

DUNA HOUSE GROUP

2021. Q1 Quarterly report

28 May 2021



Table of contents

Executive summary.....	3.
Consolidated financial statements	4.
Clean core profits.....	7.
Revenue, EBITDA, operating income and profit after tax by country	8.
Consolidated Cash-flow statement.....	9.
Segment report.....	10.
Franchise segment.....	13.
Own office segment.....	14.
Financial product intermediary services segment.....	15.
Complementary services segment.....	16.
Property investments segment and MyCity projects.....	17.
Other- and consolidation segment	19.
Statement in changes of equity.....	20.
Annex 1.: time-series report of operational segments	21.
Declaration.....	22.

EXECUTIVE SUMMARY 2021 FIRST QUARTER

Quarterly results

- **In Q1 2021, Duna House Group (the "Group") has significantly improved its profitability, while its EBITDA to sales ratio increased to 17%, its clean core EBITDA reached HUF 471 million, which is 27% higher than in Q1 2020.** The Group's consolidated EBITDA was HUF 433 million, which exceeded the same period in 2020 by 18%.
- **Group consolidated PAT has increased by 9% to HUF 289 million.** The PAT growth rate has lagged behind the EBITDA growth rate due to FX losses on foreign currency movements and higher interest costs due to the bond issue. Due to these items financial result decreased by nearly HUF 90 million compared to the same period in 2020.
- **In the first quarter of 2021, the main driving force was the real estate brokerage, with commission volumes up by 30% in Hungary and 60% in Poland,** both in franchise and own-agency brokerage. **The combined EBITDA contribution of these two businesses have risen from HUF 97 million to HUF 245 million** in Q1 2021 compared to last year **(+150% y/y)**. The residential property market in Hungary started the year at levels which were not seen for 10 years. The outstanding activity in the market is partly due to the emergence of state family support programs and the changing demand due to COVID-19.
- **Intermediated loan volumes have risen by 6% to HUF 73.6 bn** during this quarter, mostly driven by the 8% Polish expansion. In Hungary due to protracted loan application processes, volumes stagnated despite the strong demand. Since January 2021, the level of loan applications managed by the Group significantly exceeded the levels of 2020, thus further volume growth is expected in the coming quarter. The segment's quarterly **EBITDA generation decreased by 10% to HUF 200 million, due to the changing composition effects and business development activity which resulted in higher operating costs.**
- Within the MyCity real estate development business, the Forest Hill project continues to be delayed due to COVID-19 pandemic, labour shortages, rising construction and material prices and raw material shortages, a situation, which the project company considers force majeure. To partially compensate for the increased costs, the entity has implemented a price adjustment in Q2 2021..

DUNA HOUSE GROUP

Consolidated financial statements



CONSOLIDATED INCOME STATEMENT

Consolidated income statement (data in mHUF, except earnings per share)	2021 Q1 (not audited)	2020 Q1 (not audited)	Variance	
			mHUF	%
Net sales revenue	2 539.1	2 459.2	+79.8	+3%
Other operating income	181.9	13.7	+168.1	+1 224%
Change in stocks of finished products and work in progress	-289.1	-308.7	+19.6	-6%
Consumables used	58.5	53.7	+4.8	+9%
Cost of goods and services sold	455.4	499.5	-44.1	-9%
Services purchased	1 652.0	1 579.6	+72.5	+5%
Personnel expenses	191.0	223.3	-32.4	-15%
Other operating expenses	220.1	59.7	+160.4	+269%
EBITDA	433.0	365.9	+67.2	+18%
Depreciation and amortization	31.3	26.6	+4.7	+18%
Depreciation of right-of-use assets	32.1	32.9	-0.8	-2%
Operating income (EBIT)	369.6	306.4	+63.2	+21%
Finance income	22.4	51.1	-28.7	-56%
Finance costs	73.7	30.4	+43.4	+143%
Share of the profits of a joint venture	24.0	-12.9	+36.9	-286%
Profit before tax	342.3	314.3	+28.0	+9%
Income tax expense	52.9	49.3	+3.5	+7%
Profit after tax	289.4	265.0	+24.5	+9%
Currency translation difference	24.9	5.4	+19.5	+361%
Other comprehensive income	24.9	5.4	+19.5	+361%
Total comprehensive income attributable to	314.4	270.4	+44.0	+16%
Shareholders of the Company	1.4	276.7	-275.3	-99%
Non-controlling interest	-10.4	-6.4	-4.1	+64%
Earnings per share (basic and diluted)	8.1	7.3	+0.8	+10%

Comments

- Despite the third wave of the COVID-19 pandemic, the Group's consolidated net sales revenue increased by 3% YoY in Q1 2021 and exceeded HUF 2.5 billion. The Group's EBITDA reached HUF 433 million in the quarter (+18% YoY). *Changes in EBITDA were influenced by unique factors, which are presented on page 7, [Clean core result](#).*
- Change in stocks of finished products and in progress represents the net difference between activated construction service costs related to the 100% owned 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.
- As a result of taking over the construction of the Forest Hill residential project from January, 2020, most of the construction costs are recorded as `cost of goods and services` and `consumables used` instead of `services purchased`. At the same time, `services purchased` are increased due to the accelerated growth in Polish loan intermediation activity.
- The quarterly amount of `other operating expenses` was increased by i) HUF 23 million of penalties paid to customers who withdrew from the Forest Hill residential park contract. (ii) a write-off of HUF 126 million of the receivable from the former general contractor. Based on the current prices, flats which are returned to the market will have a positive impact on the project profitability.
- The company has drawn down a total of HUF 126 million bank guarantee from the former general contractor which has been recognised as other income.
- The handover of the apartments in the MyCity Residence residential park, developed by the Group's 50% owned joint venture, has began during the third quarter of 2020, generating a total PAT of HUF 24 million in the first quarter of 2021 for the Group.
- The Group booked a foreign exchange loss of HUF 20.2 million on foreign currency items (in Q1 2020 foreign exchange gain was HUF 32.4 million) and the bond issue increased the Group's interest expense by HUF 35.5 million.
- Currency translation difference represents the FX gains and losses on assets and liabilities of the foreign subsidiaries.

CONSOLIDATED BALANCE SHEET

Consolidated balance sheet data in mHUF	2021.03.31 (not audited)	2020.12.31 (audited)	Variance	
			mHUF	%
Goodwill	1 678.7	1 701.8	-23.1	-1%
Investment property	1 837.9	1 868.7	-30.8	-2%
Property, plant	417.5	424.1	-6.6	-2%
Other	931.7	1 274.3	-342.6	-27%
Non-current assets	4 865.9	5 268.9	-403.0	-8%
Inventories	7 298.2	7 118.9	+179.3	+3%
Trade receivables	1 045.2	887.6	+157.7	+18%
Cash and cash equivalents	5 937.5	6 169.5	-232.0	-4%
Restricted cash	730.8	732.6	-1.9	-0%
Other	1 991.1	1 243.5	+747.6	+60%
Current assets	17 002.7	16 152.0	+850.7	+5%
Total assets	21 868.6	21 420.9	+447.7	+2%
Share capital	7 066.9	6 816.4	+250.5	+4%
Borrowings	6 985.4	6 944.8	+40.6	+1%
Other non-current liabilities	339.6	346.1	-6.4	-2%
Non-current liabilities	7 325.1	7 290.9	+34.2	+0%
Borrowings	4 805.9	4 729.9	+76.0	+2%
Trade payables	993.4	859.0	+134.4	+16%
Other liabilities	1 677.4	1 724.8	-47.4	-3%
Current liabilities	7 476.7	7 313.7	+163.0	+2%
Total equity and liabilities	21 868.6	21 420.9	+447.7	+2%

Comments

- The value of goodwill recorded in the Group's books decreased due to the strengthening forint.
- The investment property portfolio decreased by HUF 31 million thanks to the sale of one property.
- The value of the jointly managed company investment recognised in the other non-current assets decreased by HUF 370 million due to approved dividend payable to the Group.
- The increase of the other current assets was caused by intercompany items such as the total interim dividend paid to shareholders in the value of HUF 451 million and the approved dividend as described in the previous point.
- The value of inventories increased by an additional HUF 179 million in Q1 2021, in line with the capitalized construction costs of ongoing developments.
- The consolidated equity of the Group amounted HUF 7.1 billion on 31 March 2021. The Company held 521,590 pieces of own shares for the purpose of employee share program.
- Loans increased to HUF 11.8 billion, out of which HUF 7.0 billion is liabilities from bonds, HUF 4.8 billion is non-recourse loans related to residential real-estate development projects.

CLEAN CORE RESULT

data in million of HUF	2021Q1	2020Q1	Variance %
EBITDA	433.0	365.9	+18%
(-) MyCity EBITDA	-37.8	7.3	-617%
Core EBITDA	470.8	358.5	+31%
(-) Result of portfolio appraisal	0.0	0.0	+0%
(-) Acquisition costs	0.0	-13.6	-100%
Total core adjustments	0.0	13.6	-100%
Cleaned core EBITDA	470.8	372.1	+27%

data in million of HUF	2021Q1	2020Q1	Variance %
Profit after tax	289.4	265.0	+9%
(-) Profit after tax for MyCity	-38.7	-31.5	+23%
Core PAT	328.2	296.4	+11%
(-) Result of portfolio appraisal	0.0	0.0	+0%
(-) Acquisition costs	0.0	-13.6	-100%
Total core adjustments	0.0	13.6	-100%
Tax effect of adjustments (9%)	0.0	-1.2	-100%
Cleaned core PAT	328.2	308.8	+6%

- 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 Q1 2021, the Group did not make any one-off adjustments.
- The Group’s clean core EBITDA increased by 27% (YoY) in Q1 2021.
- The Group’s cleaned core PAT increased by 6% and totalled HUF 328 million in the first quarter of 2021. As part of the clean core result, the Group recorded a foreign exchange loss of HUF 20.2 million on foreign currency items in 2021 (in Q1 2020 foreign exchange gain was HUF 32.4 million) and the bond issue increased the Group's interest expense by HUF 35.5 million.

REVENUE, EBITDA, OPERATING AND AFTER TAX INCOME BY COUNTRY

in million HUF	Hungary		Poland		Czech Republic		Duna House Group	
	2021Q1	2020 Q1	2021Q1	2020 Q1	2021Q1	2020 Q1	2021Q1	2020 Q1
Net sales revenue	944.1	942.6	1 508.8	1 441.1	86.2	75.6	2 539.1	2 459.2
EBITDA	319.8	311.6	106.4	53.5	6.8	0.8	433.0	365.9
Operating income	278.5	273.4	84.4	32.3	6.8	0.8	369.6	306.4
Profit after tax	220.2	243.3	59.6	21.8	9.7	-0.1	289.4	265.0

- The Group was able to continue its crisis-resistant growth in all of its markets.
- Activity in Hungary achieved approximately the same result during this quarter compared to the same period last year. The consolidated EBITDA related to the Hungarian core business was weakened by a total of HUF 37.8 million loss in the MyCity activity at the EBITDA level, resulting in an adjusted Hungarian clean core EBITDA of HUF 357.6 million. For comparison, in the first quarter of 2020, the adjusted Hungarian clean core EBITDA was HUF 303.7 million (+ 17.7% YoY). The Hungarian PAT was reduced by a foreign exchange loss of HUF 20.2 million in 2021 (in Q1 2020 foreign exchange gain was HUF 32.4 million) and the bond issue increased the Group's interest expense by HUF 35.5 million.
- The Polish subsidiaries of the Group continued their outstanding performance for the seventh consecutive quarter, their EBITDA generation reached HUF 106.4 million (+ 99% YoY).
- The Czech subsidiaries were also able to grow, closing the quarter and the year with an increase in net sales revenue and a positive net result.

CONSOLIDATED CASH FLOW STATEMENT

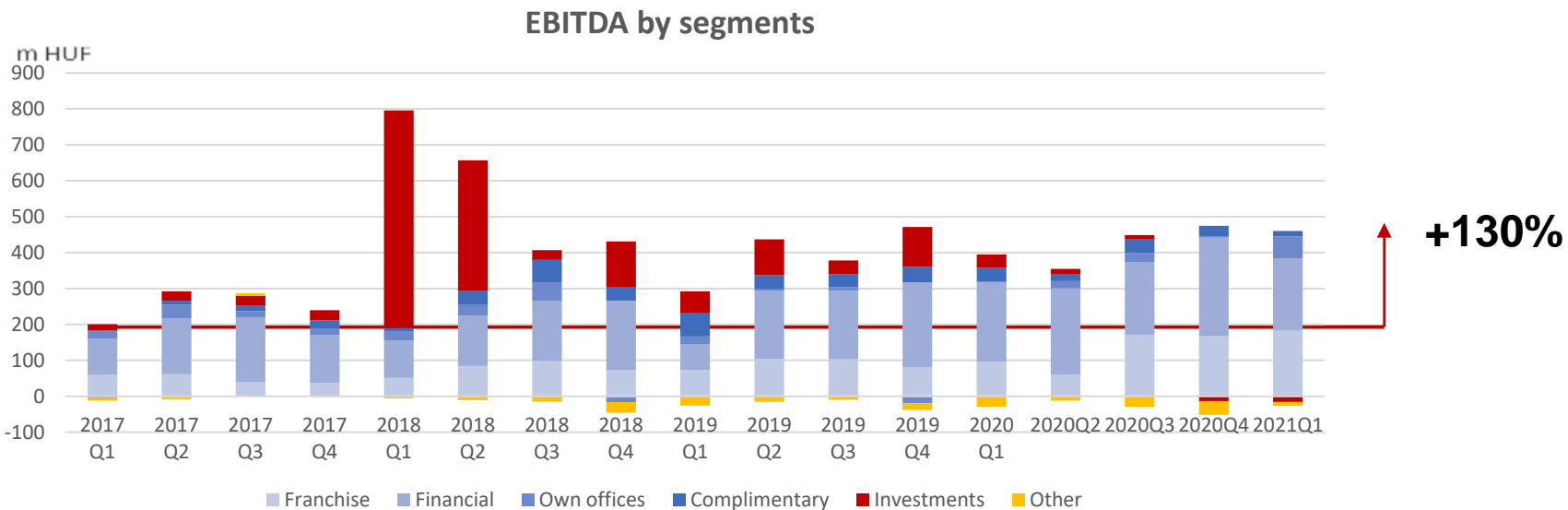
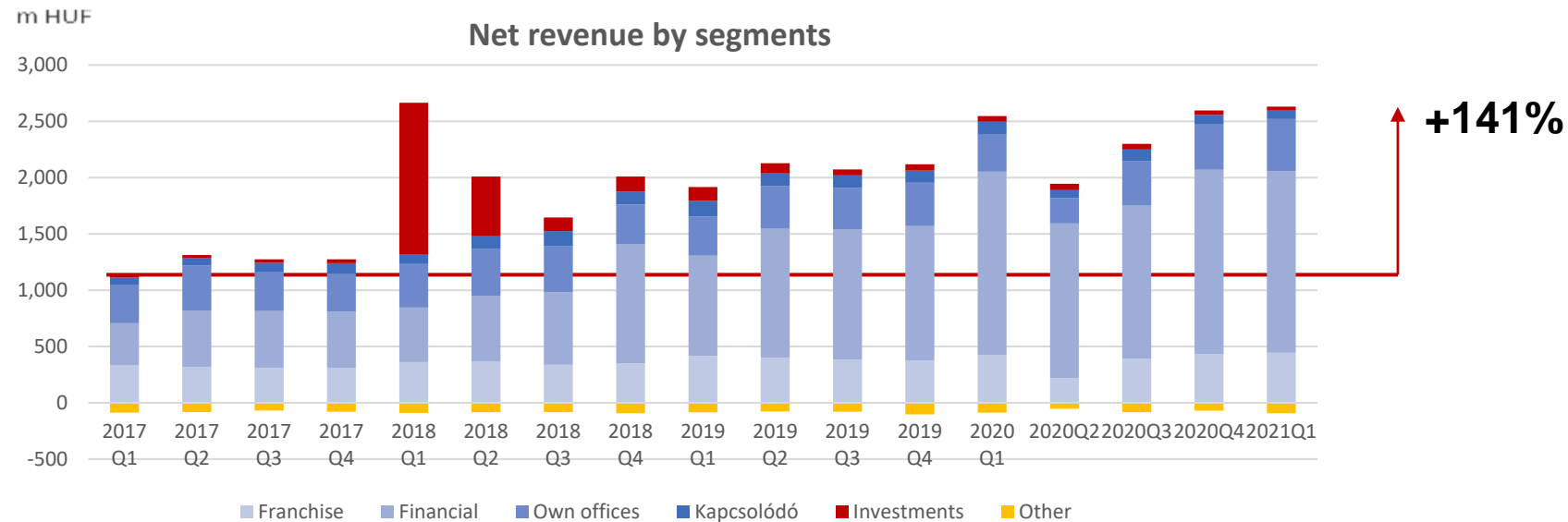
Consolidated cash flow statement Data in mHUF	1-3. 2021 (not audited)	1-3. 2020 (not audited)	Consolidated cash flow statement Data in mHUF	1-3. 2021 (not audited)	1-3. 2020 (not audited)
Cash flows from operating activities			Cash flows from investing activities		
Profit after tax	289.4	265.0	Payments for property, plant and equipment	-41.7	-26.1
Adjustments:			Proceeds from the sale of properties	30.8	83.0
Received / paid interests	51.3	-20.8	Assets held for sale and directly (...)	0.0	0.0
Depreciation	63.4	59.4	Other asset purchased	-0.7	0.0
Deferred tax expense	-8.2	-16.5	Dividend received from joint venture	370.0	0.0
Fair value adjustments of investment properties	0.0	0.0	Acquisition of subsidiaries	0.0	-339.8
Share program	-4.0	3.7	Net cash used in investing activities	358.3	-282.9
Badwill	0.0	0.0			
Share of profit of a joint venture	-24.0	12.9	Cash flows from financing activities		
The result of unrealized exchange differences	-27.8	-32.4	Proceeds from borrowings	76.0	64.0
Asset held for sale	0.0	0.0	Treasury share transactions	-5.7	-4.1
Income tax expense	57.9	0.0	Changes in right-of-use asset and leasing obligations	-16.0	-19.2
Gross CF	398.0	271.3	Dividends paid	-15.1	-23.5
			Bond issue	0.0	0.0
Movements of working capital			Securities sold	0.0	0.0
Increase in inventories	-179.3	-305.5	Received / paid interests	11.4	20.8
Increase in trade- and other receivables	-907.0	-46.3	Net cash generated from financing activities	50.6	37.9
Decrease of other assets	21.9	-64.7			
Increase of trade payables	154.2	147.2	Net increase in cash and cash equivalents	-211.8	-276.8
Increase of other short term liabilities	-112.8	-12.5	Cash and cash equivalents at the beginning of the year	6 169.5	1 627.7
Increase in accruals	19.3	-21.3	Exchange gains/(losses) on cash and cash equivalents	-20.2	0.0
Income taxes paid	-15.0	0.0			
Net cash generated by operating activities	-620.7	-31.8	Cash and cash equivalents at the end of the year	5 937.5	1 350.9

DUNA HOUSE GROUP

Segment report



SEGMENT LEVEL RESULTS



- Note: the segment-level income statements do not include the results realized on the MyCity Residence project 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 140% and its EBITDA by 130%.

- 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

CONSOLIDATED	2021	2020	Variance	Variance	2021	2020	Variance	Variance
<i>(data in mHUF)</i>	Q1	Q1		(%)	Q1	Q1		(%)
Real estate franchise segment	444.8	426.0	+18.9	+4%	444.8	426.0	+18.9	+4%
Own office segment	462.5	334.9	+127.6	+38%	462.5	334.9	+127.6	+38%
Financial segment	1 613.5	1 627.6	-14.1	-1%	1 613.5	1 627.6	-14.1	-1%
Complementary segment	75.3	108.6	-33.3	-31%	75.3	108.6	-33.3	-31%
Investment segment	35.0	49.6	-14.6	-29%	35.0	49.6	-14.6	-29%
Other segment	-92.0	-87.4	-4.6	+5%	-92.0	-87.4	-4.6	+5%
Total net revenue	2 539.1	2 459.2	+79.8	+3%	2 539.1	2 459.2	+79.8	+3%
Real estate franchise segment	184.2	95.9	+88.3	+92%	184.2	95.9	+88.3	+92%
Own office segment	60.8	0.7	+60.2	+9157%	60.8	0.7	+60.2	+9157%
Financial segment	200.1	222.1	-22.0	-10%	200.1	222.1	-22.0	-10%
Complementary segment	15.0	38.8	-23.8	-61%	15.0	38.8	-23.8	-61%
Investment segment	-16.0	37.5	-53.5	-143%	-16.0	37.5	-53.5	-143%
Other segment	-11.1	-29.1	+18.0	-62%	-11.1	-29.1	+18.0	-62%
Total EBITDA	433.0	365.9	+67.2	+18%	433.0	365.9	+67.2	+18%
<i>Real estate franchise segment</i>	<i>41%</i>	<i>23%</i>	<i>+19%p</i>		<i>41%</i>	<i>23%</i>	<i>+19%p</i>	
<i>Own office segment</i>	<i>13%</i>	<i>0%</i>	<i>+13%p</i>		<i>13%</i>	<i>0%</i>	<i>+13%p</i>	
<i>Financial segment</i>	<i>12%</i>	<i>14%</i>	<i>-1%p</i>		<i>12%</i>	<i>14%</i>	<i>-1%p</i>	
<i>Complementary segment</i>	<i>20%</i>	<i>36%</i>	<i>-16%p</i>		<i>20%</i>	<i>36%</i>	<i>-16%p</i>	
<i>Investment segment</i>	<i>-46%</i>	<i>76%</i>	<i>-121%p</i>		<i>-46%</i>	<i>76%</i>	<i>-121%p</i>	
<i>Other segment</i>	<i>12%</i>	<i>33%</i>	<i>-21%p</i>		<i>12%</i>	<i>33%</i>	<i>-21%p</i>	
Total EBITDA margin	17%	15%	+2%p		17%	15%	+2%p	

- The Group's net sales revenue increased by 3%, while its EBITDA grew by 18% (YoY) in the Q1 2021.
- *Changes in EBITDA were influenced by unique factors, which are presented on page 7, [Clean core result](#).*

SEGMENT LEVEL RESULTS

REAL ESTATE FRANCHISE SEGMENT	2021	2020	Variance	Variance	2021	2020	Variance	Variance
<i>(data in mHUF)</i>	Q1	Q1		(%)	Q1	Q1		(%)
Net sales revenue	444.8	426.0	+18.9	+4%	444.8	426.0	+18.9	+4%
Direct expenses	32.4	33.1	-0.7	-2%	32.4	33.1	-0.7	-2%
Gross profit	412.5	392.9	+19.6	+5%	412.5	392.9	+19.6	+5%
Indirect expenses	228.3	297.0	-68.7	-23%	228.3	297.0	-68.7	-23%
EBITDA	184.2	95.9	+88.3	+92%	184.2	95.9	+88.3	+92%
<i>Gross profit margin (%)</i>	<i>93%</i>	<i>92%</i>	<i>+0%p</i>		<i>93%</i>	<i>92%</i>	<i>+0%p</i>	
<i>EBITDA margin (%)</i>	<i>41%</i>	<i>23%</i>	<i>+19%p</i>		<i>41%</i>	<i>23%</i>	<i>+19%p</i>	
Network commission revenues*	3 386.3	2 484.1	+902.3	+36%	3 386.3	2 484.1	+902.3	+36%
Hungary	2 476.7	1 887.5	+589.2	+31%	2 476.7	1 887.5	+589.2	+31%
Poland	816.4	509.3	+307.1	+60%	816.4	509.3	+307.1	+60%
Czech Republic	93.2	87.2	+6.0	+7%	93.2	87.2	+6.0	+7%
Network office numbers (pcs)	252	243	9	+4%	252	243	9	+4%
Hungary	165	159	6	+4%	165	159	6	+4%
Poland	86	81	5	+6%	86	81	5	+6%
Czech Republic	1	3	-2	-67%	1	3	-2	-67%

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

- Realized EBITDA in the franchise segment increased by 92% compared to the same period last year.
- Duna House Group's real estate brokerage networks achieved a total commission income of HUF 3.4 billion in the first quarter of 2021 (+36% YoY), thus reaching all-time high volumes. Growth was strongest in Poland, where the Group achieved a historical record of HUF 816 million, expanding by 60% and Management expect further significant growth in the number of offices in the next quarter.
- In Hungary, the quarter closed with a total commission of HUF 2.5 billion (+31%).
- Overall, the EBITDA of the franchise segment reached HUF 184.2 million in Q1 2021.
- *Note: The Group's net sales increased to a lesser extent compared to volume growth due to the specificity of the accounting for marketing fees received from franchise partners: the Group plans to launch its marketing campaigns in 2021 after COVID, hence the majority of marketing revenues, HUF 39.4 million, were deferred (reducing sales). In 2020, as in previous years, the first quarter was characterised by overspending, thus marketing-related deferrals increasing sales by HUF 32.6 million.*

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

SEGMENT LEVEL RESULTS

OWN OFFICE SEGMENT	2021	2020	Variance	Variance	2021	2020	Variance	Variance
<i>(data in mHUF)</i>	Q1	Q1		(%)	Q1	Q1		(%)
Net sales revenue	462.5	334.9	+127.6	+38%	462.5	334.9	+127.6	+38%
Direct expenses	288.0	217.1	+70.9	+33%	288.0	217.1	+70.9	+33%
Gross profit	174.5	117.8	+56.7	+48%	174.5	117.8	+56.7	+48%
Indirect expenses	113.7	117.1	-3.4	-3%	113.7	117.1	-3.4	-3%
EBITDA	60.8	0.7	+60.2	9157%	60.8	0.7	+60.2	9157%
<i>Gross profit margin (%)</i>	<i>38%</i>	<i>35%</i>	<i>+3%</i>		<i>38%</i>	<i>35%</i>	<i>+3%</i>	
<i>EBITDA margin (%)</i>	<i>13%</i>	<i>0%</i>	<i>+13%</i>		<i>13%</i>	<i>0%</i>	<i>+13%</i>	
Networ commission revenues*	490.0	357.1	+132.9	+37%	490.0	357.1	+132.9	+37%
Hungary	189.3	146.6	+42.8	+29%	189.3	146.6	+42.8	+29%
Poland	217.4	137.8	+79.6	+58%	217.4	137.8	+79.6	+58%
Czech Republic	83.2	72.7	+10.5	+14%	83.2	72.7	+10.5	+14%
Network office numbers (pcs)	22	23	-1	-4%	22	23	-1	-4%
Hungary	13	13	0	+0%	13	13	0	+0%
Poland	8	9	-1	-11%	8	9	-1	-11%
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 462.5 million (+38% YoY) and gross profit of HUF 174.5 million (+48% YoY) in Q4 2020.
- Commission revenues increased by 37% of which Poland performed outstanding growth: +58% on YoY basis.
- The segment's gross profit margin improved to 38% and reached HUF 60,8 million (YoY).
- Due to rationalization, number of Polish offices decreased by 1 in the first quarter of 2021. Since then the Groups' s number of offices remained constant.

SEGMENT LEVEL RESULTS

<i>FINANCIAL SEGMENT</i>	2021	2020	Variance	Variance	2021	2020	Variance	Variance
<i>(data in mHUF)</i>	Q1	Q1		(%)	Q1	Q1		(%)
Net sales revenue	1 613.5	1 627.6	-14.1	-1%	1 613.5	1 627.6	-14.1	-1%
Direct expenses	1 239.2	1 244.8	-5.6	-0%	1 239.2	1 244.8	-5.6	-0%
Gross profit	374.2	382.8	-8.5	-2%	374.2	382.8	-8.5	-2%
Indirect expenses	174.1	160.7	+13.4	+8%	174.1	160.7	+13.4	+8%
EBITDA	200.1	222.1	-22.0	-10%	200.1	222.1	-22.0	-10%
<i>Gross profit margin (%)</i>	23%	24%	-0%		23%	24%	-0%	
<i>EBITDA margin (%)</i>	12%	14%	-1%		12%	14%	-1%	
Loan volume (bn HUF)	73.6	69.5	+4.1	+6%	73.6	69.5	+4.1	+6%
Hungary	20.6	20.7	-0.0	-0%	20.6	20.7	-0.0	-0%
Poland	52.9	48.8	+4.1	+8%	52.9	48.8	+4.1	+8%

- The revenues of the financial intermediation segment stagnated at HUF 1,6 billion in Q1 2021.
- In Poland, the Group was able to exceed by 8% the level of intermediated loans volume and its all time record of HUF 52.9 billion. These record figures only marginally include the loan volumes from the intensive network building mentioned in the published 2021 Management Forecast, but some of the costs are already being incurred. Volumes will start materialize in the second quarter, but mostly in the third and fourth quarters.
- In Hungary, loan volume stagnated corresponding to the previous year's Q1 level. In the first two months of the year, the Group experienced longer bank processing and disbursement timelines due to the increase in state subsidies. As a result, the total value of loans disbursed did not increase despite the strong demand. It is important to underline that since January, the Group's loan applications in Hungary have significantly exceeded the 2020 levels, hence further increase is expected in the next quarter.
- Overall, the segment's gross profit was HUF 374.2 million (-2% YoY), while indirect costs increased by 8%, so EBITDA reached HUF 201.1 million (-10% YoY).

SEGMENT LEVEL RESULTS

COMPLEMENTARY SEGMENT	2021	2020	Variance	Variance	2021	2020	Variance	Variance
<i>(data in mHUF)</i>	Q1	Q1		(%)	Q1	Q1		(%)
Net sales revenue	75.3	108.6	-33.3	-31%	75.3	108.6	-33.3	-31%
Direct expenses	21.4	27.1	-5.6	-21%	21.4	27.1	-5.6	-21%
Gross profit	53.9	81.5	-27.7	-34%	53.9	81.5	-27.7	-34%
Indirect expenses	38.9	42.7	-3.8	-9%	38.9	42.7	-3.8	-9%
EBITDA	15.0	38.8	-23.8	-61%	15.0	38.8	-23.8	-61%
<i>Gross profit margin (%)</i>	<i>72%</i>	<i>75%</i>	<i>-4%</i>		<i>72%</i>	<i>75%</i>	<i>-4%</i>	
<i>EBITDA margin (%)</i>	<i>20%</i>	<i>36%</i>	<i>-16%</i>		<i>20%</i>	<i>36%</i>	<i>-16%</i>	
Housing found NAV	3 646.4	4 559.9	-913.5	-20%	3 646.4	4 559.9	-913.5	-20%

- The complementary services segment's revenue reached HUF 75.3 million in Q1 2021. This represents a decrease of 31% compared to Q1 2020. The decrease was primarily due to lower fund management success fees and lower transaction fees generated by the property management activity.
- The average net asset value of Duna House Real Estate Fund amounted to HUF 3.6 billion in Q1 2021 (-20% YoY). The economic impact of the COVID pandemic has increased investor uncertainty, and the 180-day redemption requirement for residential property funds imposed by law is a barrier to new retail capital inflows.
- Overall, the segment contributed total HUF 15.0 million to the Group's quarterly EBITDA with a 20% EBITDA margin.

SEGMENT LEVEL RESULTS

INVESTMENT SEGMENT	2021	2020	Variance	Variance	2021	2020	Variance	Variance
<i>(data in mHUF)</i>	Q1	Q1		(%)	Q1	Q1		(%)
Net sales revenue	35.0	49.6	-14.6	-29%	35.0	49.6	-14.6	-29%
Direct expenses	25.2	11.3	+13.9	+124%	25.2	11.3	+13.9	+124%
Gross profit	9.8	38.3	-28.5	-74%	9.8	38.3	-28.5	-74%
Indirect expenses	25.8	0.8	+25.0	+3216%	25.8	0.8	+25.0	+3216%
EBITDA	-16.0	37.5	-53.5	-143%	-16.0	37.5	-53.5	-143%
<i>Gross profit margin (%)</i>	<i>28%</i>	<i>77%</i>	<i>-49%</i>		<i>28%</i>	<i>77%</i>	<i>-49%</i>	
<i>EBITDA margin (%)</i>	<i>-46%</i>	<i>76%</i>	<i>-121%</i>		<i>-46%</i>	<i>76%</i>	<i>-121%</i>	
Carrying amount of properties	2 147.4	2 076.0	+71.4	+3%	2 147.4	2 076.0	+71.4	+3%
Carrying amount of investment purpose properties	1 837.9	1 753.0	+84.9	+5%	1 837.9	1 753.0	+84.9	+5%
Carrying amount of operational properties	309.5	323.0	-13.5	-4%	309.5	323.0	-13.5	-4%
Number of properties (pcs) **	18	16	+2	+13%	18	16	+2	+13%
Number of investment purpose properties	15	13	+2	+15%	15	13	+2	+15%
Number of operational properties	3	3	+0	+0%	3	3	+0	+0%

- Property investment segment generated total EBITDA loss of HUF 16.0 million in Q1 2021, of which loss of HUF 37.8 million was related to the MyCity property development project. The Group's real estate portfolio generated 21.8 million in EBITDA.
- Investment purpose properties are valued at market value by an independent appraiser on 30 June and on 31 December each year. During the quarter, the Group sold one residential property
- The table does not include the result of the MyCity Residence project (Hunor utca, District III, Budapest which is 50% owned by the Group as it is recognized through equity consolidation in the Group's financial statements.

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

PROPERTY DEVELOPMENT ACTIVITY

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



	Forest Hill Budapest III. district	Forest Hill Panorama Budapest III. district	MyCity Residence Budapest III. district	TOTAL
Duna House Group's share in Project	100%	100%	50%	
Landsize (m2)	Total FH and FHP: 29,314		3,345	32,659
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
Actual status of Projects	<ul style="list-style-type: none"> • The project's sold ratio was 62% at the end of the first quarter of 2021. After 31 March, the project company made a price adjustment to partially compensate for the increased construction costs. • As a result of the price correction, buyers of cc. 12% of the apartments withdrew, receiving twice of their deposit. • The repurchased flats are expected to be sold at current market prices with a premium above the paid deposit amount. • The technical completion of the first row is expected in Q3 2021. 			<ul style="list-style-type: none"> • Given the current situation in the construction industry, the Group is considering whether to proceed with the project. • 87% of the apartments have been sold. • It has an occupancy permit, sub-registration is in progress. • Sale of the last apartments is in progress.



SEGMENT LEVEL RESULTS

OTHER- AND CONSOLIDATION SEGMENT	2021	2020	Variance	Variance	2021	2020	Variance	Variance
<i>(data in mHUF)</i>	Q1	Q1		(%)	Q1	Q1		(%)
Net sales revenue	-92.0	-87.4	-4.6	+5%	-92.0	-87.4	-4.6	+5%
Direct expenses	-22.7	-10.9	-11.8	+108%	-22.7	-10.9	-11.8	+108%
Gross profit	-69.4	-76.5	+7.1	-9%	-69.4	-76.5	+7.1	-9%
Indirect expenses	-58.2	-47.3	-10.9	+23%	-58.2	-47.3	-10.9	+23%
EBITDA	-11.1	-29.1	+18.0	-62%	-11.1	-29.1	+18.0	-62%
<i>Gross profit margin (%)</i>	75%	88%	-12%		75%	88%	-12%	
<i>EBITDA margin (%)</i>	12%	33%	-21%		12%	33%	-21%	

- Under the Other and consolidation segment we present the Company's supporting holding activity, income and expenses eliminated during the consolidation of the Group and the result of consolidation amendments.
- The quarterly 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
31 December 2019	172.0	1 499.7	70.8	4 045.3	5 610.8	-62.8	5 548.0
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
31 March 2020	172.0	1 503.4	41.3	4 310.2	5 845.9	-69.2	5 776.7
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
30 June 2020	172.0	1 509.4	68.1	4 454.3	6 016.0	-68.9	5 947.1
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
30 September 2020	172.0	1 512.1	78.7	5 001.2	6 571.4	-67.2	6 504.3
Dividend paid					0.0		0.0
Total comprehensive income			-24.6	327.2	302.6	-3.4	299.2
Purchase of treasury shares					-1.1		-1.1
Employee Share-based payment provision		14.1			14.1		14.1
31. december 2020	172.0	1 526.2	54.1	5 328.3	6 887.0	-70.6	6 816.4
Dividend paid							
Total comprehensive income			-18.8	288.0	269.2	-9.0	260.2
Purchase of treasury shares					-5.7		-5.7
Employee Share-based payment provision		-4.0			-4.0		-4.0
31. march 2021	172.0	1 522.1	35.3	5 616.3	7 146.5	-79.6	7 066.9

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 2021Q1 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, 28 May 2021.

Duna House Holding Plc. Board of Directors

Represented by: Gay Dymshiz, Board of Directors, President