CORDIA

INTERNATIONAL ZRT.

Annual Report

CORDIA INTERNATIONAL ZRT. & CORDIA GROUP FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2023.

INVESTOR RELATIONS CONTACT

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cordiahomes.com

Annual Report

This annual report ("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 Annual Report is based on the Company's audited separate and consolidated financial information prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by EU, for the period January 1, 2023 – December 31, 2023 ("**Reported Period**").

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

Letter from the Chairman of the Board of Directors

Tibor Földi
Chairman of the Board,
Cordia International Zrt.

The concluded 2023 was very positive in many aspects for Cordia, although it was not an easy year especially from a market perspective in Hungary. It was also the year that proved again our geographically diversified business model is right.

The demand for new homes in Budapest, which had experienced a slowdown not witnessed for many years due to the high inflation environment, prompted us to make a strategic decision to maximize margins even at the expense of lower volumes sold. Fortunately, demand started to gradually rebound in the latter months of 2023. As the macroeconomic environment improved, prospective buyers who had deferred their property purchases re-entered the market in the last quarter of 2023.

In contrast, our second major market, Poland, rebounded since the beginning of 2023 and witnessed significant growth over the past year, propelled by a better economic environment and the government initiative “First Apartment!” (“Pierwsze Mieszkanie!”), which effectively reduced costs of financing for the purchase of apartments for first-time homebuyers.

In this environment, last year marked a significant achievement for us as we surpassed a major milestone, selling our 10,000th home and delivering 900 homes throughout the year. Despite these challenges, we successfully completed 8 projects last year, a notable increase from the 4 projects accomplished in 2022. Among these, the completion of phase four of the Thermal Zuglo residential complex in Budapest’s sought-after green belt and the Fantazja project in Warsaw were particularly noteworthy. Additionally, we finalized and commenced handovers in the second phase of the Parcului project in Bucharest.

Furthermore, progress continued on key initiatives, such as the start of construction of our landmark urban regeneration project, Marina City in Budapest, and the preparatory stages for next phase of the Sasad Resort residential complex. In Poland, we continued with the construction of the 1st phase of the iconic Modena project in Poznan, alongside with finalized preparations for Hi Mokotów in Warsaw and Haffnera Residence in Sopot. We started the construction of both these projects at the beginning of 2024. Expanding our reach, our inaugural project in Spain, Jade Tower, is slated for delivery in the spring of 2024, with plans announced for two additional developments on the Costa del Sol, in Marbella and recently acquired new land plots in Mijas which will allow us to develop the area in multistage project for many years. In addition to our ventures abroad, we maintained activity in the UK market, progressing with the construction of the Lampworks project in Birmingham and initiating preparations for a development on Mosley Street project.

From the perspective of financial performance we managed to improve our Operating profit margin to almost 17% when comparing to 14% a year ago, despite the lower revenues. This was the result of our margin driven strategy and cost saving actions we took at the end of 2022 and early days of 2023. Total Selling and Administrative expenses declined by HUF 650m compared to previous year and reflect CORDIA’s dedication to tight cost policy and prove high adaptability of the Company.

It is also worth mentioning that the Group’s HUF 9.7 bn Profit for 2023 was significantly impacted by HUF 1.0 bn negative effect on currency exchange due to the strong HUF but also non-cash HUF 1.5bn loss on our stake in Argo Properties NV. Although rent growth remains very strong in Argo’s rental properties, the increased interest rates resulted in higher discount rates on rental properties in Germany, which reduced their value and therefore Argo’s NAV as well. Altogether, the extraordinary effects in 2023 were completely the opposite than in 2022 when Cordia enjoyed HUF 4.5 bn positive currency effect and HUF 1.7bn profit on the Argo Properties N.V. stake.

The Group maintained a strong balance sheet with indebtedness improving due to the repayment of HUF 10.7 bn of project loans, and with a liquidity reserve - including cash, government bonds and treasury bills – of HUF 60.8bn. Total equity reached HUF 106.5 bn at the end of 2023 exceeding the previous year’s level.

Wrapping up, we believe 2023 was successful and would like to thank our investors, partners and colleagues for the continued support that makes possible for us to realize our plans.

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 organized in separate legal entities - so called "management companies", that hire specialists in all locations. The local teams are supported by the Group's competence center in the headquarter. The "management companies" develop and operate residential real estate projects that are located in separate project SPVs. More information about the organizational structure of the Group and the subsidiaries can be found in Note 5 in the Consolidated Financial Statement for the period ended on 31 December 2023

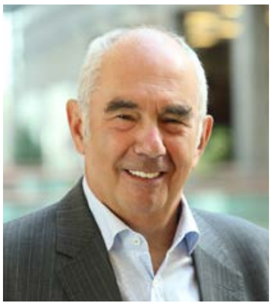
The ultimate beneficial owner of CORDIA International Ingatlanfejlesztő Zrt. with its registered office in Budapest, Hungary is Mr. Gábor Futó (as the major shareholder).

As the end of December 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 2023 the Company had the following owners:

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

0.590%
Finext Consultants Limited
(place of business: Kyriakou Matsi 16, Eagle House, 10th Floor, Agioi Omologites, P.C. 1082, Nicosia, Cyprus)

1.410%
Private individuals

More information about ownership structure might be found in Consolidated Financial Statement for the period ended on 31 December 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 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 WWA Development S.A. (formerly Polnord S.A. prior change of the name in 2023) acquisition and 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 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

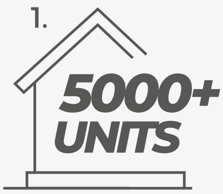
The Group uses strict underwriting criteria based on location, land cost, demand and supply dynamics, and project profitability. The Group focuses on markets with at least 5 000 sales of new built units per year with appropriate micro locations for mid-market segment assets and avoids overpaying for 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 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 cost 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

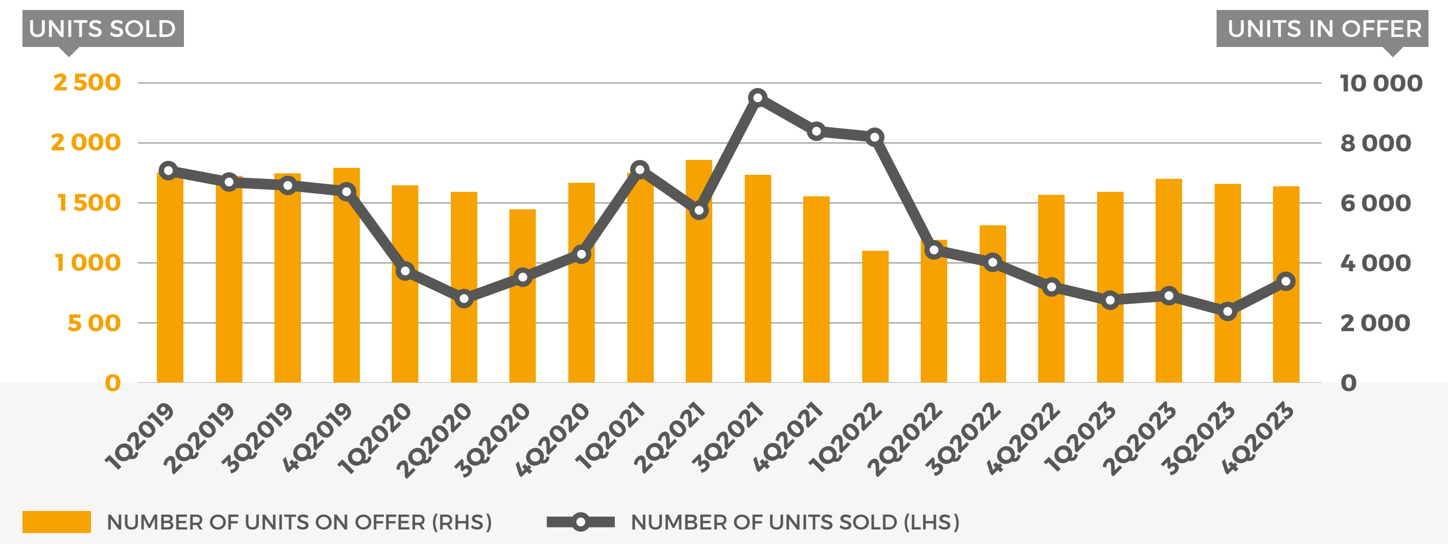
The challenging business environment that impacted the Budapest residential market in 2022 persisted into 2023, continuing to negatively affect demand. Sales volumes remained low throughout the year, significantly below the annual averages of previous years. High inflation during this period eroded disposable income in real terms, with wage growth, while robust, failing to keep pace with price increases, thus dampening consumer confidence. Moreover, elevated interest rates on loans, resulting from tightened monetary policy, exacerbated the difficulty of purchasing residential properties on credit. Home loan volumes granted in Hungary in 2023, as reported by the MNB, plummeted by 48% compared to 2022. Concurrently, the government bonds market continued to offer a more attractive investment alternative than residential properties, leading to capital outflows from the residential property market.

The first three quarters of 2023 proved particularly challenging in terms of sales, with the primary market appearing to reach its lowest point in the third quarter in Budapest. However, in the latter half of the year, mortgage interest rates began a gradual decline. By December 2023, the annual interest for new 20-year fixed-rate mortgages had dropped to approximately 6.3%, a significant reduction from the peak of around 9.0% at the beginning of the year. These improvements in market conditions had a modest impact in the final quarter, with sales showing signs of recovery and returning to levels seen earlier in the year.

Overall, only around 2,900 units were sold in the primary residential market in Budapest in 2023, marking a decrease of 42.3% compared to the nearly 5,000 units sold in 2022. Regarding supply, the number of available flats saw a slight increase quarter-on-quarter since the beginning of 2022, reaching almost 6,800 flats by mid-2023. However, this upward trend halted in the third quarter of 2023 due to a decline in new launches in the market, with the number of flats for sale stabilizing at around 6,500 by the end of the year, representing a 4% increase compared to the previous year end.

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

New-build apartments market size in Budapest



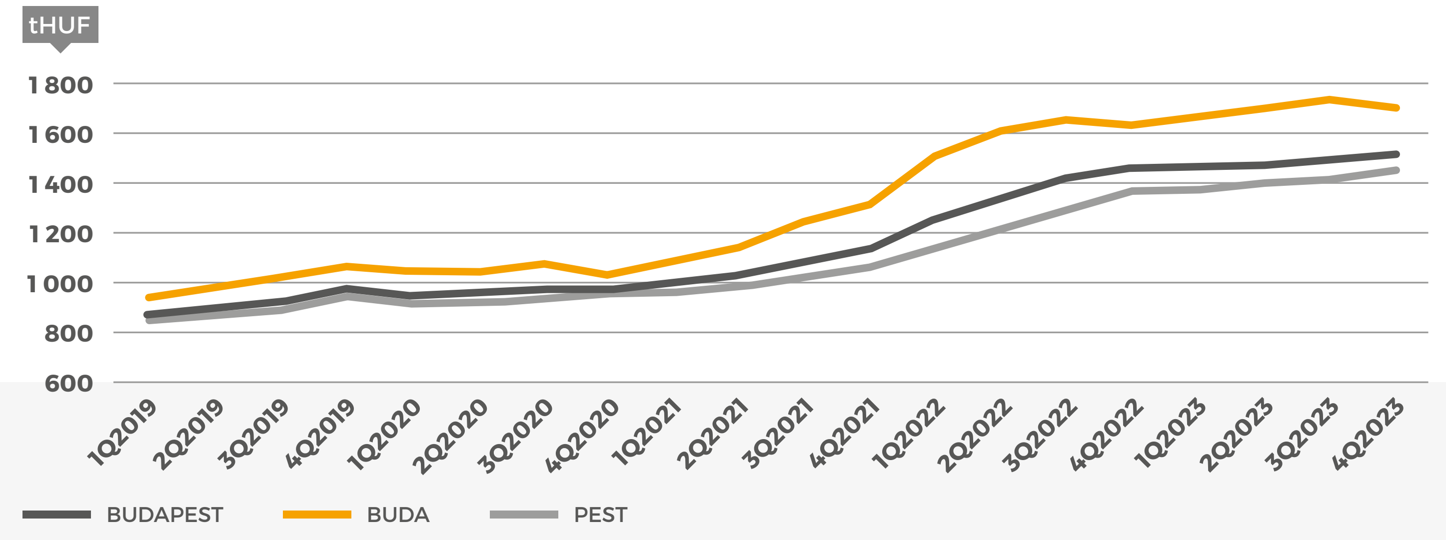
Source: Cordia Group, JLL

HUNGARY

The pace of price increases significantly decelerated in Q4 2022. Subsequently, during the first quarter of 2023, the upward trend in offering prices ceased, resulting in price stagnation. Following this period of stagnation, prices experienced a slight resurgence, with the rate of increase stabilizing at 1% per quarter over the subsequent three quarters. Despite the decline in the number of sales transactions, there has not yet been a corresponding decrease in prices, as developers have adjusted to weak demand by scaling back on new project launches, thus preventing a significant increase in supply.

In December 2023, the average offer price of newly-built apartments in Budapest stood at 1,520,000 HUF/sqm, marking a 3.8% increase compared to 1,464,000 HUF/sqm in December 2022. Prices on the Pest side once again experienced greater growth than those on the Buda side. In non-exclusive projects on the Buda side, the average offer price reached 1,707,000 HUF/sqm, up 3.8% from December 2022 (1,644,000 HUF/sqm). In contrast, on the Pest side, the average price amounted to 1,454,000 HUF/sqm by the end of 2023, reflecting a 6.1% increase from the previous year (1,371,000 HUF/sqm). The chart below illustrates the average offer prices from 2019 to 2023.

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



Source: Cordia Group, JLL

POLAND

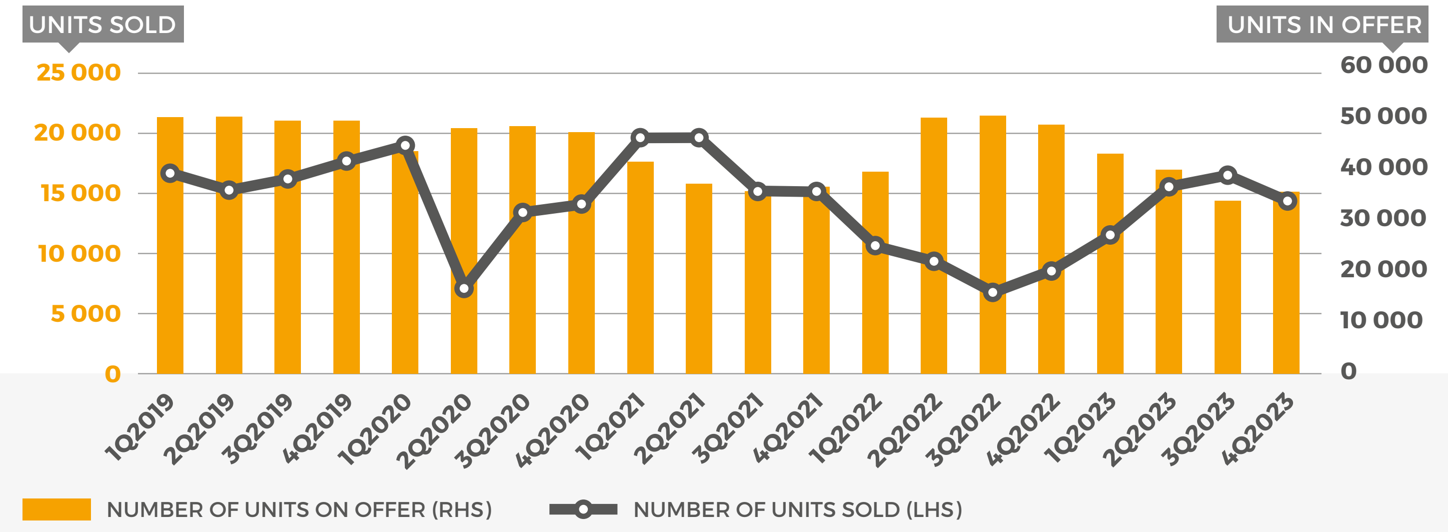
Warsaw, Cracow, Tri-City, Poznan, Built-to-Sell (BtS) residential market

Following a substantial decline in sales volume in 2022, the previous year brought about a significant recovery to the residential markets in the largest cities in Poland. According to a report by JLL (Jones Lang LaSalle Incorporated – Real Estate Agency) for the Residential Market in Poland for 4Q 2023, there were approximately 57,600 primary market transactions in the six largest markets in Poland, reflecting a growth of 65% compared to 2022. Concurrently, sales volumes in 2023 surpassed the average sales of the previous three-year period, totaling 52,280 units, a 10% increase. The demand for new apartments rebounded due to improving consumer sentiment, strong salary growth, declining inflation, and an interest rate cut in the second half of 2023. However, crucial to the demand recovery was the launch of the governmental program "First Apartment!" which provided mortgage subsidies for young, first-time homebuyers. According to JLL's estimates, the program may have contributed to 10,000 new apartment sales in the largest Polish cities in 2023. "First Apartment!" was discontinued since January 2024 however, the new government the new new support program that is supposed to be launched in second half of 2024.

In terms of supply, 2023 witnessed a significant drop in the number of apartments available for sale. Increased sales and limited new supply, due to constraints on available land plots, prolonged building permit procedures, and relatively high financing costs, resulted in one of the lowest levels of available inventory in the past decade. By the end of 2023, there were 36,200 available apartments in the six largest cities in Poland, marking a 27% decrease compared to the end of 2022. The theoretical time of sale for available inventory, which is the ratio of the inventory recorded at the end of the quarter to the sales average from the last four quarters, decreased from 5.7 quarters at the end of 2022 to 2.5 quarters at the end of 2023, indicating a highly undersupplied market.

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

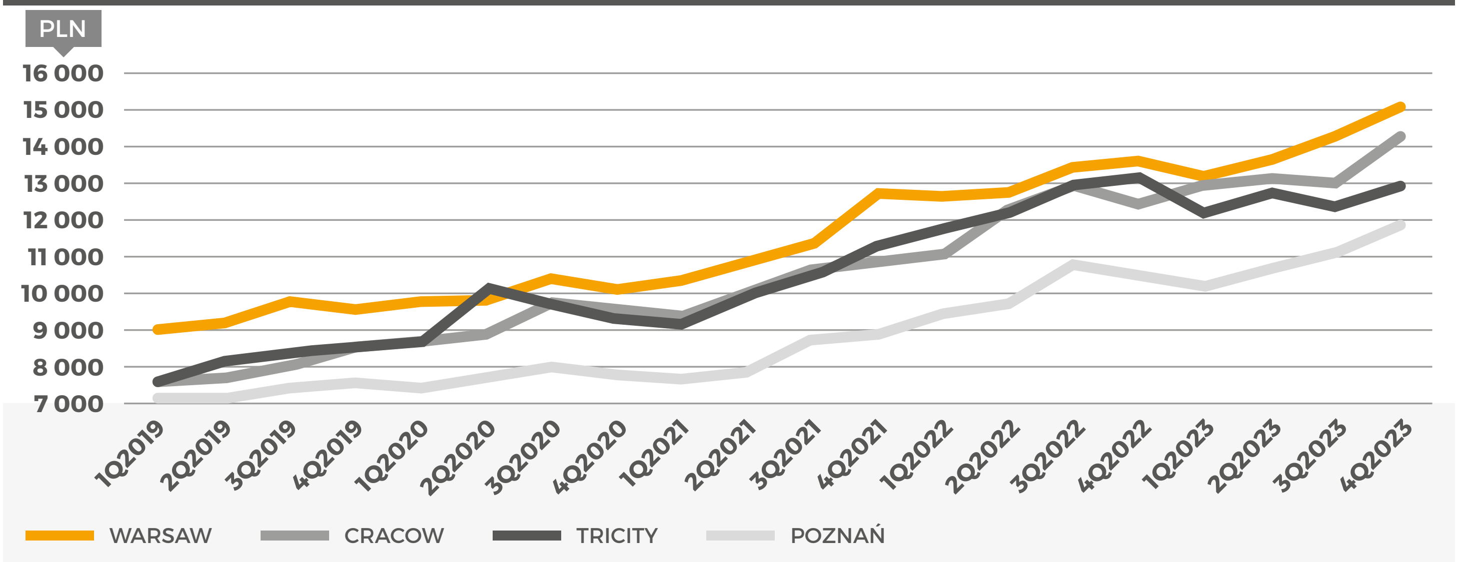
POLAND

In 2023, primary market transaction prices rose significantly in all cities in Poland where the Group operates. The most notable price dynamics were observed in Poznań, where the average price surged to 11,884 PLN/sqm in 4Q 2023, marking a 16.2% increase compared to the end of 2022. Warsaw and Krakow also experienced double-digit price growth, with increases of 14.5% (reaching 15,097 PLN/sqm) and 10.2% (reaching 14,281 PLN/sqm), respectively. The smallest increase was in the Tri-City area, with a 6.3% price hike bringing average prices to 12,931 PLN/sqm. These price increases were driven by heightened demand and limited supply. This imbalance is likely to persist in the coming months, putting pressure on further price growth.

In early July of 2023, the long-awaited governmental program of subsidized mortgages came into effect as banks began offering loans with preferential interest rates to individual customers. The program entailed state subsidies on interest expenses, maintaining a fixed rate of 2% throughout a ten-year period, and was aimed at young, first-time flat buyers. The program gained significant popularity, revitalizing demand for mortgages (with 66.8 thousand mortgages granted by the end of January 2024, according to Biuro Informacji Kredytowej), leading to the premature depletion of funds at the beginig of 2024. Nevertheless, the Polish government announced another project of mortgage subsidies set to be launched in the second half of 2024.

The chart below presents price development on markets monitored by the Group in 2019 – 2023.

New-built transaction price/sqm by city



Source: Cordia Group, JLL

ROMANIA

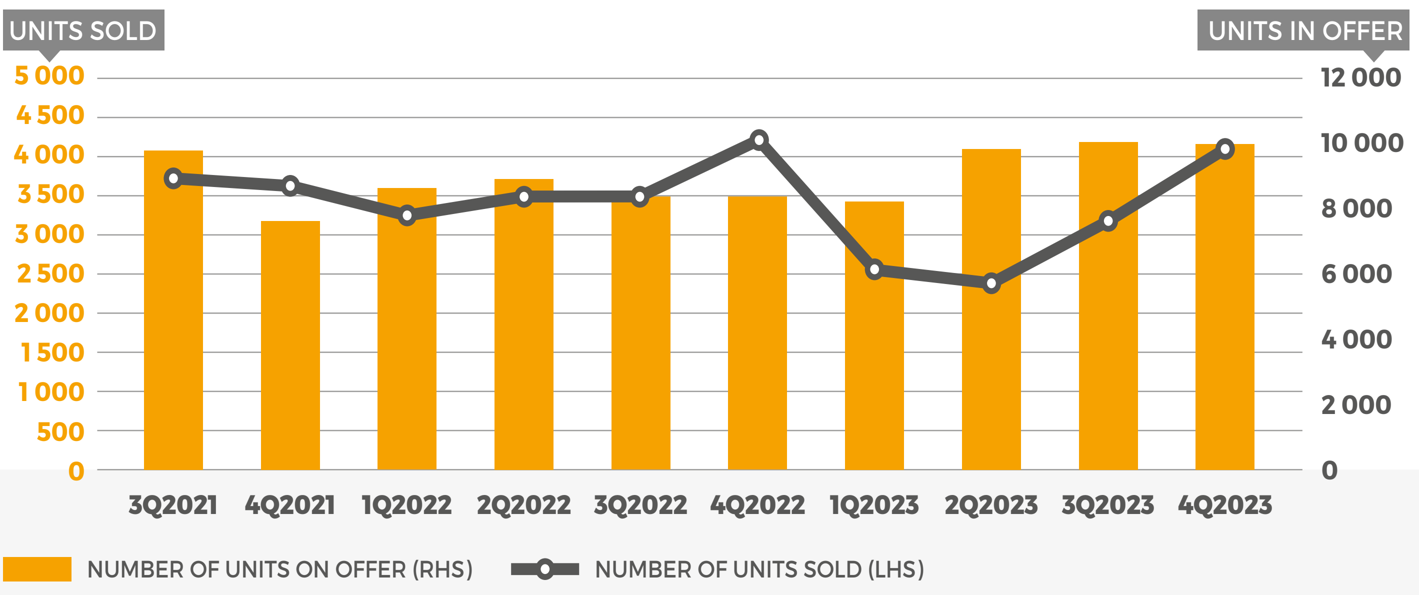
Bucharest Build-to-sell (BtS) residential market

According to the Group's estimates, approximately 12,500 new apartments were sold in Bucharest in 2023, representing a decrease of approximately 14% from the 14,400 units sold in 2022. This decline can be attributed to high interest rates in Romania, which led to a contraction in the mortgage market. Despite these unfavorable market conditions, the second half of 2023 witnessed a strong rebound in sales, prompted by the announcement of a VAT increase for apartments priced below EUR 120,000, from 5% to 9%, effective from the beginning of 2024. The anticipated rise in the tax rate prompted a surge in demand, as many customers sought to secure their purchases by the end of the year. However, a more significant recovery is not expected until economic challenges persist.

Buyers also adjusted their selection criteria, often compromising on either unit size or, more commonly, location. This is evidenced by the relatively smaller decrease in transaction volume in the region surrounding Bucharest (Ilfov county). While increased loan costs were offset by the growing purchasing power of customers, driven by strong salary growth exceeding the price dynamics of apartments. As of the end of December, the residential supply in Bucharest stood at approximately 9,960 units available for sale, representing a 19% increase since the beginning of the year. This growth in supply resulted from new inventory exceeding demand in the first half of the year, while the second half brought stabilization to the supply.

The chart below presents the number of transactions and number of new units supplied annually in Bucharest since 3Q2021.

New-built apartments market size* in Bucharest



Source: Cordia Group, iO Partners / JLL

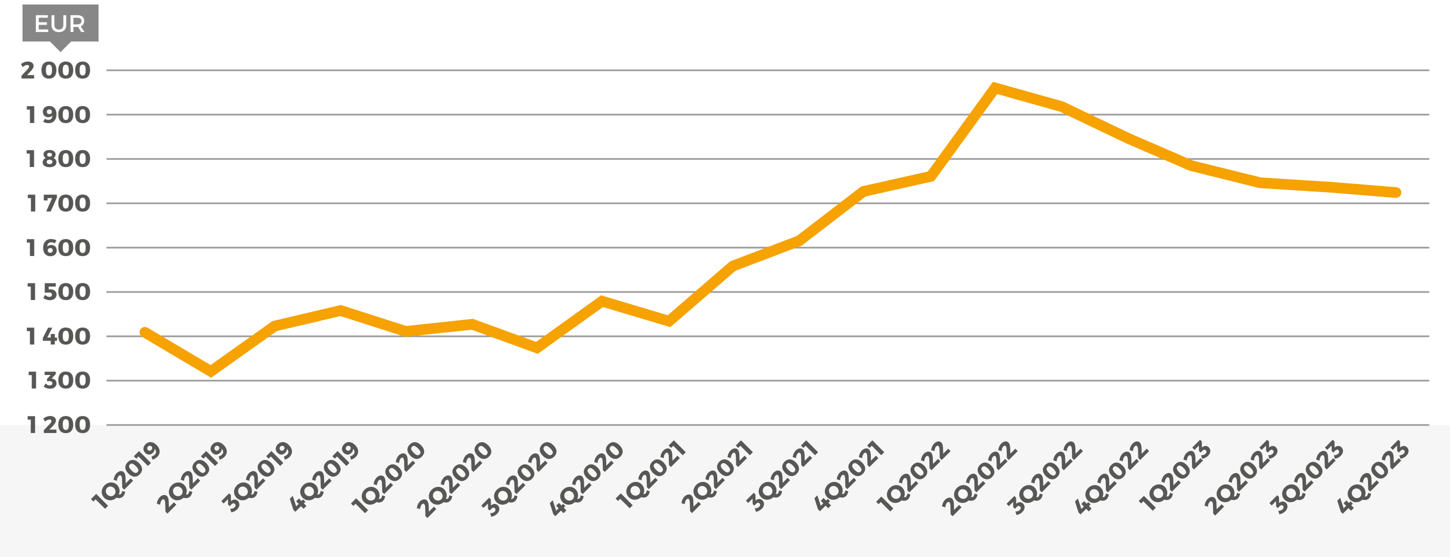
ROMANIA

Primary market transaction prices reached 1,725 EUR/sqm in 4Q 2023, representing a 6.7% decrease compared to one year ago. The decline in prices was particularly noticeable in the first half of 2023 and stemmed from reduced demand, leading the market into a readjustment stage.

The second half of 2023 witnessed a more stabilized, albeit still negative, price dynamics despite a rebound in demand. This rebound may be attributed to increased sales of cheaper apartments within the 5% VAT threshold.

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

New-built transaction price/sqm in Bucharest



Source: Cordia Group, iO Partners/JLL

SPAIN

Spain and Marbella Build-to-sell (BtS) residential market

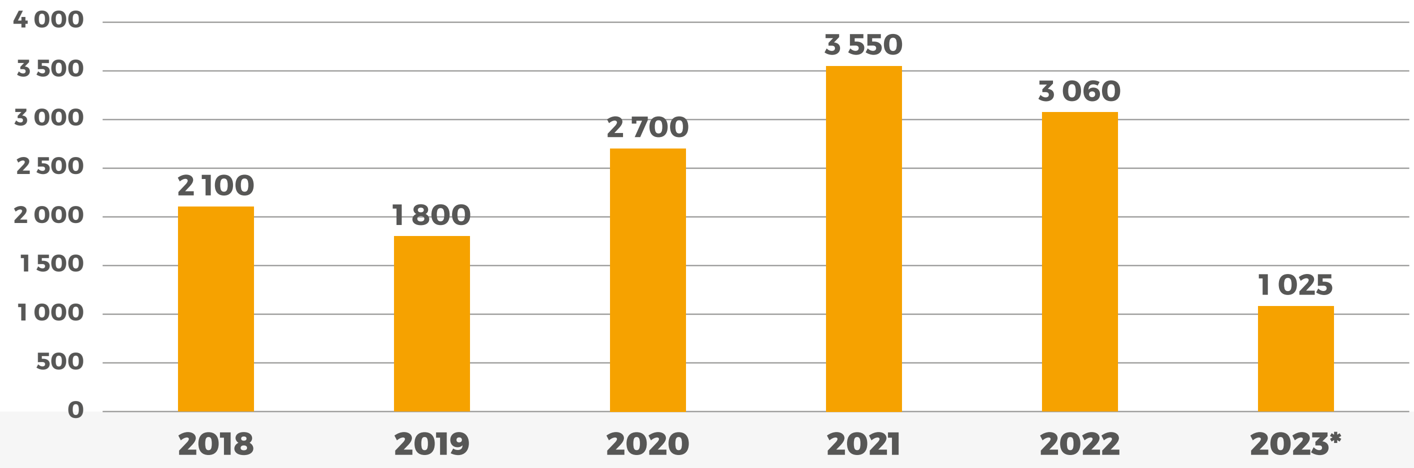
After very successful deliveries in 2022, the market in 2023 reached a consolidation point as the number of units delivered declined on a year-over-year basis. According to CAI Soluciones de Ingenieria, approximately 445 new residential units were transferred in the regions of Marbella, Fuengirola, and Mijas in 2023 (and 1,025 in Cost del Sol), compared to 1,500 units in 2022, representing a decline of approximately 70%. However, this year-over-year decline is partly attributed to the small number of new project completions. The total number of transactions in these regions (primary and secondary markets) during the reported period decreased to approximately 9,300 units, compared to 12,100 units in 2022, marking a decline of 23%. The share of transactions involving new units dropped from 12% to 5%, which was the main factor contributing to the decline in the total number of transactions. Nevertheless, it appears that the market has readjusted to a more sustainable long-term demand after experiencing a surge in sales due to the COVID-19 pandemic.

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

The average offer price in projects directly competing with Cordia's project in Fuengirola ranged between 3,530 and 13,370 EUR/sqm in 4Q 2023. The average price amounted to 8,170 EUR/sqm compared to 6,670 EUR/sqm in Q4 2022, reflecting a 22% growth. Prices in projects competing with Cordia's Marbella project ranged between 5,920 and 12,670 EUR/sqm in 4Q 2023. The average price stabilized at 6,810 EUR/sqm compared to 6,900 EUR/sqm in Q4 2022, indicating a 1% decline year-over-year. Regarding the Group's project in Mijas, prices in projects competing directly ranged between 3,050 and 7,290 EUR/sqm in 4Q 2023, with the average price accounting for 4,490 EUR/sqm.

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

New-built units delivered in Costa del Sol



*DATA FOR 2023 ESTIMATED

Source: CAI Soluciones de Ingenieria

UNITED KINGDOM

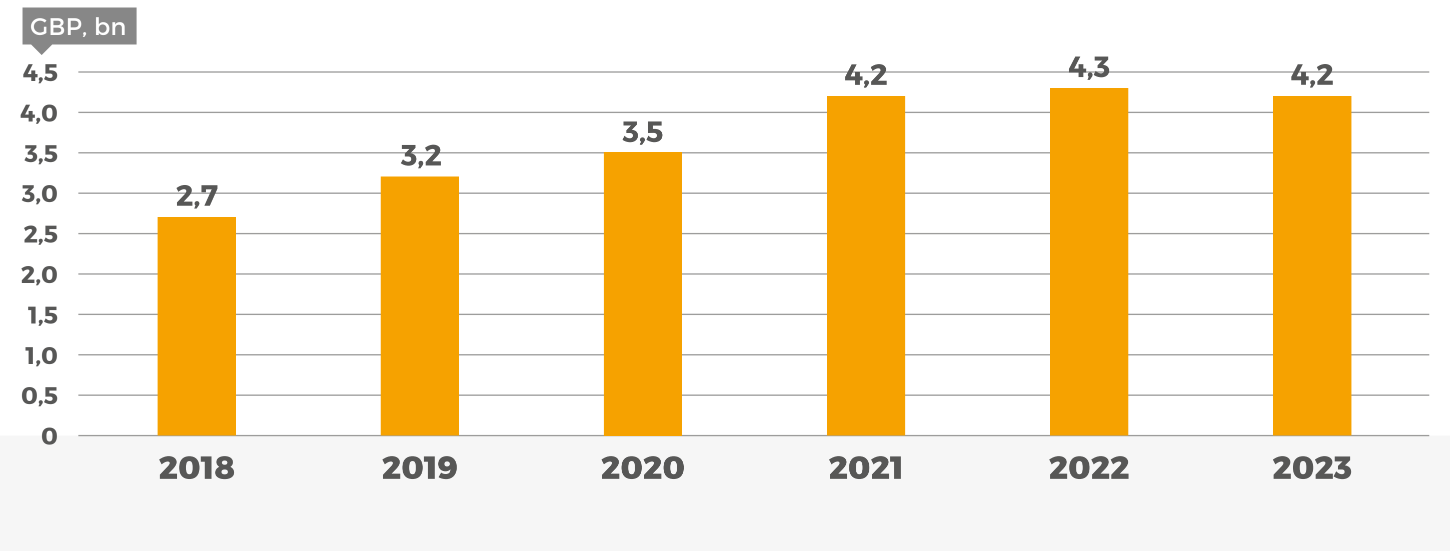
UK and Birmingham Build to Rent (BtR) residential market

Investment levels in the Build-to-Rent (BtR) market in the UK remained robust in 2023, closely matching the record levels seen in 2022. Approximately GBP 4.2 billion of capital was invested in the BTR sector in the UK during the fiscal year 2023, representing a slight decrease compared to FY2022. Despite facing challenges such as high interest rates and escalating construction prices, this performance underscores the continued attractiveness of the BtR sector and its solid underlying fundamentals.

Supply shortages, coupled with sustained demand, wage growth, and heightened mortgage costs, exerted pressure on rental growth throughout 2023. According to the Knight Frank BtR Rental Index, rents for new leases increased by 5.5% in November 2023 compared to the same period in the previous year.

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

BtR investment volumes in the UK



Source: Cordia

Macroeconomic environment

While the macroeconomic landscape across the countries where the Group is active presented a mixed picture, 2023 proved to be a challenging year, particularly as European economies grappled with elevated post-pandemic and energy cost driven inflation rates. Monetary tightening measures implemented across Europe since early 2022 notably influenced business activity and consumer spending, leading to a significant deceleration in the pace of inflation growth across all covered countries. The decline in inflation prompted central banks to halt the cycle of monetary policy tightening, with Hungary and Poland witnessing interest rate cuts in the latter half of 2023, thereby improving conditions for real estate financing in these nations.

The impact of high interest rates was evident in economic activity, with GDP dynamics markedly slowing across all covered countries in 2023. Hungary experienced GDP contraction, while growth in Poland and the UK was marginal. Spain and Romania, however, presented more robust growth, offering a glimmer of positivity. Nonetheless, the second half of 2023 proved more favorable than the first half, as GDP readings significantly improved across all covered countries.

Despite the economic slowdown, the employment market remained robust in Poland, Romania, Spain, and the UK. In Hungary, however, the unemployment rate increased by 50 basis points at the end of December on an annual basis. Nevertheless, across all covered countries, unemployment remained at, or near, record low levels. In Spain, although the rate was elevated at 12.1%, it still marked the lowest level in the last 10 years and continued its downward trajectory.

Data with the major macroeconomic gauges are presented in the table below, as of 18/03/2024:

	December 2023				
Macroeconomic indicator	**Hungary**	**Poland**	**Romania**	**Spain**	**UK**
Real GDP in 2023 % yoy	-0.9%	0.2%	2.1%	2.5%	0.1%
Inflation – HICP in 4Q 2023 % yoy	5.5%	6.2%	7.0%	3.3%	4.2%
Unemployment Rate in Dec 2023	4.2%	2.9%	5.3%	12.1%	3.9%*
Central Banks key base rates (March 2024)	9.0%	5.75%	7.0%	4.5%	5.25%

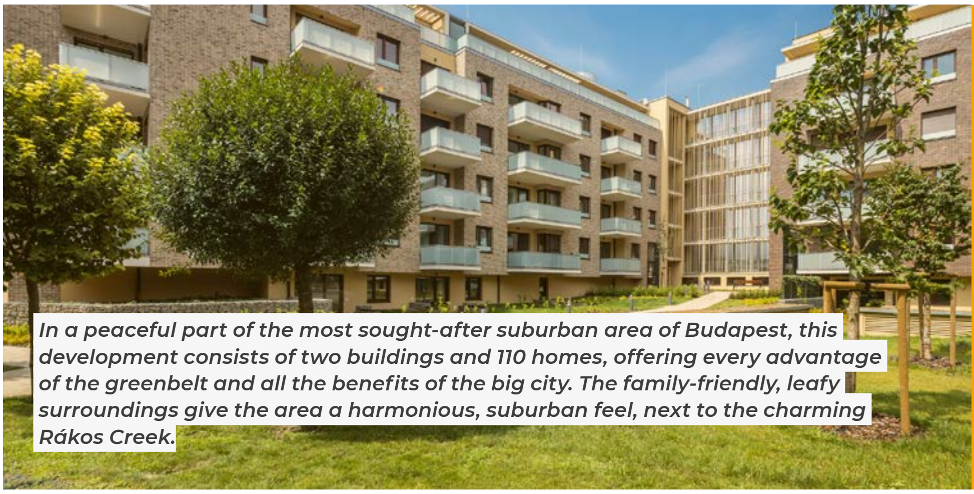
* for period Nov 2023 – Jan 2024

Source: Eurostat, ONS, Bloomberg

2.1.4.

Key Projects

HUNGARY



In a peaceful part of the most sought-after suburban area of Budapest, this development consists of two buildings and 110 homes, offering every advantage of the greenbelt and all the benefits of the big city. The family-friendly, leafy surroundings give the area a harmonious, suburban feel, next to the charming Rákos Creek.

Thermal Zugló 4

City: **Budapest**
Status: **Completed**
NSA total: **7 514 sqm**
Number of residential units: **110**
Number of sold units: **104**

First phase of Marina City, our latest large-scale urban revitalization project in Budapest. The new quarter along the banks of the Danube will be created by regenerating 14 hectares of neglected industrial land. It will feature 9 hectares of car-free green space, accessible to everyone, and will be complemented by a 1.2-kilometre-long waterfront promenade.

Marina City 1

City: **Budapest**
Status: **Under Construction**
NSA total: **14 520 sqm**
Number of residential units: **185**
Number of sold units: **0**

Sasad Resort's newest phase features 128 homes in 3 buildings. The ground-level apartments have private gardens, while the remaining properties come with spacious terraces. Sasad Resort's distinct concept and prime location have contributed to its increasing popularity as a residential complex in Buda over the past few years.

Sasad Resort Sky

City: **Budapest**
Status: **Under Preparation**
NSA total: **9 665 sqm**
Number of residential units: **128**
Number of sold units: **0**

POLAND

Our new project in Warsaw consists of 5 cosy low-rise buildings, with a total of 180 units. The architecture has been designed to create a friendly environment for families with children, young and active people, as well as for those seeking a peaceful haven. Every minute detail has been carefully considered in the design.

Fantazja 1&2

City: **Warsaw**
Status: **Completed**
NSA total: **10 713 sqm**
Number of residential units: **180**
Number of sold units: **132**

Our latest large-scale urban regeneration project in the heart of Poznań. A modern, spacious residential complex will be created by revitalizing the site of the former Modena garment factory. The new estate will blend perfectly into the eclectic tenement neighborhood and will be distinguished by its green spaces.

Modena 1

City: **Poznań**
Status: **Under Construction**
NSA total: **14 819 sqm**
Number of residential units: **272**
Number of sold units: **132**

Our fourth project in the capital of Poland is being developed on Bokserska Street, which forms the border between Mokotów and Ursynów. It is a quiet residential area adjacent to Służewiec. The 225 units will be housed in three modern eight-storey buildings. The name of the estate serves as a symbolic welcome to the neighborhood, emphasizing the modern, youthful spirit of the area.

Hi Mokotów

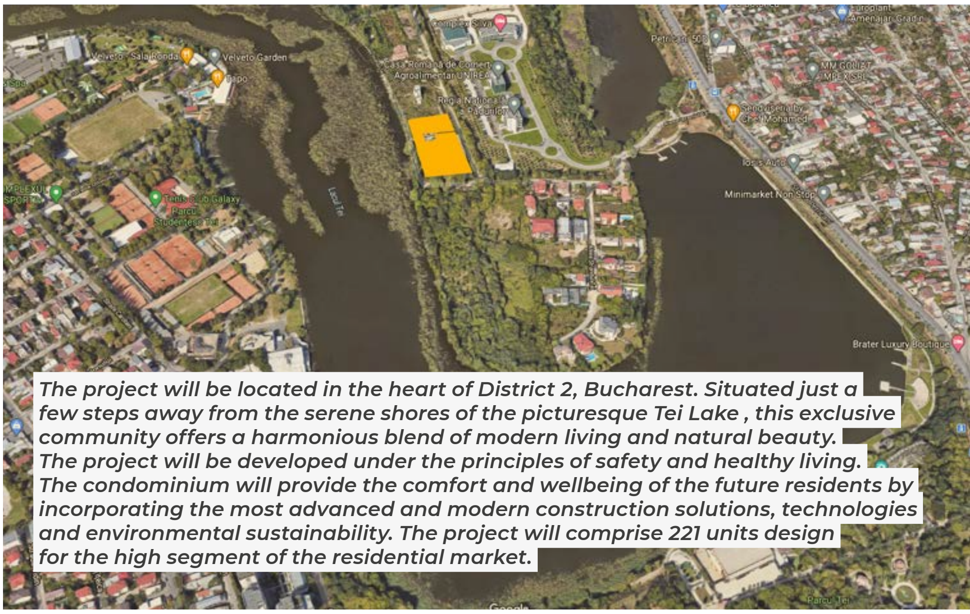
City: **Warsaw**
Status: **Under Preparation**
NSA total: **13 320 sqm**
Number of residential units: **225**
Number of sold units: **0**

ROMANIA

Parcului 2 is located in the capital of Romania's most dynamically developing neighborhoods. 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 sqm**
Number of residential units: **220**
Number of sold units: **199**



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 221 units design for the high segment of the residential market.

Petricani Romsilva

City: **Bucharest**
Status: **Under Preparation**
NSA total: **15 066 sqm**
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 sqm**
Number of residential units: **116**
Number of sold units: **86**

Located a 10-minute drive from the town of Fuengirola, the first phase of the development will include 81 homes, with a total of 615 homes across six phases. The project will be built in a quiet setting next to a golf course, offering sea views and featuring two, three, and four-bedroom apartments, swimming pools, and a range of amenities.

Mijas 1

City: **Mijas**
Status: **Under Preparation**
NSA total: **8 451 sqm**
Number of residential units: **81**
Number of sold units: **0**

UNITED KINGDOM

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.

Lampworks

City: **Birmingham**
Status: **Under Construction**
NSA total: **9 013 sqm**
Number of residential units: **151**
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 recognized as a vibrant cultural, creative and diverse neighborhood, a kind of bohemian quarter.

Digbeth (Mosley street)

City: **Birmingham**
Status: **Under Preparation**
NSA total: **23 284 sqm**
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 December 31, 2023		
In number of units	**2023**	**2022**
Hungary	218	469**
Poland	265	266**
Romania	33	47
Spain	11	64
UK	6	5
TOTAL NUMBER OF UNITS CONTRACTED	**533***	**851***

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

** Numbers include 46 units in 2022 sold in joint venture projects in which Cordia holds 50% stake (Marina Life 1&2 and Stacja Kazimierz 4&5)

During 2023 the Group contracted 533 units, which was 37% lower compared to 2022 in the following breakdown:

Hungary: During 2023, sale contracts were concluded for 218 units, reflecting a 53% decline compared to the previous year. In response to the high inflation environment, Cordia pursued a strategy aimed at maximizing margins, even if it meant sacrificing sales volumes. Additionally, the full impact of the tightened monetary policy initiated in 2022 and the deteriorating consumer confidence significantly affected Hungarian residential buyers, leading to a depressed Budapest market transactions for approximately 2,900 units. This marked the lowest level in the past seven years, even lower than the dip experienced in 2020 due to the COVID-19 pandemic.

Poland: The Polish market had the highest contribution to the units sales in the Group. It remained flat on 265 units compared to 266 in 2022. Although the market in Poland in 2023 rebounded driven by government programs supporting mortgage costs, Cordia had to postpone launch of the projects due to prolonged administrative procedures.

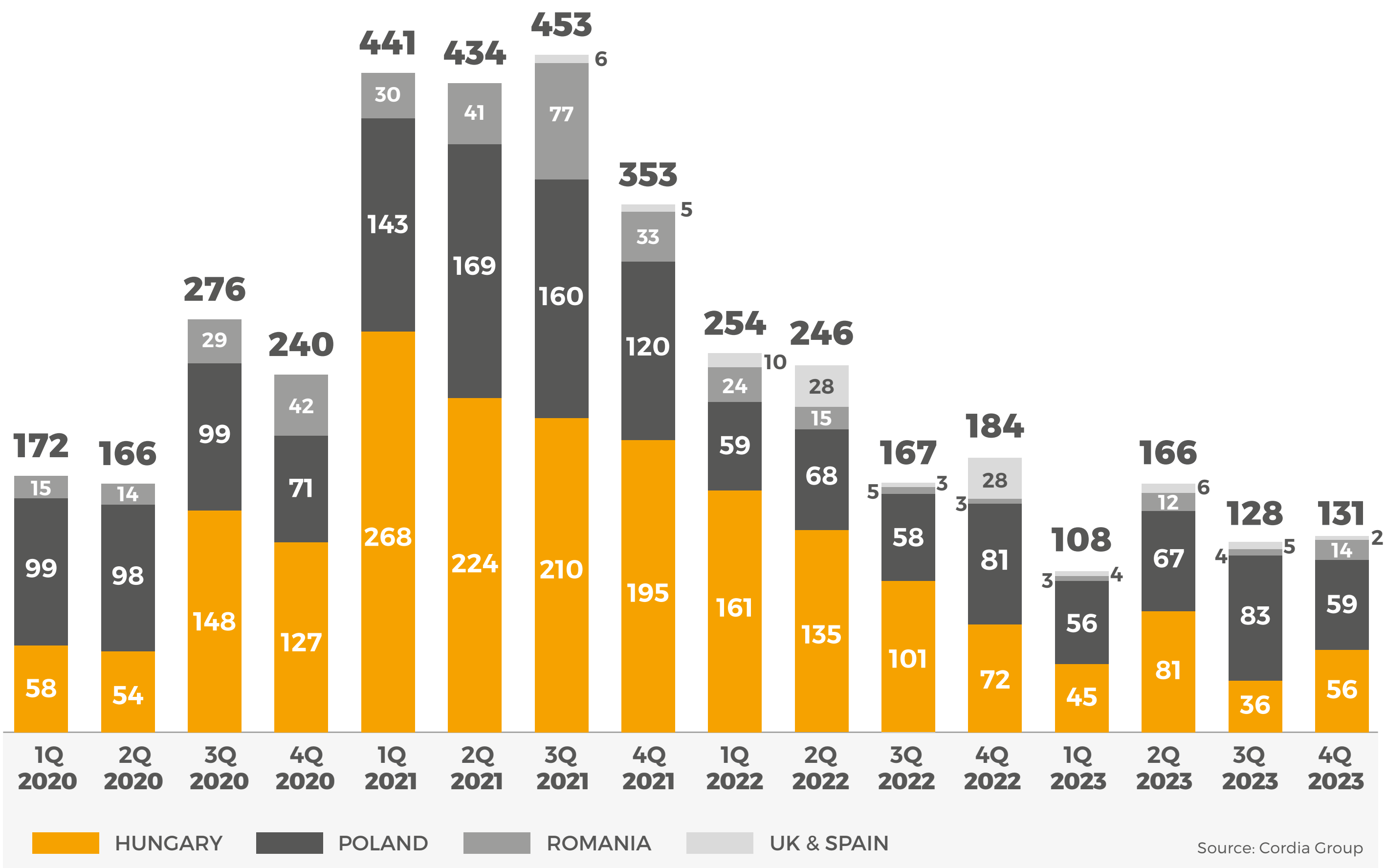
Romania: Sales in the Romanian market contracted by 30% to 33 units in 2023 where compared to the previous year. Achieved result was driven by maximizing margins strategy on maturing Parcului 2 project and postponement in the launch of the new projects due to challenges with permitting.

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 2023 to 11 units.

UK: In the 2023 Group continued sales of its relatively small project the Gothic 1, which is our first completed project in Birmingham, with 6 units sold compared to 5 in 2022

At the end of 2023, the Group had 1 172 residential units available for sale both in the "Completed" and "Ongoing construction" in BtS projects, The number does not include 151 units in BtR project in the UK.

Residential units contracted* quarterly in the last 4 years



* Group accounts unit as contracted when at least 10% value is paid.
** Numbers include 46 units in 2022 and 182 units in 2021 sold in joint venture projects in which Cordia holds 50% stake (Marina Life 1&2 and Stacja Kazimierz 4&5)

Number of residential units delivered to customers by country

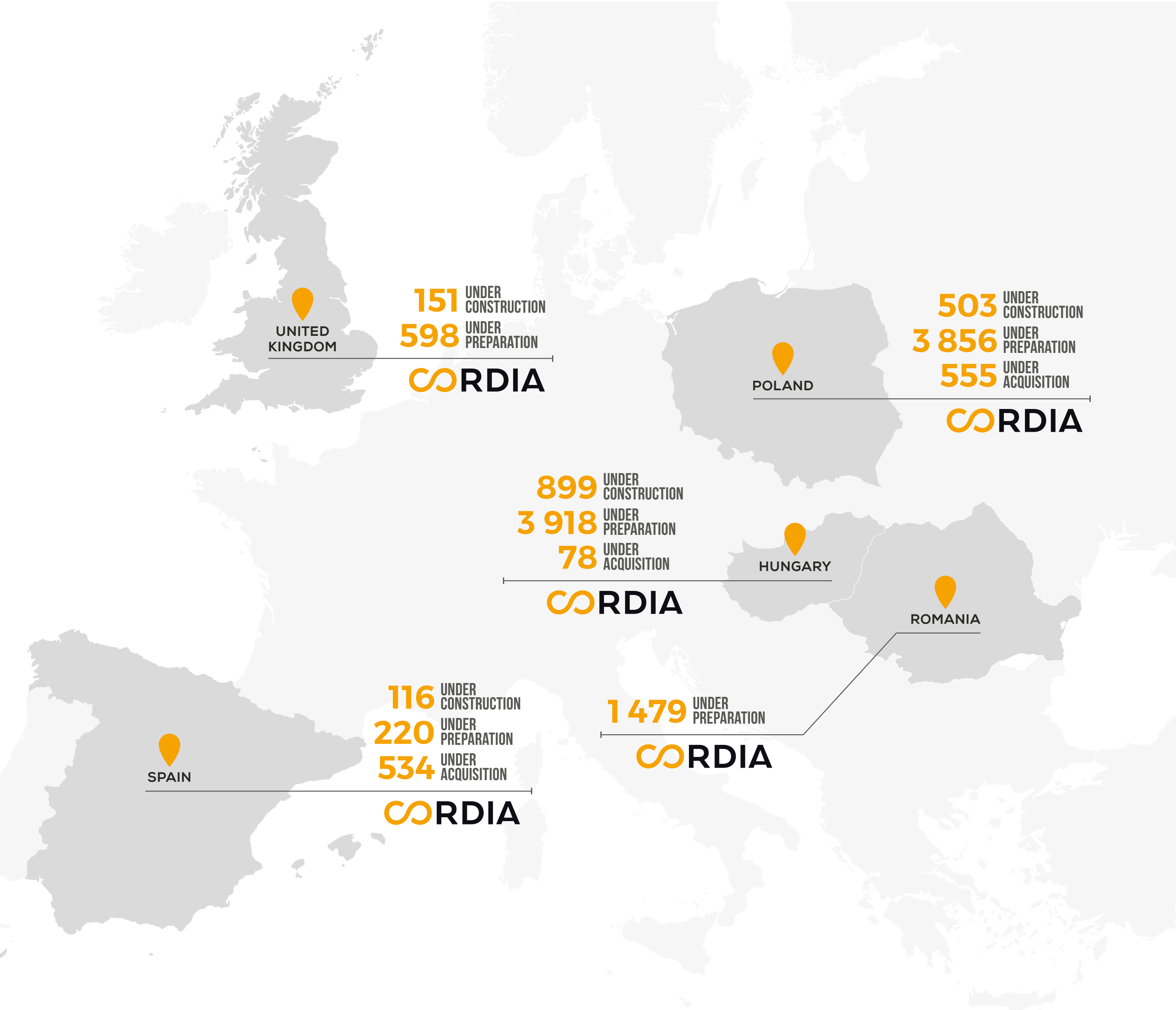
For the period ended December 31, 2023		
In number of units	**2023**	**2022**
Hungary	330	904
Poland	384	165
Romania	183	38
UK	3	5
Total number of units contracted	**900**	**1 112**

During the Reported Period, the Group handed over 19% less residential units than in the comparative period of 2022. Despite higher number of completed projects in 2023 (eight) than in 2022 (five) the timing of completion and lower pre-sales ratio caused the decline.

Further to the above, in entities jointly controlled by Cordia and third-party investors and associates, the Group delivered 4 residential units to customers in Hungary and 20 units in Poland. The profit on these transactions is reflected in the balance sheet as Investments accounted for using the equity method, please see Note 18 in Consolidated Statement of Profit or Loss and Other Comprehensive Income for period ended 31 December 2023 for more details.

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 18 in Consolidated Statement of Profit or Loss and Other Comprehensive Income for period ended 31 December 2023.

Projects in the pipeline by country



Recently completed projects on group level

Project name	Country	City	Comple-tion	NSA TOTAL	Number of units (residential + commercial)	NSA Available for sale, 31.12.2023	Units Available for sale, 31.12.2023	Units handed over, 31.12.2023
			year	sqm	#	sqm	#	#
Thermal Zugló 4	Hungary	Budapest	2023	7 514	110	540	6	103
Sasad Resort Panorama	Hungary	Budapest	2023	10 834	141	3 179	46	83
Millennium Residence 1	Hungary	Budapest	2023	5 689	110	1 135	20	60
Sasad Resort Sunlight	Hungary	Budapest	2023	5 014	70	2 449	33	31
Cordia Parcului 2. Phase	Romania	Bucharest	2023	12 138	220	1 691	21	62
Jaśkowa Dolina 1	Poland	TriCity	2023	5 937	97	-	-	97
Fantazja 1&2	Poland	Warsaw	2023	10 713	180	2 218	48	127
Safrano (Krokusowa)	Poland	Cracow	2023	5 398	101	1 121	20	59
TOTAL COMPLETED				**63 237**	**1 029**	**12 333**	**194**	**622**

Source: Cordia Group

During the Reported Period, the Group completed the construction works of eight projects with 63 237 sqm of Net Saleable Area representing 1 029 units, of which 835 have already been sold.

Projects with construction starting in the Reported Period

Project name	Country	City	Planned comple-tion (year)	NSA TOTAL (sqm)	Number of residential units	NSA Available for sale end of 2023 (sqm)	Units Available for sale end of 2023
Marina City A1	Hungary	Budapest	2026	14 520	185	14 520	185
TOTAL UNDER CONSTRUCTION				**14 520**	**185**	**14 520**	**185**

Source: Cordia Group

During the Reported Period, Group started the construction works of one project with 14 520 sqm of Net Saleable Area representing 185 units.

Projects with ongoing construction at the end of the Reported Period

Project name	Country	City	Planned completion	NSA TOTAL	Number of units (residential + commercial)	NSA Available for sale, 31.12.2023	Units Available for sale, 31.12.2023
			year	sqm	#	sqm	#
Naphegy 12	Hungary	Budapest	2024	3 348	42	1 400	16
I6 Residence by Cordia	Hungary	Budapest	2024	8 326	162	3 199	57
Sasad Resort Sunrise	Hungary	Budapest	2024	11 083	153	9 182	122
Corvin Next by Cordia	Hungary	Budapest	2025	5 514	100	4 148	75
Woodland 1	Hungary	Budapest	2025	14 545	257	12 353	213
Marina City 1	Hungary	Budapest	2026	14 520	185	14 520	185
Jaśkowa Dolina 2	Poland	TriCity	2024	7 543	118	3 511	49
Leśna Sonata	Poland	TriCity	2024	7 591	113	4 416	64
Modena 1	Poland	Poznań	2024	14 819	272	7 723	140
Jade Tower	Spain	Fuengirola	2024	13 542	116	3 395	30
Lampworks (BtR)	UK	Birmingham	2025	9 013	151	9013	151
TOTAL UNDER CONSTRUCTION				**109 844**	**1 669**	**72 860**	**1 102**

Source: Cordia Group

At the end of 2023 the Group's portfolio comprised of 1 669 apartments and commercial units under construction in 11 projects. 34% of units in the ongoing projects have already been contracted. For details of the ongoing projects, please see the table above.

Projects under preparation

The Management of the Group estimates that at the end of December 2023 the landbank of the Group allows for developing 11 238 units, mainly apartments, with some minor Net Saleable Area ("NSA") in a commercial area. Most of it, 10 071 units had the status "under preparation", with fully secured legal title to the land. There were 1 167 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.

On December 04, 2023 the Group through its subsidiary completed the acquisition of a development site (M14's land) in Costa del Sol, Mijas in Spain. This acquisition will allow for the development of a residential project with approximately 81 units. It is the first part of the land acquired under the Purchase Option Agreement signed on 14 July 2023.

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, regularly requiring agency feed-backs. • Active price and sales speed management • Proper and efficient marketing activities with active advertisement management • Constant monitoring of the property investment market developments
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, managing financing costs (interest rate) volatility via available hedging instruments (like for example IR swaps)
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 others – 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.
Military conflict between Russia and Ukraine	Careful following of the news on the conflict, in some markets the war may increase or decrease interests for flat purchase and rent. The extent of the future impact of the conflict on the Cordia 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.
Energy crisis	Leveraging the size of the Cordia Group in the procurement process, long term planning and contracting as possible, active asset management and close cooperation with the tenants (ultimately bearing the energy costs via service charges), development of energy efficient condominiums (targeting A class green buildings in all our markets)

2.2.

FINANCIAL PERFORMANCE OF THE GROUP

2.2.1.

Key Profit and Loss Statement developments

Revenues

For the period ended December 31			
In million of Hungarian Forints	2023	2022	% change
Revenue from sale of real estate and rental income	61 965	66 289	(6.5%)
Other revenue	2 138	2 004	6.7%
Total revenue	**64 103**	**68 293**	**(6.1%)**

During 2023 the revenue of the Group reached HUF 64.1 bn with the revenue from sales of real estate and rental income being HUF 62.0 bn, of which 2.1 bn was generated by WWA Development, former Polnord S.A., (revenue is recognized when residential units are transferred to buyers).

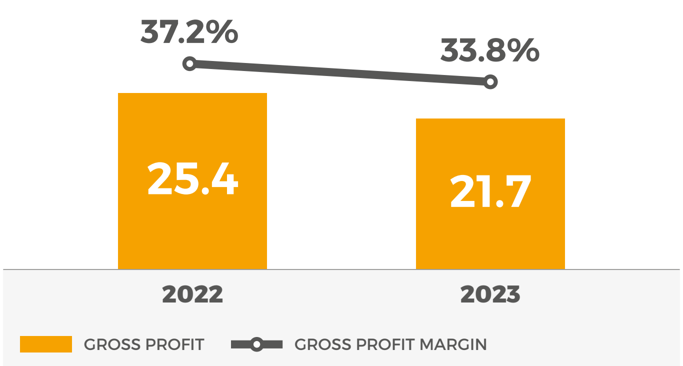
Sales of the non-core land plots in Poland reached HUF 1.95 bn and were recognized in “Revenues from sale of real estate and rental income”. Total result on land plot sale was positive.

Gross Profit

In 2023 Gross profit decreased by 14.8% y-o-y, to HUF 21.6 bn while the gross margin was slightly lower at 34%, when comparing to 37% gross margin in 2022. The gross margin was driven by slightly lower margins on delivered projects and high % profitability on non-core land plot sale. It was especially noticeable in WWA Development (former Polnord S.A.'s) gross margin where HUF 356m gross profit was recognized on land plot sale. **Gross profit from sale of real estate** and **Gross margin from sale of real estate** is presented in the table below:

	Gross Profit from sale of real estate		Gross margin from sale of real estate	
	2023	2022	2023	2022
Cordia Group excl. WWA Development	19 142	23 194	32%	38%
WWA Development	906	624	43%	13%

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



Operating profit amounted to HUF 10.8 bn in the reported period and was higher by 12.4% comparing to 2022. Operating profit margin also improved to 16.8% from 14.1% last year. As in 2022, operating profit in reporting period was also **negatively impacted by one-off events**, with most significantly by the non-cash write-down of inventory in value of **HUF 0.79 bn** related to the UK heritage project acquired together with BlackSwan Property back in 2020. For more information, please refer to Note 11 and Note 21 of the Company's IFRS Consolidated Financial Statement.

Net finance income of HUF 1.2 bn was mainly driven by:

a) HUF 3.5 bn Interest income
b) HUF 2.5 bn gain on revaluation of Hungarian government bonds and bills held as liquidity reserve
c) HUF 4.4 bn Interest expense and Bond interest expense
d) HUF 1.0 bn net negative effect on currency exchange

For more details, please refer to Note 12 of the Company's IFRS Consolidated Financial Statement.

Share of profit/(loss) in associate and joint venture reached HUF (1.32 bn), which originated from HUF 0.1 bn profit from Fades joint-venture, and HUF (1.5 bn) loss attributable to the Group from Argo Properties N.V. for the period ending on 31 December 2023. For more details, please refer to Note 18 of the Company's IFRS Consolidated Financial Statement.

Profit before taxation for the period was HUF 10.7 bn and was lower than the profit of HUF 21 bn in the same period a year ago. The major driver of the difference was HUF 1.0 bn negative result on currency exchange due to the strengthening forint in reporting period vs HUF 4.5bn positive result on currency exchange in 2022 when the forint weakened considerably. The second driver was the non-cash revaluation loss on the Group's stake in Argo Properties N.V. of HUF (1.5bn) vs HUF 1.7bn profit in 2022. Argo's rental properties enjoyed a strong rental growth, but the value of them was still negatively impacted by the strong increase in discount rates on residential properties in Germany due to the higher general interest rate environment. Reported Pretax profit margin was 16.7% but when adjusted for currency effect and Argo Properties N.V effect it amounted to 20.6% and didn't change significantly vs 21.7% margin in 2022.

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

For the period ended December 31, 2023

In million of Hungarian Forints (MHUF)	2023	2022	% change
Revenue	**64 103**	**68 293**	**(6.1%)**
Cost of sales	**(42 445)**	**(42 873)**	**(1.0%)**
Gross profit	**21 658**	**25 420**	**(14.8%)**
% margin	33.8%	37.2%	
Selling and marketing expenses	(4 103)	(4 635)	(11.5%)
Administrative expenses	(5 843)	(5 961)	(2.0%)
Net gain/loss from fair valuation of investment and development properties	1 137	2 188	(48.0%)
Other expenses	(3 042)	(8 662)	(64.9%)
Other income	985	1 252	(21.3%)
Operating profit	**10 792**	**9 602**	**12.4%**
% margin	16.8%	14.1%	
Net finance income/(expense)	1 238	6 322	(80.4%)
Share of profit/(loss) in associate and joint venture	(1 319)	5 048	n/a
Profit before taxation	10 711	20 972	(48.9%)
Profit for the period	**9 738**	**19 780**	**(50.8%)**
% margin	15.2%	29%	
Profit for the period attributable to owners of the parent	**9 743**	**19 114**	**(49.0%)**
% margin	15.2%	28%	
Total comprehensive income for the period, net of tax	**9 418**	**22 107**	**(57.4%)**

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

For the period ended December 31, 2023			
In million of Hungarian Forints (MHUF)	2023	2021	% change
Revenue			
Interest revenue	6 483	7 628	(15%)
Total investment income	**6 483**	**7 628**	**(15%)**
Total operating income	**38**	**35**	**8.6%**
Administrative and other expenses	(88)	(91)	(3.3%)
Other expense	(457)	(10)	4 470%
Interest expense	(2 756)	(2 756)	(2.0%)
Total operating expenses	**(3 301)**	**(2 914)**	**13.2%**
Other financial result	3 327	367	806.5%
Fair value change of instruments measured at fair value through profit and loss	12 343	13 906	(11.2%)
Foreign exchange gain	1 786	4 610	(61.3%)
Foreign exchange loss	(1 955)	(720)	171.5%
Foreign exchange - net gain / (loss)	**(169)**	**3 890**	**n/a**
Share of net profit of investments accounted for equity method	**(3 582)**	**(1 889)**	**89.6%**
Profit before taxation	**15 139**	**21 023**	**(28.0%)**
Income tax expense	**(418)**	**(602)**	**(30.6%)**
Profit for the period	**14 721**	**20 421**	**(27.9%)**
Other comprehensive income/(loss)	**(396)**	**3 175**	**n/a**
Total comprehensive income for the period, net of tax	**14 325**	**23 596**	**(39.3%)**

2.2.2.
Major Balance Sheet developments

Balance Sheet value decreased by 3.1% to HUF 287.1 bn in 2023 when compared to the end of 2022.

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

- Increase in **Inventory** by HUF 10.6bn due to new projects development and construction of excessing one.
- Decrease in **Investment Properties** due to deconsolidation of Finext Global 1. Ingatlanforgalmazó Részalap (HUF -7.2 bn effect).
- Decrease in **Cash and Cash Equivalents** by HUF 14.2 bn. due to project loans repayment and investment of liquidity reserves into Hungarian Government bonds and bills.
- Increase in **Other financial assets** by HUF 4.2 bn mainly due to assets due to investment of liquidity reserves into Hungarian Government bonds and bills.

Due to high real interest rates environment, and excess liquidity, the Group actively managed its cash position and will continue to do so in 2024. 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 from HUF 64.9 bn to HUF 50.8 bn compared to December 2022. The major components of Cash and Cash equivalents changes were:

- Decrease in operating cash flow by HUF - 4.3 bn driven by Inventory increase
- Increase in investing activities cash flow by HUF 8.0 bn due to HUF 4.2 bn Interest received and HUF 5.5 bn Cash received for the sale of majority interest in subsidiaries.
- Decrease in financing activities cash flow by HUF 17.8 bn due to net repayment of loans and borrowings in amount of HUF 10.6 bn, and dividend payment of HUF 5.1 bn to our shareholders.

The **Liabilities** decreased by 6.5%, from HUF 193.1 bn as at December 31, 2022 to HUF 180.6 bn as at the end of 2023.

As of the end of 2023 the structure of the Balance Sheet, improved compared to December 31, 2022. This was the result of project loans repayment and 2023 profitability. The Group **Total Equity** was at HUF 106.5 bn that was higher than 102.3 a year ago.

Consolidated Debt* decreased by HUF 10.1 bn and amounted to HUF 111.7 bn. Major driver of change was the repayment of project loans by HUF 10.8bn.

* For purpose of calculation, Consolidated Debt are defined as in CORDIA2026/I and CORDIA2030/I Bonds Terms and Conditions, for more details, please refer to Note 35 in CORDIA International Zrt. IFRS Consolidated Financial Statement

Selected data from the Consolidated Statement of Financial Position

In million of Hungarian Forints (MHUF)	December 31, 2023	December 31, 2022	% change
Assets, including:	**287 110**	**296 300**	**(3.1%)**
Non-current assets	**34 988**	**43 999**	**(20.5%)**
Investment properties	4 971	9 503	(47.7%)
Property, plant and equipment	2 311	3 143	(26.5%)
Investments accounted for using equity method	24 088	25 056	(3.9%)
Long-term receivables from third parties	534	709	(24.7%)
Restricted cash	-	1 935	n/a
Current assets	**252 034**	**252 156**	**0%**
Inventory	173 187	162 569	6.5%
Restricted cash	2 510	3 545	(29.2%)
Other financial assets	12 050	7 861	53.3%
Cash and cash equivalents	50 825	64 888	(21.7%)
Assets classified as held for sale	**88**	**145**	**(39.3%)**
Equity including:	**106 529**	**102 279**	**4.2%**
Share capital	18 014	18 014	**-**
Share premium	13 461	13 461	-
Retained earnings	72 663	68 046	6.8%
Net assets attributable to non-controlling investment unit holders	**0**	**908**	**n/a**
Liabilities including:	**180 581**	**193 113**	**(6.5%)**
Non-current liabilities	91 916	126 969	(27.6%)
Current liabilities	88 665	66 144	34.0%

Selected data from the Separate Statement of Financial Position

In million of Hungarian Forints (THUF)	December 31, 2023	December 31, 2022	% change
Assets including:	**232 265**	**223 306**	**4.0%**
Non-current assets	**170 064**	**151 513**	**12.24%**
Long-term receivables - related parties	68 248	55 134	23.8%
Investment in subsidiaries	101 666	95 722	6.2%
Current assets	**62 201**	**71 793**	**(13.4%)**
Short-term receivables - related parties	25 593	23 567	8.6%
Other current assets	8	9	(11.1%)
Cash and cash equivalents	20 528	42 015	(51.1%)
Equity including:	**145 483**	**136 292**	**6.7%**
Share capital	18 014	18 014	0.0%
Share premium	13 461	13 461	0.0%
Retained earnings	110 378	100 791	9.5%
Liabilities including:	**86 782**	**87 014**	**(0.3%)**
Non-current liabilities	70 955	85 851	(17.4%)
Current liabilities	15 827	1 163	1 260.8%

2.2.3.

Debt and Bond ratios undertakings

Total debt of the Group decreased from HUF 121.8* bn in 2022 to HUF 111.7 bn* in 2023. However, Net Consolidated Debt* increased by HUF 6.5 bn, to HUF 58.4 bn. Major drivers for the Group's Debt position were:

- New proceeds from loans and borrowings of HUF 16.4 bn,
- Repayment of loans and borrowings of HUF 27 bn,

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

In million of Hungarian Forints (MHUF)	December 31, 2023	December 31, 2022	% change
Consolidated Debt (CD)*	111 747	121 822	(8.3%)
Cash and Cash Equivalents (C)	50 825	64 888	(21.7%)
Restricted cash (RC)	2 510	5 480	(54.2%)
Net Consolidated Debt*	**58 412**	**51 454**	**13.5%**

* 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 35 in CORDIA International Zrt. IFRS Consolidated Financial Statement.

For more information about changes in debt, please refer to Notes 28 and 35 of the Company's IFRS Consolidated Financial Statement.

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*.

	December 31, 2023	December 31, 2022
Consolidated Leverage Ratio*	29.35%	27.31%
Issuer Net Debt to Equity Ratio*	0.45	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 35 in CORDIA International Zrt. IFRS Consolidated Financial Statement.

2.3.

ESG IMPACT REPORT – PURSUING THE HIGHEST STANDARDS

WE ALWAYS THRIVE 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 significant, 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 car dependency in general.

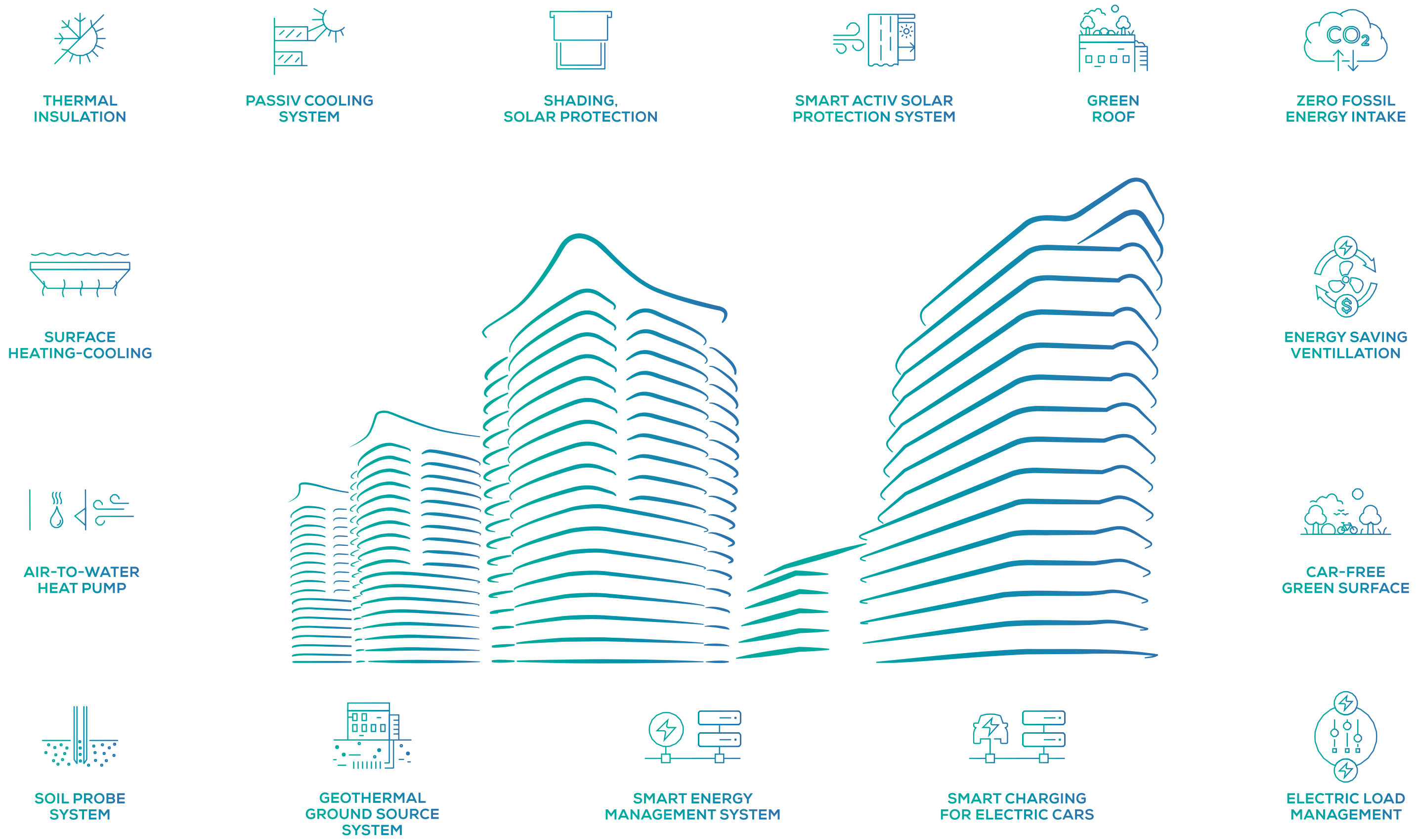
Taking the extra step when it comes to Energy

OUR DEDICATION IS TO TAKE THE EXTRA MILE AND NOT ONLY FULFILL THE MINIMUM STANDARDS: we announced our commitment to delivering 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 65-75% 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 significant, and we handle this even more responsibly.

MARINA CITY A+2023 RESIDENTIAL BUILDING'S ENERGY SAVING TECHNICALS



65-75% 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

At Cordia, our developments foster lasting value, enhance local identities, and improve the quality of life. Central to our operations are environmental protection, the preservation of mental and physical health, and a broad commitment to social responsibility. Since launching the iconic Corvin Promenade, we have been dedicated to creating sustainable, livable, comfortable, green, and smart urban spaces across Europe, including Wilanów and Modena in Poland, and the Jewellery Quarter in the UK.

Our latest large-scale urban rehabilitation project, Marina City, features an exceptional waterfront and a multifunctional promenade. This development includes 90,000 square meters of car-free green space, part of a HUF 20-billion public-purpose investment in Budapest.

Over the last two decades, Cordia has been actively involved in numerous charitable activities to support communities in need. In one notable project, we collaborated with a talented Hungarian team to paint an iconic scene from Ferenc Molnár's revered children's book, The Paul Street Boys, on a neglected wall in Budapest's 8th district. Our employees actively contribute to good causes and become part of the solution by participating in various social initiatives, such as painting schools and charity runs. We also create opportunities for our colleagues to maximize their potential through in-house training programs.

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

With some uncertainty, it appears that 2024 will be the year of gradually improving economic conditions across our markets. Monetary easing, which commenced in Hungary and Poland at the end of 2023, is likely to persist and may also begin in Romania, the UK, and the Eurozone. This might strengthen the European economy and enhance consumer confidence, particularly in Hungary, where it has been significantly undermined over the past two years. Consequently, we anticipate a more predictable demand for residential estates.

Operationally, we will continue the development of green projects in Hungary, with a particular focus on the luxury Marina City. We are also planning to capitalize on the improving economic conditions to expedite the activation of our landbank and launch more new projects in 2024 compared to 2023.

In Poland, following the successful launch of the high-end Haffnera Residence in Sopot in 1Q of 2024, Cordia plans to commence construction on at least two more projects in the first half of 2024: one in Warsaw (Hi Mokotów) and one in Krakow (Craft). In Spain, we will be occupied with handovers in Jade Tower while also anticipating the launch of a new project either this year or at the beginning of next year. However, the launch of new projects in Bucharest is hindered by the highest risks due to the prolonged construction approval process in Romania.

In anticipation of stable construction costs and returning customer demand, Cordia is also eager to selectively invest in new land plots, particularly in Poland, where the residential market is larger and less volatile than in Budapest, and in Spain, where we operate in the upper segment with relatively better Internal Rate of Return (IRR) for projects than in other markets. Nevertheless, decisions regarding future land acquisitions will always adhere to our strict acquisition criteria, and in 2024, they will also be subject to the possibility of refinancing our debt.

Overall, the management of the Group believes that after two years of an extremely challenging business environment, 2024 might bring noticeable improvements in both operational and financial results for the Company.

2.5.
OTHER INFORMATION AND SUBSEQUENT EVENTS

2.5.1.
Other information

The impact of the Ukrainian-Russian conflict

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

The situation does not have direct 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 2024, the management expects the Group's financial position to be stable, based on the cash flow projections, liquidity issues have not been identified for the next 12 months. The management is going to continue to analyse the situation due to the conflict and make appropriate adjustments if necessary.

2.5.2.
Subsequent events

Conversion

The conversion of **Cordia International Zrt. into CORDIA International Ingatlanfejlesztő SE Zártkörűen Működő Európai Részvénytársaság** as a European Company (Societas Europaea or SE) (“**Conversion**”) based on Article 37 of COUNCIL REGULATION (EC) No 2157/2001 on the Statute for a European company (SE) (EC Regulation) was registered by the Court of Registry of the Metropolitan Regional court of Appeal of Hungary as of 01 January 2024 under the registration number 01-20-000006 and tax number: 32410185-2-42.

Completion of projects

The Company’s subsidiary involved in development of the residential project „**i6 Residence by Cordia**” obtained the permit for occupancy (comprising 162 apartments) in Budapest, VIII. district.

The Company’s subsidiary involved in development of the residential project „**Naphegy 12 by Cordia**” obtained the permit for occupancy (comprising 41 apartments) in Budapest, I. district.

Project bank financing Loans

Two new credit facility agreements were signed for the financing of projects in Budapest (Hungary) VIII. district and in Birmingham (UK). One of the loan (Hungary) is provided by CIB Bank Zrt. in the total amount of HUF 5.4 billion and the other loan (UK) is provided by Octopus Administrative Services Limited and Bridgeco Limited in the total amount of HUF 8.2 billion (GBP 18,629,654).

Settlement

In April 2024 Wilanów Office Park - B1 Sp. z o.o., a subsidiary acquired with WWA Development S.A. in 2020, and Polaqua reached a settlement with respect to an over ten years’ long lease dispute and its associated claims. The settlement was approved by the court as of 05.04.2024 and additionally the court decided to close all pending proceedings between the parties. The remaining escrow amount is anticipated to be disbursed until 1st September 2024.

3

Annual Financial Statements

The IFRS Consolidated Financial Statements of the Group for the financial period ended on December 31, 2023, has been attached to this Annual Report as Annex I. The IFRS Separate Financial Statements of the Company for the financial period ended on December 31, 2023, has been attached to this Annual Report as Annex II.

4

Audit Report

The audit report on the IFRS Consolidated Financial Statement of the Group for the financial period ended on December 31, 2023, has been attached, as part of the financial report, to this Annual Report as Annex III.

The audit report on the IFRS Separate Financial Statements of the Company for the financial period ended on December 31, 2023, has been attached, as part of the financial report, to this Annual Report as Annex IV.

5

Declarations

5.1.

Declaration on annual financial statements

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

declares

that the annual financial statements (including the comparative data) attached to this Annual Report, which financial report has been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the EU and during the preparation of which the Company acted in accordance with the best of its knowledge, provides true and reliable overview as to the Company's and Group's assets, liabilities, financial situation, and profit and loss.

5.2.

Declaration on management report

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

declares

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

(II) that the audit firm auditing the annual financial report was selected in accordance with legal regulations, including regulations concerning the audit firm selection and selection procedure, and that the audit firm and members of the audit team met the conditions necessary to prepare an impartial and independent report on the audit of the annual financial report in accordance with applicable regulations, professional standards and professional code of conduct.

Földi Tibor
Digitálisan aláírta: Földi Tibor
Dátum: 2024.04.30 14:09:15 +02'00'

Budapest, 30 April 2024

Tibor Földi
Chairman of the Board