

DUNA HOUSE GROUP

Quarterly measures 2022 Q4

5 January 2023



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, 5 January 2023

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EXECUTIVE SUMMARY

Duna House Group went through two difficult quarters following the record volumes of the first two quarters of 2022. In spite of the Russian-Ukrainian war, runaway inflation and interest rates, the Group closed the year with franchise and own office real estate commission volumes of the levels seen in 2021 and doubled its loan volumes with the acquisition of the Italian Hgroup.

The performance of the Italian subsidiaries remained stable in Q4 2022, closing the year with its strongest three months. In Hungary, market share improvement was combined with declining volumes, while lending dropped by 70% in Poland. The Group realized HUF 1.6 billion free cash flow from the handovers of Forest Hill. Its total, investable cash holdings exceed HUF 9 billion as of end of 2022.

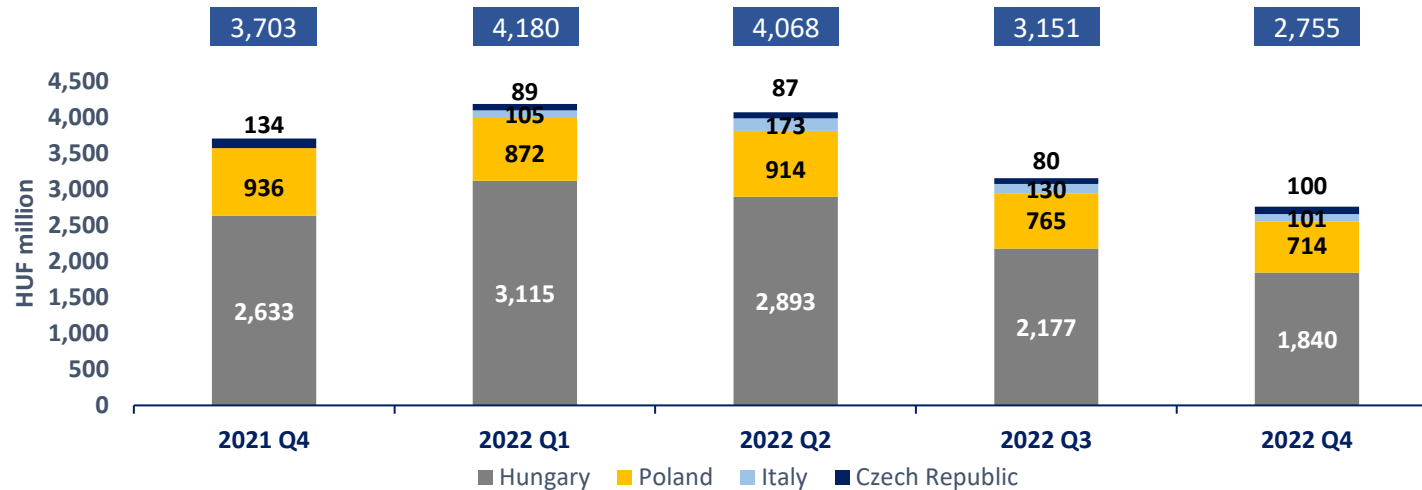
In Hungary, the number of residential real estate transactions decreased by around 33% yoy in Q4 2022, according to the Group`s estimates. The Group's Hungarian franchise real estate volumes lowered by 30% on a year-on-year basis. Own office volumes declined by 19% year-on-year. Group's intermediated loan volumes dropped by 30%, while the total housing loan market declined by 45% in October and 55% in November 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 24% yoy, while owned office real estate volumes fell 30%. Loan intermediation volumes dropped by 70% yoy on a PLN basis following the pace of the overall mortgage market. Regulators and the Polish government plan to boost lending - such programs could have a positive impact on the market gradually, earliest from Q2 2023 onwards.

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 140.5 billion, representing 73% of the Group's total volume. Growth was 3% on euro basis. Analysts estimate the total mortgage market to have declined by 23-24% in the last quarters of 2022 compared to previous year, mainly driven by drop of refinancing transactions. LThe real estate brokerage business generated commission revenue of HUF 101 million with an expanding network of 41 offices. The euro exposure of the Italian entities provides significant stability to the Group.

Changes in network commission revenues and office numbers

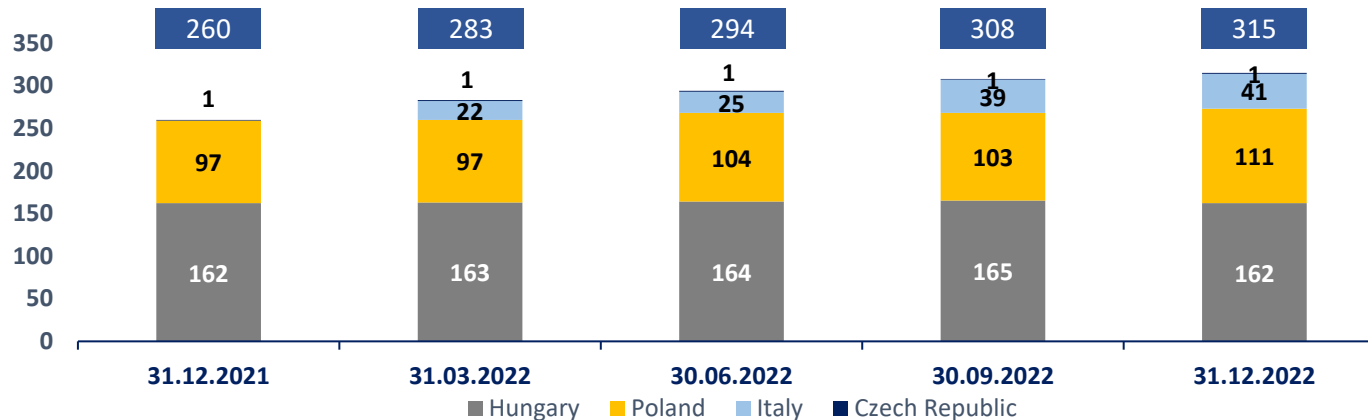
Commission revenues for the entire network*



*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.

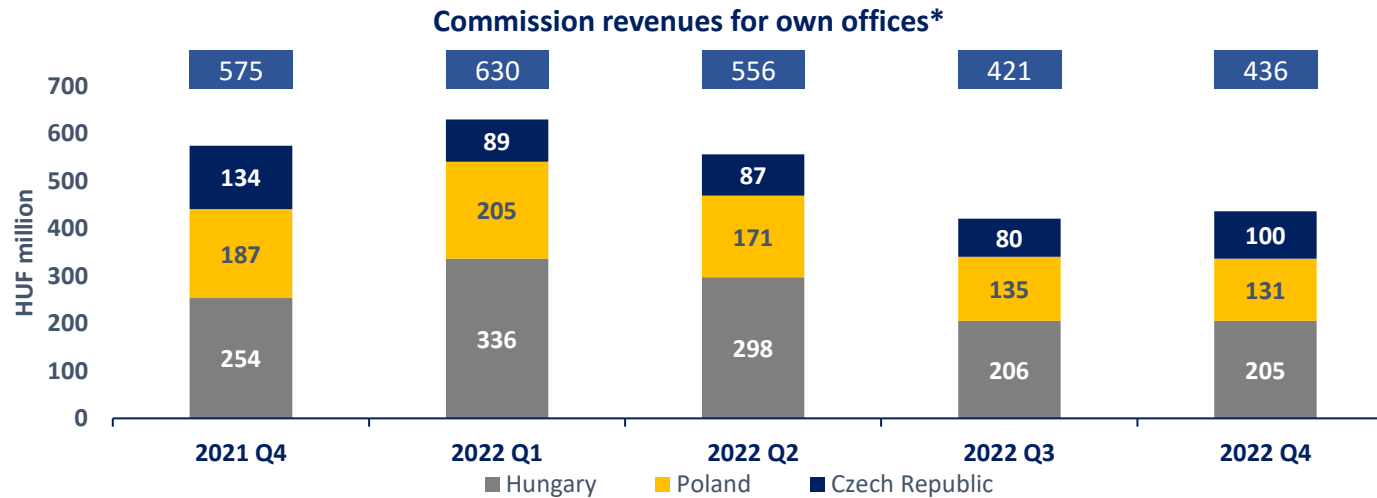
- In franchise real estate, the commissions generated by the network amounted to HUF 2.8 billion in the fourth quarter (-25.6% yoy). Historically, last quarters lag behind Q3 by 7-8%, in unchanged market conditions.
- In Hungary, volumes dropped by 30.1% preliminary due to increased interest rates and decreasing purchasing power. Quarter-on-quarter decline was 15.5%.
- In Poland, volumes dropped by 23.7% yoy and 6.6% qoq.
- In Italy, the acquired Realizza network generated commissions of HUF 101 million. Qoq decline was 22.1%
- The number of offices grew up to 315. Italy added 2 offices during the quarter, Poland 8, while Hungary closed 3 offices.

Development in network office numbers

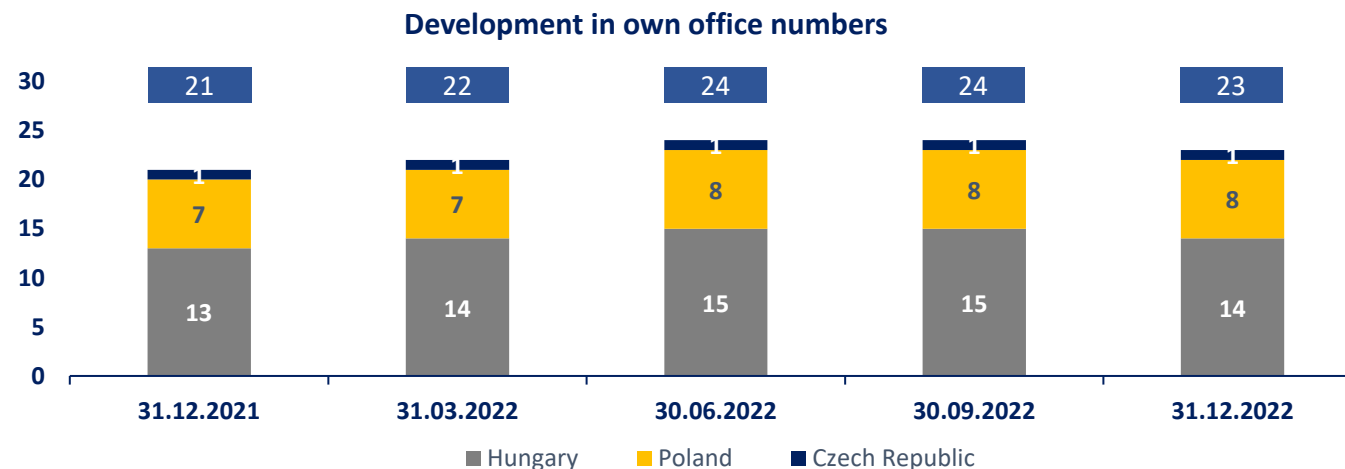


Technical note: The Realizza subsidiary in Italy does not operate in a franchise model, however, its revenue model compares to such. Gross profit to commission revenue ratios are similar to our franchise models in Hungary and Poland. Own offices (currently one office) will not be reported separately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

Changes in commission revenues and office numbers for own offices



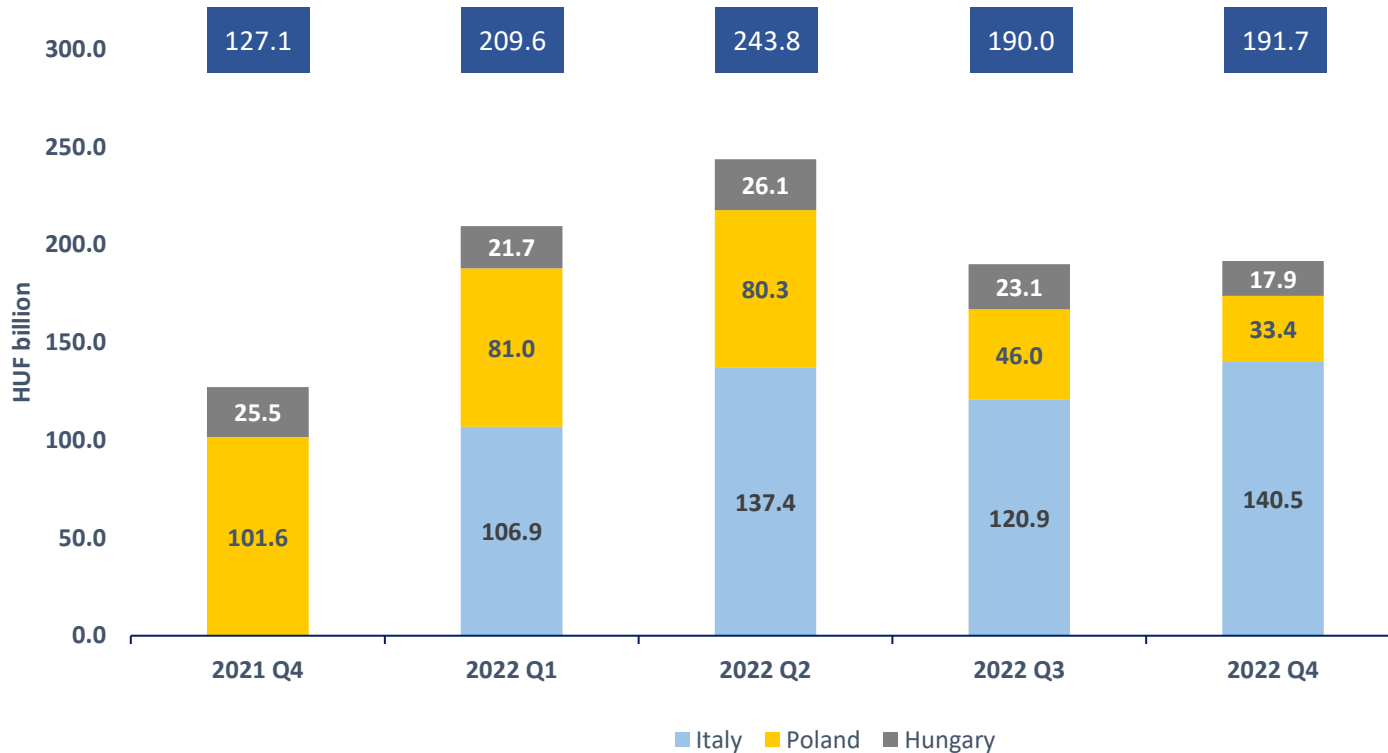
*total revenue realized as a result of property market transactions intermediated by Duna House Holding franchise networks altogether



- Commission volumes in the own office segment amounted to HUF 436 million (-24.1% yoy). The fall is substantial on yoy basis, however the decline stopped in Hungary and Poland and commission volumes already increased in the Czech Republic compared to Q3.
- Commission income in Hungary fell by 19.0% yoy and stagnated compared to Q3 2022.
- Polish own agency commission income fell by 30.2% yoy and declined by 2.9% qoq.
- The revenues of the Czech own office decreased by 25.3% yoy, but increased by 25.0% compared to Q3. Due to its relatively small size, the performance of the Czech office can fluctuate widely between quarters.
- The number of offices declined by one unit in Hungary in present quarter.

Changes in intermediated loan volumes

Intermediated loan volumes by quarters



- Intermediated loan volumes rose to HUF 192 billion (+50.8% yoy) after the acquisition of Italian Hgroup at the beginning of the year. Q4 volumes increase from the lows of Q3 due to strong performance in Italy.
- In Italy, loan volumes amounted to EUR 341.9 million (HUF 140.5 billion), an increase of 3.1% compared to Q4 2021 (EUR 331.5 million) and the highest quarterly figure of the year in HUF terms. Analysts of CRIF estimate the total mortgage market to have declined by 24.5% in October and 23.2% in November yoy.
- In Poland, the Group's intermediated loan volume amounted to PLN 384 million (HUF 33.4 billion) with significant drop (-70.2% yoy in zloty terms). The restrictive PTI rules (payment-to-income) and therefore diminishing retail creditworthiness caused the overall mortgage market to fell by similar pace in Q4. The Polish regulator (KNF) plans to ease the PTI rules in case of fixed-interest loans, having a potential positive impact on the market as early as from Q2 2023. This could mean Q4 2022 or Q1 2023 to be the low-point. Furthermore, the Polish Government plans to introduce subsidized-rate mortgage loans for young, first-home-buyers during 2023 which could give another boost to the real estate and loan markets.
- In Hungary, the Group's intermediated loan volume was HUF 17.91 bn, down by 30.0% yoy. The market of housing loans fell by 45% in October and 55% in November yoy, according to MNB statistics.