

DUNA HOUSE GROUP

2021.Q2 Quarterly report

27 August 2021



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EXECUTIVE SUMMARY 2021 SECOND QUARTER

Quarterly results

- **In Q2 2021, Duna House Group (the "Group") moved to the next level: its quarterly revenue jumped to HUF 3.4 billion (+78% YoY) and its clean core EBITDA jumped to HUF 629 m (+72% YoY).** The Group's reported consolidated EBITDA was HUF 512 million, exceeding the same period in 2020 by 49%.
- **Group's consolidated PAT has increased by 32% to HUF 270 million.** The PAT growth rate has lagged behind the EBITDA growth rate due to the accounting loss on development activities, FX losses on foreign currency movements and higher interest costs due to the bond issue.
- In the second quarter of 2021, both brokerage segments contributed significantly to the outstanding growth, setting new volume records. **Revenues of the real estate brokerage have more than doubled while credit brokerage has grown by 70% compared to the same period in 2020,** which was hit by COVID-19. The outstanding market activity continues to reflect the effects of the changing demand due to COVID-19 and the emerging state family support programmes in the Hungarian real estate market.
- **With a 170% increase in real estate brokerage volumes and a 75% increase in intermediated loan volumes, Poland is currently the Group's fastest growing country** and is making an increasingly impressive contribution to the Group's results. In the last four quarters, it generated a total EBITDA of HUF 560 million, of which HUF 209 million was the result of the latest quarter. The Polish results does not include any one-off or extraordinary items and management expects continuous growth in the future after adjusting for seasonal effects. Within the next two years, Polish EBITDA could exceed the Hungarian results.
- Within the MyCity real estate development business, the **first row** of the 3-row building complex of the **Forest Hill project is technically completed.** Row 2-3 is expected to be ready by the end of the year. Due to delays in the administrative processes, revenue recognition is expected from 2022.
- Based on the excellent first half-year results, the Group's management raises its **clean core EBITDA forecast to HUF 2.1-2.3 billion and its clean core PAT forecast to HUF 1.3-1.5 billion.**

DUNA HOUSE GROUP

Consolidated financial statements



CONSOLIDATED INCOME STATEMENT

| Consolidated income statement (data in mHUF, except earnings per share) | 2021 Q2 (not audited) | 2020 Q2 (not audited) | Variance | | 2021 Q1-Q2 (not audited) | 2020 Q1-Q2 (not audited) | Variance | |
|--|--------------------------|--------------------------|---------------|-------------|-----------------------------|-----------------------------|---------------|-------------|
| | | | mHUF | % | | | mHUF | % |
| Net sales revenue | 3 372.1 | 1 892.0 | +1 480.0 | +78% | 5 911.2 | 4 351.3 | +1 559.9 | +36% |
| Other operating income | 34.8 | 46.8 | -12.0 | -26% | 216.7 | 60.5 | +156.1 | +258% |
| Change in stocks of finished products and work in progress | -341.4 | -377.2 | +35.8 | -9% | -630.5 | -685.9 | +55.5 | -8% |
| Consumables used | 75.8 | 63.1 | +12.7 | +20% | 134.3 | 116.8 | +17.6 | +15% |
| Cost of goods and services sold | 601.9 | 542.8 | +59.0 | +11% | 1 057.3 | 1 042.4 | +14.9 | +1% |
| Services purchased | 2 104.5 | 1 169.3 | +935.2 | +80% | 3 756.5 | 2 748.8 | +1 007.7 | +37% |
| Personnel expenses | 212.5 | 155.2 | +57.3 | +37% | 403.4 | 378.6 | +24.9 | +7% |
| Other operating expenses | 242.0 | 43.2 | +198.9 | +461% | 462.1 | 102.9 | +359.2 | +349% |
| EBITDA | 511.6 | 342.5 | +169.1 | +49% | 944.6 | 708.3 | +236.3 | +33% |
| Depreciation and amortization | 48.7 | 26.7 | +22.1 | +83% | 80.0 | 53.2 | +26.8 | +50% |
| Depreciation of right-of-use assets | 31.8 | 33.2 | -1.4 | -4% | 63.9 | 66.1 | -2.2 | -3% |
| Operating income (EBIT) | 431.0 | 282.6 | +148.5 | +53% | 800.7 | 589.0 | +211.7 | +36% |
| Finance income | 4.5 | 19.8 | -15.4 | -77% | 26.9 | 71.0 | -44.1 | -62% |
| Finance costs | 109.9 | 26.5 | +83.4 | +315% | 183.6 | 56.9 | +126.8 | +223% |
| Share of the profits of a joint venture | 16.7 | -11.3 | +28.0 | -248% | 40.7 | -24.2 | +64.8 | -268% |
| Profit before tax | 342.3 | 264.6 | +77.7 | +29% | 684.6 | 578.9 | +105.7 | +18% |
| Income tax expense | 72.1 | 59.8 | +12.3 | +21% | 124.9 | 109.1 | +15.8 | +14% |
| Profit after tax | 270.2 | 204.8 | +65.4 | +32% | 559.7 | 469.8 | +89.9 | +19% |
| Currency translation difference | 5.6 | 26.8 | -21.2 | -79% | 30.6 | 32.3 | -1.7 | -5% |
| Other comprehensive income | 5.6 | 26.8 | -21.2 | -79% | 30.6 | 32.3 | -1.7 | -5% |
| Total comprehensive income attributable to | 275.9 | 231.7 | +44.2 | +19% | 590.2 | 502.1 | +88.2 | +18% |
| Shareholders of the Company | 274.5 | 231.4 | +43.1 | +19% | 597.9 | 508.2 | +89.7 | +18% |
| Non-controlling interest | 1.3 | 0.3 | +1.1 | +421% | -7.6 | -6.1 | -1.5 | +25% |
| Earnings per share (basic and diluted) | 8.1 | 5.7 | +2.4 | +41% | 15.6 | 13.0 | +2.6 | +20% |

Comments

- The Group's consolidated net sales revenue increased to record highs of HUF 3.4 billion in the second quarter. The Group's EBITDA reached HUF 512 million in the quarter (+49% 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 135 million of deposit paid back to customers who withdrew from the Forest Hill residential park contract. (ii) a write-off of HUF 63 million of the receivable from the former general contractor. The Group expects to receive an additional HUF 1.0 billion from the unsold apartments as a result of the price increase, which will partially compensate for the above costs and increased construction costs.
- The handover of the apartments in the MyCity Residence residential park, developed by the Group's 50% owned joint venture, has begun during the third quarter of 2020, generating a total PAT of HUF 17 million in the second quarter of 2021 for the Group.
- The Group booked a foreign exchange losses of HUF 63 million on foreign currency positions (in Q2 2020 foreign exchange gain was HUF 12 million) and the bond issue increased the Group's interest expense by HUF 35. million. The foreign exchange loss is mainly related to the fact that the Group started to build up its Euro reserves in 2020 in preparation for a forthcoming international acquisition.

CONSOLIDATED BALANCE SHEET

| Consolidated balance sheet data in mHUF | 2021. June 30. (not audited) | 2020. December 31. (audited) | Variance | |
|--|---------------------------------|---------------------------------|---------------|-------------|
| | | | mHUF | % |
| Goodwill | 1 683.7 | 1 701.8 | -18.1 | -1% |
| Investment property | 1 837.2 | 1 868.7 | -31.5 | -2% |
| Property, plant | 411.3 | 424.1 | -12.8 | -3% |
| Other | 972.4 | 1 274.3 | -301.9 | -24% |
| Non-current assets | 4 904.7 | 5 268.9 | -364.3 | -7% |
| Inventories | 7 545.6 | 7 118.9 | +426.7 | +6% |
| Trade receivables | 1 251.7 | 887.6 | +364.1 | +41% |
| Cash and cash equivalents | 4 864.4 | 6 169.5 | -1 305.1 | -21% |
| Restricted cash | 779.5 | 732.6 | +46.9 | +6% |
| Other | 1 597.1 | 1 243.5 | +353.6 | +28% |
| Current assets | 16 038.3 | 16 152.0 | -113.7 | -1% |
| Total assets | 20 943.0 | 21 420.9 | -477.9 | -2% |
| Share capital | 5 956.9 | 6 816.4 | -859.5 | -13% |
| Borrowings | 7 025.5 | 6 944.8 | +80.6 | +1% |
| Other non-current liabilities | 328.3 | 346.1 | -17.7 | -5% |
| Non-current liabilities | 7 353.8 | 7 290.9 | +62.9 | +1% |
| Borrowings | 4 805.9 | 4 729.9 | +76.0 | +2% |
| Trade payables | 1 188.8 | 859.0 | +329.9 | +38% |
| Other liabilities | 1 637.6 | 1 724.8 | -87.2 | -5% |
| Current liabilities | 7 632.3 | 7 313.7 | +318.6 | +4% |
| Total equity and liabilities | 20 943.0 | 21 420.9 | -477.9 | -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 in Q1 2021.
- 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 same item caused an increase in the other current assets.
- The value of inventories increased by an additional HUF 247 million in Q2 2021, in line with the capitalized construction costs of ongoing developments.
- Trade receivables rose to HUF 1.3 billion, in line with the increase in sales.
- In 2021, the Group paid out a total dividend of HUF 1,328 million (HUF 39.2 per share) to ordinary shareholders in two instalments.
- The consolidated equity of the Group amounted HUF 6.0 billion on 30 June 2021. The Company held 527,429 pieces of own shares for the purpose of employee share program.
- At the end of the quarter 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. The core activity's net debt amounts to 1.1 times the last 12 months' cleaned core EBITDA.

CLEAN CORE RESULT

| data in million of HUF | 2021Q2 | 2020Q2 | Variance % | 2021 Q1-2 | 2020 Q1-2 | Variance % |
|-----------------------------------|--------------|--------------|-------------|----------------|--------------|--------------|
| EBITDA | 511.6 | 342.5 | +49% | 944,6 | 708,3 | +33% |
| (-) MyCity EBITDA | -135.8 | -34.6 | +292% | -173,6 | -27,3 | +535% |
| Core EBITDA | 647.4 | 377.1 | +72% | 1 118,2 | 735,7 | +52% |
| (-) Result of portfolio appraisal | 23.7 | 10.3 | +0% | 23,7 | 10,3 | +0% |
| (-) Acquisition costs | -5.6 | 0.0 | +0% | -5,6 | -13,6 | -59% |
| Total core adjustments | -18.1 | -10.3 | +75% | -18,1 | 3,3 | -652% |
| Cleaned core EBITDA | 629.3 | 366.8 | +72% | 1 100,1 | 738,9 | +49% |

| data in million of HUF | 2021Q2 | 2020Q2 | Variance % | 2021 Q1-2 | 2020 Q1-2 | Variance % |
|---------------------------------------|--------------|--------------|-------------|--------------|--------------|--------------|
| Profit after tax | 270.2 | 204.8 | +32% | 559,7 | 469,8 | +19% |
| (-) Profit after tax for MyCity | -138.0 | -57.5 | +140% | -176,7 | -88,9 | +99% |
| Core PAT | 408.2 | 262.3 | +56% | 736,4 | 558,7 | +32% |
| (-) Result of portfolio appraisal | 23.7 | 10.3 | +0% | 23,7 | 10,3 | +0% |
| (-) Acquisition costs | -5.6 | 0.0 | +0% | -5,6 | -13,6 | -59% |
| Total core adjustments | -18.1 | -10.3 | +75% | -18,1 | 3,3 | -652% |
| Tax effect of adjustments (9%) | 1.6 | 0.9 | +75% | 1,6 | -0,3 | -652% |
| Cleaned core PAT | 391.8 | 252.9 | +55% | 719,9 | 561,7 | +28% |

- 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 Q2 2021, the Group made the following one-off adjustments:
 - The revaluation of the investment property portfolio increased the result by HUF 24 million;
 - The Group spent a total of HUF 6 million on advisors in connection with acquisition negotiations.
- The Group’s clean core EBITDA jumped to HUF 629 million in Q2 2021 (+72% YoY).
- The Group’s cleaned core PAT increased by 55% and totalled HUF 392 million in Q2 2021. As part of the clean core result, the Group recorded a foreign exchange loss of HUF 63 million on foreign currency items in 2021 (in Q2 2020 foreign exchange gain was HUF 12 million) and the bond issue increased the Group’s interest expense by HUF 35 million.


REVENUE, EBITDA, OPERATING AND AFTER TAX INCOME BY COUNTRY

| in million HUF | Hungary | | Poland | | Czech Republic | | Duna House Group | |
|--------------------------|---------|--------|---------|---------|----------------|--------|------------------|---------|
| | 2021Q1 | 2020Q1 | 2021Q1 | 2020Q1 | 2021Q1 | 2020Q1 | 2021Q1 | 2020Q1 |
| Net sales revenue | 1 141.0 | 730.9 | 2 117.5 | 1 113.2 | 113.6 | 47.9 | 3 372.1 | 1 892.0 |
| EBITDA | 293.8 | 251.2 | 209.3 | 90.2 | 8.5 | 1.1 | 511.6 | 342.5 |
| Operating income | 234.3 | 210.9 | 188.2 | 70.6 | 8.5 | 1.1 | 431.0 | 282.6 |
| Profit after tax | 121.6 | 154.0 | 141.8 | 50.4 | 6.9 | 0.5 | 270.2 | 204.8 |

| in million HUF | Hungary | | Poland | | Czech Republic | | Duna House Group | |
|--------------------------|----------|----------|----------|----------|----------------|----------|------------------|----------|
| | 2021Q1-2 | 2020Q1-2 | 2021Q1-2 | 2020Q1-2 | 2021Q1-2 | 2020Q1-2 | 2021Q1-2 | 2020Q1-2 |
| Net sales revenue | 2 085.0 | 1 673.5 | 3 626.3 | 2 554.3 | 199.8 | 123.5 | 5 911.2 | 4 351.3 |
| EBITDA | 613.6 | 562.8 | 315.8 | 143.7 | 15.3 | 1.9 | 944.6 | 708.3 |
| Operating income | 512.8 | 484.2 | 272.6 | 102.9 | 15.3 | 1.9 | 800.7 | 589.0 |
| Profit after tax | 341.7 | 397.2 | 201.4 | 72.2 | 16.6 | 0.4 | 559.7 | 469.8 |

- The Group was able to expand in all of its geographical markets.
- In Hungary revenue increased by 56%, EBITDA by 17%. The consolidated EBITDA related to the Hungarian core business was weakened by a total of HUF 136 million loss in the MyCity activity at the EBITDA level while improved by HUF 18 million due to other specific items, resulting in an adjusted Hungarian clean core EBITDA of HUF 412 million. For comparison, in the second quarter of 2020, the adjusted Hungarian clean core EBITDA was HUF 276 million (+ 49.3% YoY). The Hungarian PAT was reduced by a foreign exchange loss of HUF 63 million in 2021 (in Q2 2020 foreign exchange gain was HUF 12 million) and the bond issue increased the Group's interest expense by HUF 35 million.
- The Polish subsidiaries of the Group continued their outstanding performance, their sales totalled HUF 2.1 billion (+ 90% YoY). and their EBITDA generation reached HUF 209 million (+ 132% YoY). The Polish expansion has been delivering outstanding results for the past two years, contributing with HUF 6.2 billion in revenue and HUF 560 million in EBITDA to the Group's performance over the past 12 months.
- The Czech subsidiaries closed the quarter with an 137% increase in net sales revenue and EBITDA of nearly HUF 9 million.

2021 GUIDANCE FULFILMENT

| Million HUF | 2021 FY - 5-year BP | 2021 FY - Guidance | 2021 H1 - Actual | Variance % | | 2021 FY – Guidance Modified |
|------------------------------|------------------------|-----------------------|---------------------|--------------|---|-----------------------------------|
| Clean core revenues | 12 382 | | 5 911 | 47,7% |  | |
| Clean core EBITDA | 1 857 | 1 857 | 1 100 | 59,2% | | 2 100-2 300 |
| Clean core Net profit | 1 107 | 1 107 | 720 | 65,0% | | 1 300-1 500 |

Duna House Group's real estate and loan intermediation activities exceeded management's expectations in the first half of 2021 with an outstanding performance.

However, the technical execution of property developments is progressing slower than expected due to the COVID-19 pandemic, labour shortages, rising construction material prices and raw material shortages. The technical completion of buildings is expected by the end of the year, however, financial recognition is realistically not expected until 2022.

Based on the above, the Group's management raises its clean core EBITDA forecast to HUF 2.1-2.3 billion and its clean core PAT forecast to HUF 1.3-1.5 billion.

CONSOLIDATED CASH FLOW STATEMENT

| Consolidated cash flow statement Data in mHUF | 1-6. 2021 (not audited) | 1-6. 2020 (not audited) | Consolidated cash flow statement Data in mHUF | 1-6. 2021 (not audited) | 1-6. 2020 (not audited) |
|---|-------------------------------|-------------------------------|---|-------------------------------|-------------------------------|
| Cash flows from operating activities | | | Cash flows from investing activities | | |
| Profit after tax | 559.7 | 469.8 | Payments for property, plant and equipment | -76.3 | -46.6 |
| Adjustments: | | | Proceeds from the sale of properties | 55.8 | 83.0 |
| Received / paid interests | 156.8 | -14.1 | Assets held for sale and directly (...) | 0.0 | 0.0 |
| Depreciation | 143.9 | 119.3 | Other asset purchased | -29.6 | 0.0 |
| Deferred tax expense | -41.5 | -1.3 | Dividend received from joint venture | 370.0 | 0.0 |
| Fair value adjustments of investment properties | -23.7 | -10.3 | Acquisition of subsidiaries | 0.0 | -339.8 |
| Share program | 1.9 | 9.7 | Net cash used in investing activities | 319.8 | -303.4 |
| Badwill | 0.0 | 0.0 | | | |
| Share of profit of a joint venture | -40.7 | 24.2 | Cash flows from financing activities | | |
| The result of unrealized exchange differences | -21.2 | -26.5 | Proceeds from borrowings | 76.0 | 1 173.8 |
| Asset held for sale | 0.0 | 0.0 | Treasury share transactions | -9.1 | -10.9 |
| Income tax expense | 129.7 | 0.0 | Changes in right-of-use asset and leasing obligations | -29.4 | -48.3 |
| Gross CF | 864.9 | 570.7 | Dividends paid | -1 358.2 | -38.6 |
| | | | Bond issue | 0.0 | 0.0 |
| Movements of working capital | | | Securities sold | 0.0 | 0.0 |
| Increase in inventories | -426.7 | -682.3 | Received / paid interests | 22.1 | 14.1 |
| Increase in trade- and other receivables | -727.7 | 107.7 | Net cash generated from financing activities | -1 298.7 | 1 090.1 |
| Decrease of other assets | 14.8 | -58.5 | | | |
| Increase of trade payables | 332.1 | -10.6 | Net increase in cash and cash equivalents | -1 220.8 | 631.4 |
| Increase of other short term liabilities | -260.3 | -82.5 | Cash and cash equivalents at the beginning of the year | 6 169.5 | 1 627.7 |
| Increase in accruals | 29.5 | 0.1 | Exchange gains/(losses) on cash and cash equivalents | -83.3 | 0.0 |
| Income taxes paid | -68.6 | 0.0 | | | |
| Net cash generated by operating activities | -242.0 | -155.3 | Cash and cash equivalents at the end of the year | 4 865.4 | 2 259.1 |

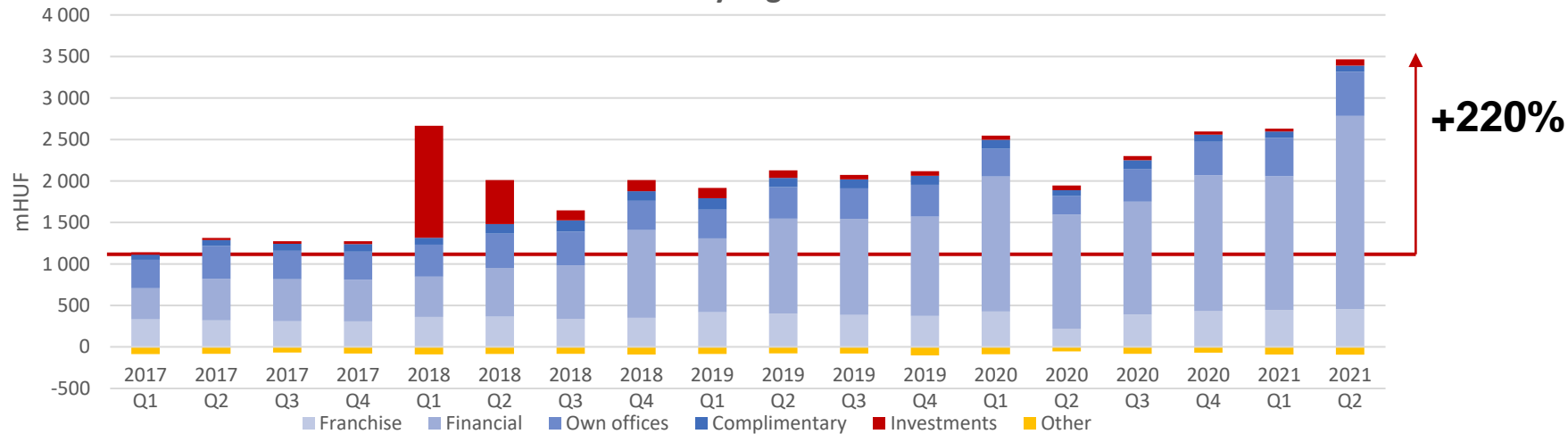
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Segment report



SEGMENT LEVEL RESULTS

Net revenue by segments

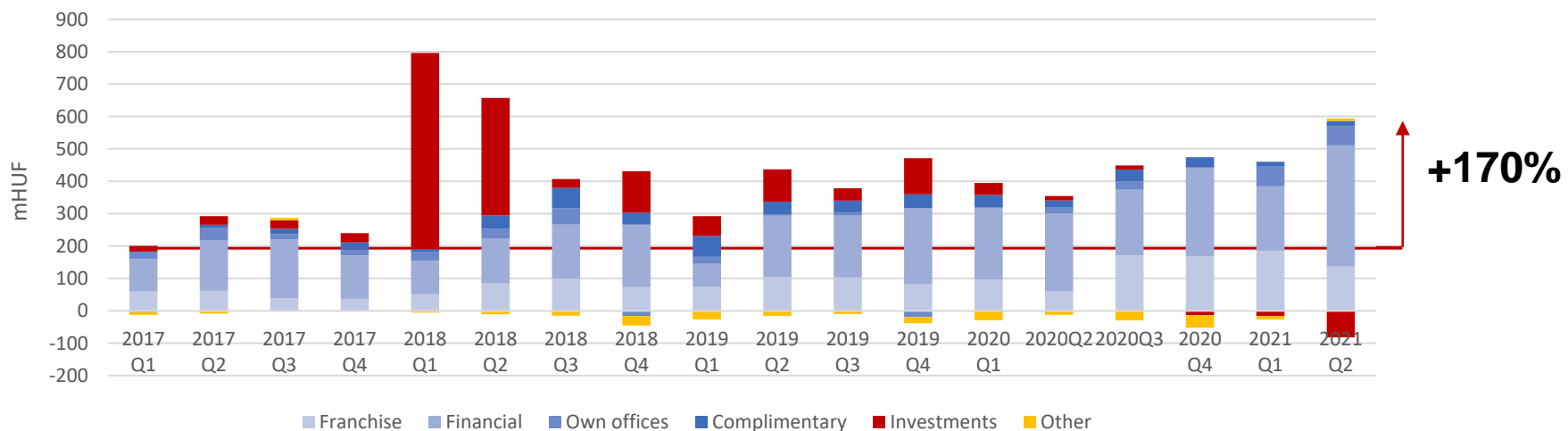


- Note: the segment-level income statements do not include the results realized on the MyCity Residence project as they are presented by the Group under EBITDA under Share of profit from joint venture.

- Since the 2016 November IPO, Duna House Group tripled its quarterly revenues and increased its EBITDA by 170%.

- 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.

EBITDA by segments



SEGMENT LEVEL RESULTS

| CONSOLIDATED | 2021 | 2020 | Variance | Variance | 2021 | 2020 | Variance | Variance |
|--------------------------------------|----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| <i>(data in mHUF)</i> | Q2 | Q2 | | (%) | Q1-Q2 | Q1-Q2 | | (%) |
| Real estate franchise segment | 453,9 | 219,6 | +234,3 | +107% | 898,7 | 645,6 | +253,1 | +39% |
| Own office segment | 533,3 | 223,9 | +309,4 | +138% | 995,8 | 558,8 | +437,0 | +78% |
| Financial segment | 2 329,9 | 1 374,2 | +955,7 | +70% | 3 943,4 | 3 001,8 | +941,6 | +31% |
| Complementary segment | 73,8 | 71,2 | +2,6 | +4% | 149,1 | 179,8 | -30,7 | -17% |
| Investment segment | 74,5 | 56,7 | +17,8 | +31% | 109,5 | 106,3 | +3,3 | +3% |
| Other segment | -93,3 | -53,6 | -39,7 | +74% | -185,3 | -140,9 | -44,4 | +31% |
| Total net revenue | 3 372,1 | 1 892,0 | +1 480,0 | +78% | 5 911,2 | 4 351,3 | +1 559,9 | +36% |
| Real estate franchise segment | 136,8 | 59,8 | +77,0 | +129% | 321,0 | 155,7 | +165,2 | +106% |
| Own office segment | 58,7 | 20,1 | +38,5 | +191% | 119,5 | 20,8 | +98,7 | +474% |
| Financial segment | 374,1 | 240,5 | +133,7 | +56% | 574,2 | 462,6 | +111,7 | +24% |
| Complementary segment | 16,5 | 20,1 | -3,6 | -18% | 31,5 | 58,9 | -27,4 | -47% |
| Investment segment | -82,0 | 14,1 | -96,1 | -682% | -98,0 | 51,6 | -149,6 | -290% |
| Other segment | 7,5 | -12,1 | +19,7 | -162% | -3,6 | -41,3 | +37,7 | -91% |
| Total EBITDA | 511,6 | 342,5 | +169,1 | +49% | 944,6 | 708,3 | +236,3 | +33% |
| <i>Real estate franchise segment</i> | <i>30%</i> | <i>27%</i> | <i>+3%p</i> | | <i>36%</i> | <i>24%</i> | <i>+12%p</i> | |
| <i>Own office segment</i> | <i>11%</i> | <i>9%</i> | <i>+2%p</i> | | <i>12%</i> | <i>4%</i> | <i>+8%p</i> | |
| <i>Financial segment</i> | <i>16%</i> | <i>17%</i> | <i>-1%p</i> | | <i>15%</i> | <i>15%</i> | <i>-1%p</i> | |
| <i>Complementary segment</i> | <i>22%</i> | <i>28%</i> | <i>-6%p</i> | | <i>21%</i> | <i>33%</i> | <i>-12%p</i> | |
| <i>Investment segment</i> | <i>-110%</i> | <i>25%</i> | <i>-135%p</i> | | <i>-89%</i> | <i>49%</i> | <i>-138%p</i> | |
| <i>Other segment</i> | <i>-8%</i> | <i>23%</i> | <i>-31%p</i> | | <i>2%</i> | <i>29%</i> | <i>-27%p</i> | |
| Total EBITDA margin | 15% | 18% | -3%p | | 16% | 16% | -0%p | |

- DH Group's net sales revenue increased by 78% while EBITDA grew 49% (YoY) in Q2 2021.
- The group's segments reached all time records during Q2 2021, however the percentage increase is influenced by lower performance in the base period due to the COVID-19 pandemic.
- *Changes in EBITDA were influenced by unique factors, which are presented on page 7 in the description of Clean core results*

SEGMENT LEVEL RESULTS

| REAL ESTATE FRANCHISE SEGMENT | 2021 | 2020 | Variance | Variance | 2021 | 2020 | Variance | Variance |
|--------------------------------------|----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| <i>(data in mHUF)</i> | Q2 | Q2 | | (%) | Q1-Q2 | Q1-Q2 | | (%) |
| Net sales revenue | 453,9 | 219,6 | +234,3 | +107% | 898,7 | 645,6 | +253,1 | +39% |
| Direct expenses | 28,7 | 17,8 | +10,9 | +61% | 61,1 | 50,9 | +10,2 | +20% |
| Gross profit | 425,2 | 201,8 | +223,4 | +111% | 837,6 | 594,7 | +242,9 | +41% |
| Indirect expenses | 288,4 | 142,0 | +146,4 | +103% | 516,7 | 439,0 | +77,7 | +18% |
| EBITDA | 136,8 | 59,8 | +77,0 | +129% | 321,0 | 155,7 | +165,2 | +106% |
| <i>Gross profit margin (%)</i> | <i>94%</i> | <i>92%</i> | <i>+2%p</i> | | <i>93%</i> | <i>92%</i> | <i>+1%p</i> | |
| <i>EBITDA margin (%)</i> | <i>30%</i> | <i>27%</i> | <i>+3%p</i> | | <i>36%</i> | <i>24%</i> | <i>+12%p</i> | |
| Network commission revenues* | 3 541,3 | 1 893,7 | +1 647,5 | +87% | 6 927,6 | 4 377,8 | +2 549,8 | +58% |
| Hungary | 2 452,1 | 1 469,5 | +982,6 | +67% | 4 928,8 | 3 357,0 | +1 571,8 | +47% |
| Poland | 977,4 | 367,2 | +610,2 | +166% | 1 793,9 | 876,5 | +917,4 | +105% |
| Czech Republic | 111,8 | 57,1 | +54,7 | +96% | 204,9 | 144,3 | +60,6 | +42% |
| Network office numbers (pcs) | 258 | 236 | 22 | +9% | 258 | 236 | 22 | +9% |
| Hungary | 167 | 156 | 11 | +7% | 167 | 156 | 11 | +7% |
| Poland | 90 | 78 | 12 | +15% | 90 | 78 | 12 | +15% |
| Czech Republic | 1 | 2 | -1 | -50% | 1 | 2 | -1 | -50% |

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

- EBITDA realized in the franchise segment more than doubled, increasing by (YoY) 129% to HUF 137 million by Q2 2021.
- Duna House Group's real estate brokerage networks achieved an all time high total commission income of HUF 3.5 billion in Q2 2021 (+87% YoY). The Polish operation was the primary driver of growth where commission revenues increased by 166% reaching a historical record of HUF 977 million. At the time of publishing this report, there are already 94 offices in Poland with 13 ongoing openings which will extend the Group's respective network to over 100 offices by the end of 2021.
- In Hungary, this quarter was also closed with record results reaching HUF 2.5 billion in total network commission revenues (+67% YoY).
- Volumes in Czech Republic also demonstrated a significant 96% growth.

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> | Q2 | Q2 | | (%) | Q1-Q2 | Q1-Q2 | | (%) |
| Net sales revenue | 533,3 | 223,9 | +309,4 | +138% | 995,8 | 558,8 | +437,0 | +78% |
| Direct expenses | 347,9 | 134,9 | +213,0 | +158% | 635,9 | 352,0 | +283,9 | +81% |
| Gross profit | 185,4 | 89,0 | +96,4 | +108% | 359,9 | 206,8 | +153,1 | +74% |
| Indirect expenses | 126,7 | 68,9 | +57,9 | +84% | 240,4 | 186,0 | +54,4 | +29% |
| EBITDA | 58,7 | 20,1 | +38,5 | 191% | 119,5 | 20,8 | +98,7 | 474% |
| <i>Gross profit margin (%)</i> | <i>35%</i> | <i>40%</i> | <i>-5%</i> | | <i>36%</i> | <i>37%</i> | <i>-1%</i> | |
| <i>EBITDA margin (%)</i> | <i>11%</i> | <i>9%</i> | <i>+2%</i> | | <i>12%</i> | <i>4%</i> | <i>+8%</i> | |
| Networ commission revenues* | 569,9 | 240,2 | +329,8 | +137% | 1 059,9 | 597,3 | +462,6 | +77% |
| Hungary | 203,9 | 106,3 | +97,6 | +92% | 393,3 | 252,9 | +140,4 | +56% |
| Poland | 254,0 | 93,0 | +161,0 | +173% | 471,4 | 230,9 | +240,6 | +104% |
| Czech Republic | 112,0 | 40,8 | +71,2 | +174% | 195,2 | 113,5 | +81,7 | +72% |
| Network office numbers (pcs) | 22 | 22 | 0 | +0% | 22 | 22 | 0 | +0% |
| Hungary | 13 | 13 | 0 | +0% | 13 | 13 | 0 | +0% |
| Poland | 8 | 8 | 0 | +0% | 8 | 8 | 0 | +0% |
| Czech Republic | 1 | 1 | 0 | +0% | 1 | 1 | 0 | +0% |

- Own office segment achieved HUF 533 million in net sales (+138% YoY) and HUF 185 million in gross profit (+108% YoY) in Q2 2021.
- Commission revenues increased by 137% mostly driven by the outstanding Polish performance of 173% growth on a year-on-year basis.
- The segment's EBITDA margin improved to 11% with EBITDA rising to HUF 59 million (+191% YoY) in Q2 2021.
- The number of Polish offices decreased by one in the second quarter of 2020 due to rationalisation. Since then, the number of Group-managed offices has remained unchanged.
- The management sees positive dynamics in both Hungarian and Polish own office operations. Despite of a potentially more modest summer performance, growth should be further accelerated in the upcoming quarters.

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

SEGMENT LEVEL RESULTS

| FINANCIAL SEGMENT | 2021 | 2020 | Variance | Variance | 2021 | 2020 | Variance | Variance |
|--------------------------------|----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| <i>(data in mHUF)</i> | Q2 | Q2 | | (%) | Q1-Q2 | Q1-Q2 | | (%) |
| Net sales revenue | 2 329,9 | 1 374,2 | +955,7 | +70% | 3 943,4 | 3 001,8 | +941,6 | +31% |
| Direct expenses | 1 782,9 | 1 001,9 | +781,0 | +78% | 3 022,1 | 2 246,7 | +775,5 | +35% |
| Gross profit | 547,0 | 372,3 | +174,7 | +47% | 921,3 | 755,1 | +166,1 | +22% |
| Indirect expenses | 172,9 | 131,9 | +41,0 | +31% | 347,0 | 292,6 | +54,5 | +19% |
| EBITDA | 374,1 | 240,5 | +133,7 | +56% | 574,2 | 462,6 | +111,7 | +24% |
| <i>Gross profit margin (%)</i> | <i>23%</i> | <i>27%</i> | <i>-4%</i> | | <i>23%</i> | <i>25%</i> | <i>-2%</i> | |
| <i>EBITDA margin (%)</i> | <i>16%</i> | <i>17%</i> | <i>-1%</i> | | <i>15%</i> | <i>15%</i> | <i>-1%</i> | |
| Loan volume (bn HUF) | 102,8 | 62,3 | +40,5 | +65% | 176,4 | 131,8 | +44,6 | +34% |
| Hungary | 27,4 | 19,4 | +8,0 | +41% | 48,0 | 40,1 | +7,9 | +20% |
| Poland | 75,5 | 42,9 | +32,5 | +76% | 128,4 | 91,8 | +36,6 | +40% |

- Net sales revenue from financial product intermediation increased to HUF 2.3 billion in Q2 2021 (+70% YoY).
- The brokered loan volume of the Group grew by 76% in Poland, reaching an all time record of HUF 75.5 billion. The strong performance is partially driven by organic growth while the loan volumes coming from the intensive network building efforts announced in the 2021 executive forecasts have also started to demonstrate visible results this quarter. The management sees a further 20-30% growth opportunity in loan volumes compared to Q2 results by the end of 2021.
- Banking processes are back to normal after COVID-19 measures were loosened which allowed the loan volumes to grow. The Group's Hungarian brokered loan volume increased by 41% (YoY) compared to Q2 2020 reaching an all time record and exceeding HUF 27 billion. May, 2021 has been the strongest month for the Hungarian mortgage market with a record of HUF 120 billion mortgage lending.
- The overall gross profit of the segment added up to HUF 547 million (+47% YoY) while indirect expenses increased by 31% resulting in EBITDA of HUF 374 million (+56% YoY).

SEGMENT LEVEL RESULTS

| COMPLEMENTARY SEGMENT | 2021 | 2020 | Variance | Variance | 2021 | 2020 | Variance | Variance |
|--------------------------------|----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| <i>(data in mHUF)</i> | Q2 | Q2 | | (%) | Q1-Q2 | Q1-Q2 | | (%) |
| Net sales revenue | 73,8 | 71,2 | +2,6 | +4% | 149,1 | 179,8 | -30,7 | -17% |
| Direct expenses | 20,0 | 20,5 | -0,5 | -2% | 41,5 | 47,5 | -6,1 | -13% |
| Gross profit | 53,7 | 50,7 | +3,0 | +6% | 107,6 | 132,3 | -24,6 | -19% |
| Indirect expenses | 37,3 | 30,6 | +6,6 | +22% | 76,1 | 73,3 | +2,8 | +4% |
| EBITDA | 16,5 | 20,1 | -3,6 | -18% | 31,5 | 58,9 | -27,4 | -47% |
| <i>Gross profit margin (%)</i> | 73% | 71% | +2% | | 72% | 74% | -1% | |
| <i>EBITDA margin (%)</i> | 22% | 28% | -6% | | 21% | 33% | -12% | |
| Housing fund NAV | 3 494,9 | 4 428,9 | -934,0 | -21% | 3 570,6 | 4 494,4 | -923,7 | -21% |

- Net sales revenue of the complementary services reached HUF 74 million during Q2 2021 (+4% YoY)
- The average net asset value of the Duna House Real Estate Fund amounted to HUF 3.5 billion (-21% YoY). The COVID pandemic induced investor uncertainty and the 180 day redemption obligation imposed by the regulators sets a barrier to further household capital inflows.
- The segment realized a 22% overall EBITDA margin and contributed with EBITDA of HUF 17 million to the Group's quarterly results.

SEGMENT LEVEL RESULTS

| INVESTMENT SEGMENT | 2021 | 2020 | Variance | Variance | 2021 | 2020 | Variance | Variance |
|--|----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| <i>(data in mHUF)</i> | Q2 | Q2 | | (%) | Q1-Q2 | Q1-Q2 | | (%) |
| Net sales revenue | 74,5 | 56,7 | +17,8 | +31% | 109,5 | 106,3 | +3,3 | +3% |
| Direct expenses | 42,8 | 12,2 | +30,6 | +250% | 67,9 | 23,5 | +44,5 | +189% |
| Gross profit | 31,7 | 44,5 | -12,7 | -29% | 41,6 | 82,8 | -41,2 | -50% |
| Indirect expenses | 113,8 | 30,4 | +83,4 | +274% | 139,6 | 31,2 | +108,4 | +348% |
| EBITDA | -82,0 | 14,1 | -96,1 | -682% | -98,0 | 51,6 | -149,6 | -290% |
| <i>Gross profit margin (%)</i> | <i>43%</i> | <i>78%</i> | <i>-36%</i> | | <i>38%</i> | <i>78%</i> | <i>-40%</i> | |
| <i>EBITDA margin (%)</i> | <i>-110%</i> | <i>25%</i> | <i>-135%</i> | | <i>-89%</i> | <i>49%</i> | <i>-138%</i> | |
| Carrying amount of properties | 2 143,1 | 2 082,8 | +60,4 | +3% | 2 143,1 | 2 082,8 | +60,4 | +3% |
| Carrying amount of investment purpose properties | 1 837,2 | 1 763,3 | +73,9 | +4% | 1 837,2 | 1 763,3 | +73,9 | +4% |
| Carrying amount of operational properties | 305,9 | 319,5 | -13,5 | -4% | 305,9 | 319,5 | -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% |



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

- Property development activities generated a total EBITDA loss of HUF 82 million in Q2 2021, of which HUF 136 million loss is related to MyCity property development (deposit and claim write-offs). The real estate portfolio of the group generated EBITDA of HUF 54 million.
- Investment purpose properties are valued at market value by an independent appraiser on 30 June and on 31 December each year. The Group realized portfolio appreciation of HUF 24 million during the quarter.
- 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.

PROPERTY DEVELOPMENT ACTIVITY

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



| | Forest Hill Budapest III. kerület | MyCity Panorama Budapest III. kerület | MyCity Residence Budapest III. kerület | Összesen | |
|-------------------------------------|--|--|---|--|---|
| 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 1st row of the buildings has been completed, while the 2nd - 3rd rows are expected by the end of year. Revenue recognition can start in 2022. The project's sales ratio was 45% as of the end of Q2 2021. The project company carried out a price adjustment after 31 of March in order to partially compensate for the rising construction costs. As a result of the price increase, the Group expects 1 billion HUF additional revenues from the unsold flats which will partially compensate for the paid penalties, written-off claims and increased construction costs. | | | <ul style="list-style-type: none"> Given the current situation in the construction industry, the Group is considering whether to proceed with the project. 89% 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> | Q2 | Q2 | | (%) | Q1-Q2 | Q1-Q2 | | (%) |
| Net sales revenue | -93,3 | -53,6 | -39,7 | +74% | -185,3 | -140,9 | -44,4 | +31% |
| Direct expenses | -15,3 | -6,4 | -8,8 | +137% | -37,9 | -17,3 | -20,6 | +119% |
| Gross profit | -78,0 | -47,1 | -30,9 | +66% | -147,4 | -123,6 | -23,8 | +19% |
| Indirect expenses | -85,6 | -35,0 | -50,6 | +144% | -143,8 | -82,3 | -61,5 | +75% |
| EBITDA | 7,5 | -12,1 | +19,7 | -162% | -3,6 | -41,3 | +37,7 | -91% |
| <i>Gross profit margin (%)</i> | 84% | 88% | -4% | | 80% | 88% | -8% | |
| <i>EBITDA margin (%)</i> | -8% | 23% | -31% | | 2% | 29% | -27% | |

- 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, which are not charged on any operating segments 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 IN CHANGES OF 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 |
| Dividend paid | | | | | -1 388,4 | | -1 388,4 |
| Total comprehensive income | | | 5,2 | 269,3 | 274,5 | 1,3 | 275,9 |
| Purchase of treasury shares | | | | | -3,4 | | -3,4 |
| Employee Share-based payment provision | | 6,0 | | | 6,0 | | 6,0 |
| 30. june 2021 | 172,0 | 1 528,1 | 40,6 | 5 885,7 | 6 035,1 | -78,3 | 5 956,9 |

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 2021Q2 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 August 2021.

Duna House Holding Plc. Board of Directors

Represented by: Gay Dymshiz, Board of Directors, President