

# DUNA HOUSE GROUP

## Quarterly measures 2020 Q3

6 October 2020



## Quarterly measures

DUNA HOUSE hereby publishes financial indexes that are available for the given quarter beforehand, thus our respected shareholders and investors are given the chance to receive information on the tendencies within a short time following the expiry of the given quarter – prior to the quarterly financial statements publicly disclosed according to the Company’s Event Calendar.

In accordance with Management intentions, these indexes shall be published on a regular basis, no later than on the 5. working day following the given quarter.

The Management of the Company asks its shareholders and investors to note that all indexes published in the present report are to be considered preliminary. Final figures shall be published in the quarterly financial statement.

Budapest, 6 October 2020

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## EXECUTIVE SUMMARY

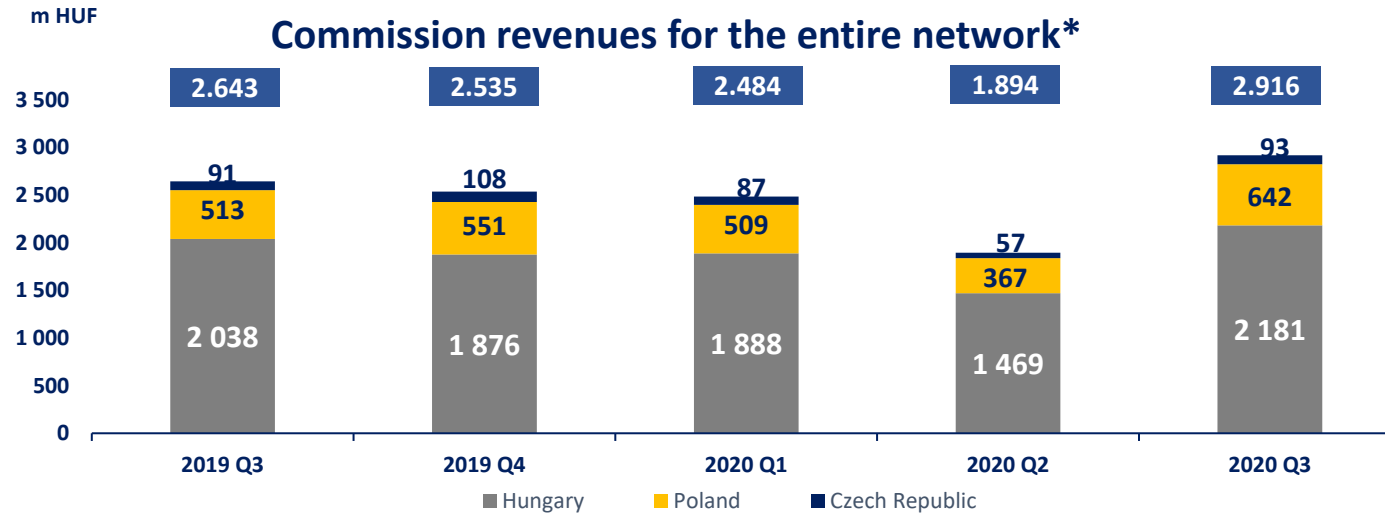
### **Duna House Group's real estate networks set new records during the COVID crisis**

**Q3 2020 was about the rebound at Duna House Group. The Group's real estate brokerage volumes that suffered significant drop due to curfew restrictions in the first half of the year, reached all-time highs in Poland and on group-level in Q3 2020. This year has shown the strength of the Group's diversified activities, as the real estate and loan markets, as well as the individual countries, have been affected to different degrees and at different pace, thus smoothing the effects of the pandemic.**

In Hungary, the residential real estate market started the year at last year's levels, then dropped drastically in the last two weeks of March as a result of curfew restrictions on the COVID-19 pandemic, resulting a 67% YoY decline in the last week of the month. By the end of May volumes closed back to last year's levels. The Group's franchise real estate brokerage network reported a 7% YoY increase compared to Q3 2019, reaching a total commission volume of HUF 2.2 billion this quarter. The volume of the own offices segment is still 20% lower, than it was in Q3 2019, but exceeds the volume of Q1 2020 and Q2 2020. Lending is approaching pre-COVID levels again.

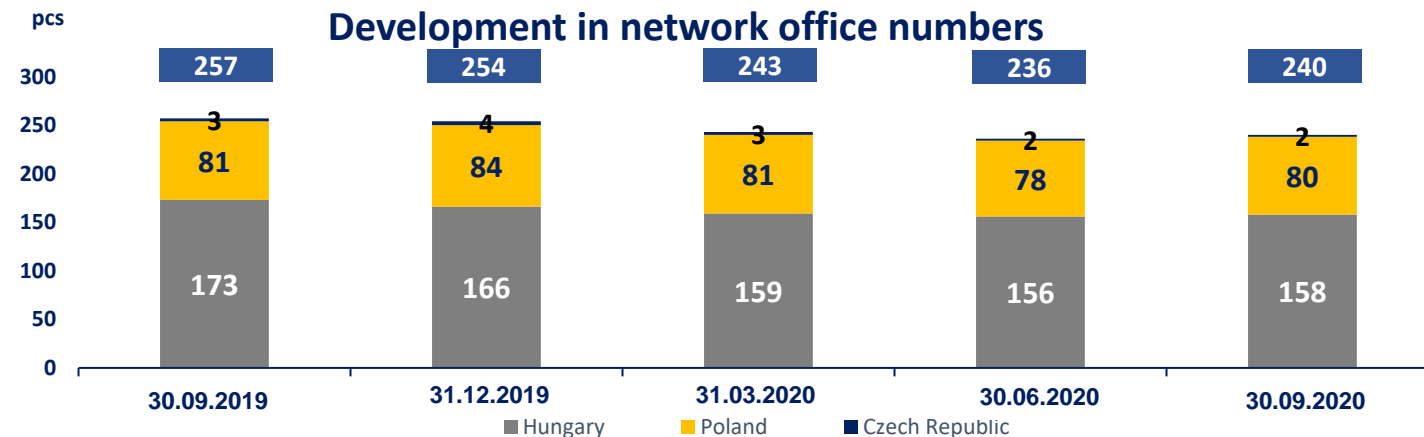
In Poland, COVID-19 hit the Group in a strong organic growth phase, so although the restrictions started a few days earlier than in Hungary, volumes decreased to a lesser extent in Q2 2020 on a year-on-year basis. In addition to a rebound in Q3 2020, the commission incomes of the Polish franchise network reached a new record, exceeding the Q3 2019 levels by 25%. The performance of Polish own offices also rebounded to the volumes of Q3 2019. As a result of the acquisition of Alex T. Great, the Group was able to grow in lending, the contractual amount of brokered loans increased by 23% YoY, however there was still a decrease compared to the previous quarters.

## Changes in network commission revenues and office numbers



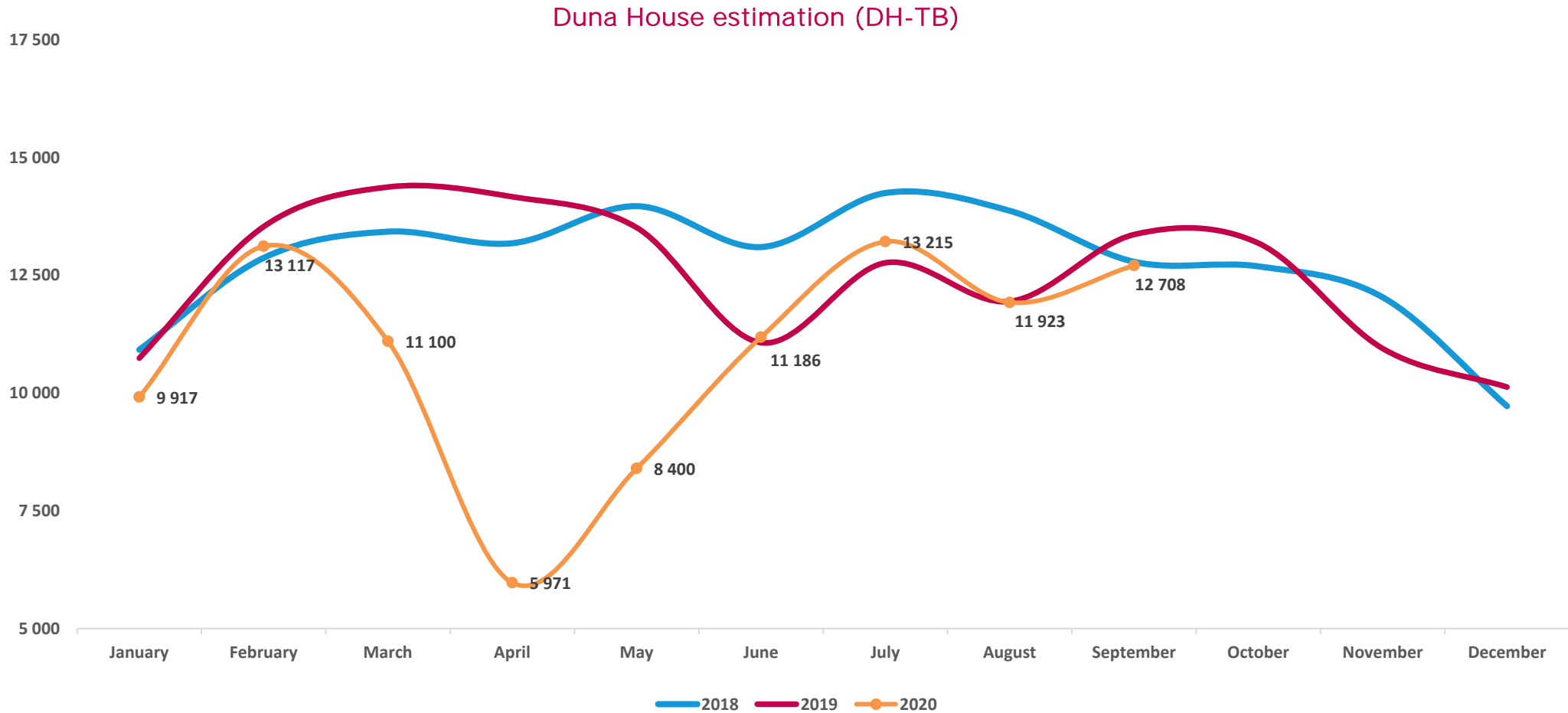
\*total revenue realized as a result of property market transactions intermediated by Duna House Holding franchise networks altogether

Note: Quarterly volume figures have been restated for the past periods after the correction of a non-material technical mistake.



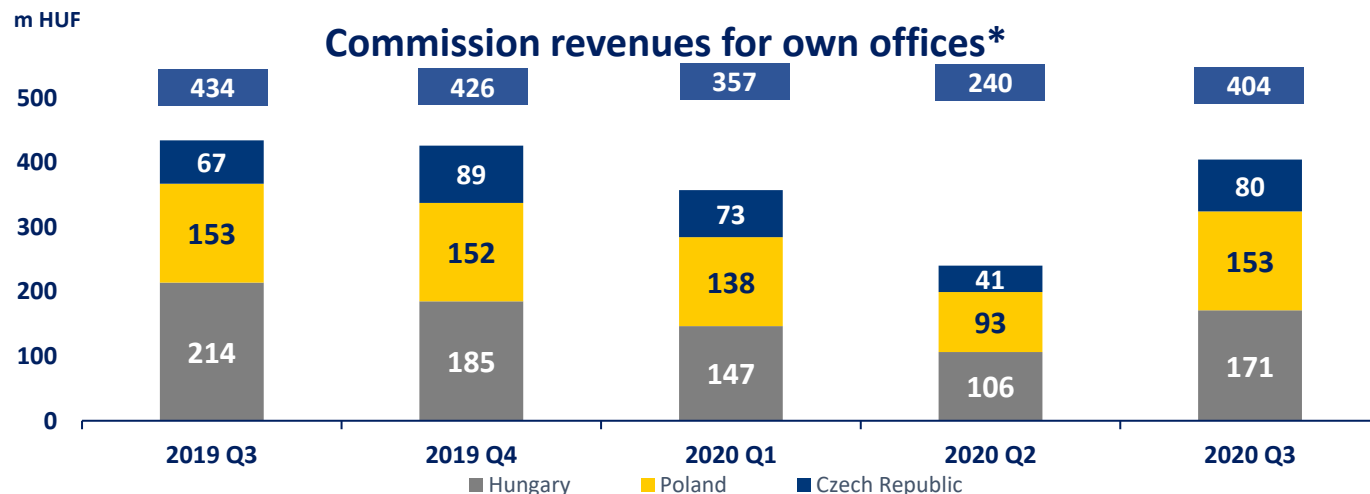
- Duna House Group reached real estate commissions of HUF 2.9 billion in Q3 2020 (+10.3% YoY), thus breaking record in the middle of the COVID-19 pandemic.
- In Hungary, the commissions increased by 7.0%, in Poland by 25.2% and in the Czech Republic by 1.3% YoY compared to Q3 2019. The performance of the Polish Metrohouse is outstanding, reaching a country-record with a commission income of HUF 642 million.
- Due to its relatively small size, the performance of the Czech network fluctuates significantly among quarters.
- The Hungarian and Polish networks also expanded with 2-2 offices during Q3 2020.

## HUNGARIAN PROPERTY MARKET TRENDS BASED ON DH-BAROMETER\*

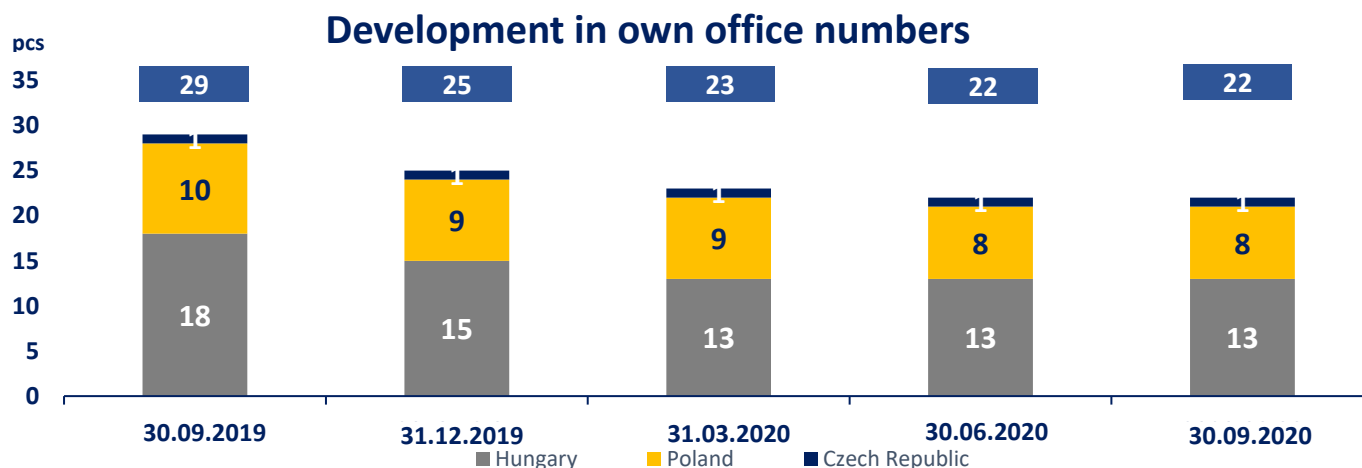


\*Due to the lack of up-to-date official data, the above presented data is based on Duna House own estimates.

**Changes in commission revenues and office numbers for own offices**

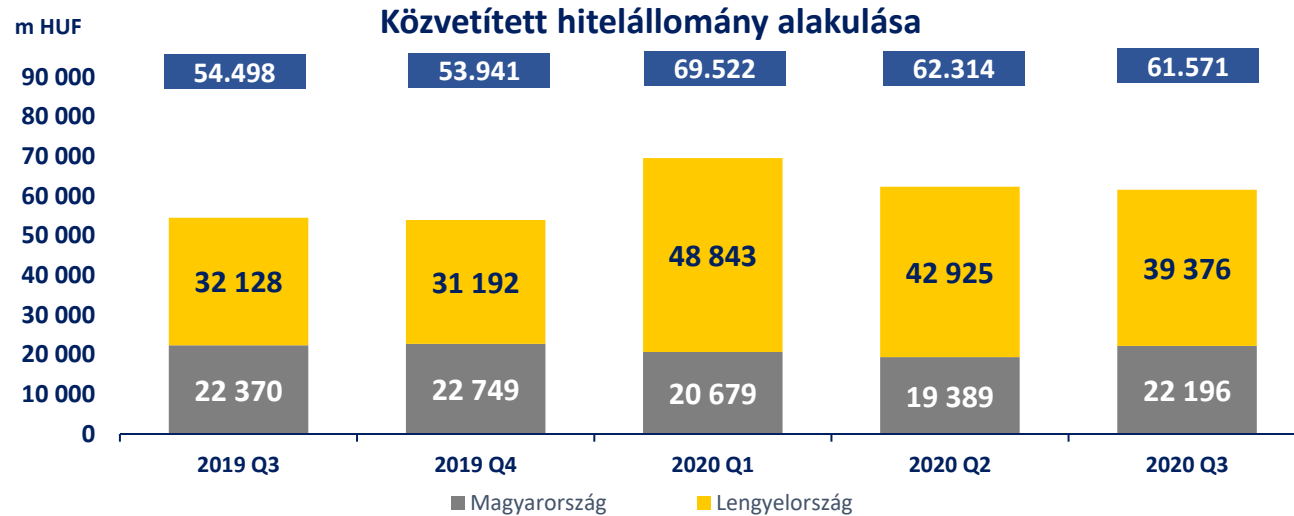


\*total revenue realized as a result of property market transactions intermediated by Duna House Holding franchise networks altogether



- In Q3 2020, the own office segment generated commission revenues of HUF 404 million (-6.8% YoY).
- In Hungary, revenues decreased by 20.1% YoY. A slower catch-up is expected at the Hungarian own offices segment, due to the stronger downturn in the Budapest real estate market.
- The commission revenues of Polish own offices increased by 0.1% YoY.
- The revenues of the Czech own office increased by 19.5% YoY in Q3 2020. Due to its relatively small size, the performance of the Czech own office fluctuates significantly among quarters.
- The number of offices in Hungary decreased in Q1-2 2020 due to the merger of the Smart Real Estate network into the Duna House brand and their subsequent rationalization, while it remained unchanged in Q3 2020.

**Changes in intermediated loan volumes**



- In Q3 intermediated loan volume reached HUF 61.6 billion (+13.0% YoY).
- The impact of the COVID-19 crisis has been protracted on the loan market. In Poland, the volume of loans brokered by the Group increased by 22.6% due to the acquisition of Alex T. Great in early 2020, however, there has been a decline since Q1 2020.
- In Hungary, loan volumes decreased by 0.8% YoY in Q3 2020, however, growth has begun after the low point in Q2 2020.