

# DUNA HOUSE GROUP

## Quarterly measures 2023 Q1

11 April 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, 11 April 2023

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## EXECUTIVE SUMMARY

### Market turnaround

**The Group achieved record volumes in 2022 by the Italian expansion. The dramatic decline in volumes in Poland and Hungary in 2022 was halted by the end of the first quarter of 2023, with already a quarterly increase in Poland and a turnaround in Hungary in March 2023. The Group starts 2023 from a market low, but with a very positive growth outlook.**

In Hungary, volumes are down 47-51% year-on-year (yoy) across segments, while monthly quarter-on-quarter (qoq) dynamics everywhere point to a bottoming out and bounce-back. The Group's Hungarian franchise real estate volumes declined by 44% on a yoy basis, while March shows a 42% rebound compared to the first two months of the year. Own office volumes fell 51% yoy, but March was 39% above the average of the first two months of the year. The group's Hungarian lending volume fell 47% yoy, while in March the group originated nearly as many new mortgage applications in a month as in January-February combined.

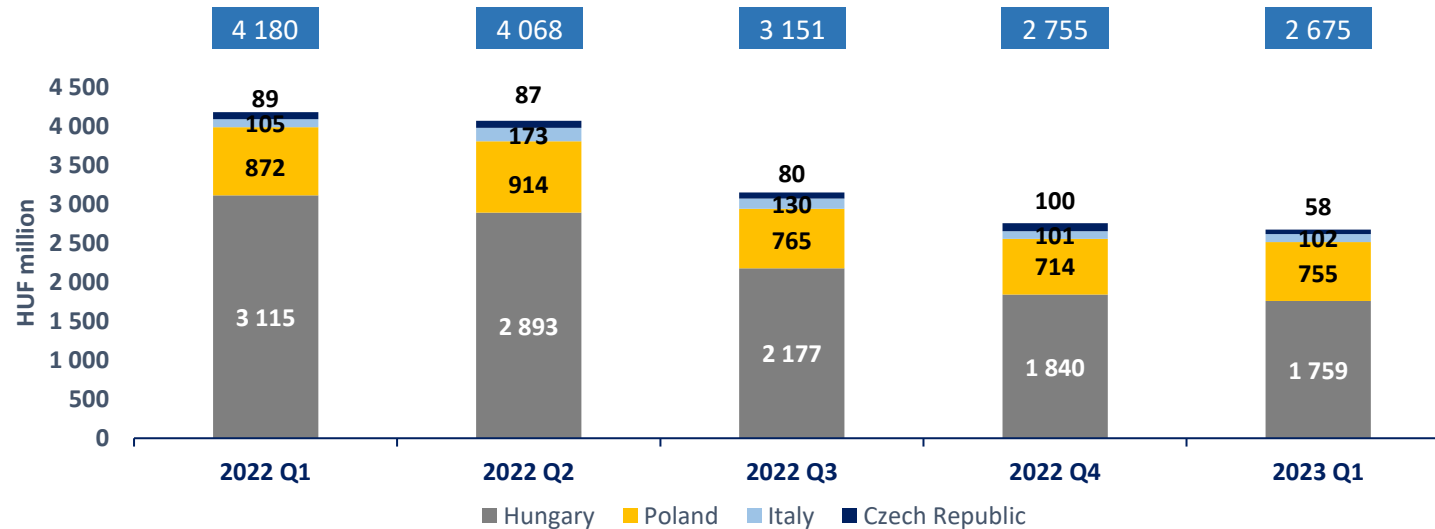
In Poland, the last quarter of 2022 was the low point, with all volumes picking up in the first quarter of 2023. Franchised real estate brokerage volumes grew by 11% qoq on PLN basis, while own office brokerage volumes jumped 23% qoq on PLN basis. Loan intermediation volumes increased by 3% qoq on PLN basis. With all three segments showing accelerating growth during the quarter, the Group expects further significant growth from current levels during the year.

After the acquisition of the Italian Hgroup, the new market is the largest credit intermediary within the Group and accounts for 69% of the Group's total volume, with HUF 97.9 billion of loans in the first quarter of 2023. The impact of the rising interest rate environment has not spared the Italian market, with first quarter volumes of the Group down 14% yoy on a euro basis. According to analysts, the overall Italian mortgage market declined by 25% in February 2023, allowing the Group to increase its market share. The real estate brokerage activity generated commission income of HUF 102 million through its network of 38 offices.

*Note: As presented in the Q4 2022 report and in the annual report published as part of the General Meeting proposals, the Group consolidates its Italian subsidiaries starting of 1 April 2022.*

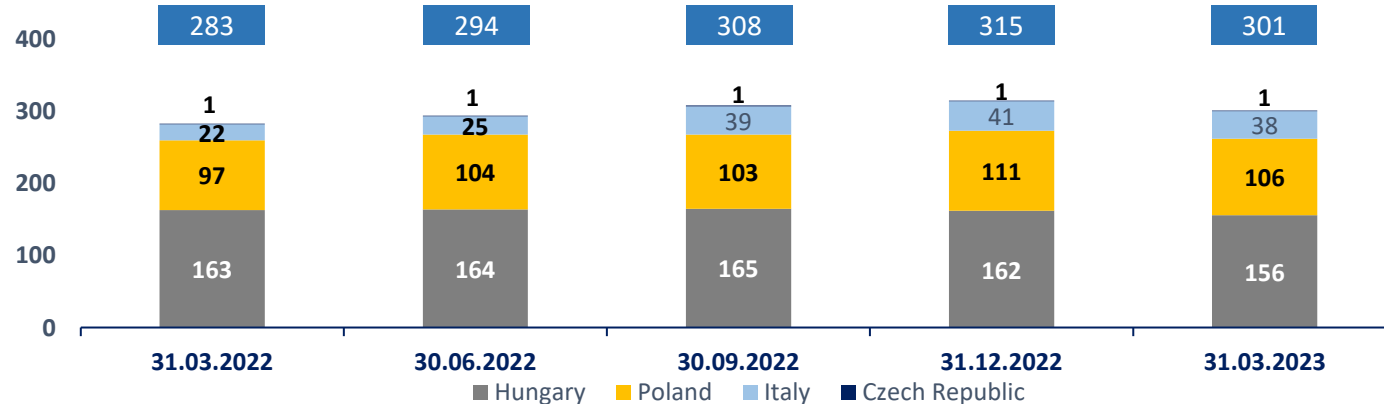
## Changes in network commission revenues and office numbers

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.

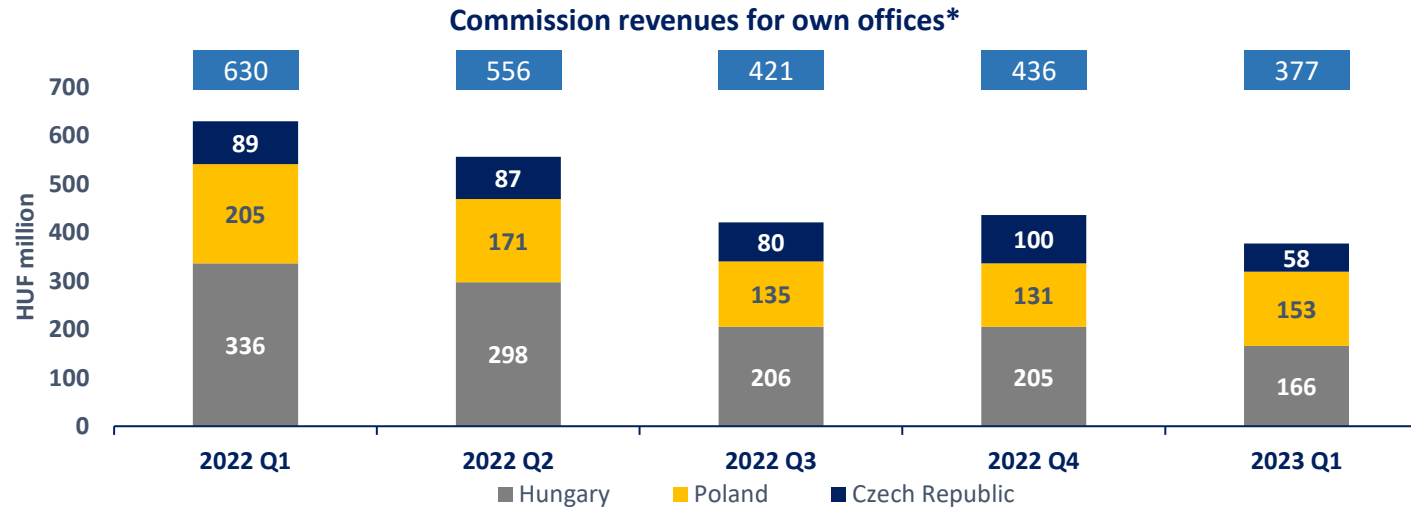
Development in network office numbers



- In franchise real estate, the network generated commissions of HUF 2.7 billion in the first quarter (-36.0% yoy and -2.9% compared to the last quarter of 2022). **A turnaround occurred during the quarter, with March volumes showing a significantly improving trend and the Group expects strong growth in the coming quarters.**
- Volumes in Hungary fell by 43.5% yoy, mainly due to higher lending rates and a decline in purchasing power. The qoq decline was 4.4%, while **March volumes were 42.0% above the average for the first two months of the year.**
- **Poland also saw a turnaround, with a yoy decline of 13.4%, while commission income grew by 5.8% qoq (+11.4% in zloty terms).**
- In Italy, the acquired Realizza network generated commission income of HUF 102m (-2.4% yoy). Qoq growth was 1.5%.
- The number of offices decreased to 301 units. 3 offices were closed in Italy, 5 in Poland and 6 in Hungary during the quarter.

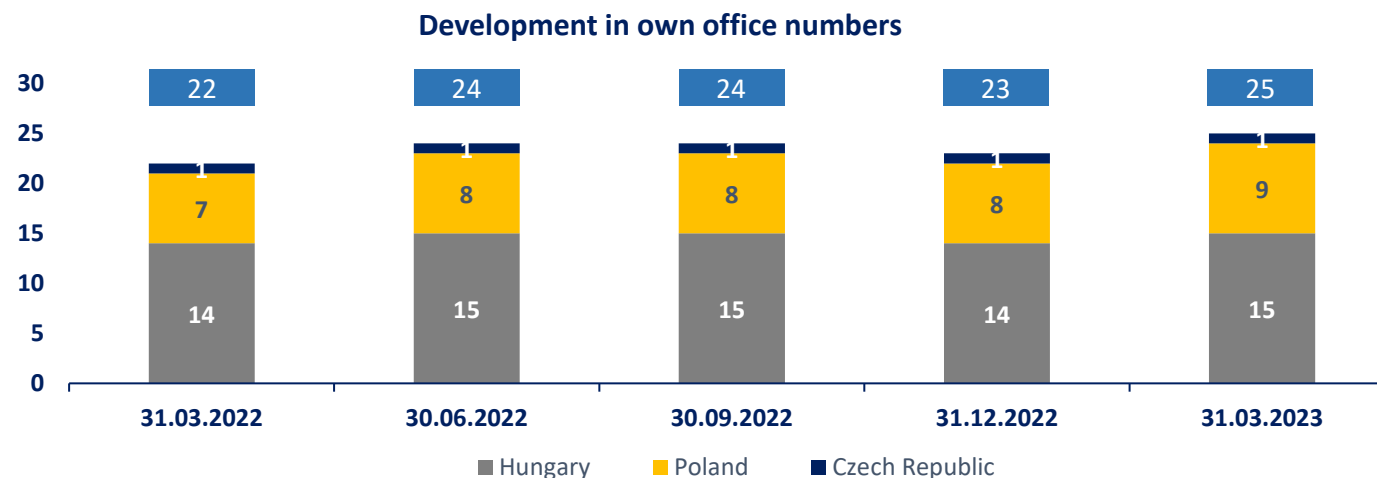
*Technical note: The Realizza subsidiary in Italy does not operate in a franchise model, however, its revenue model compares to such. Gross profit to commission revenue ratios are similar to our franchise models in Hungary and Poland. Own offices (currently one office) will not be reported separately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

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



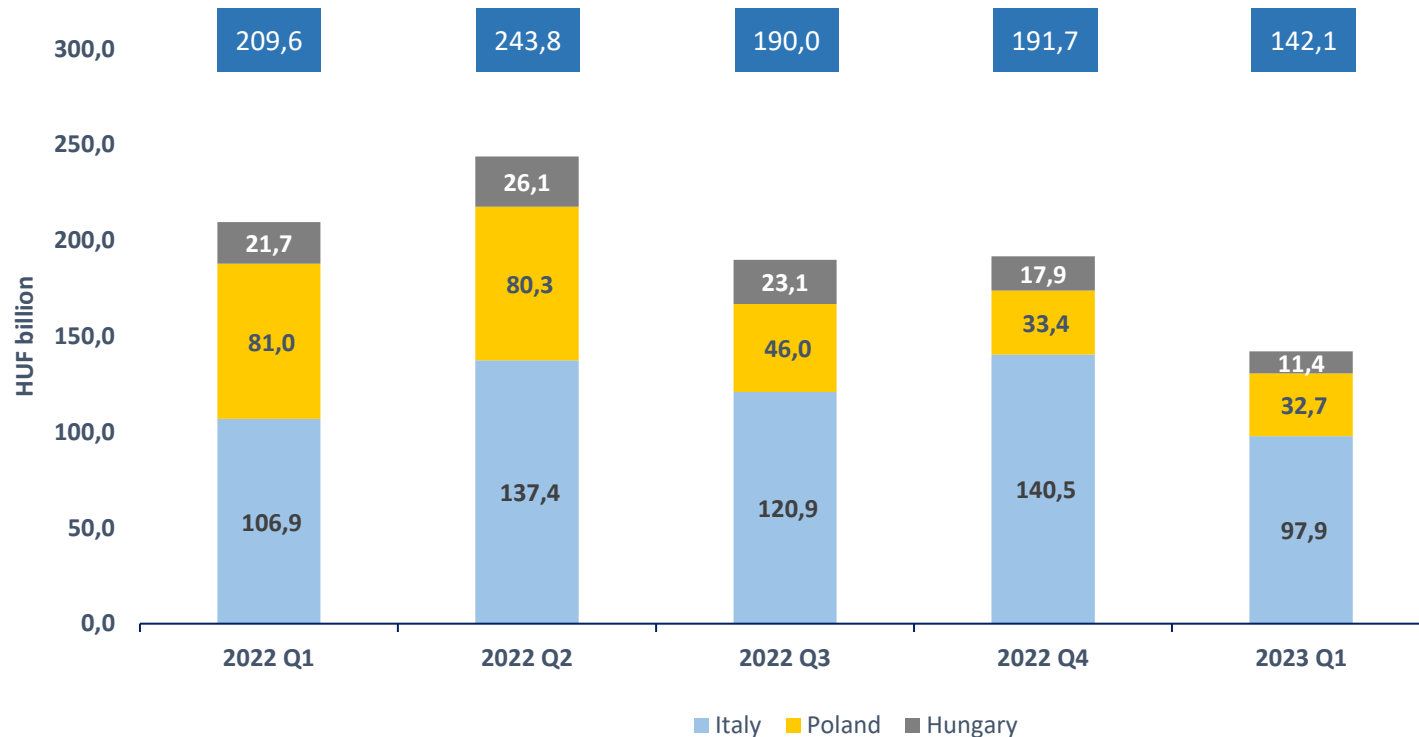
\*total revenue realized as a result of property market transactions intermediated by Duna House Holding franchise networks altogether

- Commission volumes in the own office segment amounted to HUF 377 million (-40.1% yoy) in the quarter. The decrease on a yoy basis is significant, with the majority of the change driven by a volume decline in Hungary.
- In Hungary, quarterly commission revenues declined by 50.6% yoy and by 19.2% compared to Q4 2022, but **the turnaround occurred during the quarter and March volumes were 39% above the average for the first two months of the year.**
- Quarterly commission income for Polish own offices fell by 25.4% yoy, but **rose by 17.1% (+23.3% in PLN terms) on a qoq basis, with March volumes 23% above the average for the first two months of the year.**
- The revenues of the Czech own office decreased by 34.9% yoy and fell by 42.3% compared to Q4 2022. Due to its relatively small size, the performance of the Czech office can fluctuate significantly between quarters.
- The number of offices increased by one unit in Hungary and also in Poland in present quarter.



Changes in intermediated loan volumes

Intermediated loan volumes by quarters



- Intermediated loan volumes declined to HUF 142 billion during the quarter (-32.2% yoy), due to Polish and Hungarian volumes reaching a turning point during the quarter, but still declining overall on a quarterly basis.
- In Italy, loan volumes amounted to EUR 252 million (HUF 97.9 billion), down 8.4% in HUF and 14.1% in EUR terms compared to Q1 2022. According to analysts at CRIF, the overall Italian mortgage market declined by 25.3% yoy in February 2023.
- **The lending turnaround has happened in Poland.** Although the group's intermediated loan volume amounted to PLN 396.5 million in the first quarter of the year (HUF 32.7 billion, -61.4% y/y in PLN terms), **volumes rose by 3.3% on a qoq basis in PLN terms, and in March were already 42% above the average for the first two months of the year. The Group expects volumes to increase significantly from first quarter levels in the coming quarters.**
- In Hungary, the Group's intermediated quarterly loan volumes amounted to HUF 11.4 billion, down 47.4% yoy. **Total new loan applications in March were 85% higher than the average for the first two months of the year, so a significant rebound from first quarter levels is expected in the remaining quarters of the year.**