

# DUNA HOUSE GROUP

## 2020. Q3 Quarterly report

November 27, 2020



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## EXECUTIVE SUMMARY 2020.THIRD QUARTER

|                                 |   |
|---------------------------------|---|
| <p><b>Quarterly results</b></p> | <ul style="list-style-type: none"> <li>• <b>The crisis-resistant model of the Duna House Group (the “Group”) has exceeded expectations: the Group has returned to its previous growth trajectory in the middle of the COVID-19 pandemic, net sales revenue increased by 11%, cleaned core EBITDA increased by 14%, and PAT more than doubled</b> in Q3 2020 compared to the same period in 2019.</li> <li>• <b>All segments of the Group performed well in Q3 2020:</b> real estate brokerage volumes in Poland and overall reached record highs during the quarter. Only the Hungarian own office real estate brokerage and the Polish financial product brokerage activities performed below expectations. The former due to the declining demand in downtown Budapest, the latter due to the somewhat weaker Polish housing loan market.</li> <li>• <b>The handover and invoicing of the MyCity Residence residential real estate project, which is 50% owned by the Group, successfully began in Q3 2020.</b> 45% of the profit from the sale of the apartments was recognized during the quarter, while the remaining profit of HUF 329 million is expected to be recognized in the following quarters.</li> <li>• The planned completion of the <b>Forest Hill</b> residential park, 100% owned by the Group, <b>is postponed to April 2021</b> due to the intensified labor shortage caused by COVID-19, and quality improvement works on construction jobs completed by the previous general contractor.</li> </ul> |
| <p><b>NKP bond issue</b></p>    | <ul style="list-style-type: none"> <li>• <b>On 2 September 2020, the Group completed a successful bond issue.</b> Within the framework of Bond Funding for Growth Scheme, it raised a total of HUF 6,9 billion 10-year funds at a fixed interest rate of 2,3%. The Group used the proceeds to refinance its existing corporate loans and plans to make further acquisitions.</li> </ul>   |
| <p><b>Guidance</b></p>          | <ul style="list-style-type: none"> <li>• In the <b>first nine months of 2020</b>, the Group achieved a <b>consolidated cleaned core PAT of HUF 914 million</b>, which is <b>6,7% higher</b>, than the cleaned core PAT of HUF 857 million set in the 5-year strategic objectives for the whole year of 2020. The Board of Directors is confident that the consolidated cleaned core PAT for <b>2020 will exceed HUF 1,0 billion</b>.</li> <li>• The postponement of the completion of the Forest Hill residential park to 2021 will also delay the realization of the expected profit from the project. As a result, the HUF 993 million expected profit set in the 5-year strategic objectives for 2020 as the net result from <b>the two projects of the Group and the semi-annual appraisal of the real estate portfolio, will only be partially reached</b>.</li> </ul>   |
| <p><b>Dividend</b></p>          | <ul style="list-style-type: none"> <li>• On April 17, 2020, the Board of Directors decided, within the authority of the General Meeting, not to pay dividends after 2019 in view of the general uncertainty. The Board of Directors is committed to its dividend policy, therefore as the Group performed better than expected, <b>it will propose to the General Meeting the payment of the withheld dividend: HUF 450 million</b> from the retained earnings. The extraordinary General Meeting is expected to vote on the dividend payment in January 2021. <b>From the results of financial year 2020, the Board of Directors plans to pay dividends in accordance with its dividend policy.</b></li> </ul>   |

# DUNA HOUSE GROUP

## Consolidated financial statements



## CONSOLIDATED INCOME STATEMENT

| Consolidated income statement<br>(data in mHUF, except earnings per share) | 2020 Q3<br>(not audited) | 2019 Q3<br>(not audited) | Variance      |              | 2020 Q1-Q3<br>(not audited) | 2019 Q1-Q3<br>(not audited) | Variance      |             |
|--|--------------------------|--------------------------|---------------|--------------|-----------------------------|-----------------------------|---------------|-------------|
|  |                          |                          | mHUF          | %            |                             |                             | mHUF          | %           |
| Net sales revenue  | 2.216,9                  | 1.993,2                  | +223,8        | +11%         | 6.568,2                     | 5.876,0                     | +692,2        | +12%        |
| Other operating income   | 10,7                     | 37,4                     | -26,8         | -71%         | 71,2                        | 127,2                       | -56,0         | -44%        |
| Change in stocks of finished products and work in progress                 | -495,8                   | -513,0                   | +17,2         | -3%          | -1.181,7                    | -1.265,0                    | +83,2         | -7%         |
| Consumables used   | 108,2                    | 15,4                     | +92,8         | +603%        | 225,0                       | 47,5                        | +177,5        | +374%       |
| Cost of goods and services sold  | 666,3                    | 293,0                    | +373,3        | +127%        | 1.708,7                     | 823,2                       | +885,5        | +108%       |
| Services purchased   | 1.264,3                  | 1.574,0                  | -309,8        | -20%         | 4.013,1                     | 4.494,0                     | -481,0        | -11%        |
| Personnel expenses   | 210,3                    | 186,2                    | +24,1         | +13%         | 588,8                       | 602,9                       | -14,1         | -2%         |
| Other operating expenses   | 55,2                     | 74,9                     | -19,8         | -26%         | 158,0                       | 150,8                       | +7,3          | +5%         |
| <b>EBITDA</b>  | <b>419,2</b>             | <b>400,1</b>             | <b>+19,2</b>  | <b>+5%</b>   | <b>1.127,6</b>              | <b>1.149,8</b>              | <b>-22,3</b>  | <b>-2%</b>  |
| Depreciation and amortization  | 19,2                     | 23,9                     | -4,7          | -20%         | 72,4                        | 69,5                        | +2,8          | +4%         |
| Depreciation of right-of-use assets  | 33,6                     | 31,8                     | +1,8          | +6%          | 99,7                        | 94,3                        | +5,4          | +6%         |
| <b>Operating income (EBIT)</b>   | <b>366,5</b>             | <b>344,4</b>             | <b>+22,1</b>  | <b>+6%</b>   | <b>955,5</b>                | <b>986,0</b>                | <b>-30,5</b>  | <b>-3%</b>  |
| Finance income   | 32,0                     | 14,9                     | +17,1         | +115%        | 102,9                       | 44,6                        | +58,4         | +131%       |
| Finance costs  | 36,9                     | 37,1                     | -0,2          | -1%          | 93,8                        | 100,1                       | -6,4          | -6%         |
| Share of the losses of a joint venture                                     | 269,1                    | -16,6                    | +285,7        | -            | 245,0                       | -40,9                       | +285,8        | -699%       |
|  |                          |                          |               | 1.721%       |                             |                             |               |             |
| <b>Profit before tax</b>   | <b>630,7</b>             | <b>305,5</b>             | <b>+325,2</b> | <b>+106%</b> | <b>1.209,6</b>              | <b>889,6</b>                | <b>+320,1</b> | <b>+36%</b> |
| Income tax expense   | 82,1                     | 52,8                     | +29,4         | +56%         | 191,3                       | 132,3                       | +59,0         | +45%        |
| <b>Profit after tax</b>  | <b>548,5</b>             | <b>252,7</b>             | <b>+295,8</b> | <b>+117%</b> | <b>1.018,4</b>              | <b>757,3</b>                | <b>+261,1</b> | <b>+34%</b> |
| Currency translation difference  | 10,6                     | 5,0                      | +5,6          | +113%        | 42,9                        | 45,0                        | -2,1          | -5%         |
| <b>Other comprehensive income</b>  | <b>10,6</b>              | <b>5,0</b>               | <b>+5,6</b>   | <b>+113%</b> | <b>42,9</b>                 | <b>45,0</b>                 | <b>-2,1</b>   | <b>-5%</b>  |
| <b>Total comprehensive income attributable to</b>                          | <b>559,2</b>             | <b>257,7</b>             | <b>+301,5</b> | <b>+117%</b> | <b>1.061,2</b>              | <b>802,3</b>                | <b>+258,9</b> | <b>+32%</b> |
| Shareholders of the Company  | 557,5                    | 259,6                    | +297,9        | +115%        | 1.065,6                     | 809,6                       | +256,0        | +32%        |
| Non-controlling interest   | 1,7                      | -1,8                     | +3,6          | -194%        | -4,4                        | -7,3                        | +2,9          | -40%        |
| <b>Earnings per share (basic and diluted)</b>                              | <b>15,5</b>              | <b>6,9</b>               | <b>+8,6</b>   | <b>+124%</b> | <b>28,5</b>                 | <b>20,9</b>                 | <b>+7,6</b>   | <b>+36%</b> |

## Comments

- Despite the COVID-19 pandemic, the Group's consolidated net sales revenue increased by 11% YoY in Q3 2020 and reached HUF 2,2 billion. The Group's EBITDA reached HUF 419 million in the quarter (+5% YoY).
- Change in stocks of finished products and in progress represents the net difference between activated construction service costs related to Forest Hill development project and the book value of units sold and handed over. There was no handover during the quarter, so the total amount covers capitalized costs.
- Cost of goods and services sold reached HUF 666 million (+127% YoY) while Consumables used reached HUF 108 million (+603% YoY) and Services purchased decreased to HUF 1.264 million (-20% YoY) in Q3 2020. As a result of taking over the construction of the Forest Hill residential project, most of the construction costs are recorded as `cost of goods and services` instead of `services purchased`.
- From 1 January 2019, the Group applies the IFRS 16 standard regarding leased and rented assets. Rental fees are reclassified from services used to depreciation of right-of-use assets and finance costs.
- The handover of the apartments in the MyCity Residence residential park, developed by the Group's 50% owned joint venture, has began during the quarter, generating a total net profit after tax of HUF 269 million for the Group. The remaining profit of HUF 329 million from the project is expected to be recognized in the coming quarters.
- Currency translation difference represents the FX gains and losses on assets and liabilities of the foreign subsidiaries.
- In Q3 2020, the Group's PAT increased by 117% to HUF 548,5 million.

## CONSOLIDATED BALANCE SHEET

| Consolidated balance sheet data in mHUF | 2020.<br>September 30.<br>(not audited) | 2019. December<br>31. (audited) | Variance        |              |
|---|---|---------------------------------|-----------------|--------------|
|   |   |                                 | mHUF            | %            |
| Goodwill                                | 1.718,3                                 | 1.360,0                         | +358,3          | +26%         |
| Investment property                     | 1.825,2                                 | 1.836,0                         | -10,8           | -1%          |
| Property, plant                         | 430,2                                   | 450,1                           | -19,9           | -4%          |
| Other                                   | 1.181,1                                 | 1.007,7                         | +173,4          | +17%         |
| <b>Non-current assets</b>               | <b>5.154,8</b>                          | <b>4.653,8</b>                  | <b>+501,0</b>   | <b>+11%</b>  |
| Inventories                             | 6.686,5                                 | 5.508,4                         | +1.178,1        | +21%         |
| Trade receivables                       | 865,3                                   | 849,3                           | +16,0           | +2%          |
| Cash and cash equivalents               | 5.996,6                                 | 1.627,7                         | +4.368,9        | +268%        |
| Restricted cash                         | 3.884,5                                 | 897,9                           | +2.986,6        | +333%        |
| Accruals / Deferrals                    | 541,7                                   | 478,6                           | +63,1           | +13%         |
| Other                                   | 788,6                                   | 789,5                           | -0,8            | -0%          |
| <b>Current assets</b>                   | <b>18.763,3</b>                         | <b>10.151,4</b>                 | <b>+8.611,9</b> | <b>+85%</b>  |
| <b>Total assets</b>                     | <b>23.918,1</b>                         | <b>14.805,2</b>                 | <b>+9.112,9</b> | <b>+62%</b>  |
| <b>Share capital</b>                    | <b>6.504,3</b>                          | <b>5.548,0</b>                  | <b>+956,2</b>   | <b>+17%</b>  |
| Borrowings                              | 6.907,4                                 | 6.049,3                         | +858,0          | +14%         |
| Other non-current liabilities           | 293,6                                   | 344,6                           | -51,0           | -15%         |
| <b>Non-current liabilities</b>          | <b>7.201,0</b>                          | <b>6.393,9</b>                  | <b>+807,1</b>   | <b>+13%</b>  |
| Borrowings                              | 7.602,7                                 | 331,5                           | +7.271,2        | +2.194%      |
| Trade payables                          | 873,4                                   | 789,9                           | +83,5           | +11%         |
| Accruals / Deferrals                    | 439,5                                   | 385,3                           | +54,2           | +14%         |
| Other liabilities                       | 1.297,3                                 | 1.356,6                         | -59,3           | -4%          |
| <b>Current liabilities</b>              | <b>10.212,9</b>                         | <b>2.863,2</b>                  | <b>+7.349,6</b> | <b>+257%</b> |
| <b>Total equity and liabilities</b>     | <b>23.918,1</b>                         | <b>14.805,2</b>                 | <b>+9.112,9</b> | <b>+62%</b>  |

## Comments

- The value of goodwill recorded in the Group's books increased due to the January 2020 acquisition of Alex T. Great.
- The investment related portfolio is valued on June 30 and December 31 of each year.
- The value of inventories increased by an additional HUF 1.178 million in Q3 2020, in line with the capitalized construction costs of ongoing developments.
- On 2 September 2020, the Group performed a successful bond issue. Within the framework of the Bond Funding for Growth Scheme, it raised a total of HUF 6,9 billion 10-year funds at a fixed interest rate of 2,3%. Due to this the Cash and cash equivalents of the Group amounted to HUF 5.997 million, and restricted cash increased to HUF 3.885 million as of 30 September 2020: i) the amount of the corporate bank loan deposited for prepayment after the bond issue (HUF 3.1 billion), ii) the collateral for the residential real estate development project loan (HUF 651 million) and iii) the share capital collateral required for the fund management activity (HUF 95 million).
- The consolidated equity of the Group amounted HUF 6.5 billion at the end of Q3 2020. At the end of Q3 the Company held 506.030 pieces of own shares for the purpose of employee share program.
- Loans increased to HUF 14,5 billion, out of which HUF 6,9 billion is liabilities from bonds, HUF 4,5 billion is non-recourse loans related to development projects and HUF 3,1 billion corporate bank loan to be prepaid.

## CLEAN CORE RESULT

| data in million of HUF                | 2020 Q3      | 2019 Q3      | Variance %   | 2020Q1-Q3      | 2019 Q1-3      | Variance %   |
|---------------------------------------|--------------|--------------|--------------|----------------|----------------|--------------|
| <b>EBITDA</b>                         | <b>419,2</b> | <b>400,1</b> | <b>+5%</b>   | <b>1.127,6</b> | <b>1.149,8</b> | <b>-2%</b>   |
| (-) MyCity EBITDA                     | -19,6        | 2,1          | -1051%       | -46,9          | 52,8           | -189%        |
| <b>Core EBITDA</b>                    | <b>438,8</b> | <b>398,0</b> | <b>+10%</b>  | <b>1.174,5</b> | <b>1.097,0</b> | <b>+7%</b>   |
| (-) Result of portfolio appraisal     | 0,0          | 0,0          | -            | 10,3           | 43,8           | -76%         |
| (-) Acquisition costs                 | -14,9        | 0,0          | -            | -28,4          | 0,0            | -            |
| <b>Total core adjustments</b>         | <b>14,9</b>  | <b>0,0</b>   | <b>-</b>     | <b>18,1</b>    | <b>-43,8</b>   | <b>-141%</b> |
| <b>Cleaned core EBITDA</b>            | <b>453,7</b> | <b>398,0</b> | <b>+14%</b>  | <b>1.192,6</b> | <b>1.053,2</b> | <b>+13%</b>  |
| data in million of HUF                | 2020 Q3      | 2019 Q3      | Variance %   | 2020Q1-Q3      | 2019 Q1-3      | Variance %   |
| <b>Profit after tax</b>               | <b>548,5</b> | <b>252,7</b> | <b>+117%</b> | <b>1.018,4</b> | <b>757,3</b>   | <b>+34%</b>  |
| (-) Profit after tax for MyCity       | 210,1        | -44,1        | -576%        | 121,2          | -66,9          | -281%        |
| <b>Core PAT</b>                       | <b>338,4</b> | <b>296,9</b> | <b>+14%</b>  | <b>897,1</b>   | <b>824,2</b>   | <b>+9%</b>   |
| (-) Result of portfolio appraisal     | 0,0          | 0,0          | -            | 10,3           | 43,8           | -76%         |
| (-) Acquisition costs                 | -14,9        |              | -            | <b>-28,4</b>   | <b>0,0</b>     | -            |
| <b>Total core adjustments</b>         | <b>14,9</b>  | <b>0,0</b>   | <b>-</b>     | <b>18,1</b>    | <b>-43,8</b>   | <b>-141%</b> |
| <b>Tax effect of adjustments (9%)</b> | <b>-1,3</b>  | <b>0,0</b>   | <b>-</b>     | <b>-1,6</b>    | <b>3,9</b>     | <b>-141%</b> |
| <b>Cleaned core PAT</b>               | <b>351,9</b> | <b>296,9</b> | <b>+19%</b>  | <b>913,6</b>   | <b>784,4</b>   | <b>+16%</b>  |

- For transparency reasons, from Q2 2019 onwards the Group will publish “clean core” adjusted profit and loss categories. The Group adjusts its results besides the result of MyCity property development activity, with additional one-off or other material items that according to the management’s opinion are essential for understanding the recurring profitability of the Group.
- In Q3 2020, the Group made the following adjustments:
  - Aquisition costs: HUF 14,9 million - due diligence costs incurred in connection with an unrealized acquisition.
- Despite the COVID-19 pandemic, the Group’s cleaned core EBITDA in Q3 2020 increased by 14% (YoY) and it was 13% higher for the first 9 months of 2020, than the year before.

## REVENUE, EBITDA, OPERATING AND AFTER TAX INCOME BY COUNTRY

| in million HUF           | Hungary |        | Poland  |        | Czech Republic |        | Duna House Group |         |
|--------------------------|---------|--------|---------|--------|----------------|--------|------------------|---------|
|                          | 2020Q3  | 2019Q3 | 2020Q3  | 2019Q3 | 2020Q3         | 2019Q3 | 2020Q3           | 2019Q3  |
| <b>Net sales revenue</b> | 961,9   | 940,5  | 1.172,3 | 973,6  | 82,7           | 79,2   | 2.216,9          | 1.993,2 |
| <b>EBITDA</b>            | 324,7   | 322,1  | 84,7    | 82,5   | 9,9            | -4,5   | 419,2            | 400,1   |
| <b>Operating income</b>  | 292,1   | 287,1  | 64,5    | 61,8   | 9,9            | -4,5   | 366,5            | 344,4   |
| <b>Profit after tax</b>  | 499,7   | 216,6  | 42,9    | 41,3   | 6,0            | -5,2   | 548,5            | 252,7   |

| in million HUF           | Hungary   |           | Poland    |           | Czech Republic |           | Duna House Group |           |
|--------------------------|-----------|-----------|-----------|-----------|----------------|-----------|------------------|-----------|
|                          | 2020Q1-Q3 | 2019Q1-Q3 | 2020Q1-Q3 | 2019Q1-Q3 | 2020Q1-Q3      | 2019Q1-Q3 | 2020Q1-Q3        | 2019Q1-Q3 |
| <b>Net sales revenue</b> | 2.635,3   | 2.941,1   | 3.726,6   | 2.706,0   | 206,2          | 229,0     | 6.568,2          | 5.876,0   |
| <b>EBITDA</b>            | 887,7     | 1.059,0   | 228,1     | 93,7      | 11,7           | -2,8      | 1.127,6          | 1.149,8   |
| <b>Operating income</b>  | 776,3     | 956,5     | 167,5     | 32,3      | 11,7           | -2,8      | 955,5            | 986,0     |
| <b>Profit after tax</b>  | 896,9     | 745,1     | 115,0     | 13,4      | 6,4            | -1,3      | 1.018,4          | 757,3     |

- Activity in Hungary was able to increase during the quarter compared to the previous year, reaching EBITDA of HUF 324,7 million. The consolidated profit of the domestic activity was worsened by a total of HUF 19,6 million loss suffered by the MyCity activity at the EBITDA level, as well as an acquisition cost of HUF 14,9 million, making the cleaned Hungarian EBITDA HUF 359,2 million. For comparison, in Q3 2019, EBITDA related to the Hungarian core business was HUF 320,0 million. This is an increase of 12,3% compared to the same period last year.
- The Polish subsidiaries of the Group continued their outstanding performance and their EBITDA generated in the first nine months of the year increased to HUF 228 million (+ 143% YoY). The loan market in the country has weakened significantly as a result of the COVID-19 epidemic: in Q2 2020, the disbursed amount of housing loans decreased by 18% on a year-on-year. Banks' willingness to lend remained modest in Q3, while the real estate market remained active. The Polish subsidiaries of the Group closed a very strong quarter with a quarterly EBITDA of HUF 85 million.
- The Czech subsidiaries also successfully returned to the levels of the previous year, closing the quarter with an increase in net sales revenue and a positive result.



## CONSOLIDATED CASH FLOW STATEMENT

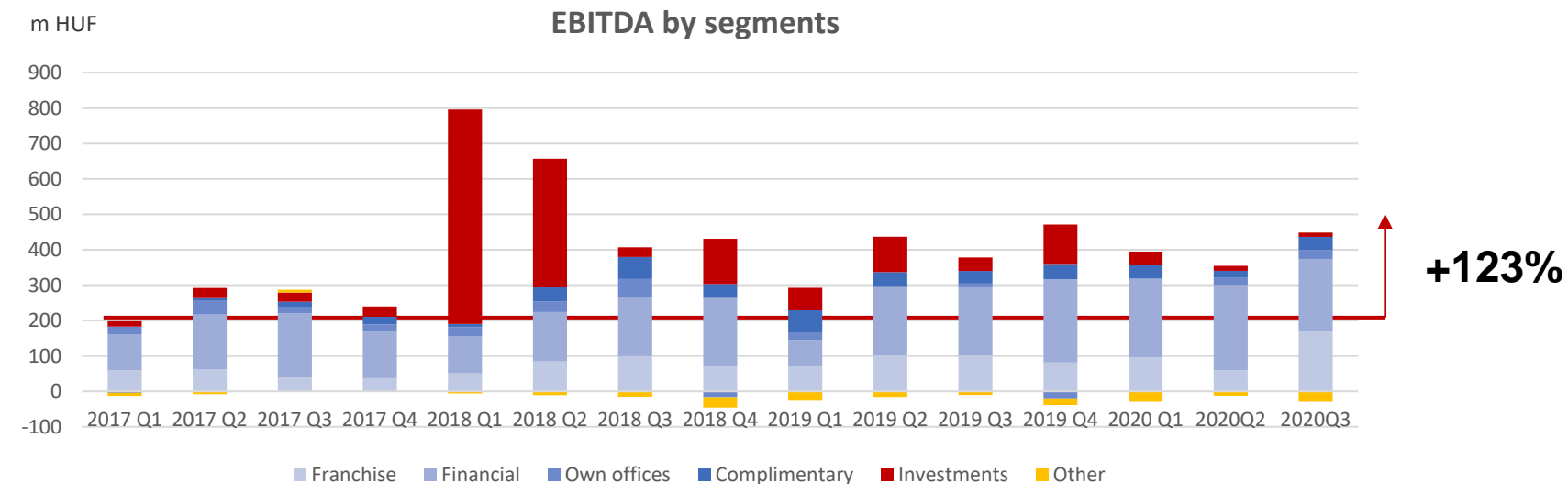
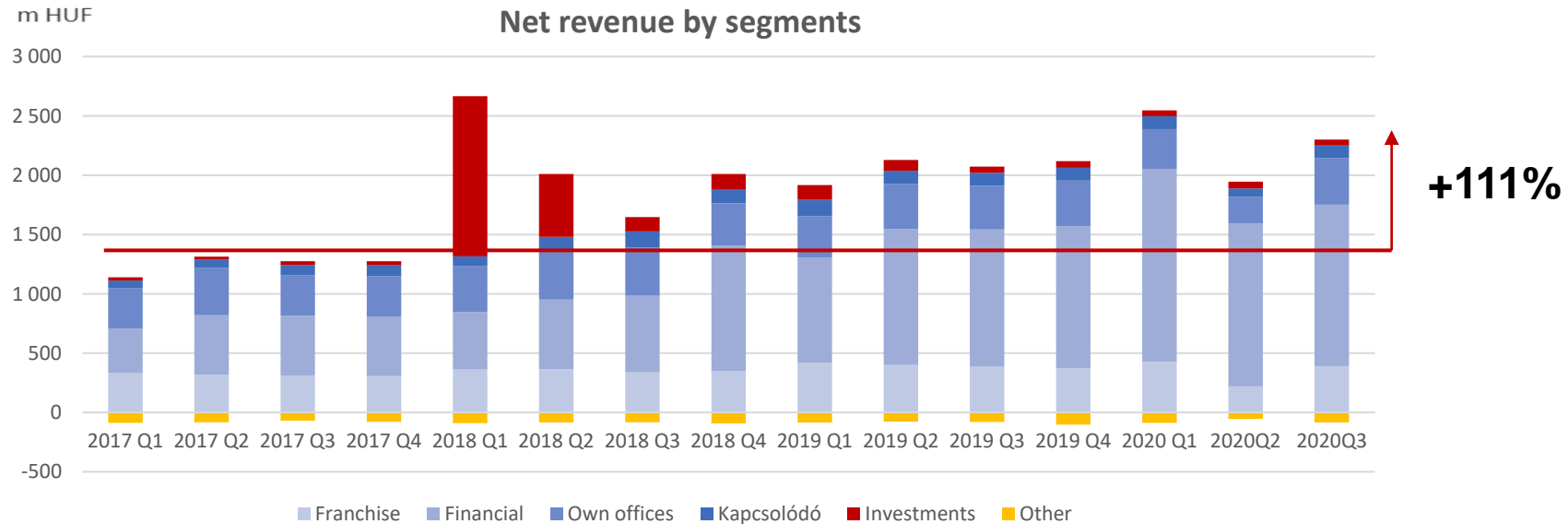
| Consolidated cash flow statement                  | 1-9. 2020<br>(not audited) | 1-9. 2019<br>(not audited) |
|---|----------------------------|----------------------------|
| Data in mHUF                                      |                            |                            |
| <b>Cash flows from operating activities</b>       |                            |                            |
| Profit after tax                                  | 1.018,4                    | 757,3                      |
| Adjustments:                                      |                            |                            |
| Received / paid interests                         | -9,2                       | 44,6                       |
| Depreciation                                      | 172,1                      | 69,5                       |
| Deferred tax expense                              | 15,6                       | -20,5                      |
| Fair value adjustments of investment properties   | -10,3                      | -43,8                      |
| Share program                                     | 12,4                       | 3,0                        |
| Badwill   | 0,0                        | 0,0                        |
| Share of profit of a joint venture                | -245,0                     | 40,9                       |
| The result of unrealized exchange differences     | -68,0                      | 0,0                        |
| Asset held for sale                               | 0,0                        | 0,0                        |
| <b>Gross CF</b>                                   | <b>885,9</b>               | <b>850,9</b>               |
| Movements of working capital                      |                            |                            |
| Increase in inventories                           | -1.178,1                   | -1.274,6                   |
| Increase in trade- and other receivables          | -3.001,7                   | -275,8                     |
| Decrease of other assets                          | -63,1                      | -122,5                     |
| Increase of trade payables                        | 133,9                      | -236,2                     |
| Increase of other short term liabilities          | -66,1                      | 182,8                      |
| Increase in accruals                              | 54,2                       | -74,9                      |
| <b>Net cash generated by operating activities</b> | <b>-3.234,9</b>            | <b>-950,4</b>              |

| Consolidated cash flow statement                        | 1-9. 2020<br>(not audited) | 1-9. 2019<br>(not audited) |
|---|----------------------------|----------------------------|
| <b>Cash flows from investing activities</b>             |                            |                            |
| Payments for property, plant and equipment              | -137,4                     | -300,0                     |
| Proceeds from the sale of properties                    | 83,0                       | 0,0                        |
| Assets held for sale and directly (...)                 | 0,0                        | 0,0                        |
| Acquisition of subsidiaries                             | -339,8                     | 0,0                        |
| <b>Net cash used in investing activities</b>            | <b>-394,2</b>              | <b>-300,0</b>              |
| <b>Cash flows from financing activities</b>             |                            |                            |
| Proceeds from borrowings                                | 1.222,6                    | 2.634,4                    |
| Treasury share transactions                             | -15,6                      | 0,0                        |
| Changes in right-of-use asset and leasing obligations   | -71,7                      | -55,5                      |
| Dividends paid  | -53,8                      | -898,1                     |
| Bond issue  | 6.907,4                    | 0,0                        |
| Securities sold   | 0,0                        | 0,0                        |
| Received / paid interests                               | 9,2                        | -44,6                      |
| <b>Net cash generated from financing activities</b>     | <b>7.998,1</b>             | <b>1.636,3</b>             |
| Net increase in cash and cash equivalents               | 4.368,9                    | 385,9                      |
| Cash and cash equivalents at the beginning of the year  | 1.627,7                    | 756,9                      |
| <b>Cash and cash equivalents at the end of the year</b> | <b>5.996,6</b>             | <b>1.142,8</b>             |

# DUNA HOUSE GROUP

## Segment report





- Note: the segment-level income statements do not include the results realized on the MyCity Residence project (HUF 269 million Q3 2020), as they are presented by the Group under EBITDA under Share of profit from joint venture.

- Since its listing in November 2016, the Duna House Group has increased its quarterly sales by 111% and its EBITDA by 123 %.

- By 2020, the Group's revenue has been transformed: 61% is accounted for the financial intermediation segment, while the real estate franchise and own office segments accounted for 35%.

- The Group's service businesses have grown steadily over the years. The leap in 2018 was caused by the Reviczky Liget residential real estate project implemented and handed over within the investment segment.

## SEGMENT LEVEL RESULTS

| <b>CONSOLIDATED</b>                  | <b>2020</b>    | <b>2019</b>    | <b>Variance</b> | <b>Variance</b> | <b>2020</b>    | <b>2019</b>    | <b>Variance</b> | <b>Variance</b> |
|--------------------------------------|----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| <i>(data in mHUF)</i>                | <b>Q3</b>      | <b>Q3</b>      |                 | <b>(%)</b>      | <b>Q1-Q3</b>   | <b>Q1-Q3</b>   |                 | <b>(%)</b>      |
| Real estate franchise segment        | 390,4          | 385,5          | +4,9            | +1%             | 1.036,0        | 1.203,5        | -167,6          | -14%            |
| Own office segment                   | 393,7          | 368,5          | +25,3           | +7%             | 952,5          | 1.094,3        | -141,8          | -13%            |
| Financial segment                    | 1.360,7        | 1.156,5        | +204,1          | +18%            | 4.362,5        | 3.192,7        | +1.169,8        | +37%            |
| Complementary segment                | 105,6          | 109,5          | -3,9            | -4%             | 285,4          | 359,6          | -74,2           | -21%            |
| Investment segment                   | 50,3           | 52,8           | -2,5            | -5%             | 156,5          | 267,6          | -111,1          | -42%            |
| Other segment                        | -83,7          | -79,6          | -4,2            | +5%             | -224,7         | -241,7         | +17,0           | -7%             |
| <b>Total net revenue</b>             | <b>2.216,9</b> | <b>1.993,2</b> | <b>+223,8</b>   | <b>+11%</b>     | <b>6.568,2</b> | <b>5.876,0</b> | <b>+692,2</b>   | <b>+12%</b>     |
| Real estate franchise segment        | 171,4          | 115,3          | +56,0           | +49%            | 327,1          | 316,7          | +10,4           | +3%             |
| Own office segment                   | 25,3           | 23,8           | +1,5            | +6%             | 46,1           | 76,5           | -30,5           | -40%            |
| Financial segment                    | 202,5          | 191,5          | +11,0           | +6%             | 665,1          | 453,7          | +211,5          | +47%            |
| Complementary segment                | 37,3           | 38,2           | -0,9            | -2%             | 96,2           | 146,2          | -50,0           | -34%            |
| Investment segment                   | 12,1           | 38,0           | -25,9           | -68%            | 63,7           | 199,2          | -135,5          | -68%            |
| Other segment                        | -29,3          | -6,7           | -22,6           | +336%           | -70,6          | -42,4          | -28,2           | +66%            |
| <b>Total EBITDA</b>                  | <b>419,2</b>   | <b>400,1</b>   | <b>+19,2</b>    | <b>+5%</b>      | <b>1.127,6</b> | <b>1.149,8</b> | <b>-22,3</b>    | <b>-2%</b>      |
| <i>Real estate franchise segment</i> | 44%            | 30%            | +14%p           |                 | 32%            | 26%            | +5%p            |                 |
| <i>Own office segment</i>            | 6%             | 6%             | -0%p            |                 | 5%             | 7%             | -2%p            |                 |
| <i>Financial segment</i>             | 15%            | 17%            | -2%p            |                 | 15%            | 14%            | +1%p            |                 |
| <i>Complementary segment</i>         | 35%            | 35%            | +0%p            |                 | 34%            | 41%            | -7%p            |                 |
| <i>Investment segment</i>            | 24%            | 72%            | -48%p           |                 | 41%            | 74%            | -34%p           |                 |
| <i>Other segment</i>                 | 35%            | 8%             | +27%p           |                 | 31%            | 18%            | +14%p           |                 |
| <b>Total EBITDA margin</b>           | <b>19%</b>     | <b>20%</b>     | <b>-1%p</b>     |                 | <b>17%</b>     | <b>20%</b>     | <b>-2%p</b>     |                 |

- The Group's net sales revenue increased by 11% and EBITDA by 5% (YoY) in the Q3 2020.
- In January 2020, the Group acquired Alex T. Great, one of Poland's leading loan intermediary businesses. The acquisition significantly increased the consolidated results of the financial intermediation segment and the Group's.

## SEGMENT LEVEL RESULTS

| <b>REAL ESTATE FRANCHISE SEGMENT</b> | <b>2020</b>    | <b>2019</b>    | <b>Variance</b> | <b>Variance</b> | <b>2020</b>    | <b>2019</b>    | <b>Variance</b> | <b>Variance</b> |
|--------------------------------------|----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| <i>(data in mHUF)</i>                | <b>Q3</b>      | <b>Q3</b>      |                 | <b>(%)</b>      | <b>Q1-Q3</b>   | <b>Q1-Q3</b>   |                 | <b>(%)</b>      |
| <b>Net sales revenue</b>             | <b>390,4</b>   | <b>385,5</b>   | <b>+4,9</b>     | <b>+1%</b>      | <b>1.036,0</b> | <b>1.203,5</b> | <b>-167,6</b>   | <b>-14%</b>     |
| Direct expenses                      | 24,8           | 28,8           | -4,0            | -14%            | 75,7           | 92,1           | -16,4           | -18%            |
| <b>Gross profit</b>                  | <b>365,5</b>   | <b>356,6</b>   | <b>+8,9</b>     | <b>+3%</b>      | <b>960,3</b>   | <b>1.111,5</b> | <b>-151,2</b>   | <b>-14%</b>     |
| Indirect expenses                    | 194,2          | 241,3          | -47,1           | -20%            | 633,2          | 794,8          | -161,6          | -20%            |
| <b>EBITDA</b>                        | <b>171,4</b>   | <b>115,3</b>   | <b>+56,0</b>    | <b>+49%</b>     | <b>327,1</b>   | <b>316,7</b>   | <b>+10,4</b>    | <b>+3%</b>      |
| <i>Gross profit margin (%)</i>       | <i>94%</i>     | <i>93%</i>     | <i>+1%p</i>     |                 | <i>93%</i>     | <i>92%</i>     | <i>+0%p</i>     |                 |
| <i>EBITDA margin (%)</i>             | <i>44%</i>     | <i>30%</i>     | <i>+14%p</i>    |                 | <i>32%</i>     | <i>26%</i>     | <i>+5%p</i>     |                 |
| <b>Network commission revenues*</b>  | <b>2.915,7</b> | <b>2.642,5</b> | <b>+273,2</b>   | <b>+10%</b>     | <b>7.293,5</b> | <b>8.121,2</b> | <b>-827,6</b>   | <b>-10%</b>     |
| Hungary                              | 2.181,0        | 2.038,0        | +143,0          | +7%             | 5.538,0        | 6.534,6        | -996,7          | -15%            |
| Poland                               | 642,1          | 513,0          | +129,1          | +25%            | 1.518,6        | 1.322,5        | +196,1          | +15%            |
| Czech Republic                       | 92,7           | 91,5           | +1,2            | +1%             | 237,0          | 264,0          | -27,1           | -10%            |
| <b>Network office numbers (pcs)</b>  | <b>240,0</b>   | <b>257,0</b>   | <b>-17,0</b>    | <b>-7%</b>      | <b>240,0</b>   | <b>257,0</b>   | <b>-17,0</b>    | <b>-7%</b>      |
| Hungary                              | 158            | 173            | -15             | -9%             | 158            | 173            | -15             | -9%             |
| Poland                               | 80             | 81             | -1              | -1%             | 80             | 81             | -1              | -1%             |
| Czech Republic                       | 2              | 3              | -1              | -33%            | 2              | 3              | -1              | -33%            |

\* the total revenue that realized after the real estate market transactions mediated by the franchise networks of the Duna House Group

- Revenues in the franchise segment increased by 1% compared to the same period last year despite the COVID-19 epidemic.
- Duna House Group's real estate brokerage networks achieved a total commission income of HUF 2,9 billion in the third quarter of 2020 (+ 10,3% YoY), thus breaking a record in the middle of the COVID-19 pandemic. The growth was strongest in Poland, where the Group achieved a historical record of HUF 642 million, expanding by 25%.
- In Hungary, the quarter closed with a total commission of HUF 2.2 billion (+7,0%). The number of offices in Hungary decreased in Q3 2020 due to the merger of the Smart Real Estate network into the Duna House brand and their rationalization. By the consolidation of the activities the Group was able to lower indirect expenses.
- Overall, the EBITDA of the franchise segment reached HUF 171,4 million in Q3 2020, which represents a stunning 49,0% improvement compared to Q3 2019.

The housing and loan market data published by Duna House are available at the following link: <https://dh.hu/barometer>

## SEGMENT LEVEL RESULTS

| <b>OWN OFFICE SEGMENT</b>           | <b>2020</b>  | <b>2019</b>  | <b>Variance</b> | <b>Variance</b> | <b>2020</b>    | <b>2019</b>    | <b>Variance</b> | <b>Variance</b> |
|-------------------------------------|--------------|--------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| <i>(data in mHUF)</i>               | <b>Q3</b>    | <b>Q3</b>    |                 | <b>(%)</b>      | <b>Q1-Q3</b>   | <b>Q1-Q3</b>   |                 | <b>(%)</b>      |
| <b>Net sales revenue</b>            | <b>393,7</b> | <b>368,5</b> | <b>+25,3</b>    | <b>+7%</b>      | <b>952,5</b>   | <b>1.094,3</b> | <b>-141,8</b>   | <b>-13%</b>     |
| Direct expenses                     | 239,0        | 217,1        | +21,9           | +10%            | 591,0          | 631,9          | -40,9           | -6%             |
| <b>Gross profit</b>                 | <b>154,7</b> | <b>151,3</b> | <b>+3,4</b>     | <b>+2%</b>      | <b>361,5</b>   | <b>462,4</b>   | <b>-100,9</b>   | <b>-22%</b>     |
| Indirect expenses                   | 129,5        | 127,5        | +2,0            | +2%             | 315,5          | 385,9          | -70,4           | -18%            |
| <b>EBITDA</b>                       | <b>25,3</b>  | <b>23,8</b>  | <b>+1,5</b>     | <b>6%</b>       | <b>46,1</b>    | <b>76,5</b>    | <b>-30,5</b>    | <b>-40%</b>     |
| <i>Gross profit margin (%)</i>      | <i>39%</i>   | <i>41%</i>   | <i>-2%</i>      |                 | <i>38%</i>     | <i>42%</i>     | <i>-4%</i>      |                 |
| <i>EBITDA margin (%)</i>            | <i>6%</i>    | <i>6%</i>    | <i>-0%</i>      |                 | <i>5%</i>      | <i>7%</i>      | <i>-2%</i>      |                 |
| <b>Networ commission revenues*</b>  | <b>402,9</b> | <b>434,1</b> | <b>-31,2</b>    | <b>-7%</b>      | <b>1.000,2</b> | <b>1.311,3</b> | <b>-311,1</b>   | <b>-24%</b>     |
| Hungary                             | 169,4        | 213,9        | -44,5           | -21%            | 422,3          | 727,8          | -305,5          | -42%            |
| Poland                              | 153,3        | 153,1        | +0,2            | +0%             | 384,2          | 382,3          | +1,9            | +0%             |
| Czech Republic                      | 80,2         | 67,1         | +13,1           | +20%            | 193,7          | 201,2          | -7,5            | -4%             |
| <b>Network office numbers (pcs)</b> | <b>22</b>    | <b>29</b>    | <b>-7</b>       | <b>-24%</b>     | <b>22</b>      | <b>29</b>      | <b>-7</b>       | <b>-24%</b>     |
| Hungary                             | 13           | 18           | -5              | -28%            | 13             | 18             | -5              | -28%            |
| Poland                              | 8            | 10           | -2              | -20%            | 8              | 10             | -2              | -20%            |
| Czech Republic                      | 1            | 1            | 0               | +0%             | 1              | 1              | 0               | +0%             |

\* the total revenue that realized after the real estate market transactions mediated by the own offices of Duna House Group

- Own office segment achieved net sales revenue of HUF 393,7 million (+7% YoY) and gross profit of HUF 154,7 million (+2% YoY) in Q3 2020.
- Commission revenues decreased by 7% in Q3 2020 mainly due to the weaker performance of the downtown districts of Budapest in Hungary, while the group was able to grow in the Czech Republic. The commission income of the Polish own offices stagnated on an annual basis, at the same time the Group was able to increase its non-network commission income in Poland, so that the total sales revenue increased by 7%.
- The segment's EBITDA level increased by 6% (YoY).

## SEGMENT LEVEL RESULTS

| <i>FINANCIAL SEGMENT</i>       | 2020           | 2019           | Variance      | Variance    | 2020           | 2019           | Variance        | Variance    |
|--------------------------------|----------------|----------------|---------------|-------------|----------------|----------------|-----------------|-------------|
| <i>(data in mHUF)</i>          | Q3             | Q3             |               | (%)         | Q1-Q3          | Q1-Q3          |                 | (%)         |
| <b>Net sales revenue</b>       | <b>1.360,7</b> | <b>1.156,5</b> | <b>+204,1</b> | <b>+18%</b> | <b>4.362,5</b> | <b>3.192,7</b> | <b>+1.169,8</b> | <b>+37%</b> |
| Direct expenses                | 1.017,5        | 829,9          | +187,6        | +23%        | 3.264,1        | 2.311,6        | +952,5          | +41%        |
| <b>Gross profit</b>            | <b>343,2</b>   | <b>326,6</b>   | <b>+16,6</b>  | <b>+5%</b>  | <b>1.098,3</b> | <b>881,0</b>   | <b>+217,3</b>   | <b>+25%</b> |
| Indirect expenses              | 140,6          | 135,1          | +5,5          | +4%         | 433,2          | 427,4          | +5,8            | +1%         |
| <b>EBITDA</b>                  | <b>202,5</b>   | <b>191,5</b>   | <b>+11,0</b>  | <b>+6%</b>  | <b>665,1</b>   | <b>453,7</b>   | <b>+211,5</b>   | <b>+47%</b> |
| <i>Gross profit margin (%)</i> | 25%            | 28%            | -3%           |             | 25%            | 28%            | -2%             |             |
| <i>EBITDA margin (%)</i>       | 15%            | 17%            | -2%           |             | 15%            | 14%            | +1%             |             |
| <b>Loan volume (bn HUF)</b>    | <b>62,0</b>    | <b>54,5</b>    | <b>+7,5</b>   | <b>+14%</b> | <b>193,8</b>   | <b>141,5</b>   | <b>+52,3</b>    | <b>+37%</b> |
| Hungary                        | 22,3           | 22,4           | -0,1          | -0%         | 62,3           | 51,7           | +10,7           | +21%        |
| Poland                         | 39,7           | 32,1           | +7,6          | +24%        | 131,5          | 89,8           | +41,7           | +46%        |

- The revenues of the financial intermediation segment reached HUF 1,3 billion in Q3 (+18% YoY).
- In Hungary, the group achieved a loan volume of HUF 22.3 billion corresponding to the previous year's level.
- In Poland, as a result of the COVID-19 epidemic, the housing loan market fell by 18% in the second quarter of the year and the third quarter was also a rather difficult market. The Group was able to grow by +24% due to the acquisition of ATG at the beginning of the year and intermediate total loan value of HUF 39,7 billion, but still significantly lagging the HUF 48,8 billion level reached in Q1 2020.
- Overall, the segment's gross profit increased to HUF 343,2 million (+5% YoY), while indirect costs increased by 4%, so EBITDA reached HUF 202,5 million (+6% YoY).

**SEGMENT LEVEL RESULTS**

| <b>COMPLEMENTARY SEGMENT</b>   | <b>2020</b>    | <b>2019</b>    | <b>Variance</b> | <b>Variance</b> | <b>2020</b>    | <b>2019</b>    | <b>Variance</b> | <b>Variance</b> |
|--------------------------------|----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| <i>(data in mHUF)</i>          | <b>Q3</b>      | <b>Q3</b>      |                 | <b>(%)</b>      | <b>Q1-Q3</b>   | <b>Q1-Q3</b>   |                 | <b>(%)</b>      |
| <b>Net sales revenue</b>       | <b>105,6</b>   | <b>109,5</b>   | <b>-3,9</b>     | <b>-4%</b>      | <b>285,4</b>   | <b>359,6</b>   | <b>-74,2</b>    | <b>-21%</b>     |
| Direct expenses                | 25,9           | 29,6           | -3,8            | -13%            | 73,4           | 83,5           | -10,1           | -12%            |
| <b>Gross profit</b>            | <b>79,8</b>    | <b>79,9</b>    | <b>-0,1</b>     | <b>-0%</b>      | <b>212,0</b>   | <b>276,1</b>   | <b>-64,1</b>    | <b>-23%</b>     |
| Indirect expenses              | 42,5           | 41,7           | +0,7            | +2%             | 115,8          | 129,9          | -14,1           | -11%            |
| <b>EBITDA</b>                  | <b>37,3</b>    | <b>38,2</b>    | <b>-0,9</b>     | <b>-2%</b>      | <b>96,2</b>    | <b>146,2</b>   | <b>-50,0</b>    | <b>-34%</b>     |
| <i>Gross profit margin (%)</i> | 76%            | 73%            | +3%             |                 | 74%            | 77%            | -3%             |                 |
| <i>EBITDA margin (%)</i>       | 35%            | 35%            | +0%             |                 | 34%            | 41%            | -7%             |                 |
| <b>Housing found NAV</b>       | <b>3.957,7</b> | <b>4.981,0</b> | <b>-1.023,3</b> | <b>-21%</b>     | <b>4.314,2</b> | <b>4.651,0</b> | <b>-336,8</b>   | <b>-7%</b>      |

- The complementary services segment's revenue reached HUF 105,6 million in Q3 2020. This represents a decrease of 4% compared to Q3 2019. The decrease was primarily due to lower fund management success fees, while revenues from the Group's appraisal activities were able to increase.
- The average net asset value of Duna House Real Estate Fund amounted to HUF 3,9 billion in Q3 2020 (- 21% YoY).
- Overall, the segment has reached EBITDA of HUF 37,3 million at 35% margin in Q3 2020.



**SEGMENT LEVEL RESULTS**

| <b>INVESTMENT SEGMENT</b>                        | <b>2020</b>    | <b>2019</b>    | <b>Variance</b> | <b>Variance</b> | <b>2020</b>    | <b>2019</b>    | <b>Variance</b> | <b>Variance</b> |
|--|----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| <i>(data in mHUF)</i>                            | <b>Q3</b>      | <b>Q3</b>      |                 | <b>(%)</b>      | <b>Q1-Q3</b>   | <b>Q1-Q3</b>   |                 | <b>(%)</b>      |
| <b>Net sales revenue</b>                         | <b>50,3</b>    | <b>52,8</b>    | <b>-2,5</b>     | <b>-5%</b>      | <b>156,5</b>   | <b>267,6</b>   | <b>-111,1</b>   | <b>-42%</b>     |
| Direct expenses                                  | 13,7           | 13,1           | +0,6            | +5%             | 37,2           | 97,3           | -60,1           | -62%            |
| <b>Gross profit</b>                              | <b>36,5</b>    | <b>39,7</b>    | <b>-3,2</b>     | <b>-8%</b>      | <b>119,3</b>   | <b>170,3</b>   | <b>-51,0</b>    | <b>-30%</b>     |
| Indirect expenses                                | 24,4           | 1,6            | +22,8           | +1.392%         | 55,6           | -28,9          | +84,5           | -292%           |
| <b>EBITDA</b>                                    | <b>12,1</b>    | <b>38,0</b>    | <b>-25,9</b>    | <b>-68%</b>     | <b>63,7</b>    | <b>199,2</b>   | <b>-135,5</b>   | <b>-68%</b>     |
| <i>Gross profit margin (%)</i>                   | <i>73%</i>     | <i>75%</i>     | <i>-2%</i>      |                 | <i>76%</i>     | <i>64%</i>     | <i>+13%</i>     |                 |
| <i>EBITDA margin (%)</i>                         | <i>24%</i>     | <i>72%</i>     | <i>-48%</i>     |                 | <i>41%</i>     | <i>74%</i>     | <i>-34%</i>     |                 |
| <b>Carrying amount of properties</b>             | <b>2.141,2</b> | <b>2.066,5</b> | <b>+74,6</b>    | <b>+4%</b>      | <b>2.141,2</b> | <b>2.066,5</b> | <b>+74,6</b>    | <b>+4%</b>      |
| Carrying amount of investment purpose properties | 1.825,2        | 1.736,5        | +88,8           | +5%             | 1.825,2        | 1.736,5        | +88,8           | +5%             |
| Carrying amount of operational properties        | 315,9          | 330,1          | -14,2           | -4%             | 315,9          | 330,1          | -14,2           | -4%             |
| <b>Number of properties (pcs) **</b>             | <b>16</b>      | <b>17</b>      | <b>-1</b>       | <b>-6%</b>      | <b>16</b>      | <b>17</b>      | <b>-1</b>       | <b>-6%</b>      |
| Number of investment purpose properties          | 13             | 12             | +1              | +8%             | 13             | 12             | +1              | +8%             |
| Number of operational properties                 | 3              | 5              | -2              | -40%            | 3              | 5              | -2              | -40%            |

- Property investment segment generated EBITDA of HUF 12,1 million in Q3 2020.
- Investment purpose properties are valued at market value by an independent appraiser. The market valuation is performed every six months, next time on December 31, 2020.




\*Profit/loss difference related to revaluation of investment purpose properties is indicated among indirect operating costs

\*\*Before April 1, 2017, the result of MyCity companies' activity was indicated under "Share of profit of a joint venture" in the consolidated income statement. MyCity group was fully acquired at the end of March 2017.

**PROPERTY DEVELOPMENT ACTIVITY**

Duna House Group manages the development of 314 flats in 3 projects under MyCity brand, as follows:



|                                     | Forest Hill<br>Budapest III. district  | Forest Hill Panorama<br>Budapest III. district   | MyCity Residence<br>Budapest III. district  | TOTAL  |
|-------------------------------------|--|--|---|--------|
| Duna House Group's share in Project | 100%   | 100%   | 50%   |        |
| Landsize (m2)                       | Total FH and FHP: 29,314   |  | 3,345   | 3,345  |
| Sellable area (m2)                  | 11,837   | 4,605  | 6,882   | 23,324 |
| Number of Apartements (pcs.)        | 154  | 57   | 100+3   | 314    |
| Average Apartements size (m2)       | 76.9   | 80.7   | 68.8  | 74.9   |
| <b>Actual status of Projects</b>    | <ul style="list-style-type: none"> <li>The project's sold ratio has decreased from 71% to 64% since 30 June 2020 due to customer cancellations. The repurchased flats are expected to be sold by the Group at a surcharge of 10-25% at current sales prices</li> <li>The technical completion of the apartments is expected by the end of April 2021.</li> </ul> | <ul style="list-style-type: none"> <li>On September 6, 2018, the project obtained a valid building permit, so according to the current legislation the completed apartments will be available for sale with 5% VAT.</li> <li>Contractor's tendering is in progress.</li> </ul> | <ul style="list-style-type: none"> <li>81% of the apartments have been sold.</li> <li><b>It has an occupancy permit.</b></li> <li>Handover of the flats has begun.</li> <li>The expected profit content of the flats still being under handover or for sale, at the current sales prices: HUF 329 million.</li> </ul> |        |
|                                     |    |   |    |        |

**SEGMENT LEVEL RESULTS**

| <b>OTHER- AND CONSOLIDATION SEGMENT</b> | <b>2020</b>  | <b>2019</b>  | <b>Variance</b> | <b>Variance</b> | <b>2020</b>   | <b>2019</b>   | <b>Variance</b> | <b>Variance</b> |
|---|--------------|--------------|-----------------|-----------------|---------------|---------------|-----------------|-----------------|
| <i>(data in mHUF)</i>                   | <b>Q3</b>    | <b>Q3</b>    |                 | <b>(%)</b>      | <b>Q1-Q3</b>  | <b>Q1-Q3</b>  |                 | <b>(%)</b>      |
| <b>Net sales revenue</b>                | <b>-83,7</b> | <b>-79,6</b> | <b>-4,2</b>     | <b>+5%</b>      | <b>-224,7</b> | <b>-241,7</b> | <b>+17,0</b>    | <b>-7%</b>      |
| Direct expenses                         | -5,4         | -11,0        | +5,7            | -51%            | -22,7         | -23,7         | +1,0            | -4%             |
| <b>Gross profit</b>                     | <b>-78,4</b> | <b>-68,6</b> | <b>-9,8</b>     | <b>+14%</b>     | <b>-202,0</b> | <b>-218,0</b> | <b>+16,0</b>    | <b>-7%</b>      |
| Indirect expenses                       | -49,1        | -61,8        | +12,8           | -21%            | -131,4        | -175,6        | +44,2           | -25%            |
| <b>EBITDA</b>                           | <b>-29,3</b> | <b>-6,7</b>  | <b>-22,6</b>    | <b>+336%</b>    | <b>-70,6</b>  | <b>-42,4</b>  | <b>-28,2</b>    | <b>+66%</b>     |
| <i>Gross profit margin (%)</i>          | 94%          | 86%          | +7%             |                 | 90%           | 90%           | -0%             |                 |
| <i>EBITDA margin (%)</i>                | 35%          | 8%           | +27%            |                 | 31%           | 18%           | +14%            |                 |

- Under the Other and consolidation segment we present the Company's supporting holding activity and the result of consolidation amendments.
- The Q3 expenses of the holding include primarily cost of the employee share program, BÉT, KELER fees, as well as the proportional part of the accounting and auditing fees in relation of the Group's annual and consolidated reports.

**STATEMENT OF CHANGES IN EQUITY**

|  | Share capital | Share premium  | Foreign currency translation reserve | Retained earnings | Attributable to the shareholders of the Company | Attributable to non-controlling interests | Total equity   |
|--|---------------|----------------|--------------------------------------|-------------------|---|---|----------------|
| <b>31 March 2019</b>                   | <b>172,0</b>  | <b>1.506,8</b> | <b>31,5</b>                          | <b>4.083,4</b>    | <b>5.639,6</b>                                  | <b>-56,0</b>                              | <b>5.583,6</b> |
| Dividend paid                          |               |                |                                      | -945,1            | -945,1  |   | -945,1         |
| Total comprehensive income             |               |                | 18,3                                 | 338,3             | 356,6   | -1,0                                      | 355,6          |
| Purchase of treasury shares            |               |                |                                      |                   | -14,7   |   | -14,7          |
| Employee Share-based payment provision |               | -13,4          |                                      |                   | -13,4   |   | -13,4          |
| <b>30 June 2019</b>                    | <b>172,0</b>  | <b>1.493,4</b> | <b>49,8</b>                          | <b>3.476,5</b>    | <b>5.023,0</b>                                  | <b>-57,0</b>                              | <b>4.965,9</b> |
| Dividend paid                          |               |                |                                      |                   |   |   |                |
| Total comprehensive income             |               |                | 8,4                                  | 253,5             | 261,9   | -1,8                                      | 260,1          |
| Purchase of treasury shares            |               |                |                                      |                   | -3,7  |   | -3,7           |
| Employee Share-based payment provision |               | 2,8            |                                      |                   | 2,8   |   | 2,8            |
| <b>30 September 2019</b>               | <b>172,0</b>  | <b>1.496,3</b> | <b>58,2</b>                          | <b>3.730,1</b>    | <b>5.284,0</b>                                  | <b>-58,9</b>                              | <b>5.225,1</b> |
| Dividend paid                          |               |                |                                      |                   |   |   |                |
| Total comprehensive income             |               |                | 12,6                                 | 315,2             | 327,8   | -3,9                                      | 323,9          |
| Purchase of treasury shares            |               |                |                                      |                   | -4,4  |   | -4,4           |
| Employee Share-based payment provision |               | 3,4            |                                      |                   | 3,4   |   | 3,4            |
| <b>31 December 2019</b>                | <b>172,0</b>  | <b>1.499,7</b> | <b>70,8</b>                          | <b>4.045,3</b>    | <b>5.610,8</b>                                  | <b>-62,8</b>                              | <b>5.548,0</b> |
| Dividend paid                          |               |                |                                      |                   |   |   |                |
| Total comprehensive income             |               |                | -29,5                                | 264,9             | 235,4   | -6,4                                      | 229,1          |
| Purchase of treasury shares            |               |                |                                      |                   | -4,1  |   | -4,1           |
| Employee Share-based payment provision |               | 3,7            |                                      |                   | 3,7   |   | 3,7            |
| <b>31 March 2020</b>                   | <b>172,0</b>  | <b>1.503,4</b> | <b>41,3</b>                          | <b>4.310,2</b>    | <b>5.845,9</b>                                  | <b>-69,2</b>                              | <b>5.776,7</b> |
| Dividend paid                          |               |                |                                      |                   |   |   |                |
| Total comprehensive income             |               |                | 26,8                                 | 204,6             | 231,4   | 0,3                                       | 231,7          |
| Purchase of treasury shares            |               |                |                                      |                   | -6,8  |   | -6,8           |
| Employee Share-based payment provision |               | 6,0            |                                      |                   | 6,0   |   | 6,0            |
| <b>30 June 2020</b>                    | <b>172,0</b>  | <b>1.509,4</b> | <b>68,1</b>                          | <b>4.454,3</b>    | <b>6.016,0</b>                                  | <b>-68,9</b>                              | <b>5.947,1</b> |
| Dividend paid                          |               |                |                                      |                   |   |   |                |
| Total comprehensive income             |               |                | 10,6                                 | 546,9             | 557,5   | 1,7                                       | 559,2          |
| Purchase of treasury shares            |               |                |                                      |                   | -4,7  |   | -4,7           |
| Employee Share-based payment provision |               | 2,7            |                                      |                   | 2,7   |   | 2,7            |
| <b>30 September 2020</b>               | <b>172,0</b>  | <b>1.512,1</b> | <b>78,7</b>                          | <b>5.001,2</b>    | <b>6.571,4</b>                                  | <b>-67,2</b>                              | <b>6.504,3</b> |

**Annex 1.**

*Time-series report of the different operational segments for the previous quarters is attached to the interim report as a separate file, as well as the consolidated balance sheet and interim income statement for the current record date.*

Duna House Holding Nyrt 2020Q3 negyedebes  
ENG\_Annex1.xlsx

## **Disclaimer**

Undersigned, members of the Board of Directors of DUNA HOUSE HOLDING Plc. (seated H-1016 Budapest, Gellérthegy str 17. Hungary; Company Reg. No. 01-10-048384) ; hereinafter „Company”) declare that the present quarterly report has been prepared with our best knowledge and conviction, and with the aim to present an extensive look at the financial state of the Company, including statements and estimates referred to for the present.

All statements and estimates are based on estimates and forecasts up-dated with our best knowledge and conviction, and in relation to which we shall not be held responsible for publicly up-dating any of the statements or estimates based on any future information, or events. Statements referring to the present bear a certain level of risk and uncertainty in themselves, thus factual results in some cases may significantly differ from forecast-type statements.

We believe that the present quarterly interim report presents a trustworthy and real picture regarding the assets, liabilities, financial state, as well as the profit and loss of the Company and joint ventures included in the consolidation. The report also presents a trustworthy picture of the state, development and performance of the Company and joint ventures included in the consolidation.

Simultaneously, we shall call attention to the financial statements presented in the interim report not being subject of an accounting audit, and in its present form not being in full compliance with all requirements of the International Financial Reporting Standards implemented by the European Union. The audited annual report of the Company, prepared in compliance with the regulations of International Financial Reporting Standards shall be published following the approval of the ordinary General Meeting of the Company planned to take place in April 2021.

Budapest, 27 November 2020.

Duna House Holding Plc. Board of Directors

Represented by: Gay Dymshiz, Board of Directors, President