



# EARNINGS RELEASE

# 1Q22

**CADU**  
INMOBILIARIA

## CADU RECORDS \$640 MILLION IN REVENUES, \$61 MILLION IN EBITDA AND STARTS A GEOGRAPHICAL AND PRODUCT DIVERSIFICATION STRATEGY

Cancun, Quintana Roo, Mexico, April 26, 2022. – Corpovael, S.A.B. de C.V. (BMV: CADUA), a leading homebuilder in the development of affordable entry-level, middle-income, middle-income residential and residential homes in Mexico, announced today its results for the first quarter 2022. The figures presented in this report are expressed in nominal Mexican pesos (MXN) are preliminary and non-audited, prepared in accordance with IFRS and current interpretations and may include minor differences due to rounding.

### OPERATIONAL AND FINANCIAL HIGHLIGHTS

Despite 1Q22 results showed a slow start in housing sales, CADU continued to progress at its product and geographic diversification, grounding the basis that will allow it to drive its recovery over the next few quarters. In this regard:

- 🏠 In 1Q22, the construction of a middle-income housing project (approximately \$2.0 million per unit) started in Playa del Carmen, Quintana Roo.
- 🏠 At the end of 1Q22, the Company started the titling phase of the new middle-income housing project "Aldea Tulum Plus", with a price of \$1.5 million per unit.
- 🏠 During 1Q22, CADU continued moving forward in the development of new projects in Guadalajara and Querétaro, whose revenue contribution is estimated for 2023.
- 🏠 During 1Q22, housing revenues were \$603 million, 26.0% lower than the \$815 million of 1Q21.
- 🏠 Free cash flow was -\$78 million this quarter, vs. \$199 million in 1Q21, due to lower sales and investments in housing inventory.
- 🏠 EBITDA decreased from \$148 million in 1Q21 to \$61 million in 1Q22, a decrease of 59.1%.
- 🏠 A net loss of \$28 million was recorded in 1Q22, compared to a net income of \$73 million in 1Q21.
- 🏠 Total debt presented a slight annual increase of 2.2%, totaling \$3.520 billion at the end of 1Q22, vs. \$3.445 billion at the end of 1Q21. It is important to mention that CADU maintains the deployment of the strategy started since 2020 (focused on preserving liquidity, generating cash flow and reducing debt).

## 1Q22 VS. 1Q21 RESULTS COMPARISON

KEY INDICATORS (MXN MILLION)			
Indicator	1Q21	1Q22	Δ%
Home Sold (Units)	1,091	738	(32.4%)
Average Sale Price (MXN thousand)	747	817	9.4%
Home Sold Revenue	815	603	(26.0%)
Commercial Land Plot Sales	5	29	460.4%
Construction Services	19	8	(54.7%)
Total Revenue	838	640	(23.6%)
Operating Income	89	21	(76.8%)
EBITDA	148	61	(59.1%)
EBITDA Margin (%)	17.7	9.5	(8.2 pp.)
Net Income	73	(28)	(138.2%)
Net Margin (%)	8.7	(4.4)	(13.1 pp.)
FCFF	199	(78)	(139.3%)
Interest Coverage	1.93x	1.55x**	(0.38x)
Net Debt/LTM EBITDA	5.92x	6.85x**	0.93x
Leverage (Total Liabilities/Equity)	0.97x	1.09x**	0.12x
EPS*	0.21	(0.08)	(138.1%)

\*Figures in Mexican pesos. Considering 339,316,859 shares outstanding in 1Q22 y 1Q21.

\*\* Subject to audit adjustments.

BALANCE SHEET INDICATORS (MXN million)		
Indicator	1Q21	1Q22
Cash & Cash Equivalents	538	429
Accounts Receivable	406	497
Inventory	7,488	7,733**
Other Assets	1,495	2,038
Total Assets	9,927	10,697
Bank Debt	2,000	2,247
Local Notes	1,445	1,274
Total Debt	3,445	3,520
Other Liabilities	1,436	2,062**
Total Liabilities	4,881	5,582**
Stockholders' Equity	5,046	5,115**

\*\* Subject to audit adjustments.

FINANCIAL INDICATORS		
Indicator	1Q21 LTM	1Q22 LTM
ROE (%)	2.5	0.5
ROA (%)	1.3	0.2
EBITDA (MXN million)	491	451**
Net Income (MXN mill.)	125	25
EPS (MXN)	0.41	0.07
WCC (days)	1,012	1,247

**Message from the CEO**

Dear Investors:

1Q22 results reflect a slow start in titling of homes, and yet we continue to consolidate the foundations that will allow us to capitalize the expected incremental dynamism of coming quarters.

As previously anticipated, the effects of the new "T1000" scoring system and labor subcontracting reform continued during the first quarter; additionally, inflationary pressures boosted housing prices and eroded households' acquisition capacity.

Our outlook for 2022 is in line with our expectations, since the most significant growth is projected for the following quarter:

- We made progress in the development of new housing prototypes in Quintana Roo, highlighting the sales of first units of Aldea Tulum Plus, the kickoff of La Selva in Playa del Carmen and a new Long Island development in Cancun (medium housing projects whose prices rounds \$1.5 and \$2.5 million per unit).
- The economic conditions for the year are favorable given the surging inflow of visitors to Quintana Roo; in 1Q22, we recorded a new record-high of passenger traffic to the Cancun airport; hotel occupancy moves forward; and new jobs are being created stimulated by federal government investments, such as the Mayan train and the Tulum airport. As a result, more beneficiaries of housing institutes will have the possibility of acquiring a new home, and in return better economic conditions will be presented in the markets where we operate

We are confident that product diversification efforts, coupled with enhanced economic conditions, will generate higher revenues in the coming quarters, therefore the 2022 Earnings Guidance remains unchanged.

Despite the positive growth outlook for the coming months, financial indicators will be affected from audit adjustments conducted in 2021 results.

The most significant adjustment stems from our operations in Tulum, in which \$103.8 million of EBITDA was recorded for the transaction of the Tulum estate, which in the opinion of the Company's external auditors should be eliminated for consolidation purposes of the financial statements. Additionally, the contribution of \$250 million by investors to the Tulum project should be presented as a liability and not as an equity investment.

Consequently, the Company's leverage ratios, including committed covenants, cannot be met and we require new waivers from bondholders and guarantors.

The audit adjustments do not affect the Company's liquidity, cash levels, debt, free cash flow generation and our payment obligations will be paid on a timely basis.

I am also pleased to share that, once again, our strong commitment to environmental, social and corporate governance issues was recognized by the Mexican Center of Philanthropy (Centro Mexicano para la Filantropía) and the Alliance for Corporate Social Responsibility for Mexico (Alianza por la Responsabilidad Social Empresarial por México), through the Socially Responsible Company (ESR) 2022 award for large companies. And, as we mentioned in the previous report, in January, the first 798 homes in our Playa del Carmen development received the EDGE Advanced certification from the IFC that endorses of these homes' capacity to generate savings of up to 47% in energy, 39% in water and 75% in energy mass of materials.

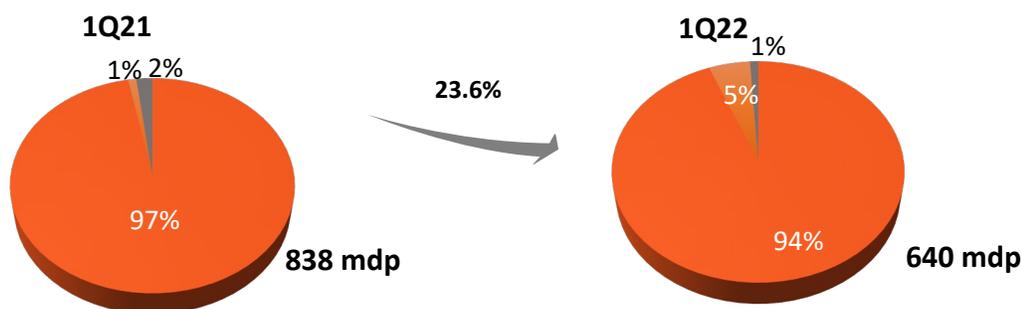
Finally, we are convinced that our current projects under development, together with our operating flexibility and the improved economic outlook in Quintana Roo, will allow us to move forward with greater stability during the next quarters.

**Pedro Vaca Elguero,**  
Chairman and CEO

## OPERATING RESULTS

### CONSOLIDATED REVENUE

Total Revenue (MXN million)				
	1Q21	1Q21	1Q21	Δ%
Homes Sold	815	603	(212)	(26.0%)
Land Plot Sales	5	29	24	460.4%
Construction Services	19	8	(10)	(54.7%)
<b>Total</b>	<b>838</b>	<b>640</b>	<b>(198)</b>	<b>(23.6%)</b>



■ Homes Sold ■ Land Plot Sales ■ Construction Services ■ Homes Sold ■ Land Plot Sales ■ Construction Services

In 1Q22, total revenues decreased 23.6%, from \$838 million in 1Q21 to \$640 million in 1Q22, following the combination of a 26.0% (or \$212 million) decrease in revenues from housing sales, a \$24 million increase in land plot sales, and a \$10 million decrease in construction services.

Of the \$640 million total, 94.1% was from housing revenues, 4.6% from land sales, and 1.3% from other revenues.

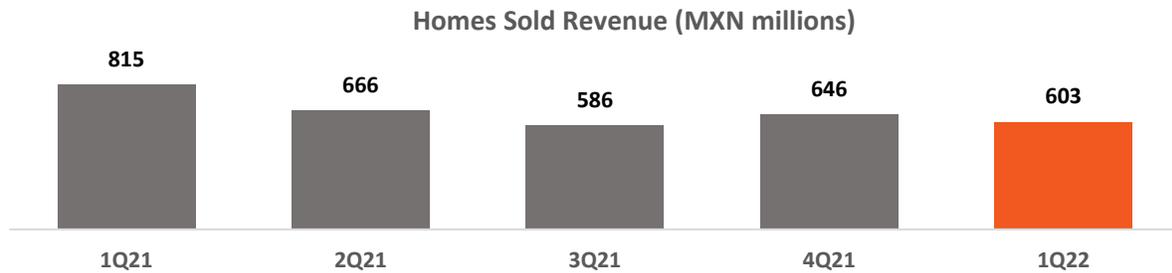
### Homes Sold Revenue

Homes Sold Revenue by Market (MXN million)				
	1Q21	1Q22	Δ\$	Δ%
Cancun	322	205	(117)	(36.2%)
Playa del Carmen	126	104	(22)	(17.1%)
Tulum	288	284	(4)	(1.3%)
Aguascalientes (UH)	1	-	(1)	(100.0%)
Guadalajara (UH)	10	4	(6)	(62.9%)
State of Mexico (UH)	3	2	(1)	(21.1%)
Mexico City	61	-	(61)	(100.0%)
Ciudad Juarez / rest (UH)	4	2	(2)	(44.7%)
<b>TOTAL</b>	<b>815</b>	<b>603</b>	<b>(212)</b>	<b>(26.0%)</b>

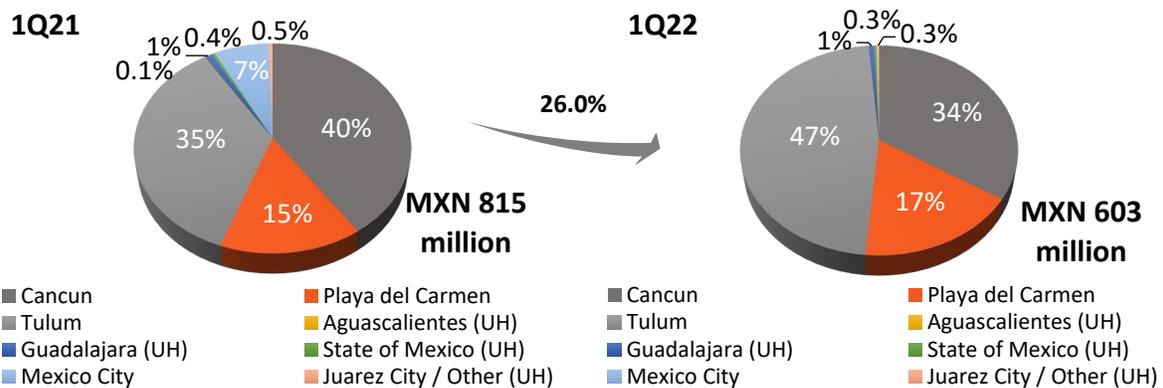
NOTE: UH refers to Used Homes.

In 1Q22, housing revenues decreased 26.0% from \$815 million in 1Q21 to \$603 million in 1Q22, due to:

- i. In low-income housing: the lower rate of titled projects located in Quintana Roo (-\$143 million vs. 1Q21), given the effects of the implementation of the new Infonavit scoring system (T1000) and labor subcontracting reform, which had not entered into force in 1Q21, as well as the impacts of current inflationary pressures on housing prices.
- ii. In middle-income and middle-income residential housing: it declined due to the lack of finished inventory in the middle housing projects in Cancun that will be titled in 2Q22. In addition to the sales' slowdown in Torre Lago in Mexico City (-\$61 million vs. 1Q21).
- iii. In residential plus: revenues decreased \$17 million following the completion of Allure, a project that was 100% executed with CADU resources, vs. Blume in which we are in partnership, and only 60% is registered.



Since the implementation of the T-1000 and labor subcontracting reform, CADU's quarterly housing revenues have averaged \$625 million. We expect revenues to improve in the following quarters due to a new pipeline of inventory and new projects.



During 1Q22, most of the housing sales revenues derived from the sales of projects located in Quintana Roo (98.7%), as no units were titled in Mexico City this period. Tulum was the largest contributor to revenues for the period (47%), followed by Cancun (34%) and Playa del Carmen (17%).

The Company is developing new projects to expand its geographic diversification, in Guadalajara and Querétaro, which are expected to generate revenues in 2023.

Homes Sold Revenue by Housing Segment (MXN million)				
	1Q21	1Q22	Δ\$	Δ%
AEL	513	425	(88)	(17.2%)
AEL (UH)	29	9	(19)	(67.1%)
Middle-income	67	54	(13)	(19.6%)
Middle-income Residential	90	15	(75)	(83.6%)
Residential	117	100	(17)	(14.3%)
<b>TOTAL</b>	<b>815</b>	<b>603</b>	<b>(212)</b>	<b>(26.0%)</b>

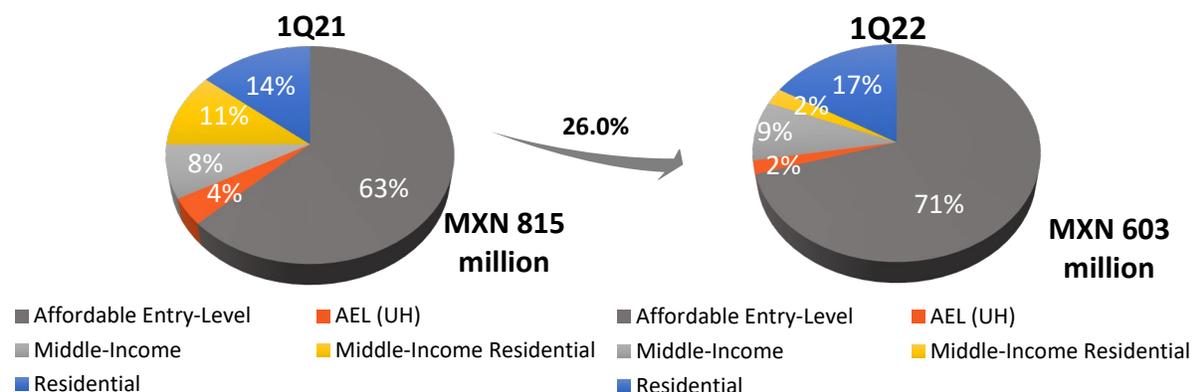
NOTE: Affordable entry-level homes (AEL) are homes priced under MXN 1 million, used homes are affordable entry-level homes purchased and refurbished by CADU for resale, middle-income homes are homes priced from MXN 1 million to MXN 2.5 million, middle-income residential homes are homes priced from MXN 2.5 million to MXN 5 million, and residential homes are homes exceeding the MXN 5 million price tag.

During 1Q22, housing revenues continued to reflect the effects of the temporary deceleration in demand in our main operating markets. Affordable entry-level housing revenues declined 19.8% versus 1Q21, middle-income housing revenues declined 19.6%, middle-income residential revenues declined 83.6%, and residential housing revenues declined 14.3%.

In particular, the affordable entry-level segment reflects the effect of housing price increases related to inflation. Middle income housing was affected by the depletion of the Midtown inventory (-\$44 million); although it was replaced with Madison and Aldea Tulum Plus, the former could not adequately capitalize on demand (the new phase was still under development) and the latter started to be titled at the end of the quarter).

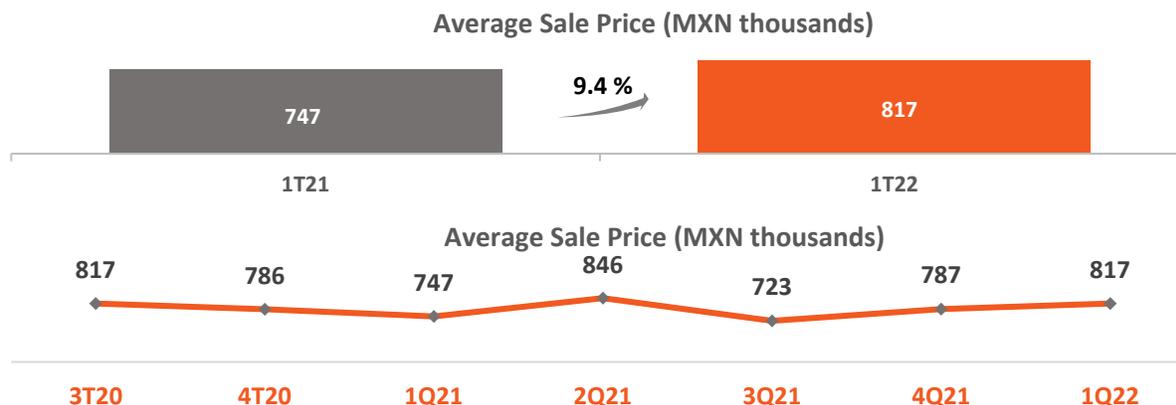
Likewise, in the medium-residential segment, although the Kings project has more than 35 homes in the sales pipeline, the units are still under development; therefore, they could not be sold. And, in the residential segment, Blume (+\$73 million) did not offset the depletion of Allure (-\$89 million), as, even with the good pace of displacement, CADU only recognized 60% of these revenues, since the remaining 40% belongs to the partner that contributed the land

In relation to revenue mix by housing type, it was as follows:



The housing segment that most contributed to revenues in 1Q22 was the affordable entry-level with 73% (71% new housing and 2% used housing), followed by the residential segment with 17%, the middle-income residential segment contributed 9% and the middle-income residential was 2% of housing revenues.

Average Sale Price



In 1Q22, the average price increased 9.4%, from \$747 thousand in 1Q21 to \$817 thousand in 1Q22. This year's prices reflect upward adjustments in housing construction materials, which have risen due to higher inflation.

The following table shows the annual comparison of average prices by segment:

Average Sale Price by Housing Segment (MXN thousands)				
Segment	1Q21	1Q22	Δ\$	Δ%
AEL	536	631	95	17.8%
AEL (UH)	433	448	15	3.5%
Middle-Income	2,032	1,798	(234)	(11.5)
Middle-Income Residential	3,197	2,929	(268)	(8.4%)
Residential*	16,660	11,101	(5,559)	(33.4%)
<b>Total</b>	<b>747</b>	<b>817</b>	<b>70</b>	<b>9.4%</b>

\*Only 60% of the sale price of the units in the Blume development is considered.

The average price of new affordable entry-level housing grew 17.8% in 1Q22 vs. 1Q21, reflecting inflation in construction materials. Likewise, the average price of used low-income housing increased 3.5% in 1Q22.

In contrast, the average price of the middle-income housing segment registered an annual decrease of 11.5% in 1Q22 vs. 1Q21, as the Madison and Aldea Tulum Plus projects, which replaced Midtown, have lower sales prices than the latter, as they are smaller prototypes. The average price of medium-residential housing decreased 8.4% in 1Q22 due to the absence of units from the Torre Lago project in Mexico City, which has a higher price than Kings in Cancun.

The average price of the residential segment decreased 33.4%, as CADU only recognizes 60% of the revenues from the Blume project, the remaining 40% belongs to the partner that contributed the land. Excluding the accounting effect of the partner, the average price in this segment decreased only 2.3% from \$17.7 million in 1Q21 to \$17.3 million in 1Q22.

## FINANCIAL PERFORMANCE

### Income Statement

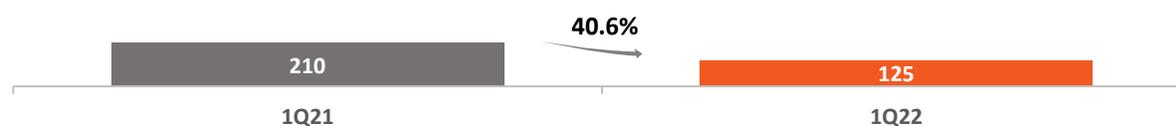
#### Cost of Sales

Revenue and Cost of Sales Breakdown (MXN million)				
Concept	1Q21	%	1Q22	%
Home sold revenue	815	97.2%	603	94.1%
Land plot sales revenue	5	0.6%	29	4.6%
Construction services	19	2.2%	8	1.3%
<b>Total revenue</b>	<b>838</b>	<b>100.0%</b>	<b>640</b>	<b>100.0%</b>
Cost of homes sold	606	74.4%	501	83.1%
Cost of land plots	4	86.0%	12	39.4%
Cost of construction services	18	96.5%	3	39.8%
<b>Total cost of sales</b>	<b>628</b>	<b>74.9%</b>	<b>516</b>	<b>80.5%</b>
Cost of sales	573	68.4%	478	74.6%
Capitalized interests	55	6.6%	38	5.9%

During 1Q22, the cost of sales to revenues ratio stood at 80.5%, 5.6 pp. higher than the 74.9% recorded in 1Q21, given the lower profitability margins of the homes sold during the period. This was due to the combined effect of a higher participation of low-income housing (a segment that usually has the lowest margins) and inflationary absorption effects.

#### Gross Income

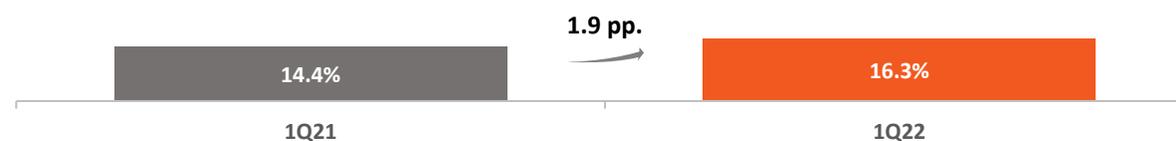
#### Gross Income (MXN million)



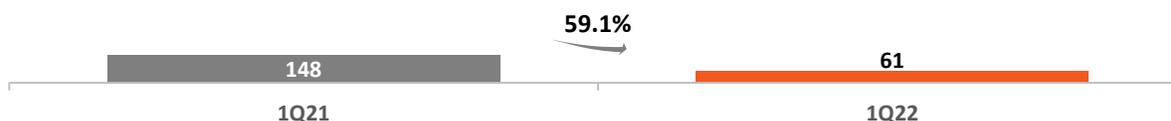
Gross profit for 1Q22 totaled \$125 million, representing a decrease of 40.6% compared to the \$210 million obtained in 1Q21, mainly as a result of the lower level of revenues for the period.

#### SG&A

#### SG&A / Revenue (%)

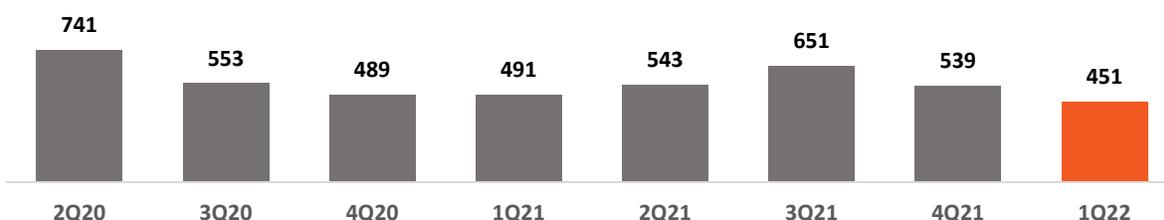


Selling, general and administrative expenses went from \$121 million in 1Q21 to \$104 million in 1Q22, a decrease of 13.9%, due to the lower commissions paid given the reduction in housing sales. As a percentage of revenues, expenses increased 1.9 pp. year-over-year, as some portion of expenses is fixed.

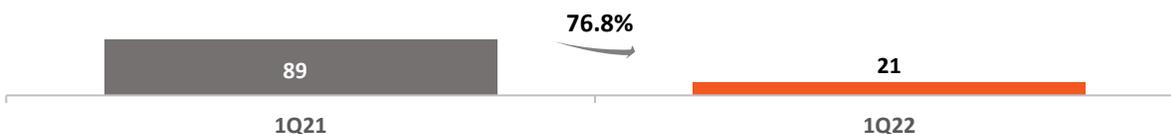
**EBITDA**
**EBITDA (MXN million)**

**EBITDA Integration (MXN million)**

Concept	1Q21	1Q22	Δ\$	Δ%
EARNINGS AFTER TAXES	73	(28)	(101)	(138.2%)
(+) Income Tax	(0.05)	33	33	67,808.3%
EARNINGS BEFORE TAXES (EBT)	73	5	(68)	(93.7%)
(+) Capitalized CFR	55	38	(17)	(31.6%)
(+) Non-capitalized Interest	19	23	4	22.9%
(-) Other income (expenses), net	3	7	4	169.9%
(+) Depreciation & Amortization	4	2	(2)	(45.1%)
<b>EBITDA</b>	<b>148</b>	<b>61</b>	<b>(88)</b>	<b>(59.1%)</b>
<b>EBITDA Margin</b>	<b>17.7%</b>	<b>9.5%</b>	<b>-</b>	<b>(8.2 pp.)</b>

Following the lower revenues in the quarter, EBITDA went from \$148 million in 1Q21 to \$61 million in 1Q22 (-59.1%). During 1Q22, the EBITDA margin was 9.5%, down 8.2 pp. vs. 1Q21.

**LTM EBITDA (MXN million)**


EBITDA for the last 12 months as of 4Q21 and 1Q22 are subject to audit adjustments.

**Operating Income**
**OPERATING INCOME (MXN MILLION)**


During 1Q22, operating income totaled \$21 million, compared to \$89 million in 1Q21 (-76.8%). The operating margin was 3.2% in 1Q22.

**Earnings Before Interest and Taxes (EBIT)**

Earnings Before Interest and Taxes (EBIT)			
Concept	1Q21	1Q22	Δ%
Operating Income	89	21	(76.8%)
Loss on Sale of Assets*	-	-	-
<b>Earnings Before Interest and Taxes (EBIT)</b>	<b>89</b>	<b>21</b>	<b>(76.8%)</b>

\*Transaction not corresponding to the normal operation of the business

The earnings before interest and taxes went from \$89 million in 1Q21 to \$21 million in 1Q22, a decrease of 76.8%.

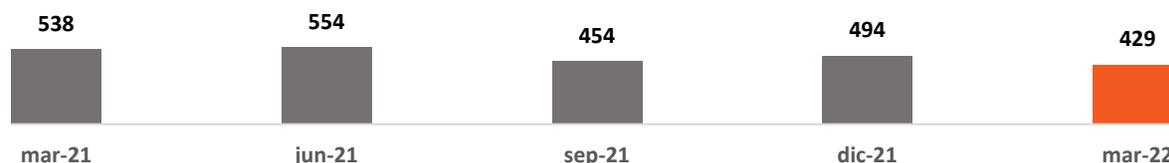
**Net Income**
**NET INCOME (MXN MILLION)**


As a result of the lower level of sales for the period, and taxes, during 1Q22 a net loss of \$28 million was recorded vs. the net income of \$73 million obtained in 1Q21.

Net Income and EPS (MXN million)				
Concept	1Q21	1Q22	Δ\$	Δ%
Consolidated Net Income	73	(28)	(101)	(138.2%)
Controlling Interest	73	(28)	(100)	(138.1%)
Earnings Per Share* (MXN)	0.21	(0.08)	(0.30)	(138.1%)

\*Figures in Mexican pesos. Considering 339,316,859 shares outstanding in 4Q21 and 4Q20.

In 1Q22, earnings per share (EPS) were -\$0.08 vs. \$0.21 in 1Q21.

**Financial Position**
**Cash & Cash Equivalents**
**Cash & Cash Equivalents (MXN millions)**


As of March 31, 2022, the balance of cash and cash equivalents totaled \$429 million (comprised of \$379 million of available cash and \$50 million of the reserve fund created to guarantee the payment of the "CADU20V" Green Bond), decreasing 20.3% versus the \$538 million recorded in the same period of 2021.

Although the Company considers the current cash level to be adequate, it also has available lines of credit of more than \$400 million.

CADU's cash resources are invested primarily in debt instruments of high credit quality at short-term.

## Accounts Receivable

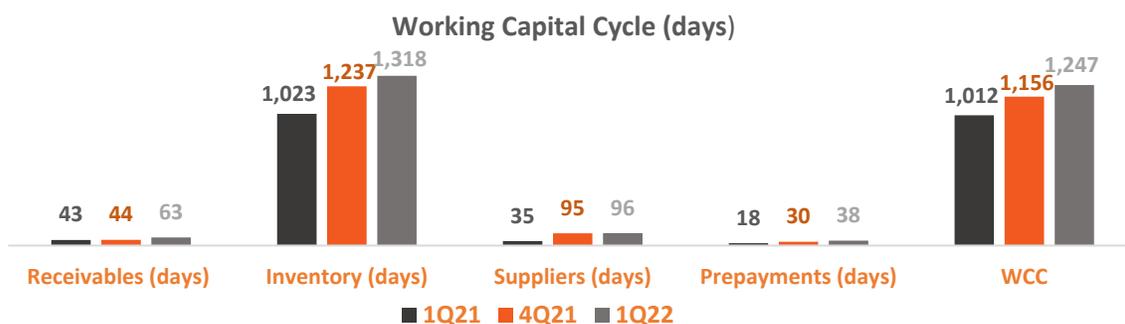
Accounts Receivable Breakdown (MXN million)				
Concept	1Q21	1Q22	Δ\$	Δ%
Accounts Receivable – Homes	254	301	47	18.5%
Accounts Receivable – Land Plots	153	197	44	28.9%
<b>Total Accounts Receivable</b>	<b>406</b>	<b>497</b>	<b>91</b>	<b>22.4%</b>

Accounts Receivable (Days)				
Concept	1Q21	1Q22	Δ days	Δ%
Accounts Receivable	29	43	14	49.1%
Accounts Receivable – Land Plots	238	203	(36)	(14.9%)
<b>Total Accounts Receivable</b>	<b>43</b>	<b>63</b>	<b>20</b>	<b>45.0%</b>

Accounts receivable amounted to \$497 million (63 days past due) at the end of 1Q22, vs. \$406 million at 1Q21 (43 days past due).

## Working Capital Cycle (WCC)



As of 1Q22, the Working Capital Cycle was 1,247 days, 235 days longer than the 1,012 days in 1Q21, and 91 days longer than 1,156 days in 4Q21. This was mainly due to an increase of 296 days in inventory days from 1Q21 to 1Q22. Also, days in backlog increased 20 days in 1Q22, vs. 1Q21, while supplier days and customer days in advance increased 61 days and 20 days, respectively, from 1Q21 to 1Q22.

## Inventory

Inventory Breakdown (MXN million)			
Concept	1Q21	1Q22*	Δ%
Land Bank	2,688	3,156	17.4%
Work in Progress and Completed Homes	4,220	3,832	(9.2%)
Capitalized Interests	580	747	28.8%
<b>Total</b>	<b>7,488</b>	<b>7,733</b>	<b>3.3%</b>

\*Subject to audit adjustments

Inventory increased from \$7,488 million at the end of 1Q21 to \$7,733 million at the end of 1Q22, representing an increase of 3.3%, due to increases of 17.4% (+\$468 million) and 28.8% (+\$167 million) in the land bank and capitalized interest.

Debt

As of March 31, 2022, total debt was \$3,520 million, a slight increase versus \$3,445 million in the same period 2021 (+2.2%), due to a 12.3% increase in bank debt, which was partially offset by the 11.9% decrease in debt securities.

It is important to mention that this increase derived from new projects' investments, as the Company continues to maintain the strategic focus implemented since 2020 (aimed at preserving liquidity, generating free cash flow and reducing debt).

Bank Loans (MXN million)				
Concept	1Q21	1Q22	Δ\$	Δ%
Bridge Loans	1,520	1454	(66)	(4.3%)
Land Bank	68	68	-	-
Working Capital	411	724	313	76.0%
<b>Total</b>	<b>2,000</b>	<b>2,247</b>	<b>247</b>	<b>12.3%</b>

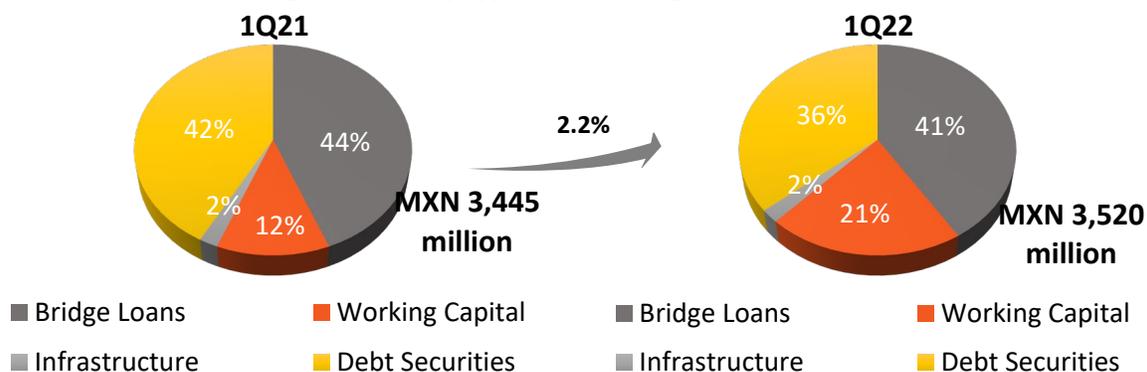
At the end of 1Q22, bank debt totaled \$2.247 million, 12.3% higher than the \$2,000 million obtained at the end of 1Q21, as working capital loans increased 76.0% (+\$313 million). The increase in working capital loans compared to 4Q21 was only \$110 million that were applied to infrastructure works prior to obtaining the bridge loans.

Debt Securities (MXN million)				
Concept	1Q21	1Q22	Δ\$	Δ%
CADU 18	443	271	(171)	(38.7%)
CADU 19	500	500	-	-
CADU 20V	502	502	-	-
<b>Debt Securities</b>	<b>1,445</b>	<b>1,274</b>	<b>(171)</b>	<b>(11.9%)</b>
<b>Gross Debt*</b>	<b>3,445</b>	<b>3,520</b>	<b>75</b>	<b>2.2%</b>

\*As of March 31, 2022, 100% of the Company's debt is contracted in Mexican pesos.

Securities debt decreased 11.9% this quarter, from \$1,445 million at the end of 1Q21 to \$1,274 million at the end of 1Q22, as a result of the principal payments of the CEBUR "CADU18" that were made during the period as scheduled.

Below is a breakdown of gross debt by type of financing:



At the end of 1Q22, the debt consisted of 41% bridge loans, 36% from securities debt, 21% from working capital loans and 2% from infrastructure loans.

<b>Debt Maturity Profile as of March 2022 (MXN Million)</b>							
<b>Concept</b>	<b>Current year</b>	<b>Up to 1 year</b>	<b>Up to 2 year</b>	<b>Up to 3 year</b>	<b>Up to 4 year</b>	<b>More than 5</b>	<b>Total</b>
Bank Loans	771	257	784	335	100	-	2,247
Cebur CADU 18	129	143	-	-	-	-	271
Cebur CADU 19	-	36	429	36	-	-	500
Bono Verde CADU 20V	-	-	-	-	-	502	502
<b>Total</b>	<b>899</b>	<b>435</b>	<b>1,213</b>	<b>371</b>	<b>100</b>	<b>502</b>	<b>3,520</b>
<b>% Total</b>	<b>25.5%</b>	<b>12.4%</b>	<b>34.5%</b>	<b>10.5%</b>	<b>2.8%</b>	<b>14.3%</b>	<b>100.0%</b>

Note: Brinde loans consider the extensions included in the loan agreement.

Regarding the maturity profile, 25.5% of the debt matures during the next 9 months, 12.4% in 1Q23, 34.5% within 2 years, 10.5% within 3 years, 2.8% within 4 years and 14.3% after 5 years. CADU does not have any debt contracted in foreign currency.

For a detailed breakdown, the maturities of next 6 quarters are shown below:

<b>Debt Maturity by Quarter (MXN Million)</b>						
<b>Concept</b>	<b>2Q22</b>	<b>3Q22</b>	<b>4Q22</b>	<b>1Q23</b>	<b>2Q23</b>	<b>3Q23</b>
Bank Loans	34	90	646	257	352	391
Cebur CADU 18	43	43	43	143	-	-
Cebur CADU 19	-	-	-	36	107	107
<b>Total</b>	<b>77</b>	<b>133</b>	<b>689</b>	<b>435</b>	<b>459</b>	<b>498</b>
<b>% Total</b>	<b>2.2%</b>	<b>3.8%</b>	<b>19.6%</b>	<b>12.4%</b>	<b>13.0%</b>	<b>14.2%</b>

Note: Bridge loans consider the extensions included in the loan agreement.

During 2Q22 only 2.2% of total debt matures, in 3Q22 the 3.8%, in 4Q22 the 19.6%, during 1Q23 the 12.4%, in 2Q23 the 13.0% and 14.2% by 3Q23.

As of March 31, 2022, CADU's corporate ratings by HR Ratings and Verum were "HR BBB" and "A-/M", respectively. Verum and HR Ratings assigned ratings of "A-/M" and "HR BBB" for CADU18 and CADU19, as well as "AA-/M" and "HR A+" for CADU20V.

<b>Leverage and Interest Coverage (Times)</b>		
<b>Concept</b>	<b>1Q21</b>	<b>1Q22**</b>
Net Debt to EBITDA	5.92	6.85
Total Liabilities / Equity	0.97	1.09
EBITDA / Interest Paid	1.93	1.55

\*\* Subject to audit adjustments.

Since the beginning of the health contingency, the holders of "CADU18", "CADU19" and "CADU20V" securities approved a waiver, in compliance with the pre-established covenants for these instruments, such waiver will apply all over 2022.

In this regard, EBITDA generation continues to be affected by a number of external that have weighed on housing demand, which has had an impact on CADU's financial ratios.

As of March 31, 2022, the net debt/EBITDA ratio was 6.85x, 0.93x higher than that recorded in the same period of 2021.

At the end of 1Q22, the interest coverage ratio (EBITDA/interest paid) was 1.55x vs. 1.93x at the end of 1Q21 (-0.38x).

The weighted cost of debt stood at 9.68% (TIIE + 2.95 pp. / not considering commissions). As of March 31, 2022, 85.7% of the debt is contracted at a variable rate and 14.3% at a fixed rate of 9.13%.

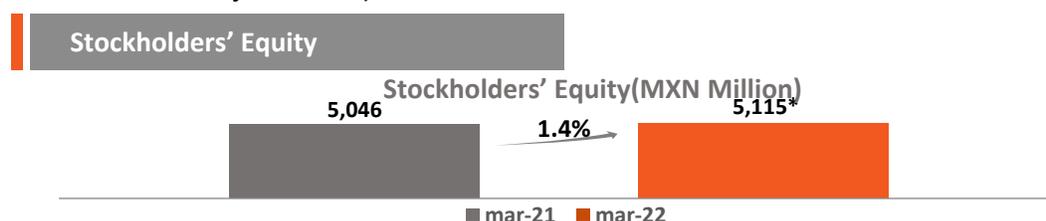
It is important to mention that, as in 1Q22 the Company exceeded the limit established by the covenants, in line with the agreement with the holders, on May 12, May 21 and June 17, a "premium" of \$371 thousand, \$191 thousand and \$372 thousand, respectively, will be paid to the holders of "CADU19", "CADU18" and "CADU20V", which is calculated as follows:

Premium		
Covenants	Compliance Ranges	Premium (bps.)*
Net Debt to EBITDA (no more than 3x)	3.0x a 4.5x	7.5
	4.5x a 6.0x	12.5
	> 6.0x	17.5
EBITDA / Interest Paid (no less than 2.5x)	2.0x a 2.5x	7.5
	1.5x a 2.0x	12.5
	< 1.5x	17.5

\*On the unpaid balance of the certificates of the corresponding issuance that is outstanding at the interest payment date.

Prior to the release from the non-performance of the covenants established in the "CADU18", "CADU19" and "CADU20V", the covenants established the following:

- 🏠 That the Company's Total Liabilities / Shareholders' Equity ratio does not exceed the 3.0 times mark (approved waiver)
  - As of March 31, 2021, Total Liabilities / Shareholders' Equity ratio was 1.09x (subject to audit adjustments)
- 🏠 That the Company's Net Debt / LTM EBITDA ratio will not be greater than 3.0 times (approved waiver)
  - As of March 31, 2021, Net Debt / LTM EBITDA ratio was 6.85x (subject to audit adjustments)
- 🏠 That the Company's Interest Coverage ratio (LTM EBITDA divided by interest paid over the last twelve months) will not be less than 2.5 times (approved waiver)
  - As of March 31, 2021, Interest Coverage ratio stood at 1.55x (subject to audit adjustments)



\* Subject to audit adjustments.

The Stockholders' Equity reached \$5,115 million in 1Q22, increasing 1.4% compared to the \$5,046 million obtained in the same period 2021, as a result of the investments made by third parties in the Aldea Tulum project and the profit recorded in the last 12 months. In 1Q22, the capital structure consisted of 52.2% liabilities and 47.8% equity, compared to 49.2% liabilities and 50.8% equity in 1Q21. Stockholders' equity is subject to audit adjustments.

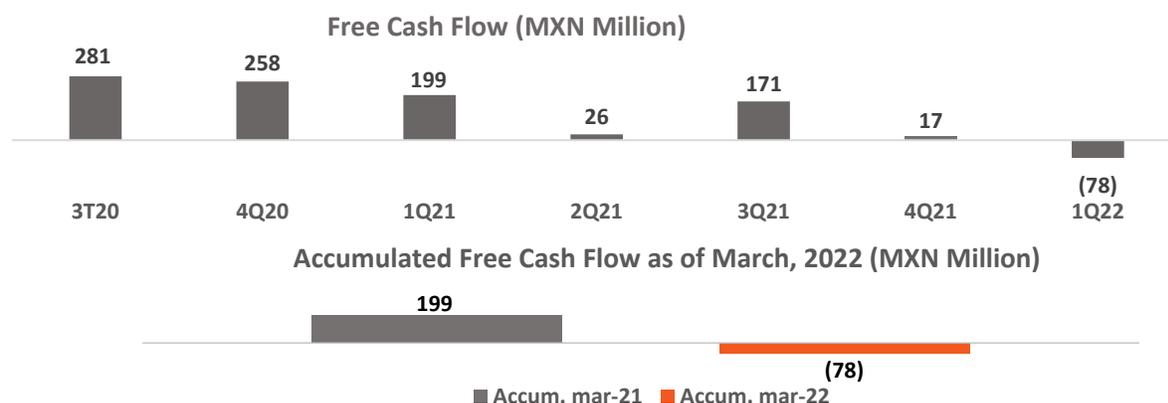
## Cash Flow

### Cash Variations

Cash Flow (MXN Million)			
Concept	1Q21	1Q22	Δ%
Earnings before taxes (EBT)	73	5	(93.7%)
Investment activities	2	(5)	(402.2%)
Financing activities	55	38	(31.6%)
<b>Cash Flow before taxes</b>	<b>130</b>	<b>38</b>	<b>(70.9%)</b>
Cash Flow from operating activities	67	(123)	(284.0%)
<b>Net cash Flow from operating activities</b>	<b>196</b>	<b>(85)</b>	<b>(143.3%)</b>
Net cash Flow from investment activities	3	7	169.9%
Net cash Flow from financing activities	(240)	13	105.4%
<b>Δ Cash and Cash activities</b>	<b>(41)</b>	<b>(65)</b>	<b>57.2%</b>
Cash and equivalents – beginning of period	580	494	(14.8%)
<b>Cash and equivalents – end of period</b>	<b>538</b>	<b>429</b>	<b>(20.3%)</b>

**Free Cash Flow to Firm** **199** **(78)** **(139.3%)**

During 1Q22, free cash flow was -\$78 million, vs. \$199 million in 1Q21, due to the work in progress for the next stages of a number of projects and lower level of sales.



## ESG

In line with its high commitment to best practices in Environmental, Social and Corporate Governance (ESG) matters, the Company has received several certifications and has been recognized by different institutions during the last 2 years, which are presented as follows:

- 🏠 **Climate Bond Initiative certification**, under the "Low Carbon Buildings" modality, being the "CADU20V" Green Bond the first in the housing sector in Latin America to obtain this distinction.
- 🏠 **PRIME Corporate Governance Certification**, granted by some of the most important institutions in Mexico, such as Bancomext, Nacional Financiera, BMV, BIVA and AMIB; this recognition was granted for having satisfactorily complied to the PRIME Guide that promotes best practices in this field.

- 🏠 **Environmental Finance's 2020 GREEN BONUS Award**, which is given for standing out on innovation, leadership, best practices and contribution to the development of a sustainable financial market.
- 🏠 **Award to the First GREEN BOND of a housing developer in the local market**, this was granted by the Green Finance Advisory Board in the framework of Green, Social and Sustainable Bonds 2020-2021 Awards. This recognition is awarded to companies that reinforce their commitment to sustainability and demonstrate the implementation of increasingly solid strategies.
- 🏠 **EDGE Advanced Certification.** During January 2022, 798 CADU homes received EDGE Advanced Certification from the IFC (of the World Bank Group). This award certifies that housing prototypes allow savings of up to 47% in energy, 39% in water and 75% in embodied energy in materials.
- 🏠 **Grupo Expansion, Transparencia Mexicana and Mexicanos Contra la Corrupcion have recognized CADU**, for the second consecutive year, as the best Company in the sector in the fight against corruption. And realize CADU among the companies most committed to this matter.
- 🏠 **ESR 2022 Distinction for Large Companies**, granted by the Mexican Center of Philanthropy (Centro Mexicano para la Filantropía), and the Alliance for Corporate Social Responsibility for Mexico (Alianza por la Responsabilidad Social Empresarial por México), as a result of the commitment shown by CADU in relation to Environmental, Social and Corporate Governance issues.

## Key Performance Indicators

Health and Safety	
Indicator	1Q22
Total hours worked	1,345,312
Total hours worked by associates	675,368
Total hours worked by contractos	669,944
Number of developments under constructions	10
Total number of fatalities (associates)	0
Total number of accidents with los of time (contractors)	0

Environment	
Indicator	1Q22
Total number of certifies green homes built	451
Annual mitigation of GHG emissions (tCO <sub>2</sub> e) per certified green homes built	441
Annual carbon footprint (tCO <sub>2</sub> e) per certified green homes built	2,541
<b>Number of eco-tecnologies instaled in certified green home built</b>	
Water-saving Toilets	451
Energy-saving Bulbs	3,608
Water-saving Sprinklers	451
<u>Liters of water saved annually per certified green home built</u>	2,682,772
<u>Emissions reach 1 tCO<sub>2</sub>e for low-income housing that were built</u>	172
<u>Average water savings against baseline of built housing</u>	35%
<u>Average emissions savings against baseline of built housing</u>	13%

<b>Ethics</b>	
<b>Indicator</b>	<b>1Q22</b>
Total number of reports	0
Number of external reports	0
Number of internal reports	0
Percentage of Anonymous reports	0%
Number of Anonymous reports	0
Number of non-anonymous reports	0
Reports related to the good treatment of customers	0
Work environment reports	0
Environmental reports	0

<b>Community Engagement</b>	
<b>Indicator</b>	<b>1Q22</b>
Total number of developments benefiting from activities that promote wellbeing	5

## **Recent Developments**

- 🏠 Next Friday, April 29, the Ordinary General Shareholders Meeting of Corpovael will be held; however, due to audit adjustments, the Audited Financial Statements (External Auditors' Report) are not yet available; therefore, an extension has been requested for their presentation.
- 🏠 On March 14, 2022, CADU announced that it received the ESR 2022 distinction for large companies from the Mexican Center of Philanthropy (Centro Mexicano para la Filantropía) and the Alianza por la Responsabilidad Social Empresarial por México (AliaRSE), given the commitment shown in Environmental, Social and Corporate Governance matters.
- 🏠 On January 17, 2022, the Company's first 798 homes received the EDGE Advanced certification from the IFC, which certifies that the design and materials that comprise them contribute to savings of up to 47% in energy, 39% in water and 75% in the energy mass of materials.

## **Analyst Coverage**

As Corpovael, S.A.B. de C.V. ("CADU") has securities listed under the Internal Regulations of the Mexican Stock Exchange, the Company's stock has formal coverage from: Actinver Casa de Bolsa, BBVA Bancomer, Punto Casa de Bolsa, Apache Analisis and Miranda GR. For more information, please go to <http://ri.caduinmobiliaria.com>

## **2021 Audit Adjustments**

The issuance of the Financial Statements of the fiscal year from January 1 to December 31, 2021, may be subject to audit adjustments and the opinion of the Company's external auditors is not yet available; therefore, an extension has been requested.

The main items that could be subject to adjustments are:

- 1) Tulum Trust (Assignment of Rights and registration of Capital invested as Debt).
- 2) Revision of the Accounting Record of Investment Properties.
- 3) Impairment of inventories.
- 4) Determination of Taxes.

**About CADU**

Corpovael, S.A.B. de C.V. "CADU" (BMV: CADUA) is a leading homebuilder in the development of affordable entry-level, middle-income, middle-income residential and residential homes in Mexico. CADU has more than a decade of experience in the housing sector where it has developed a successful business model by seeking sustained, high profitability. Its competitive advantage is based on an efficient and vertically integrated structure (developing activities of land acquisition, urbanization, building, and commercialization) in markets that have been identified as having a solid demand for housing. It primarily operates in Quintana Roo, Mexico Valley, and Jalisco.

**Forward-looking statements**

*Information presented by the Company may contain forward-looking statements about future events and/or financial results. The reader should understand that the results obtained may differ from the projections contained in this document, as past results in no way offer any guarantee of future performance. For this reason, the Company assumes no responsibility for any indirect factors or elements beyond its control that might occur inside Mexico or abroad.*

**1Q22 Conference Call**



**CADU**  
INMOBILIARIA

CORPOVAEL S.A.B. de C.V.

**Invites you to participate in its  
1Q22 CONFERENCE CALL**

**Presenters:**  
Pedro Vaca – CEO  
Javier Cervantes – CFO  
Cesar Navarro – IRO

**MP3 Recording:** Available 60 min.  
After the conference call at:  
[ri.caduinmobiliaria.com](http://ri.caduinmobiliaria.com)

**Date:** Wednesday, April 27<sup>th</sup>, 2022      **Time:** 11:00 a.m. (Mexico City Time)  
12:00 p.m. (EST. N.Y.)

**Dial-in number:**

- Mexico / International: 001-973-528-0011
- USA: +1-888-506-0062
- Passcode: 173134

[ri@caducancun.com](mailto:ri@caducancun.com)      [www.caduinmobiliaria.com](http://www.caduinmobiliaria.com)  
+52 (998) 193 1100

Further, in your PC you can also go to:  
<http://webcast.investorcloud.net/cadu/index.html>

**1Q22 earnings release date:**  
Tuesday, April 26<sup>th</sup>, 2022  
(after market close)

## Financial Statements

**Corpovael, S.A.B. de C.V. and Subsidiaries**  
**Consolidated Statement of Financial Position**  
**As of March 31st, 2022 and 2021**  
**(Figures in MXN thousands)**

	Mar-31 2021	Mar-31 2022	Δ%
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$538,358	\$428,855	(20.3%)
Accounts receivable (Net)	406,482	497,459	22.4%
Other accounts receivable (Net)	419,499	908,205	116.5%
Inventory	3,182,380	4,839,603	52.1%
Other current assets	809,782	384,526	(52.5%)
<b>Total Current Assets</b>	<b>5,356,501</b>	<b>7,058,649</b>	<b>31.8%</b>
<b>Non-current assets</b>			
Housing inventory	4,305,573	2,893,797	(32.8%)
Property, plant and equipment	48,604	56,312	15.9%
Investment property	-	437,546	-
Other Non-current assets	216,237	251,193	16.2%
<b>Total Non-current assets</b>	<b>4,570,415</b>	<b>3,638,848</b>	<b>(20.4%)</b>
<b>Total Assets</b>	<b><u>\$9,926,915</u></b>	<b><u>\$10,697,497</u></b>	<b>7.8%</b>
<b>Liabilities and Stockholders' Equity</b>			
<b>Current Liabilities</b>			
Bank Loans	753,884	1,027,272	36.3%
Debt securities	171,429	307,143	79.2%
Suppliers	259,721	334,563	28.8%
Taxes payables	14,373	70,457	390.2%
Income taxpayable	263,907	709,069	168.7%
<b>Total Current Liabilities</b>	<b>1,463,314</b>	<b>2,448,503</b>	<b>67.3%</b>
<b>Non-current Liabilities</b>			
Bank Loans	1,245,923	1,219,254	(2.1%)
Debt securities	1,273,528	966,386	(24.1%)
Lease liability	17,035	17,035	-
Employee benefits	-	-	-
Deferred taxes	880,909	930,859	5.7%
<b>Total non-current liabilities</b>	<b>3,417,395</b>	<b>3,133,534</b>	<b>(8.3%)</b>
<b>Total liabilities</b>	<b><u>\$4,880,710</u></b>	<b><u>\$5,582,037</u></b>	<b>14.4%</b>
<b>Stockholders' Equity</b>			
Capital Stock	169,658	169,658	-
Retained earnings	4,793,784	4,753,177	(0.8%)
Controlling interest	4,963,443	4,922,835	(0.8%)
Non-controlling interest	82,763	192,625	132.7%
<b>Total Stockholders' Equity</b>	<b>5,046,206</b>	<b>5,115,460</b>	<b>1.4%</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b><u>\$9,926,915</u></b>	<b><u>\$10,697,497</u></b>	<b>7.8%</b>

**Corpovael, S.A.B. de C.V. and Subsidiaries**  
**Statement of Consolidated Comprehensive Income**  
 (Figures in MXN thousands)

	1Q21	%/Ing.	1Q22	%/Ing.	Δ%
<b>Revenue:</b>					
Home Sold	\$814,747	97.2%	\$602,705	94.1%	(26.0%)
Land Plot Sales	5,218	0.6%	29,239	4.6%	460.4%
Construction Services	18,510	2.2%	8,378	1.3%	(54.7%)
	<b>838,475</b>	<b>100.0%</b>	<b>640,322</b>	<b>100.0%</b>	<b>(23.6%)</b>
<b>Cost and expenses</b>					
Construction Cost	(573,351)	68.4%	(477,857)	74.6%	(16.7%)
Capitized	(55,072)	6.6%	(37,649)	5.9%	(31.6%)
Costo of Sales	(628,423)	74.9%	(515,505)	80.5%	(18.0%)
Gross Income	210,053	25.1%	124,817	19.5%	(40.6%)
Expenses	(116,959)	13.9%	(101,916)	15.9%	(12.9%)
Depreciation	(4,063)	0.5%	(2,230)	0.3%	(45.1%)
General Expenses	(121,022)	14.4%	(104,146)	16.3%	(13.9%)
<b>Operating Income</b>	<b>89,031</b>	<b>10.6%</b>	<b>20,671</b>	<b>3.2%</b>	<b>(76.8%)</b>
Los son sale of fixed assets	-		-		-
<b>Earnings before interest and taxes</b>	<b>89,031</b>	<b>10.6%</b>	<b>20,671</b>	<b>3.2%</b>	<b>(76.8%)</b>
Dividens received	-		-		-
Financial Income	2,536		6,844		169.9%
Financial Expenses	(18,620)		(22,884)		22.9%
	(16,083)		(16,040)		(0.3%)
<b>Earnings Before Taxes</b>	<b>72,947</b>	<b>8.7%</b>	<b>4,632</b>	<b>0.7%</b>	<b>(93.7%)</b>
<b>Income Taxes</b>					
Current	(22,773)	2.7%	(32,500)	5.1%	42.7%
Deferred	22,821	2.7%	-	-	(100.0%)
Net	<u>48</u>	<u>0.0%</u>	<u>(32,500)</u>	<u>5.1%</u>	<u>(67,808.3%)</u>
<b>Net Comprehensive Consolidated Income</b>	<b>\$72,995</b>	<b>8.7%</b>	<b>(\$27,868)</b>	<b>(4.4%)</b>	<b>(138.2%)</b>
Controlling interest	72,745		(27,733)		(138.1%)
Non-controlling interest	250		(135)		(154.1%)
<b>Net Comprehensive Consolidated Income</b>	<b>72,995</b>	<b>8.7%</b>	<b>(27,868)</b>	<b>(4.4%)</b>	<b>(138.2%)</b>
Net Income (Loss) per Share*	0.21		(0.08)		(138.1%)

\*Considering 339,316,859 outstanding shares in QT22 and 1Q21, respectively.

**Corpovael, S.A.B. de C.V. and Subsidiaries**
**Statement of Consolidated Cash Flows**

(Figures in MXN thousands)

	1Q21	1Q22
<b>Operating Activities</b>		
Earnings before taxes	72,947	4,632
<b>Items Related to Investment Activities</b>		
Depreciation and Amortization	4,063	2,230
Interest income	(2,536)	(6,844)
Interest expenses	-	-
Net employee Benefit cost	-	-
Not-controlling interest	-	-
Capitalized interest recognized in cost of sales	55,072	37,649
<b>Cash Flow from Earnings Before Taxes</b>	<b>129,546</b>	<b>37,666</b>
<b>Cash Flow from or used in Operating Activities</b>		
Decrease (increase) in accounts receivable	35,873	(128,962)
Decrease (increase) in inventory	126,101	(63,240)
Decrease (increase) in other accounts receivable and other current assets	(11,134)	32,718
Increase (decrease) in other accounts payable	(39,554)	20,079
Increase (decrease) in other liabilities	46,607	(20,861)
Income taxes paid or reimbursed	(91,288)	37,705
<b>Net Cash Flows from or used in Operating Activities</b>	<b>196,151</b>	<b>(84,895)</b>
<b>Investment Activities</b>		
Investment in shares	-	-
Investment in property, plant and equipment	-	-
Other long-term accounts receivable	-	-
Interest received	2,536	6,844
<b>Net Cash Flows from or used in Operating Activities</b>	<b>2,536</b>	<b>6,844</b>
<b>Investment Activities</b>		
Bank loans	258,024	487,104
Debt certificates	-	-
Expenses related to the Stock Issuance	-	-
Amortization of bank loans	(388,271)	(362,407)
Amortization of debt certificates	(42,857)	(42,857)
Dividends paid	-	-
Interest Paid	(63,361)	(63,315)
Other items	(3,555)	(5,459)
<b>Net Cash Flows from or used in Financing Activities</b>	<b>(240,020)</b>	<b>13,066</b>
<b>Increase (decrease) in Cash and Cash Equivalents</b>	<b>(41,333)</b>	<b>(64,985)</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>	<b>579,691</b>	<b>493,840</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>538,358</b>	<b>428,855</b>

Note on Financial Statements: in addition to the contents of this report, for a better analysis we recommend to refer to details on financial statements at <http://ri.caduinmobiliaria.com>.