

## **Residential developer Cordia to book immediate profits of approx. EUR 38.2m from Polnord takeover**

**BUDAPEST, 2020. 07. XXX. - Cordia International Zrt., as part of its international expansion strategy has recently acquired 93% of Warsaw listed Polish residential developer Polnord S.A. through a combination of capital increase and public tender offer that was closed on 9 of April 2020. Cordia will first report the effects of such acquisition in its half year balance sheet, but has provided guidance on its positive effects on Cordia's equity capital.**

Detailed review of the market value of assets of the recently acquired Polish residential developer Polnord S.A. resulted in write-offs in the amount of PLN 52.2m to be made by Polnord in its first quarter balance sheet, according to Polnord's current report published in Warsaw. The value of actual write-offs is even lower than Cordia International Zrt. expected before the acquisition of Polnord. In accordance with this, Cordia may record around PLN 170.4m (approx. HUF 13.6bn or EUR 38.2m) of profits from the recent takeover of Polnord. *"This profit will be originating from the expected difference between the equity value of Cordia's stake in Polnord, according to Polnord's balance sheet as of March 31st 2020, planned to be published mid-July, and the acquisition cost spent by Cordia",* says Tomasz Łapiński, board member and CFO of Polnord.

Polnord has several valuable lands suitable for residential projects, of which the most valuable are the plots allowing for developments in the very attractive and popular recently built and developed residential area in Warsaw in Wilanów District. *"The Wilanów Smart City is a large scale, urban regeneration mixed use project launched by Polnord and will consist several residential and office buildings with a total area of more than 100,000 sqm",* says Tibor Földi, Chairman of Board of Cordia.

Polnord is very well known for being heavily involved in the past in development of this area and its current land bank shall allow for planning of another few thousand apartments to be built there in the future.

Cordia has recently increased the company's capital by an additional HUF 12bn in order to finance its acquisition of 20% stake in Argo Properties NV, a Dutch company active in the residential rental business in Germany with special focus on Leipzig, Dresden, Magdeburg and Berlin.

### About Cordia and Polnord

Cordia is one of the largest residential real estate development and investment corporate group in the Central and Eastern European region with a strong and well-known brand and presence in the mid- and mid-to-high segments of the for-sale market in Hungary, in Poland, Romania, while also undertaking a pilot project in Spain. Cordia Group has a 20 years track record and is proud bearer of multiple international awards, including: "ULI Global Awards for Excellence" from ULI, "Best Mixed Use Project in Europe" International Property Awards, Bloomberg TV, The New York Times, "Best Purpose Built Project Worldwide" by International Real Estate Federation (FIABCI)"



Polnord S.A. is a founding member of the Polish Association of Developers and has been listed on the Warsaw Stock Exchange since 1999. The company owns one of the largest land banks among the Polish residential developers. In multiple transactions (including a new share issue and public tender), Cordia increased its shareholding in Polnord to nearly 93% spending in total PLN 231 million.