

The background of the slide is a high-angle, orange-tinted photograph of a modern multi-story apartment building. The building has a curved facade and many windows. In the foreground, a rooftop terrace is visible, featuring several small trees, a lounge area with people sitting, and a swimming pool. The overall scene is bright and modern.

CORDIA

BONDHOLDERS PRESENTATION

MAY 2020



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CORDIA PRESENTATION TOPICS:

Section 1: Bondholders Presentation

1/A Cordia Investments since the bond issuance

- Summary of Cordia's successful bond issuance November 7, 2019 under Bond Funding for Growth Program of the National Bank of Hungary
- Strategic acquisitions by Cordia since the bond issuance / summary
- Specific project presentations

1/B Cordia vs Covid / what has changed? Extraordinary measures taken by Cordia due to the coronavirus pandemic

- Short term
- Mid-to long term

1/C Cordia vs Covid / how will Cordia stand the storm?

- Overview of Cordia's ongoing projects
- Continuing strong shareholder commitment / capital increase
- Very strong Capital Base – Cordia Pro-Forma Balance Sheet and Undertaking Ratio calculations
- Immediate actions

Section 2: Considerations on a subsequent bond issuance

- Considerations on a potential subsequent bond issuance under the Bond Funding for Growth Program of the National Bank of Hungary
- Opportunities / Expected use of proceeds / Key investment highlights
- Real estate developers' accounting treatment under IFRS / specialities
- Maintaining strong financial ratios: Effect of a subsequent issuance on the bond undertakings
- Cordia's opportunities in the stress situation
- Cordia's new business line to be launched: residential for lease

CORDIA AT A GLANCE

Current residential portfolio of secured plots and ongoing projects (data as of April 30, 2020):

- **19 current projects** in sales & construction – **4,016** residential units
- **44** under preparation projects with **>6,200** units
- Total **expected revenues** of projects ongoing (projects under sales & construction): **~HUF 176.6 bn**
- Total expected revenues of units already sold: **~HUF 95.4 bn**
- Average **gross margin** in 2019: nearly 30%

- Diversified in **4 countries and 7 regions**: Budapest, Bucharest, Warsaw, Krakow, Gdansk and Funegirola at Costa del Sol (Poznan is in preparation after acquisition of Modena complex)
- Supported by a staff of **>200 professionals**

Medium and long-term plan (until end of 2024) assumes:

- Targeted annual profits ~ **HUF 16 bn+** (stabilized **EUR ~50m+**)
- Targeted annual cash flows minus discretionary new investments ~ **EUR 78 – 127 m** (from 2021 / as COVID aftermath allows)
- Targeted Consolidated Leverage Ratio: * **<= 45%** (long term)
- Targeted Issuer Net Debt to Equity Ratio: * **< 1.00** (long term)

*even if all new bond proceeds of the subsequent bond issuance are spent

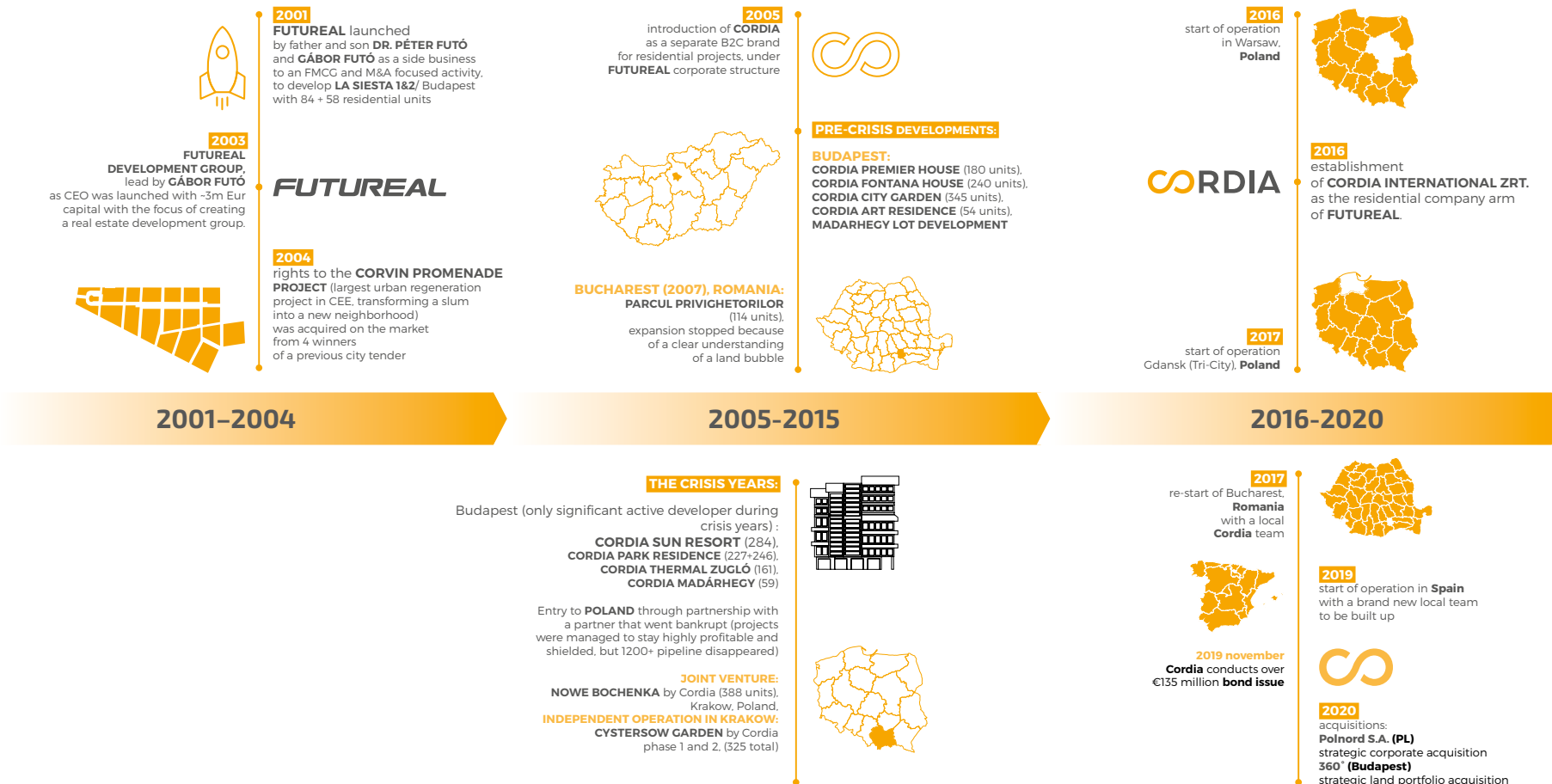
Current mark-to-market equity of Cordia International Zrt.: = EUR 219 m (as of April 30, 2020)

SUMMARY OF CORDIA INTERNATIONAL ZRT.'S SUCCESSFUL BOND ISSUANCE ON NOVEMBER 7, 2019

- Issuer: **CORDIA International** Ingatlanfejlesztő Zártkörűen Működő Részvénytársaság (seat: 1082 Budapest, Futó utca 47-53. VII. em.; company registration number: Cg.01-10-048844)
- Securities: **CORDIA 2026/I HUF** Kötvény (short name: CORDIA2026; ISIN: HU00000359211)
- Issue Volume: **880 bonds** in one series and in one trench
- Face Value: **HUF 50,000,000** (fifty million Hungarian forints) each bond, total face value issued: HUF 44,000,000,000.-
- **Public offering through auction** process, date of auction: November 5, 2019
- Term of the Bonds: **seven-year period** commencing on the Issue Date (November 7, 2019)
- **Rating: BB** by Scope Ratings GmbH published on September 12, 2019
- Status and Ranking: direct unsecured unconditional and unsubordinated corporate bonds; denomination: HUF
- **Coupon: 4.00% p.a.** with semi-annual coupon payments
- **Amortization: semi-annually** 5 times from year 4.5 from Issue Date by HUF 8,333,333.- per Bond and one last of HUF 8,333,335.-
- Total amount collected at auction: **HUF 44,402,642,950-**
- Total number of banks, asset, fund and investment managers **participating: 17** (including the Hungarian National Bank) representing some **30 investor entities**
- Bondholders' **average yield: 3.8942% p.a.**
- Trading platform: Budapest Stock Exchange / **XBOND platform**
- Market makers: Raiffeisen Bank Magyarország Zrt.
- Winner of „**Bond Issuer of the Bond Funding for Growth Program**” award by the Budapest Stock Exchange



CORDIA COMPANY INTRO: HISTORY MILESTONES





SIGNIFICANT STRATEGIC PROGRESS SINCE THE FIRST BOND ISSUANCE

SUMMARY

- Massive **increase of unique land bank at very favorable prices** supporting long-term strategic positions in key markets (Budapest – Marina City, Warsaw – New Wilanow, Poznan – Modena)
- Previous land bank mid-term target of 7,330 units has been **achieved and overperformed** by reaching a **> 11,000 units** land bank portfolio
- Increased land bank duration, preparation time required for **urban scale projects** (good fit with Covid 😊)
- Residential rental investment in safe heaven markets with **long-term structural rental growth** (Argo – German residential rentals in Leipzig, Dresden, Magdeburg)
- **Diversification has developed** both geographically (new cities: Poznan, Fuengirola) and by new business line of residential rental
- **Polnord acquisition** provides mid-term residential development cash flow and long term value creation potential



STRATEGIC ACQUISITIONS BY CORDIA SINCE THE BOND ISSUANCE

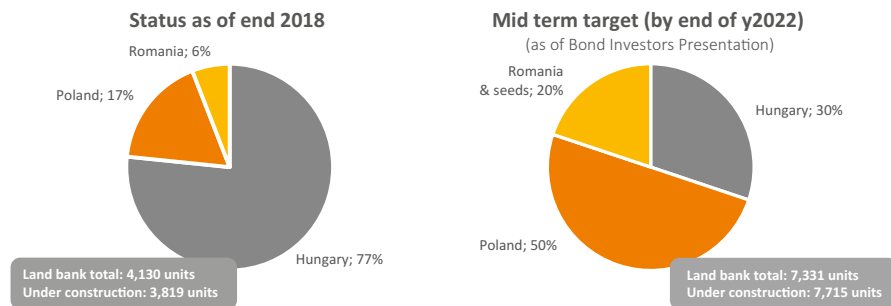
i.e. since November 7, 2019

	TOTAL EXPOSURE	CURRENT EXPOSURE
Acquisition of „ MODENA ” urban redevelopment project POZNAN - POLAND (November 2019) – purchase price fully paid / no leverage	EUR 13.6 million	EUR 13,6 m
Acquisition of “ PERUN ” Redevelopment project WARSAW - POLAND (November 2019) / no leverage	EUR 10.4 million	EUR 3.0 million
Acquisition of nearly 66% stocks by a publicly announced registered capital increase of Warsaw Stock Exchange listed POLNORD S.A. (December 2019- February 2020) – capital increase fully paid-in Public tender for the acquisition of the outstanding stock: ended on April 3, 2020 - Cordia's stake increased to 92.3% / no leverage	EUR 52.6 million	EUR 52.6 m
Acquisition of „ 360 DEGREES ” urban redevelopment project in District 13 Budapest – HUNGARY (purchase price is payable in installments, first paid in March 2020)	EUR 28.1 million	EUR 15.7 m
Acquisition of 20.66% strategic stake in ARGO Properties N.V. , a residential investment and residential rental company with activity in Dresden, Leipzig, Magdeburg and Berlin (March 2020), upfront payment of share purchase price / no leverage	EUR 34.4 million	EUR 34.4 m
Acquisition of the Jade Tower project in Fuengirola at Costa del Sol, Spain / no leverage	EUR 16.0 million	EUR 16.0 m
TOTAL(max.):	EUR 155.1 million	EUR 135.3 million

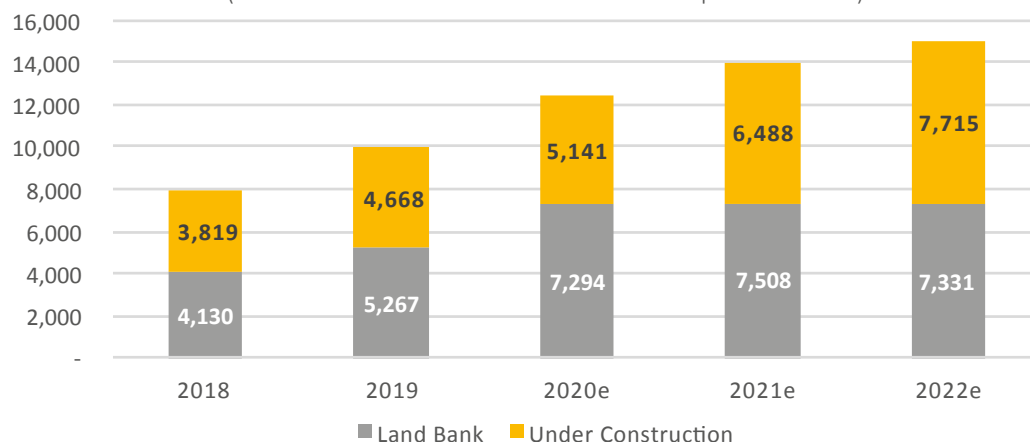


CORDIA'S LAND BANK HAS GROWN TO 11.000 HOMES, DIVERSIFIED ACCROSS 7 LOCATIONS

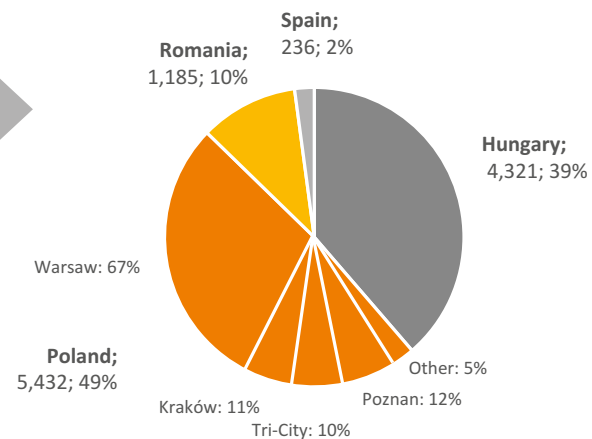
Targets set at Bond Issuance November 2019



Targeted landbank and under construction units (as of the Bond Investors Presentation in September 2019)



Land bank in April 2020 after major acquisitions (units)



Land bank total: 11,174 units

CORDIA MODENA URBAN REDEVELOPMENT PROJECT POZNAN

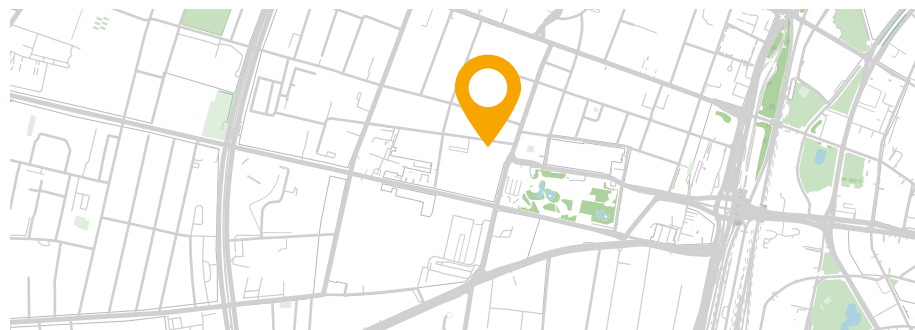
ACQUISITION CLOSING:	December 2019
CORDIA INVESTMENT:	EUR 14.7 million
TOTAL FORECASTED DEVELOPMENT COST:	EUR 73.4 million
DEVELOPMENT EQUITY:	EUR 15.2 million
PROJECT PHASES:	4 phases, 4 buildings
NET SELLABLE AREA:	39,237 sqm, 810 units
START OF CONSTRUCTION:	Q2 2021
CONTEMPLATED HANDOVER :	Q3 2025



Located on the banks of the **Warta River**, **Poznan** is the oldest city in **Poland** and the fifth most populous settlement, with 570 000 inhabitants.

The size and scale of this venture make it far more than a simple residential project. Instead, it is about regenerating an entire neighbourhood, in the heart of the city centre. The Poznan development will see the creation of a new quarter that mixes **residential and commercial functions**. The **multi-functional complex** will be built around an existing avenue of grand sycamore trees. The area will be divided between public zones, which enable access to services, located on the ground floors of the buildings, and private zones, which can only be accessed by residents.

The **first phase** of the regeneration process will begin in **2021** and is scheduled for **completion in 2023**. The complex will be developed in close cooperation with the offices responsible for the conservation of monuments, municipal authorities and social organisations responsible for maintaining the historic character of **Modena neighborhood**.





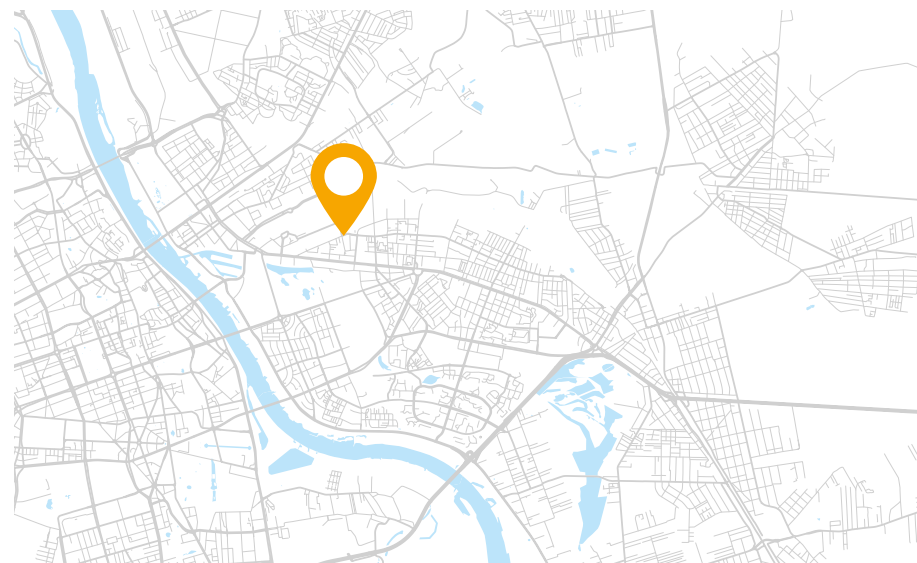
PERUN REDEVELOPMENT PROJECT WARSAW

(under acquisition)

ACQUISITION CLOSING:	November 2019
CORDIA INVESTMENT:	EUR 10.4 million
TOTAL FORECASTED DEVELOPMENT COST:	EUR 42.0 million
DEVELOPMENT EQUITY:	EUR 10.4 million
PROJECT PHASES:	2 or 3 phases, 5 buildings
NET SELLABLE AREA:	19,593 sqm, 358 units
START OF CONSTRUCTION:	Q1 2021
CONTEMPLATED HANDOVER :	Q1 2023



Perun project is located at the **Eastern part of Warsaw in Praga Południe district** on Grochowska Street. The main entrance to the plot is at the **Grochowska street**, but from the South side it is almost bordering to **Skaryszewski park**, which is a very large and popular park in the area. The site is very **well connected to the city center** of Warsaw with tram and bus lines. The project is very special, because four historical buildings shall be kept and renovated during the development, which gives a unique possibility for us to create something remarkable.



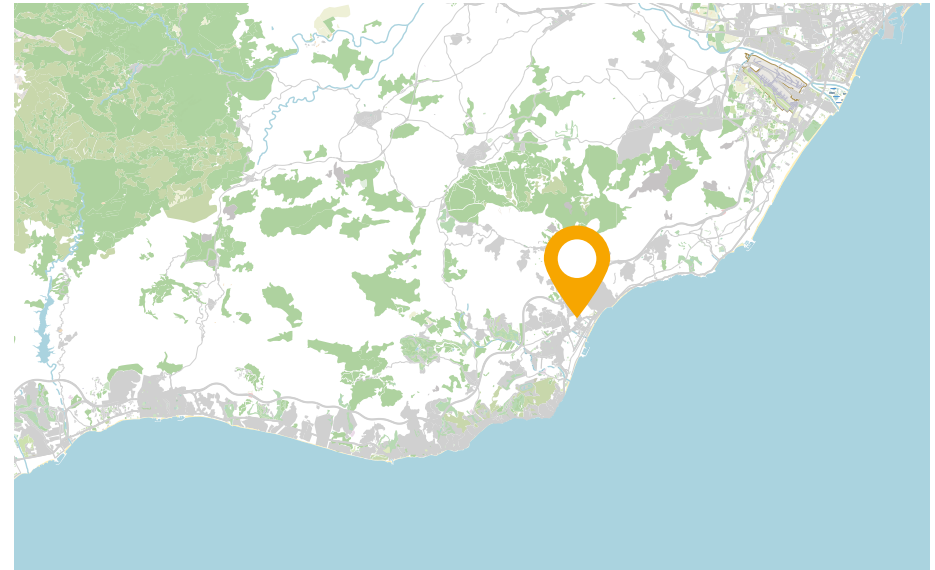


THE JADE TOWER DEVELOPMENT PROJECT AT FUENGIROLA COSTA DEL SOL, SPAIN

ACQUISITION CLOSING:	December 2019
CORDIA INVESTMENT:	EUR 16.0 million
TOTAL FORECASTED DEVELOPMENT COST:	EUR 48.2 million
DEVELOPMENT EQUITY:	EUR 16.0 million
PROJECT PHASES:	one phase, one building
NET SELLABLE AREA:	12,037 sqm, 116 units
START OF CONSTRUCTION:	Q4 2020
CONTEMPLATED HANDOVER :	Q3 2022



Jade Tower is an extraordinary residential complex, of contemporary architecture and sustainable construction. It comprises a total of **116 splendid luxury apartments and penthouses**, with garage and storage room, only **100m from the Mediterranean Sea**. Their modern architecture breaks with the past and bets on innovation and progress. Architecture and construction are works of art, and they both should act as powerful sources of inspiration for today's society. Jade Tower is set to change the **city skyline of Fuengirola** and become part of its great community.





360° / MARINA CITY URBAN REDEVELOPMENT PROJECT BUDAPEST

figures below are rough estimations

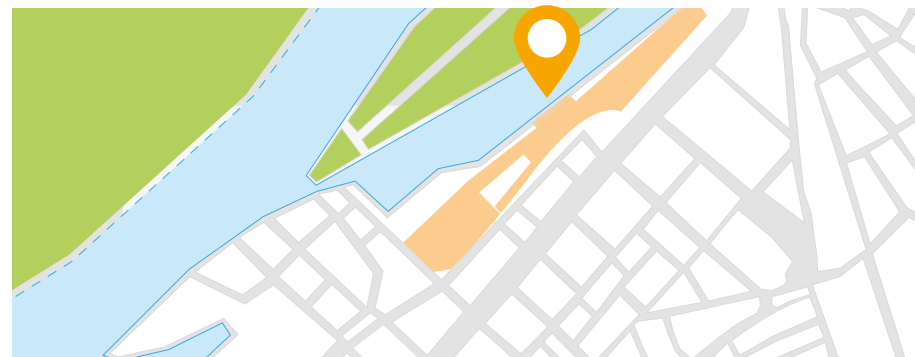
ACQUISITION CLOSING:	phase 1 closing: Q1 2020 (last phase closing until Q1 2023)
CORDIA INVESTMENT:	EUR 29.1 million (land only)
USE:	Residential, Office, Retail, Social
TOTAL ESTIMATED DEVELOPMENT COST:	approx. min. EUR 470 million
DEVELOPMENT EQUITY (25%) ROLLING:	~ EUR 20.2 million (4 projects a time)
PROJECT PHASES:	cca. 20 (4 phases to run parallel)
NET SELLABLE AREA/RESIDENTIAL USE:	cca. 220,000 sqm, approx. 4,000 units
START OF CONSTRUCTION:	Q1 2022
CONTEMPLATED HANDOVER :	18-20-years development program



Presumably 5% VAT regime will be reinstated for brown-field residential developments including 360°/ Marina City project.

Cordia has acquired a **11.2 hectares Budapest, district 13** land complex to revitalize from former industrial use. The land which is one of the last sizeable inner city brown-field parcel complex stretches alongside the River Danube featuring a **cca. 1,200 m waterfront** and near to a major **city artery road Váci st.** that both offer a unique opportunity to realize a high-quality mixed-use **urban regeneration** project of approx. **300,000 sqm** gross development area, including **residential, office and retail functions**, accompanied with social developments, simultaneously creating the heart of the project: a **public space with direct connection to the river and metro station to M3.**

Cordia has started **pre-development** activities of the project, such as negotiations with District Municipality, authorities, neighboring land owners as well as civil organizations in order to bring this exceptional opportunity to optimum and start project works within the next 18-24 months.





ACQUISITION OF WARSAW STOCK EXCHANGE LISTED **POLNORD S.A.**

ACQUISITION (CAPITAL INCREASE) CLOSING:	February 10, 2020
ACQUIRED INTEREST:	92.92% incl. 63,668,800 T-series ordinary shares by capital increase and 26,968,683 shares by purchase
CORDIA INVESTMENT:	EUR 52.6 million
<i>including capital increase:</i>	<i>EUR 31.6 million</i>
<i>and acquisition of shares:</i>	<i>EUR 21.0 million</i>
POLNORD NAV (DECEMBER 31, 2019):	EUR 77.2 million
POLNORD NAV (92.92%):	EUR 109.4 million
ACTIVITY:	For-Sale-Residential development + minor land bank for commercial developments
GEOGRAPHY:	Warsaw, Tri-City, Łódź, Poznań, Olsztyn,
TOTAL ASSETS AS OF DECEMBER 31, 2019	EUR 233.2 million
LAND BANK AS OF END Q3 2019	cca. 304,000 sqm net flat area (approx. 4,500 units in 39 projects)



Polnord S.A. is one of the most known residential development companies in **Poland** a funding member of the **Polish Association of Developers**. Polnord owns one of the largest land banks among Polish developers which allows to **construct** nearly **1 million sqm** of residential and some commercial space. The land bank is geographically diversified with focus on **Warsaw** in multiple locations and **Tri-City (Gdańsk, Gdynia, Sopot)** and other Polish cities like **Łódź, Olsztyn, Poznań, Szczecin**. In the recent 10 years Polnord has sold over **1,000 apartments** annually.

Polnord S.A. has been listed at the Warsaw Stock Exchange since 1999.

Cordia has purchased nearly 66% of the Company for EUR 31.7 million (PLN 2.12 per share) via capital increase in the Company and has finished an offering process (@ PLN 3.55 per share) to acquire the rest of the shares at the Stock Exchange. As a result, Cordia's stake increased to 92.3% by spending an additional EUR 20.4 million. In the following weeks Cordia contemplates to take over management control.

Data source: POLNORD S.A.



Królewskie Przedmieście / Warsaw



2 Potoki / Gdańsk



Sopotcka Rezydencja / Sopot



Śródmieście Wilanów / Warsaw

POLNORD S.A.'S LAND BANK IS SPREAD OVER POLAND

and perfectly complements Cordia's existing land bank

	Land Classification	City	Project name
1	Residential	Warszawa	Admiralska
2	Residential	Warszawa	Lazurowa
3	Residential	Warszawa	Miasteczko Wilanów 2
4	Residential	Warszawa	Powsin
5	Residential	Warszawa	Smarty 2
6	Residential	TriCity	Stogi
7	Non-core residential	TriCity	Dobrzewino
8	Non-core residential	Poznań	Dopiewiec
9	Non-core residential	Warszawa	Głusków
10	Non-core residential	TriCity	Gniewino
11	Non-core residential	TriCity	Kowale, Kolbudy
12	Non-core residential	Olsztyn	Olsztyn OTL
13	Non-core residential	Szczecin	W Dolinie
14	Non-core residential	Łódź	Zgierska
15	Commercial / Investment	Warszawa	Drewny
16	Commercial / Investment	TriCity	Gdynia resztówka
17	Commercial / Investment	TriCity	Haffnera
18	Commercial / Investment	Warszawa	Herbu Janina
19	Commercial / Investment	Warszawa	Karuzela 116/2
20	Commercial / Investment	Warszawa	Karuzela oczyszczalnia
21	Commercial / Investment	Warszawa	Kazachska
22	Commercial / Investment	TriCity	Korzeniowskiego lokal
23	Commercial / Investment	Warszawa	Mała dz. Miasteczko Wilanów 2
24	Commercial / Investment	Warszawa	Narożnik
25	Commercial / Investment	Warszawa	Oś Królewiska
26	Commercial / Investment	TriCity	Pierwoszyño
27	Commercial / Investment	Warszawa	Plaża
28	Commercial / Investment	TriCity	Potok Kozacki
29	Commercial / Investment	Szczecin	Szczecin resztówki
30	Commercial / Investment	TriCity	Żabi Kruk



○ Cordia's existing land bank

○ Polnord Landbank's cities



IMMEDIATE 34-48 MILLION EUROS OF VALUE CREATION BY POLNORD ACQUISITION WELL BELOW HISTORICAL SHARE PRICE

Polnord's ongoing projects

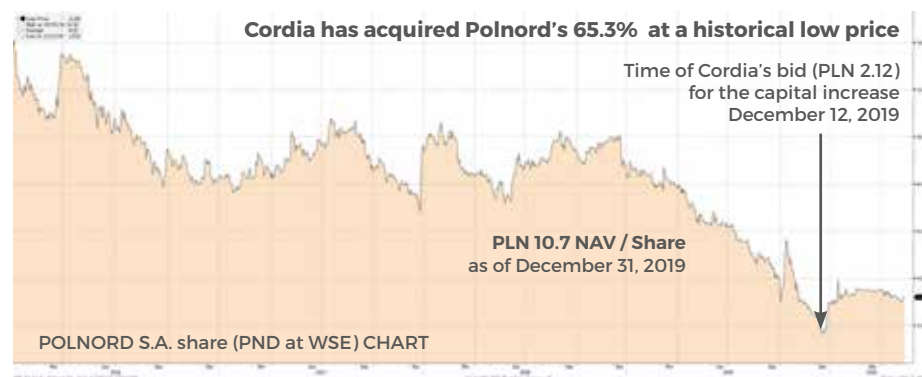
running profits / equity cash flows

- **8 projects** under construction and sales: Warsaw, Gdansk
- **983 units' ~56,700 sqm's** profits and equity cash flow to be recovered by end of **2021**
- Sales status: **65%** of the above units have been sold by December **2020**
- Construction status: **55%** of the construction budget has been already invested

Value reserve in land bank vs. depressed acquisition price

(EUR/PLN 0.23419 as of December 31, 2019)

- **Equity Book value Q4 2019 (not yet including the capital injection by Cordia) :**
PLN 348.4 million / EUR 76.5 million
- **Pro-Forma Equity Book value (after capital increase):**
PLN 485.8 million / EUR 106.7 million
- **Cordia Margin of Safety assumption:**
minus PLN 70m as for reserves to cover COVID pandemic situation
- **Cordia investment:**
PLN 230.5 million / EUR 52.6 million (including capital increase and share acquisitions on market)
- **Capital Gain** on acquisition of shares (min):
(PLN/EUR exch. rate as of April 10, 2020)
 - based on Y/E book value:
PLN 220.9 million / EUR 48.5 million
 - corrected with Cordia margin of safety assumption:
PLN 155.9 million / EUR 34.2 million



CORDIA ACQUISITION OF 20.66% STAKE IN ARGO PROPERTIES N.V.

ACQUISITION CLOSING:	April 2020
ACQUIRED INTEREST:	20.66%, 2,492,910 ordinary shares
CORDIA INVESTMENT:	EUR 34.4 million
ACTIVITY:	Residential Investemnt, Resi-for-long term lease, Office lease (Berlin only)
GEOGRAPHY:	Dresden, Leipzig, Magdeburg, Berlin
TOTAL EQUITY AS OF DECEMBER 31, 2019	EUR 166.42 million
NET RESI ASSETS AS OF DECEMBER 31, 2019	EUR 120.67 million
NET DEVELOPMENT ASSETS AS OF DECEMBER 31, 2019	EUR 26.69 million
NET PROFIT OF YEAR 2019:	EUR 19.67 million
NET PROFIT OF YEAR 2019:	EUR 19.67 million

Data source: IFRS consolidated annual report of ARGO Properties N.V.



Trachenberger 19 Dresden



Rehefelder 58 Dresden



Bernhard-Göhring 95, Leipzig



Klosterbergerstr. 17 Magdeburg



Bleckenburgstraße 11a Magdeburg



Ferdinand-Jost-Str. 7 Leipzig

The Company, which started operations in 2018, purchases, manages and appreciates residential buildings in the towns of Leipzig, Dresden and Magdeburg and develops and converts office properties in Berlin. These cities are benefiting from positive long-term economic and demographic trends and consequently from surplus demand for buildings and a stable pattern of price increases in its sectors of activity.

- Residential rental properties in Leipzig, Dresden and Magdeburg – most of the properties are buildings for conservation that were thoroughly renovated in the past two decades and buildings that were built in modern architectural style in the past twenty years. The Company identifies buildings in central locations that embody material appreciation potential through increasing rents / sales of units / exercising unutilized building rights.

Total number of residential units under management: 1,371 at 76 locations

Occupancy rate: 97%

Annual Rent: EUR ~7.0 million

- Income office properties for development in Berlin – the Company has two office projects in Berlin, as follows: (1) Athena – Conversion of approximately 6.6 thousand gross square meters of commercial buildings into modern office space; (2) Diana – the Company is advancing a plan for the construction of approximately 22,000 square meters gross of office space in two buildings.

Data source: ARGO Properties N.V.

ARGO
Properties N.V.

CORDIA FAST AND DECISIVE REACTION TO THE COVID CRISES

HEALTH PROTECTION OF OUR COLLEAGUES AND SOCIAL DISTANCING

(APPLIED AT ALL CORDIA OFFICES REGIONALLY)

- **Operative leadership** in charge for health, social and communication issues: group HR director and her team
- **Disinfection, cleaning** in HQ offices at an elevated level since February 23
- Constant **supply of information** (intranet) to the staff, provided by HR (evolution of measures from travel reporting, self-quarantine, travel ban, meeting ban until home office)
- Cordia has started **home office** among the first companies, back office is working with limited personnel on duty at HQ
- All employees were **equipped with laptops / notebooks** to facilitate efficiency of home office, meetings are held at Microsoft Teams
- March 13: home office trial day, official home office period started on March 16 until subsequent communication
- Colleagues are strongly requested to **stay at home** for efficient **social distancing** reasons
- **Alternative solutions** for activities that require currently personal presence are under investigation (digital signing, etc.)
- In cases personal presence is needed, car transportation preferred over public transportation even by **supporting financially the use of private cars/taxis**, community electric cars

KEEP THE OPERATION GOING

(APPLIED AT ALL CORDIA OFFICES REGIONALLY)

AT THE CONSTRUCTION SITES

- onsite employees (working on construction) – disinfection gels, masks, gloves provided to personnel,
- restrictive measures regarding presence in the on-site-container office container/meeting with subcontractors introduced;
- restrictive measures to subcontractors have been introduced as well distance thermometers have been purchased and measurement is done every morning,
- sick people are not allowed to enter on site;
- replacing the imported materials with local ones, building stock of materials
- keeping the workers on the site (also new subcontractors became/becoming available)

SALES

- intensified marketing – online and telecom
- online presentations
- simplified contracting (video identification under preparation – more easier contracting)
- some discount during negotiation helping the fast decisions of the clients

CORDIA IMMEDIATE REACTION TO THE COVID-CRISIS

GOVERNMENT MEASURES

(potentially applicable to Cordia group companies' senior borrowings):

- Hungarian Government **loan moratorium**: the debt service of loan amounts drawn down until March 18, 2020 are automatically postponed until the end of this year. Neither principal nor interest payments will be due until December 31, 2020. Further details to be published later. Cordia decided for not suspending any debt service. NHP with 20 year loans backed by National Bank refinancing at 0% interest, usable for residential developments and rentals also. 5% VAT to be reinstated on brownfields both for sales and rentals
- Polish Government actions: none yet, banking supervisory authority gave green light to lenders to offer 6-months **debt service holidays**
- Romanian Government actions: **new loans** (after announcement) shall be **guaranteed** by the state up to 80% of the facility but max. RON 10m per company, interest guarantee for max. RON 1m until March 31, 2021. (Cordia's lender OTP Bank Romania is considering further measures to apply.)

CORDIA CASH FLOW MANAGEMENT:

- Cordia requests **no moratorium** from its banks
- very **strict cash flow planning**
- **focus on handovers** of projects under construction: to **cash in** last purchase price installments
- thanks to high level penalty / earnest money arrangement in the customer contracts **no buyer cancellations** so far
- **cashflow planning**: Cordia's financial status is sound even in worst case scenario:
- all ongoing projects have **full equity invested**
- all ongoing projects have **signed bank project financing**
- Majority of **project launches were suspended** until clarity of the economic situation (only 2 partially pre-sold projects were launched)
- All discretionary spendings have been **temporarily halted**



STRATEGIC DECISIONS INITIATED BY THE STRESS SITUATION

FOCUS ON EXECUTION, PREPARATION & RENTALS

- Corporate cash reserves make **Cordia self-sustained**
- Focus on Pre-Development of the newly acquired massive land bank and the preparation of the rental business
- New projects under preparation include **3 mega / city-quarter projects**:
 - 360 / Marina City in Budapest (min 220.000 net sqm with 1.2km of Danube waterfront)
 - New Wilanow in Warsaw (up to 200.000 sqm, acquired through Polnord)
 - Modena in Poznan city center at Warta River (~40,000 sqm net sqm)
- Shareholders have **increased Cordia's capital by HUF 12 bn** (~ EUR 33.5 m)
- More focus on **residential rentals** that seem to be resilient in this downturn also.
 - First step: acquisition of 20.6% of Argo Properties N.V. with residential rental investments in Germany (Dresden, Leipzig, Magdeburg)
- Second step: preparation of the residential rental business line in Hungary and Poland

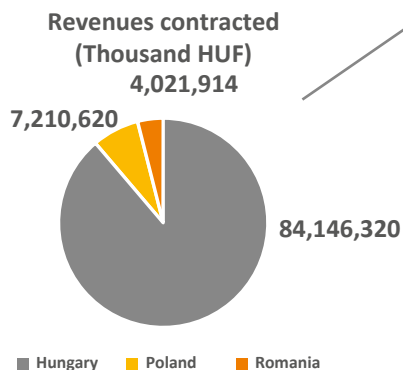
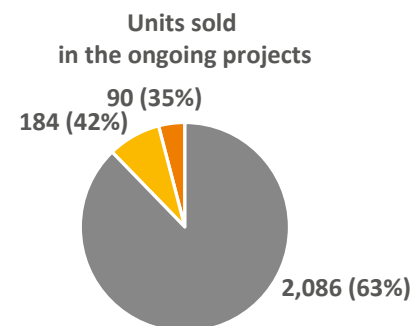
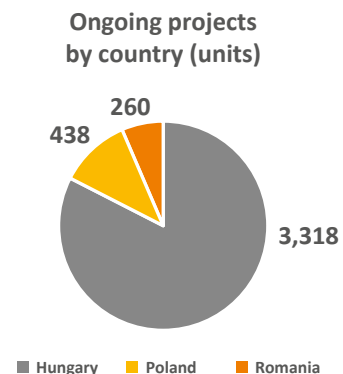
USING THE OPPORTUNITIES OF THE COVID CRISES

OPPORTUNITIES:

- Released capacity in construction market: **construction price decrease** is forecasted
- **Competition** is expected **to decrease** due to potential defaults of small and medium size developers
- Cash release / recapitalization needs of other developers offer **anti-cyclical acquisition opportunities, debt restructurings, company recapitalizations (like Polnord), joint ventures.**
- Good timing to **build rental business.**

HIGH PRE-SALES RATIO: ~60% PRE-SALES OF THE 4,000 UNITS UNDER CONSTRUCTION

COUNTRY	PROJECT NAME	PROJECT STATUS	EXPECTED COMPLETION	TOTAL UNITS (FLAT+OFFICE +COMMERCIAL)	UNITS SOLD BY END OF APRIL 2020
HU	Thermal Zugló 3	ongoing	2020 Q3	202	173
HU	Grand Corvin 1 (Corvin 122B 1)	ongoing	2021 Q1	196	163
HU	Young City 2	ongoing	2020 Q4	218	208
HU	Young City 3	ongoing	2021 Q2	215	84
HU	Grand'OR	ongoing	2021 Q1	115	88
HU	Centropolitain (Bacsó B)	ongoing	2021 Q2	142	90
HU	Univerzo	ongoing	2022 Q1	260	90
HU	Sasad Resort 1 HILL & SUN	ongoing	2020 Q2	206	199
HU	Sasad Resort 2 HILLTOP	ongoing	2021 Q2	112	68
HU	Akadémia Garden	ongoing	2021 Q2	306	147
HU	Marina Garden	ongoing	2020 Q2	277	277
HU	Marina Portside	ongoing	2021 Q2	290	117
HU	Marina Life 1	ongoing	2020 Q4	207	157
HU	Marina Life 2	ongoing	2021 Q2	207	84
HU	Grand Corvin 2 (Corvin 122B 2)	ongoing	2022 Q4	365	141
PL	Horyzont Praga	ongoing	2021 Q3	168	41
PL	Zielone Bemowo 2	ongoing	2020 Q4	200	101
PL	Lotniczówka	ongoing	2020 Q4	70	42
RO	PARCULUI 1	ongoing	2021 Q2	260	90
Total				4 016	2 360 (59%)



Total Revenues Contracted:
HUF 95.4 bn

Total Bank financing:
HUF 88.4 bn
incl. facilities utilized
and to be drawn

Total Uncontracted revenues:
HUF 81.2 bn
(no price discount
applied)



STRONG BALANCE SHEET: MASSIVE GROWTH IN EQUITY FROM HUF 50.7 BN TO 77.6 BN (PRO FORMA)

OWNERS INCREASED CORDIA'S CAPITAL BY A FURTHER 12 BN HUF



EQUITY STATUS AS OF DECEMBER 31, 2019 (Cordia International Zrt.)

EQUITY AS OF 1ST HALF YEAR 2019	ThHUF	50,702,002
RETAINED EARNINGS IN 2ND HALF YEAR 2019	ThHUF	2,233,490
Equity as of YE 2019	ThHUF	52,935,492

EQUITY STATUS AS OF APRIL 30, 2020 (Cordia International Zrt.)

+ CAPITAL INCREASE (MARCH 2020)*	ThHUF	12,001,130
+ CAPITAL GAIN ON POLNORD ACQUISITION (APRIL 2020)**	ThHUF	17,146,324
- COVID reserves (est. April 2020)	ThHUF	-5,432,674
+other gains (Q1 2020)	ThHUF	962,221
Equity status as of April 30, 2020	ThHUF	77,612,494

* capital reserves have been fully paid-in by the date

** Polnord capital gains based on B/S

Sources of Capital Increase: current shareholders' cash injection



LOW CONSOLIDATED LEVERAGE of 21.1% vs 65% IN THE BOND UNDERTAKINGS

As of December 31, 2019

The Consolidated Leverage Ratio

(tested on the basis of the Group Consolidated Financial Statements)

CONSOLIDATED LEVERAGE of 21.1% VS COVENANT OF 65%

	data in thousands of HUF	December 31, 2019
Consolidated Debt (CD)		70 207 094
Cash and Cash Equivalents ('C)		51 070 192
Restricted Cash (RC)		271 496
Net Consolidated Debt		18 865 406
Total Assets (TA)		181 570 651
Customer Advances (CA)		40 810 106
Cash and Cash Equivalents ('C)		51 070 192
Restricted Cash (RC)		271 496
Total Consolidated Assets net of Cash & Customer Advnaces		89 418 857
Consolidated Leverage Ratio		21,1%

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

Net Consolidated Debt = CD - C - RC

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

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

C = Cash and Cash Equivalents;

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

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

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



CORDIA'S RESILIENCE: SEPARATE EQUITY MUCH ABOVE NET BOND DEBT

As of December 31, 2019

The Issuer Net Debt to Equity Ratio

(tested on the basis of the Issuer's Separate Financial Statements)

data in thousands of HUF December 31, 2019

Share Capital	9,897,492
Share Premium	8,690,521
Retained Earnings	34,347,479
Issuer Equity	52,935,492
Bank Loans	0
Bonds (non-current)	44,421,137
Bonds (current)	68,891
Provision	0
Issuer Debt	44,490,028
Cash and Cash Equivalents	16,043,682
Special Restricted Cash	0
Issuer Net Debt	28,446,346
Issuer Net Debt to Equity Ratio	0.54

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

Issuer Debt means the loans and borrowings of the Issuer from entities outside of Cordia Group, including bank loans and bonds, plus provisions related to obligations by reason of any guarantee, suretyship or other liability agreement for such obligations of third parties (that are not fully or partially owned by members of the Cordia Group), but not including any debt that is subordinated to the Bonds.

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

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

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

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

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

STRATEGIC ACQUISITIONS WILL CONTINUE TO KEEP FINANCIAL RATIOS IN VERY COMFORTABLE ZONES

undertaking
LIMITS

ISSUER NET DEBT TO EQUITY RATIO (based on Cordia International Zrt. separate financial statements) figures in Th HUF

	as of Annual Report for December 31, 2019	as of Pro-Forma projection at April 30, 2020
Net Debt	28,446,346	37,413,149
Equity	52,935,492	77,612,494 *
Ratio	0,54	0,48

* new capital reserve has been paid by the date

CONSOLIDATED LEVERAGE RATIO (based on Cordia International Group Consolidated Balance Sheet) figures in Th HUF

	as of Annual Report for December 31, 2019	as of Pro-Forma projection at April 30, 2020
Net Consolidated Debt	18,865,406	33,892,315
Total consolidated assets net of cash & customer advances	89,418,857	159,977,883
Ratio	21.1%	21.2%



PRO-FORMA CONSOLIDATION OF CORDIA AND POLNORD (AS OF APRIL 30, 2020)

	Polnord consolidated PND 2019 tHUF	Cordia consolidated CINT 2019 tHUF	combined PND + CINT (tHUF)	combined + adjustments PND + CINT - adj (tHUF)	combined + adjustment+ cap increase pro-forma CINT+PLNRD	consolidation and post combination adjustments	PLN million
cash and cash equivalents	1 499 651	51 070 192	52 569 843	55 824 870	67 826 000	capital increase at Polnordl	137,48
restricted cash	959 953	5 162 410	6 122 363	6 122 363	6 122 363	cash released from Cordia escrow for new shares of PL	134,98
inventories (and investment properties)	60 426 698	102 954 301	163 380 999	157 948 325	157 948 325	cash spent by Cordia on existing shares of PL	95,54
JV investments	3 554 598	1 177 459	4 732 057	4 732 057	4 732 057	Reserves for the COVID pandemic situation	70,00
ST receivables	2 759 022	5 359 077	8 118 099	8 118 099	8 118 099	Polnord equity attributable to minori- ties, before reserves	34,40
LT receivables	7 084 362	1 537 060	8 621 422	8 621 422	8 621 422	Polnord equity attributable to minori- ties, after reserves	27,32
deferred tax assets	1 015 134	127 714	1 142 848	1 142 848	1 142 848		
other assets	659 527	14 182 438	14 841 965	4 366 384	4 366 384		
TOTAL ASSETS	77 958 945	181 570 651	259 529 596	246 876 369	258 877 498		
EQUITY, TOTAL, of which	27 036 554	34 026 686	61 063 240	48 410 013	60 411 143		
minorities				2 284 986	2 284 986		
NON-CONTROLLING INVESTMENT UNIT HOLDERS	0	17 514 452	17 514 452	17 514 452	17 514 452		
TOTAL interest bearing liabilities, including:							
ST Loans	2 328 289	11 506 888	13 835 177	13 835 177	13 835 177		
LT Loans	0	14 108 026	14 108 026	14 108 026	14 108 026		
ST Bonds	7 945 828	68 892	8 014 720	8 014 720	8 014 720		
LT Bonds	5 956 539	44 421 137	50 377 676	50 377 676	50 377 676		
Trade payables	4 900 039	13 455 906	18 355 945	18 355 945	18 355 945		
Lease liabilities (ST and LT)	14 148 545	2 961 357	17 109 902	17 109 902	17 109 902		
Customer advances	9 994 179	40 810 106	50 804 285	50 804 285	50 804 285		
Deferred tax liabilities	329 453	4 875	334 328	334 328	334 328		
Provisions	5 214 358	2 495 805	7 710 163	7 710 163	7 710 163		
Other liabilities	105 161	196 521	301 682	301 682	301 682		
LIABILITIES	50 922 390	130 029 513	180 951 903	180 951 903	180 951 903		
TOTAL EQUITY AND LIABILITIES	77 958 945	181 570 651	259 529 596	246 876 369	258 877 498		



CORDIA

BONDHOLDERS PRESENTATION

MAY 2020

Section 2: Considerations on a potential subsequent issuance

 [EN.CORDIA.HU](https://en.cordia.hu)
[FUTUREALGROUP.COM](https://futurealgroup.com)



CONSIDERATIONS ON A POTENTIAL SUBSEQUENT BOND ISSUANCE UNDER THE BOND FUNDING FOR GROWTH PROGRAM OF THE NATIONAL BANK OF HUNGARY

Cordia contemplates a potential subsequent bond issuance.

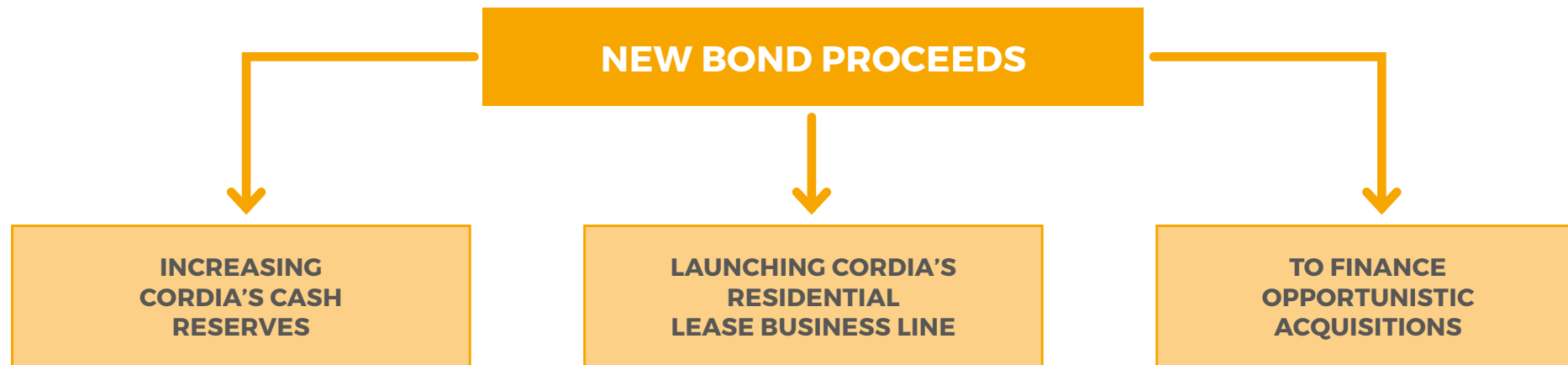
Please see below main considerations:

- National Bank of Hungary (MNB) has announced to extend its Bond Funding for Growth Program by **increasing framework to HUF 50bn** by company group
- **Anticyclical acquisition opportunities** (COVID-19 crisis)
- Cordia's financial **indicators and low (41%) MNB share allow** for subsequent bond issuance
- Maximum share of MNB: 70.0% by company group in theory.
- Contemplated volume of subsequent Cordia bond issuance: **HUF 30.0 bn face value** (with potentially +10% oversubscription allowed)
- Issuer Net Debt to Equity ratio **does not exceed 1.00**; Leverage undertaking is also fulfilled even if all cash would be fully spent
- Cash release cash release / recapitalization needs of other developers, land owners, banks etc.: significant **short-term value creation** may be achievable (the strong gets stronger in the crisis)
 - anti-cyclical acquisition opportunities (with a focus on residential lease offers)
 - debt restructurings
 - joint ventures
 - company recapitalizations (like Polnord acquisition)
- Residential alongside with logistics may be the **winner property asset classes** of the current downturn
- Good timing to **build rental business**: please separate slide

NEW BOND PROCEEDS: LONG TERM STABILITY & VALUE CREATION

Potential strategic use of the newly issued bond proceeds:

- One third of the proceeds to be used for **increasing Cordia's cash reserves** and remain reserved until COVID-19 crisis and its economic impact on Cordia's markets have been settled
- One third to be allocated for **launching Cordia's residential lease business line**
- One third to be reserved **to finance opportunistic acquisitions** emerging from the crisis situation with major mid- and long term value-creation potential; focus on acquisitions strategically supporting residential lease business line



CORDIA KEY INVESTMENT HIGHLIGHTS UNCHANGED

LONG TERM STRUCTURAL DEMAND

Long term structural demand for newly built residential properties in CEE driven by low quality communist era housing stock and migration to **“winning cities”**. Even though COVID-19 crises halted residential sales temporarily, the structural demand for quality living will be maintained but purchase power limitations may drive parts of markets towards **residential rental**

DIVERSIFICATION

Most diversified residential developer with CEE focus, active in **6 cities** (Budapest, Warsaw, Krakow, TriCity, Bucharest, Costa del Sol). Beyond geographical diversification Cordia took first steps in launching its **residential-for-lease business line** and preparing for further actions. Further development locations include city of Poznan and rental schemes in Dresden, Leipzig, Magdeburg have been indirectly acquired recently.

FOCUS ON EXECUTION

Seasoned team of over 200 real estate professionals. 19 years experience. Best-in-class expertise across all functions. Target of 2,000 units p.a. from 2021 (or after recovery from COVID crisis), 3,000 units p.a. long term. COVID-19 crisis makes **main focus on finishing all projects** previously started. Ongoing projects **do not need further equity investment** while bank financing is secured.

STRONG CASH FLOW WITH HIGH VISIBILITY

Contracted cash flows of HUF 95.4 bn (pre-sales of avg. 59%) from ongoing 19 projects and contracted construction loan facilities cover completion of all projects without any further sales and allow for repay ALL construction loan facilities utilized and available.

STRONG BALANCE SHEET AND SURPRISINGLY LOW LEVERAGE

Consolidated projected equity as of April 30 2020 (combined Cordia and Polnord) of HUF 60.4 bn Stand alone **equity of HUF 77.6 bn** (as of projection for April 30, 2020); Cordia's land bank is almost fully equity financed. Cordia's **consolidated leverage ratio at 21.2%** at April 30, 2020 - **Long term LTV targeted <45%**.

CORDIA OPPORTUNITY: GOOD TIMING TO BUILD A RENTAL BUSINESS

- Residential rental is one of the **largest asset classes** in the most developed Western property markets: increasing interest of major international professional institutional investors is expected
- Introduction of a **long-term growth business** supports Cordia group **value increase**
- **Diversification** through long-term secure cash flows **increases financial sustainability**
- **Anti-cyclical acquisition opportunities** due to cash needs of certain players may result in accelerated growth at relatively low investment outlay
- Focus on Resi-for-Rent schemes suitable for **conversion to Resi-for-Sale** to maintain ability to benefit from value increase opportunities
- New favorable **VAT (5%) regulation** for brownfield developments provide for competitive advantage
- MNB's reloaded Loan for Growth Program offers long-term (max. 20 y) financing for rental schemes at 2.0-2.5% p.a. interest level with low equity requirement can make **investors' equity returns attractive** for institutional investors

Cordia's first actions already undertaken:

- **Acquisition of 20.4% stake in ARGO Properties N.V.** 1,371 residential units at 76 locations in Dresden, Leipzig & Magdeburg
By the acquisition of this strategic stake Cordia launches **new rental residential investment business line** and takes its first steps in the **German market**. Efficient scale, experienced local management and institutional co-investor partners provide hands-on **risk mitigation** for Cordia.

- **6 Budapest projects** are being optimized for potential rental use: business model to be launched in the near future as economic clarity emerges



• **Grand Corvin 2**
364 resi units



• **Universo**
260 resi units



• **5 Futó st**
100 resi units



• **Kertész st.**
120 resi units



• **Millenium Residence 1**
109 resi units



• **Millenium Residence 2**
235 resi units



MAINTAINING STRONG FINANCIAL RATIOS:

EFFECT OF A POTENTIAL SUBSEQUENT ISSUANCE ON THE BOND UNDERTAKINGS

CONSOLIDATED LEVERAGE RATIO (based on Cordia International Group consolidated financial statements) figures in thousand HUFs

	as of Annual Report for December 31, 2019	as of Pro-Forma for April 30, 2020	as of Pro-Forma projection after new bond issuance	as of Pro-Forma projection after new bond issuance	as of Pro-Forma projection after new bond issuance
			1. Bond proceeds are unspent	2. EUR 40m cash reserve maintained	3. all new bond proceeds are spent
Net Consolidated Debt	18,865,406	33 892 315	33 892 315	49 869 840	63 892 315
Total consolidated assets net of cash & consumer advances	89,418,857	159 977 883	159 977 883	175 955 408	189 977 883
Ratio	21,1%	21,2%	21,2%	28,3%	33,6%

65%

Issuer Net Debt to Equity ratio (tested on Cordia Interantional Zrt. separate financial statements) is **constantly kept below 1.00** even if new proceeds from the subsequent issuance are fully spent

ANNEX 1 : REAL ESTATE DEVELOPERS' ACCOUNTING TREATMENT UNDER IFRS

Illustration of value vs. cost relation

VALUE:

120-300% of historical cost recognized at completion

COST:

100% but not all costs capitalized

COST MINUS:

Since SG&A are expensed, inventory only represents 90-95% of cost under IFRS

CONSEQUENCE:

Balance sheet data reflects a „Loan-To-Cost Minus” rather than LTV

Comments

Revenues from sales of residential units are not recognized until the project's completion (apartments handover to the customers) consequently no profits may be recognized until handover despite sales having taken place much earlier.

Until project completion approximately 95% of development costs are capitalized as inventories (land cost, direct property development costs and financing cost) while SG&A are expensed.

Inventories include all cost elements capitalized to the residential projects before handing over to the customers (acquisitions of lands, planning, construction cost, engineering and bank debt financing costs). The inventories value is gradually increasing during the lifetime of the projects in line with the state of construction.

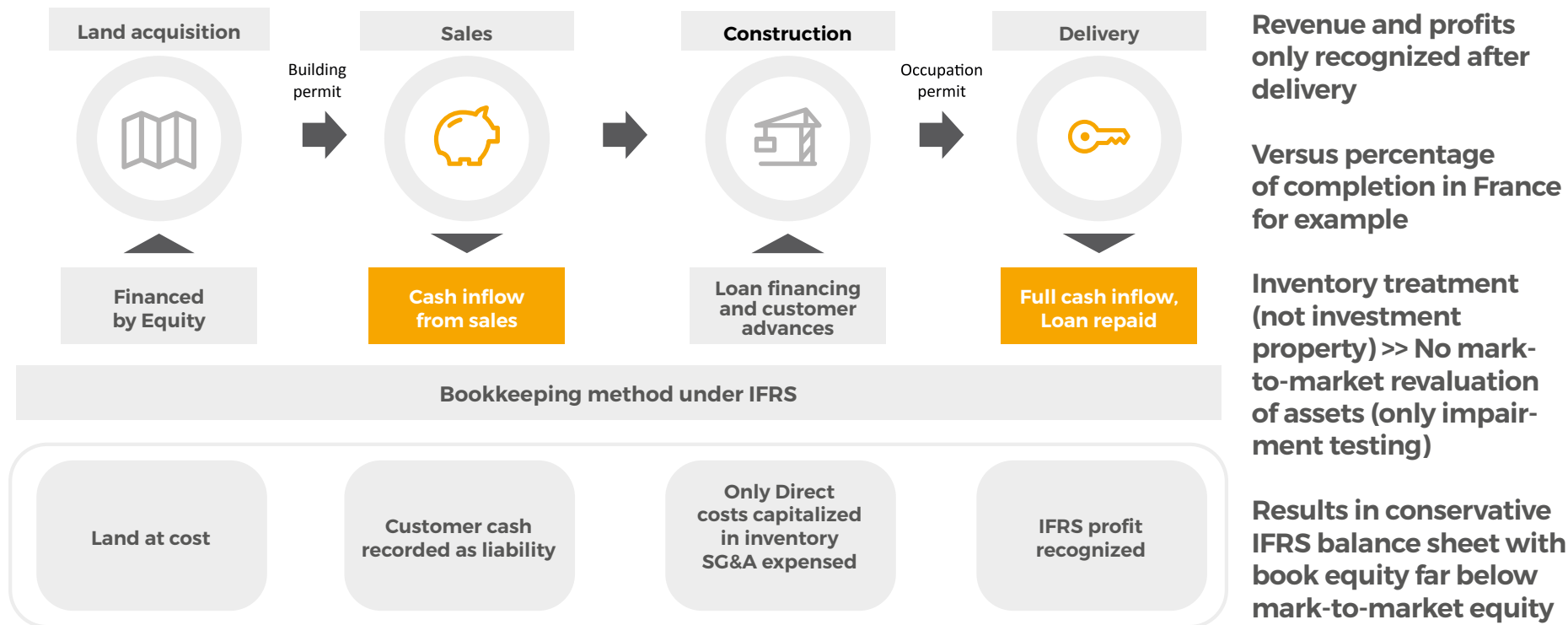
Though revenue is not recognized in the P&L until the project's completion, the company receives cash from the customers over the project's lifetime as customer advances.

Until the project's completion equity value of the balance sheet reflects an artificially low level as the revenue is not recognized, yet significant costs (SG&A) are expensed thereby reducing shareholders' equity.

LTV cannot be calculated directly from the balance sheet, as all inventories are recorded at cost excluding some soft costs (SG&A). In case of lands acquired a few years ago their current market value may be substantially higher, therefore only a conservative LTC minus can be calculated from the balance sheet.

Due to the speciality of revenue recognition under IFRS, a real estate developer's P&L does not reflect the profitability of the company until it reaches a steady level of completed projects/year. In an upward cycle (increasing number of projects) the P&L suggests a conservative approach compared to the real cash flow generating capability of the company.

ANNEX 2: IFRS PROFIT RECOGNITION LAGS VALUE CREATION BY TWO TO THREE YEARS



CORDIA ANNEX 3: SURPRISINGLY LOW LEVERAGE

**Negative (-19%)
net leverage
in H1 2019
(consolidated)**

**“Low expected
leverage
despite a significant
debt-funded growth
programme”**

