

DUNA HOUSE GROUP

Quarterly measures 2023 Q3

6 October 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, 6 October 2023

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EXECUTIVE SUMMARY

Records in Poland

The Group's growth trend is unbroken in all segments after the low point of the first quarter. The Polish franchise segment set records and the Polish own office segment reached its highest volumes in the last nine quarters, with financial product brokerage volumes continuing to grow. The Hungarian business is showing steady improvement, while the Group is strengthening its strategic cooperation in Italy, in a loan market that is slowing due to euro interest rates.

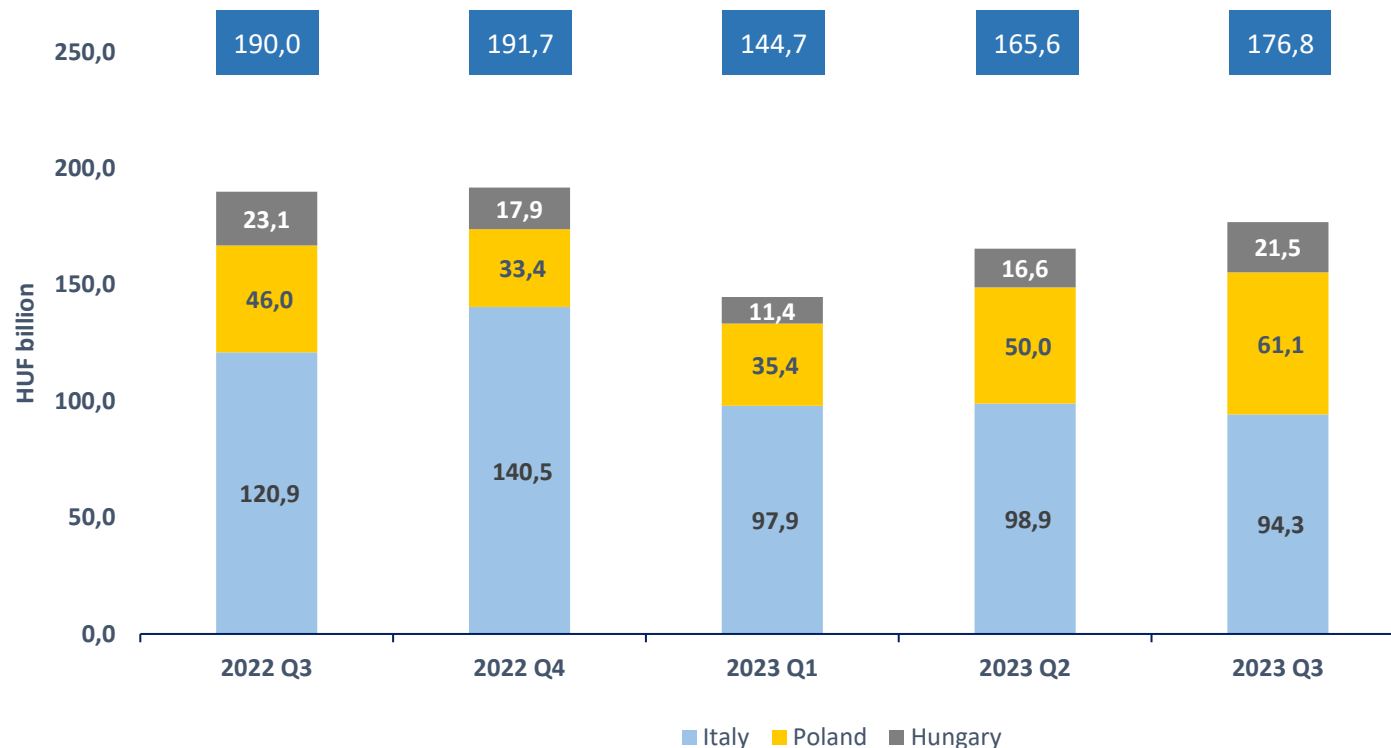
In Hungary, the recovery from the market trough in Q1 2023 continued, with volumes declining by 3-10% in each segment on a year-on-year basis in Q3 2023. The Group's Hungarian franchise real estate volumes declined by 3% year-on-year, but the last four quarters' strongest performance was recorded in the current period. Own office volumes declined by 10% year-on-year, while the third quarter was 8% ahead of the second quarter. The group's Hungarian lending volume, while down 7% year-on-year, grew 29% quarter-on-quarter.

In Poland, the last quarter of 2022 was the low point, and the recovery has been unbroken for the third quarter in a row. Franchise real estate brokerage volumes jumped to a record high, up 43% year-on-year. Own office operation volumes grew 54% year-on-year and 16% quarter-on-quarter. Brokered loan volumes jumped 33% year-on-year, but the quarter-on-quarter growth rate was also significant at 22%. The turnaround in the loan market was helped by the easing of payment-to-income conditions for fixed-rate loans by the regulator. The market is further boosted by the launch of the First Home scheme on 1 July to help borrowers under age of 45 years buying their first home.

Italian financial product brokerage volumes fell by 18% year-on-year in euro terms in the third quarter as interest rates continued to rise. The decline compared to Q2 2023 (-7.4% in euro terms) is milder than the usual seasonality in the country (-16%). Due to the August holidays, volumes for the month are typically only 40-42% of those of previous months. The Group has signed a major cooperation agreement with the real estate network Professione Casa, which it expects to generate significant organic growth from 2024. The real estate brokerage activity generated commission income of HUF 80 million with a network of 37 offices.

Changes in intermediated loan volumes

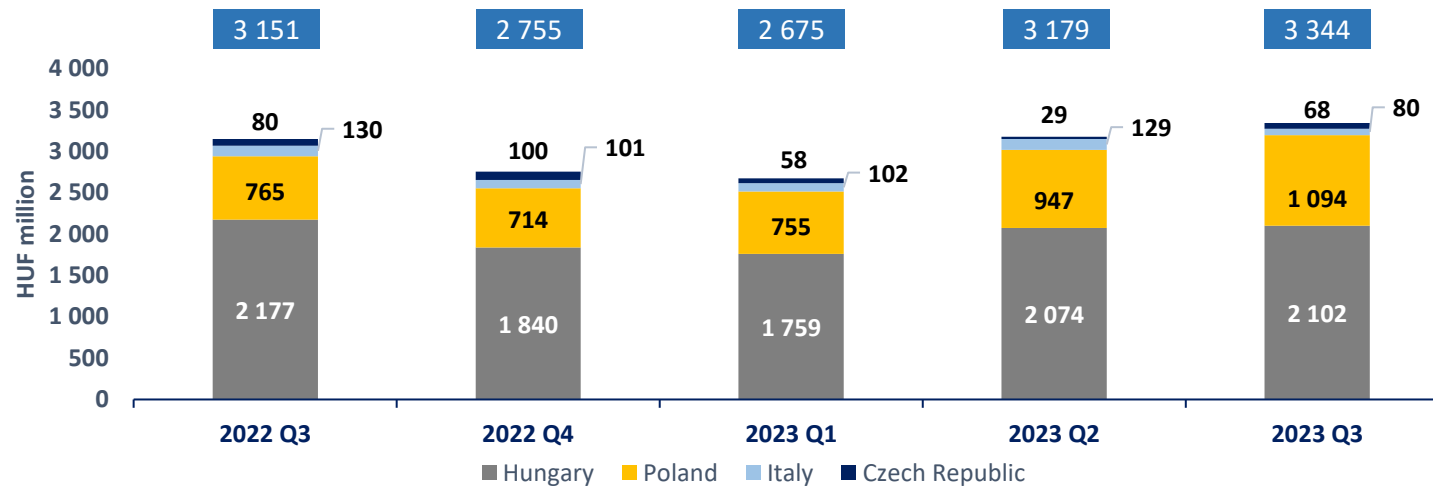
Intermediated loan volumes by quarters



- Loan volumes intermediated during the quarter amounted to HUF 177 billion (-6.9% y/y), continuing the post-turnaround growth in volumes (+6.8% q/q).
- In Italy, loan volumes amounted to EUR 246 million (HUF 94.3 billion), down 22.0% in HUF and 18.0% in EUR compared to Q3 2022. The decrease compared to Q2 2023 (-7.4% in EUR terms) is milder than the usual seasonality in the country (-16%). Due to the August holidays, the month's volumes are typically only 40-42% of those of the previous months.
- In Poland, after a lending turnaround in the first quarter, the Group's intermediated loan volume amounted to PLN 715.9 million (PLN 61.1 billion, +32.3% y/y on a PLN basis) in the third quarter of the year, with quarter-on-quarter growth of 17.7% on a PLN basis. The turnaround was helped by the easing of payment-to-income conditions for fixed-rate loans by the regulator, and further boosted by the launch of the First Home programme on 1 July for first-time home buyers under 45.
- In Hungary, quarterly loan volumes intermediated by the Group amounted to HUF 21.5 billion, down 6.9% year-on-year but up 29.2% quarter-on-quarter due to the market turnaround.
- *TECHNICAL NOTE: From Q2 2023 onwards, the Hungarian loan volume data also include the contracted amount of intermediated home savings contracts.*

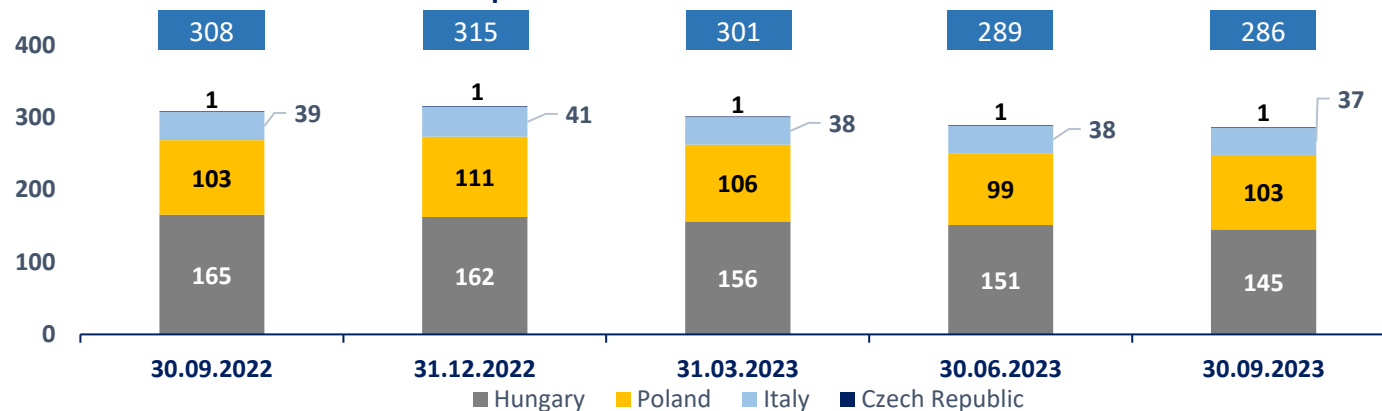
Changes in network commission revenues and office numbers

Commission revenues for the entire network*



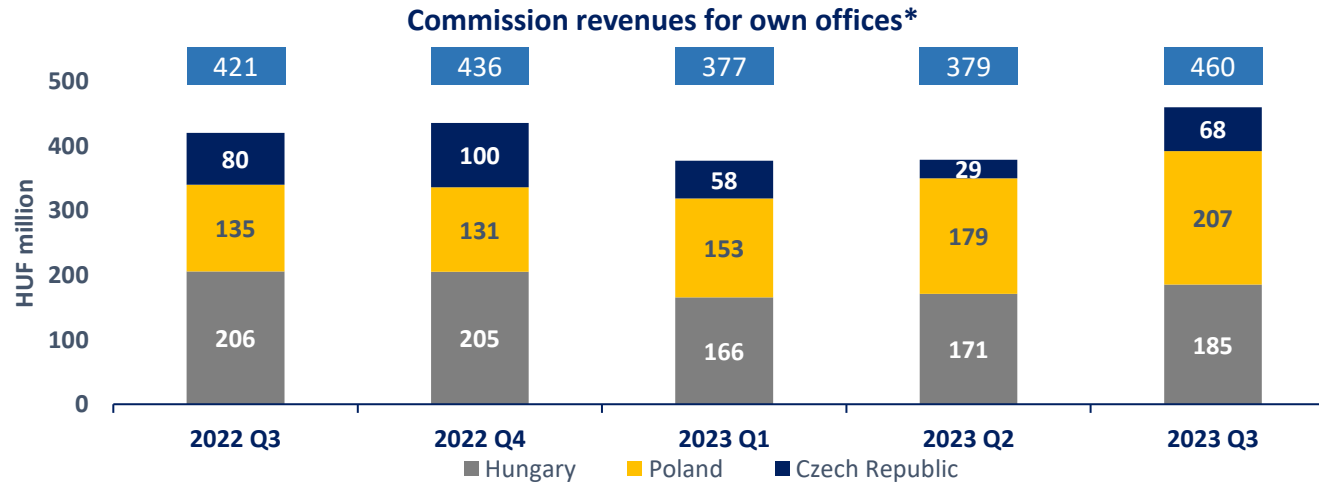
*total revenue realized as a result of property market transactions intermediated by Duna House Holding franchise networks altogether

Development in network office numbers



- In franchised real estate, the network generated commissions of HUF 3.3 billion in the third quarter (+6.1% year-on-year and +5.2% compared to Q2 2023).
- In Hungary, volumes declined by 3.4% year-on-year, mainly due to higher interest rates and a decline in purchasing power, and were flat on a quarter-on-quarter basis (+1.3%).
- In Poland, the Group achieved all-time record volumes with net commission income of HUF 1 094 million (+43.1% yoy).
- In Italy, the acquired Realizza network generated commissions of HUF 80 million (-38.2% yoy), a quarter-on-quarter decline of 38.0%.
- The number of offices decreased to 286 units. The number of offices increased by 4 in Poland, decreased by 6 in Hungary and by 1 in Italy.
- *Technical note: The Italian subsidiary Realizza does not operate on a franchise model, but its revenue model is similar. Realizza's commission income coverage ratio is very close to the Hungarian and Polish franchise activities of the Group. Realizza's own office activity (1 office currently) is not reported separately until it reaches a significant size..*

Changes in commission revenues and office numbers for own offices



* the total revenue realised after the real estate market transactions mediated by the franchise offices owned by the Duna House Group

- The own office segment's quarterly commission volumes amounted to HUF 460 million (+9.4% yoy).
- In Hungary, quarterly commission revenues decreased by 9.9% yoy, but increased by 8.2% compared to Q2 2023.
- Polish own agency quarterly commission income increased by 53.9% y/y, while on a quarter/quarter basis the growth rate was 15.8% (+11.5% in PLN terms).
- Quarterly commission income at Czech own agency decreased by 15.5% year-on-year, but bounced back by 135.9% on a quarterly/quarter basis from the trough in Q1 2023. Due to its relatively small size, the performance of the Czech private office can fluctuate widely between quarters.
- The number of offices decreased by one Hungarian office during the quarter.

