

DUNA HOUSE GROUP

Quarterly measures 2022 Q3

7 October 2022



Quarterly measures

DUNA HOUSE GROUP 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, 7 October 2022

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EXECUTIVE SUMMARY

Benefits of diversification – Focusing on gaining market share

Duna House Group's closed Q3 with declining volumes compared to the record levels in the first two quarters, as an aggregate of three very different market factors. The performance of the Italian subsidiaries continues to be strong, only the significant seasonal impact of August lowered the volumes compared to H1 levels. Volumes declined moderately and market share increased in Hungary, while the downturn intensified in Poland as lending requirements got stricter. Market share building remains the focus of the management: the increasingly complex loan requirements and more difficult real estate transactions elevate the role of the intermediary, while the number of creditworthy clients is – by a different degree in each market – decreasing.

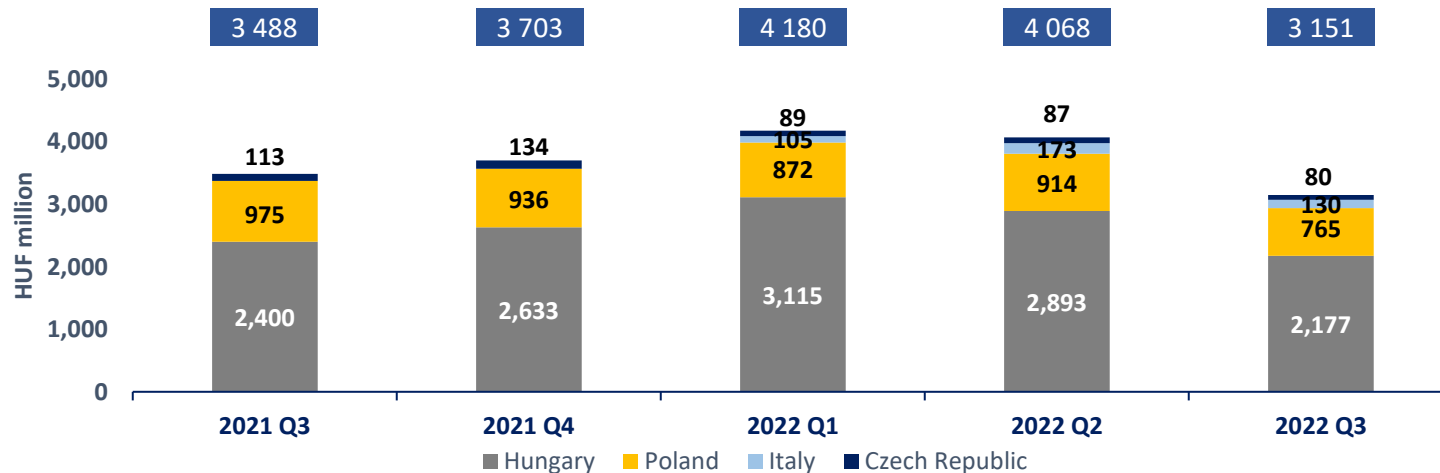
In Hungary, the number of residential real estate transactions decreased by around 20% yoy in Q3 2022, according to the Group's estimates. The Group's Hungarian franchise real estate volumes lowered by 9% on a year-on-year basis. Own office volumes stagnated with a 2% year-on-year growth. Group's intermediated loan volumes declined by 18%, while the total housing loan market declined by 31% in July and 19% in August yoy.

In Poland, restrictions on payment-to-income (PTI) ratio have had a negative impact on the loan and real estate markets, resulting in a steep decline in volumes following the strong growth in 2021. Franchise real estate volumes lowered by 22% yoy, while owned office real estate volumes fell 33%. Loan intermediation volumes dropped by 57% yoy on a PLN basis, while the overall mortgage market fell 64% yoy in July and 69% yoy in August. Thereby, the Group's market share increased by around 50% in the mortgage market. In the current stressed market, the Group aims to further increase its market share and significantly expand its network of real estate brokers.

With the acquisition of Italian Hgroup, the Group's new market has become its largest loan intermediary. During the quarter, it brokered loans of HUF 120.9 billion, representing 64% of the Group's total volume. Growth was 4% on euro basis. Decline compared to Q2 2022 follows usual seasonality: the holiday season of August causes monthly volume to drop to 40-42% of the levels seen in previous months. Analysts estimate the total mortgage market to have declined by 22.6% in 1-9m of 2022 compared to previous year, within which new loan disbursement is down by merely 1.7%. Loan volumes of the Group increased by 6.9% during the same period. The real estate brokerage business generated commission revenue of HUF 130 million with an expanding network of 39 offices. The euro exposure of the Italian entities provides significant stability to the Group.

Changes in network commission revenues and office numbers

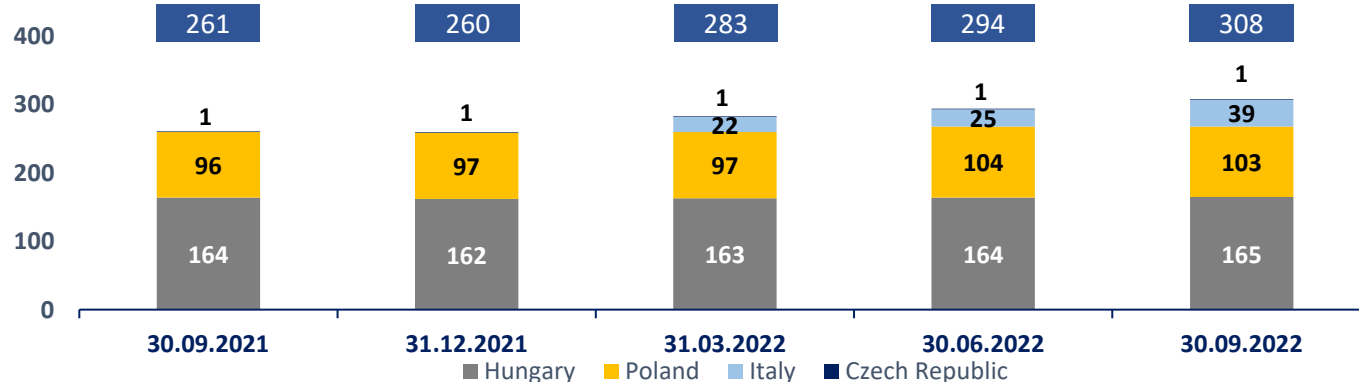
Commission revenues for the entire network*



*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.

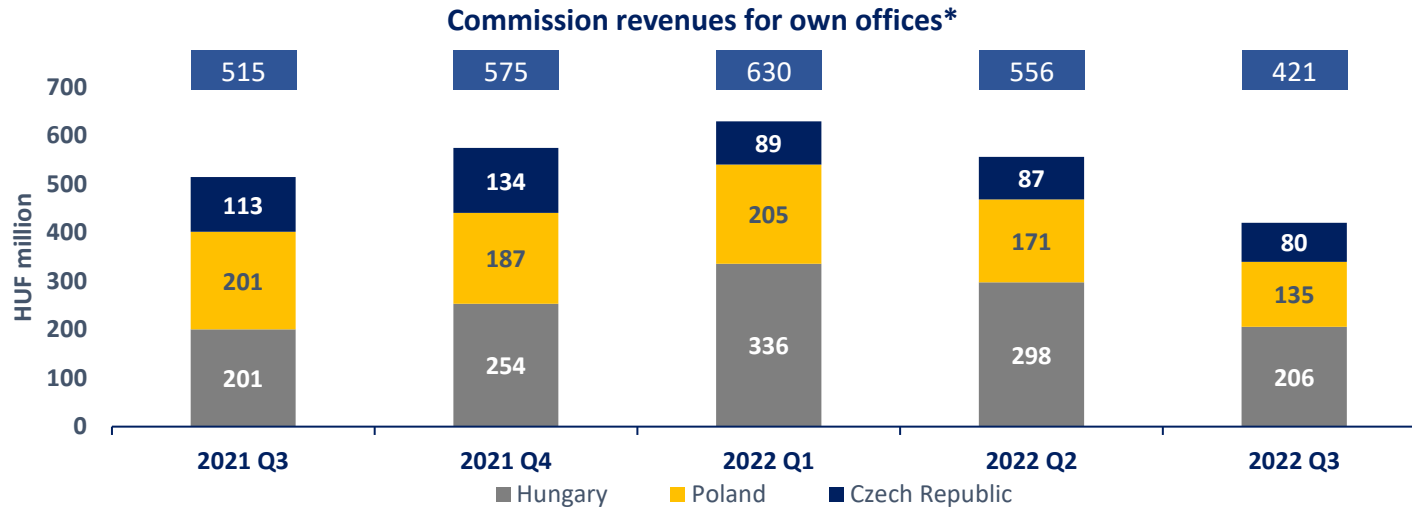
Development in network office numbers



- In franchise real estate, the amount of commissions generated by the network approached HUF 3.2 billion in the second quarter (-9.7% yoy).
- In Hungary, volumes declined by 9.3% preliminary due to increased interest rates and stronger summer seasonality. Clients stayed away from the real estate transactions due to vacations longer than usual.
- In Poland, the decline intensified, volumes dropping by 21.6% yoy in Q3 following the 6.5% yoy decrease in Q2.
- In Italy, the acquired Realizza network generated commissions of HUF 130 million.
- The number of offices exceeded 300. Italy added 14 offices during the quarter, Hungary 1, while Poland closed an office.

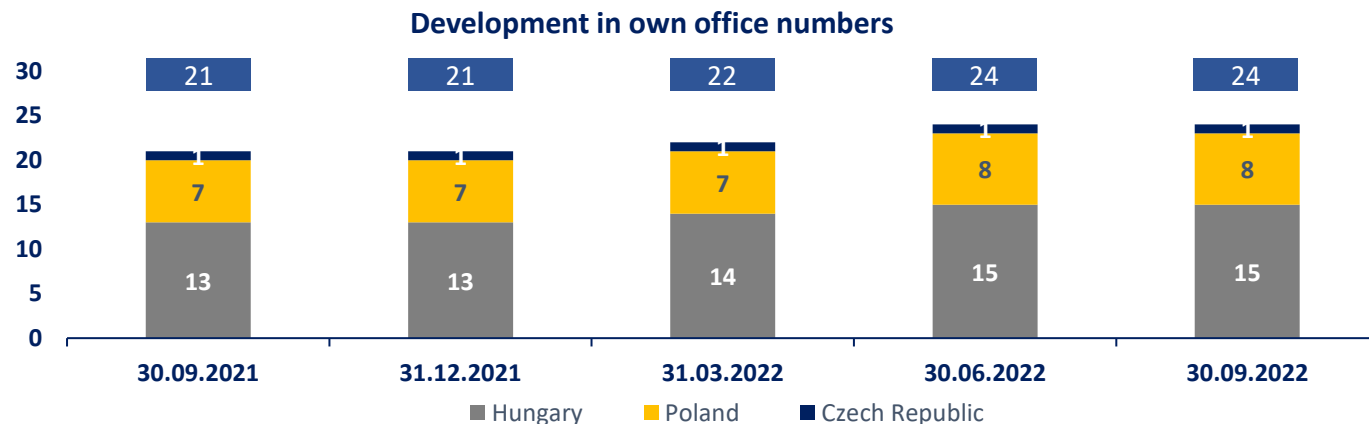
Technical note: The Realizza subsidiary in Italy does not operate in a franchise model, however, its revenue model compares to such. Gross profit to commission revenue ratios are similar to our franchise models in Hungary and Poland. Own offices (currently one office) will not be reported separately until the activity reaches a relevant size.

Changes in commission revenues and office numbers for own offices



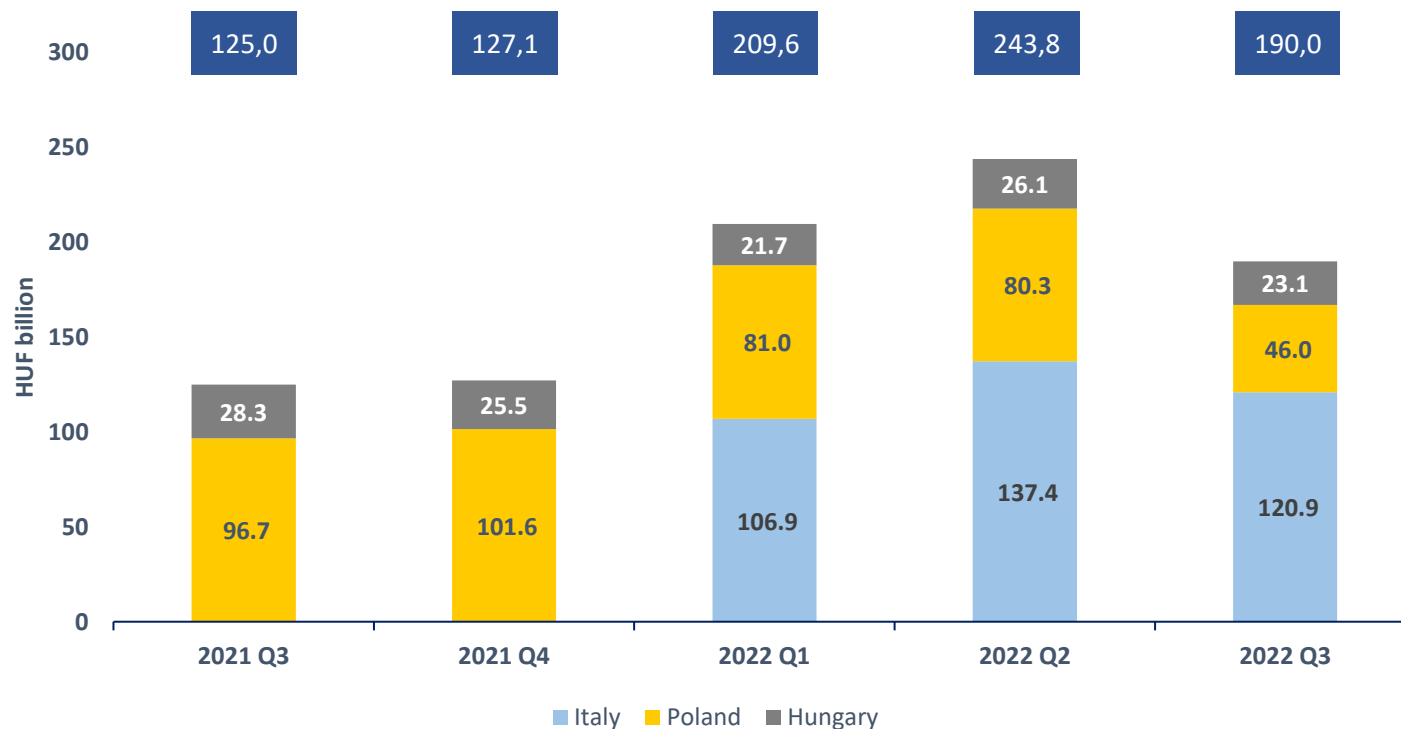
- Commission volumes in the own office segment decreased to HUF 421 million (-18.3% yoy).
- Commission income in Hungary grew by 2.4% year-on-year, but significantly below the levels seen since the beginning of the year.
- Polish own agency commission income fell by 33.2% year-on-year.
- The revenues of the Czech own office decreased by 28.6% year-on-year. Due to its relatively small size, the performance of the Czech office can fluctuate widely between quarters.
- The number of offices remained constant in present quarter.

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



Changes in intermediated loan volumes

Intermediated loan volumes by quarters



- Intermediated loan volumes rose to HUF 190 billion (+52.0% yoy) after the acquisition of Italian Hgroup at the beginning of the year. Due to significant fall of Polish volumes, the quarter is lagging behind the previous periods of the year.
- In Italy, loan volumes amounted to €299.6 million (HUF 120.9 billion), an increase of 4.1% compared to Q3 2021 (€287.9 million). Decline compared to Q2 2022 follows usual seasonality: the holiday season of August causes monthly volume to drop to 40-42% of the levels seen in previous months. Analysts of CRIF estimate the total mortgage market to have declined by 22.6% in 1-9m of 2022 compared to previous year, within which new loan disbursement is down by merely 1.7%. Loan volumes of the Group increased by 6.9% during the same period.
- In Poland, the Group's intermediated loan volume amounted to PLN 541 million (HUF 46.0 billion) with significant drop (-56.6% yoy in zloty terms). The restrictive PTI (payment-to-income) ruled caused the overall mortgage market to fell by 64% in July and 69% in August yoy, thereby the Group increased its market share by nearly 50%.
- In Hungary, the Group's intermediated loan volume was HUF 23.1 bn, down by 18.4% yoy. The market of housing loans fell by 31% in July and 19% in August yoy, according to MNB statistics.