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### 2. 1H2022 HIGHLIGHTS



### **Handovers & Sales\***

### 705 units delivered

-40% y/y

500 units sold

-43% y/y

### **Gross profit margin**

35,4% in CORDIA w/o Polnord

vs 27,5 % 1H2021

13,8% in Polnord in 1H2022

vs 12,9% 1H2021

### **Financial result**

### HUF 8,6bn

of operating profit vs PLN 8,3bn in 1H2021

### Leverage

### **Consolidated Leverage Ratio**

**29,4%** eof 1H2O22 vs **29,2%** eof 2O21

**Issuer's Debt to Equity Ratio** 

**0,49** eof 1H2022 vs **0,56** eof 2021

### **Operations**

### Progress on Polnord restructuring

HUF 20,5bn of operating cash flow generated since takeover

### **Market**

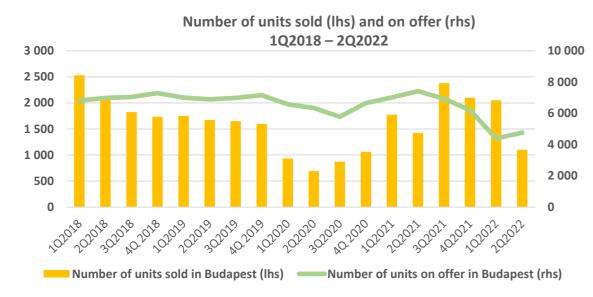
### **Overdemand vanished**

Slowdown, Families postponed their decision

### 3. MARKET OVERVIEW



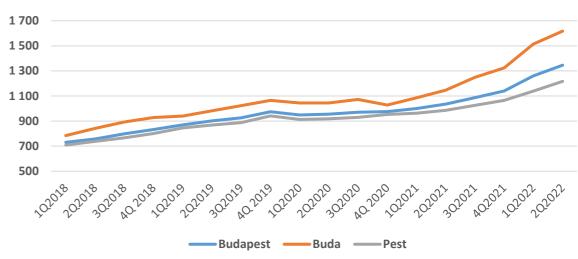
### PRIMARY RESIDENTIAL MARKET IN BUDAPEST



Source: CORDIA, JLL

- The number of sales of newly developed apartments reached 3 150 units in 1H2022, which is only 1,6% lower than in the comparable period of 2021 when 3 200 units were sold.
- 2Q2022 sales dropped substantially compared to the figures in previous quarters and were lower by 46,3% than in 1Q2022. The decrease results from deteriorating economic situation in Hungary including inflation pressure, rising loan costs, war in Ukraine as well as exceptionally high sales volumes in 1Q2022 due to The Green Home Project.
- Number of units for sale decreased from 6 200 at the end of 2021 to 4 760 at the end of June 2022 which is a drop by 23%. In March figure noted lowest level since 2016 with 4 400 units. It increased by 9% since then but was still at significantly lower level than in the previous years.

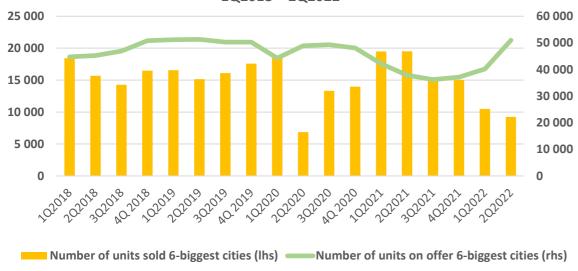
### Average offer price per sqm on primary market (tHUF)



Source: CORDIA, JLL

- By the end of June 2022 average offer price of newly-built apartments in Budapest surged to HUF 1 346 000 per sqm, which was 18% higher compared to HUF 1 140 000 per sqm in December 2021. The price growth, though slower than in 1Q2022, was visible also in 2Q2022 (increase by 7% q/q) despite lower demand.
- The price dynamics on the Buda side was higher than on the Pest side. Regarding non-exclusive projects on Buda side, the average offer price reached HUF 1 618 000 per sqm, which was 22% higher than in December 2021 (HUF 1 324 000 HUF per sqm).
- As for Pest, the average price amounted to HUF 1 217 000 per sqm at the end of June 2022, which was 14% higher than in December 2021 (HUF 1 065 000 HUF per sqm).

### Number of units sold (lhs) and on offer (rhs) in 6 biggest cities in Poland 102018 - 202022



Source: Quarterly reports on residential market - JLL

- According to JLL reports, the number of units sold in 1H2022 in the 6 largest residential markets in Poland (Warsaw, Cracow, Wrocław, TriCity, Łódź, Poznań) amounted c.a. to 19 750 comparing to record 39 000 units in 1H2021 which is a decline by 49%.
- After post-covid market acceleration in 2021, demand in 1H2022 weakened due to several downside factors including deteriorated economic environment with the inflation pressure and tightened monetary policy resulting in higher loan cost, as well as war in Ukraine.
- Number of units on the offer in the 6 biggest residential markets in Poland rose from 37 100 at the end of 2021 to approximately 51 000 units at the end of 1H2022 (by 37%) but by JLL's estimation some 8 000 units were introduced only to avoid obligations resulting from new Developer Act introduced in July and were not available for sale.

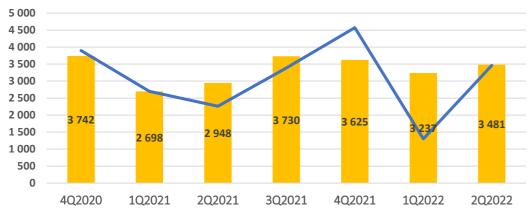
### Average new-built transaction price per sqm in Warsaw, TriCity, Cracow, Poznan (PLN)



Source: Quarterly report on residential market - JLL

- According to JLL, in 1H2022 the average transaction price in new-built projects rose on each of the 4 leading markets (Warsaw, Cracow, Tricity, Poznań) which stood for the continuation of strong growth tendency in residential market since 2018.
- The price increase slowed down slightly in 2Q2022 in general compared to previous quarter due to fewer value protection purchases on the market in favour of the inflation-indexed government bonds as well as expectations for prices decrease in the future.
- The highest growth was in Cracow where prices in 2Q2022 increased by 13% up to PLN 12 275 (HUF 1 040t) per sgm. The lowest rise was in Warsaw where prices remained basically flat (at PLN 12 724 (HUF 1 078t) per sqm) compared to 4Q2021. The prices in TriCity and Poznań increased by 8% and 9% respectively in the reporting period. **CORDIAHOMES.COM**

### Number of residential units sold\* and new units supply in Bucharest



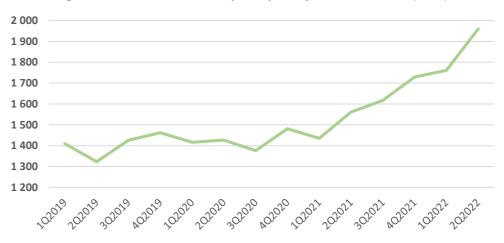
Number of units sold in Bucharest —— New Projects Launched in Bucharest (no. of units)

Source: JLL, CORDIA

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

- According to CORDIA Group, approximately 6 700 new apartments were sold in the first half of 2022 in Bucharest which is a 19% higher number than in the comparable period of last year.
- Market in 1H2022 performed better than expected. The growth in sales
  occurred despite monetary policy since October 2021 and despite
  socioeconomic impact of war in Ukraine. Part of the increased demand could
  have been caused by pressure to secure mortgage before interest rates rises.
- The residential supply in Bucharest itightening n 1H2022 has decreased by 4% as compared to the same period of last year and amounted to 4 760 units compared to 4 960 units in 1H2021.
- Planned modification of VAT reduction limit from EUR 140 000 to EUR 120 000 since January 2023 may offset the demand to 2H2022.

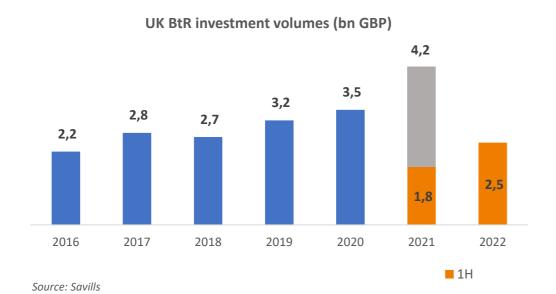
### Average new-built transaction price per sqm in Bucharest (EUR)



Source: JLL

- Primary market transaction prices in Bucharest rose by 11% q/q in 2Q2022, up to EUR 1 960 (HUF 778t) per sqm and were higher by 13% compared to average prices in 4Q2021.
- Price growth in 1H2022 was resulting mostly from increasing construction costs as well as steady demand.
- Despite increase of the offer prices, there is a trend of higher discounts and incentive packages for customers. For the rest of the year market will balance between decreasing demand, higher construction costs, decreasing supply and harshened lending conditions.

### Btr Market in the UK and residential market in costa del sol



According to Savills, approximately GBP 2,5bn of capital was invested in the BtR sector in the UK 1H2022. This is almost a 39% increase in investment volumes

 One of the biggest transactions in the UK in 2Q2022 occurred in Birmingham with value of GBP 136m.

compared to 1H2021.

 BtR sector in the UK is in growth trend for several years now, driven by increasing and undersupplied rental market supported by demographic and structural changes, as well as BtR's stable income qualities.

 According to JLL the BtR in the UK has the potential to mature into GBP 20bn per annum market.



Source: CAI Soluciones de Ingenieria

\* Includes priamy and secondary market transacations of building not older than 5 years.

\*\*Data estimated by CAI Soluciones

According to CAI Soluciones de Ingenieria, there will be approximately 4 600 new development transactions on residential real estate market in the region of Costa del Sol in 2022. This is 28% growth (y/y) driven by post-covid recovery in Spain and strong foreign demand.

 Prices in projects which are in direct competition to the project in Fuengirola ranged between 3 600 and 8 000 EUR/sqm in 2Q2022. The average price amounted to 6 370 EUR/sqm compared to 5 278 EUR/sqm in 1Q2021, which means 20% growth.

Prices in projects which are in direct competition to the project in Marbella ranged between 4 600 and 9 970 EUR/sqm in 2Q2022. Average price accounted for 6 370 EUR/sqm compared to 5 752 EUR/sqm in 1Q2021, which means 10% growth.









### [HUFt]

Average gross price / sqm of unit<sup>1)</sup> Average construction net cost / sqm of units<sup>1)</sup> Average land net cost / sqm of unit<sup>1)</sup>

Typical payment schedule

Typical reservation and cancellation fee

# of New Units sold Yearly 3y average (last year)

Price per sqm % growth yoy in 1H2022

Average Monthly Net Earnings in 2Q2022 (yoy%)

VAT for residential units

Budapest	Warsaw <sup>2)</sup>	Bucharest
1 346	1 078	932
754	585	550
120	241	120
25% on construction start / 75 % on handover	stage payment	15% on preliminary agreement / 85% after construction end
reservation up to 6 400 EUR / cancellation fee up to 25%	cancellation fee 4% after preliminary agreement	15%, customer loses reservation fee
5 970 (7 680)	22 030 (22 754)	10 300 (13 000)
30%	17%	26%
410 <sup>6)</sup> (+15%)	460 <sup>4)</sup> (+11%)	385 <sup>7)</sup> (+5,6%)
5% <sup>5)</sup> /27%	8%	5% <sup>3)</sup> / 19%

<sup>1)</sup> recalculated to usable area per sqm

<sup>3)</sup> for apartments up to EUR 140 000

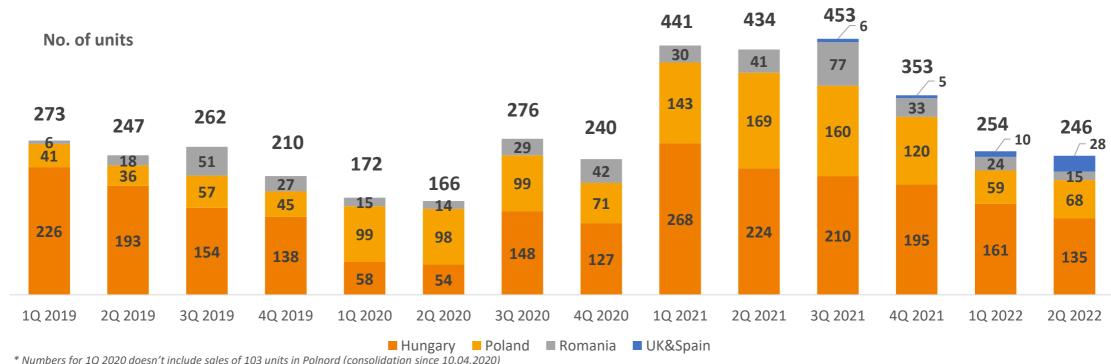
<sup>5)</sup> for apartments up to 150 sqm

<sup>2)</sup> prices for shell and core; in other countries price includes fit outs

<sup>4)</sup> earnings in enterprise sector 6) as at 31.12.2021

## 3. CORDIA INTERNATIONAL OPERATING RESULTS

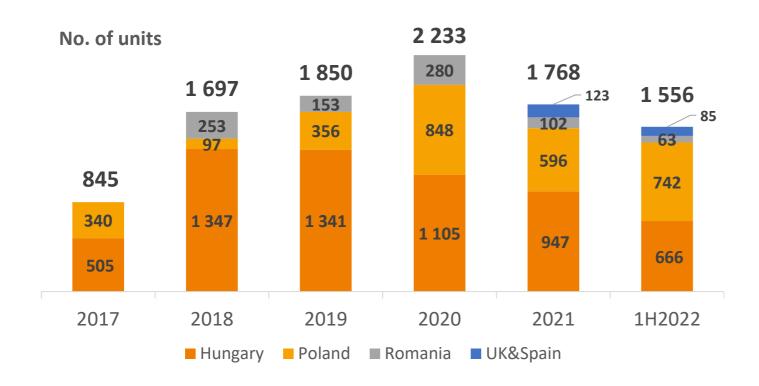




<sup>\*</sup> Numbers for 1Q 2020 doesn't include sales of 103 units in Polnord (consolidation since 10.04.2020)

- Stable sales in 2Q2022 with 3% decrease on guarter-to-quarter basis in the environment of increasing inflation and interest rates.
- Advantageous strategic position of CORDIA with geographical diversification balancing fluctuations in sales.
- Very good sales performance in Spain during the reporting period at 38 units (project in Fuengirola).
- Change in sales strategy by increasing prices on ongoing projects to balance inflation risk.
- Delays in new project launches in Poland due to prolonged process of obtaining building permits and zoning regulations changes in Romania.
- Increasing interest rates and the armed conflict between Ukraine and Russia adds uncertainty to business environment and undermines consumer confidence.

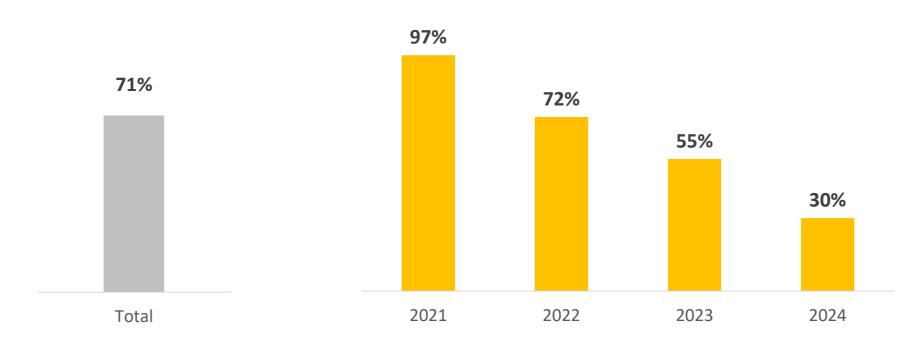
### Decrease in units available for sale following delays in new project launches



Units available for sale	2021	1H2022	Change
Hungary	947	666	(29,7%)
Poland	596	742	24,5%
Romania	102	63	(38,2%)
UK&Spain	123	85	(30,9%)
CORDIA Group	1 768	1 556	(12,0%)

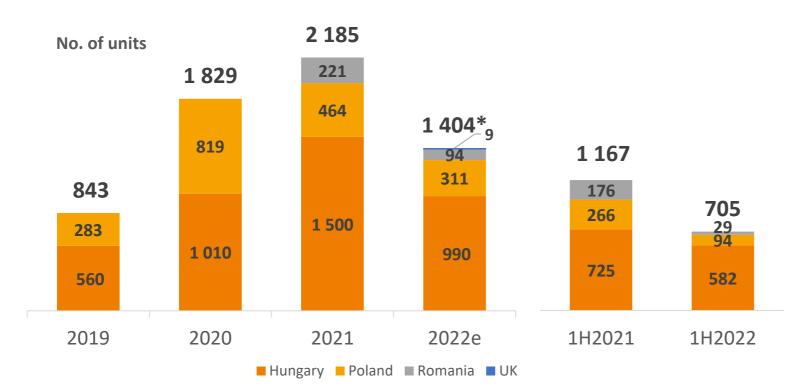
- Decrease in the offer by 12 % in 1H2022 as a result of delay in launch of new projects in Poland.
- Chart above doesn't include one BtR project in the UK (Lampowrks, 127 units) which is under construction.

### Percent of sold apartments in completed and ongoing projects by the year of completion



	TOTAL	2021	2022	2023	2024
Total units	4 681	1 911	1 098	759	913
Units sold	3 339	1 861	789	345	275

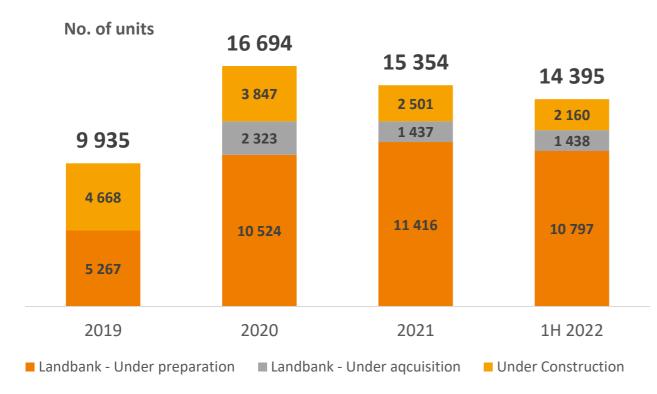
### Decrease in handovers following post-covid delays in project launches



Handovers (units)	1H2021	1H2022	Change
Hungary	725	582	(19,7%)
Poland	266	94	(64,7%)
Romania	176	29	(83,5%)
CORDIA Group	1 167	705	(39,6%)

- In 1H2022 CORDIA completed 2 new projects in Hungary and 1 in Poland for the total amount of 737 units.
- Figures above include total handovers in JV's, sold by CORDIA: 2020 79; 2021 324; 2022e 119; 1H2021 149; 1H2022 37. CORDIA holds 50% stake in Marina Life 1&2 and Stacja Kazimierz 4&5. Handovers in JV's do not contribute to the revenues but are reflected in share of profit in associate in JV in P&L instead.
- Delays in project launches caused by **COVID-19** pandemic will result **in lower handover numbers in 2022 and 2023** compared to levels seen in 2020/2021.

### **Landbank and units Under Construction**



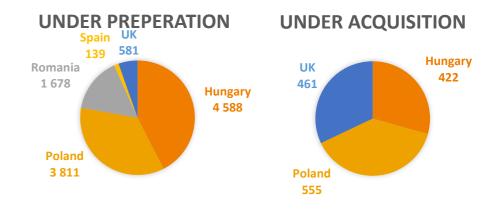
### Our Landbank covers 8+ years of sales

In 1H2022 CORDIA Group finalised acquisitions of new land on 150 units of which:

• on 150 units in the UK, Birmingham (Mott Street)

In 1H2022 CORDIA Group also finalised sales of non-core land in the amount HUF 2,3bn.

### Landbank of **14 395** units





### **AVERAGE LANDBANK COST VS MARKET**

ON KEY MARKETS

[HUFt]	Budapest	Warsaw	Bucharest
		MARKET JUNE 2022	
Average gross price / sqm of unit <sup>1)</sup> Average net price / sqm of unit <sup>1)</sup> Average land net cost / sqm of unit <sup>1)</sup>	1 346 1 280 120	1 077 997 241	932 887 120
		CORDIA JUNE 2022	
Average land cost / sqm of unit <sup>1)</sup>			
ONGOING projects	51	99	59
UNDER PREPARATION projects	70	104	38

- Very low land cost / sqm is a result of restrictive landbank acquisition policy assuming at least 20% IRR for the project.
- Most of the landbank offers in 2021 and 1H2022 didn't meet this threshold.

<sup>1)</sup> recalculated to usable area per sqm

### RECENTLY COMPLETED PROJECTS (end of 1H2022)

Project name	Country	City	Completion	NSA TOTAL	Number of units (residential + commercial)	NSA Avaliable for sale @ eof 1H2022	Units Avaliable for sale @ eof 1H2022	Units handed over @ eof 1H2022
			year	sqm	#	sqm	#	
Universo	Hungary	Budapest	2022	13 284	272	2 724	52	163
Grand Corvin 2	Hungary	Budapest	2022	19 008	365	3 244	36	90
Polnord - Stacja Kazimierz 5 *	Poland	Warsaw	2022	6 138	100	4528	29	0
TOTAL COMPLETED				38 430	737	10 496	117	253

<sup>\*</sup> Cordia holds 50% stake in the project

- In 1H2022 CORDIA completed the construction of 737 units on the Budapest market, with total NSA of 38 430 sqm.
- Pre-sale ratio on projects completed in the reporting period was 84% at eof 1H2022

### ONGOING PROJECTS ON SALE (end of 1H2022)

Project name	Country	City	Building permit	Planned completion	NSA TOTAL	Number of units (residential + commercial)	NSA Avaliable for sale @ eof 1H2022	Units Avaliable for sale @ eof 1H2022
				Year	sqm	#	sqm	#
Jerozolimska / Wielicka	Poland	Cracow	YES	2022	8 887	163	3 828	74
Safrano (Krokusowa)	Poland	Cracow	YES	2023	5 398	101	4 072	75
Jaśkowa Dolina 1	Poland	TriCity	YES	2023	5 946	97	1 119	20
Jaśkowa Dolina 2	Poland	TriCity	YES	2023	7 543	118	5 388	84
Leśna Sonata	Poland	TriCity	YES	2023	7 591	113	5 631	83
Fantazja 1&2	Poland	Warsaw	YES	2022	10 713	180	5 477	100
Modena 1	Poland	Poznań	YES	2024	14819	272	13 428	250
Thermal Zugló 4	Hungary	Budapest	YES	2023	7514	110	2 390	30
Millennium Residence 1	Hungary	Budapest	YES	2024	5689	110	2 583	48
Sasad Resort Panorama	Hungary	Budapest	YES	2024	10834	141	6 112	81
Sasad Resort Sunset	Hungary	Budapest	YES	2024	5014	70	3 144	44
Naphegy 12	Hungary	Budapest	YES	2024	3348	42	2 287	28
Illés	Hungary	Budapest	YES	2024	8335	162	6 600	120
Parcului 2	Romania	Bucharest	YES	2023	12138	220	3 380	53
Jade Tower	Spain	Fuengirola	YES	2024	13542	116	9 455	67
Gothic Phase 1	UK	Birmingham	YES	2022	1920	18	1 920	18
Lampworks	UK	Birmingham	YES	2025	7786	127	7 786	127
TOTAL UNDER CONSTRUCTION					137 018	2 160	84 600	1 302

- Total pre-sale ratio on projects under construction is 40% at eof 1H2022.
- In 1H2022 CORDIA launched 1 project in Poland for 272 units (Modena 1) and 1 BtR project in the UK for 127 units (Lampworks).
- 3 projects for 361 units in Poland and the UK are going to be finalised in 2H 2022.

### PROJECTS UNDER PREPERATION at end of 1H2022 (1)

Project name	Country	City	Building Permit	Planned sale start	Planned completion	NSA TOTAL	Number of residential units	Project type
				year	year	sqm	#	
Thermal Zugló 5	Hungary	Budapest	YES	2023	2026	13 219	199	BtS
Millennium Residence 2	Hungary	Budapest	YES	2024	2026	11 548	235	BtS
Millennium Residence 3	Hungary	Budapest	YES	2025	2027	11 254	231	BtS
Fonyód	Hungary	Budapest	NO	2024	2026	9 500	145	BtS
Sasad Resort Sunrise	Hungary	Budapest	YES	2022	2025	11 083	153	BtS
Sasad Resort Sky	Hungary	Budapest	YES	2023	2026	9 665	124	BtS
Sasad Resort Park	Hungary	Budapest	YES	2023	2026	5 210	67	BtS
Sasad Resort 9	Hungary	Budapest	NO	2025	2028	5 120	74	BtS
Sasad Resort 10	Hungary	Budapest	NO	2025	2028	3 516	57	BtS
Futó 5	Hungary	Budapest	YES	2022	2025	5 524	100	BtS
Marina City residential units only	Hungary	Budapest	NO	2023	2025 and later	145 500	2 425	BtS
WoodLand (3 phase project)	Hungary	Budapest	NO	2022	2025 and later	43 183	778	BtS
Coral Residence 1 / Butan 1	Romania	Bucharest	NO	2023	2025	10 361	146	BtS
Coral Residence 2 / Butan 2	Romania	Bucharest	NO	2024	2026	12 343	183	BtS
Coral Residence 3 / Butan 3	Romania	Bucharest	NO	2025	2027	12 343	183	BtS
Coral Residence 4 / Butan 4	Romania	Bucharest	NO	2026	2028	12 343	183	BtS
Laminorul 1	Romania	Bucharest	NO	2024	2026	20 026	288	BtS
Laminorul 2	Romania	Bucharest	NO	2025	2027	19 215	275	BtS
Navigator	Romania	Bucharest	NO	2024	2026	9 973	143	BtS
Petricani 1 / Romsilva	Romania	Bucharest	NO	2023	2025	12 813	183	BtS
Petricani 2 / Romsilva	Romania	Bucharest	NO	2024	2027	6 607	94	BtS

### PROJECTS UNDER PREPERATION at the end of 1H2022 (2)

Project name	Country	City	Building Permit	Planned sale start	Planned completion	NSA TOTAL	Number of residential units	Project Type
				year	year	sqm	#	
Rogozińskiego 1&2	Poland	Cracow	NO	2023	2025	9 631	167	BtS
Zabłocie (Herlinga-Grudzińskiego)	Poland	Cracow	NO	2024	2026	4 198	96	BtS
Modena 2	Poland	Poznan	NO	2024	2026	9 915	206	BtS
Modena 3	Poland	Poznan	NO	2025	2027	7 617	135	BtS
Modena 4	Poland	Poznan	NO	2026	2028	5 242	103	BtS
Haffnera	Poland	TriCity	YES	2023	2026	8 178	133	BtS
Bokserska	Poland	Warsaw	NO	2023	2025	13 320	225	BtS
Admiralska	Poland	Warsaw	NO	2023	2024	9 360	151	BtS
Miasteczko Wilanów 2 – multifamily	Poland	Warsaw	NO	2024 and later	2026 and later	36 135	673	BtS
Miasteczko Wilanów 2 – multifamily	Poland	Warsaw	NO	2024 and later*	2026 and later	35 639	1 098	BtR
Miasteczko Wilanów 2 – houses	Poland	Warsaw	NO	2024 and later	2026 and later	18 000	102	BtS
Polnord - Stogi (3 phases)	Poland	TriCity	NO	2023	2025 and later	21 600	360	BtS
Polnord – Narożnik	Poland	Warsaw	NO	2023 or later	2024 or later	2 400	12	BtS
Polnord – Powsin	Poland	Warsaw	NO	2023 or later	2024 or later	20 361	124	BtS
Polnord - Smarty	Poland	Warsaw	NO	2023 or later*	2024 or later	7 900	226	BtR
La Montua 1 – Marbella	Spain	Marbella	NO	2024	2026	14 212	97	BtS
La Montua 2 - Marbella	Spain	Marbella	NO	2024	2026	5 710	42	BtS
Gothic Phase 2	UK	Birmingham	YES	2023	2023	1 254	18	BtS
Nightingale (Gothic Phase 3)	UK	Birmingham	NO	2022	2023	2 087	18	BtS
Digbeth (phase 1&2)	UK	Birmingham	YES	2025 and later*	2027 and later	23 284	366	BtR
Bradford Works	UK	Birmingham	YES	2022*	2023	856	29	BtR
Mott Street	UK	Birmingham	NO	2024*	2026	9 662	150	BtR
TOTAL PROJECTS UNDER PREPARATION						656 958	10 797	

<sup>\*</sup> date of planned construction start

<sup>•</sup> Projects on 10 797 units in the preparation pipeline of which 5 projects are BtR on 1 869 units at eof 1H2022.

During the reporting period CORDIA secured new land for 150 units.

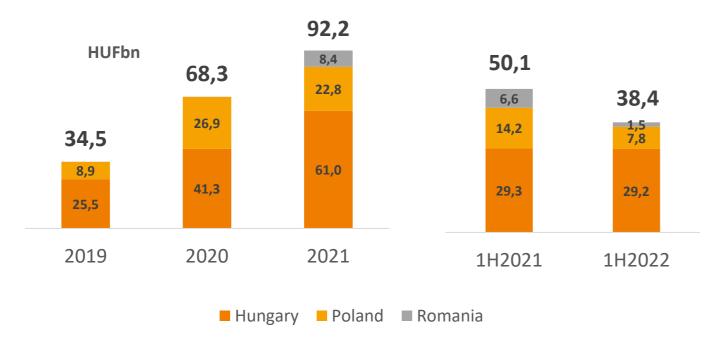
### **PROJECTS UNDER AQUISITION (end of 1H2022)**

Project code	Country	City	Building Permit	Planned sale start	Completion	NSA TOTAL	Number of residential units
					year	sqm	#
Project KT	Hungary	Budapest	NO	2023	2025	9 200	74
Project T2	Hungary	Budapest	YES	2023	2025	2 937	55
Project T (3 phase project)	Hungary	Budapest	NO	2023 and later	2025 and later	19 050	293
Project TRP	UK	Birmingham	NO	2028	2028	33 186	461
Project PRN	Poland	Warsaw	NO	2024	2026	17 473	308
Project NWR	Poland	Warsaw	NO	2024	2026	13 686	247
TOTAL PROJECTS UNDER ACQUISITION						95 532	1 438

Source: Issuer

# 4. FINANCIAL OVERVIEW

### Decrease in revenues following lower number of handovers



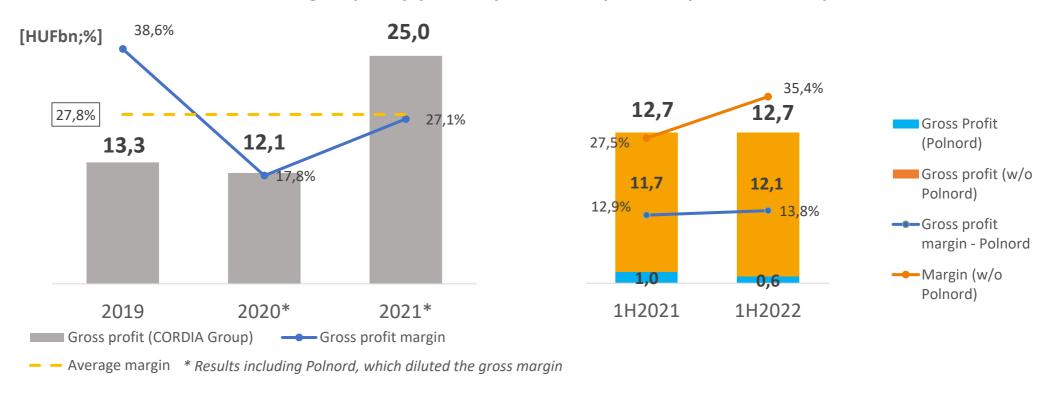
Revenue (HUFbn)	1H2021	1H2022	Change %
Hungary	29,3	29,2	(1%)
Poland	14,2	7,8	(45%)
Romania	6,6	1,5	(78%)
CORDIA Group	50,1	38,4	(23%)

Revenue (HUFbn)	2019	2021	CAGR
Hungary	25,5	61,0	55%
Poland	8,9	22,8	37%
Romania	0,0	8,4	n/a
CORDIA Group	34,5	92,2	39%

- Decrease in revenues in 1H2022 by 23% y/y reflecting lower number of handovers as well as market prices growth.
- Hungary revenue decrease by 1% y/y in 1H022 reflecting decline in handovers compensated by market prices growth.
- Poland revenue drop by 45% y/y in 1H2022 reflecting post-covid delays in project launches in 2020.
- Romania revenue decline reflecting life cycle of the project. Revenue from the next project (Parcului 2) to be recognised in 2023.

Source: Issuer

### Similar level of gross profit y/y with improvement of profitability in CORDIA Group.



- Flat gross profit in 1H2022 y/y due to handovers of high-margin projects in Hungary, despite decrease in revenue.
- Improvement in CORDIA Group w/o Polnord gross margin by 7,9 pp y/y.
- Gross margin improvement in Polnord by 0,9 pp (y/y) in 1H2022 due to progress in restructuring.

### **FINANCIAL RESULTS REVIEW**

Profit and Loss Statement (HUFbn)	1H2021	1H2022	% cl	hange
Revenue	50,1	38,5	(1)	(23%)
Cost of sales	(37,4)	(25,8)		(31%)
Gross profit	12,7	12,7	(2)	0%
Selling and marketing expenses	(2,0)	(2,068)		5%
Administrative expenses	(2,4)	(2,93)		20%
Net gain/loss from fair valuation of investment and	0.2	1.2		297%
development properties	0,3	1,3	(3)	297%
Other expenses	(0,8)	(0,6)		(15%)
Other income	0,4	0,2		(46%)
Operating profit	8,3	8,6		4%
Interest income	0,1	0,4		441%
Other financial income	0,6	7,4	(4)	1221%
Finance income	0,6	7,8		1124%
Interest expense	(1,7)	(1,3)		(24%)
Other financial expense	(2,4)	(2,4)	(5)	(0%)
Finance expense	(4,1)	(3,7)		(10%)
Net finance income/(expense)	(3,5)	4,1		(218%)
Share of profit/(loss) in associate and joint venture	3,3	2,1	(6)	(35%)
Profit before taxation	8,1	14,9		84%
Current income tax	(0,4)	(0,5)		38%
Deferred tax	(0,2)	(0,1)		(61%)
Income tax expense	(0,5)	(0,6)		6%
Profit for the period	7,6	14,3		89%

Revenue decrease in 1H2022 (y/y) due to decline in deliveries by 34%. During 1H2022 CORDIA Group delivered 668 residential units to its customers, out of which 546 units were delivered in Hungary, 93 in Poland, and 29 in Romania.

Gross profit at HUF 12,7bn, equal result (y/y) despite lower revenues. Gross profit margin improvement by 9,3 p.p. (y/y) due to recognition of high profitability projects in Hungary in the reporting period. Profitability improvement in Polnord reflecting progress in restructuring.

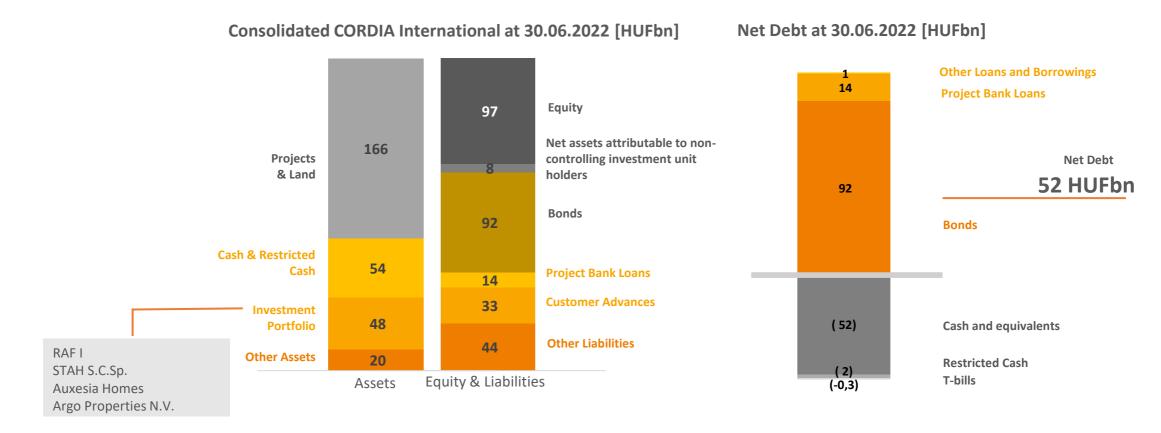
Resulting mainly from fair valuation of an asset (land plot) in Polnord intended for sale by the end of 2022.

HUF 5,9bn in other finance income resulting from realised and urealised FX gain (HUF depreciation towards other European currencies). HUF 1,2bn is attributable to fair value gain of CORDIA's financial investment in the UK (STAH, Auxesia, RAF I).

HUF 1,3bn in other finance expense coming from realised and unrealised FX loss on liabilities denominated in other currencies than HUF.

6 Of which HUF 0,6bn is share of profit in JV developing Marina Life 1&2 Project.

### CORDIA SIMPLIFIED BALANCE SHEET MANAGERIAL APPROACH



### At the end of 1H2022:

- CORDIA's consolidated assets were **HUF 288bn**, and net debt accounted for **HUF 52bn**.
- Equity + equity like Net assets attributable to non-controlling investment units holders" (co-investors on project equity level) were as high as HUF 105bn.
- CORDIA debt consists of: HUF 14bn project bank loans (mainly in Hungary), HUF 92bn bonds with maturity between 2024 and 2030, and HUF 1bn of other loans.
- CORDIA Other Liabilities major items are: HUF 18bn of lease liabilities (mostly usufruct liabilities), HUF 12bn of Trade Payables, HUF 6bn of provision mostly on legal cases
- Definition of Net Debt in Bonds' Undertakings includes provisions on liabilities and different restricted cash calculation and is more conservative than the one presented above.

### **BALANCE SHEET - ASSETS**

Assets (HUFbn)	31.12.2021	30.06.2022	% change
Non-current assets	61,3	49,3	(20%)
Intangible assets	0,2	0,2	(1,9%)
Investment properties	25,6	11,6	(55%)
Property plant and equipment	2,5	2,4	(3%)
Long-term receivables from third parties	6,2	6,5	(2) 4%
Investments accounted for using equity method	23,1	25,5	<b>(3)</b> 10%
Deferred tax assets	0,4	0,5	24%
Restricted cash	0,0	0,2	406%
Long-term VAT receivables	0,4	0,3	(40%)
Other long-term assets	0,3	0,6	75%
Goodwill	0,5	0,5	0%
Non-current derivative assets	2,1	1,3	(38%)
Total non-current assets	61,3	49,3	(20%)
Current assets	219,7	238,3	8%
Inventory	132,2	154,5	(4) 17%
Trade and other receivables	2,1	2,5	18%
Short-term receivables from related parties	0,5	0,5	(17%)
Other short-term assets	3,1	2,5	(17%)
Income tax receivables	0,1	0,1	(12%)
Short-term VAT receivables	6,7	3,0	(56%)
Restricted cash	4,0	1,9	(53%)
Other financial assets	17,5	21,0	<b>(5)</b> 20%
Cash and cash equivalents	53,6	52,4	(2%)
Disposal group of assets classified as held for sale	0,2	0,3	6%
Assets classified as held for sale	0,2	0,3	6%
Total assets	281,3	287,8	2%

- Mainly CORDIA's land bank including landbank acquired with Polnord.

  Decrease of HUF 16,6bn results from reclassification of land plots in Polnord to inventory.
- Mostly claims against the City of Warsaw (HUF 4,7bn) and Pol-Aqua SA (HUF 1,1bn) purchased together with Polnord Group.
- (3) Includes CORDIA's share in JV projects as well as share in Fadesa.
- Increase results mainly from reclassification of land plots in Polnord of HUF 16,6bn.
- Financial investments in the UK entities: RAF I, STAH, Auxesia, assets dedicated for sale with significant gain.

Source: Issuer

### **BALANCE SHEET – EQUITY AND LIABILITIES**

Equity and liabilities (HUFbn)	31.12.2021	30.06.2022	% ch	ange
Equity attributable to equity holders of the parent	80,9	96,8	(1)	20%
Non-controlling interests	0,2	0,1		(13%)
Total equity	81,1	97,0		20%
Net assets attributable to non-controlling	16,3	7,9	(2)	(51%)
investment unit holders	10,5	7,3	4	(31%)
Non-current liabilities	115,1	121,6		5,6%
Loans and borrowings	10,5	10,9		4%
Bonds	91,3	91,6		0%
Deferred tax liabilities	1,3	1,5		16%
Other provision	1,2	0,7		(39%)
Customer advances	4,2	9,3		124%
Lease liabilities	5,7	5,9	(3)	3%
Amounts withheld for guarantees	0,8	1,5		93%
Other long-term liabilities	0,2	0,1		(45%)
Current liabilities	68,8	61,4		(11%)
Trade and other payables	12,9	12,2		(6%)
Bonds	0,3	0,3		(20%)
Short-term liabilities to related parties	0,8	1,1		29%
Loans and borrowings	3,4	4,0		18%
Customer advances	30,6	23,9		(22%)
Lease liabilities	12,7	11,9	(3)	(6%)
Other tax liabilities	1,8	1,3		(28%)
Other provision	4,6	5,4	4	17%
Income tax liabilities	0,7	0,8		22%
Other short-term liabilities	0,5	0,5		0%
Current derivative liabilities	0,4	_		(100%)
Total liabilities	184,0	183,0		(1%)
Total equity and liabilities	281,3	287,8		2%

- (1) Growth due to increase in retained earnings of HUF 13,8bn and in currency translataion reserve by HUF 2,1bn.
- The equity investment of the non-controlling investment unit holders in the investment sub-fund subsidiaries (co-investors on project equity level).
- Majority of the lease liabilities (HUF 14,9bn) were carried within Polnord Group and related mostly to the right of perpetual usufruct of land carried as investment property and inventory.
- Most of the provisions were acquired with the acquisition of Polnord Group, mainly related to right of perpetual usufruct of land in area of the Warsaw's Wilanów District (litigations with National Support Centre for Agriculture KOWR)

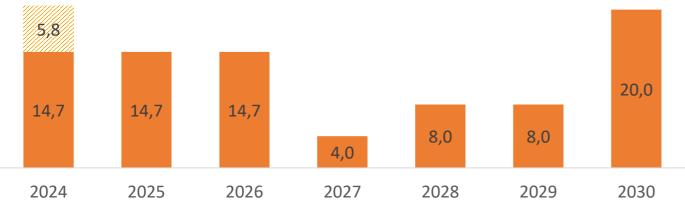
Source: Issuer

### SRDIA

### **CORDIA LONG TERM BONDS**

Issue Name	Issue Date	Face Value (HUFm)	Maturity	Coupon	Type of interest	Average Yield	Average sales price
CORDIA 2026/I HU	F 07.11.2019	44 000	7у	4%	Fixed	3,82%	100,9%
CORDIA 2030/I HU	F 27.07.2020	36 000	10y	3%	Fixed	2,46%	104,3%
CORDIA 2030/I HU	F 10.12.2020 <b>Total</b> :	4 000 <b>84 000</b>	9,6y	3%	Fixed	2,96%	100,3%
CPF0724/I PLN	15.07.2021	PLN 68,8m	Зу	WIBOR6M +4,25%	Floating	4,50%	100%

### Bonds face value repayment shedule [HUFbn].



■ CORDIA Bonds 

CORDIA Issue in Poland

Source: Issuer;

Financial Statement data converted an average exchange rate published by MNB on the balance-sheet date: 30.06 2022: 100 HUF / 1,1801 PLN

- Total of HUF 84bn (approximately EUR 235m), bonds issued from Nov/2019 to Dec/2020 period.
- CORDIA2026 amortisation of 16,66% of face value in each of last 5 semi-annual periods and 16,67% in final redemption payment.
- CORDIA2030 amortisation of 10% of face value in each of last 6 semi-annual periods and 40% in final redemption payment.
- The first bond issue in Poland of PLN 68,8m in July 2021, with maturity in July 2024, floating interest at WIBOR 6m + 4,25%. Bonds are listed on WSE.
- Winner of "Bond Issuer of the Bond Funding for Growth Scheme" award by the Budapest Stock Exchange.
- Rating: BB by Scope Ratings GmbH published on September, 2019. According to Scope's long-term rating scale, BB level reflects an opinion on moderate credit quality.
- In June 2022 Scope Ratings GmbH affirmed Issuer BB rating and changed the Outlook to Negative.

### The Issuer's Undertakings were fulfilled both at 30.06.2022 and in previous periods as well.

### **Consolidated Leverage Ratio ≤ 65 %**

tested on the basis of the CORDIA Group's IFRS Consolidated Financial Statements

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

[HUFbn]	31.12.2021	30.06.2022
Consolidated Debt (CD)	1 386,4	112,9
Cash and Cash Equivalents (C)	667,4	52,4
Restricted cash (RC)	31,7	2,0
Net Consolidated Debt	687,3	58,5
Total Assets (TA)	3 488,1	286,7
Customer Advances (CA)	432,5	33,2
Cash and cash equivalents (C)	667,4	52,4
Restricted cash (RC)	31,7	2,0
Total Consolidated Assets net of Cash & Customer Advances	2 356,5	199,0
Consolidated Leverage Ratio	29,17%	29,39%

### **Issuer Net Debt to Equity Ratio ≤ 1**

tested on the basis of the CORDIA's IFRS Separate Financial Statement

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

[HUFbn]	31.12.2021	30.06.2022
Share capital	18,0	18,0
Share premium	13,5	13,5
Foreign currency translation reserve	0,9	3,7
Retained earnings	80,4	97,6
Issuer Equity	112,7	132,7
Bonds (non-current)	85,8	85,7
Bonds (current)	0,2	0,2
Issuer Debt	86,0	85,9
Cash and Cash Equivalents	23,2	20,6
Issuer Net Debt	62,9	65,3
Issuer Net Debt to Equity Ratio	0,56	0,49

Note: Consolidated Leverage Ratio and Issuer Net Debt to Equity Ratio defined as in the FY2021 IFRS Consolidated Financial Statement (Note 35). Source: Issuer

### **CASH FLOW STATEMENT**

Cash flow statement [HUFbn]	1H2021	1H2022
Net cash from/(used in) operating activities	23,0	8,4
Cash flows from/(used in) investing activities	(12,0)	0,2
Cash flows from/(used in) financing activities	(8,1)	(10,0)
Net change in cash and cash equivalents	2,9	(1,3)
Cash and cash equivalents at end of the period	69,2	52,4

- Positive operating cash flow driven by net profit influenced mainly by increase in inventory (HUF 3,4bn), decrease in receivables (HUF 6,2bn) and other noncash movements (mainly reversal of net finance income at HUF 4,5bn).
- Mainly investment in land plots at HUF 1,1bn, investemnts in short-term (2) financial assets (mostly UK Investments at HUF 2,5bn), dividend received from JV of HUF 1,0bn and proceeds from loan receivable repayment (HUF 2,6bn).
- Position driven mainly by profit distribution to non-controlling investment unit 3 holders of HUF 9,2bn. Includes repayment of debt of HUF 12,6bn and proceeds from loans and borrowings of HUF 13,2bn.



### **Challanges**

Inflation and rising interest rates

Shortage of materials

Permitting process

Economic and geopolitical uncertainty

### **Positives**

Strong salary increase

Very low supply of new apartments

Free capacity in construction opening up

Strong growth of BtR market

### **Market Outlook**

Market by volume is heading into slowdown

Low availability of new apartments → lower equilibrium point on the market

Acquisition opportunities will emerge – slowdown always brings opportunities

Landbank	Large and cheap	<ul> <li>* 14,4k landbank enough for 7y pipeline → no need of acquisitions → increased operating CF</li> <li>* low acquisition prices → good future earnings</li> <li>* limited acquisition since beg. of 2021 → due to returns below our hurdles → cautious strategy pays-off</li> </ul>
Sales	Quality always sells	* diversification → geography → not dependent on one country or city  * high quality projects → good sales even in crisis (e.g. Modena in Poland)  * smart sales curve → maximizing price of best units & price indexation introduction
BTR	Early project de-risking	* diversification → business line → different risk profile than BtS  * strong institutional interest → potential for forward funding or JV's  * quickly growing market segment → replacing demand in weakening BtS
Construction	No risk of non- completion	<ul> <li>* we start the project with secured bank loan → construction budget is always fully funded</li> <li>* developers who funds projects mainly with client money → risk of not finishing the building in crisis</li> <li>* when building is standing → apartments will sell or building can be refinanced</li> </ul>
Cost Managment	Maximizing margins	<ul> <li>* we don't start a project without secured margin → limited supply keeps prices high</li> <li>* sales curve in line with construction cost curve → possibility to pass higher cost to higher prices</li> <li>* E-tendering for GCs, large budgets reserves, overhead cost reduction → minimise costs</li> </ul>
Financing	No refinancing need	* long-term bonds, stable financing → no refinancing need  * targeting 50m EUR liquidity buffer plus constant 1,5-yr reserve for bond repayments  * no reliance on client advances in project financing
Strong Balance Sheet	Hidden reserves	* inventory on work-in-progress → historical cost  * landbank → historical cost

### 6. APPENDIX



- In 1H2022 Argo Properties N.V. continued to grow it's portfolio in each of the operated markets with further concentration on Leipzig. (EUR 82,9m invested)
- Portfolio at the end of 1H2021 accounted for 3 392 of quality living residential units (+382 units in 1H2022).
- At the end of 1H2022 the value of assets owned by Argo Properties N.V. was EUR 668m (+55% y/y).
- Net profit for 1H2022 amounted to EUR 25,5m (+40% y/y).
- Leverage ratio at eof 1H2022 ratio at 42,5%.

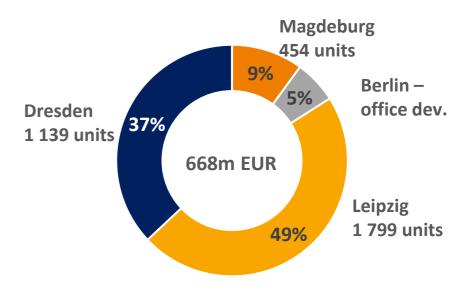




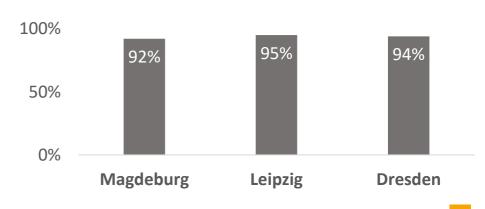


### Source: ARGO Properties N.V website and financial information

### Portfolio breakdown by GAV (eof 1H2022)



### **Occupancy rates**



### **ARGO PROPERTIES N.V. – FINANCIAL SUMMARY**

Income statement [EURt]	1H2021	1H2022
Revenues from rental of properties	5 046	7 626
Cost of maintenance of rental properties	(826)	(1 599)
Profit from property rental	4 220	6 027
General and administrative expenses	(1 327)	(2 734)
Total gain from appreciation of investment property, net	33 202	29 572
Operating profit	36 095	32 865
Financial expenses	(897)	(2 469)
Change in fair value of financial assets and exchange rate differences	2 508	337
Income before taxes on income	37 706	30 733
Taxes on income	(5 322)	(5 201)
Net income	32 384	25 532

Cash Flow statement [EURt]	1H2021	1H2022
Net cash flows from operating activities	2 984	3 431
Net cash used in investing activities	(59 257)	(82 211)
Net cash from financing activities	91 371	97 176
Change in cash and equivalents	35 098	18 396
Exchange rates changes on foreign currency	1 669	(647)
Balance of cash at the beginning of period	36 291	35 076
Balance of cash at the end of period	73 058	52 825

Balance sheet [EURt]	31.12.2021	30.06.2022
Current Assets	42 119	59 895
Cash and cash equivalents	35 076	52 825
Financial assets	0	0
Accounts receivable	7 043	7 070
Non-Current Assets	494 110	608 472
Investment property	493 291	607 807
Deferred taxes	819	665
Total Assets	536 229	668 367
Current Liabilities	14 053	15 813
Current maturities of loans from banks	4 142	4 852
Accounts payable	9 911	10 961
Non-Current Liabilities	180 151	284 012
Loans from banks	157 746	256 034
Other financial liabilities	24	471
Deferred taxes	22 381	27 507
Equity	342 025	368 542
Total Equity&Liabilities	536 229	668 367

Source: ARGO Properties N.V website and financial information

### Timeline of Polnord's acquisition by CORDIA

Initial market purchase 65,7%	1st Tender Offer 92,9%	Operational control takeover by CORDIA	2nd Tender Offer	Squeeze- Out	Application for delisting to PFSA (KNF)	KNF Approval for delisting	Last day of Trading	
19.12.2019	09.04.2020	24.04.2020	28.01.2021	23.02.2021	26.02.2021	20.08.2021	10.09.2021	

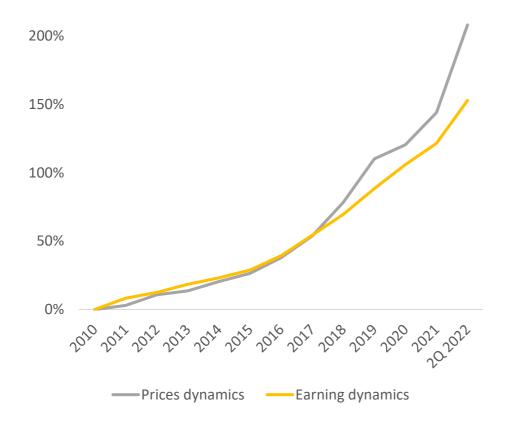
Transaction	Date	POLNORD's stake purchase [%]	amount invested [PLNm]
T-series shares issue investment and initial market purchase	19.12.2019	65,7%	136,1
1st Tender Offer	09.04.2020	27,2%	94,4
2nd Tender Offer	28.01.2021	3,4%	11,6
Squeeze-out	23.02.2021	3,7%	12,9
Total		100%	255,0

### POLNORD – CASH FLOWS (eof 1H2022)

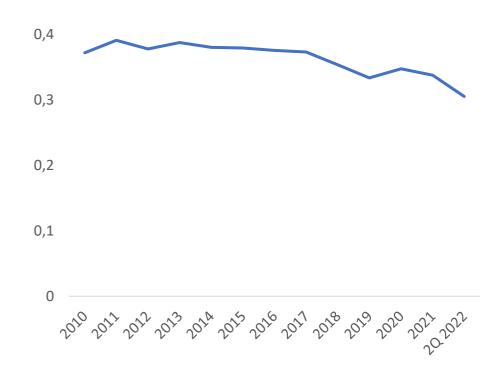
[HUFbn]	<b>CF generated</b> since 30.06.2020 until 30.06.2022	CF to be generated since 30.06.2022 until 30.06.2023	CF to be generated after 30.06.2023	Comment
Completed and Ongoing Projects	12,0	2,1	0,1	
Studio Morena, Fotoplasykon, Wiktoria, Wilania, Wioletta	12,0	2,1	0,1	
Core landbank and projects under preparation	4,8	12,4	3,3	
Miasteczko Wilanów 2, Admiralska, Haffnera, Stogi, Narożnik, Powsin, Smarty 2, Project NWRJ	4,8	12,4	3,3	Book value of land on Polnord's balance sheet; 298 EUR/sqm of NSA
Non-core land sale	4,2	3,1	0,8	Additional EUR 6,8m secured in pre-sale and final sale agreements;
Dopiewiec, Zgierska, Domy w Dolinie, Karuzela, Kowale (Kolbudy), Olsztyn OTL, Pierwoszyno, Lazurowa and other	4,2	3,1	0,8	
JV's and Associates	1,5	4,1	0,6	
Fadesa	1,4	2,5	0,6	
Stacje Kazimierz	0,1	1,6	-	
Legal Cases	1,0	(4,0)	(0,4)	
10H Road Claims	-	-	4,6	
PolAqua	-	-	-	
WOPB3 (escrow account)	0,4	-	0,7	
GDDKiA	0,6	-	-	
KOWR	-	(4,0)	(5,7)	
Other	1,1	-	-	
Debt service	(10,5)	-	-	
Capital repayment	(10,1)	-	-	
Interest	(0,4)	-	-	
Operating Costs	(3,7)	(0,6)	-	
Cash Balance (as at 30.06.2020)	8,4	-	-	
Total	18,8	17,1	4,4	
Dividend to CORDIA International Zrt	-	(17,8)	-	

Source: Issuer

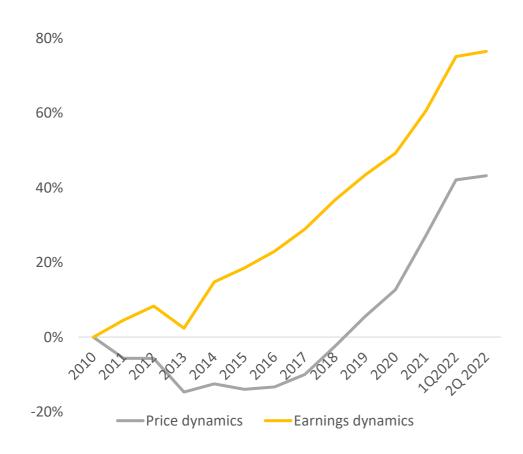
### Budapest – apartment prices vs net salary % growth since 2010



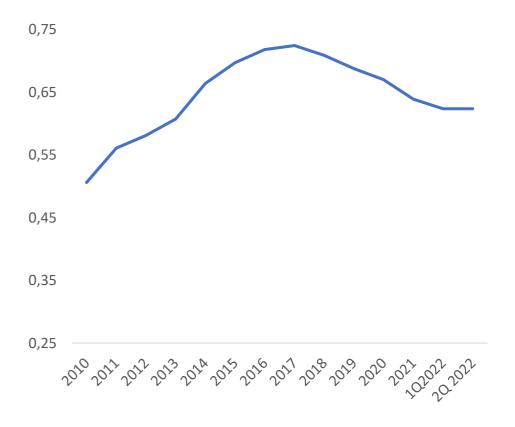
### Budapest average net salary monthly / new apartment sqm price ratio



### Warsaw – apartment prices vs gross salary % growth since 2010



### Warsaw average gross salary monthly / new apartment sqm price ratio



### DIFFERENCIES IN PROJECT FINANCING AND SALES REGULATIONS DRIVES SPV'S DEBT

### **TOTAL PROJECT LOANS BALANCE**

in SPV's eof 1H2022

**14,1bn HUF** 

(13,1bn HUF eof 2021)

Land Acquisition and preparation

100% equity

Zero leverage in the land bank

Pre- and early development

100% equity

**Development** 

Customer advances

Loan drawdown

Completion

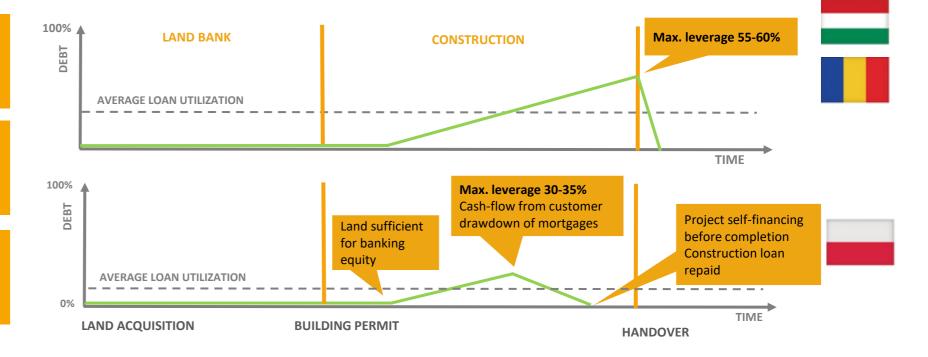
Leverage drops to zero Profit recognition.

Sale of ~65%-70% units sufficient to cover loan

### HUNGARY 9bn HUF

POLAND 1,5bn HUF

ROMANIA 3,5m HUF



### **CORDIA INTERNATIONAL RECENTLY COMPLETED PROJECTS**



**Grand Corvin 2** 

**Budapest** completion in 1H2022 **365** units



Stacja Kazimierz V

Warsaw completion in 1H2022 **100** units



Grand'Or

**Budapest** completion in 2H2021 **107** units



Universo

Budapest completion in 1H2022 **272** units



**Horyzont Praga** 

Warsaw completion in 2H2021 **168** units



### Marina Life 2

Budapest completion in 1H2021 **207** units

