ELEKTRONIKUSAN HITELESÍTETT DOKUMENTUM
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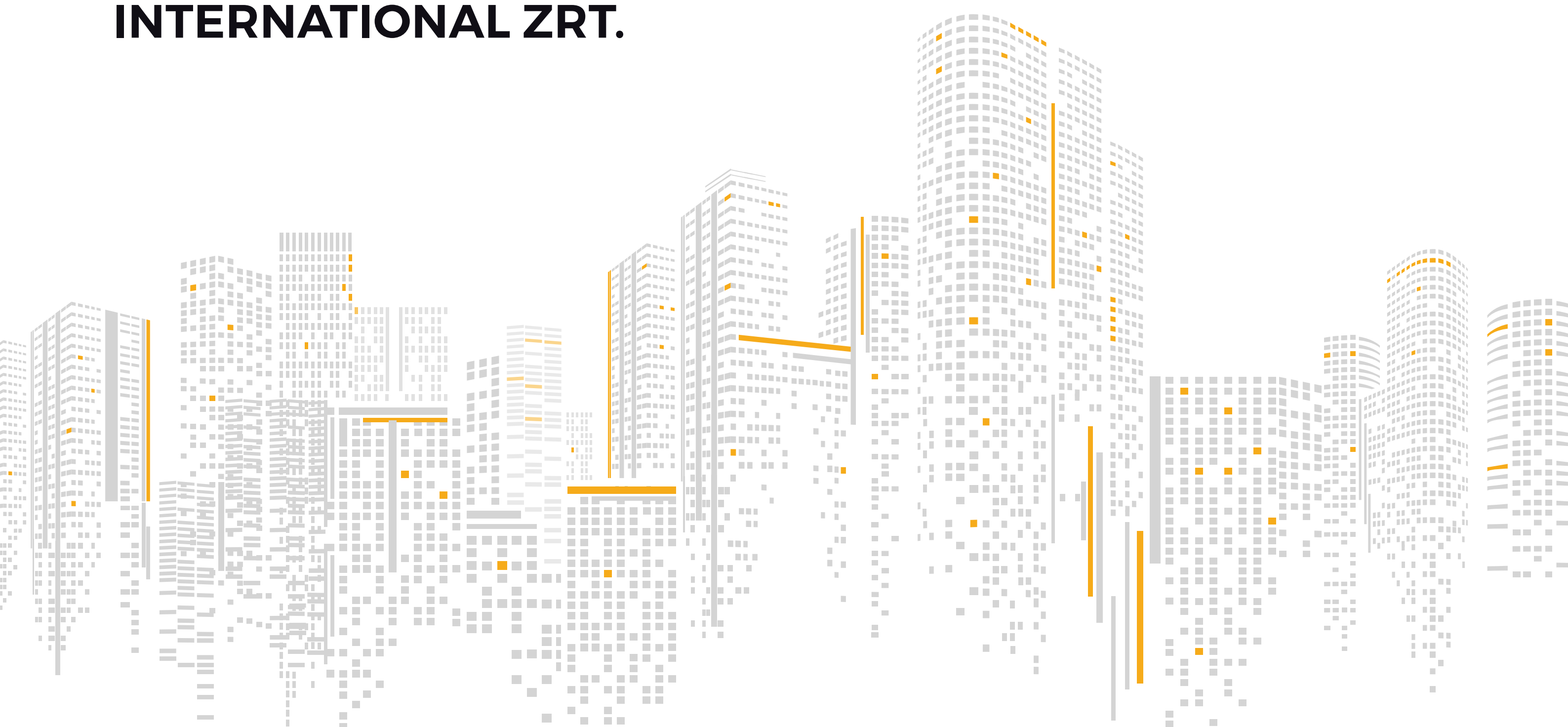
Földi Tibor

CORDIA
INTERNATIONAL ZRT.



Semi-Annual Report

CORDIA INTERNATIONAL ZRT. & CORDIA GROUP FOR THE PERIOD ENDED 30 JUNE 2023

INVESTOR
RELATIONS CONTACT

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cordiahomes.com

Semi-Annual Report

This semi-annual report ("Semi-Annual Report") has been drawn up by **CORDIA International Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság** (registered seat: 1082 Budapest, Futó utca 43-45. II. em.; tax identification number: 25558098-2-42; company registration number: 01-10-048844; registered with the Court of Registry of the Metropolitan Regional Court of Hungary; "**Company**") with a view to providing the public with an overview of the Company's and its subsidiaries' ("**Group**") performance and situation.

This Semi-Annual Report is based on the Company's reviewed (but not audited) by auditor condensed interim separate and consolidated financial information prepared in accordance with the International Financial Reporting Standards ("**IFRS**") for the period January 1, 2023 – June 30, 2023 ("**Reported Period**").

This Semi-Annual report was signed in Budapest, Hungary and on the date as specified in the time stamp of the qualified electronic signatures of the signatories.

1.

MAJOR EVENTS OF THE 1ST HALF OF 2023

Tibor Földi

Chairman of the Board, Cordia

Following a challenging 2022, the first half of 2023 brought stabilization in Cordia's business. In Hungary the Budapest residential market seemed to have reached the bottom in terms of sales volume, although a stronger recovery still seem distant. Economic hardship continued on the back of high inflation, interest rates, and mortgage financing costs and led potential homebuyers in Budapest to exercise more caution than before. As opposed to this in Poland demand for new apartments started to rebound with improving momentum driven by better consumer confidence, declining inflation, increasing rate cut expectations as well as the newly announced government program "First apartment!" (Pierwsze Mieszkanie!) that effectively reduces the cost of financing for new, first time home buyers.

Despite the difficult environment, Cordia delivered solid results. Taking into account our strong and liquid balance sheet the priority was given to preserving high margins with active sales price management, even at the expense of lower sales volumes. As a result, the Group contracted 274 apartments in the first half of 2023 and including sales achieved in July and August, we celebrated 10 000 units sold since the Group's foundation. In terms of handovers, the Group delivered 406 new units during the first six months of 2023.

The handovers have been supported by a number of successfully completed projects. In Budapest we received occupancy permit for Phase 4 of the Thermal Zugló residential development, encompassing 110 apartments, as well as the Panorama buildings at Sasad Resort, comprising 141 residential units. In Poland, we have finalized the first phase of the 147-apartment Fantazja development in Warsaw and completed the first phase of Villa Jaśkowa Dolina in Gdańsk, offering nearly 100 apartments. In the Romanian capital, we have completed the second phase of Parcului, comprising over 200 homes. Meanwhile, our inaugural Spanish project, Jade Tower on the Costa del Sol, has achieved structural completion and we have announced our second development in the country, in Marbella. We have also been busy in the UK: as part of our urban regeneration project in Birmingham, we have completed the renovation of the heritage listed building of The Bank, that houses our local office among other tenants.

From the financial performance perspective, we managed to improve our Gross profit margin to 35%, and Operating profit margin to over 24%, when comparing to the first half of 2022, despite lower revenues. This was the result of our margin driven strategy, and cost saving actions we took at the end of 2022 and in early days this year. Total Selling and Administrative expenses declined by HUF 887m when comparing to the same period last year and reflect CORDIA's dedication to tight cost policy and prove high adaptability of the Company as an organization.

It is also worth mentioning that our HUF 3.6 bn Profit for the period was significantly impacted by HUF 5.0 bn negative effect on currency exchange. It was completely opposite than in the first half of 2022 when we experienced 4.5 bn positive effect. This effect is the result of stronger HUF since the end of 2022 and our significant presence outside Hungary, and have minimal impact on Group's ability to generate positive cash flows.

Our strong liquidity position improved further when taking into account our financial assets. Liquidity reserve including cash, government bonds and treasury bills amounted to HUF 72.5 bn and was higher by HUF 7.6 bn when comparing to December 2022.

All in all, we believe that the 1st half of 2023 was successful despite strong market headwinds, and would like to thank our investors, partners and colleagues, for the support in this constantly changing market environment.

2

Management Report

2.1.
INFORMATION ABOUT CORDIA GROUP

2.1.1.
Basic Information

The Company and its subsidiaries' core business is to develop residential properties and sell residential units. Extending this core profile, the Group has also started to develop its first build-to-rent property. Cordia is one of the leading residential developers in the CEE region with a strong and well-known brand. It is active in the mid- and mid-to-high segments of the for-sale market in Hungary, Poland, Romania, Spain and since August 2020 in Birmingham, UK, where it focuses on build-to-rent

In each country the Group operates through local teams located in separate legal entities – so called "management companies" that hire specialists in all locations. These local teams are supported by the Group's competence center in the headquarter. The "management companies" develop and operate real estate projects that are incorporated in separate project SPVs. More information about organizational structure of the Group and its subsidiaries may be found in Note 3 in the Condensed Interim Consolidated Financial Information for the period ended on 30 June 2023.

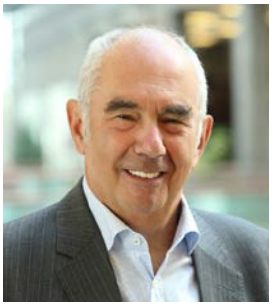
The ultimate beneficial owner of CORDIA International Ingatlanfejlesztő Zrt. with its registered office in Budapest, Hungary is Mr. Gábor Futó (as the major shareholder).

As the end of June 2023, the Board of Directors of the Company consists of three members

- **Mr. Tibor Földi** – Chairman of the Board of Directors
- **Mr. Péter Bódis** – Member of the Board of Directors, Chief Financial Officer
- **Mrs. Johanna Mezővári** – Member of the Board of Directors, Chief Operating Officer

Founders and co-owners

Mr. Gábor Futó
Co-founder & Co-owner, Futureal Group



Dr. Péter Futó
Founder & Co-owner, Futureal Group

Board of Directors

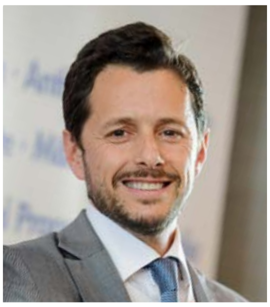
Mr. Tibor Földi
Chairman of the Board

Mr. Péter Bódis
Member of the Board, Chief Financial Officer

Mrs. Johanna Mezővári
Member of the Board, Chief Operating Officer

Country Managers

Mr. Tomasz Lapinski
Country Manager of Poland



Mr. Mauricio Mesa Gomez
Country Manager of Romania & Spain

Mr. András Kárpáti
Co-Country Manager of UK

At the end of June 2023 the Company had the following owners:

98%
Cordia Holding B.V.
(place of business: Laan van Kronenburg 14, 1183 AS Amstelveen, the Netherlands)

0.531%
Finext Consultants Limited
(place of business: Kyriakou Matsi 16, Eagle House, 10th Floor, Agioi Omologites, P.C. 1082, Nicosia, Cyprus)

1.469%
Private individuals

More information about ownership structure might be found in Condensed Interim Consolidated Financial Information for the period ended 30 June 2023

2.1.2.

Goals & strategy of the Group

Full-service operation

The Group is one of the leading residential developers in the CEE region with a strong and well-known brand. It is active in the mid- and mid-to-high segments of the for-sale market in Hungary, Poland, Romania, Spain and since August 2020 in Birmingham, UK where it focuses on build-to-rent products. The Group is targeting annual output of ~2 000 units in the medium term. The Group has a long track record and an industry leading management team with extremely long tenure and low attrition rate. The corporate culture of the Group focuses on operational excellence to continuously improve all aspects of the residential development process from land acquisition, project planning, procurement, sales, and marketing to benefiting from scale.

Diversification

The Group focuses on step-by-step geographic diversification accompanied with precisely selected opportunistic acquisitions with a value-investor's approach. The geographic diversification of the Group enables optimal and opportunistic allocation of capital across countries whose residential market cycles are non-synchronized.

The growth strategy is based mostly on organic expansion by establishing local teams supported by the Group's competence center. At the same time the Group screens its current and targeted markets for special portfolio and/or acquisition deals like it was undertaken in the case of POLNORD S.A.'s acquisition or acquiring a stake in ARGO Properties N.V.

Further, land acquisition is based on strict underwriting with volumes and duration differentiated by geography depending on the stage of the real estate cycle. In addition, the Group provides full-scale property letting- and facility management services to investor clients in Hungary. These services will be developed into an in-house tool for the asset management of residential leasing projects. Initially this activity focuses on Budapest and Birmingham and later on other cities where market demand supports such service. There is a long-term potential to expand residential rentals as a strategic business line to create an income yielding residential portfolio.

Strong brand

The Group is focusing on building out a strong "CORDIA" brand in all its markets, like Hungary where the Group has already been a very strong real estate brand. Multiple successful and award-winning developments are supporting this process.

Capital market access

The Group develops long term relations with financial institutions and capital markets participants with the objective to diversify its funding sources, including bonds and structured products.

Land acquisition strategy

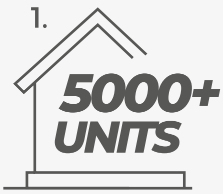
The Group uses strict underwriting criteria based on location, land cost, demand and supply dynamics, and project profitability. The Group focuses on markets with at least 5 000 sales of newly built units per year with appropriate micro locations for mid-market segment assets and avoids overpaying for land in overheated markets. The Group has a significant opportunity to grow the local platforms in already established cities.

Decision-making is driven by profitability and internal rate of return (IRR), not by volume or market share.

The Group is not under any pressure to focus on volumes, as can be the case for listed residential developers and prefer profitability over volumes. The underwriting of the Group currently includes minimum 25 % gross margin target, minimum 20 % post tax internal rate of return (IRR) and 1.8x multiple on invested capital (after internal fees). Employee incentive structures are shaped and aligned with a focus on execution and profitability.

MILESTONES OF OUR STRATEGY ARE:

1.



Be in the market/ city with 5000+ units sale per Year

2.

We buy the land only when at least 25% Gross margin might be realised on the project

3.

The minimum required IRR for the project in 20%

4.

The minimum payout multiple is 1.8 cash back vs invested equity

Projects financing strategy

All projects are developed in separate SPVs (special purpose vehicle), either limited liability project companies, partnerships, or private real estate development funds/umbrella subfunds. The land acquisitions were typically financed from the equity provided by one of the Group members until launch of the development. Most projects are financed by local banks in separate SPVs through construction financing facilities, with project equity provided by a Group member and by co-investors of the Group. Most of the loans are at the SPVs' level typically with cost overrun and completion guarantees – and are not cross-collateralized, however they may contain certain general cross-default provisions.

The project-equity and pre-sales requirements vary from country to country and from project to project but contracted at usually between 20-30 % equity of total development costs and between 20-40 % pre-sales requirements. Peak net leverage at project level usually did not exceed 65 % thanks to customer advances and some costs payable after delivery. Acquisitions and certain projects may also be financed via bond issuances. Corporate level leverage is lower due to an unleveraged land bank and a portfolio of projects in different development and lower leverage phases. The Group maintains good relationship with multiple senior lenders.

2.1.3.

Market overview & business environment

HUNGARY

Budapest Build-to-sell (BtS) residential market

The unfavorable business environment that had influenced the Budapest residential market in 2022 continued in the first half of 2023. Sales volumes on the market remained low, although showed signs of stabilization in the second quarter. Nonetheless a more significant recovery is not expected until economic headwinds persist.

The high inflation observed in the reporting period has impacted disposable income in real terms, leading to reduced demand for new apartments. Additionally, higher interest rates on loans, due to tightened monetary policy, have made it more challenging to purchase residential properties on credit. In the first quarter of 2023, the volume of loan applications for the purchase or construction of new housing declined by 75% compared to the same period in 2022.

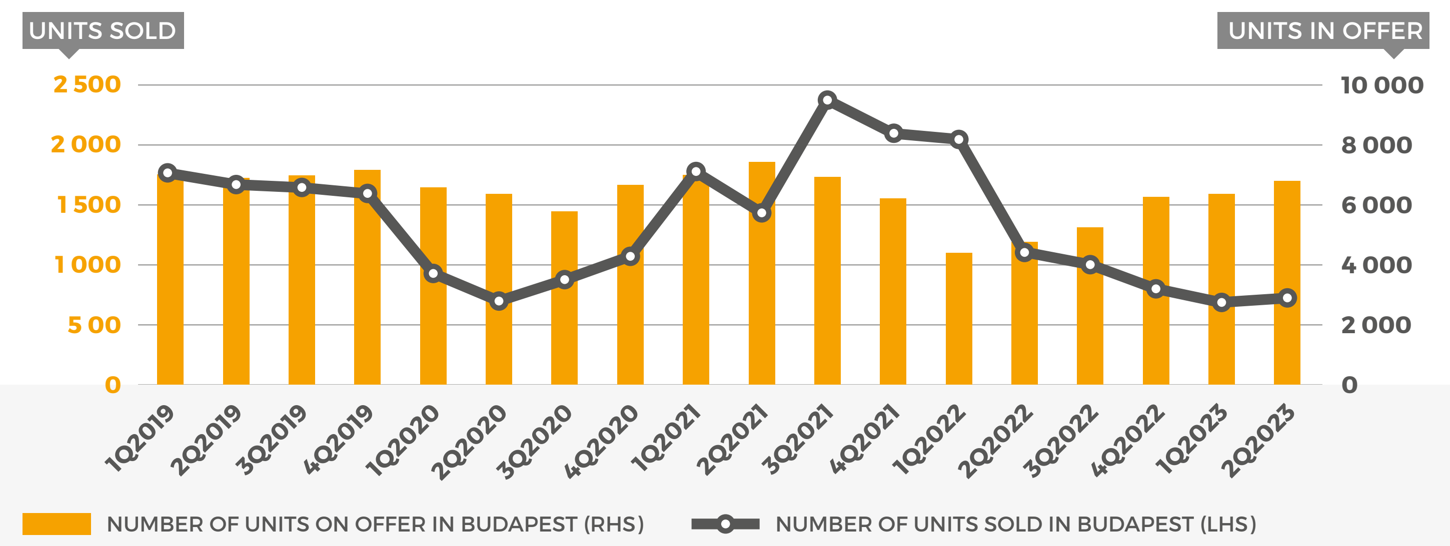
While the increase in interest rates has primarily discouraged purchases for owner-occupied properties, it also shifted investment demand to the government securities market due to yields exceeding those available from rental income.

Sales in the first half of 2023 amounted to slightly above 1 400 units which is a decrease by 55% compared to the first half of 2022 and was at a lower level than in the previous years as well. However it appears that the sales level has stabilized at this point. In the second quarter of 2023, sales did not decline further and remained similar to the previous two quarters. The potential tailwind for the sales in the 2H of 2023 might be the phasing out of the Home Purchase Subsidy for Families by the end of the 2023 resulting in acceleration of purchase decision.

As a result of lower demand, the number of flats available for sale continued to increase in 1H 2023. The number of flats for sale in June was at 6 780 units, which was 9% higher than in December 2022, and reached the average level observed in the previous years (average level of the supply between 2017 and 2021: 6 900).

The chart below presents sale volumes and number of units on offer since 2019:

New-build apartments market size in Budapest



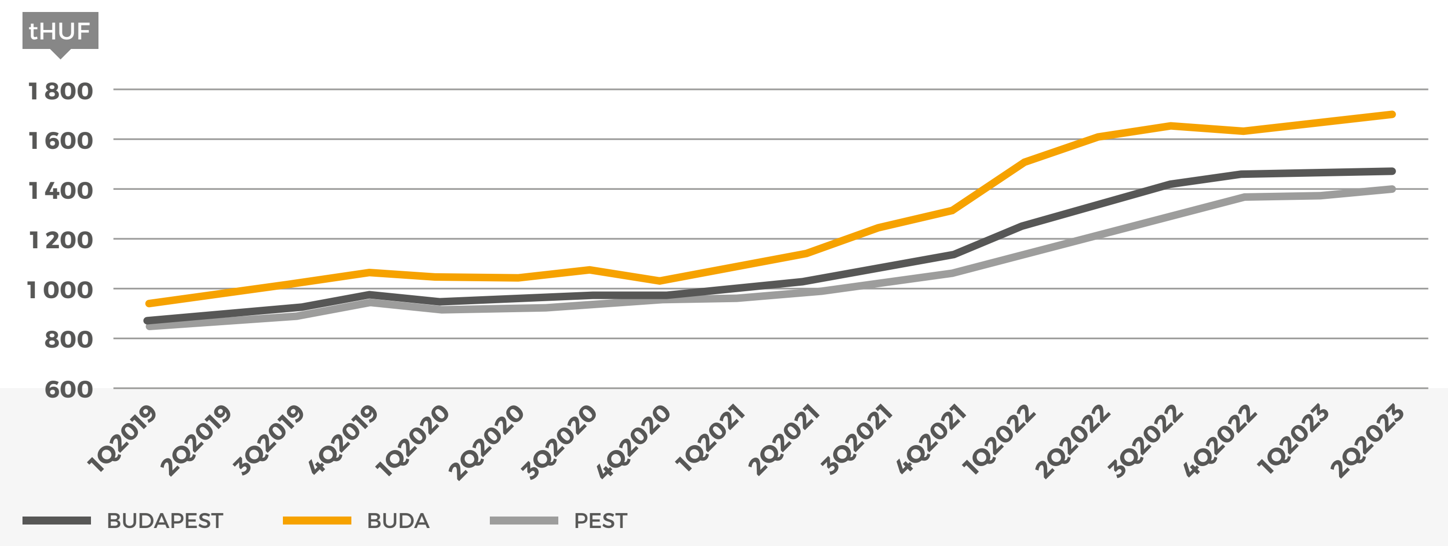
Source: Cordia Group, JLL

HUNGARY

The dynamics of price increase slowed significantly in Q4 2022. Then, in the first quarter of 2023, the increase in offering prices came to a halt, resulting in price stagnation. Following this stagnation, prices slightly rose again in Q2 2023. Overall, the decline in the number of sales transactions has not yet been accompanied by a setback in prices. Most developers have refrained from reducing prices at the moment. Instead, they have introduced temporary rebates. The majority of these markdowns are applicable only to a few selected apartments within the projects and do not constitute a general discount for all units.

In June 2023 the average offer price of newly-built apartments in Budapest rose to 1 480 000 HUF/sqm, which was 1% higher compared to 1 464 000 HUF/sqm in December 2022. The prices on the Buda side grew more than on the Pest side. Regarding non-exclusive projects on Buda side, the average offer price reached 1 710 000 HUF/sqm, which was 4% higher than in December 2022 (1 644 000 HUF/sqm). As for Pest, the average price amounted to 1 400 000 HUF/sqm by the end June 2023, which was 2% higher than a year ago (1 371 000 HUF/sqm). The chart below shows average offer prices in the years of 2019-1H2023.

New-built offer price/sqm in Budapest, on Buda and Pest side



Source: Cordia Group, JLL

POLAND

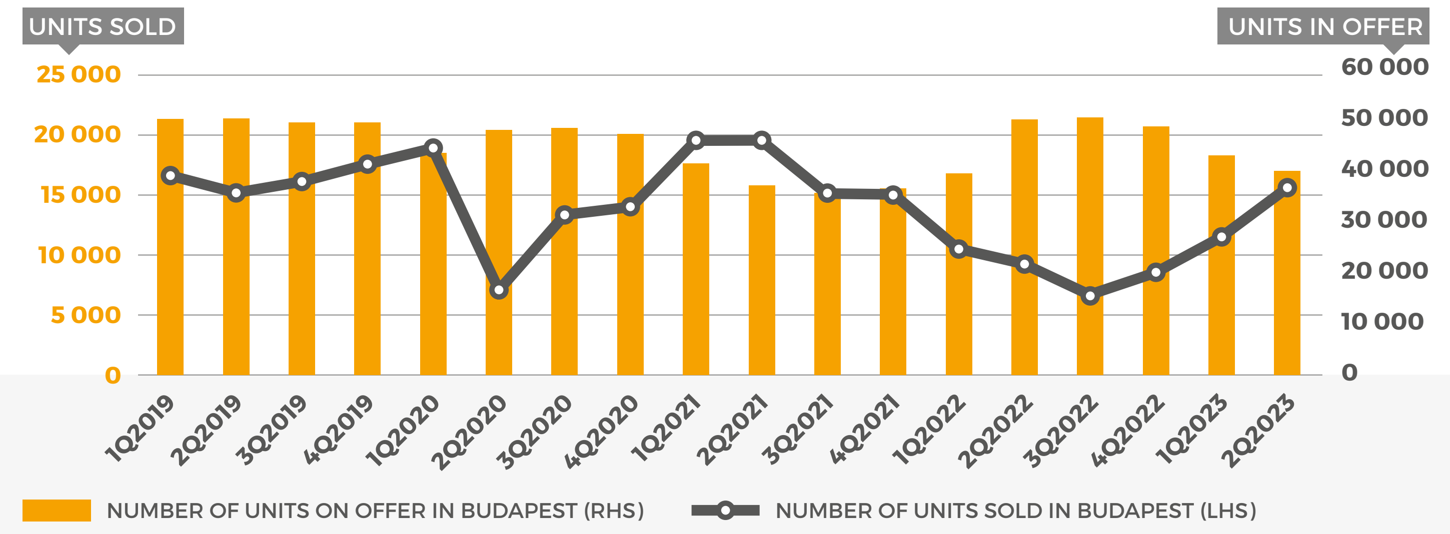
Warsaw, Cracow, Tri-City, Poznan, Built-to-Sell (BtS) residential market

Following a strong decline in sales volume in 2022, residential markets in the biggest Polish cities started to recover markedly toward the end of first half. Sales volumes in 2Q 2023 reached comparable levels to the strong second half of 2021. According to JLL (Jones Lang LaSalle) report for Residential Markets in Poland for 2Q 2023, around 26 920 new apartments were sold in the first half of 2023 in the six largest cities in Poland (Warsaw, Cracow, Tri-City, Poznań, Wrołcaw and Łódź), which accounts for 36% growth compared to the same period in 2022. The demand for new apartments started to recover on the back of improving consumer sentiment, strong wage growth, declining inflation and increasing rate cut expectations. The positive mood was boosted further by the announcement of the governmental program "First apartment!" providing substantial mortgage subsidies for young first home buyers.

As a result of increased demand during 1H of 2023, and very limited supply due to constrains on available plots and prolonged administrative processes for building permits, the number of new apartments on offer declined to 40 600 apartments at the end of 1H2023, which is lower by 18% compared to the end of 2022.

The chart below presents sale volumes and number of units on offer since 2019:

New-build apartments market size in 6-biggest cities in Poland (Warsw, Cracow, TriCity, Wrocław, Poznań, Łódź)



Source: Cordia Group, JLL

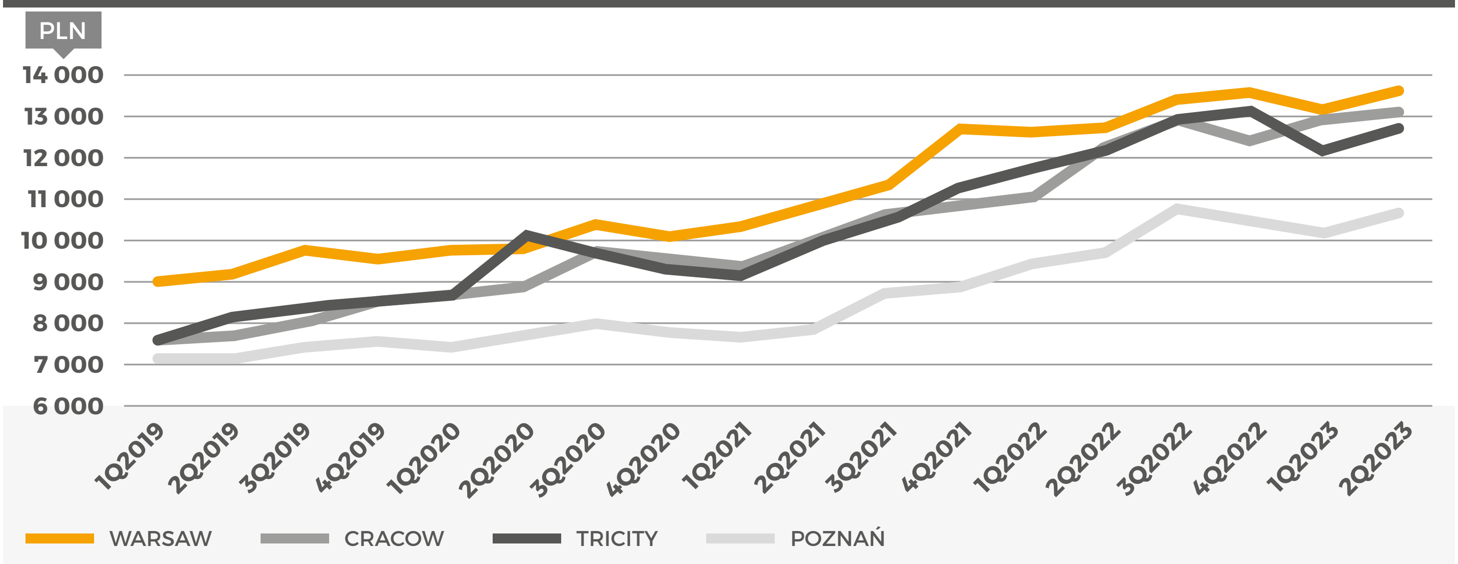
POLAND

In the 1H of 2023 the primary market transaction prices dynamics varied in all the cities where the Group is present. The highest growth was observed in Cracow where the average prices in 2Q 2023 amounted to 13 116 PLN/sqm accounting for 5,7% increase compared to 4Q 2022. Prices in Poznań and Warsaw were relatively stable and grew respectively by 1,0% to 10 657 PLN/sqm and 0,1% up to 13 615 PLN/sqm in 2Q 2023. The only agglomeration with negative price dynamics was TriCity where prices in 2Q 2023 dropped to 12 766 PLN/sqm which is a decline by 2,8% compared to 4Q 2022. Potentially, imbalance in demand vs supply is likely to put pressure on further price appreciation in the upcoming quarters.

In the beginning of July the much expected governmental program of subsidized mortgages came into force as first banks started to give loans with preferential interest rates to individual customers. The program assumes the State's subsidies to the interest expense over the 2% fixed rate throughout the period of ten years and is dedicated to young, first-time flat buyers. The program which has been exerting positive impact on the demand since 1Q 2023 is likely to boost demand even further in the upcoming quarters. As much as the total scale of the program is hard to evaluate at the moment, the program is popular among customers and drove demand on mortgages to a large extent according to Biuro Informacji Kredytowej BIK, in July 2023 by ca. 270% compared to July 2022. Other positive factors influencing mortgage demand were creditworthiness improvement due to lowered interest rate buffer imposed by the PSFA and an increase in real wages in Poland, as a well as change in the sentiment among customers following expectations for interest rates decrease in the near future.

The chart below presents price development on markets monitored by the Group in 2019 – 2Q2023.

New-built transaction price/sqm by city



Source: Cordia Group, JLL

ROMANIA

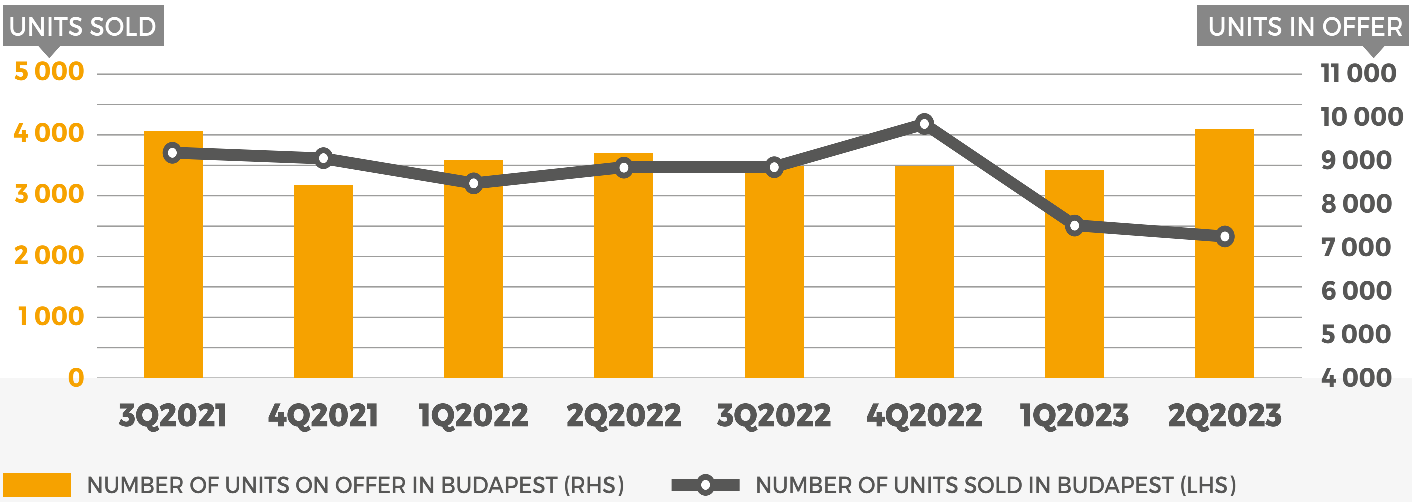
Bucharest Built-to-Sell (BtS) residential market overview

According to the Group's estimation approximately 4 900 new apartments were sold in the 1H 2023 in Bucharest which is ca. 27% lower than 6 700 units sold in 1H 2022. The decrease is due to high interest rates in Romania which caused a contraction of the mortgage market. Buyers also lowered their selection criteria and compromised either on units' size, but most likely on the units' location. This is proven by a much smaller decrease in transactions' volume in the region surrounding Bucharest (Ilfov county). The increased loan costs were offset by the growing purchasing power of customers, resulting from strong salary growth and decreasing apartment prices (details below).

At the end of June the residential supply in Bucharest stood at approximately 9 850 units available for sale which is an increase by 18% since the beginning of the year. The growth in the offer resulted from the new supply exceeding the demand in the first half.

The chart below presents the number of transactions and number of units on offer in Bucharest since 3Q 2021.

New-built apartments market size* in Bucharest



*The number of units sold is based on the estimation that 25% of ANCPI transactions registered are for new-built units. Data of the National Agency of Real Estate Advertising and Cadaster (ANCPI) include all residential transactions (secondary market, land, detached houses etc.)

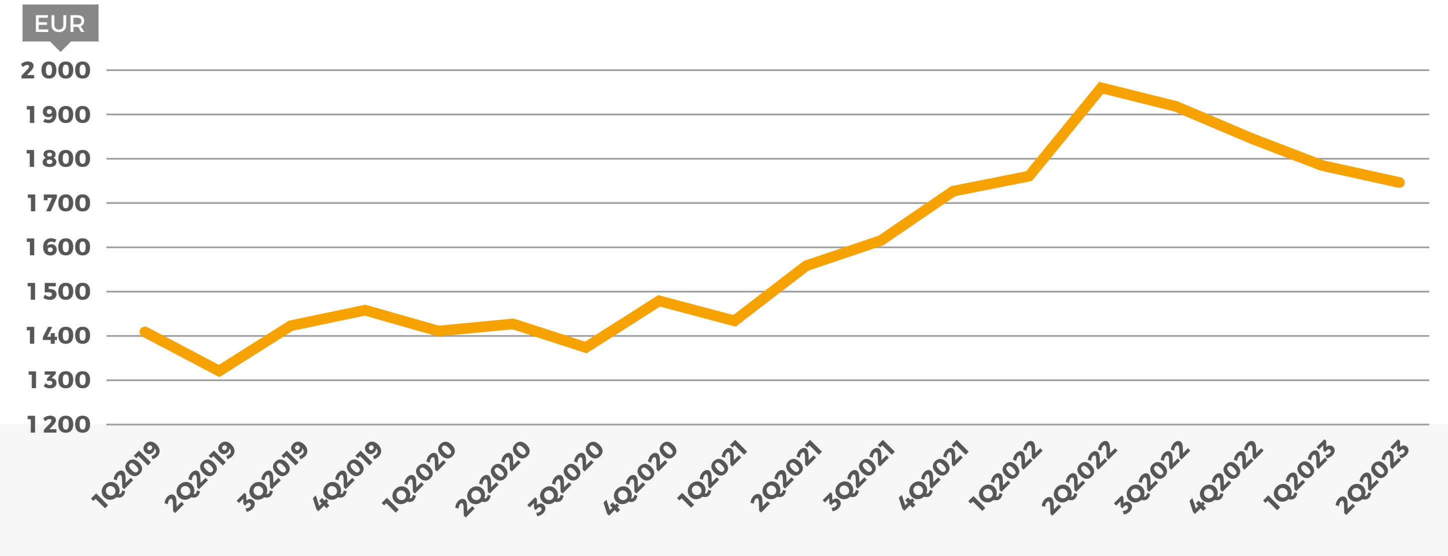
Source: Cordia Group, iO Partners / JLL

ROMANIA

Primary market transaction prices decreased for the fourth consecutive quarter, amounting to 1 745 EUR/sqm in 2Q 2023, which is 5,7% lower than in 4Q 2022 and as much as 11% lower than in 2Q 2022 when they reached their peak. The price decrease is a result of deteriorating demand.

The chart below presents the average new-built transactions prices since 2019.

New-built transaction price/sqm in Bucharest



Source: Cordia Group, iO Partners/JLL

SPAIN

Costa del Sol and Marbella Built-to-Sell (BtS) residential market

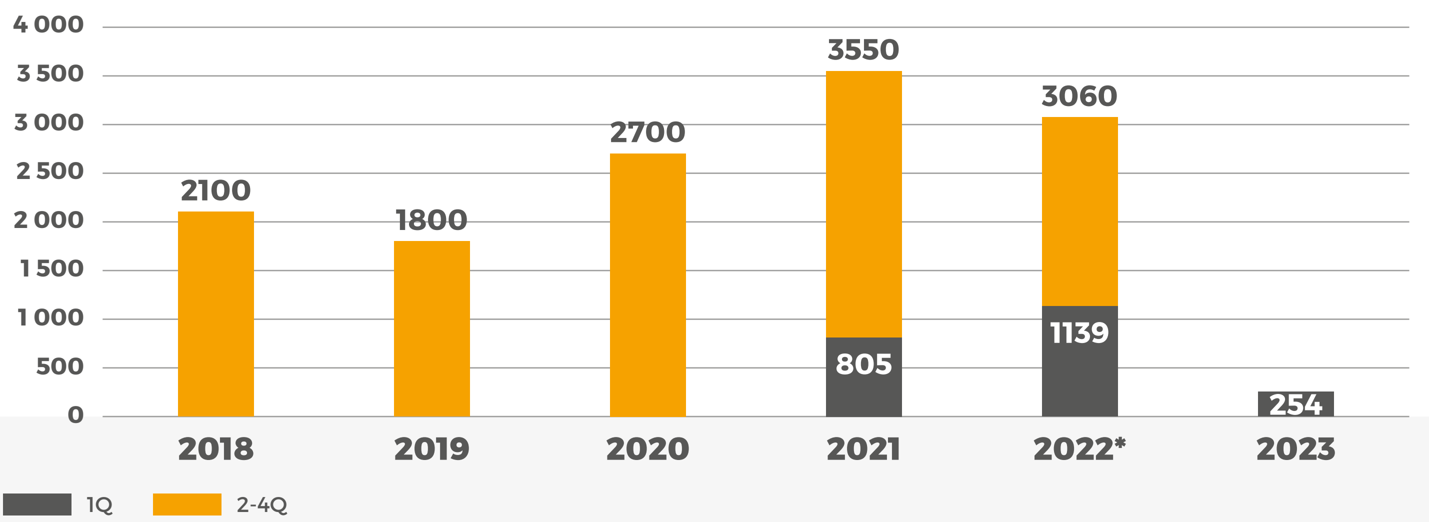
After very good deliveries in 2021 and 2022 the market in 2023 has reached consolidation point as the number of units delivered dropped on year-over-year basis. According to CAI Soluciones de Ingenieria, there were approximately 90 new residential units transferred in the region of Marbella and Fuengirola in the 1Q 2023, compared to 380 units in 1Q 2022. However the decline is rather related to small number of new project completions, then weaker demand. Number of total transactions (primary and secondary market) in the reported period decreased to approximately 1600 units as compared to 1 970 units in 1Q 2022. It is however still 6% higher than in 1Q of 2021. The share of new units transaction in new units dropped from 20% to 6% which was the main contribution to the decline in the total number of transactions.

As the Costa del Sol residential real estate market is highly fragmented, there are no comparable market data in terms of transaction pricing. Nevertheless, due to their prime locations and proximity to the coast the Group's projects are priced way above the market average for the region.

Average prices in projects which are in direct competition to the project in Fuengirola ranged between 4 270 and 12 150 EUR/sqm in 2Q 2023. The average price amounted to 7 308 EUR/sqm in June 2023. compared to 6 670 EUR/sqm in 4Q 2022, which means 9% growth. On the other hand, prices in projects which are in direct competition to the project in Marbella ranged between 5 670 and 12 700 EUR/sqm in 2Q 2023. The average price amounted to 6 940 EUR/sqm compared to 6 900 EUR/sqm in 4Q 2022 remaining flat.

The chart below presents number of transactions in new-built residential units in Costa del Sol region since 2018:

New-built units delivered in Costa del Sol



Source: CAI Soluciones de Ingenieria

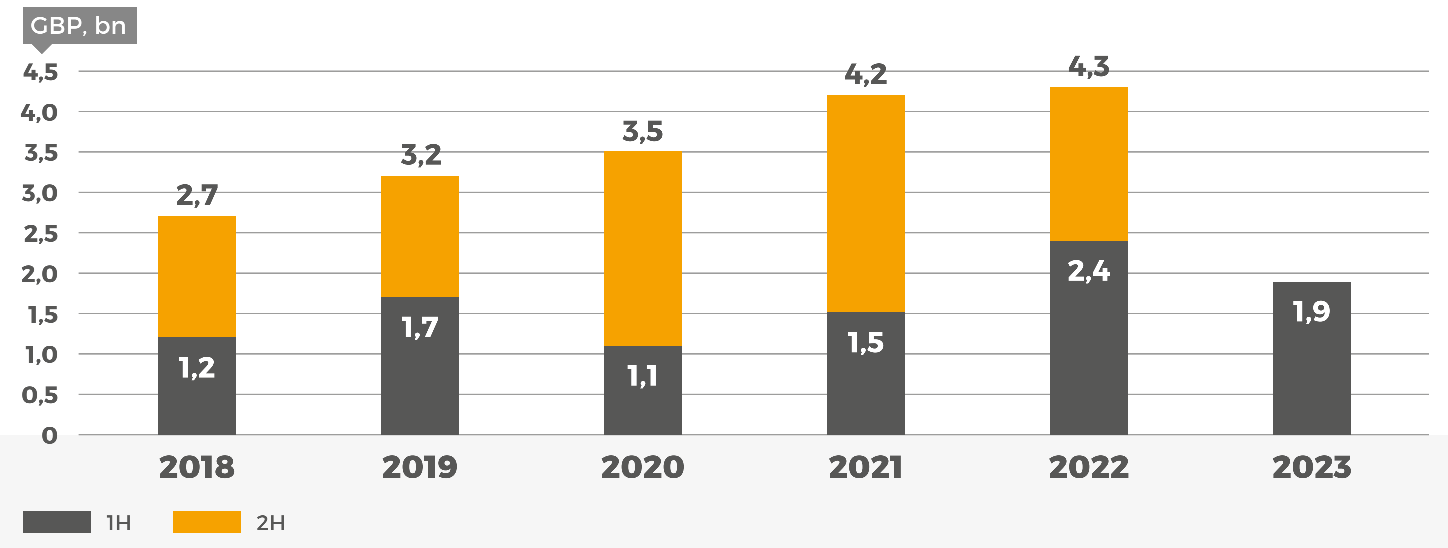
UNITED KINGDOM

UK and Birmingham Built-to-Rent (BtR) residential market overview

In 1H of 2023 underlying fundamentals of the sector remain solid and continue to attract investments. Supply shortages and steady demand along with wages growth continued to put strong pressure on rental growth in 1H 2023. According to Knight Frank BtR Rental Index asking rents for new leases rose 10,9% in June 2023 when comparing to June 2022. However, high uncertainty in the market due to current economic situation with high cost of debt caused some investors to postpone investment decisions and negatively influenced the volumes in 1H 2023. In the reporting period approximately GBP 1,9 bn was invested in the BtR sector in the UK, which is 20% lower than in the first half of 2022. The drop in the volumes in 1H 2023 resulted also from fewer projects being marketed.

The chart below shows BtR investment volumes in the UK since 2018:

BtR investment volumes in the UK



Source: Cordia

Macroeconomic environment

Compared to 2022 general business environment deteriorated in the first half of 2023 in all markets of the Group. In Hungary and Poland GDP contracted in year-to-year basis in the second quarter. Although in the UK, Romania and in the strongest Spain GDP dynamics were positive, the economic performance was far away from healthy levels, and in some cases was marginal. Monetary tightening observed across the whole of Europe since early 2022 evidently influenced business activity and consumer spending, but also significantly decelerated inflation growth pace in all covered countries. Falling inflation rates made governors of central banks in Hungary and Poland start hinting at interest rate cuts in late 2023 or in 2024, consequently giving hope to improved conditions in real estate financing in these countries next year.

Despite economic slowdown, the employment market remained strong in Hungary, Poland, Romania and Spain. In UK, unemployment rate increased by 50 basis points at the end of June when comparing to December 2022. Again in Hungary, Poland, and Romania it was at, or very close to record low levels. In Spain, although at the elevated level of 11,2%, the figure was still at the lowest levels for the last 10 years and continued to decline.

Data with the major macroeconomic gauges are presented in the table below:

	June 2023				
Macroeconomic indicator	**Hungary**	**Poland**	**Romania**	**Spain**	**UK**
Real GDP 2Q2023 % (yoy)	-2,4%	-0,5%	1,1%	1,8%	0,4%
Inflation (HICP)	19,9%	11,0%	9,3%	1,6%	7,3%
Unemployment Rate	3,8%	2,5%	5,1%	11,2%	4,2%
Interest Rates (6M Money Market)*	13,51%	6,55%	6,5%	3,96%	5,55%**

* Data as of 17/08/2023, ** 3M rate

Source: National Statistic Offices, Eurostat, Bloomberg

2.1.4.

Key Projects

HUNGARY

The latest phase of Sasad Resort is Sasad Resort Sunrise, in which we are planning a total of 141 apartments in its 4-story buildings. The ground floor apartments have private gardens and the ones on upper floors have terraces.

Sasad Resort Panorama

City: **Budapest**
Status: **Completed**
NSA total: **10 834**
Number of residential units: **141**
Number of sold units: **77**

Modern homes in a constantly developing part of Pest. In one of the most sought after locations in the downtown apartment rental market, close to universities and offices.

i6 Residence

City: **Budapest**
Status: **Under Construction**
NSA total: **8 326**
Number of residential units: **162**
Number of sold units: **87**

Marina City is our next large-scale urban district redevelopment in Budapest, which is similar in scale to the Corvin Quarter. This project will be located on a 10-hectare brownfield site on the banks of the Danube, with over 1.2 km of river waterfront and 9-hectares of carfree green area, that will be open to the public.

Marina City

City: **Budapest**
Status: **Under Preparation**
NSA total: **145 500**
Number of residential units: **2 425**
Number of sold units: **0**

POLAND

Villa Jaskowa Dolina is a family-oriented project in Gdansk, located in a green environment, right next to the Jaśkowa Dolina Park. All apartments in the ground floor have their own gardens of up to 200 sqm, whereas all other homes have spacious balconies. The buildings are surrounded by a 4,500 sqm garden with nearly 50 different plant species.

Villa Jaśkowa Dolina (Phase 1)

City: **Tri-City**
Status: **Completed**
NSA total: **5 937**
Number of residential units: **97**
Number of sold units: **95**

Safrano is located in one of the youngest districts of Kraków – Borek Fałęcki. This is where families and active young people live. Low-rise buildings, peace and quiet; this location is the golden mean between life in the city center and relaxation away from the metropolis. The center is a 15-minute drive away.

Safrano

City: **Krakow**
Status: **Under Construction**
NSA total: **5 398**
Number of residential units: **101**
Number of sold units: **56**

Haffnera Residence is project of two, elegant 5-storey apartment buildings, which will be built in Sopot - the most beautiful Polish resort on the Baltic Sea. The investment will be distinguished by its unique location among greenery, just a few minutes' walk from the beach. The noble character of the investment will create by panoramic windows, private roof terraces and high-quality finishing of common areas.

Haffnera Residence

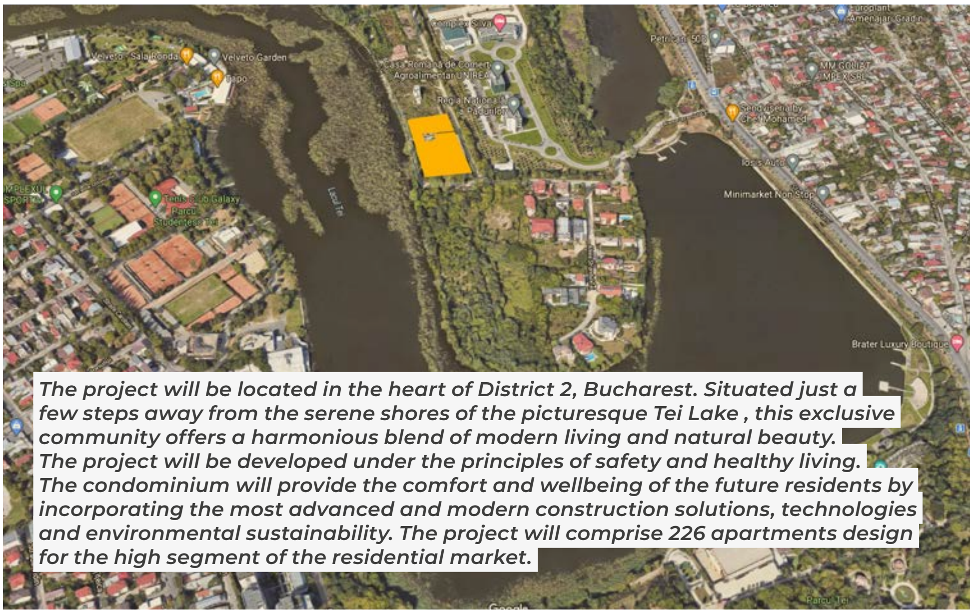
City: **Sopot**
Status: **Under Preparation**
NSA total: **7 740**
Number of residential units: **133**
Number of sold units: **0**

ROMANIA

Parcului 2 is located in the capital of Romania's most dynamically developing neighbourhoods. It has a 3,000 sqm private courtyard and the complex is one of Romania's first ever smart residential development projects: every single apartment will come complete with integrated smart home technology.

Parcului (Phase 2)

City: **Bucharest**
Status: **Completed**
NSA total: **12 138**
Number of residential units: **220**
Number of sold units: **182**

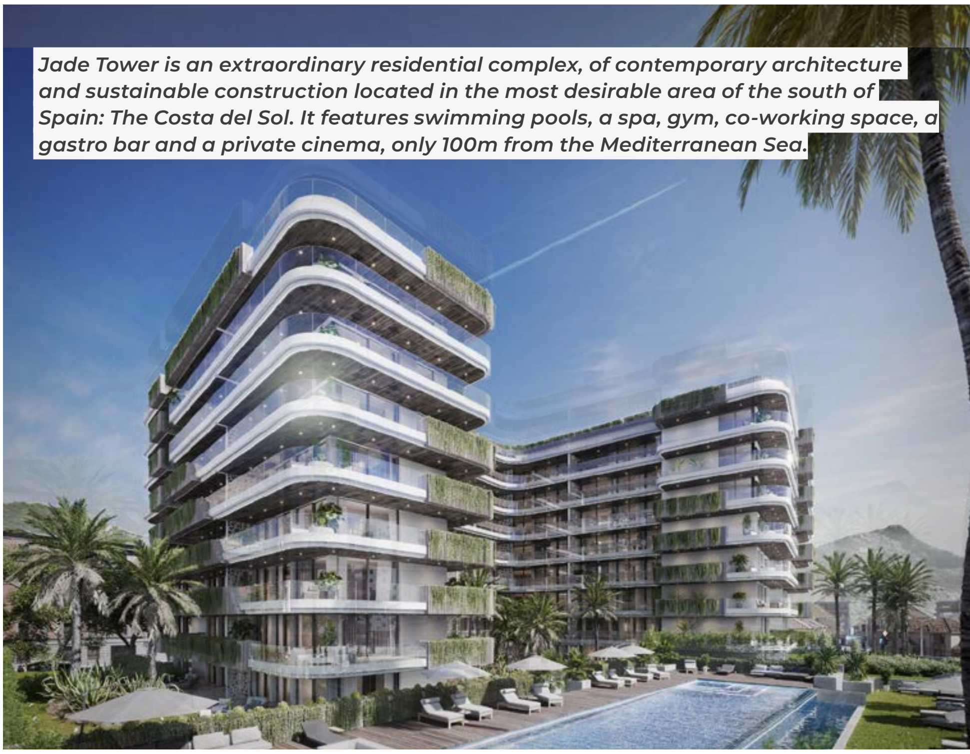


The project will be located in the heart of District 2, Bucharest. Situated just a few steps away from the serene shores of the picturesque Tei Lake , this exclusive community offers a harmonious blend of modern living and natural beauty. The project will be developed under the principles of safety and healthy living. The condominium will provide the comfort and wellbeing of the future residents by incorporating the most advanced and modern construction solutions, technologies and environmental sustainability. The project will comprise 226 apartments design for the high segment of the residential market.

Petricani Romsilva

City: **Bucharest**
Status: **Under Preparation**
NSA total: **15 066**
Number of residential units: **221**
Number of sold units: **0**

SPAIN



Jade Tower is an extraordinary residential complex, of contemporary architecture and sustainable construction located in the most desirable area of the south of Spain: The Costa del Sol. It features swimming pools, a spa, gym, co-working space, a gastro bar and a private cinema, only 100m from the Mediterranean Sea.

Jade Tower

City: **Fuengirola**
Status: **Under Construction**
NSA total: **13 542**
Number of residential units: **116**
Number of sold units: **80**

In the heart of Marbella, the most elegant resort on the Spanish Riviera, the Costa del Sol, 90 large, nearly 100 sqm apartments are being built. This 7-hectare sea-view development, which is close to the city centre and just a 5-minute drive from the beach, will also feature playgrounds and community areas.

La Montua

City: **Marbella**
Status: **Under Preparation**
NSA total: **19 922**
Number of residential units: **139**
Number of sold units: **0**

UNITED KINGDOM

Cordia Blackswan's iconic project on Great Hampton Street in Birmingham's Jewellery Quarter, featuring terraces, carefully restored heritage features, and elegant Victorian styling. The site is steeped in history and the buildings date back to the early 19th century. Number 1 Great Hampton Street was the former site of The Gothic Inn.

The Ghotic (Phase 1)

City: **Birmingham**
Status: **Completed**
NSA total: **1 920**
Number of residential units: **18**
Number of sold units: **10**

Lampworks is a contemporary rental development reflecting the architectural heritage of Birmingham's historic Jewellery Quarter with a contemporary approach. The development is based on good design aspirations with a variety of building forms, good quality materials, and an external landscape.

The Lampworks

City: **Birmingham**
Status: **Under Construction**
NSA total: **9 398**
Number of residential units: **152**
Number of sold units: **0**

Digbeth is a regeneration area in the centre of the UK's second largest city, with a strong industrial heritage. The area surrounding our nearly 8,000 sqm site is now recognised as a vibrant cultural, creative and diverse neighbourhood, a kind of bohemian quarter.

Digbeth (Mosley street)

City: **Birmingham**
Status: **Under Preparation**
NSA total: **23 284**
Number of residential units: **366**
Number of sold units: **0**

2.1.5.

Operational performance

Number of residential units contracted** by country

For the period ended June 30, 2023		
In number of units	**2023H1**	**2022H1**
Hungary	126	296
Poland	123	127
Romania	15	39
Spain	8	38
UK	2	0
TOTAL NUMBER OF UNITS CONTRACTED	**274***	**500***

* Numbers include 7 units in 2023H1 and 18 units in 2022H1 sold in joint venture projects in which Cordia holds 50% stake (Marina Life 1&2 and Stacja Kazimierz 4&5)

** Group accounts unit as contracted when at least 10% value is paid.

During first half of 2023 the Group contracted 274 units, which accounts for 45% decrease compared to first half of 2022 in the following breakdown:

Hungary: The Hungarian market had the highest contribution to the unit sales in the Group. During the first half of 2023 sale contracts for 126 units were concluded, which is a 57% decline compared to the same period in 2022. The decline was caused by Cordia strategic approach for maximizing margins at the expanse of lower volumes in high interest rates environment as well as weaker demand following tightened monetary policy and deteriorating consumer confidence.

Poland: Sales in Poland were flat at 123 units level vs 127 in the same period in 2022. The result was achieved despite of lower offer vs offer in the 1H of 2022. The slower permitting process was the main reason behind delays in new project launches..

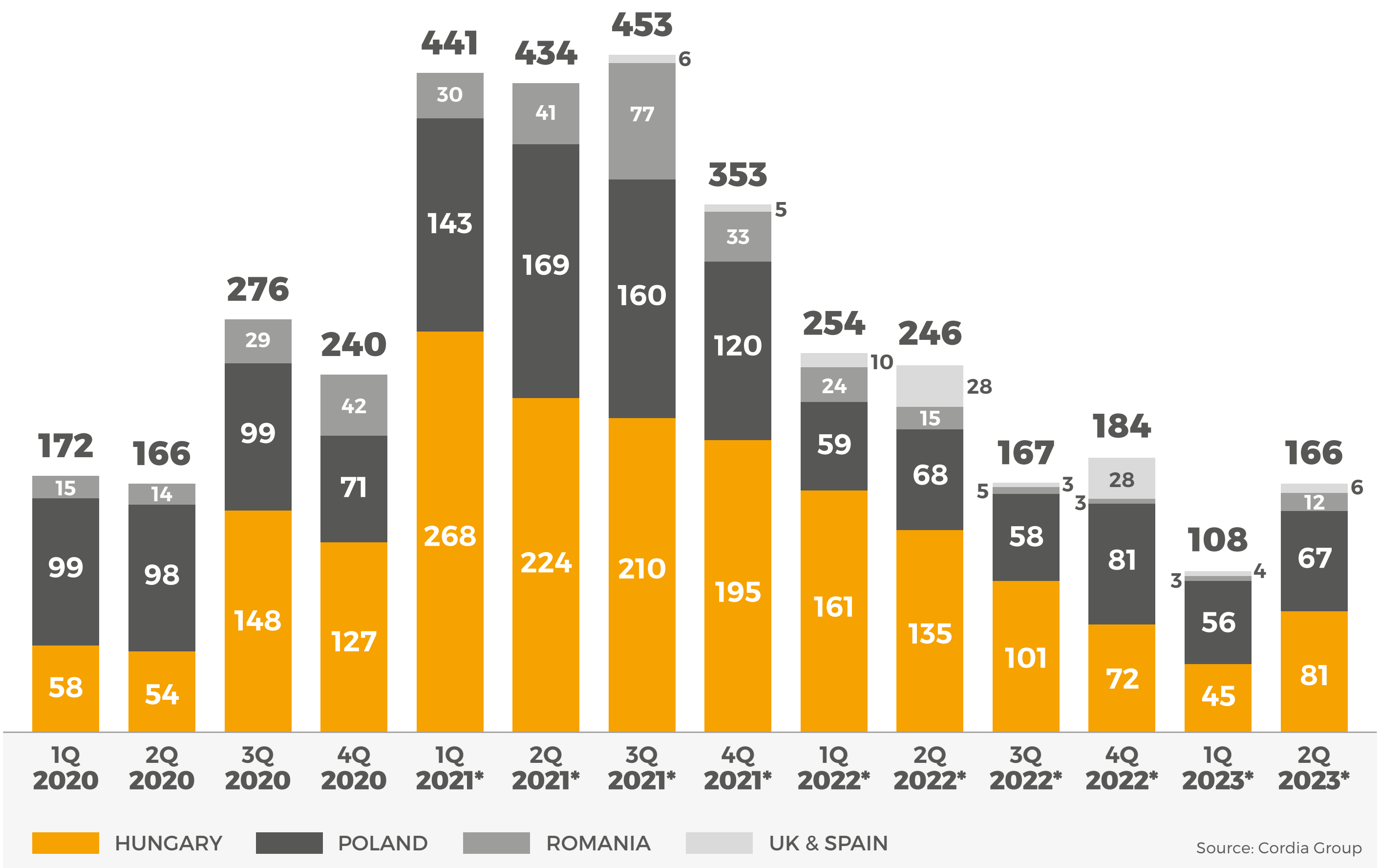
Romania: The Group contracted 15 units in Romania. The main reason for lower sales compared to the same period in 2022 was our goal to maximize margins vs volumes. Additionally due to prolonged permitting process Cordia was not able to launch new projects in Bucharest.

Spain: Because of the fact that Cordia's first project in Spain (Jade Tower Project in Fuengirola) was successfully sold in 2022 the pace of sales slowed in the 1H of 2023 to 8 units.

UK: In the 1H of 2023 Group continued sales of its relatively small project the Gothic 1, which is our first completed project in Birmingham. It was 2 units compared to 0 in the 1H of 2022.

At the end of June 2023, the Group had 1 245 residential units available for sale both in "Completed" and "Ongoing construction" projects.

Residential units contracted** quarterly in the last 4 years



* Numbers include 7 units in 2023, 46 units in 2022, and 182 units in 2021 sold in joint venture projects in which Cordia holds 50% stake (Marina Life1&2 and Stacja Kazimierz 4&5)

** Group accounts units as contracted when at least 10% of the value is paid.

Number of residential units delivered to customers by country

For the period ended June 30, 2023		
In number of units	**2023H1**	**2022H1**
Hungary	173	546
Poland	168	93
Romania	63	29
UK	2	0
Total number of units contracted	**406**	**668**

During the Reported Period, the Group handed over 39% less residential units than in the comparative period of 2022. Compared to 1H2022 the decrease in handovers is due to lower number of completed units where the handover process started, as well as lower sales on already completed projects. Five residential projects reached completion in four of which the handover process of 568 units started in 1H 2023 compared to the two projects on 637 units in the 1H 2022.

Additionally, 2 units were delivered to customers in Marina Life 2 in Hungary and 19 units in Stacja Kazimierz V in Poland. The Marina Life and Stacja Kazimierz projects are both joint ventures with a 50% Cordia stake, where the Group is in charge of managing the project including the handovers of units to customers.

The results of joint venture projects were recognized in "Share of profit / (loss) in associate and joint venture" line in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, and are not included in the table above. For details, please refer to Note 13 in Condensed Interim Consolidated Financial Information for period ended 30 June 2023.

Recently completed projects on group level

Project name	Country	City	Comple-tion (year)	NSA TOTAL (sqm)	Number of residential units	Units Handed Over end of 2022	NSA Avaliable for sale eof 2022	Units Avaliable for sale eof 2022
Thermal Zugló (Phase 4)	Hungary	Budapest	2023	7 514	110	92	1 186	14
Sasad Resort Panorama	Hungary	Budapest	2023	10 834	141	35	4 460	64
Cordia Parcului (Phase 2)	Romania	Bucharest	2023	12 138	220	62	2 754	38
Fantazja (Phase 1)	Poland	Warsaw	2023	9 725	147	0	1 875	26
Jaśkowa Dolina (Phase 1)	Poland	TriCity	2023	5 937	97	92	180	2
TOTAL COMPLETED				**46 148**	**715**	**281**	**10 455**	**144**

Source: Cordia Group

During the Reported Period, the Group completed the construction works of five projects with 46 148 sqm of Net Saleable Area representing 715 units, of which 571 have already been sold.

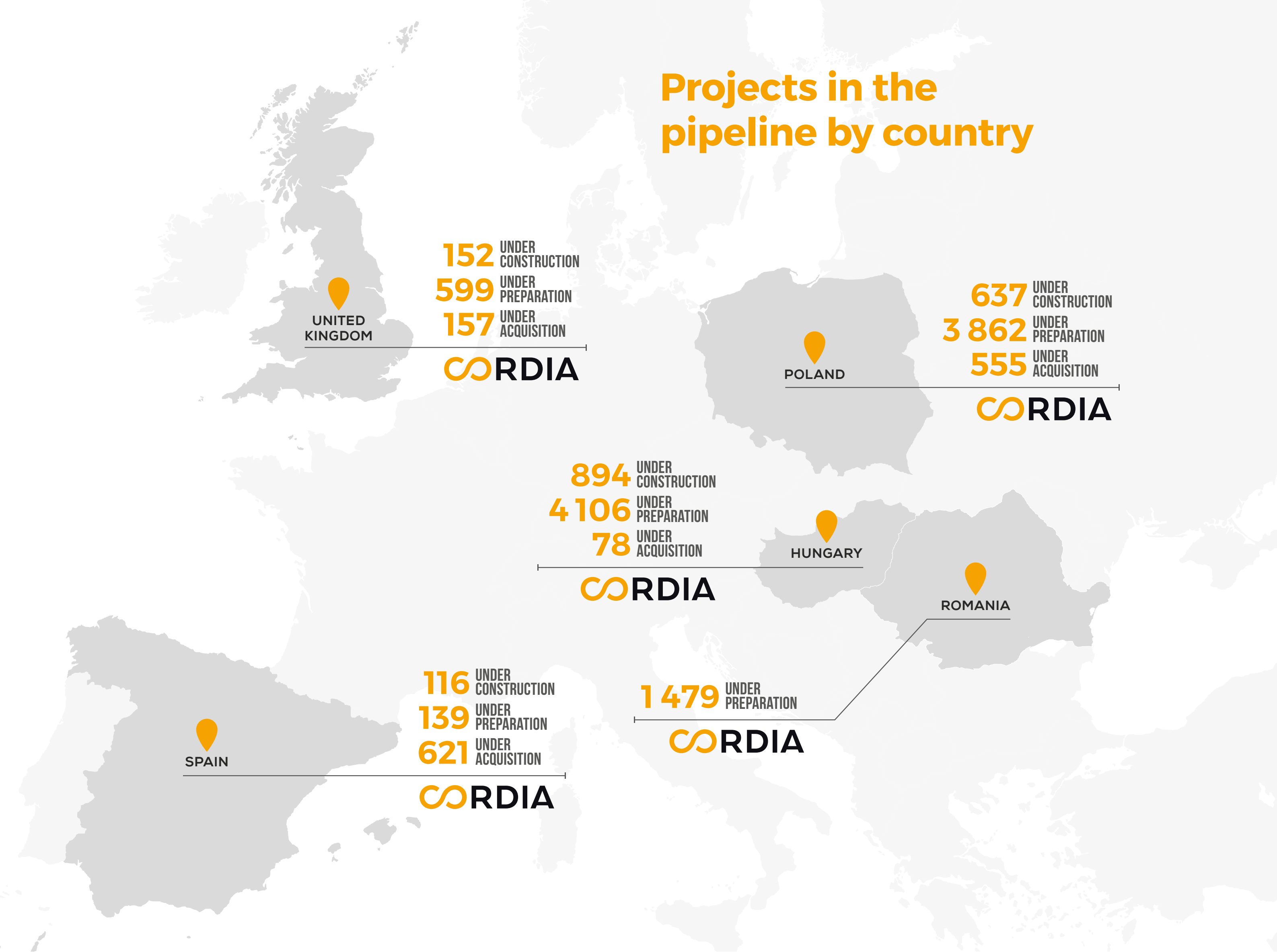
Projects with ongoing construction at the end of the Reported Period

Project name	Country	City	Planned completion	NSA TOTAL	Number of residential units	NSA Avaliable for sale 2023H1	Units Avaliable for sale 2023H1
Millennium Residence (Phase 1)	Hungary	Budapest	2023	5 689	110	1 528	25
Sasad Resort Sunlight	Hungary	Budapest	2023	5 014	70	2 691	37
Naphegy 12	Hungary	Budapest	2024	3 348	42	1 400	16
I6 Residence by Cordia	Hungary	Budapest	2024	8 326	162	4 147	75
Sasad Resort Sunrise	Hungary	Budapest	2024	11 083	153	9 747	133
Corvin Next by Cordia	Hungary	Budapest	2025	5 514	100	4 737	85
Woodland (Phase 1)	Hungary	Budapest	2025	14 545	257	12 998	226
Fantazja (Phase 2)	Poland	Warsaw	2023	988	33	988	33
Safrano (Krokusowa)	Poland	Cracow	2023	5 398	101	2 512	45
Jaśkowa Dolina (Phase 2)	Poland	TriCity	2024	7 543	118	4 673	70
Leśna Sonata	Poland	TriCity	2024	7 591	113	5 467	80
Modena (Phase 1)	Poland	Poznań	2024	14 819	272	9 979	184
Jade Tower	Spain	Fuengirola	2024	13 542	116	4 188	36
Lampworks (BtR)	UK	Birmingham	2025	9 398	152	9 398	152
TOTAL UNDER CONSTRUCTION				**112 798**	**1 799**	**74 453**	**1 197**

Source: Cordia Group

At the end of June 2023 the Group's portfolio comprised 1 799 apartments and commercial units under construction in 14 projects. Approximately 33% of units in the ongoing projects have already been contracted. For details of the ongoing projects, please see the table above.

Projects in the pipeline by country



Projects under preparation

The Management of the Group estimates that at the end of June 2023 the landbank of the Group allows for developing 11 596 units, mainly apartments, with some minor Net Saleable Area ("NSA") in a commercial area. Most of it, 10 185 units had the status "under preparation", with fully secured legal title to the land. There were 1 411 units categorized as being "under acquisition" (purchase process has been started, but not yet finalized).

Landbank management & transactions

On April 17, 2023 the Group through its subsidiary completed the acquisition of a development site on Tömő 23 street in Budapest. This acquisition will allow for the development of a residential building with approximately 55 units.

2.1.6.

Main risks of the Group and relating changes and uncertainties

Risk	Risk Mitigation
Cyclical residential market	deepening and extending the diversification both geographically and operationally (resi-for-rent)
Unable to acquire further land	developing, maintaining and motivating the agency network, proactive search and mapping activity, searching for acquisition and other special opportunities
Zoning risk	proper assessment of the zoning situation with deep sectoral knowledge, limiting the share of land plots without proper zoning, closing of land acquisitions conditioned on zoning
Building permit risk	selecting experienced and locally well reputed architects, concept always in line with the prevailing regulation, proper management of interest of the stakeholders (authorities, neighbours, city architects, media providers, etc.)
Market risk	• deep understanding of the markets with monthly competitor analysis of the projects, regular market research, other indicators having effect on the market • active price and sales speed management • proper and efficient marketing activities with active advertisement management
Construction risk	well prepared project with good quality of construction design, close monitoring of the subcontractor payments and performances under the General Contractor, strong performance/quality/contract management of the contractors, selecting contractors with proper references and in good financial status
Bank financing risk	full-cover financing for projects, non-recourse loans, limited number of construction starts without bank financing offer/agreement available; keeping enhanced cash reserves for freezing banking liquidity situations when and until necessary
Operation risk	well defined, proper processes and people management
Warranty risk	proper security/insurance from contractors, permanent monitoring of the warranty processes, active intervention
Risks of supply chain shocks	establish and maintain multiple quality material supply sources with geographical diversification; selective and well-designed increase of raw material inventories
Inflation, energy prices volatility	strict construction costs management, e-tenders for General Contractors, project budget reserves, sales curve in line with construction curve, supply management to keep prices high, building energy efficient projects
COVID-19 (or other) pandemic	regional health protection and social distancing measures including – among other actions – strict disinfection of headquarters' offices, home office work, providing equipment for remote work, allocating funds for safe travel if travel is inevitable, disinfection gels, masks, gloves are provided to the on-site personnel, restrictive measures relating to on-site meetings.
Russian – Ukrainian conflict	on February 24, 2022, a military conflict started between Russia and Ukraine. The extent of the future impact of the conflict on the Group's operational and financial performance will depend on future developments, including, but not limited to, the duration and severity of the conflict and the duration, timing, and severity of the impact on global economic conditions, including any resulting recession, all of which are uncertain and cannot be predicted.

2.2.
FINANCIAL PERFORMANCE OF THE GROUP

2.2.1.
Key Profit and Loss Statement developments

Revenues

For the period ended June 30			
In thousands of Hungarian Forints (THUF)	2023H1	2022H1	% change
Revenue from sale of real estate and rental income	27,531,634	37,643,813	(26.9%)
Other revenue	904,647	843,232	7.3%
Total revenue	**28,436,281**	**38,487,045**	**(26.1%)**

During the first half of 2023 the revenue of the Group reached HUF 28.4 bn with the revenue from sales of real estate and rental income being HUF 27.5 bn, of which HUF 1.06 bn was generated by Polnord S.A. Revenues were negatively driven by lower delivery of residential units, which was offset to some extent by the higher average price of delivered units compared to the same period of 2022.

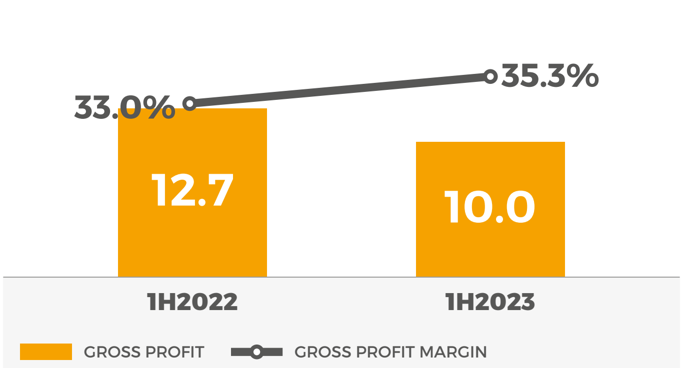
There were no sales of non-core land plots during the reporting period.

Gross Profit

In the first half of 2023 Gross profit declined by 21.1% y-o-y, to HUF 10.0 bn, and the gross margin increased to **35.3%** as compared to the 33.0% gross margin in the same period of 2022. The gross margin growth was the result of substantially higher profitability of delivered units in Polnord S.A.'s than in the first half of 2022 and flat margins on Cordia level w/o Polnord. Detailed information about **Gross profit from sale of real estate** and **Gross margin from sale of real estate** are presented in the table below:

	Gross Profit from sale of real estate (tHUF)		Gross margin from sale of real estate	
	2023H1	2022H1	2023H1	2022H1
Cordia Group excl. Polnord	8,968,210	11,650,574	34%	35%
Polnord	351,075	497,398	33%	12%

Gross profit (HUF bn) and gross profit margin (%)



Operating profit reached HUF 6.9 bn, with improved operating margin by 1.9% points to 24.2% when comparing to the same period in 2022. Major driver for better margins was, better gross margin and savings of general management costs. Administrative expenses decreased by 25.2% and Selling and Marketing expenses declined by 7.2% on year-to-year basis.

Net finance expense of HUF 3.3 bn was mainly driven by:

a) HUF 5.0 bn net negative effect on currency exchange
b) HUF 2.5 bn interest income
c) HUF 1.9 bn Interest expense and Bond interest expense
d) HUF 1.2 bn gain on fair valuation on derivative instrument (foreign exchange agreement)
e) HUF 0.5 bn fair valuation loss on buy option of 500,000 ARGO N.V. shares.

For more details, please refer to Note 10 of the Company's Condensed Interim Consolidated Financial Information for the period ended on 30 June 2023.

Share of profit/(loss) in associate and joint venture reached HUF 0.38 bn, and was combination of minor results in joint-venture: Cordia Global Ingatlanfejlesztő Esernyőalap Cordia Global 6 Ingatlanbefektetési Részalap entity, which includes the Marina Life 1 and Marina Life 2 projects, Stacja Kazimierz, and Fadesa. It was also the result of changes in both attributable equity and our stake in Argo Properties N.V. For more details, please refer to Note 13 of the Company's Condensed Interim Consolidated Financial Information for the period ended on 30 June 2023.

Profit before taxation for the period at HUF 3.9 bn, was lower than the profit of HUF 14.9 bn in the same period a year ago. However major driver for the difference was HUF 5.0 bn negative result on currency exchange in reporting period, vs HUF 4.5 bn positive result on currency exchange in the first half of 2022 related to HUF volatility. Reported Pretax profit margin was 13.8%, but when adjusted for currency effect it was 31.3%, which is slightly better than 27% a year ago.

Selected data from the Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period ended June 30, 2023			
In thousands of Hungarian Forints (THUF)	2023H1	2022H1	% change
Revenue	**28,436,281**	**38,487,045**	**(26,1%)**
Cost of sales	**(18,400,342)**	**(25,772,382)**	**(28,6%)**
Gross profit	**10,035,939**	**12,714,663**	**(21,1%)**
% margin	35.3%	33.0%	
Selling and marketing expenses	(1,918,026)	(2,067,787)	(7.2%)
Administrative expenses	(2,187,339)	(2,925,482)	(25.2%)
Net gain/loss from fair valuation of investment and development properties	1,137,688	1,297,391	(12.3%)
Other expenses	(838,653)	(648,303)	29.4%
Other income	643,306	225,196	185.7%
Operating profit	**6,872,915**	**8,595,678**	**(20.0%)**
% margin	24.2%	22.3%	
Net finance income/(expense)	(3,344,381)	4,126,441	n/a
Share of profit/(loss) in associate and joint venture	384,803	2,134,479	(82.0%)
Profit before taxation	**3,913,337**	**14,856,598**	**(73.7%)**
Profit for the period	**3,563,148**	**14,305,380**	**(75.1%)**
% margin	12.5%	37.2%	
Profit for the period attributable to owners of the parent	**3,571,079**	**13,820,658**	**(74.2%)**
% margin	12.6%	35.9%	
Total comprehensive income for the period, net of tax	**2,905,466**	**16,405,939**	**(82.3%)**

Selected data from the Condensed Interim Separate Statement of Profit or Loss and Other Comprehensive Income

For the period ended June 30, 2023			
In thousands of Hungarian Forints (THUF)	2023H1	2022H1	% change
Revenue			
Interest revenue	3,720,490	2,464,707	51.0%
Total investment income	**3,720,490**	**2,464,707**	**51.0%**
Total operating income	**18,547**	**17,251**	**7.5%**
Administrative and other expenses	35,740	46,270	(22.8%)
Other expense	4,008	1,556	157.6%
Interest expense	1,375,133	1,371,478	0.3%
Total operating expenses	**1,414,881**	**1,419,304**	**(0.3%)**
Other financial result	1,569,771	(35,305)	n/a
Fair value change of instruments measured at fair value through profit and loss	7,960,500	9,812,608	(18.9%)
Foreign exchange gain	454,680	4,324,278	(89.5%)
Foreign exchange loss	5,049,969	110,783	4458.4%
Foreign exchange - net gain / (loss)	**(4,595,289)**	**4,213,495**	**n/a**
Share of net profit of investments accounted for equity method	**(822,738)**	**2,059,875**	**n/a**
Profit before taxation	**6,436,400**	**17,113,327**	**(62.4%)**
Income tax expense	**633**	**144,310**	**(99.6%)**
Profit for the period	**6,435,767**	**16,969,017**	**(62.1%)**
Other comprehensive income/(loss)	**(1,433,456)**	**2,868,892**	**n/a**
Total comprehensive income for the period, net of tax	**5,002,311**	**19,837,909**	**(74.8%)**

2.2.2.

Major Balance Sheet developments

Total Sheet value increased by 1.9% to HUF 302.1 bn at the end of June 2023 when compared to the end of 2022.

The most important developments in **Assets** of the Group were as follows:

- Increase in **Inventory** due to new projects development and construction excessing handovers value by HUF 4.9 bn
- Decrease in our **Investment Properties** due to deconsolidation of Finext Global 1. Ingatlanforgalmazó Részalap (HUF -7.2 bn effect).
- Increase in **Current other financial assets** due to sales of our passive investments Real Asset Fund I and Pure Alpha Absolute Return Fund of Funds Sub-Fund (HUF -7.8 bn effect), and purchase of treasury bills (HUF 4.9 bn) together with government bonds (HUF 9.3 bn).

Due to high interest rates environment, and excess liquidity, the Group actively managed its cash position and will continue to do so in 2023. The range of acceptable financial instruments include term deposits, treasury bills, government bonds, money market funds, absolute return market neutral funds, Fund of Funds (like Pure Alpha Absolute Return Fund of Funds) and other financial instruments with similar risk profile.

Cash and Cash equivalents position of the Group decreased slightly, from HUF 64.9 bn to HUF 58.3 bn compared to December 2022. The major components of Cash and Cash equivalents changes were:

- Decrease in operating cash flow by HUF - 4.2 bn driven by Inventory increase
- Decrease in investing activities cash flow by HUF - 5,7 bn due to investments of HUF 8,3 bn in government bonds and HUF 4.87 bn in treasury bills.
- Increase in financing activities cash flow by HUF 4 bn due to positive net proceeds from loans and borrowings in amount of HUF 5.4 bn

The **Liabilities** increased slightly by 4.6%, from HUF 193.1 bn as at December 31, 2022 to HUF 202.0 bn as at the end of June 2023.

In the first half of 2023 the structure of the Balance Sheet, remained relatively stable compared to December 31, 2022. The Group **Total Equity** was at HUF 100 bn Major driver for **Total Equity** change was recognition of liability related to pay-out of HUF 5.3 bn dividend and Profit for the period.

Net Consolidated Debt* increased by HUF 8.3 bn and amounted to HUF 59.7 bn. Major driver of change was the purchase of HUF 8,3 bn government bonds and HUF 4.87 bn of treasury bills, which reduced **Cash and Cash equivalents.**

* For purpose of calculation, Net Consolidated Debt are defined as in CORDIA2026/I and CORDIA2030/I Bonds Terms and Conditions, for more details, please refer to Note 26 in CORDIA International Zrt. Condensed Interim Consolidated Financial Information

Selected data from the Condensed Interim Consolidated Statement of Financial Position

In thousands of Hungarian Forints (THUF)	June 30, 2023	December 31, 2022	% change
Assets, including:	**302,055,156**	**296,299,976**	**1.9%**
Non-current assets	**35,971,664**	**43,998,476**	**(18.2%)**
Investment properties	3,732,931	9,503,483	(60.7%)
Property, plant and equipment	2,432,243	3,142,624	(22.6%)
Investments accounted for using equity method	26,062,659	25,055,827	4.0%
Long-term receivables from third parties	558,406	708,509	(21.2%)
Restricted cash	-	1,934,905	(100%)
Current assets	**265,941,729**	**252,156,405**	**5.5%**
Inventory	167,488,142	162,569,447	3.0%
Restricted cash	8,491,569	3,544,627	(139.6%)
Other financial assets	15,233,853	7,860,469	93.8%
Cash and cash equivalents	58,308,634	64,888,186	(10.1%)
Assets classified as held for sale	**141,763**	**145,095**	**(2.3%)**
Equity including :	**100,016,721**	**102,279,039**	**(2.2%)**
Share capital	18,013,760	18,013,760	-
Share premium	13,461,608	13,461,608	-
Retained earnings	66,491,736	68,045,017	(2.3%)
Net assets attributable to non-controlling investment unit holders	**-**	**908,070**	**(100%)**
Liabilities including :	**202,038,435**	**193,112,867**	**4.6%**
Non-current liabilities	122,034,471	126,968,596	(3.9%)
Current liabilities	80,003,964	66,144,271	21.0%

Selected Data from the Condensed Interim Separate Statement of Financial Position

In thousands of Hungarian Forints (THUF)	June 30, 2023	December 31, 2022	% change
Assets including:	**227,521,195**	**223,306,415**	**1.9%**
Non-current assets	**159,174,743**	**151,512,692**	**5.1%**
Long-term receivables - related parties	50,692,852	55,133,583	(8.1%)
Investment in subsidiaries	107,651,384	95,722,372	12.5%
Current assets	**68,346,452**	**71,793,723**	**(4.8%)**
Short-term receivables - related parties	29,268,961	23,567,447	24.2%
Other current assets	8,441	8,602	(1.9%)
Other short-term financial assets	10,360,714	6,202,725	67%
Cash and cash equivalents	28,627,851	42,014,949	(31.9%)
Equity including:	**136,160,506**	**136,292,117**	**(0.01%)**
Share capital	18,013,760	18,013,760	-
Share premium	13,461,608	13,461,608	-
Retained earnings	102,092,466	100,790,621	1.3%
Liabilities including:	**91,360,689**	**87,014,298**	**5.0%**
Non-current liabilities	78,385,888	85,850,549	(8.7%)
Current liabilities	12,974,801	1,163,749	1014,90%

2.2.3.

Debt and Bond ratios undertakings

Total Consolidated debt* of the Group increased from HUF 121.8 bn as of December 31, 2022 to HUF 126.5 bn as of June 30, 2023. Net Consolidated Debt* increased by HUF 8.3 bn, to HUF 59.7 bn. Major drivers for the Group's Debt position were:

- New proceeds from loans and borrowings of HUF 7.1 bn,
- Repayment of loans and borrowings of HUF 1.7 bn,

Detailed information on debt can be seen in the table below:

In thousands of Hungarian Forints (THUF)	June 30, 2023	December 31, 2022	% change
Consolidated Debt (CD)*	126,513,106	121,822,209	3.9%
Cash and Cash Equivalents (C)	58,308,634	64,888,186	(10.1%)
Restricted cash (RC)	8,491,569	5,479,532	55.0%
Net Consolidated Debt*	**59,712,903**	**51,454,491**	**16.0%**

* For purpose of calculation, Consolidated Debt and Net Consolidated Debt are defined as in CORDIA2026/I and CORDIA2030/I Bonds Terms and Conditions, for more details, please refer to Note 26 in CORDIA International Zrt. Condensed Interim Consolidated Financial Information.

For more information about changes in debt, please refer to Notes 19 and 26 of the Company's Condensed Interim Consolidated Financial Information.

Currently the liquidity and financial position of the Group is stable, and the Group does not anticipate any breach of or default under the rules of the concluded agreements in particular bank loans agreements or bond issue documentation. Bond related Issuer undertakings were fulfilled both at the current reporting date and in previous periods as well. Below table presents information about Consolidated Leverage Ratio* and Issuer Net Debt to Equity Ratio*.

	June 30, 2023	December 31, 2022
Consolidated Leverage Ratio*	30.17%	27.31%
Issuer Net Debt to Equity Ratio*	0.42	0.32

* For the purpose of calculation, Consolidated Debt and Net Consolidated Debt is defined as in CORDIA2026/I and CORDIA2030/I Bonds Terms and Conditions, for more details please refer to Note 26 in CORDIA International Zrt. Condensed Interim Consolidated Financial Information.

2.3.

ESG IMPACT REPORT – PURSUING THE HIGHEST STANDARDS

WE ALWAYS STRIVE TO CREATE LONG-LASTING VALUE, ENHANCE LOCAL IDENTITY AND IMPROVE QUALITY OF LIFE.

As our portfolio consists of several residential developments that are part of a complex urban regeneration project, the footprint can be even more determinate, and we handle this even more responsibly.

2.3.1.

Protecting the environment through clear measures

Smart urbanization and showcasing 15-minute city quarters

Our projects are always easily accessible by public or community transportation, and are located within well-developed infrastructural hubs. Best examples for 15-minute city quarters are Corvin Promenade, or our next flagship urban regeneration development, Marina City. In these walkable locations, we promote healthy, sustainable living by reducing the car dependency in general.

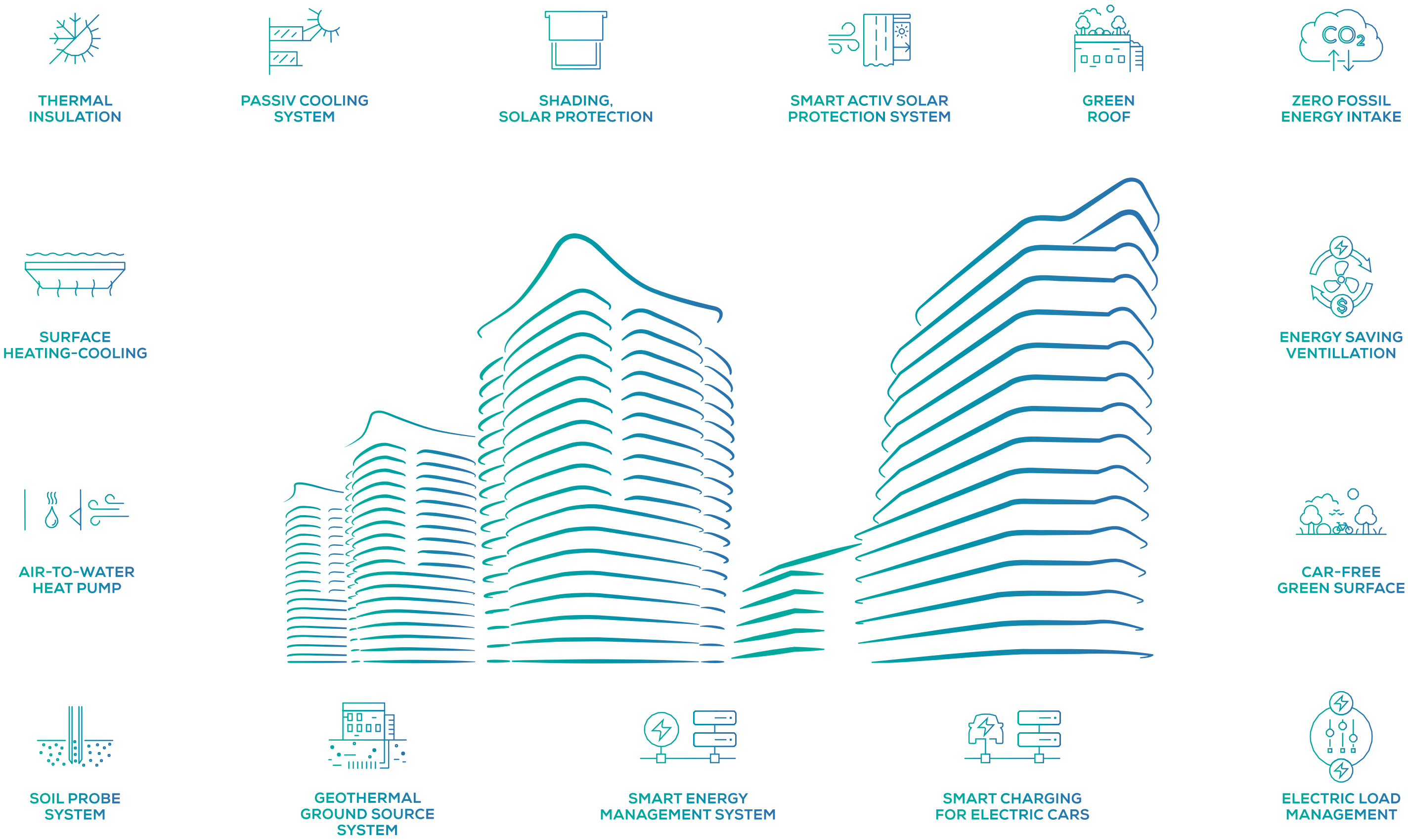
Taking the extra step when it comes to Energy

OUR DEDICATION IS TO TAKE THE EXTRA MILE AND NOT ONLY FULFIL THE MINIMUM STANDARDS: we announced that we would deliver at least 10% better than the minimum criteria for nearly zero-energy buildings, in all our markets.

Outracing net zero

Our flagship project, Marina City will introduce cutting-edge technology solutions to reach 40-65% energy consumption compared to NEZB (nearly zero-energy buildings). We also focus on maximizing renewable energy sources. As our portfolio consists of several residential developments that are part of a complex urban regeneration project, the footprint can be even more determinate, and we handle this even more responsibly.

MARINA CITY AA+ RESIDENTIAL BUILDING'S ENERGY SAVING TECHNICALS



40-65% ENERGY CONSUMPTION COMPARED TO NEZB

73% ENERGY SAVINGS COMPARED TO **FF APARTMENTS**	**48%** ENERGY SAVINGS COMPARED TO **CC APARTMENTS**	**33%** ENERGY SAVINGS COMPARED TO **BB APARTMENTS**	**14%** ENERGY SAVINGS COMPARED TO **AA APARTMENTS**

2.3.2.

Giving back – our extensive CSR activities

Over the last two decades Cordia has been involved in numerous charity activities to support communities. There was a strong focus on encouraging employees to actively contribute to good causes and be part of the solution by participating in numerous social initiatives. Supporting local communities remains a fundamental aspect of our CSR initiatives. Accordingly, we were pleased to support the traditional cultural and arts festival in Budapest's 13th district and to commission a significant mural at our i6 Residence development in District 8. In collaboration with our partners, we are proud to have contributed to the construction of facilities and structures in Bódvalenke, one of Hungary's most underprivileged areas, which aid local children in their developmental and educational pursuits.

In 2020-2022, our group contributed over **HUF 300 million to combat the pandemic** in our markets, and has pledged significant support for **Ukrainian refugees, including a donation of HUF 300 million for humanitarian projects** in Hungary, Poland, and Romania. To date, we've collaborated with a myriad of humanitarian aid organizations and medical groups to assist those displaced from Ukraine.

2.3.3.

Improving people's lives through governance

Healthy working environment

We take several measures to create a green working environment for our colleagues to protect their wellbeing as well as to protect the environment. Elimination of plastic bottles, selective waste collection and providing sporting possibilities are just a few examples. Educational campaigns are continuous to raise co-workers awareness.

Paperless operation

Cordia is committed to implement paperless operation including project management, construction phase through the building being fully operational and handover process.

Responsible creation

Cordia is dedicated to reducing carbon footprint during planning, construction and maintenance.

Human rights

At Cordia we are dedicated to keeping diversity, equality and overall acceptance in our corporate values and daily operation. Introduction of the Code of Ethics and the whistle blowing system was a huge step forward in 2022.

Supporting women at work

By enabling part-time jobs, remote work and home office, new mums are always supported in our organization. High ratio of female managers is present within the mid-to-senior managerial level (45%)

2.4.
OUTLOOK

While the latter part of 2023 will still be challenging, we also expect some improvement in market conditions. In Hungary the existing Home Purchase Subsidy for Families (CSOK) will be discontinued by the end of the year in urban areas. This change might generate some demand in the capital during the remaining availability of the subsidy, but a significant buying surge is not anticipated. In anticipation of a future market recovery, we are excited to introduce Marina City, our upcoming large-scale urban district redevelopment project in Budapest this autumn.

In Poland, residential market is entering a phase marked by evident excess demand, thus creating favorable opportunities. That is why in the autumn we are also planning to launch the luxury Haffnera Residence project located in the heart of seaside district in Sopot. This will be the jewel in the crown to 2 other projects we are planning to launch in Poland this year. Conversely, launches of our new projects in Bucharest are burdened with the highest risks due to the prolonged construction approval process we are facing in Romania.

Meanwhile, real estate activity on Spain's Costa del Sol is expected to reach a point of consolidation in 2023, impacting transactional dynamics and appraised value trends, the Group will continue to invest there and take the advantage to acquire new land plots in the region. Recently announced acquisition of a landplot in Mijas is a part of this strategy.

In the UK, despite slight market slowdown in new BtR project investments in the reporting period, the underlying fundamentals are still solid. On year-to-year basis rentals grew approximatly 10% at the end of June 2023. This is certainly good news for our BtR pipeline and we are excited to continue construction of The Lampworks, our 152 apartment BtR development in Birmingham.

2.5.
OTHER INFORMATION AND SUBSEQUENT EVENTS

2.5.1.
Other information

The impact of the Ukrainian-Russian conflict

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

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

In the opinion of the management, the war conflict may only exert an indirect implications for the Group through the general economic situation.

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

2.5.2.
Subsequent events

The Board of Directors approved the Conversion Plan („Conversion Plan”) to convert the Company from private company limited by shares (in Hungarian: zártkörűen működő részvénytársaság) to Societas Europea private company limited by shares (in Hungarian: zártkörűen működő európai részvénytársaság) based on Article 37 of COUNCIL REGULATION (EC) No 2157/2001 on the Statute for a European company (SE) (EC Regulation). The Conversion into SE was approved by the Shareholders' Meeting on 26 September, 2023.

Land acquisition

One of the subsidiaries has entered into a Purchase Option Agreement related to the acquisition of certain plots comprising a total area of 99,851 sqm located at Costa del Sol, Mijas, Spain.

Completion and change of projects

The Company's subsidiary involved in development of the residential project Fantazja 2. phase obtained the permit for occupancy of this project (comprising 33 apartments) and commenced delivery of the finished apartments to its customers in Warsaw.

A subsidiary involved in development of the Sasad Resort Sunlight residential project in Budapest commenced delivery of the finished apartments to its customers. The project contains 70 units.

Project bank financing Loans

Two new credit facility agreements were signed for the financing of construction in Budapest. One of the loan is provided by MBH Bank in the total amount of HUF 14.9 billion and the other loan is provided by OTP Bank in the total amount of HUF 11.7 billion.

3

Semi-Annual Condensed Interim Financial Information

The Condensed Interim Consolidated Financial Information of the Company for the financial period ended on June 30, 2023, has been attached to this Semi-Annual Report as Annex I. The Condensed Interim Separate Financial Information of the Group for the financial period ended on June 30, 2023, has been attached to this Semi-Annual Report as Annex II

4

Review Report

The Semi-Annual Condensed Interim Financial Information of the Company and the Group have not been audited, although have been reviewed by an auditor.

The review report of the Condensed Interim Consolidated Financial Information of the Group for the financial period ended on June 30, 2023, has been attached, as part of the financial report, to this Semi-Annual Report as Annex III. The review report of the Condensed Interim Separate Financial Information of the Company for the financial period ended on June 30, 2023, has been attached, as part of the financial report, to this Semi-Annual Report as Annex IV

5

Declarations

5.1.
Declaration on the semi-annual financial report

Tibor Földi, as the chairman of the board of directors of the Company, hereby

d e c l a r e s

that the Condensed Interim Separate Financial Information of the Company and the Condensed Interim Consolidated Financial Information of the Group (including the comparative data) attached to this Semi - Annual Report, has been prepared in accordance with the applicable accounting standards and during the preparation of which the Company acted in accordance with the best of its knowledge, provides a true and reliable overview as to the Company and the Group's assets, liabilities, financial situation, and profit and loss.

5.2.
Declaration on the management report

Tibor Földi, as the chairman of the board of directors of the Company, hereby

d e c l a r e s

(I) that the management report included in this Semi - Annual Report, provides a reliable overview as to the Company and the Group's situation, development, and performance, presenting the main risks and uncertainties

Budapest, 29. September 2023

Tibor Földi
Chairman of the Board

CORDIA

CORDIA 2023 1H RESULTS & SEMI-ANNUAL REPORT