6 762
Transactions charged directly to equity									
Increase of share capital	1 000	-	(1 000)	-	-	-	-	-	-
Transfer of prior year profit/(loss)	-	-	-	-	13 970	(13 970)	-	-	-
Partial acquisition of subsidiaries	-	-	-	-	-	-	-	-	-
Sale of subsidiary	-	-	-	-	-	-	-	(4 724)	(4 724)
Dividend declared	-	-	-	-	-	-	-	(105)	(105)
Other capital funds contributions/(reduction)	-	-	(1 700)	-	-	-	(1 700)	27 235	25 535
Total transactions during the year	1 000	-	(2 700)	-	13 970	(13 970)	(1 700)	22 406	20 706
Balance as at 31 December 2022	1 000	-	76 947	(3)	13 967	3 147	95 058	42 439	137 497

The Notes provided on pages 7 to 47 constitute an integral part of the consolidated financial statements

Consolidated statement of changes in equity

in €000s

	Share capital	Legal reserve fund	Other capital reserves	Retained earnings	Net result for the period	Equity attributable to equity holders of the parent	Non-controlling interest	Total
Balance as at 1 January 2021	-	-	80 029	-	(3)	80 026	9 151	89 177
Profit/(loss) for the year	-	-	-	-	13 970	13 970	3 100	17 070
Total comprehensive income for the period	-	-	-	-	13 970	13 970	3 100	17 070
Transactions charged directly to equity								
Transfer of prior year profit/(loss)	-	-	-	(3)	3	-	-	-
Partial acquisition of subsidiaries	-	-	250	-	-	250	(263)	(13)
Partial sale of subsidiary	-	-	504	-	-	504	6 136	6 640
Dividend declared	-	-	-	-	-	-	(707)	(707)
Other capital funds contributions/(reduction)	-	-	(1 136)	-	-	(1 136)	(1 002)	(2 138)
Total transactions during the year	-	-	(382)	(3)	3	(382)	4 164	3 782
Balance as at 31 December 2021	-	-	79 647	(3)	13 970	93 614	16 415	110 029

The Notes provided on pages 7 to 47 constitute an integral part of the consolidated financial statements

Consolidated cash flow statement*in €000s*

	Note	1.1.2022 – 31.12.2022	1.1.2021 – 31.12.2021
OPERATING ACTIVITIES			
Profit/ (Loss) after tax from continuing operations		5 612	9 688
Profit/ (Loss) after tax from discontinued operations		1 153	7 382
Adjustments related to:			
Depreciation and amortization		290	-
Expected credit losses		211	56
Profit from sale of subsidiaries and associates		(3 770)	-
Revaluation of Investment property	15, 22	(4 355)	(20 727)
Interest (income) / expense net	9, 22	1 578	2 857
Change in provisions	28	34	51
Income tax	10, 22	401	4 572
Change in trade receivables, other receivables & other assets	18, 20	(2 209)	(973)
Change in inventories	16	(22 564)	(27 952)
Change in prepayments received		(9 412)	7 726
Change in payables & other liabilities	26	13 229	1 217
Net cash from operating activities before income tax paid		(19 802)	(16 103)
Income tax paid		(259)	(2 546)
Net cash from operating activities after income tax paid		(20 061)	(18 649)
INVESTING ACTIVITIES			
Purchase of PPE & Intangible assets	12	(727)	(253)
Purchase of / investment in Investment property	13	(49 237)	(7 108)
Repayment/ (disbursement) of granted loans	17	(1 357)	(240)
Proceeds from sale of subsidiary	4	28 644	-
Proceeds from sale of NCI in subsidiary		-	2 590
Other cash flows used in investing activity		-	(13)
Net cash from/(used in) investing activities		(22 678)	(5 024)
FINANCING ACTIVITIES			
Repayments of loans received	24	(34 266)	(22 648)
Proceeds from loans received	24	40 402	64 337
Lease payments		(105)	-
Equity contribution (payment) with owners		(1 700)	-
Equity contribution (payment) with non-controlling interest		27 235	(2 138)
Interest paid		(2 872)	(986)
Dividends paid		(105)	(707)
Net cash from/(used in) financing activities		28 590	37 858
Net increase / (decrease) of cash and cash equivalents		(14 149)	14 185
Cash and cash equivalents at beginning of the year		27 372	20 302
Cash and cash equivalents classified as held for sale		-	7 115
Cash and cash equivalents at the year end		13 223	27 372

The Notes provided on pages 7 to 47 constitute an integral part of the consolidated financial statements.

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Notes to the consolidated financial statements

for the period from 1 January 2022 to 31 December 2022

(in €000s)

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Notes to the consolidated financial statements

for the period from 1 January 2022 to 31 December 2022

(in €000s)

1. Information about the Group

Corwin j.s.a. ("the parent company" or "the Company") is a simplified joint-stock company with its registered office and place of business at Námestie Mateja Korvína 1, 811 07 Bratislava – city part Staré Mesto. The Company was established on 2 October 2020 and was registered in the Commercial Register on 2 October 2020, section Sja, entry No. 121/B. The Company identification number is 53 317 556.

The Company is not a member having unlimited liability in other accounting entities. Vision 2030 j. s. a. is the ultimate parent company of the Group. The ultimate beneficial owner of Vision 2030 j. s. a. is Marián Hlavačka.

The consolidated financial statements of the Company for the period ending 31 December 2022 comprise the statements of the parent company and its subsidiaries (together referred to as "the Group").

The Group's principal activities involve development in real estate properties. It builds and either rents or sells the completed properties, focusing mainly on the Bratislava region in Western Slovakia. The Group holds residential properties as inventories, which are developed for subsequent sale to individual customers. Office complexes are rented to corporate customers upon successful completion. The Group is divided into two main segments – Office segment which leases office space to customers and residential segment which sells residential real estate properties.

Number of employees in the Group is as follows:

Item name	31.12.2022	31.12.2021
Average number of employees	118	109
Staff at the date on which the financial statements are prepared, of which:	139	107
<i>of which the number of senior staff:</i>	19	27

Company bodies are:

The Board of Directors

Ing. Marián Hlavačka; chairman of the Board
Ing. Róbert Mitterpach , MBA; member of the Board

2. Significant accounting policies

(a) Statement of compliance

The consolidated financial statements for the period from 1 January 2022 to 31 December 2022 have been prepared according to the International Financial Reporting Standards as adopted by the EU ("IFRS"), in accordance with §22 of Slovak Republic Accounting Act no. 431/2002 Z. z.

(b) Basis of preparation

The Consolidated financial statements have been prepared based on the historical cost principle, except the investment property measured at fair value were revalued to their fair value through profit or loss. The Group's consolidated financial statements have been prepared on a going-concern basis.

In the context of the war in Ukraine, the Group's management carried out an analysis of the possible effects and consequences on the Group and concluded that there are currently no significant adverse effects on the Group (except for rising input prices, in particular fuel, energy, materials, goods and services). The management of the company does not foresee a significant threat to the assumption of going concern in the near future (i.e. for the next 12 months from the date of preparation of the financial statements).

The consolidated financial statements have been prepared in euro thousands.

The preparation of financial statements in compliance with IFRS as adopted by the EU requires the application of various judgments, assumptions and estimates which affect the reported amounts of assets, liabilities, income and expenses. However, actual results will likely differ from these estimates. Significant accounting estimates and judgments which were made by management and which bear a significant risk of material adjustment in the next accounting period are discussed in Note 3 – Significant accounting estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and also in future periods if the revision affects both current and future periods.

(c) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(d) IFRS pronouncements

i. Application of new standards and interpretations relating to the company's operations that are effective for the current period

A number of new standards and amendments to the standards are effective for annual periods beginning after 1 January 2022 but do not materially affect the financial statements.

As of 1 January 2022, the following standards and interpretations have come into force and have been applied by the Group in preparing these financial statements:

IFRS 16	COVID-19-related lease concessions beyond 30 June 2021
IAS 16	Amendment to IAS 16: Property, Plant and Equipment
IAS 37	Amendment to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract
IFRS 3	Amendment to IFRS 3 Business Combinations - Reference to the Conceptual Framework Annual improvements 2018 - 2020

ii. Standards and interpretations regarding the company's operations that are not yet effective

As at 31 December 2022, the following IFRS, amendments to and interpretations of the standards were issued, which have not become effective yet, and thus were not applied by the Group when compiling these financial statements.

IAS 12	Amendments to IAS 12 Income taxes — Deferred tax related to assets and liabilities arising from a single transaction
IAS 8	Definition of accounting estimates (amendments to IAS 8)
IFRS 16	IFRS 16 Leasing: Lease Liability in Sale and Leaseback (Amendments)
IAS 1	Classification of liabilities as current or non-current (amendments to IAS 1)
IAS 1, IFRS 2	Amendments to IAS 1 Presentation of Financial Statements and Practice Statement IFRS 2 - Disclosure of Accounting Policies
IFRS 10, IAS 28	Sale or contribution of assets between an investor and its associate or joint venture (IFRS 10 Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures)
IFRS 17	IFRS 17: Insurance contracts

The Group examines the impact of these improvements on the consolidated financial statements. Adoption of the new and amended standards are not expected to have a material impact on the financial statements of the Group in the period of first application.

(e) Basis for consolidation

i. Subsidiaries

Subsidiaries are those entities that are controlled by the Group. The control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity, so as to obtain benefits from its activities. Power is derived from rights. In order to have power over the investee, an investor must have existing rights that allow him to manage the relevant activities at the relevant time. Examples of rights that may, either individually or in combination, give the investor power include, but are not limited to:

- (a) rights in the form of voting rights (or potential voting rights) in the entity in which it invests;
- (b) the right to appoint, reassign or dismiss key members of the management of the investee who are able to manage relevant activities;
- (c) the right to appoint or dismiss another entity to direct the relevant activities;
- (d) the right to manage the investee to carry out transactions in favour of the investor or vetoed any changes to such transactions, and

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for the period from 1 January 2022 to 31 December 2022

(in €000s)

(e) other rights (such as decision-making rights specified in the management contract) which enable the holder to direct the relevant activities.

The consolidated financial statements include the Group's interest in other companies under the Group's right to control these companies, regardless of whether control is exercised in reality or not. The financial statements of subsidiaries are included in the consolidated financial statements from the date of establishment of control to the date on which control ceases to exist.

ii. Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when a company holds between 20 and 49 percent of the voting rights of another entity. The consolidated financial statements include the Group's share of the recognized gains and losses of associates on an equity accounted basis (equity method) from the day of origin of the significant influence until the day of cessation of the significant influence. Investment in associate is recognized initially at cost. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount of such an associate is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

iii. Scope of consolidation

The consolidation as at 31 December 2022 includes forty one companies (thirty three at 31 December 2021). The list of all companies included in the consolidation is provided in Note 5 – Group information.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized gains or losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

v. Acquisition method of accounting

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquire and the equity interests issued by the acquirer.

Acquisition-related costs are recognized directly in profit or loss.

The acquiree's identifiable assets acquired and the liabilities assumed that meet the recognition criteria under IFRS 3 are recognized at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquired, and the fair value of the acquirer's previously held equity interest in the acquired (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Otherwise the difference is reassessed and any excess remaining (negative goodwill) after the reassessment is recognized directly in profit and loss.

The non-controlling interest is measured as a proportionate share of identifiable assets of the acquiree's identifiable assets.

vi. Unification of accounting principles

The accounting principles and procedures applied by the consolidated companies in their financial statements were unified in the consolidation and comply with the principles applied by the parent company.

(f) Financial instruments (except for financial liabilities)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Initial recognition and measurement of financial asset

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

iii. Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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 on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes Trade receivables, Other assets, Loan receivables and Cash and Cash equivalents.

iv. Financial assets at fair value through OCI without recycling (equity instruments)

The Group elected to measure equity instruments at fair value through OCI if the equity instrument is not held for trading.

v. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or

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- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

vi. Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a method, that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks, short-term highly liquid investments with original maturities of three months or less and short-term highly liquid investments readily convertible for known amounts of cash.

(h) Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV).

Cost includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for construction
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

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The cost of inventory property recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Details on the valuation of inventory property are specified in Note 3(b) – Significant accounting estimates and assumptions, Estimation of net realizable value for inventory property.

(i) Offsetting

Financial assets and liabilities are offset, and their net amount is reported in the balance sheet when the Group has a legally enforceable right to set off the recognized amounts and the transactions are intended to be settled on a net basis.

(j) Impairment

The carrying amounts of the Group's assets, other than inventories (refer to the accounting policy under letter h)), investment property (refer to the accounting policy under letter m)), financial instruments (refer to the accounting policy under letter f)) and deferred tax assets (refer to the accounting policy under letter q)) are reviewed at each financial statement date to determine whether there is objective indication of impairment of the asset. If any such indication exists, the asset's recoverable amount is estimated. Intangible assets that have an indefinite useful life are not subject to amortization but are tested annually for impairment as part of the cash-generating unit to which they belong.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. The recoverable amount of other assets is the greater of their value in use less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In respect of other assets, an impairment loss is reversed or decreased when there is an indication that the impairment loss no longer exists and there has been a change in the estimates used to determine the recoverable amount. An impairment loss can only be reversed or decreased 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.

(k) Property, plant and equipment

i. Owned assets

Single items of property, plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses (refer to the accounting policy under letter j)). Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and costs of dismantling and removing the items and restoring the site where it was located. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items (major components) of property, plant and equipment.

ii. Subsequent expenditures

Subsequent expenditure is capitalized if it is probable that the future economic benefits embodied in the part of property, plant and equipment will flow to the Group and the relevant cost can be measured reliably. All other expenditures including the costs of day-to-day servicing of property, plant and equipment are recognized in profit or loss in the period to which they relate.

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iii. Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of individual items of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- | | |
|--|---------------|
| • Buildings | 20 - 40 years |
| • Individual movables and sets of movables | |
| ▪ Equipment | 4 - 12 years |
| ▪ Vehicles | 4 - 5 years |

Depreciation methods, useful lives, as well as residual values, are reassessed annually as at the financial statement's date. Each significant part of property, plant and equipment (component) with cost significant in relation to the total cost of the relevant item is depreciated separately.

iv. Capitalized borrowing costs

Borrowing costs attributable to the asset that necessarily takes a substantial period of time to get ready for its use or sale are capitalized by the Company as part of the cost of the asset.

(l) Intangible assets

i. Goodwill and intangible assets acquired in a business combination

Goodwill is measured at the amount of the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed at the date of acquisition. Goodwill on acquisition of subsidiaries and associates is included in the investments in subsidiaries and associates.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Negative goodwill realized upon acquisition is revaluated and remaining negative goodwill is recognized directly in the profit and loss.

ii. Software and other intangible assets

Software and other intangible assets acquired by the Company are stated at cost less accumulated amortization (see below) and impairment losses (refer to the accounting policy under letter j)). Useful life of these assets is reassessed regularly.

iii. Amortization

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date the asset is available for use. The estimated useful lives are as follows:

- | | |
|------------|---|
| • Software | 4 – 5 years |
| • Licenses | each item uses an individual depreciation plan, |

(m) Investment property

Investment property is property held by the Group for the purpose of obtaining rental income or its capital appreciation, or both. Investment property is reported at fair value, which is determined by an independent valuation expert or management. Fair value is based on current prices of similar assets in an active market in the same location and under the same conditions, or if these are not available, generally applicable valuation models such as the income method are used. Any gain or loss resulting from a change in fair value is reported in profit or loss.

Property that is built or developed for the purpose of its future use as investment real estate is valued at fair value, provided that it can be reliably determined.

This property is reported at fair value after initial recognition. Gains or losses resulting from changes in fair value are included in profit or loss in the year in which they arise, including the corresponding tax effect.

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Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investment property is derecognized when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses at the retirement or disposal of investment property. Any gains or losses are recognized in the income statement in the year of retirement or disposal.

Details on the valuation of investment property are specified in Note 3(a) – Significant accounting estimates and assumptions, Valuation of investment property.

Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous full period's financial statements.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

Rental income from investment property is accounted for as described in the accounting policy under letter (u).

(n) Provisions

A provision is recognized in the balance sheet when the Group has a present legal, contractual, or non-contractual obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Long-term provisions the reduction of which to their present value would have a material impact on the financial statements are discounted to their present value.

Group does not recognize any long-term provisions. Majority of short-term provisions are related to employee benefits. Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as expenses at the time of provision of the service by the employees. A liability is recognised if the Group has legal or contractual obligation as result past service provided by the employees and amount of liability can be reliably estimated as cost of expected short-term cash reward or planned share in profit. Provision for liabilities related to bonuses for employees was created and estimated based on employees' contractual entitlements.

The rest of the short-term provisions consist of liabilities arising from uninvoiced deliveries, litigation and warranty repairs. The Group has made the creation and valuation of a reserve for uninvoiced supplies on the basis of claims arising from contracts. The creation and valuation of the litigation reserve was carried out by the Group on the basis of an out-of-court agreement. The provision for warranty repairs was made on the basis of contractual obligations. The valuation of the reserve was determined by the Group by an expert estimate, which is based on warranty repairs in past periods and taking into account the costs necessary to eliminate these claimed scraps and defects.

(o) Interest income and expense

Interest income and expense is recognized in profit or loss in the period to which it relates using the effective interest rate basis. All expenses on loans and borrowings are recognized in profit or loss, with the exception of capitalized borrowing costs; refer to the accounting policy under letter (h) and (m).

(p) Rental income from investment property

Rental income from investment property is recognized in profit or loss on a straight-line basis over the term of the lease.

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(q) Income tax

Income tax on the profit for the current accounting period comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the current accounting period, using tax rates valid as at the date of the financial statement's preparation, and any adjustments to tax payable in respect of previous accounting periods.

Deferred tax is accounted for using the balance sheet method and calculated from all temporary differences between the carrying amounts of assets and liabilities determined for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences weren't taken into account: the initial recognition of assets or liabilities which affect neither accounting nor taxable profit, and the differences relating to investments in subsidiaries to the extent that it is probable that they will not be reversed in the foreseeable future. No deferred taxes are recognized on the initial recognition of goodwill. The amount of deferred tax is based on the expected way of realization or settlement of the carrying amount of assets and liabilities, using the tax rates valid or approved as at the date of the financial statement's preparation.

Income tax is recognized directly in profit or loss, except for the part that relates to items recognized directly in equity, in which case the income tax is recognized in equity.

Deferred tax asset and liability are offset if there is a legally enforceable right to offset the payable tax liability and asset, and they relate to the same tax authority and the taxable entity.

A deferred tax asset is only recognized up to the amount of probable future taxable profits against which the unused tax losses and credits can be offset. Deferred tax assets are reduced by the amount for which it is probable that the related tax benefit will not be realized.

(r) Trade and other liabilities

Trade and other liabilities are stated at amortized cost (see accounting policy under letter (y) Financial liabilities).

(s) Tenant deposits

Tenant deposits liabilities are initially recognized at fair value and subsequently measured at amortised cost where material. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognized on a straight-line basis over the lease term.

(t) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in most of the revenue arrangements, it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognized.

(u) Rental income – operating leases

The Group is the lessor in operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in revenue in the income statement due to its operating nature, except for contingent rental income which is recognized when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognized as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognized as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant

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has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for damages are recognized in the income statement when the right to receive them arises.

(v) Sale of completed property

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally at the moment of registration in the cadastre and/or handover of the property to the owner, whichever occurs first. For conditional exchanges, sales are recognized only when all the significant conditions are satisfied. The standard payment terms are 14-30 days. By default, the contract does not contain additional obligations or guarantees.

Revenue is recognised at the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for the transfer of control of the promised goods or services to the customer, excluding amounts collected on behalf of third parties.

Prepayments received as recognised in the consolidated Financial Position Statement constitute a contractual obligation.

(w) Sales of property under development

Where property is under development and agreement has been reached to sell such property when construction is complete, the Group considers whether the contract comprises:

- A contract to construct a property, or
- A contract for the sale of a completed property

Where a contract is judged to be for the construction of a property, revenue is recognized using the percentage-of-completion method as construction progresses.

Where the contract is judged to be for the sale of a completed property, revenue is recognized when the significant risks and rewards of ownership of the real estate have been transferred to the buyer. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage-of-completion method of revenue recognition is applied, and revenue is recognized as work progresses. Continuous transfer of work in progress is applied when:

- The buyer controls the work in progress, typically when the land on which the development takes place is owned by the final customer
- All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically, when buyer cannot put the incomplete property back to the Group

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

Revenue is recognised at the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for the transfer of control of the promised goods or services to the customer, excluding amounts collected on behalf of third parties.

Prepayments received as recognised in the consolidated Financial Position Statement constitute a contractual obligation.

(x) Dividends

Dividends are recognized in the statement of changes in equity and also as liabilities in the period in which they are approved.

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(y) Financial liabilities

The Company recognizes financial liabilities as other financial liabilities. The Company does not recognize any financial liabilities valued at fair value through profit or loss.

In the Group's Consolidated statement of financial position, other financial liabilities are recognized as received loans and borrowings, trade payables, other liabilities and current tax liabilities.

Financial liabilities are recognized by the Group on the trade date. Upon initial recognition, financial liabilities are measured at fair value including transaction costs.

Subsequent to initial recognition, financial liabilities are measured at amortized cost. Upon measurement at amortized cost the difference between the cost and the face value is recognized through profit or loss during existence of the asset or liability using the effective interest rate method.

Financial liabilities are derecognized when the Group's obligation specified in the contract expires, is settled or cancelled.

The Group discloses part of the borrowings as subordinated. In this context, subordinated are those borrowings, that are junior to the bank loans provided to the Group. I.e. in case of liquidation, these borrowings will be repaid if and only if the bank loans have been satisfied already.

Costs of received loans and borrowings directly attributable to the acquisition or construction of real estate, which necessarily require a significant amount of time to prepare for the intended use or sale, are capitalized as part of the cost of the asset. Capitalization begins when:

- (1) The Group incurs expenses for the acquisition of assets;
- (2) The Group incurs costs for received credits and loans;
- (3) The group performs activities that are necessary to prepare the property for its intended use or sale.

All other costs of received loans and borrowings are charged to costs in the period in which they were incurred. The costs of received loans and borrowings consist of interest and other costs incurred by the accounting unit in connection with the borrowing of funds. The costs of received loans and loans incurred in connection with investments in real estate under construction are charged to costs at the time of their origination.

Capitalized interest is calculated on the basis of the weighted average cost of the Group's loans and borrowings after adjustment for loans related to specific developments. If the loans are linked to specific developments, the capitalized amount represents the gross interest generated from these loans reduced by all investment income from their temporary investment. Interest is capitalized from inception to completion date, i.e. j. when essentially the entire construction work is completed. Capitalization of finance costs is suspended if there are longer periods when development activity is interrupted. Interest is also capitalized from the purchase price of land or real estate acquired specifically for reconstruction, but only if the activities necessary to prepare the property for reconstruction are ongoing.

(z) Fair value estimates

The following notes summarise the main methods and assumptions used in estimating the fair values of investment property, financial assets and liabilities referred to in Note 15 – Fair value measurement:

i. Investment properties

Investments in property are measured at fair value. Their fair value measurement comprises significant judgment and is described in detail in Note 3 - Significant Accounting Estimates and Assumptions.

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ii. Loans and borrowings

For loans and borrowings with no defined maturities, fair value is taken to be the amount payable on demand as at the date of preparation of the consolidated financial statement. For loans and borrowings with an agreed maturity date, the fair value is determined on the basis of discounted cash flows using current interest rates currently offered for loans and borrowings with a similar maturity.

iii. Trade receivables/payables, other receivables and other assets/liabilities

For receivables/payables with a remaining life of less than one year, the nominal amount is deemed to reflect the fair value. Other receivables/payables are discounted to determine the fair value.

i. Loans granted

Fair value is measured based on discounted expected future principal and interest cash flows. Expected future cash flows are estimated considering credit risk and any indication of impairment. The estimated fair values of loans reflect changes in credit status since initial recognition, as well as changes in interest rates for fixed rate loans.

3. Significant Accounting Estimates and Assumptions

The compilation of the financial statements according to the International Financial Reporting Standards as adopted by the EU requires the application of certain significant accounting estimates. It also requires that the management, in the application process of the Company accounting principles, should use its judgement. Therefore, the accounting estimates will be rarely identical with actual figures. Estimates and assumptions carrying a significant risk of causing a material modification of the book value of assets and liabilities in the future accounting period are described below in the text. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and in future periods if the revision affects both current and future periods.

(a) Valuation of Investment Property

Investments in property are measured at fair value. The fair value of investments in property is determined either by an independent authorized expert or by the management (see Significant accounting policies, point m); in both of the cases the valuation is based on current market values and conditions. The fair market value is the estimated value, for which the property could be exchanged, on the valuation day, between knowledgeable, willing parties being a prospective seller and a prospective buyer, in an arm's length transaction, with each party acting well informed, cautiously and without compulsion.

In the absence of current market prices, net estimated cash flow generated from the leasing of property and gains from capitalisation which reflect the risk specific for the market and also cash flow from the property shall be taken into account. The valuation reflects (where relevant) the type of lessees who use the property or are responsible for the fulfilment of lease liabilities or the type of prospective users, if the property is left non-rented, the general market perception of lessee solvency, the distribution of responsibilities related to maintenance and insurance of property between the Company and the lessees, and the remaining life of property.

As at 31 December 2022, the Company management, based on current market conditions, revalued the value of investments in property. Main methods and assumptions used in estimating the fair values of Investment property and Investment property in developments are disclosed in Note 15 Fair value measurement – Investment property and Investment property in development.

(b) Estimation of net realisable value for inventory property

Inventory property is stated at the lower of cost and net realisable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical market serving the same real estate segment. NRV in respect of inventory

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property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction, estimated costs to complete construction and an estimate of the time value of money to the date of completion.

(c) Goodwill and Impairment Test

As at the date of the financial statements, the Group is required to assess whether there is any indication that its goodwill is impaired. If there is no indication that goodwill may be impaired, the Group shall, according to IAS 36, test reported goodwill for possible impairment on a yearly basis as at 31 December, i.e. as at the date of compilation of the annual consolidated financial statements.

On the day of acquisition, the acquired goodwill is allocated to individual cash-generating units (CGU) that are expected to benefit from the synergies of the business combinations.

Potential decrease of the goodwill value is determined by comparing the recoverable amount of CGU and its book value. The recoverable amount is determined by the value in use. The value in use was derived from a business plan prepared by the management. The key prerequisite which was also the most sensitive factor in determining the recoverable amount was expected revenues assessed by the management, the profit margin ratio (EBITDA) and the cost of capital used as the discount factor for future net cash flows. Expected revenues as well as the profit margin ratio are based on changes in customer target groups, strengthened marketing and increase in the quality of services rendered.

4. Business combinations and acquisition of non-controlling interests

Acquisitions in 2022

No acquisitions took place in 2022. The sale of Blumental Office I, Blumental Office II and Blumental property was finalized in the second half of 2022 (see Note 22). 50% of shares in CC Ro and CC Ksi was sold to non-controlling interests in 2022.

At the same time, the Group established the following companies during 2022:

1. In August 2022 CC San with a share capital of EUR 5 thousand.
2. In August 2022 CC Héta with a share capital of EUR 5 thousand.
3. In August 2022 CC Digama with a share capital of EUR 5 thousand.
4. In September 2022 LAMBDA 1 with a share capital of EUR 5 thousand.
5. In July 2022 LAMBDA 2 with a share capital of EUR 5 thousand.
6. In August 2022 LAMBDA 3 with a share capital of EUR 5 thousand.
7. In August 2022 LAMBDA 4 with a share capital of EUR 5 thousand.
8. In August 2022 LAMBDA 5 with a share capital of EUR 5 thousand.
9. In June 2022 CC Koppa with a share capital of EUR 8 thousand. Subsequently during the year, 50% of shares was sold to Hartenberg Holding.
10. In June 2022 CC Psi with a share capital of EUR 8 thousand.
11. In March 2022 Corwin CZ with a share capital of EUR 1 thousand.
12. In April 2022 CC Sampi with a share capital of EUR 1 thousand.

Acquisitions in 2021

On 28.04.2021, Pinegreen Holdings Limited (PG) sold its 25% stake in Corwin Finance to Corwin SK. The acquisition was made for the fair value of individual assets and liabilities amounting to EUR 14 thousand. As this was transaction under common control no goodwill was generated.

At the same time, the Group established the following companies during 2021:

1. In April 2021 CC Omikron Ltd. with a share capital of EUR 5 thousand.

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2. In May 2021 CC ni d.o.o. with a share capital of EUR 7,5 thousand. Subsequently during the year, 50% of Hartenberg Holding was sold at fair value of individual assets and liabilities.
3. In May 2021 CC Pi s.r.o., CC Ro S.r.o., CC Ksi s.r.o. with a share capital of EUR 5 thousand.
4. In August 2021 CC Chi s.r.o., CC Fi s.r.o., Corwork s.r.o. with a share capital of EUR 5 thousand.
5. In October 2021 Vilharia Offices II d.o.o. with a share capital of EUR 7,5 thousand was sold. Subsequently, during the year, 45% of Hartenberg Holding was sold at fair value of individual assets and liabilities.
6. In November 2021, CC Sigma d.o.o. with a share capital of EUR 7,5 thousand was transferred to Hartenberg Group. Subsequently during the year, 50% of Hartenberg Holding was sold at fair value of individual assets and liabilities.

In addition to the aforementioned sales of newly established companies, the Group sold a 45% interest in Vilharia Offices I for an amount of EUR 6 628,5 thousand. The fair value of the individual assets and liabilities at the date of sale amounted to EUR 13 534 thousand.

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5. Group information

Information about subsidiaries

The consolidated financial statements of the Group include:

Name	Activity	Country of incorporation	Effective Share 2022	Effective share 2021
CC Pi s.r.o.	Residential	Slovakia	100%	100%
CC Ro S.r.o.	Residential	Slovakia	50%	100%
CC Ksi s.r.o.	Residential	Slovakia	50%	100%
CC Fi s.r.o.	Residential	Slovakia	100%	100%
CC Chi s.r.o.	Residential	Slovakia	100%	100%
Corwork, s.r.o.	Rental	Slovakia	100%	100%
CC Private s.r.o.	Financing	Slovakia	90%	90%
Flexi Office s.r.o.	Rental	Slovakia	90%	90%
CC LAMBDA, s.r.o.	Rental	Slovakia	90%	90%
Blumental Office II s.r.o.	Rental	Slovakia	0%	90%
Blumental Office I s.r.o.	Rental	Slovakia	0%	90%
Einpark Office, a.s.	Rental	Slovakia	90%	90%
Blumental property s.r.o.	Rental	Slovakia	0%	90%
Einpark rezidencia, a.s.	Residential	Slovakia	90%	90%
Blumental rezidencia II, s.r.o.	Residential	Slovakia	90%	90%
Dúbravy Rezidencia, s.r.o.	Residential	Slovakia	90%	90%
Blumental rezidencia I, s.r.o.	Residential	Slovakia	90%	90%
GUTHAUS s.r.o.	Residential	Slovakia	90%	90%
CC Theta s.r.o.	Residential	Slovakia	90%	90%
Corwin SK a.s.	Services	Slovakia	90%	90%
Corwin Finance s.r.o.	Financing	Slovakia	90%	90%
Corwin Home, s.r.o.	Services	Slovakia	90%	90%
Lis Anker, s.r.o.	Construction	Slovakia	90%	90%
Corwin SI d.o.o.	Construction	Slovenia	90%	90%
Lis Anker SI d.o.o.	Construction	Slovenia	90%	90%
Záhrady Devín II, s.r.o.	Residential	Slovakia	90%	90%
CC Omikron s.r.o.	Financing	Slovakia	90%	90%
Kvartet rezidence d.o.o.	Residential	Slovenia	90%	90%
Vilharia Offices I d.o.o.	Rental	Slovenia	50%	50%
Vilharia Offices II d.o.o.	Rental	Slovenia	50%	50%
CC Sigma d.o.o.	Residential	Slovenia	45%	45%
CC ni d.o.o.	Residential	Slovenia	45%	45%
LAMBDA 1 s.r.o.	Services	Slovakia	90%	0%
LAMBDA 2 s.r.o.	Services	Slovakia	90%	0%
LAMBDA 3 s.r.o.	Services	Slovakia	90%	0%
LAMBDA 4 s.r.o.	Services	Slovakia	90%	0%
LAMBDA 5 s.r.o.	Services	Slovakia	90%	0%
CC San s.r.o.	Services	Slovakia	100%	0%
CC Héta s.r.o.	Services	Slovakia	100%	0%
CC Digama s.r.o.	Services	Slovakia	100%	0%
Corwin CZ s.r.o.	Services	Czech republic	100%	0%
CC Sampi s.r.o.	Services	Czech republic	100%	0%
CC Koppa d.o.o.	Rental	Slovenia	45%	0%
CC Psi d.o.o.	Services	Slovenia	90%	0%

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The Group is part of Vision 2030 Consolidation. The group has no restrictions on access to assets or settlement of liabilities. The Group has assessed that it meets the conditions for control over subsidiaries described in Note 2 - Significant accounting policies, despite owning less than 50% of equity in some of them.

6. Revenues from sale of inventories (real estate)

<i>in €000s</i>	1.1.2022 – 31.12.2022	1.1.2021 – 31.12.2021
Revenues from sales of inventories (real estate)	1 411	4 629
Cost of inventories sold (real estate)	(925)	(3 326)
Total	486	1 303

7. Rental income

<i>in €000s</i>	1.1.2022 – 31.12.2022	1.1.2021 – 31.12.2021
Rental income	3 830	2 540
Expenses related directly to rented properties of which:	(2 116)	(1 664)
Energy and other communal services	(854)	(626)
Development services	(569)	(585)
Other services	(531)	(371)
Property tax	(162)	(82)
Total	1 714	876

The Group has entered into operating lease agreements for its investment property portfolio, which consists of certain office premises. These leasing contracts have a duration of 5 to 10 years. All leases contain a clause that allows the rent to be revised upwards annually according to prevailing market conditions. Below is an overview of the expected minimum rent payments from contracts valid at the end of the accounting period.

Future minimum rent payments arising from operating leases

<i>in '000 EUR</i>	31.12.2022	31.12.2021
Within 1 year	3 989	2 393
Between 1 and 2 years	4 169	2 817
Between 2 and 3 years	3 298	2 798
Between 3 and 4 years	3 077	2 469
Between 4 and 5 years	2 534	2 460
More than 5 years	2 376	1 714
Total	19 443	14 652

8. Other operating income and expenses

<i>in €000s</i>	1.1.2022 – 31.12.2022	1.1.2021 – 31.12.2021
Other income	508	457
Expect credit losses	(123)	(56)
Other operating expenses	(2 431)	(1 890)
Total	(2 046)	(1 489)

Other operating income in 2022 consist mainly of commissions worth EUR 185 thousand, received fines and penalties of EUR 136 thousand and insurance payments of EUR 31 thousand.

Other operating expenses in 2022 are made up mainly of costs for normal operation (rent, utilities, insurance, other) in the value of EUR 755 thousand, costs for consulting, legal, managerial and other services EUR 1 236 thousand of which the costs for the verification of the financial statements are in the amount of EUR 49 thousand.

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Other income in 2021 consist mainly of commissions worth EUR 332 thousand and turnover bonuses worth EUR 46 thousand and insurance payments of EUR 40 thousand

Other operating expenses in 2021 are made up mainly of costs for the acquisition of new real estate and maintenance in the amount of EUR 158 thousand, costs for normal operation in the value of EUR 290 thousand, costs for consulting, legal, managerial and other services EUR 1 166 thousand of which the costs for the verification of the financial statements are in the amount of EUR 29 thousand and other non-auditing services EUR 1 thousand.

9. Net financial result

<i>in €000s</i>	1.1.2022 – 31.12.2022	1.1.2021 – 31.12.2021
Financial income	6	12
Financial expense	(1 584)	(2 309)
Total	(1 578)	(2 297)

10. Income tax and deferred tax

<i>in €000s</i>	1.1.2022 – 31.12.2022	1.1.2021 – 31.12.2021
Current tax	(227)	(423)
Deferred tax	(174)	(2 227)
Total reported income tax	(401)	(2 650)

Deferred income tax is calculated using enacted tax rates the validity of which is expected in a period in which the receivable is received, or the liability settled.

To calculate deferred tax on temporary differences arising in the Slovak Republic, the Republic of Slovenia and Cyprus, the Group used a rate of 21% in the Slovak Republic, 19% in the Republic of Slovenia, and in Cyprus 12.5%, resulting from the legal corporate income tax rate valid as at the date of the financial statements.

Reconciliation of effective tax rate

<i>in €000s</i>		1.1.2022 – 31.12.2022		1.1.2021 – 31.12.2021
	%	abs	%	abs
Profit / (loss) before tax		6 013		12 338
Tax charge	21,00%	1 263	21,00%	2 591
Non-deductible expenses	4,12%	248	0,77%	95
Non-taxable revenue	-16,50%	(992)	0,00%	-
Current tax: withholding tax from interests	0,03%	2	0,07%	9
Other	0,83%	50	-0,19%	-24
Other tax rates	-2,86%	(169)	-0,16%	-21
Total	6,67%	401	21,48%	2 650

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Movements of deferred tax (net) during 2022 and 2021
2022

<i>in €000s</i>	Opening balance (1. January 2022)	Recognised in Statement of profit and loss	Recognised in Statement of other comprehensive income	Recognised in Statement of profit and loss as discontinued operations	Reclassified to assets held for sale	Closing balance (31. December 2022)
Non-current tangible and intangible assets	34		5	-	-	39
Investments in real estate property	(11 645)		(681)	-	-	(12 326)
Inventory	(317)		160	-	-	(157)
Losses from impairment of trade receivables and other assets	13		17	-	-	30
Provisions and liabilities	353		44	-	-	397
Tax losses	401		127	-	-	528
Other temporary differences	27		154	-	-	181
Total, net	(11 134)		(174)	-	-	(11 308)

<i>in €000s</i>	Opening balance (1. January 2021)	Recognised in Statement of profit and loss	Recognised in Statement of other comprehensiv e income	Recognised in Statement of profit and loss as discontinued operations	Reclassified to assets held for sale	Closing balance (31. December 2021)
Non-current tangible and intangible assets	1		33	-	-	34
Investments in real estate property	(18 220)		(2 820)	-	(1 656)	(11 646)
Inventory	(623)		306	-	-	(317)
Losses from impairment of trade receivables and other assets	21		(7)	-	-	14
Provisions and liabilities	261		91	-	22	353
Tax losses	272		143	-	7	401
Other temporary differences			27	-	-	27
Total, net	(18 288)		(2 227)	-	(1 627)	11 008

See also Note 11 - Deferred tax liability.

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11. Deferred tax asset, deferred tax liability

Deferred tax asset (liability) was posted for the following items:

<i>in €000s</i>	Assets		Liabilities		Total	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Temporary differences related to:						
Non-current fixed and intangible assets	39	34	-	-	39	34
Investment property	2 748	646	(15 074)	(12 291)	(12 326)	(11 645)
Inventory	835	236	(992)	(553)	(157)	(317)
Losses from impairment of trade receivables and other assets	30	13	-	-	30	13
Provisions and liabilities	397	353	-	-	397	353
Tax losses	528	401	-	-	528	401
Other temporary differences	760	120	(579)	(93)	181	27
Netting	(2 930)	(544)	(2 930)	(544)	-	-
Total	2 406	1 259	(13 714)	(12 393)	(11 308)	(11 134)

12. Property, plant and equipment

in €000s

	Vehicles	Land and buildings	Right-of-use asset	Total
Acquisition price				
Opening balance as at 1.1.2021	153	320	-	473
Additions	151	102	-	253
Disposals	(89)	-	-	(89)
Foreign exchange differences	-	-	-	-
Balance as of 31.12.2021	215	422	-	637
Opening balance as at 1.1.2022	215	422	-	637
Additions	577	150	1 644	2 371
Disposals	(53)	-	-	(53)
Transfers to inventories	-	-	-	-
Foreign exchange differences	-	-	-	-
Balance as of 31.12.2022	739	572	1 644	2 955

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Accumulated depreciation and losses from impairment of assets	Vehicles	Land and buildings	Right-of-use asset	Total
Opening balance as at 1.1.2021	-	-	-	-
Depreciation of current accounting period	(101)	(94)	-	(195)
Disposals	89	-	-	89
Foreign exchange differences	-	-	-	-
Balance as of 31.12.2021	(12)	(94)	-	(106)
Opening balance as at 1.1.2022	(12)	(94)	-	(106)
Depreciation of current year	(180)	(110)	(98)	(290)
Disposals	52	-	-	52
Foreign exchange differences	-	-	-	-
Balance as of 31.12.2022	(140)	(204)	(98)	(344)

Carrying value

as at 1.1.2021	153	320	-	473
as at 31.12.2021	203	328	-	531
as at 1.1.2022	203	328	-	531
as at 31.12.2022	599	368	1 546	967

Unused assets

For the periods ended on 31 December 2022 and 31 December 2021, the Group did not hold any unused assets.

Impairment loss

For the periods ended on 31 December 2022 and 31 December 2021, the Group did not recognise any loss from impairment of land, buildings and equipment.

Capitalized financial cost

As at 31 December 2022 and 31 December 2021, the Group did not capitalize any interest on loans into property, plant and equipment assets.

Pledged property, plant and equipment

As at 31 December 2022 and 31 December 2021, the Group did not pledge any property, plant and equipment assets to third party.

As at 31 December 2022 and 31 December 2021, the Group did not have significant contractual commitments for the acquisition of property, plant and equipment.

13. Investment property

in €000s

	31.12.2022	31.12.2021
At 1.1.2022 / 1.1.2021	63 200	130 284
Capital expenditure	851	2 886
Revaluation	(772)	13 188
Less: classified as held for sale	-	(83 158)
At 31.12.2022 / 31.12.2021	63 279	63 200

All investment property is classified as Level 3 in the fair value hierarchy (see Note 15). All investment properties are located in the territory of the Slovak Republic and the Republic of Slovenia. No new investment projects were completed in the period ended 31 December 2022 and 31 December 2021. All investment property is pledged as

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collateral for bank financing and is insured against business interruption, liability in the amount of EUR 39 000 thousand.

As at 31 December 2022 and 31 December 2021, the Group did not have significant contractual commitments for the acquisition of investment property.

14. Investment property in development

<i>in €000s</i>	31.12.2022	31.12.2021
Opening balance as at 1.1.2022 / 1.1.2021	48 700	36 698
Capital expenditure (incl. capitalized dep'n)	48 387	4 221
Interest capitalized	229	242
Revaluation	5 127	7 539
Balance as of 31.12.2022 / 31.12.2021	102 443	48 700

All investment property under construction is classified as Level 3 in the fair value hierarchy (see Note 15). All investment properties under construction are located in the territory of the Slovak Republic, the Czech republic and the Republic of Slovenia.

All investment property under construction is pledged as collateral for bank financing and is insured with construction and installation insurance in the amount of EUR 20 550 thousand.

As at 31 December 2022 and 31 December 2021, contracts had not been signed for the purchase of investment property which would not have been reflected in the financial statements.

15. Fair value measurement – Investment property and investment property in development

The fair value of investment property under construction has been determined using the residual valuation and discounted cash flow (income) methods. The management employed independent experts to perform valuations of fair value as at 31 December 2021 and 31 December 2022. The management of the Group re-evaluates the valuation every year, to account for changes in key calculation inputs. The valuation model applied is in accordance with recommendations from the International Valuation Standards Committee. These valuation models are consistent with the principles in IFRS 13.

At the date of preparation of the financial statements, the carrying amount of financial instruments approximates their fair value.

Changes in valuation techniques

There were no changes in valuation techniques during 2022 and 2021.

Highest and best use

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

Fair value hierarchy

The following table shows an analysis of the fair values of investment property recognized in the statement of financial position by level of the fair value hierarchy:

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31.12.2022	Level 1	Level 2	Level 3	Total	Total gain/ (loss) in the period in the income statement
Slovakia Offices	-	-	93 856	93 856	5 348
Slovenian Offices	-	-	71 865	71 865	(993)
Total	-	-	165 721	165 721	4 355

31.12.2021	Level 1	Level 2	Level 3	Total	Total gain/ (loss) in the period in the income statement
Slovakia Offices	-	-	93 400	93 400	9 906
Slovenian Offices	-	-	18 500	18 500	4 039
Total	-	-	111 900	111 900	13 945

Transfers between hierarchy levels

There were no transfers between Levels 1 and 2 and 3 during 2022 and 2021.

Gains and losses on recurring fair value remeasurements, categorized within Level 3 of the fair value hierarchy, amount to EUR 4 355 thousand and are recognized in the consolidated income statement in the lines " Profit on revaluation of investment property"

All gains and losses recorded in profit or loss for recurring fair value measurements categorized within Level 3 of the fair value hierarchy are attributable to changes in unrealized gains or losses relating to investment property (completed and under construction) held at the end of the reporting period.

Valuation techniques used to derive Level 2 and Level 3 fair values.

The table below presents the following for each class of the investment property:

- The fair value measurements at the end of the reporting period
- The level of the fair value hierarchy (e.g. Level 2 or Level 3) within which the fair value measurements are categorized in their entirety
- A description of the valuation techniques applied
- The inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building
- For Level 3 fair value measurements, quantitative information about the significant unobservable inputs used in the fair value measurement

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31.12. 2022	Name of Property	Class of Property	Fair Value	Valuation technique	Key unobservable inputs	Range (weighted avg.)
	SK Offices finished	Level 3	63 278	Discounted cash flow	- Yield - Average month rent in EUR per sqm - Vacancy Rate - Length of the contracted lease	< 6,04 – 6,54 % < EUR 14,55 – 24,38 < 5,46 – 31,7% < 5 - 10 years
	SK Offices in dev.	Level 3	30 578	Residual value	- Rent for sqm	< EUR 13,5 - 18
	SI Offices in dev.	Level 3	71 865	Residual value	- Rent for sqm	< EUR 15 - 19

31.12. 2021	Name of Property	Class of Property	Fair Value	Valuation technique	Key unobservable inputs	Range (weighted avg.)
	SK Offices finished	Level 3	63 200	Discounted cash flow	- Yield - Average month rent in EUR per sqm - Vacancy Rate - Length of the contracted lease	< 6,04 – 6,54 % < EUR 14,55 – 24,38 < 5,46 – 31,7% < 5 - 10 years
	SK Offices in dev.	Level 3	30 200	Residual value	- Rent for m2	< EUR 12,5 - 17
	SI Offices in dev.	Level 3	18 500	Residual value	- Rent for m2	< EUR 16 - 18

Descriptions and definitions

The table above includes the following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining the fair values.

Residual valuation

Under the income capitalization method, a property's fair value is estimated based on the normalized net operating income generated by the property, from which fair value of costs for completion of property is subtracted. The costs for completion include project costs, professional fees, marketing expense and finance costs. Financing costs are valued at project specific margin plus floating rate. Income and costs were valued by an independent real estate valuer C&W.

Discounted cash flow

Under the DCF method, a property's fair value is estimated using explicit assumptions about the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This involves the projection of a series of cash flows and to this, an appropriate, market-derived discount rate is applied to establish the present value of the income stream. The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods, re-letting, redevelopment, or refurbishment. In the case of development property, estimates of capital outlays and construction cost, development costs, and anticipated sales income are estimated to arrive at a series of net cash flows that are then discounted over the projected

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development and marketing periods. Specific development risks such as planning, zoning, licenses, and building permits need to be separately valued.

Discount rate

Rate used to discount the net cash flows generated from rental activities during the period of analysis.

16. Inventory

in €000s

	31.12.2022	31.12.2021
Opening balance as at 1.1.2022 / 1.1.2021	82 228	53 434
Construction costs incu (incl. capitalized depreciation)	23 401	31 405
Interest capitalized	1 047	716
Less: classified as held for sale	-	(1)
Disposals (recognised in cost of sales)	(925)	(3 326)
Balance as of 31.12.2022 / 31.12.2022	105 751	82 228

17. Loans provided

in €000s

	31.12.2022	31.12.2021
Short-term	2 061	704
Long-term	-	-
Total	2 061	704

The book value of loans corresponds to their fair value. Loans in the amount of EUR 1 700 thousand were provided to related parties with interest rate of 2%. The remaining loans bear interest of 2,5%.

18. Trade receivables

in €000s

	31.12.2022	31.12.2021
Trade receivables	672	676
Other receivables	186	9
Expected credit losses	(165)	(42)
Total	693	643
Short-term	859	685
Long-term	-	-
Total	859	685

The ageing structure of receivables is as follows:

in €000s

	31.12.2022			31.12.2021		
	Gross	Expected credit losses	Net	Gross	Expected credit losses	Net
Within due period	515	-	515	571	-	571
Overdue within 30 days	107	1	106	21	-	21
Overdue from 30 days to 180 days	79	37	42	21	-	21
Overdue from 180 days to 365 days	74	59	15	21	-	21
Overdue over 365 days	84	69	16	51	42	9
Total	859	165	693	685	42	643

As at 31 December 2022 and 31 December 2021, expected credit losses allowance is related to trade receivables.

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Movements in the expected credit loss allowance were as follows:

<i>in €000s</i>	31.12.2022	31.12.2021
Opening Balance	42	64
Charge	123	24
Reverse	-	(46)
Closing Balance	165	42

19. Other non-current assets

<i>in €000s</i>	31.12.2022	31.12.2021
Advances paid	113	52
Other non-current assets	2 856	118
Linearisation of rent	1 020	778
Total	3 989	948

Other non-current assets consist of the non-current part of receivables for sale of shares in the amount of EUR 2 421 thousand. Advance payments made are related to investment properties in development.

20. Other assets

<i>in €000s</i>	31.12.2022	31.12.2021
Deferred expenses	870	381
Other current assets	2 329	4 343
Linearisation of rent	272	272
VAT receivables	757	1 053
Total	4 228	6 049

Other current assets in year 2022 include supplier advances which will be utilized in 2023 and the current portion of the sale of shares in the amount of EUR 888 thousand (Note 22). Other current assets in year 2021 mainly included receivables from the sale of a business share in the amount of EUR 4 050 thousand and a notary deposit in the value of EUR 111 thousand.

21. Cash and cash equivalents

<i>in €000s</i>	31.12.2022	31.12.2021
Current banks accounts	13 221	27 367
Other cash and cash equivalents	2	5
Total	13 223	27 372

Bank accounts are freely disposable by the Group.

22. Sale of entities classified as held for sale and discontinued operations

In October 2021 Group has publicly announced the decision of its Board of Directors to sell Blumental Office I, Blumental Office II and Blumental property. These subsidiaries were held by the Group at share 90% and belonged to the Office segment. The shareholders of the Company approved the plan to sell. At the date of when these consolidated financial statements were authorised for issued, mentioned subsidiaries were sold. In order to meet all the requirements of IFRS 5, these companies were reclassified as held for sale and reported on separate lines of the statement of financial position and statement of comprehensive income. The selling transaction was closed 16.08.2022.

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The results of discontinued operations for the year 2021 and first half of 2022 are presented below:

	16.8.2022	31.12.2021
Rental income	2 807	4 377
Expenses related to rent	(695)	(1 129)
Profit on revaluation of investment property	-	6 782
Other income	16	65
Other operating expenses	(108)	(231)
Financial Expense	(520)	(560)
Income Tax Expense	(347)	(1 922)
Profit for the year from discontinued operations	1 153	7 382

The major classes of assets and liabilities of classified as held for sale as at 31 December 2021 and disposed of at 16.8.2022 are, as follows:

	16.8.2022	31.12.2021
Assets		
Investment property	83 697	83 158
Investment property in development	9	-
Other non-current assets	-	364
Inventories	-	1
Trade Receivables	391	290
Tax assets	-	34
Other Assets	19 571	316
Cash and Cash Equivalents	6 683	7 115
Total assets	110 351	91 278
Liabilities		
Borrowings	49 434	48 216
Prepayments received	974	829
Short-Term Borrowings	-	2 089
Deferred tax liabilities	11 095	11 008
Provisions	49	105
Tax liabilities	285	146
Trade and other liabilities	643	1 174
Total liabilities	62 480	63 567

Other assets include loans provided to the Group companies, that were eliminated together with other intercompany balances as at previous reporting date.

The gain or loss arising from selling companies:

Income from sale	46 916
Net assets sold	(47 871)
NCI decrease	4 724
Transaction costs	(687)
Net gain or loss	3 082

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The cash flows arising from discontinued operations for the period of 1.1.2022-16.8.2022 is as follows:

Profit (loss) after tax from discontinued operations	1 153
Net cash from operating activities after income tax paid	901
Net cash from/(used in) investing activities	(357)
Net cash from/(used in) financing activities	(976)
Net increase / (decrease) of cash and cash equivalents	(432)

23. Equity

Share capital

As at 31 December 2022, the Group has total share capital of EUR 1 000 thousand (EUR 110 as at 31 December 2021). Other capital funds at 31 December 2022 amount to EUR 76 947 thousand (EUR 79 647 thousand at 31 December 2021). Share capital was fully paid up at 31 December 2022.

Classes of shares

Class A

Amount: 10
Nominal value: 10 EUR
Voting rights: yes
Rights to profits and liquidation balance: no

Class B

Amount: 100
Nominal value: 9 999 EUR
Voting rights: no
Rights to profits and liquidation balance: yes

24. Loans and borrowings

in €000s

<i>Creditor/Category finance</i>	31.12.2022		31.12.2021	
	<i>Investment properties and inventories</i>	<i>Working capital</i>	<i>Investment properties and inventories</i>	<i>Working capital</i>
Bank	89 795	20	60 216	16 329
Investor	7 435	-	8 339	-
Affiliated company	-	-	3 300	-
Total	97 230	20	71 855	16 329
Interest rate	2,80%-7,00%	-	1,30%-9,73%	0-1,65%

The Group has floating loans from banks and fixed loans from other subjects. Floating loans use 3M and 6M EURIBOR indexes. The interest is due on a contractual basis for office projects. For residential projects, interest is capitalized into the loans until the maturity of the project.

The book value of loans corresponds to their fair value. As at reporting dates bank loans and bonds of Einpark Office, a.s., CC LAMBDA, s.r.o., CC Omikron s.r.o., CC THETA, s.r.o. GUTHAUS s.r.o., Kwartet residence d.o.o., Corwin SI d.o.o., Corwin Finance s.r.o., are secured by real estate investments, receivables, business interests in these Companies – except for shares in CC Omikron s.r.o. and Einpark Office, a.s.. The equity liabilities of these companies, by nature (described in Note 25 - Subordinated debt) are subordinated to bank loans – except for CC Omikron s.r.o.

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Publicly issued bonds

As of 31.12.2022, bonds worth EUR 5 380 thousand were traded. In the above table "Loans and borrowings", bonds are listed as financing received from an investor.

Details for individual bonds are given in the table below:

<i>In EUR ths.</i>	ISIN	Date of issuance	Due date	Issuance currency	Nominal value of issuance in original currency in ths.	Intere st rate p.a. in %	Effective interest rate p.a. in %	Remaining value as of 31.12. 2022	Remaining value as of 31.12. 2021
Name									
Bonds CC Omikron 2026	SK40000 19519	30.07.2021	30.07. 2026	EUR	5 380	2,8	2,8	5 443	5 456
Total								5 443	5 456
<i>Short – term</i>								63	106
<i>Long – term</i>								5 380	5 350
Total								5 443	5 456

All bonds represent a book-entry security to bearer and their issuance has been approved by the National Bank of Slovakia. Cash from the bonds was credited to the Group's account on an ongoing basis for a total amount of EUR 5 380 thousand.

The issuance of the bond is associated with the regular payment of the coupon, which the Group provides from its own funds.

Of the total value of the liability of EUR 5 443 thousand, the short-term part represents a value of EUR 63 thousand, which contains the coupon liability payable in the period of 7 months after 31 December 2022.

Fair value of the bonds was calculated as EUR 4 894 thousand. The bonds are categorized as Level 3 in fair value hierarchy, using discounted cash flows model, with main input being change in market rates to arrive at new discount rate to be used.

Security

In order to secure the bonds issued, a lien ("Security") was established on real estate, current assets and part of the claims owned by the Group for a total amount of EUR 13 500 thousand. This is an asset that is not used to secure the Group's other liabilities.

25. Subordinated debt

<i>in €000s</i>	31.12.2022	31.12.2021
Subordinated debt - Bills of exchange	36	23 144
Subordinated debt - Bonds	20 478	402
Total subordinated debt	20 514	23 546

During the year ended 31.12.2022, Bonds worth EUR 20 077 thousand were sold, part of which was used to settle bills of exchange in the amount of EUR 18 749 thousand. For more information see Note 27 - Changes in liabilities arising from financial activities.

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26. Trade & other liabilities

<i>in €000s</i>	31.12.2022	31.12.2021
Trade payables	3 155	2 988
Accruals accounts	437	54
VAT payables	317	929
Unbilled supplies	74	64
Other payables from trade activities	32	81
Prepayments received	13 543	-
Payables related to employees	554	338
Social fund	39	22
Other payables	1 782	1 960
Retention	2 581	1 807
Total	22 514	8 243
<i>Short-term</i>	22 514	8 243
<i>Long-term</i>	2 602	2 575
Total	25 116	10 818

As at 31 December 2022, overdue liabilities amounted to EUR 570 thousand of which the overdue within 30 days are in the amount of EUR 533 (as at 31 December 2021: EUR 94 thousand). Trade payables do not bear interest and are usually payable within 30 days. Prepayments received in the amount of EUR 13 543 thousand are related to residential segment to be sold in one year. Other payables in the value of EUR 1 700 thousand (2021: EUR 1 960 thousand) are towards affiliated companies due to reduced equity and other capital funds.

27. Changes in liabilities arising from financial activities

in €000s

	1 January 2022	Cash flows	Reclassified as part of disposal group	Other	31 December 2022
Subordinated debt	23 546	(3 308)	-	276	20 514
Borrowings	88 184	6 572	-	2 494	97 250
Lease liability	-	-105	-	1 651	1 546
Total liabilities from financing activities	111 730	3 159	-	4 421	119 310

in €000s

	1 January 2021	Cash flows	Reclassified as part of disposal group	Other	31 December 2021
Subordinated debt	24 996	(1 731)	-	281	23 546
Borrowings	92 521	42 434	(50 305)	3 534	88 184
Total liabilities from financing activities	117 517	40 703	(50 305)	3 815	111 730

Other changes in liabilities from financing activities represent mostly interest expense.

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28. Provisions

in €000s

	31.12.2022	31.12.2021
Opening balance	(648)	(702)
Arising during the year	(591)	(648)
Utilised	399	702
Unused amounts reversed	158	-
Closing balance	(682)	(648)
<i>Current</i>	(682)	(648)
<i>Non-current</i>	-	-
Total	(682)	(648)

	Unbilled supplies	Legal claims	Employee benefits	Change in selling price (Note 22)	Warranties provision
At 1 January 2022	288	110	169	-	81
Arising during the year	190	94	173	82	52
Utilised	(240)	(110)	-	-	(49)
Unused amounts reversed	(1)	-	(125)	-	(32)
At 31 December 2022	237	94	217	82	52
Current	237	94	217	82	52
Non-current	-	-	-	-	-

29. Non-controlling interest

in €000s

Opening balance to 01.01.2021	9 151
Partial acquisition of subsidiaries	(263)
Partial sale of subsidiary	6 136
Dividend declared	(707)
Other capital funds contributions	(1 002)
Profit share	3 100
Closing balance to 31.12.2021	16 415

in €000s

Opening balance to 01.01.2022	16 415
Sale of subsidiary	(4 725)
Dividend declared	(105)
Other capital funds contributions / (reduction)	27 235
Profit share	3 618
Closing balance to 31.12.2022	42 439

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<i>in €000s</i>	Value of non- controlling interest	Profit for 2022 attributable to non- controlling interests
CC Ro S.r.o.	(2)	-
CC Ksi s.r.o.	(2)	-
CC Private s.r.o.	11	12
Flexi Office s.r.o.	(1)	-
CC LAMBDA, s.r.o.	(1 005)	279
Blumental Office II s.r.o.	-	(64)
Blumental Office I s.r.o.	-	(66)
Einpark Office, a.s.	(2 825)	6
Blumental property s.r.o.	-	(16)
Einpark rezidencia, a.s.	(17)	6
Blumental rezidencia II, s.r.o.	(35)	-
Dúbravy Rezidencia, s.r.o.	(72)	(1)
Blumental rezidencia I, s.r.o.	(13)	(1)
GUTHAUS s.r.o.	(313)	44
CC Theta s.r.o.	(231)	-
Corwin SK a.s.	1 995	66
Corwin Finance s.r.o.	(70)	27
Corwin Home, s.r.o.	9	9
Lis Anker, s.r.o.	(68)	(5)
Corwin SI d.o.o.	(8)	(30)
Lis Anker SI d.o.o.	(24)	15
Záhrady Devín II, s.r.o.	81	1
CC Omikron s.r.o.	26	17
Kvartet rezidence d.o.o.	(1 029)	20
CC Koppa d.o.o.	(12 573)	(8)
Vilharia Offices I d.o.o.	(12 621)	(1 370)
Vilharia Offices II d.o.o.	(192)	1 750
CC Psi d.o.o.	(1)	-
CC Sigma d.o.o. (Linhartov kvart)	(8 811)	(4 332)
CC ni d.o.o. (Masarykova rezidence)	(4 648)	23
Total	(42 439)	(3 618)

Summarized financial information about the assets, liabilities, profit or loss of subsidiaries with non-controlling interests:

<i>in EUR ths.</i>	31.12.2022	31.12.2021
Current assets	77 743	116 540
Non-current assets	173 179	114 736
Assets held for sale	-	91 278
Current liabilities	(95 287)	(45 383)
Non-current liabilities	(64 713)	(104 226)
Liabilities directly associated with the assets held for sale	-	(63 567)
Profit/(loss) on sale of inventory property	486	1 303
Net rental income	1 714	875
Operating result	12 326	14 637
Net financial result	(3 212)	(8 664)
Profit for the year from continuing operations	8 700	3 322

30. Information on risk management

The Company is exposed to risks in the following areas:

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk
- Capital Risk

The management is generally responsible for setting and control of Group risk management. The management of the Group identifies the financial risks that may have adverse impact on the business objectives and through active risk management mitigates these risks to an acceptable level. The Group's goal is to manage and identify all financial risks that may have an adverse effect on business goals through active risk management and thus prevent financial losses and damage to the Group's reputation.

Credit risk

The Group is exposed to this risk mainly with respect to trade receivables and loans provided. The volume of exposure to this risk is expressed as the book value of these assets in the consolidated statement of financial position in case that no form of guarantees is provided. The book value of receivables and loans provided expresses the highest possible book loss that would have been posted if the counterpart completely fails in performing its contractual obligations, and all securities and guarantees would have a zero value. Therefore, this value far exceeds the expected losses which are included in the provisions for irrecoverable debts. Before signing major contracts, the Group Board at regular board meetings evaluates credit risk related to counterparts. If significant risks are identified, the Group withdraws from signing the contract.

As at 31 December 2022, the Group was exposed to the following credit risk:

<i>in €000s</i>	Legal entities	Banks	Others	Total
Financial assets				
Loans provided	2 061	-	-	2 061
Trade and Other Receivables	693	-	-	693
Cash and Cash equivalents	-	13 223	-	13 223
Other assets	5 185	-	-	5 185
Total	7 939	13 223	-	21 162

As at 31 December 2021, the Group was exposed to the following credit risk:

<i>in €000s</i>	Legal entities	Banks	Others	Total
Financial assets				
Loans provided	704	-	-	704
Trade receivables	643	-	-	643
Cash and cash equivalents	-	27 372	-	27 372
Other assets	4 733	-	-	4 733
Total	6 080	27 372	-	33 452

Liquidity risk

Liquidity risks arise within general financing of the Group and management of financial positions. It covers the risk of insolvency regarding the financing of assets within the agreed maturity period and at the interest rate, and also the risk of asset management at a reasonable price within an adequate timeframe. Individual companies in the Group use different methods liquidity risk management. The Group management focuses on liquidity management and monitoring to ensure it has sufficient cash to meet operational needs.

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The following table presents an analysis of Group financial assets and liabilities grouped by the residual maturity. The analysis presents the most prudent variant of residual maturity including interest. Therefore, for liabilities, the earliest possible repayment is reported, and for assets, the latest possible repayment is reported. Liabilities to collective investment fund is considered by Group management as long-term but has no specific maturity and presented in the category "Without specification".

As at 31 December 2022, the Group was exposed to the following liquidity risk:

<i>in €000s</i>	Carrying amount	Future cash flow	Less than 1 year	1 year up to 5 years	Above 5 years	Without specification
Financial obligations						
Short-term borrowings	73 828	76 705	76 705	-	-	-
Subordinated debt	20 514	20 514	437	-	-	20 077
Borrowings	23 422	25 337	1 018	24 319	-	-
Lease liability	1 546	1 766	359	1 407	-	-
Trade liabilities	21 135	21 135	21 135	-	-	-
Other liabilities excl. VAT	2 602	2 602	-	2 454	148	-
Total	143 047	148 059	99 654	28 180	148	20 077

As at 31 December 2021, the Group was exposed to the following liquidity risk:

<i>in €000s</i>	Carrying amount	Future cash flow	Less than 1 year	1 year up to 5 years	Above 5 years	Without specification
Financial obligations						
Short-term borrowings	36 344	38 259	38 259	-	-	-
Subordinate debt	23 546	24 211	18 749	5 462	-	-
Borrowings	51 840	57 339	-	57 339	-	-
Trade liabilities	6 900	6 900	6 900	-	-	-
Other liabilities excl. VAT	2 575	2 575	-	2 575	-	-
Total	121 205	129 284	63 908	65 376	-	-

Interest risk

Group transactions are exposed to the risk of interest rate changes. The volume of this risk is equal to the amount of interest-bearing assets and interest-bearing liabilities, for which the interest rate differs, in the maturity period or in the period of change, from the present interest rate. Therefore, the period for which a fixed rate is determined for the financial instrument, expresses the exposure to the risk of changes in interest rates.

The table below presents Group exposure to the risk of changes in interest rates based on contractual maturity period of financial instruments. As at 31 December 2022 and 31 December 2021, the Group has the following assets and liabilities linked to interest rates:

<i>in €000s</i>	31.12.2022	31.12.2021
Carrying amount		
Instruments with variable interest rate	89 795	76 545

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Sensitivity analysis for instruments with a variable interest rate

Change by 100 basis points in interest rates would have the following effect on the profit/loss from operations:

in €000s

31.12.2022

Instruments with variable
interest rate

Cash flow sensitivity

Profit (Loss)	
100 bb growth	100 bb decline
89 795	89 795
(898)	-

in €000s

31.12.2021

Instruments with variable
interest rate

Cash flow sensitivity

Profit (Loss)	
100 bb growth	100 bb decline
76 545	76 545
(765)	-

Group interest-bearing liabilities have a variable interest rate referring to EURIBOR. The Group considers the variable interest rate as the self-management of interest risk. During an economic expansion, the EURIBOR is growing, but at the same time, the population economic performance is growing, and the Group has higher revenues and profits. During an economic recession, the situation is completely opposite.

Operational risk

Operational risk is the risk of loss resulting from any fraud, unauthorised activities, failures, errors, inefficiency or failure of systems. The risk is created in all Group activities. Operational risk also includes the risk of legal disputes.

The aim of the Group is to manage the operational risk to prevent any financial losses and detriment to the Group reputation within the cost-efficiency of cost spent on achieving this objective, while avoiding any measures preventing initiatives and creativity.

The Group management has key responsibility for the implementation of inspections related to the operational risk management.

The responsibility is supported by the implementation of standards for the management of operational risk which is common for the whole Group. Operational risk is governed by a system of directives, minutes of meetings and control mechanisms.

Capital management

Company defines capital as equity. Group management manages capital to ensure the ability to continue operating as a healthy business while maximising profitability for shareholders. It manages capital risk by optimizing the ratio between liabilities and equity. In the event of an unfavourable ratio between foreign and own funds identified, the shareholders of the company make a contribution to the share capital and/or a contribution to other capital funds. The intention of management is to maintain a strong capital base, which is the basis for future development. The capital management strategy remained unchanged compared to the previous period.

The decrease of other equity funds in 2022 was due to other capital fund reduction according to shareholder's decision while increase was due change in ownership of subsidiaries.

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31. Related parties

Identification of related parties

The Group is in a related party relationship with its shareholders who have significant influence in the Group as at 31 December 2022 and 31 December 2021, the following related party transactions have taken place:

Balances of receivables and liabilities as at 31.12.2022

Transactions		Category	
	Affiliated entities	Shareholders and key management personnel	Other related parties
Short-term borrowings	-	-	1 991
Subordinated debt	-	-	20 514
Other non-current assets	-	-	2 421
Total	-	-	24 926

Balances of receivables and liabilities as at 31.12.2021

Transactions		Category	
	Affiliated entities	Shareholders and key management personnel	Other related parties
Short-term borrowings	-	-	3 300
Subordinated debt	-	23 144	402
Other current assets	-	-	4 050
Total	-	23 144	7 752

Costs and revenues from transactions with related parties in the period 01.01.2022-31.12.2022

Transactions		Category	
	Affiliated entities	Shareholders and key management personnel	Other related parties
Services	-	75	-
Interests	-	-	129
Other income	-	(16)	-
Total	-	59	129

Costs and revenues from transactions with related parties in the period 01.01.2021-31.12.2021

Transactions		Category	
	Affiliated entities	Shareholders and key management personnel	Other related parties
Services	-	50	-
Interests	-	245	36
Total	-	295	36

Overview of related parties

- (1) Companies controlling jointly or having significant influence on the parent and its subsidiaries and associate companies
- (2) Jointly controlled companies in which the Group is a partner
- (3) Associates
- (4) Shareholders and key management personnel

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32. Operating segments information

The group reports operating segments due to issued bonds traded on the public market (see Note 24 - Loans and borrowings). Segments are regularly provided to management, serving to make operational and strategic decisions.

For the year ended 31.12.2022:

Consolidated statement of profit and loss		Residential segment				Office segment				Other				Total			
Continuing operations		31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Revenues from sales of inventory (real estate)		1 411	4 629	-	-	-	-	-	-	-	-	-	-	1 411	4 629	-	-
Cost of inventories sold (real estate)		(925)	(3 326)	-	-	-	-	-	-	-	-	-	-	(925)	(3 326)	-	-
Profit/(loss) on sale of inventory property		486	1 303	-	-	-	-	-	-	-	-	-	-	486	1 303	-	-
Rental income		-	-	3 830	2,540	-	-	-	-	-	-	-	-	3 830	2 540	-	-
Expenses related to rent		-	-	(2 116)	(1 664)	-	-	-	-	-	-	-	-	(2 116)	(1 664)	-	-
Net rental income		-	-	1 714	876	-	-	-	-	-	-	-	-	1 714	876	-	-
Profit on revaluation of investment property		-	-	4 355	13 945	-	-	-	-	-	-	-	-	4 355	13 945	-	-
Profit on disposal of investment property		-	-	3 082	-	-	-	-	-	-	-	-	-	3 082	-	-	-

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	Residential segment		Office segment		Other		Total	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Continuing operations								
Other income	152	158	65	68	291	231	508	457
Impairment of assets	-	(97)	(118)	-	(5)	41	(123)	(56)
Other operating expenses	(1 174)	(1 472)	(272)	(141)	(985)	(277)	(2 431)	(1 890)
Operating result	(536)	(108)	8 826	14 748	(699)	(5)	7 591	14 635
Financial Income	-	-	-	-	6	12	6	12
Financial Expense	(2)	-	(813)	(982)	(769)	(1 327)	(1 584)	(2 309)
Net financial result	(2)	-	(813)	(982)	(763)	(1 315)	(1 578)	(2 297)
Profit Before Tax from continuing operations	(538)	(108)	8 013	13 766	(1 462)	(1 320)	6 013	12 338
Income Tax Expense							(401)	(2 650)
Profit for the year from continuing operations							5 612	9 688
Discontinued operations								
Profit after tax from discontinued operations							1 153	7 382
Profit for the Year							6 765	17 070
Other comprehensive Income							(3)	-
Total Comprehensive Income							6 762	17 070

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Consolidated statement of financial position

Assets	Residential segment		Office segment		Other		Total	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Non-current assets								
Investment property	-	-	63 279	63 200	-	-	63 279	63 200
Investment property in development	-	-	102 443	48 700	-	-	102 443	48 700
Property, Plant and Equipment	-	-	-	-	967	531	967	531
Other non-current assets	-	126	1 020	778	2 969	44	3 989	948
Deferred tax asset	653	189	1 024	861	729	209	2 406	1 259
Intangible Assets	-	22	-	-	115	77	115	99
	653	337	167 766	113 539	4 780	861	173 199	114 737
Current assets								
Loan receivables	-	-	-	-	2 061	704	2 061	704
Inventories	105 751	82 228	-	-	-	-	105 751	82 228
Trade-Receivables	17	10	499	340	178	293	693	643
Tax assets	68	50	-	-	74	160	142	210
Other Assets	825	422	851	1 181	2 552	4 446	4 228	6 049
Cash and Cash Equivalents	6 198	7 592	1 563	3 878	5 463	15 902	13 223	27 372
	112 859	90 302	2 912	5 399	10 326	21 505	126 098	117 206
Assets held for sale	-	-	-	91 278	-	-	-	91 278
Total assets	113 513	90 639	170 679	210 216	15 106	22 366	299 297	323 221

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Equity and liabilities Equity	Residential segment		Office segment		Other		Total	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Subordinated debt	-	-	-	-	20 514	23 546	137 497	110 029
Borrowings	18 042	37 019	-	-	5 380	5 413	20 514	23 546
Deferred tax liabilities	485	37	11 340	9 408	1 890	-	23 422	51 840
Prepayments received	4 460	11 786	-	12 356	-	-	13 714	12 393
Other non-current liabilities	23	21	377	244	2 202	1 842	4 460	13 872
	23 010	48 863	11 717	22 035	29 986	33 328	64 712	104 226
Short-Term Borrowings	32 735	-	39 017	30 100	2 076	6 244	73 828	36 344
Provisions	-	111	-	4	682	533	682	648
Tax liabilities	(3)	6	17	3	50	155	64	164
Trade and other liabilities	13 915	343	2 359	2 714	6 242	5 186	22 514	8 243
	46 647	460	41 393	32 821	9 049	12 118	97 088	45 399
Liabilities directly associated with the assets held for sale	-	-	-	63 567	-	-	-	63 567
Total liabilities	69 657	49 323	53 110	118 423	39 034	45 446	161 800	213 192
Total equity and liabilities							299 297	323 221

33. Subsequent events

The Group has sufficient financial resources to continue its business operations, including the settlement of short-term liabilities. The management of the Group's companies are analysing this dynamic situation in light of the ongoing war in Ukraine and high inflation, however, at the date of this report, they do not see any material difficulties in continuing to provide services in the future. The Group is in a sound financial position to take a balanced approach to the challenges posed by the current crisis and will continuously monitor developments and adapt its activities to changing market conditions.

The handover of the products to their clients from project GUTHAUS has started in February 2023.

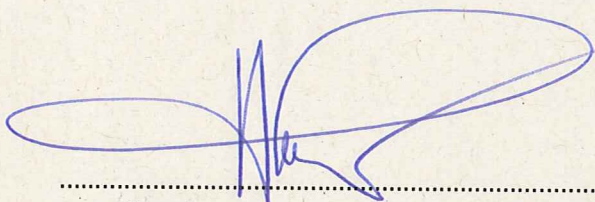
At the end of March 2023, the Group closed the deal in relation with project acquisition at Czech market.

Apart from the above, no significant events have occurred up to the date of these consolidated financial statements, i.e. 24.11.2023, which could have an impact on these consolidated financial statements.

34. Contingent assets and contingent liabilities

Bank guarantees granted in favour of the Group amount to EUR 2 756 thousand (2021: EUR 2 908 thousand).

With respect to that many areas of Slovak law on taxation have not been sufficiently ascertained in practice, there is uncertainty as to how tax offices will apply them. It is not possible to quantify the level of this uncertainty and it will only cease to exist when legal precedents or official interpretations of the relevant bodies are available.



Signed
*The Chairman of the
Board of Directors*



Signed
*Member of the
Board of Directors*