

DUNA HOUSE GROUP

2021.Q3 Quarterly report

29 November 2021



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EXECUTIVE SUMMARY 2021 THIRD QUARTER

Quarterly results

- **Duna House Group (the "Group") continued its march in the third quarter of 2021: its quarterly revenue jumped to HUF 3.8 billion (+72% y/y) and its clean core EBITDA jumped to HUF 667 m (+47% y/y). The Group's clean core PAT rose by 54% to HUF 494 mn.**
- **With an outstanding performance in the first three quarters, the Group has exceeded its full-year original clean core PAT plan by 20% and is expected to meet the 2022 targets of its 5-year business plan already this year.**
- In the third quarter of 2021, both brokerage segments grew significantly on a year-on-year basis, although the weaker seasonality of the summer months had a noticeable impact. **Real estate brokerage revenues increased by 20-30% and loan brokerage doubled.** 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.
- **Poland, the growth engine of the Group, has become a significant profit generator. With a 30-50% increase in brokered real estate brokerage volumes and 144% growth in brokered loan volumes, it remains the Group's fastest growing country** and is making an increasingly impressive contribution to the Group's results. **In the last four quarters, it has generated a total EBITDA of HUF 760 million**, of which HUF 284 million was generated in the last, seasonally weak quarter. 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 first quarter of next year. **The contracting and handover of the first row flats has started**, and the financial recognition is expected to start already in the last quarter of this year.
- Based on the excellent third quarter results, the Group's management raises further its **clean core EBITDA forecast to HUF 2.2-2.4 billion and its clean core PAT forecast to HUF 1.5-1.7 billion.**

DUNA HOUSE GROUP

Consolidated financial statements



CONSOLIDATED INCOME STATEMENT

Consolidated income statement (data in mHUF, except earnings per share)	2021 Q3		2020 Q3		Variance		2021 Q1-Q3		2020 Q1-Q3		Variance	
	(not audited)	(not audited)	mHUF	%	(not audited)	(not audited)	mHUF	%				
Net sales revenue	3 817,3	2 216,9	+1 600,4	+72%	9 728,5	6 568,2	+3 160,3	+48%				
Other operating income	24,9	10,7	+14,3	+133%	241,6	71,2	+170,4	+239%				
Change in stocks of finished products and work in progress	-371,9	-495,8	+124,0	-25%	-1 002,3	-1 181,7	+179,4	-15%				
Consumables used	61,4	108,2	-46,9	-43%	195,7	225,0	-29,3	-13%				
Cost of goods and services sold	664,6	666,3	-1,7	-0%	1 721,9	1 708,7	+13,2	+1%				
Services purchased	2 559,6	1 264,3	+1 295,4	+102%	6 316,1	4 013,1	+2 303,0	+57%				
Personnel expenses	216,0	210,3	+5,7	+3%	619,4	588,8	+30,6	+5%				
Other operating expenses	149,5	55,2	+94,4	+171%	611,7	158,0	+453,6	+287%				
EBITDA	563,1	419,2	+143,8	+34%	1 507,7	1 127,6	+380,1	+34%				
Depreciation and amortization	52,0	19,2	+32,9	+171%	132,0	72,4	+59,6	+82%				
Depreciation of right-of-use assets	40,5	33,6	+6,9	+21%	104,4	99,7	+4,7	+5%				
Operating income (EBIT)	470,5	366,5	+104,1	+28%	1 271,2	955,5	+315,7	+33%				
Finance income	81,1	32,0	+49,2	+154%	108,0	102,9	+5,1	+5%				
Finance costs	73,3	36,9	+36,4	+99%	257,0	93,8	+163,2	+174%				
Share of the profits of a joint venture	70,3	269,1	-198,9	-74%	110,9	245,0	-134,0	-55%				
Profit before tax	548,6	630,7	-82,0	-13%	1 233,2	1 209,6	+23,6	+2%				
Income tax expense	83,4	82,1	+1,2	+1%	208,3	191,3	+17,0	+9%				
Profit after tax	465,3	548,5	-83,3	-15%	1 025,0	1 018,4	+6,6	+1%				
Currency translation difference	-1,8	10,6	-12,4	-117%	28,8	42,9	-14,1	-33%				
Other comprehensive income	-1,8	10,6	-12,4	-117%	28,8	42,9	-14,1	-33%				
Total comprehensive income attributable to	463,5	559,2	-95,7	-17%	1 053,8	1 061,2	-7,5	-1%				
Shareholders of the Company	482,5	557,5	-75,0	-13%	1 080,4	1 065,6	+14,7	+1%				
Non-controlling interest	1,0	1,7	-0,7	-40%	-6,6	-4,4	-2,2	+51%				
Earnings per share (basic and diluted)	13,0	15,5	-2,5	-16%	28,6	2,9	+25,7	+887%				

Comments

- The Group's consolidated net sales revenue increased to record highs of HUF 3.8 billion in the third quarter (+72% YoY). The Group's EBITDA reached HUF 819 million in the quarter (+95% 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 54 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 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 70 million in the third quarter of 2021 for the Group compared to HUF 269 million in the comparative period.
- The Group booked a foreign exchange gains of HUF 65 million on foreign currency positions (in Q3 2020 foreign exchange gain was HUF 34 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.
- PAT in the third quarter of 2021 was lower by HUF 83 million compared to the same period of 2020. **The clean core result exceeded the previous year by HUF 173 million, while the MyCity activity lowered it by HUF 315 million and extraordinary items improved it by HUF 64 million.** *Reconciliation of Clean core results can be found on page 7, [Clean core result](#).*

CONSOLIDATED BALANCE SHEET

Consolidated balance sheet data in mHUF	30 Sep 2021 (not audited)	31 Dec 2021 (audited)	Variance	
			mHUF	%
Goodwill	1 687,8	1 701,8	-14,0	-1%
Investment property	1 837,2	1 868,7	-31,5	-2%
Property, plant	414,9	424,1	-9,2	-2%
Other	1 254,1	1 274,3	-20,3	-2%
Non-current assets	5 193,9	5 268,9	-75,0	-1%
Inventories	8 089,6	7 118,9	+970,7	+14%
Trade receivables	1 550,2	887,6	+662,6	+75%
Cash and cash equivalents	5 003,9	6 169,5	-1 165,6	-19%
Restricted cash	939,2	732,6	+206,5	+28%
Other	1 399,2	1 243,5	+155,8	+13%
Current assets	16 982,0	16 152,0	+830,0	+5%
Total assets	22 176,0	21 420,9	+755,1	+4%
Share capital	6 421,6	6 816,4	-394,7	-6%
Borrowings	6 868,2	6 944,8	-76,6	-1%
Other non-current liabilities	582,5	346,1	+236,5	+68%
Non-current liabilities	7 450,7	7 290,9	+159,8	+2%
Borrowings	5 064,3	4 729,9	+334,4	+7%
Trade payables	1 398,7	859,0	+539,7	+63%
Other liabilities	1 840,6	1 724,8	+115,8	+7%
Current liabilities	8 303,6	7 313,7	+989,9	+14%
Total equity and liabilities	22 176,0	21 420,9	+755,1	+4%

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 inventories increased by HUF 544 million during the quarter and by HUF 971 million since the end of the previous year due to capitalized construction costs for ongoing development projects.
- Trade receivables rose to HUF 1.6 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 6.4 billion on 30 September 2021. The Company held 539,023 pieces of own shares for the purpose of employee share program.
- At the end of the quarter loans increased to HUF 11.9 billion, out of which HUF 6.9 billion is liabilities from bonds with interests, HUF 5.1 billion is non-recourse loans related to residential real-estate development projects. The core activity's net debt amounts to 0.8 times the last 12 months' cleaned core EBITDA.

CLEAN CORE RESULT

data in million of HUF	2021Q3	2020Q3	Variance %	2021 Q1-Q3	2020 Q1-Q3	Variance %
EBITDA	563,1	419,2	+34%	1 507,7	1 127,6	+34%
(-) MyCity EBITDA	-122,3	-19,6	+524%	-295,9	-46,9	+530%
Core EBITDA	685,4	438,8	+56%	1 803,6	1 174,5	+54%
(-) Result of portfolio appraisal	0,0	0,0	+0%	23,7	10,3	+130%
(-) COVID subsidy	18,3	0,0	+0%	18,3	10,6	+72%
(-) Acquisition costs	0,0	-14,9	-100%	-5,6	-28,4	-80%
Total core adjustments	-18,3	14,9	-223%	-36,4	7,5	-586%
Cleaned core EBITDA	667,1	453,7	+47%	1 767,2	1 182,0	+50%
data in million of HUF	2021Q3	2020Q3	Variance %	2021 Q1-Q3	2020 Q1-Q3	Variance %
Profit after tax	465,3	548,5	-15%	1 025,0	1 018,4	+1%
(-) Profit after tax for MyCity	-104,5	210,1	-150%	-281,2	121,2	-332%
Core PAT	569,8	338,4	+68%	1 306,2	897,1	+46%
(-) Result of portfolio appraisal	0,0	0,0	+0%	23,7	10,3	+130%
(+/-) Result of foreign currency exchange	64,7	33,5	+93%	-16,8	78,3	-121%
(-) COVID subsidy	18,3	0,0	+0%	18,3	10,6	+72%
(-) Acquisition costs	0,0	-14,9	-100%	-5,6	-28,4	-80%
Total core adjustments	-83,0	-18,7	+345%	19,6	-139,7	-114%
Tax effect of adjustments (9%)	7,5	1,7	+0%	-1,8	12,6	-114%
Cleaned core PAT	494,2	321,4	+0%	1 324,0	770,0	+72%

- 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 2021, the Group made the following one-off adjustments:
 - State aid received in Poland in relation to the COVID-19 outbreak for employee retention purpose,
 - Foreign currency revaluations have become so significant in 2021 that hinder the interpretation of the Group’s core results.
- The Group’s clean core EBITDA jumped to HUF 667 million in Q3 2021 (+47% YoY).
- The Group’s clean core PAT increased by 54% and totalled HUF 494 million in Q3 2021.


REVENUE, EBITDA, OPERATING AND AFTER TAX INCOME BY COUNTRY

in million HUF	Hungary		Poland		Czech Republic		Duna House Group	
	2021Q3	2020 Q3	2021Q3	2020 Q3	2021Q3	2020 Q3	2021Q3	2020 Q3
Net sales revenue	1 132,1	961,9	2 574,1	1 172,3	111,1	82,7	3 817,3	2 216,9
EBITDA	260,2	324,7	283,7	84,7	19,1	9,9	563,1	419,2
Operating income	199,7	292,1	251,7	64,5	19,1	9,9	470,5	366,5
Profit after tax	248,8	499,7	199,1	42,9	17,3	6,0	465,3	548,5

in million HUF	Hungary		Poland		Czech Republic		Duna House Group	
	2021Q1-3	2020Q1-3	2021Q1-3	2020Q1-3	2021Q1-3	2020Q1-3	2021Q1-3	2020Q1-3
Net sales revenue	3 217,1	2 635,3	6 200,4	3 726,6	310,9	206,2	9 728,5	6 568,2
EBITDA	873,8	887,4	599,5	228,4	34,4	11,7	1 507,7	1 127,6
Operating income	712,6	776,3	524,3	167,5	34,4	11,7	1 271,2	955,5
Profit after tax	590,6	896,9	400,5	115,0	33,9	6,4	1 025,0	1 018,4

- The Group was able to expand significantly in all of its geographical markets.
- In Hungary revenue increased by 18%, while EBITDA decreased by 20% due to the impact of one-off items. The consolidated EBITDA related to the Hungarian business was weakened by a total of HUF 122 million loss in the MyCity activity at the EBITDA level, resulting in a Hungarian clean core EBITDA of HUF 388 million. For comparison, in the third quarter of 2020, the Hungarian clean core EBITDA was HUF 358 million (+ 8.4% YoY). The Hungarian PAT was reduced by the PAT of the MyCity activity (HUF 105 million) and was improved by HUF 65 million foreign exchange gain in 2021 (in Q3 2020 foreign exchange gain was HUF 34 million).
- The Polish subsidiaries of the Group continued their outstanding performance, their sales totalled HUF 2.6 billion (+ 120% YoY). and their EBITDA generation reached HUF 284 million (+ 235% YoY). The Polish expansion has been delivering outstanding results for the past two years, contributing with HUF 7.6 billion in revenue and HUF 760 million in EBITDA to the Group's performance over the past 12 months. Polish EBITDA has been improved by HUF 18 million of the one-off state aid during the quarter.
- The Czech subsidiaries closed the quarter with an 34% increase in net sales revenue and EBITDA of nearly HUF 19 million.

2021 GUIDANCE FULFILMENT

Million HUF	2021 FY - 5-year BP	2021 FY - Guidance	2021 FY – Guidance 27 Aug	2021 Q1-3 Actuals		2021 FY – Guidance 29 Nov	2022 FY – 5 year plan
Clean core revenues	12 382			9 729			
Clean core EBITDA	1 857	1 857	2 100-2 300	1 767		2 200-2 400	2 382
Clean core Net profit	1 107	1 107	1 300-1 500	1 324		1 500-1 700	1 572

Duna House Group's real estate and loan intermediation activities exceeded management's expectations in the first three quarters of 2021 compared to both the original forecast and the forecast raised on 27 August 2021, with an outstanding performance. Management's expectation is that this year the Group will already reach the clean core result targets of 2022 which was set in the 5-year business plan.

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 first quarter of 2022. The contracting and handover of the first row of flats has started, and the financial recognition is expected to start already the last quarter of 2021.

Based on the above, the Group's management raises its clean core EBITDA forecast to HUF 2.2-2.4 billion and its clean core PAT forecast to HUF 1.5-1.7 billion.

CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement Data in mHUF	1-9. 2021 (not audited)	1-9. 2020 (not audited)	Consolidated cash flow statement Data in mHUF	1-9. 2021 (not audited)	1-9. 2020 (not audited)
Cash flows from operating activities			Cash flows from investing activities		
Profit after tax	1 025,0	1 018,4	Payments for property, plant and equipment	-151,9	-137,4
Adjustments:			Proceeds from the sale of properties	55,8	83,0
Received / paid interests	148,9	-9,2	Assets held for sale and directly (...)	0,0	0,0
Depreciation	236,5	172,1	Other asset purchased	-35,9	0,0
Deferred tax expense	-69,7	15,6	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	8,6	12,4	Net cash used in investing activities	238,0	-394,2
Badwill	0,0	0,0			
Share of profit of a joint venture	-110,9	-245,0	Cash flows from financing activities		
The result of unrealized exchange differences	-20,8	-68,0	Proceeds from borrowings	334,4	1 222,6
Asset held for sale	0,0	0,0	Treasury share transactions	-14,5	-15,6
Income tax expense	204,8	165,0	Changes in right-of-use asset and leasing obligations	27,3	-71,7
Gross CF	1 398,7	1 051,0	Dividends paid	-1 373,3	-53,8
			Bond issue	-199,7	6 907,4
Movements of working capital			Securities sold	0,0	0,0
Increase in inventories	-970,7	-1 178,1	Received / paid interests	21,0	9,2
Increase in trade- and other receivables	-861,2	-3 001,7	Net cash generated from financing activities	-1 204,9	7 998,1
Decrease of other assets	-100,9	-63,1			
Increase of trade payables	516,8	253,9	Net increase in cash and cash equivalents	-1 151,5	4 471,3
Increase of other short term liabilities	-262,0	-66,1	Cash and cash equivalents at the beginning of the year	6 169,5	1 627,7
Increase in accruals	135,5	54,2	Exchange gains/(losses) on cash and cash equivalents	-14,1	85,1
Income taxes paid	-40,8	-182,6			
Net cash generated by operating activities	-184,6	-3 132,6	Cash and cash equivalents at the end of the year	5 003,9	6 184,1

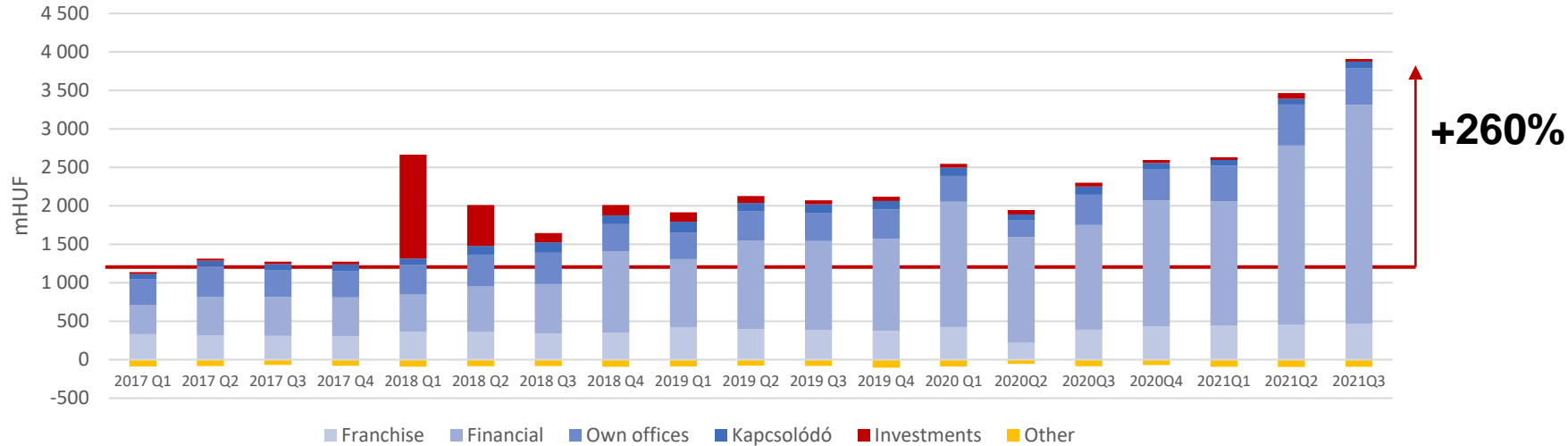
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Segment report



SEGMENT LEVEL RESULTS

Net revenue by segments

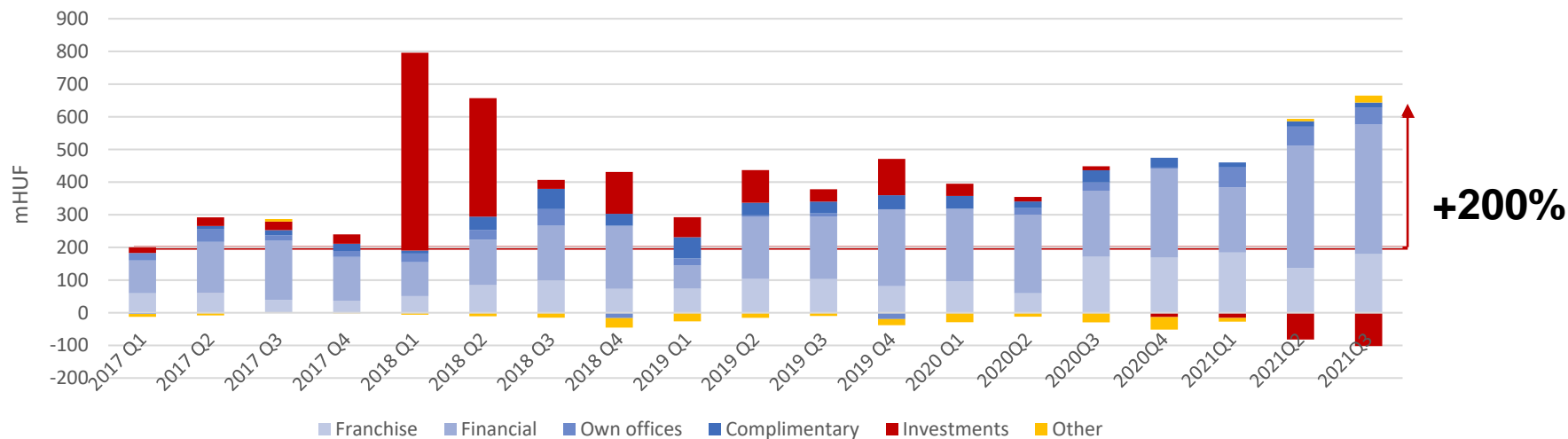


- Note: the segment-level income statements do not include the results realized on the MyCity Residence project as they are presented by the Group under EBITDA under Share of profit from joint venture.

- Since the 2016 November IPO, Duna House Group increased its quarterly revenues by 260% and tripled its quarterly EBITDA from services.

- 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>	Q3	Q3		(%)	Q1-Q3	Q1-Q3		(%)
Real estate franchise segment	464,8	390,4	+74,5	+19%	1 363,5	1 036,0	+327,6	+32%
Own office segment	472,7	393,7	+79,0	+20%	1 468,5	952,5	+516,0	+54%
Financial segment	2 848,5	1 360,7	+1 487,9	+109%	6 791,9	4 362,5	+2 429,5	+56%
Complementary segment	88,3	105,6	-17,3	-16%	237,4	285,4	-48,0	-17%
Investment segment	33,8	50,3	-16,5	-33%	143,3	156,5	-13,2	-8%
Other segment	-90,9	-83,7	-7,2	+9%	-276,2	-224,7	-51,6	+23%
Total net revenue	3 817,3	2 216,9	+1 600,4	+72%	9 728,5	6 568,2	+3 160,3	+48%
Real estate franchise segment	179,6	171,4	+8,2	+5%	500,6	327,1	+173,5	+53%
Own office segment	52,4	25,3	+27,1	+107%	171,8	46,1	+125,8	+273%
Financial segment	396,7	202,5	+194,1	+96%	970,9	665,1	+305,8	+46%
Complementary segment	15,0	37,3	-22,3	-60%	46,5	96,2	-49,7	-52%
Investment segment	-101,9	12,1	-114,0	-941%	-199,9	63,7	-263,6	-414%
Other segment	21,3	-29,3	+50,6	-173%	17,7	-70,6	+88,4	-125%
Total EBITDA	563,1	419,2	+143,8	+34%	1 507,7	1 127,6	+380,1	+34%
<i>Real estate franchise segment</i>	<i>39%</i>	<i>44%</i>	<i>-5%p</i>		<i>37%</i>	<i>32%</i>	<i>+5%p</i>	
<i>Own office segment</i>	<i>11%</i>	<i>6%</i>	<i>+5%p</i>		<i>12%</i>	<i>5%</i>	<i>+7%p</i>	
<i>Financial segment</i>	<i>14%</i>	<i>15%</i>	<i>-1%p</i>		<i>14%</i>	<i>15%</i>	<i>-1%p</i>	
<i>Complementary segment</i>	<i>17%</i>	<i>35%</i>	<i>-18%p</i>		<i>20%</i>	<i>34%</i>	<i>-14%p</i>	
<i>Investment segment</i>	<i>-301%</i>	<i>24%</i>	<i>-326%p</i>		<i>-139%</i>	<i>41%</i>	<i>-180%p</i>	
<i>Other segment</i>	<i>-23%</i>	<i>35%</i>	<i>-58%p</i>		<i>-6%</i>	<i>31%</i>	<i>-38%p</i>	
Total EBITDA margin	15%	19%	-4%p		15%	17%	-2%p	

- DH Group's net sales revenue increased by 72% while EBITDA grew by 34% (YoY) in Q3 2021.
- Real estate brokerage volumes have slightly decreased compared to the Q2 2021 all-time-highs, while the growth of loan brokerage activities resulted in new records at both revenue and EBITDA levels.
- *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>	Q3	Q3		(%)	Q1-Q3	Q1-Q3		(%)
Net sales revenue	464,8	390,4	+74,5	+19%	1 363,5	1 036,0	+327,6	+32%
Direct expenses	32,0	24,8	+7,2	+29%	93,1	75,7	+17,4	+23%
Gross profit	432,8	365,5	+67,3	+18%	1 270,4	960,3	+310,2	+32%
Indirect expenses	253,2	194,2	+59,0	+30%	769,9	633,2	+136,7	+22%
EBITDA	179,6	171,4	+8,2	+5%	500,6	327,1	+173,5	+53%
Gross profit margin (%)	93%	94%	-1%p		93%	93%	+0%p	
EBITDA margin (%)	39%	44%	-5%p		37%	32%	+5%p	
Network commission revenues*	3 488,0	2 915,7	+572,3	+20%	10 415,6	7 293,5	+3 122,1	+43%
Hungary	2 400,4	2 181,0	+219,4	+10%	7 329,2	5 538,0	+1 791,2	+32%
Poland	974,9	642,1	+332,9	+52%	2 768,8	1 518,6	+1 250,3	+82%
Czech Republic	112,7	92,7	+20,0	+22%	317,6	237,0	+80,6	+34%
Network office numbers (pcs)	261	240	21	+9%	261	240	21	+9%
Hungary	164	158	6	+4%	164	158	6	+4%
Poland	96	80	16	+20%	96	80	16	+20%
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 increased by 5% (YoY) to HUF 180 million by Q3 2021.
- Duna House Group's real estate brokerage networks achieved a total commission income of HUF 3.5 billion in Q3 2021 (+19.6% YoY). The network's commission income is slightly below Q2 results due to the seasonality effects of the summer months. The growth was the highest in Poland, where commission revenues increased by 52% reaching HUF 975 million. At the time of publishing this report, there are already 96 offices in Poland, meaning that the Group's respective network will expand to over 100 offices by the end of 2021.
- In Hungary, this quarter was closed with HUF 2.4 billion in total network commission revenues (+10% YoY).
- Volumes in the Czech Republic also demonstrated a significant 22% growth.

SEGMENT LEVEL RESULTS

OWN OFFICE SEGMENT	2021	2020	Variance	Variance	2021	2020	Variance	Variance
<i>(data in mHUF)</i>	Q3	Q3		(%)	Q1-Q3	Q1-Q3		(%)
Net sales revenue	472,7	393,7	+79,0	+20%	1 468,5	952,5	+516,0	+54%
Direct expenses	304,3	239,0	+65,3	+27%	940,2	591,0	+349,2	+59%
Gross profit	168,5	154,7	+13,7	+9%	528,4	361,5	+166,8	+46%
Indirect expenses	116,1	129,5	-13,4	-10%	356,5	315,5	+41,0	+13%
EBITDA	52,4	25,3	+27,1	107%	171,8	46,1	+125,8	273%
<i>Gross profit margin (%)</i>	<i>36%</i>	<i>39%</i>	<i>-4%</i>		<i>36%</i>	<i>38%</i>	<i>-2%</i>	
<i>EBITDA margin (%)</i>	<i>11%</i>	<i>6%</i>	<i>+5%</i>		<i>12%</i>	<i>5%</i>	<i>+7%</i>	
Networ commission revenues*	514,9	402,9	+112,0	+28%	1 574,8	1 000,2	+574,7	+57%
Hungary	200,9	169,4	+31,5	+19%	594,2	422,3	+171,9	+41%
Poland	201,4	153,3	+48,0	+31%	672,8	384,2	+288,6	+75%
Czech Republic	112,7	80,2	+32,5	+41%	307,9	193,7	+114,2	+59%
Network office numbers (pcs)	21	22	-1	-5%	21	22	-1	-5%
Hungary	13	13	0	+0%	13	13	0	+0%
Poland	7	8	-1	-13%	7	8	-1	-13%
Czech Republic	1	1	0	+0%	1	1	0	+0%

- Own office segment achieved HUF 473 million in net sales (+20% YoY) and HUF 169 million in gross profit (+9% YoY) in Q3 2021.
- Commission revenues increased by 28%, with a local distribution of 41% in the Czech Republic, 31% in Poland and 19% in Hungary.
- The segment's EBITDA margin was 11% with EBITDA rising to HUF 52 million (+107% YoY) in Q3 2021.
- The number of Polish offices decreased by one as two Warsaw offices have been merged.

* 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>	Q3	Q3		(%)	Q1-Q3	Q1-Q3		(%)
Net sales revenue	2 848,5	1 360,7	+1 487,9	+109%	6 791,9	4 362,5	+2 429,5	+56%
Direct expenses	2 239,2	1 017,5	+1 221,7	+120%	5 261,3	3 264,1	+1 997,2	+61%
Gross profit	609,3	343,2	+266,1	+78%	1 530,6	1 098,3	+432,3	+39%
Indirect expenses	212,7	140,6	+72,0	+51%	559,7	433,2	+126,5	+29%
EBITDA	396,7	202,5	+194,1	+96%	970,9	665,1	+305,8	+46%
<i>Gross profit margin (%)</i>	<i>21%</i>	<i>25%</i>	<i>-4%</i>		<i>23%</i>	<i>25%</i>	<i>-3%</i>	
<i>EBITDA margin (%)</i>	<i>14%</i>	<i>15%</i>	<i>-1%</i>		<i>14%</i>	<i>15%</i>	<i>-1%</i>	
Loan volume (bn HUF)	125,1	62,0	+63,1	+102%	301,5	193,8	+107,6	+56%
Hungary	28,3	22,3	+6,0	+27%	76,3	62,3	+13,9	+22%
Poland	96,8	39,7	+57,1	+144%	225,2	131,5	+93,7	+71%

- Net sales revenue from financial product intermediation increased to HUF 2.8 billion in Q3 2021 (+109% YoY).
- The brokered loan volume of the Group grew by 144% in Poland, breaking again the all time record and reaching HUF 96.8 billion. Out of This volume 21% comes from the intensive network building efforts as in the 2021 Management guidance.
- The Group's Hungarian brokered loan volume further increased by 27% (YoY) compared to Q3 2020 reaching an all-time record and exceeding HUF 28 billion.
- The overall gross profit of the segment added up to HUF 609 million (+78% YoY) while indirect expenses increased by 51% resulting in EBITDA closing at HUF 397 million (+96% YoY).

SEGMENT LEVEL RESULTS

COMPLEMENTARY SEGMENT <i>(data in mHUF)</i>	2021 Q3	2020 Q3	Variance	Variance (%)	2021 Q1-Q3	2020 Q1-Q3	Variance	Variance (%)
Net sales revenue	88,3	105,6	-17,3	-16%	237,4	285,4	-48,0	-17%
Direct expenses	20,0	25,9	-5,9	-23%	61,4	73,4	-12,0	-16%
Gross profit	68,3	79,8	-11,4	-14%	176,0	212,0	-36,0	-17%
Indirect expenses	53,4	42,5	+10,9	+26%	129,5	115,8	+13,7	+12%
EBITDA	15,0	37,3	-22,3	-60%	46,5	96,2	-49,7	-52%
<i>Gross profit margin (%)</i>	<i>77%</i>	<i>76%</i>	<i>+2%</i>		<i>74%</i>	<i>74%</i>	<i>-0%</i>	
<i>EBITDA margin (%)</i>	<i>17%</i>	<i>35%</i>	<i>-18%</i>		<i>20%</i>	<i>34%</i>	<i>-14%</i>	
Housing found NAV	3 315,2	3 957,7	-642,5	-16%	3 485,5	4 314,2	-828,7	-19%

- Net sales revenue of the complementary services segment reached HUF 88 million during Q3 2021 (-16% YoY).
- The Group launched a proptech service targeting residential real estate developers under the name Primse.com in Q3 2021. The new business line is expected to be loss-making during its first few quarters.
- The average net asset value of the Duna House Real Estate Fund amounted to HUF 3.3 billion (-16% 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 17% overall EBITDA margin and contributed with EBITDA of HUF 15 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>	Q3	Q3		(%)	Q1-Q3	Q1-Q3		(%)
Net sales revenue	33,8	50,3	-16,5	-33%	143,3	156,5	-13,2	-8%
Direct expenses	17,8	13,7	+4,0	+29%	85,7	37,2	+48,5	+130%
Gross profit	16,0	36,5	-20,5	-56%	57,6	119,3	-61,7	-52%
Indirect expenses	117,9	24,4	+93,5	+383%	257,5	55,6	+201,9	+363%
EBITDA	-101,9	12,1	-114,0	-941%	-199,9	63,7	-263,6	-414%
<i>Gross profit margin (%)</i>	<i>47%</i>	<i>73%</i>	<i>-25%</i>		<i>40%</i>	<i>76%</i>	<i>-36%</i>	
<i>EBITDA margin (%)</i>	<i>-301%</i>	<i>24%</i>	<i>-326%</i>		<i>-139%</i>	<i>41%</i>	<i>-180%</i>	
Carrying amount of properties	2 140,3	2 141,2	-0,8	-0%	2 140,3	2 141,2	-0,8	-0%
Carrying amount of investment purpose properties	1 837,2	1 825,2	+12,0	+1%	1 837,2	1 825,2	+12,0	+1%
Carrying amount of operational properties	303,1	315,9	-12,8	-4%	303,1	315,9	-12,8	-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 development activities generated a total EBITDA-level loss of HUF 102 million in Q3 2021, of which a loss of HUF 122 million is related to MyCity property development project. The real estate portfolio of the group generated positive EBITDA of HUF 20 million.
- Investment purpose properties are valued at market value by an independent appraiser on 30 June and on 31 December each year. The Group has not realized portfolio appreciation during the quarter.
- The table does not include the result of the MyCity Residence project (Hunor utca, District III, Budapest) 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 District III.	MyCity Panorama Budapest District III.	MyCity Residence Budapest District III.	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 Apartments (pcs.)	154	57	100 + 3	314
Average Apartments size (m2)	76.9	80.7	68.8	74.9
Actual status of Projects	<ul style="list-style-type: none"> • The appartements' technical completion has been partially delivered while full completion is expected in the first half of 2022. • The project's sales ratio was 53% as of the end of 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. 	<ul style="list-style-type: none"> • 98% of the apartments have been sold. • Occupancy permit obtained. 	.
				

SEGMENT LEVEL RESULTS

OTHER- AND CONSOLIDATION SEGMENT	2021	2020	Variance	Variance	2021	2020	Variance	Variance
<i>(data in mHUF)</i>	Q3	Q3		(%)	Q1-Q3	Q1-Q3		(%)
Net sales revenue	-90,9	-83,7	-7,2	+9%	-276,2	-224,7	-51,6	+23%
Direct expenses	-26,3	-5,4	-21,0	+392%	-64,2	-22,7	-41,6	+183%
Gross profit	-64,6	-78,4	+13,8	-18%	-212,0	-202,0	-10,0	+5%
Indirect expenses	-85,9	-49,1	-36,9	+75%	-229,7	-131,4	-98,3	+75%
EBITDA	21,3	-29,3	+50,6	-173%	17,7	-70,6	+88,4	-125%
<i>Gross profit margin (%)</i>	71%	94%	-23%		77%	90%	-13%	
<i>EBITDA margin (%)</i>	-23%	35%	-58%		-6%	31%	-38%	

- 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
Dividend paid					0,0		0,0
Total comprehensive income			-0,6	463,1	462,5	1,0	463,5
Purchase of treasury shares					-5,5		-5,5
Employee Share-based payment provision		6,7			6,7		6,7
30.Sept 2021	172,0	1 534,8	40,0	6 348,7	6 498,9	-77,2	6 421,6

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 2021Q3 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, 29 November 2021.

Duna House Holding Plc. Board of Directors

Represented by: Gay Dymshiz, Board of Directors, President