

# 1Q23

## EARNINGS RELEASE



**CADU**  
INMOBILIARIA

## CADU CONTINUES ITS TREND OF OPERATIONAL RECOVERY AND BEAT THE MARK OF 26 THOUSAND SUSTAINABLE HOMES BUILT

Cancun, Quintana Roo, Mexico, April 24, 2023. – 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 ("1Q23"). 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 exhibit minor discrepancies due to rounding. *Should there be any discrepancies or questions arising from this English version, please refer to the Spanish-language earnings release.*

### OPERATIONAL AND FINANCIAL HIGHLIGHTS

- 🏠 During 1Q23, homes sold totaled 963, increasing 30.5% compared to the 738 units sold in 1Q22.
- 🏠 In 1Q23, total revenue reached MXN 1,144 million, increasing 78.6% versus the MXN 640 million obtained in 1Q22.
- 🏠 The average sale price went from MXN 817 thousand in 1Q22 to MXN 946 thousand in 1Q23, increasing 15.8%.
- 🏠 Operating income for 1Q23 totaled MXN 132 million, increasing 540.4% compared to MXN 21 million in 1Q22.
- 🏠 During 1Q23, EBITDA reached MXN 192 million, growing 216.6% versus MXN 61 million in 1Q22.
- 🏠 Net income went from -MXN 28 million in 1Q22 to MXN 73 million in 1Q23.
- 🏠 In 1Q23, a positive free cash flow to firm of MXN 465 million was generated, in contrast to the negative free cash flow to firm of MXN 78 million in 1Q22.
- 🏠 The Working Capital Cycle was reduced by 520 days, from 1,303 days at the end of 1Q22 to 783 days at the end of the period.
- 🏠 The balance of cash and cash equivalents went from MXN 429 million in 1Q22 to MXN 555 million in 1Q23, an increase of 29.5%.
- 🏠 At the end of 1Q23, total debt was MXN 2,612 million, decreasing 25.8% versus MXN 3,520 million in 1Q22, an MXN 908 million decrease.
- 🏠 During the quarter, CADU sold a land plot for MXN 114 million, which contributed to strengthening its liquidity and financial position.
- 🏠 During the quarter, CADU made the last payment of the local note "CADU18", as well as the first payment of the principal of the local note "CADU19", both in line with the schedule of maturities.



## 1Q23 VS 1Q22 RESULTS COMPARISON

| KEY INDICATORS (MXN Million)        |             |              |               |
|-------------------------------------|-------------|--------------|---------------|
| Indicator                           | 1Q22        | 1Q23         | Δ%            |
| Home Sold (Units)                   | 738         | 963          | 30.5%         |
| Average Sale Price (MXN thousands)  | 817         | 946          | 15.8%         |
| Home Sold Revenue                   | 603         | 911          | 51.1%         |
| Commercial Land Plot Sales          | 29          | 230          | 686.0%        |
| Construction Services               | 8           | 3            | (60.2%)       |
| <b>Total Revenue</b>                | <b>640</b>  | <b>1,144</b> | <b>78.6%</b>  |
| Operating Income                    | 21          | 132          | 540.4%        |
| <b>EBITDA</b>                       | <b>61</b>   | <b>192</b>   | <b>216.6%</b> |
| EBITDA Margin (%)                   | 9.5         | 16.8         | 7.3 pp.       |
| <b>Net Income</b>                   | <b>(28)</b> | <b>73</b>    | <b>363.7%</b> |
| Net Margin (%)                      | (4.4)       | 6.4          | 10.8 pp.      |
| FCFF                                | (78)        | 465          | 695.3%        |
| Interest Coverage                   | 0.78x       | 1.90x        | 1.12x         |
| Net Debt / LTM EBITDA               | 13.32x      | 2.66x        | (10.66x)      |
| Leverage (Total liabilities/Equity) | 1.23x       | 1.11x        | (0.12x)       |
| EPS* (MXN)                          | (0.08)      | 0.23         | 377.4%        |

\*Figures in Mexican pesos. Considering 319,172,265 shares outstanding in 1Q23 and 339,316,859 in 1Q22.

| BALANCE SHEET INDICATORS (MXN Million) |               |               |
|--|---------------|---------------|
| Indicator                              | 1Q22          | 1Q23          |
| Cash & Cash Equivalents                | 429           | 555           |
| Accounts Receivable                    | 402           | 517           |
| Inventory                              | 7,555         | 7,577         |
| Other assets                           | 2,125         | 2,012         |
| <b>Total Assets</b>                    | <b>10,511</b> | <b>10,662</b> |
| Bank Debt                              | 2,247         | 1,645         |
| Local Notes                            | 1,274         | 966           |
| Total Debt                             | 3,520         | 2,612         |
| Other Liabilities                      | 2,284         | 2,987         |
| <b>Total Liabilities</b>               | <b>5,804</b>  | <b>5,599</b>  |
| <b>Stockholders' Equity</b>            | <b>4,707</b>  | <b>5,063</b>  |

| FINANCIAL INDICATORS     |          |          |
|--------------------------|----------|----------|
| Indicator                | LTM 1Q22 | LTM 1Q23 |
| ROE (%)                  | (4.3)    | 7.1      |
| ROA (%)                  | (1.9)    | 3.4      |
| EBITDA (MXN Million)     | 232      | 772      |
| Net Income (MXN Million) | (201)    | 361      |
| EPS (MXN)                | (0.60)   | 1.12     |
| WCC (days)               | 1,303    | 783      |

## Message from the CEO

Dear investors:

CADU achieved growth rates at total revenues, EBITDA, and net income during the first quarter of the year. This was the result of our strategy to diversify the housing offering before a greater economic dynamism in Quintana Roo, our main market. We have strived to become more efficient in inventory management to generate cash flows, reduce debt and increase liquidity, in line with our strategy.

The economic evolution has been favorable in Quintana Roo. Passenger arrivals at Cancun's airport have registered record highs and hotel occupancy already shows pre-pandemic levels. This dynamic has generated new jobs, while increased the local demand for housing.

Amid an environment of high interest rates, we closed an MXN 114 million land plot sale; increased homes sold revenues by 51% YoY through the offering of new projects in the middle-income segment; obtained better terms and conditions with suppliers; and attend inventory levels. All these factors allowed us to generate cash flow to progress in our debt reduction endeavors. In this sense, during the quarter, we made the full amortization of the local note "CADU18" and made the first principal payment on the local note "CADU19".

Regarding sustainability, for the second consecutive year, the Centro Mexicano para la Filantropía, A.C., (Cemefi) and Alianza por la Responsabilidad Social Empresarial por México (AliarSE), recognized CADU with the Distinction of Socially Responsible Company (ESR) 2023 for Large Companies, for our strong commitment in Environmental, Social and Corporate Governance matters. In the next quarter, we will release our 2022 Annual Sustainability Report, to inform you in detail the progress achieved in ESG, as we continue to be proud leaders in the construction of certified sustainable homes in Mexico, with over 26,000 sustainable prototypes sold.

The results obtained at the back of our strategic approach, together with the performance attained at our main market, and the efforts of all our associates, firmly encourage us to achieve our 2023 Guidance.

**Pedro Vaca Elguero,**  
**Chairman and CEO**

## OPERATING RESULTS

### Homes Sold (Units)

| Homes Sold (Units) by Housing Segment |            |               |            |               |              |
|---------------------------------------|------------|---------------|------------|---------------|--------------|
|                                       | 1Q22       | % total       | 1Q23       | % total       | Δ%           |
| AEL                                   | 673        | 91.2%         | 838        | 87.0%         | 24.5%        |
| AEL (UH)                              | 21         | 2.8%          | 17         | 1.8%          | (19.0%)      |
| Middle-income                         | 30         | 4.1%          | 85         | 8.8%          | 183.3%       |
| Middle-income Residential             | 5          | 0.7%          | 16         | 1.7%          | 220.0%       |
| Residential                           | 9          | 1.2%          | 7          | 0.7%          | (22.2%)      |
| <b>Total Units</b>                    | <b>738</b> | <b>100.0%</b> | <b>963</b> | <b>100.0%</b> | <b>30.5%</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 1Q23, sold units totaled 963, 30.5% more than the 738 homes sold in 1Q22. This was the result of a higher sales volume recorded in almost all segments. In addition, we consolidated our mid-segment project in Tulum (inaugurated at the end of 1Q22) and complemented it with a new mid-segment project in Playa del Carmen (inaugurated during 4Q22).

By segment, units sold for affordable entry-level increased 24.5%, middle-income 183.3% and middle-income residential segment 220.0%, mainly boosted by sales of affordable entry-level projects in Cancun and Playa del Carmen, middle-income in Playa del Carmen and Tulum, and middle-income residential in Mexico City; while used affordable entry-level and residential units decreased 19.0% and 22.2%, respectively.

### Consolidated Revenue

| Total Revenue (MXN million)          |            |               |              |               |               |
|--------------------------------------|------------|---------------|--------------|---------------|---------------|
|                                      | 1Q22       | % total       | 1Q23         | % total       | Δ%            |
| AEL                                  | 425        | 66.3%         | 589          | 51.5%         | 38.6%         |
| AEL (UH)                             | 9          | 1.5%          | 9            | 0.7%          | (9.7%)        |
| Middle-income                        | 54         | 8.4%          | 176          | 15.4%         | 226.6%        |
| Middle-income Residential            | 15         | 2.3%          | 54           | 4.8%          | 271.8%        |
| Residential                          | 100        | 15.6%         | 83           | 7.2%          | (17.3%)       |
| <b>Home Sold Revenue</b>             | <b>603</b> | <b>94.1%</b>  | <b>911</b>   | <b>79.6%</b>  | <b>51.1%</b>  |
| Land Plot Sales                      | 29         | 4.6%          | 230          | 20.1%         | 686.0%        |
| Construction Services / Other Income | 8          | 1.3%          | 3            | 0.3%          | (60.2%)       |
| <b>Other Revenue</b>                 | <b>38</b>  | <b>5.9%</b>   | <b>233</b>   | <b>20.4%</b>  | <b>519.8%</b> |
| <b>Total Revenue</b>                 | <b>640</b> | <b>100.0%</b> | <b>1,144</b> | <b>100.0%</b> | <b>78.6%</b>  |

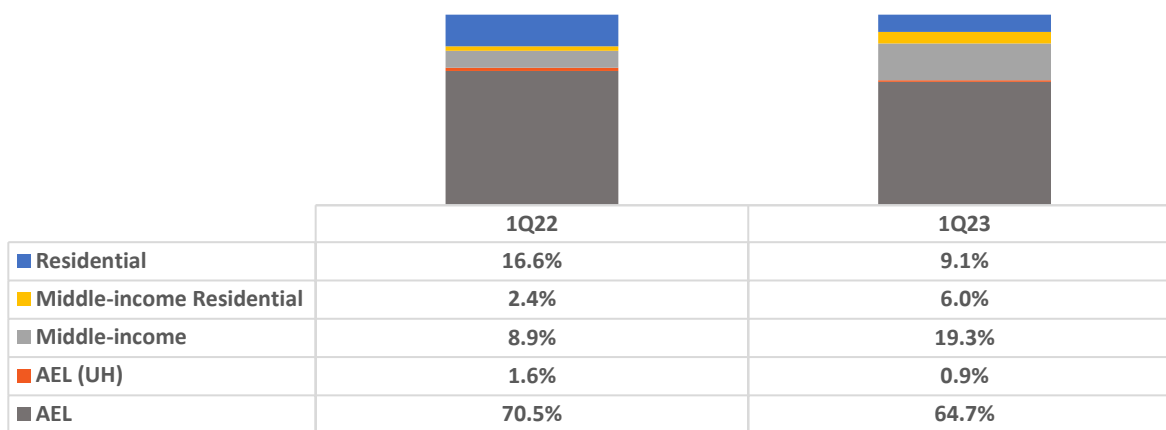
In 1Q23, total revenue amounted to MXN 1,144 million, representing an increase of 78.6% versus the MXN 640 million recorded in 1Q22. This was mainly due to higher homes sold revenue and the sale of a land plot for MXN 114 million. Revenue from construction services and rentals decreased 60.2%.

The sale of the land plot this quarter was part of the strategy to promote the sale of assets to generate liquidity.

Out of total revenues, 79.6% stemmed from homes sold, 20.1% from land plot sales and the remaining 0.3% from construction services.

Broken down by segment, affordable entry-level income increased 38.6% (+MXN 164 million), middle-income 226.6% (+MXN 122 million) and middle-income residential 271.8% (+MXN 40 million). Used affordable entry-level income decreased 9.7%, to MXN 9 million; while residential income segment decreased 17.3% (-MXN 17 million).

#### Homes Sold Revenue by Housing Segment



#### Homes Sold Revenue by Market

| Homes Sold Revenue by Market (MXN million) |            |               |            |               |            |              |
|--|------------|---------------|------------|---------------|------------|--------------|
|  | 1Q22       | % total       | 1Q23       | % total       | Δ\$        | Δ%           |
| Cancun                                     | 205        | 34.1%         | 266        | 29.2%         | 61         | 29.5%        |
| Playa del Carmen                           | 104        | 17.3%         | 273        | 30.0%         | 169        | 161.7%       |
| Tulum                                      | 284        | 47.2%         | 333        | 36.6%         | 49         | 17.2%        |
| Mexcio City                                | -          | -             | 30         | 3.3%          | 30         | -            |
| Other (UH)                                 | 8          | 1.4%          | 9          | 0.9%          | 0          | 0.1%         |
| <b>TOTAL</b>                               | <b>603</b> | <b>100.0%</b> | <b>911</b> | <b>100.0%</b> | <b>308</b> | <b>51.1%</b> |

NOTE: UH refers to Used Homes.

During 1Q23, home sold revenues increased 51.1%, from MXN 603 million in 1Q22 to MXN 911 million. This result was mainly boosted by Playa del Carmen projects (+161.7% or +MXN 169 million), followed by Cancun (+29.5% or +MXN 61 million), Tulum (+17.2% or +MXN 49 million) and Mexico City (+MXN 30 million). The latter continues to be supported by the efforts to boost sales of last units of Torre Lago. In Playa del Carmen, revenue was fueled by the new middle-income project; and, in top of that, the sale of affordable entry-level doubled.

The performance recorded this period continues supported by the steady recovery of Quintana Roo; in this sense, as of the date of this report, Infonavit's potential demand exceeds 94 thousand homes, vs. 75 thousand registered in February 2022; and loans granted by commercial banks in January, for the purchase of new homes, were higher than that of the same month of 2022.

In order to increase geographic diversification, CADU continues to pursue strategic alliances in new projects located in Guadalajara and Queretaro.

### Average Sale Price

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

| Average Sale Price by Housing Segment (MXN thousands) |            |            |            |              |
|---|------------|------------|------------|--------------|
| Segment   | 1Q22       | 1Q23       | Δ\$        | Δ%           |
| AEL   | 631        | 703        | 71         | 11.3%        |
| AEL (UH)  | 448        | 500        | 52         | 11.6%        |
| Middle-income   | 1,798      | 2,073      | 275        | 15.3%        |
| Middle-income Residential                             | 2,929      | 3,403      | 474        | 16.2%        |
| Residential*  | 11,101     | 11,810     | 709        | 6.4%         |
| <b>Total</b>  | <b>817</b> | <b>946</b> | <b>129</b> | <b>15.8%</b> |

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

The average price for 1Q23 was MXN 946 thousand, 15.8% higher than the MXN 817 thousand recorded in 1Q22. This increase was due to a higher participation of higher-value segments in the sales mix (+6.5 pp.) and a double-digit growth rate in the average prices of almost all segments.

## FINANCIAL PERFORMANCE

### Income Statement

#### Cost of Sales

| Revenue and Cost of Sales Breakdown (MXN million) |      |        |       |        |
|---|------|--------|-------|--------|
| Concepts  | 1Q22 | % Rev  | 1Q23  | % Rev  |
| Home sold revenue                                 | 603  | 94.1%  | 911   | 79.6%  |
| Land plot sales revenue                           | 29   | 4.6%   | 230   | 20.1%  |
| Construction services                             | 8    | 1.3%   | 3     | 0.3%   |
| Total revenue                                     | 640  | 100.0% | 1,144 | 100.0% |
| Cost of homes sold                                | 501  | 83.1%  | 757   | 83.1%  |
| Cost of land plots                                | 12   | 39.4%  | 115   | 49.8%  |
| Cost of construction services                     | 3    | 39.8%  | 0     | 0.0%   |
| Total cost of sales                               | 516  | 80.5%  | 871   | 76.2%  |
| Cost of sales                                     | 478  | 74.6%  | 813   | 71.1%  |
| Capitalized interests                             | 38   | 5.9%   | 58    | 5.1%   |

During 1Q23, the cost of sales to revenue ratio was 76.2%, 4.4 pp. lower than the 80.5% recorded in 1Q22. This was the result of the higher contribution of land plot sales to revenues (usually with higher margins than homes sold).

The incorporation of new middle-income projects that have better margins than affordable entry-level has contributed to offset part of the effects of inflation on construction inputs. And higher average prices.

**Gross Income**

| Gross Income (MXN million) |      |       |      |       |     |        |
|----------------------------|------|-------|------|-------|-----|--------|
|                            | 1Q22 | % Rev | 1Q23 | % Rev | Δ\$ | Δ%     |
| Gross Income               | 125  | 19.5% | 273  | 23.8% | 148 | 118.5% |

In 1Q23, gross income growth 118.5%, from MXN 125 million in 1Q22 to MXN 273 million this quarter. This increase is the result of i) higher homes sold, due to the steady recovery of demand in Quintana Roo and the product diversification strategy (opening of new projects in the middle-income segment, with margin above the Affordable Entry-Level segment); and ii) a land plot sale for MXN 114 million, with a higher margin than homes sold.

**SG&A**

| SG&A (MXN million) |      |       |      |       |     |       |
|--------------------|------|-------|------|-------|-----|-------|
|                    | 1Q22 | % Rev | 1Q23 | % Rev | Δ\$ | Δ%    |
| SG&A               | 104  | 16.3% | 140  | 12.3% | 36  | 34.8% |

During 1Q23, SG&A expenses totaled MXN 140 million, increasing 34.8% versus MXN 104 million in 1Q22. However, as a percentage of revenue, expenses decreased 4.0 pp., from 16.3% in 1Q22 to 12.3% in 1Q23.

**EBITDA**

| EBITDA Breakdown (MXN million)   |             |              |            |                |
|----------------------------------|-------------|--------------|------------|----------------|
| Concepts                         | 1Q22        | 1Q23         | Δ\$        | Δ%             |
| EARNINGS AFTER TAXES             | (28)        | 62           | 90         | 321.5%         |
| (+) Income tax                   | 33          | 41           | 8          | 25.4%          |
| EARNINGS BEFORE TAXES (EBT)      | 5           | 102          | 98         | 2,112.4%       |
| (+) Capitalized CFR              | 38          | 58           | 21         | 54.8%          |
| (+) Non-capitalized interest     | 23          | 40           | 17         | 73.3%          |
| (-) Other income (expenses), net | 7           | 10           | 3          | 43.5%          |
| (+) Depreciation & amortization  | 2           | 1            | (1)        | (49.6%)        |
| <b>EBITDA</b>                    | <b>61</b>   | <b>192</b>   | <b>131</b> | <b>216.6%</b>  |
| <b>EBITDA Margin</b>             | <b>9.5%</b> | <b>16.8%</b> | <b>-</b>   | <b>7.3 pp.</b> |

EBITDA went from MXN 61 million in 1Q22 to MXN 192 million in 1Q23, growing 216.6%; in addition, EBITDA margin increased 7.3 pp., from 9.5% in 1Q22 to 16.8% in 1Q23, due to higher home sales, as these have been boosted by the steady recovery of demand in Quintana Roo and from our product diversification strategy (opening of new projects in the middle-income segment, whose margins exceeds those of the Affordable Entry-Level segment); as well as a land plot sale for MXN 114 million, with a higher margin than homes sold.



**Operating Income**

| Operating Income (MXN million) |      |       |      |       |     |        |
|--------------------------------|------|-------|------|-------|-----|--------|
|                                | 1Q22 | % Rev | 1Q23 | % Rev | Δ\$ | Δ%     |
| Operating Income               | 21   | 3.2%  | 132  | 11.6% | 112 | 540.4% |

Operating income for 1Q23 totaled MXN 132 million, favorably compared to the MXN 21 million recorded in 1Q22; as a percentage of revenue, operating income went from 3.2% in 1Q22 to 11.6% in 1Q23 (+8.3 pp.).

**Net Income**

| Net Income and EPS (MXN million) |        |      |      |          |
|----------------------------------|--------|------|------|----------|
| Concepts                         | 1Q22   | 1Q23 | Δ\$  | Δ%       |
| Consolidated Net Income          | (28)   | 73   | 101  | 363.7%   |
| Net Margin                       | (4.4%) | 6.4% | -    | 10.8 pp. |
| Controlling Interest             | (28)   | 72   | 100  | 361.0%   |
| Earnings Per Share* (MXN)        | (0.08) | 0.23 | 0.31 | 377.4%   |

\*Figures in Mexican pesos. Considering 319,172,265 shares outstanding in 1Q23 and 339,316,859 in 1Q22.

Net income in 1Q23 amounted to MXN 73 million, vs. -MXN 28 million in 1Q22. Net margin went from -4.4% in 1Q22 to 6.4% in 1Q23, as a result of higher revenues and increased margins this period.

Earnings per share (EPS) stood at MXN 0.23 in 1Q23, favorably compared to the -MXN 0.08 obtained in 1Q22.

**Financial Position**
**Cash & Cash Equivalents**

| Cash and Cash Equivalents (MXN million) |      |      |     |       |
|---|------|------|-----|-------|
|   | 1Q22 | 1Q23 | Δ\$ | Δ%    |
| Cash and Cash Equivalents               | 429  | 555  | 126 | 29.5% |

Cash and cash equivalents went from MXN 429 million in 1Q22 to MXN 555 million, growing 29.5%, result of higher homes sold revenues and a land plot sale for MXN 114 million. Of the total cash, MXN 56 million correspond to the reserve fund created to guarantee the payment of the "CADU20V" Green Bond.

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

**Working Capital Cycle (WCC)**

| Working Capital Cycle (WCC)    |                      |              |                      |            |              |
|--------------------------------|----------------------|--------------|----------------------|------------|--------------|
| Concepts                       | As of March, 2022    |              | As of March, 2023    |            | Δ days       |
|                                | Amount (MXN Million) | Days         | Amount (MXN Million) | Days       |              |
| Accounts Receivable            | 402                  | 56           | 517                  | 44         | (12)         |
| Inventory (includes Land Bank) | 7,555                | 1,373        | 7,577                | 870        | (503)        |
| Suppliers                      | 430                  | 78           | 940                  | 108        | 30           |
| Prepayments                    | 262                  | 48           | 199                  | 23         | (25)         |
| <b>WCC</b>                     | <b>7,264</b>         | <b>1,303</b> | <b>6,955</b>         | <b>783</b> | <b>(520)</b> |

The working capital cycle decreased 520 days, from 1,303 days at the end of 1Q22 to 783 days at the end of 1Q23, mainly due to the higher home sales recorded in the last 12 months.

As of March 31, 2023, accounts receivable was MXN517 million (AR turnover of 44 days), vs. MXN 402 million in the same period 2022 (AR turnover of 56 days). This growth is the result of loans granted to certain customers to stimulate the sale of the Blume project, as well as the period provided to settle the land plot sold during February and December.

The increase in suppliers was mainly derived from land suppliers, as better payment terms and conditions were achieved.

**Debt**

Total debt went from MXN 3,520 million at the end of 1Q22 to MXN 2,612 million at the end of 1Q23, a decrease of 25.8%, due to reductions of 26.8% and 24.1% in bank debt and debt securities, respectively.

| Bank Loans (MXN million) |              |                    |              |                    |              |                |
|--------------------------|--------------|--------------------|--------------|--------------------|--------------|----------------|
| Concept                  | 1Q22         | As % of total debt | 1Q23         | As % of total debt | Δ\$          | Δ%             |
| Bridge Loans             | 1,455        | 41.3%              | 1,094        | 41.9%              | (361)        | (24.8%)        |
| Land Bank                | 68           | 1.9%               | 68           | 2.6%               | -            | -              |
| Working Capital          | 723          | 20.5%              | 483          | 18.5%              | (240)        | (33.2%)        |
| <b>Total</b>             | <b>2,247</b> | <b>63.8%</b>       | <b>1,645</b> | <b>63.0%</b>       | <b>(601)</b> | <b>(26.8%)</b> |

As of March 31, 2023, bank debt was MXN 1,645 million, 26.8% lower than the MXN 2,247 million recorded in the same period 2022. This was the result of a 24.8% decrease in bridge loans, as well as a 33.2% decrease in working capital loans.

| Debt Securities – Local Notes (MXN million) |              |                    |              |                    |              |                |
|---|--------------|--------------------|--------------|--------------------|--------------|----------------|
| Concept                                     | 1Q22         | As % of total debt | 1Q23         | As % of total debt | Δ\$          | Δ%             |
| CADU 18                                     | 271          | 7.7%               | -            | -                  | (271)        | (100.0%)       |
| CADU 19                                     | 500          | 14.2%              | 464          | 17.8%              | (36)         | (7.1%)         |
| CADU 20V                                    | 502          | 14.3%              | 502          | 19.2%              | -            | -              |
| <b>Debt Securities</b>                      | <b>1,274</b> | <b>36.2%</b>       | <b>966</b>   | <b>37.0%</b>       | <b>(307)</b> | <b>(24.1%)</b> |
| <b>Total Debt*</b>                          | <b>3,520</b> | <b>100.0%</b>      | <b>2,612</b> | <b>100.0%</b>      | <b>(908)</b> | <b>(25.8%)</b> |

\*As of March 31, 2023, 100% of the Company's debt is contracted in Mexican pesos.

Securities loans went from MXN 1,274 million in 1Q22 to MXN 966 million in 1Q23, a decrease of 24.1%, due to the full amortization of the "CADU18" local note and the first principal payment of the "CADU19" local note over the period.

Of the total debt, 41.9% corresponds to bridge loans, 37.0% to securities loans, 18.5% to working capital loans and 2.6% to infrastructure loans.

| Debt Maturity Profile as of March 2023 (MXN million) |              |               |               |               |               |               |
|--|--------------|---------------|---------------|---------------|---------------|---------------|
| Concept  | Up to 1 year | Up to 2 years | Up to 3 years | Up to 4 years | Up to 5 years | Total         |
| Bank Loans   | 687          | 534           | 346           | 78            | -             | 1,645         |
| CADU 19  | 429          | 36            | -             | -             | -             | 464           |
| CADU 20V   | -            | -             | -             | -             | 502           | 502           |
| <b>Total</b>   | <b>1,116</b> | <b>570</b>    | <b>346</b>    | <b>78</b>     | <b>502</b>    | <b>2,612</b>  |
| <b>% Total</b>                                       | <b>42.7%</b> | <b>21.8%</b>  | <b>13.3%</b>  | <b>3.0%</b>   | <b>19.2%</b>  | <b>100.0%</b> |

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

Regarding maturity profile, 42.7% of the debt matures during the next 12 months, 21.8% up to 2 years, 13.3% within 3 years, 3.0% in 4 years and 19.2% until 5 years. CADU has no debt contracted in foreign currency.

During the quarter, CADU continued to promote the sale of assets as part of its strategy to boost liquidity, which resulted in the sale of a land plot for MXN 114 million. These resources will help the Company to better meet its short-term maturities.

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

| Debt Maturity by Quarter (MXN million) |             |              |             |             |              |             |
|--|-------------|--------------|-------------|-------------|--------------|-------------|
| Concept                                | 2Q23        | 3Q23         | 4Q23        | 1Q24        | 2Q24         | 3Q24        |
| Bank Loans                             | 122         | 486          | 10          | 70          | 231          | 50          |
| CADU 19                                | 107         | 107          | 107         | 107         | 36           | -           |
| <b>Total</b>                           | <b>229</b>  | <b>593</b>   | <b>117</b>  | <b>177</b>  | <b>267</b>   | <b>50</b>   |
| <b>% Total</b>                         | <b>8.8%</b> | <b>22.7%</b> | <b>4.5%</b> | <b>6.8%</b> | <b>10.2%</b> | <b>1.9%</b> |

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

8.8% of total debt matures in 2Q23, 22.7% during 3Q23, 4.5% in 4Q23, only 6.8% during 1Q24, 10.2% in 2Q24 and 1.9% until 3Q24.

The 3Q embraces MXN 593 million of maturities, of which MXN 92 million is a pre-bank facility to be signed in 2Q and MXN 239 million of current account facilities that are renewed annually.

At the end of 1Q23, CADU's corporate ratings by HR Ratings and Verum were "HR BBB" and "BBB/M", respectively. Verum and HR Ratings assigned ratings of "BBB/M" and "HR BBB" for CADU18 and CADU19, as well as "A/M" and "HR A+" for CADU20V.

| Leverage and Interest Coverage (Times) |       |      |                      |
|--|-------|------|----------------------|
| Concepts                               | 1Q22  | 1Q23 | Covenant             |
| Net Debt to EBITDA                     | 13.32 | 2.66 | Not greater than 3.0 |
| Total Liabilities / Equity             | 1.23  | 1.11 | Not greater than 3.0 |
| EBITDA / Interest Paid                 | 0.78  | 1.90 | Not less than 2.5    |

On April 21, 2023, the bondholders granted a waiver of compliance with the covenants established for the "CADU19" and "CADU20V" local notes, which was authorized by the bondholders at the meetings held on April 21, 2023.

The weighted cost of debt at the end of 1Q23 was 13.46% (TIE + 2.03 pp. / not considering commissions). At the end of the period, 80.8% of the total debt was contracted at a variable rate and 19.2% at a fixed rate of 9.13%.

#### Total Liabilities and Stockholders' Equity

| Total Liabilities and Stockholders' Equity (MXN million) |               |               |               |               |            |             |
|--|---------------|---------------|---------------|---------------|------------|-------------|
| Concepts   | 1Q22          | % total       | 1Q23          | % total       | Δ\$        | Δ%          |
| Total liabilities  | 5,804         | 55.2%         | 5,599         | 52.5%         | (206)      | (3.5%)      |
| Total Stockholders' Equity                               | 4,707         | 44.8%         | 5,063         | 47.5%         | 357        | 7.6%        |
| <b>Total</b>   | <b>10,511</b> | <b>100.0%</b> | <b>10,662</b> | <b>100.0%</b> | <b>151</b> | <b>1.4%</b> |

As of March 31, 2023, Stockholders' Equity stood at MXN 5,063 million, up 7.6% compared to MXN 4,707 million in 1Q22. This is due to the earnings generated in the last 12 months.

The capital structure in 1Q23 was comprised 52.5% of liabilities and 47.5% of equity, while in 1Q22 55.2% corresponded to liabilities and 44.8% to equity.

#### Cash Flow

##### Cash Variations

| Cash Flow (MXN million)                          |             |              |               |
|--|-------------|--------------|---------------|
| Concepts   | 1Q22        | 1Q23         | Δ%            |
| Earnings before taxes (EBT)                      | 5           | 102          | 2,112.4%      |
| Investment activities                            | (5)         | (9)          | 88.5%         |
| Financing activities                             | 38          | 98           | 160.1%        |
| <b>Cash flow before taxes</b>                    | <b>38</b>   | <b>192</b>   | <b>409.0%</b> |
| Cash flow from operating activities              | (123)       | 267          | 318.0%        |
| <b>Net cash flow from operating activities</b>   | <b>(85)</b> | <b>459</b>   | <b>640.6%</b> |
| Net cash flow from investment activities         | 7           | 6            | (16.5%)       |
| Net cash flow from financing activities          | 13          | (572)        | (4,462.5%)    |
| <b>Δ Cash and cash activities</b>                | <b>(65)</b> | <b>(107)</b> | <b>65.2%</b>  |
| Cash and equivalents – beginning of period       | 494         | 663          | 34.2%         |
| <b>Cash and cash equivalents – end of period</b> | <b>429</b>  | <b>555</b>   | <b>29.5%</b>  |
| <b>Free Cash Flow to Firm</b>                    | <b>(78)</b> | <b>465</b>   | <b>695.3%</b> |

During 1Q23, free cash flow to firm increased to MXN 465 million, which compares favorably with -MXN 78 million in 1Q22. This result is mainly due to a higher income for the period.

## ESG

In line with its high commitment to best practices in Environmental, Social and Corporate Governance (ESG) matters, the Company has been recognized and certified by different institutions in the last 2 years. The distinctions include:

- 🏠 **Climate Bond Initiative certification**, under the "Low Carbon Buildings" modality, which made the "CADU20V" Green Bond as the first of the housing sector in Latin America to obtain this distinction.
- 🏠 **PRIME Corporate Governance Certification**, granted by Bancomext, Nacional Financiera, BMV, BIVA and AMIB when a company satisfactorily complies to the PRIME Guide that promotes best practices in this field.
- 🏠 **Environmental Finance's GREEN BONUS Award**, afforded for standing out in 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**, granted by the Green Finance Advisory Board in the framework of Green, Social and Sustainable Bonds, in 2020-2021, to companies that reinforce their commitment to sustainability and show the implementation of increasingly solid strategies.
- 🏠 **EDGE Advanced Certification** from the IFC (of the World Bank Group) to CADU's prototypes that allow savings of up to 47% in energy, 39% in water and 75% in embodied energy in materials.
- 🏠 **Grupo Expansión, Transparencia Mexicana y Mexicanos Contra la Corrupción** have recognized CADU for its fight against corruption.
- 🏠 **ESR Distinction for Large Companies**, granted for the second consecutive year, 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.

For further details on the above, please refer to the forthcoming 2022 Annual Sustainability Report.

## Recent Developments

- 🏠 On April 21, 2023, the shareholders of the "CADU19" and "CADU20V" local notes authorized the extension of the waiver of compliance with the covenants corresponding to these securities, which will be in effect during this year.
- 🏠 During March, CADU carried out the first amortization of the "CADU19" local note, for MXN 36 million, in line with its schedule of maturities.
- 🏠 On February 28, 2023, CADU announced that it received, for the second consecutive year, the ESR 2023 distinction for large companies from the Centro Mexicano para la Filantropía, A.C., (Cemefi) and the Alianza por la Responsabilidad Social Empresarial por México (AliaRSE), given its public and voluntary commitment to implement a social responsible management.



- 🏠 On February 21, 2023, CADU announced that the last payment of the Bonds identified with the ticker symbol "CADU18" was made in line with the agreed final amortization date.
- 🏠 On February 17, 2023, CADU announced the sale of a land plot for MXN 114 million, which will contribute to strengthening its financial position, enabling it to better meet its short-term maturities.

### 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, Apalache Análisis, and Miranda GR. For more information, please go to <http://ri.caduinmobiliaria.com>

### 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.*

### 1Q23 Conference Call



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

Invites you to participate in its

## 1Q23 CONFERENCE CALL

**Presenters:**  
Pedro Vaca – CEO  
Mauricio Torres – CFO  
Cesar Navarro – IRO

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

**Date:** Tuesday, April 25, 2023

**Time:** 9:00 a.m. (Mexico City Time)  
11:00 a.m. (New York Time)

**To access the call, please register at the following link:**

<http://webcast.investorcloud.net/cadu/index.html>

**If you prefer to participate via telephone, please dial:**

· Mexico:  
**+52 558 659 6002**

· USA (New York):  
**+1 929 205 6099**

Webinar ID:  
**813 7782 5371**

Other international numbers available:  
<https://us02web.zoom.us/j/knEOJCJkC>



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

**1Q23 earnings release date:**  
Monday, April 24<sup>th</sup>, 2023  
(after market close)

## Financial Statements

Corpovael, S.A.B. de C.V. and Subsidiaries  
Consolidated Statement of Financial Position  
As of March 31, 2023 and March 31, 2022  
(Figures in MXN thousands)

|   | Mar-31,<br>2022            | Mar-31,<br>2023            | Δ%                   |
|---|----------------------------|----------------------------|----------------------|
| <b>Assets</b>                                     |                            |                            |                      |
| <b>Current Assets:</b>                            |                            |                            |                      |
| Cash and cash equivalents                         | \$428,905                  | \$555,245                  | 29.5%                |
| Accounts receivable (Net)                         | 401,746                    | 517,370                    | 28.8%                |
| Other accounts receivable (Net)                   | 1,035,829                  | 1,192,289                  | 15.1%                |
| Housing inventory                                 | 4,972,590                  | 4,492,742                  | (9.6%)               |
| Other current assets                              | 651,819                    | 385,965                    | (40.8%)              |
| <b>Total Current Assets</b>                       | <b>7,490,888</b>           | <b>7,143,611</b>           | <b>(4.6%)</b>        |
| <b>Non-current Assets:</b>                        |                            |                            |                      |
| Housing inventory                                 | 2,582,143                  | 3,084,115                  | 19.4%                |
| Property, plant and equipment (Net)               | 56,312                     | 32,018                     | (43.1%)              |
| Other Non-current assets                          | 381,338                    | 402,063                    | 5.4%                 |
| <b>Total Non-current assets</b>                   | <b>3,019,793</b>           | <b>3,518,195</b>           | <b>16.5%</b>         |
| <b>Total Assets</b>                               | <b><u>\$10,510,681</u></b> | <b><u>\$10,661,806</u></b> | <b><u>1.4%</u></b>   |
| <b>Liabilities and Stockholders' Equity</b>       |                            |                            |                      |
| <b>Current Liabilities</b>                        |                            |                            |                      |
| Bank loans  | 1,027,272                  | 687,315                    | (33.1%)              |
| Debt securities                                   | 307,143                    | 428,571                    | 39.5%                |
| Suppliers   | 430,310                    | 939,921                    | 118.4%               |
| Taxes payables                                    | 70,457                     | 65,505                     | (7.0%)               |
| Other current liabilities                         | 1,067,708                  | 1,014,628                  | (5.0%)               |
| <b>Total Current Liabilities</b>                  | <b>2,902,890</b>           | <b>3,135,940</b>           | <b>8.0%</b>          |
| <b>Non-current Liabilities</b>                    |                            |                            |                      |
| Bank loans  | 1,219,254                  | 958,009                    | (21.4%)              |
| Debt securities                                   | 966,386                    | 537,814                    | (44.3%)              |
| Lease liability                                   | 17,035                     | 13,922                     | (18.3%)              |
| Other non-current liabilities                     | 698,584                    | 952,870                    | 36.4%                |
| <b>Total Non-current Liabilities</b>              | <b>2,901,260</b>           | <b>2,462,615</b>           | <b>(15.1%)</b>       |
| <b>Total Liabilities</b>                          | <b><u>\$5,804,149</u></b>  | <b><u>\$5,598,557</u></b>  | <b><u>(3.5%)</u></b> |
| <b>Stockholders' Equity</b>                       |                            |                            |                      |
| Capital Stock                                     | 169,658                    | 159,586                    | (5.9%)               |
| Retained earnings                                 | 4,497,731                  | 4,862,909                  | 8.1%                 |
| Controlling interest                              | 4,667,389                  | 5,022,495                  | 7.6%                 |
| Non-controlling interest                          | 39,144                     | 40,754                     | 4.1%                 |
| <b>Total Stockholders' Equity</b>                 | <b>4,706,533</b>           | <b>5,063,249</b>           | <b>7.6%</b>          |
| <b>Total Liabilities and Stockholders' Equity</b> | <b><u>\$10,510,681</u></b> | <b><u>\$10,661,806</u></b> | <b><u>1.4%</u></b>   |

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

|  | 1Q22                     | As % of Revenue      | 1Q23                   | As % of Revenue    | Δ%                   |
|--|--------------------------|----------------------|------------------------|--------------------|----------------------|
| <b>Revenue:</b>                              |                          |                      |                        |                    |                      |
| Home Sold                                    | \$602,705                | 94.1%                | \$910,652              | 79.6%              | 51.1%                |
| Land Plot Sales                              | 29,239                   | 4.6%                 | 229,806                | 20.1%              | 686.0%               |
| Construction Services                        | 8,378                    | 1.3%                 | 3,335                  | 0.3%               | (60.2%)              |
|  | <b>640,322</b>           | <b>100.0%</b>        | <b>1,143,793</b>       | <b>100.0%</b>      | <b>78.6%</b>         |
| <b>Cost and expenses:</b>                    |                          |                      |                        |                    |                      |
| Construction Cost                            | (477,857)                | 74.6%                | (812,802)              | 71.1%              | 70.1%                |
| Capitalized Interest                         | (37,649)                 | 5.9%                 | (58,267)               | 5.1%               | 54.8%                |
| Cos of Sales                                 | (515,505)                | 80.5%                | (871,069)              | 76.2%              | 69.0%                |
| Gross Income                                 | 124,817                  | 19.5%                | 272,724                | 23.8%              | 118.5%               |
| Expenses                                     | (101,915)                | 15.9%                | (139,220)              | 12.2%              | 36.6%                |
| Depreciation                                 | (2,230)                  | 0.3%                 | (1,125)                | 0.1%               | (49.6%)              |
| General Expenses                             | (104,145)                | 16.3%                | (140,345)              | 12.3%              | 34.8%                |
| <b>Operating Income</b>                      | <b>20,672</b>            | <b>3.2%</b>          | <b>132,379</b>         | <b>11.6%</b>       | <b>540.4%</b>        |
| Other Expenses                               | -                        | -                    | (64)                   | 0.0%               | -                    |
| <b>Earnings before interest and taxes</b>    | <b>20,672</b>            | <b>3.2%</b>          | <b>132,315</b>         | <b>11.6%</b>       | <b>540.1%</b>        |
| Financial Income                             | 6,844                    |                      | 9,821                  |                    | 43.5%                |
| Financial Expenses                           | (22,884)                 |                      | (39,657)               |                    | 73.3%                |
|  | (16,040)                 |                      | (29,836)               |                    | 86.0%                |
| <b>Earnings Before Taxes</b>                 | <b>4,632</b>             | <b>0.7%</b>          | <b>102,479</b>         | <b>9.0%</b>        | <b>2,112.4%</b>      |
| <b>Income Taxes:</b>                         |                          |                      |                        |                    |                      |
| Current                                      | (32,500)                 | 5.1%                 | (64,949)               | 5.7%               | 99.8%                |
| Deferred                                     | -                        | -                    | 35,967                 | 3.1%               | -                    |
| Net  | <u>(32,500)</u>          | <u>5.1%</u>          | <u>(28,982)</u>        | <u>2.5%</u>        | <u>(10.8%)</u>       |
| <b>Net Comprehensive Consolidated Income</b> | <b><u>(\$27,868)</u></b> | <b><u>(4.4%)</u></b> | <b><u>\$73,497</u></b> | <b><u>6.4%</u></b> | <b><u>363.7%</u></b> |
| Controlling interest                         | (27,733)                 |                      | 72,371                 |                    | 361.0%               |
| Non-controlling interest                     | (135)                    |                      | 1,126                  |                    | 934.1%               |
| <b>Net Comprehensive Consolidated Income</b> | <b>(27,868)</b>          | <b>(4.4%)</b>        | <b>73,497</b>          | <b>6.4%</b>        | <b>363.7%</b>        |
| Net Income (Loss) per Share*                 | (0.08)                   |                      | 0.23                   |                    | 377.4%               |

\*Considering 319,172,265 outstanding shares in 1Q23 and 339,316,859 in 1Q22.

Corpovael, S.A.B. de C.V. and Subsidiaries

Statement of Consolidated Cash Flow  
(Figures MXN thousands)

|   | 1Q22            | 1Q23             |
|---|-----------------|------------------|
| <b>Operating Activities</b>   |                 |                  |
| Earnings before taxes   | 4,632           | 102,479          |
| <b>Items Related to Investment Activities</b>                             |                 |                  |
| Depreciation and Amortization   | 2,230           | 1,125            |
| Interest income   | (6,844)         | (9,821)          |
| Interest expenses   | -               | 39,657           |
| Allowance for doubtful accounts   | -               | -                |
| Allowance for inventory impairment  | -               | -                |
| Net employee benefit cost   | -               | -                |
| Income from sale of transport and equipment                               | -               | -                |
| Capitalized interest recognized in cost of sales                          | 37,649          | 58,267           |
| <b>Cash Flow from Earnings Before Taxes</b>                               | <b>37,666</b>   | <b>191,707</b>   |
| <b>Cash Flow from or used in Operating Activities</b>                     |                 |                  |
| Decrease (increase) in accounts receivable                                | (153,180)       | 47,799           |
| Decrease (increase) in inventory  | 140,906         | 440,541          |
| Decrease (increase) in other accounts receivable and other current assets | (355,228)       | (825,904)        |
| Increase (decrease) in accounts payable                                   | (7,059)         | (87,075)         |
| Increase (decrease) in other liabilities                                  | 500,129         | 729,794          |
| Other   | (248,123)       | (37,995)         |
| <b>Net Cash Flows from or used in Operating Activities</b>                | <b>(84,888)</b> | <b>458,868</b>   |
| <b>Investment Activities</b>  |                 |                  |
| Investment in shares  | -               | -                |
| Investment in property, plant and equipment                               | -               | (4,106)          |
| Receivables from sale of machinery and equipment                          | -               | -                |
| Other long-term accounts receivable                                       | -               | -                |
| Interest received   | 6,844           | 9,821            |
| <b>Net Cash Flows from or used in Investment Activities</b>               | <b>6,844</b>    | <b>5,715</b>     |
| <b>Financing Activities</b>   |                 |                  |
| Bank loans  | 487,104         | 512,515          |
| Debt certificates   | -               | -                |
| Expenses related to the Stock Issuance                                    | -               | -                |
| Amortization of bank loans  | (362,407)       | (814,546)        |
| Amortization of debt certificates   | (42,858)        | (158,649)        |
| Credit opening costs with financial institutions                          | -               | 21,067           |
| Interests paid  | (63,271)        | (90,038)         |
| Buyback program   | -               | (5,107)          |
| Other items   | (5,459)         | (37,119)         |
| <b>Net Cash Flows from or used in Financing Activities</b>                | <b>13,109</b>   | <b>(571,877)</b> |
| <b>Increase (decrease) in Cash and Cash Equivalents</b>                   | <b>(64,934)</b> | <b>(107,295)</b> |
| <b>Cash and Cash Equivalents at Beginning of the Period</b>               | <b>493,839</b>  | <b>662,540</b>   |
| <b>Cash and Cash Equivalents at End of the Period</b>                     | <b>428,905</b>  | <b>555,245</b>   |

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