

DUNA HOUSE GROUP

2022.Q1 Quarterly report

31 May 2022



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EXECUTIVE SUMMARY- 2022 FIRST QUARTER

Quarterly results

- **Duna House Group (the "Group") completed the HGroup deal that opened a new chapter in the life of the Group. With the acquisition, Duna House Group became the leading broker in Italy, one of the largest and most developed financial markets of Europe. Its financial indicators have grown by levels unseen in the history of the Group.**
- **The Q1 2022 revenues tripled close to HUF 8.0 billion and clean core EBITDA doubled close to HUF 0.9 billion. The Group's clean core PAT rose by 70% to HUF 585 million.** The handover of apartments in the Forest Hill project continued, generating direct EBITDA of HUF 70 million. The Group's liquidity is stable, its cash amounts to HUF 7.0 billion, which is further increased by the planned real estate divestments during the year.
- **The Group followed different paths in each country, showing the benefits of geographical diversification.** Real estate brokerage volumes grew significantly in Hungary: franchise volumes jumped by 25%, own office volumes by 80%. The Polish subsidiaries nearly stagnated following the outstanding growth in 2021. In loan intermediation, the momentum of the Polish market share improvement kept the business growing at 54% YoY, while volumes in Hungary grew by single digit.
- **The Group's key financials have been reshaped by the consolidation of HGroup starting 1 January 2022.** The Italian subsidiaries have elevated the results of the financial intermediation segment to new levels. In spite of the overall decline of the Italian mortgage market, the Group's new businesses could increase intermediated loan volumes on a year-on-year basis. The entities allocated to franchise real estate and complementary services segments are decreasing overall segment results currently.
- Within the MyCity real estate development business, the **first row of the 3-row building complex of the Forest Hill has entered into the handover phase and the final contracting and recognition of the result have started.** The completion of row 2-3. is ongoing. **The total expected cash flow from the project after repayment of the project loan is HUF 4.7-4.8 billion.**

Guidance 2022 & Dividend payment

- Although the increasing interest rates and the overall macro environment poses more challenges to the Group, the management believes it is **able to reach the guidance set forth for 2022.**
- The Board of Directors has set 17 June 2022 as the payment date of **dividend HUF 32.0 per share.** The final amount of dividend per share might increase by distributing the dividend attributable to the treasury shares.
- The last trading day of shares with dividend coupon is 8 June 2022.

DUNA HOUSE GROUP

Consolidated financial statements



CONSOLIDATED INCOME STATEMENT

Consolidated income statement (data in mHUF, except earnings per share)	2022 Q1 (not audited)	2021 Q1 (not audited)	Variance	
			mHUF	%
Net sales revenue	7 915,8	2 539,1	+5 376,8	+212%
Other operating income	68,1	181,9	-113,8	-63%
Change in stocks of finished products and work in progress	67,1	-289,1	+356,1	-123%
Consumables used	72,1	58,5	+13,6	+23%
Cost of goods and services sold	555,0	455,4	+99,5	+22%
Services purchased	5 774,0	1 652,0	+4 121,9	+250%
Personnel expenses	522,2	191,0	+331,2	+173%
Other operating expenses	103,2	220,1	-116,9	-53%
EBITDA	890,4	433,0	+457,4	+106%
Depreciation and amortization	84,9	31,3	+53,6	+171%
Depreciation of right-of-use assets	67,5	32,1	+35,4	+110%
Operating income (EBIT)	738,0	369,6	+368,3	+100%
Finance income	60,4	22,4	+38,0	+169%
Finance costs	153,9	73,7	+80,2	+109%
Share of the profits of a joint venture	21,7	24,0	-2,2	-9%
Profit before tax	666,2	342,3	+323,9	+95%
Income tax expense	103,0	52,9	+50,2	+95%
Profit after tax	563,2	289,4	+273,7	+95%
Currency translation difference	46,5	24,9	+21,6	+87%
Other comprehensive income	46,5	24,9	+21,6	+87%
Total comprehensive income attributable to	609,7	314,4	+295,3	+94%
Shareholders of the Company	551,5	323,4	+228,1	+71%
Non-controlling interest	58,2	-9,0	+67,2	-747%
Earnings per share (basic and diluted)	14,3	8,1	+6,2	+78%

Comments

- The Group has jumped to new levels with the acquisition of HGroup. Its consolidated net sales revenue increased to record highs of HUF 7.9 billion in the third quarter (+212% YoY), EBITDA to HUF 890 million in the quarter (+106% YoY). *Changes in EBITDA were influenced by unique factors, which are presented on page 7, [Clean core result](#).*
- Other revenues increased by HUF 126 million in Q1 2021 by the drawn bank guarantee related to the previous general contractor.
- 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. During the quarter, the handover of the apartments of the Forest Hill project has continued, for which the Group recognized HUF 503 million in revenues against inventory value of HUF 433 million.
- The value of services purchased is significantly increased by the consolidation of HGroup.
- 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 22 million in Q1 2022.
- The Group booked a foreign exchange gains of HUF 8.5 million on foreign currency positions (in Q1 2021 foreign exchange loss was HUF 20.0 million). Finance costs increased due to the bond issued in January 2022 (the outstanding bonds Duna House NKP 2030/I. and 2032/I. had a quarterly total interest of HUF 95 million) and the bank loans of the consolidated Italian entities.
- PAT of Q1 2022 was higher by HUF 274 million compared to the same period of 2021. **The clean core PAT amounted to HUF 585 million, thereby HUF 239 million above Q1 2021. MyCity activity improved it by HUF 50 million and extraordinary items lowered it by HUF 72 million.** *Reconciliation of Clean core results can be found on page 7, [Clean core result](#).*

CONSOLIDATED BALANCE SHEET

Consolidated balance sheet data in mHUF	31 March 2022 (not audited)	31 December 2021 (Audited)	Variance	
			mHUF	%
Goodwill	10 562,8	1 775,5	+8 787,3	+495%
Investment property	1 859,5	1 849,5	+10,0	+1%
Property	1 681,5	409,1	+1 272,4	+311%
Right-of-use asset	1 526,9	347,4	+1 179,5	+340%
Other	1 041,2	1 210,0	-168,8	-14%
Non-current assets	16 671,9	5 244,1	+11 427,8	+218%
Inventories	7 377,1	7 418,9	-41,8	-1%
Trade receivables	3 703,0	2 102,1	+1 600,9	+76%
Restricted cash	1 881,4	1 270,5	+610,9	+48%
Cash and cash equivalents	7 007,2	5 226,5	+1 780,6	+34%
Accruals	1 857,9	734,5	+1 123,4	+153%
Other	2 635,6	615,9	+2 019,7	+328%
Current assets	24 462,2	17 368,4	+7 093,8	+41%
Total assets	41 134,0	22 612,5	+18 521,6	+82%
Share capital	7 908,8	6 921,5	+987,4	+14%
Borrowings	14 534,4	6 909,5	+7 624,9	+110%
Other non-current liabilities	4 995,1	591,3	+4 403,8	+745%
Non-current liabilities	19 529,5	7 500,8	+12 028,7	+160%
Borrowings	4 733,8	4 373,4	+360,4	+8%
Trade payables	2 093,0	1 321,1	+771,9	+58%
Deferrals	1 588,9	369,3	+1 219,6	+330%
Other liabilities	5 280,1	2 126,5	+3 153,6	+148%
Current liabilities	13 695,7	8 190,2	+5 505,5	+67%
Total equity and liabilities	41 134,0	22 612,5	+18 521,6	+82%

Comments

- Goodwill increased by HUF 8.7 billion as a result of the HGroup acquisition. The total difference between the paid purchase price plus deferred liabilities and the consolidated equity of HGroup is booked as Goodwill in this report. The purchase price adjustment based on HGroup's 2021 financials is ongoing, as well as the preparation of the Purchase Price Allocation according to IFRS 3. Asset and liability values will be updated in the Q2 2022 report.
- Value of the investment property portfolio increased by HUF 10 million due to price appreciation on an asset being sold. The sale price of the real estate is HUF 210 million. Book value of property increased by HUF 1.3 billion due to HGroup consolidation, as well as the value of right-of-use assets.
- The Group's inventory has increased by HUF 42 million since the end of the previous year due to the following effects: i) capitalized construction and interest costs of HUF 357 million for ongoing development projects; ii) sold development properties with a total book value of HUF 405 million.
- Trade receivables rose to HUF 3.7 billion due to HGroup consolidation and handovers of Forest Hill. Accruals increased due to HGroup consolidation. Other receivables increased due to HGroup, including an escrow receivable of HUF 732 million as security for future earnout payments.
- The consolidated equity of the Group amounted HUF 7.9 billion on 31 March 2022. The Company held 728,445 pieces of own shares for the purpose of employee share program.
- The Group records deferred purchase price payments of HUF 3.1 billion related to HGroup acquisition among other non-current liabilities.
- Other liabilities increased due to HGroup consolidation and Forest Hill advance payments received.
- At the end of the quarter loans increased to HUF 19.3 billion, out of which HUF 12.9 billion are liabilities from bonds with interests, HUF 1.6 billion bank loans of HGroup in Italy, HUF 4.7 billion are non-recourse loans related to residential real-estate development projects. The core activity's net debt amounts to HUF 7.5 billion.

CLEAN CORE RESULT

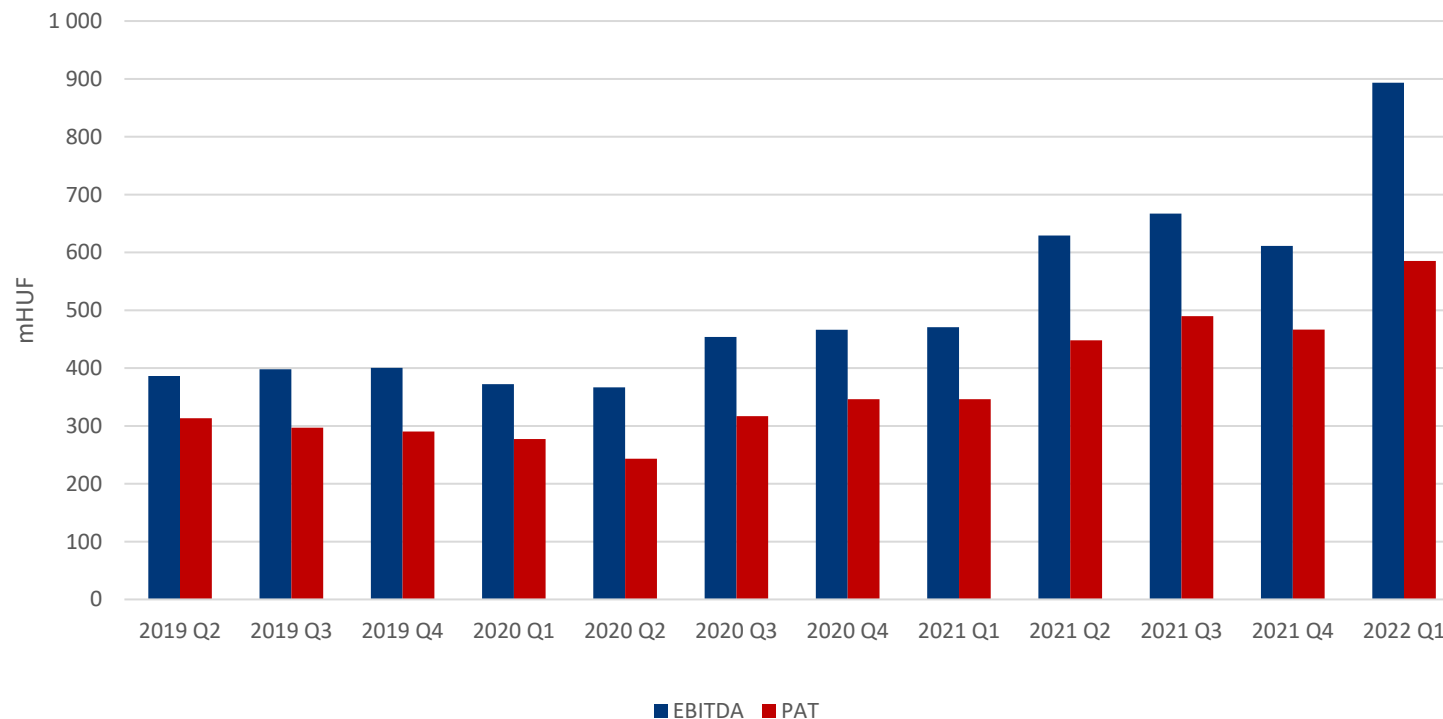
data in million of HUF	2022Q1	2021Q1	Variance %	2022 Q1-Q1	2021 Q1-Q1	Variance %
EBITDA	890,4	433,0	+106%	890,4	433,0	+106%
(-) MyCity EBITDA	85,1	-37,8	-325%	85,1	-37,8	-325%
Core EBITDA	805,3	470,8	+71%	805,3	470,8	+71%
(-) Result of portfolio appraisal	10,0	0,0	+0%	10,0	0,0	+0%
(-) Acquisition costs	-98,0	0,0	+0%	-98,0	0,0	+0%
Total core adjustments	88,0	0,0	+0%	88,0	0,0	+0%
Cleaned core EBITDA	893,3	470,8	+90%	893,3	470,8	+90%

data in million of HUF	2022Q1	2021Q1	Variance %	2022 Q1-Q1	2021 Q1-Q1	Variance %
Profit after tax	563,2	289,4	+95%	563,2	289,4	+95%
(-) Profit after tax for MyCity	50,4	-38,6	-230%	50,4	-38,6	-230%
Core PAT	512,8	328,2	+56%	512,8	328,2	+56%
(-) Result of portfolio appraisal	10,0	0,0	+0%	10,0	0,0	+0%
(-) Result of foreign currency exchange	8,5	-20,0	-142%	8,5	-20,0	-142%
(-) Acquisition costs	-98,0	0,0	+0%	-98,0	0,0	+0%
Total core adjustments	79,5	20,0	+298%	79,5	20,0	+298%
Tax effect of adjustments (9%)	-7,2	-1,8	+298%	-7,2	-1,8	+298%
Cleaned core PAT	585,2	346,3	+69%	585,2	346,3	+69%

- 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 an 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 2022, the Group made the following one-off adjustments:
 - The Group realized fair value gains on its investment property portfolio of HUF 10 million,
 - Advisory fees related to the HGroup acquisition amounted to HUF 98 million (finders fee, due diligence, legal counsel). Future purchase price payments are subject to finders fee, as well.
- The Group’s **clean core EBITDA jumped by 90% to HUF 893 million** in Q1 2022.
- The Group’s **clean core PAT increased by 69% and totaled HUF 585 million** in Q1 2022.

EVOLUTION OF CLEAN CORE RESULTS

Clean Core EBITDA and PAT



- Duna House Group's clean core EBITDA and PAT have been steadily increasing since 2019.
- Quarterly clean core EBITDA jumped from HUF 400 million to HUF 900 million by 2022.

REVENUE, EBITDA, OPERATING AND AFTER TAX INCOME BY COUNTRY

in million HUF	Hungary		Poland		Czech Republic		Italy		Duna House Group	
	2022 Q1	2021 Q1	2022 Q1	2021 Q1	2022 Q1	2021 Q1	2022 Q1	2021 Q1	2022 Q1	2021 Q1
Net sales revenue	1 655,2	944,1	2 110,4	1 508,8	96,3	86,2	4 054,0	0,0	7 915,8	2 539,1
EBITDA	442,4	319,8	120,8	106,4	1,7	6,8	325,6	0,0	890,4	433,0
Operating income	379,4	278,5	100,7	84,4	1,7	6,8	256,3	0,0	738,0	369,6
Profit after tax	307,0	220,2	72,2	59,6	-0,8	9,7	184,8	0,0	563,2	289,4

- The Group has repositioned itself on the international markets with the acquisition of HGroup. The Italian entities were responsible for over 50% of the Group`s consolidated revenues and nearly 37% of its EBITDA in Q1 2022. HGroup closed 2021 with a consolidated EBITDA of HUF 1.4 billion (EUR 3.9 million) as per Italian GAAP. HUF 168 million, 12% of the annual EBITDA was generated in Q1 2021. *Technical note: In spite of Duna House Holding`s 70% shareholding, the 100% of HGroup is consolidated until and above net profit line in IFRS. The profit attributable to the 30% minority shareholders is show as `comprehensive income attributable to non-controlling interest`.*
- In Hungary revenues jumped by 75%, EBITDA increased by 38%. The turnover of the Hungarian operations was significantly impacted by the commencement of the handover of the Forest Hill apartments, which increased the turnover by HUF 455 million. The MyCity activity increased the Group`s EBITDA by a total of HUF 85 million, resulting in a Hungarian core EBITDA of HUF 357 million. This contains acquisition cost of HUF 98 million and real estate portfolio appraisal result of HUF 10 million. For comparison, in Q1 2021, the core EBITDA related to the Hungarian core activity was HUF 358 million.
- The revenues of the Polish entities grew by 40% YoY to HUF 2.1 billion and EBITDA to HUF 120 million (+13% YoY).
- The Czech subsidiaries closed the quarter with a 12% increase in net sales revenue and EBITDA of 2 million.

CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement Data in mHUF	1-3. 2022 (not audited)	1-3. 2021 (not audited)
Cash flows from operating activities		
Profit after tax	563,2	289,4
Adjustments:		
Received / paid interests	93,5	51,3
Depreciation	152,4	63,4
Deferred tax expense	-13,9	-8,2
Fair value adjustments of investment properties	-10,0	0,0
Share program	-3,3	-4,0
Change in Goodwill	-57,4	0,0
Share of profit of a joint venture	-21,7	-24,0
The result of unrealized exchange differences	49,9	-27,8
Asset held for sale	0,0	0,0
Income tax expense	116,2	57,9
Gross CF	868,9	398,0
Movements of working capital		
Increase in inventories	41,8	-179,3
Increase in trade- and other receivables	-671,9	-907,0
Decrease of other assets	-1 044,7	21,9
Increase of trade payables	-683,7	154,2
Increase of other short term liabilities	1 008,0	-112,8
Increase in accruals	890,3	19,3
Income taxes paid	273,2	-15,0
Net cash generated by operating activities	681,9	-620,7

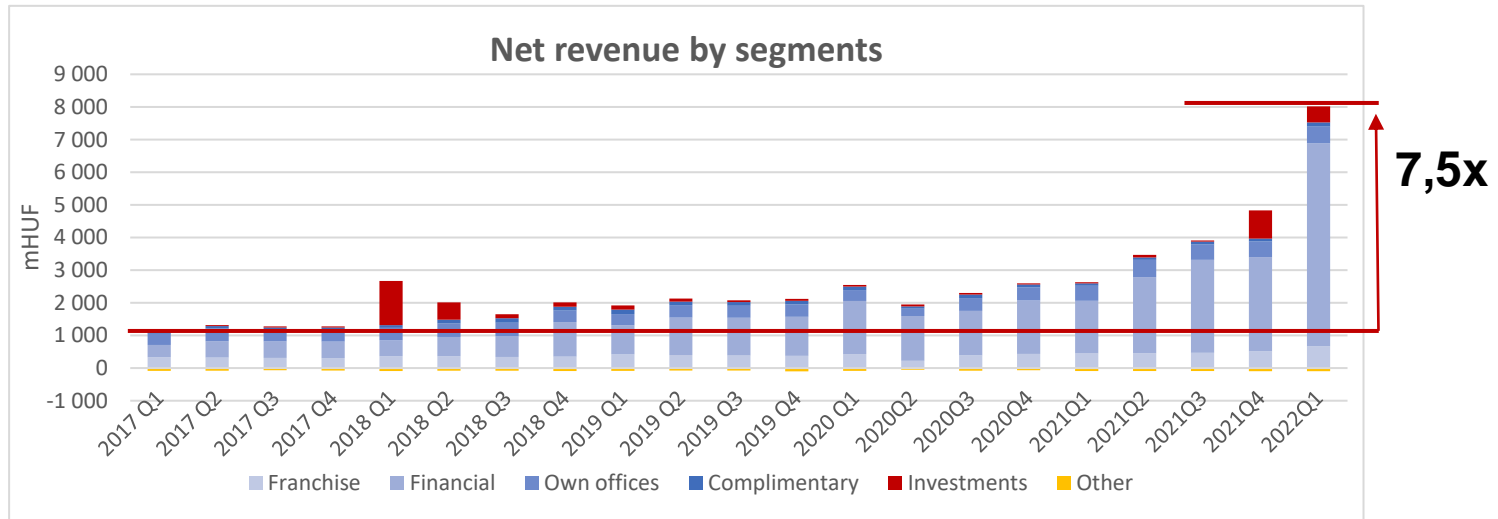
Consolidated cash flow statement Data in mHUF	1-3. 2022 (not audited)	1-3. 2021 (not audited)
Cash flows from investing activities		
Payments for property, plant and equipment	-61,7	-41,7
Proceeds from the sale of properties	0,0	30,8
Escrow account related to acquisition	-731,6	0,0
Assets held for sale and directly (...)	0,0	0,0
Other asset purchased	1,7	-0,7
Dividend received from joint venture	194,5	370,0
Acquisition of subsidiaries	-3 227,4	0,0
Net cash used in investing activities	-3 824,6	358,3
Cash flows from financing activities		
Proceeds from borrowings	-775,9	76,0
Treasury share transactions	-57,3	-5,7
Changes in right-of-use asset and leasing obligations	-71,4	-16,0
Dividends paid	-15,1	-15,1
Bond issue	5 914,0	0,0
Securities sold	0,0	0,0
Received / paid interests	-70,8	11,4
Net cash generated from financing activities	4 923,4	50,6
Net increase in cash and cash equivalents	1 780,7	-211,8
Cash and cash equivalents at the beginning of the year	5 226,5	6 169,5
Exchange gains/(losses) on cash and cash equivalents	-0,1	-20,2
Cash and cash equivalents at the end of the year	7 007,2	5 937,5

DUNA HOUSE GROUP

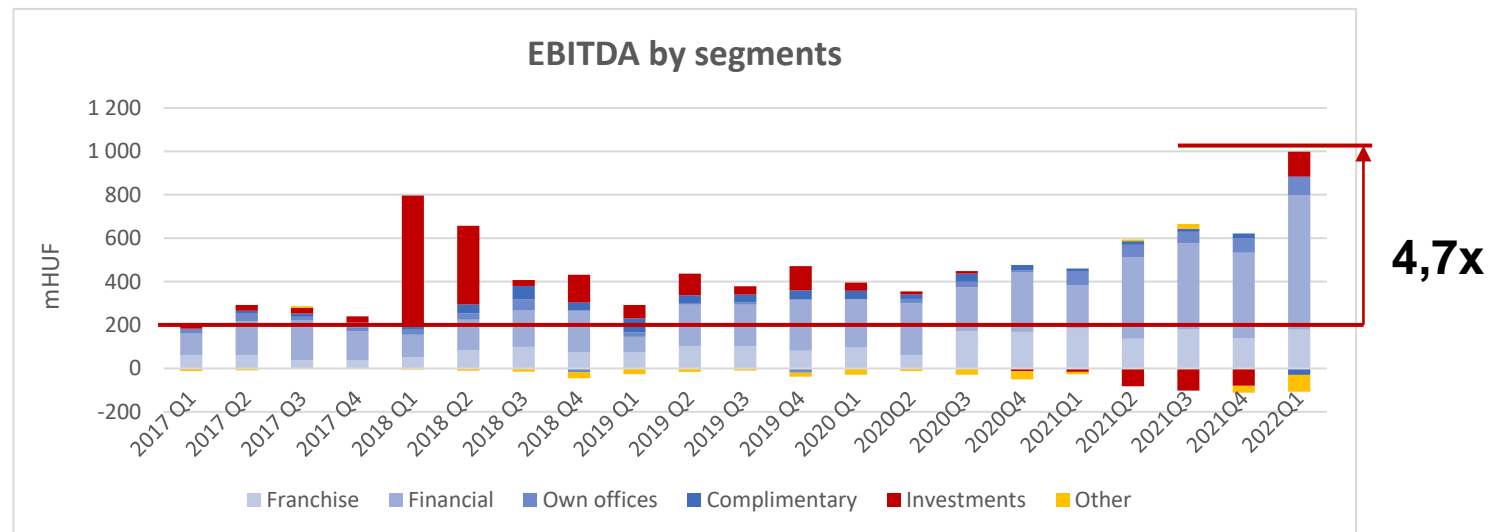
Segment report



SEGMENT LEVEL RESULTS



- Since the 2016 November IPO, Duna House Group **increased its quarterly revenues by 650% and EBITDA from services by nearly 400%**.
- *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.*



SEGMENT LEVEL RESULTS

CONSOLIDATED	2022	2021	Variance	Variance	2022	2021	Variance	Variance
<i>(data in mHUF)</i>	Q1	Q1		(%)	Q1-Q1	Q1-Q1		(%)
Financial segment	6 217,8	1 613,5	+4 604,3	+285%	6 217,8	1 613,5	+4 604,3	+285%
Real estate franchise segment	665,4	444,8	+220,6	+50%	665,4	444,8	+220,6	+50%
Own office segment	514,7	462,5	+52,2	+11%	514,7	462,5	+52,2	+11%
Complementary segment	127,2	75,3	+51,9	+69%	127,2	75,3	+51,9	+69%
Investment segment	489,3	35,0	+454,3	+1298%	489,3	35,0	+454,3	+1298%
Other segment	-98,6	-92,0	-6,5	+7%	-98,6	-92,0	-6,5	+7%
Total net revenue	7 915,8	2 539,1	+5 376,8	+212%	7 915,8	2 539,1	+5 376,8	+212%
Financial segment	619,9	200,1	+419,8	+210%	619,9	200,1	+419,8	+210%
Real estate franchise segment	178,4	184,2	-5,8	-3%	178,4	184,2	-5,8	-3%
Own office segment	85,2	60,8	+24,4	+40%	85,2	60,8	+24,4	+40%
Complementary segment	-29,7	15,0	-44,7	-298%	-29,7	15,0	-44,7	-298%
Investment segment	114,3	-16,0	+130,3	-815%	114,3	-16,0	+130,3	-815%
Other segment	-77,7	-11,1	-66,6	+600%	-77,7	-11,1	-66,6	+600%
Total EBITDA	890,4	433,0	+457,4	+106%	890,4	433,0	+457,4	+106%
<i>Financial segment</i>	<i>10%</i>	<i>12%</i>	<i>-2%p</i>		<i>10%</i>	<i>12%</i>	<i>-2%p</i>	
<i>Real estate franchise segment</i>	<i>27%</i>	<i>41%</i>	<i>-15%p</i>		<i>27%</i>	<i>41%</i>	<i>-15%p</i>	
<i>Own office segment</i>	<i>17%</i>	<i>13%</i>	<i>+3%p</i>		<i>17%</i>	<i>13%</i>	<i>+3%p</i>	
<i>Complementary segment</i>	<i>-23%</i>	<i>20%</i>	<i>-43%p</i>		<i>-23%</i>	<i>20%</i>	<i>-43%p</i>	
<i>Investment segment</i>	<i>23%</i>	<i>-46%</i>	<i>+69%p</i>		<i>23%</i>	<i>-46%</i>	<i>+69%p</i>	
<i>Other segment</i>	<i>79%</i>	<i>12%</i>	<i>+67%p</i>		<i>79%</i>	<i>12%</i>	<i>+67%p</i>	
Total EBITDA margin	11%	17%	-6%p		11%	17%	-6%p	

- **DH Group's net sales revenues tripled, and its EBITDA doubled in Q1 2022 YoY.**
- The financial intermediation segment became the largest revenue and EBITDA generator of the Group, therefore the segment list has been modified.
- The financial segment's revenues quadrupled, EBITDA tripled.
- The early-stage Italian subsidiaries increased the revenues of the franchise real estate and complementary segments, while their EBITDA contribution was negative.
- *Changes in EBITDA were influenced by unique factors, which are presented on page 7 in the description of Clean core results*

SEGMENT LEVEL RESULTS

FINANCIAL SEGMENT	2022	2021	Variance	Variance	2022	2021	Variance	Variance
<i>(data in mHUF)</i>	Q1	Q1		(%)	Q1-Q1	Q1-Q1		(%)
Net sales revenue	6 217,8	1 613,5	+4 604,3	+285%	6 217,8	1 613,5	+4 604,3	+285%
Direct expenses	4 733,1	1 239,2	+3 493,9	+282%	4 733,1	1 239,2	+3 493,9	+282%
Gross profit	1 484,6	374,2	+1 110,4	+297%	1 484,6	374,2	+1 110,4	+297%
Indirect expenses	864,8	174,1	+690,6	+397%	864,8	174,1	+690,6	+397%
EBITDA	619,9	200,1	+419,8	+210%	619,9	200,1	+419,8	+210%
<i>Gross profit margin (%)</i>	<i>24%</i>	<i>23%</i>	<i>+1%</i>		<i>24%</i>	<i>23%</i>	<i>+1%</i>	
<i>EBITDA margin (%)</i>	<i>10%</i>	<i>12%</i>	<i>-2%</i>		<i>10%</i>	<i>12%</i>	<i>-2%</i>	
Loan volume (bn HUF)	201,9	73,6	+128,3	+174%	201,9	73,6	+128,3	+174%
Hungary	21,7	20,6	+1,1	+5%	21,7	20,6	+1,1	+5%
Poland	81,0	52,9	+28,0	+53%	81,0	52,9	+28,0	+53%
Italy	99,2				99,2			

Market update

- The Italian market is dominated by loans of long interest periods. Analysts estimate a drop of 25% in total loan volume YoY driven by the increasing lending rates. In spite of that, the Group increased its volumes by overcoming the market drop through increase in market share. Although the market share of intermediaries increased significantly from the pre-covid level of 10%, it is still just at 20%, offering further growth potential.
- Analysts estimate a 10% YoY decline in the housing loans market in Poland. The Group grew in absolute terms thanks to market share gains in 2021 and Q1 2022.
- In Hungary, the state-subsidized housing loans increased significantly (+304% YoY), while the value of non-subsidized loan disbursement stagnated (+4% YoY). All-in-all, disbursement of housing loans increased by 49% YoY. The non-subsidized housing loans are the relevant segment for the Group.

- The financial intermediation segment's growth exploded by the HGroup acquisition: Net sales revenue and gross profit increased fourfold, gross profit margin improved to 24%, while EBITDA margin reduced to 10% due to higher overhead in Italy. The segment's gross profit increased to HUF 1.5 billion (+297% YoY), EBITDA to HUF 620 million (+210% YoY).
- The brokered loan volume grew to HUF 99.2 billion (EUR 272.2 million) in Italy. The Q1 2021 volume of the Italian entities was EUR 249.5 million (+9.1% YoY).
- The brokered loan volume of the Group grew by 53% in Poland, reaching HUF 81.0 billion. The momentum of the volumes is driven by the market share improvement achieved during 2021, while the market is weak.
- The Group's Hungarian brokered loan volume further increased by 5% (YoY) reaching HUF 21.7 billion.

SEGMENT LEVEL RESULTS

REAL ESTATE FRANCHISE SEGMENT	2022	2021	Variance	Variance	2022	2021	Variance	Variance
<i>(data in mHUF)</i>	Q1	Q1		(%)	Q1-Q1	Q1-Q1		(%)
Net sales revenue	665,4	444,8	+220,6	+50%	665,4	444,8	+220,6	+50%
Direct expenses	127,9	32,4	+95,5	+295%	127,9	32,4	+95,5	+295%
Gross profit	537,5	412,5	+125,1	+30%	537,5	412,5	+125,1	+30%
Indirect expenses	359,2	228,3	+130,9	+57%	359,2	228,3	+130,9	+57%
EBITDA	178,4	184,2	-5,8	-3%	178,4	184,2	-5,8	-3%
<i>Gross profit margin (%)</i>	<i>81%</i>	<i>93%</i>	<i>-12%p</i>		<i>81%</i>	<i>93%</i>	<i>-12%p</i>	
<i>EBITDA margin (%)</i>	<i>27%</i>	<i>41%</i>	<i>-15%p</i>		<i>27%</i>	<i>41%</i>	<i>-15%p</i>	
Network commission revenues*	4 180,4	3 386,3	+794,0	+23%	4 180,4	3 386,3	+794,0	+23%
Hungary	3 114,8	2 476,7	+638,1	+26%	3 114,8	2 476,7	+638,1	+26%
Poland	871,9	816,4	+55,5	+7%	871,9	816,4	+55,5	+7%
Czech Republic	88,8	93,2	-4,4	-5%	88,8	93,2	-4,4	-5%
Italy	104,9				104,9			
Network office numbers (pcs)	283	252	31	+12%	283	252	31	+12%
Hungary	163	165	-2	-1%	163	165	-2	-1%
Poland	97	86	11	+13%	97	86	11	+13%
Czech Republic	1	1	0	+0%	1	1	0	+0%
Italy	22				22			

* 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 decreased by 3% (YoY) to HUF 178 million, due to the currently loss-making operation in Italy.
- Duna House Group's real estate brokerage networks achieved a total commission income of HUF 4.2 billion (+23% YoY). The growth was the highest in Hungary, where commission revenues increased by 26% reaching HUF 3.1 billion.
- In Poland, growth moderated after the strong performance in 2021 (+7% YoY). The Group grew by 11 offices within one year.
- In Italy, the real estate brokerage activity is being developed. The subsidiary reached commission revenues of HUF 105 million with 22 offices, while generating EBITDA-level losses currently due to its small size. Management's two-year-focus will be on expanding the network, while improving profitability is secondary for the time being.
- Volumes in the Czech Republic reduced by 5%.

Technical note: The Italian subsidiary, Realizza, does not operate in franchise model, but its business model resembles one. Its revenue equals the network commission revenue, while pays out 90% of the commission. Its gross profit per network commission revenue KPI equals 10%. The own office operation of Realizza (1 office currently) is not reported separately until it reaches significant size.

SEGMENT LEVEL RESULTS

OWN OFFICE SEGMENT	2022	2021	Variance	Variance	2022	2021	Variance	Variance
<i>(data in mHUF)</i>	Q1	Q1		(%)	Q1-Q1	Q1-Q1		(%)
Net sales revenue	514,7	462,5	+52,2	+11%	514,7	462,5	+52,2	+11%
Direct expenses	286,3	288,0	-1,6	-1%	286,3	288,0	-1,6	-1%
Gross profit	228,3	174,5	+53,8	+31%	228,3	174,5	+53,8	+31%
Indirect expenses	143,1	113,7	+29,4	+26%	143,1	113,7	+29,4	+26%
EBITDA	85,2	60,8	+24,4	40%	85,2	60,8	+24,4	40%
<i>Gross profit margin (%)</i>	<i>44%</i>	<i>38%</i>	<i>+7%</i>		<i>44%</i>	<i>38%</i>	<i>+7%</i>	
<i>EBITDA margin (%)</i>	<i>17%</i>	<i>13%</i>	<i>+3%</i>		<i>17%</i>	<i>13%</i>	<i>+3%</i>	
Networ commission revenues*	629,9	490,0	+139,9	+29%	629,9	490,0	+139,9	+29%
Hungary	336,2	189,3	+146,9	+78%	336,2	189,3	+146,9	+78%
Poland	204,9	217,4	-12,5	-6%	204,9	217,4	-12,5	-6%
Czech Republic	88,8	83,2	+5,5	+7%	88,8	83,2	+5,5	+7%
Network office numbers (pcs)	22	22	0	+0%	22	22	0	+0%
Hungary	14	13	1	+8%	14	13	1	+8%
Poland	7	8	-1	-13%	7	8	-1	-13%
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 HUF 228 million in gross profit (+31% YoY) on network commission revenues of HUF 630 million (+29% YoY) .
- Commission revenues skyrocketed in Hungary where the growth of own offices (+78% YoY) outperformed even the strong franchise activity, thereby exceeding any other quarter since the Group's IPO.
- The segment's EBITDA margin jumped to 17%, EBITDA rose to HUF 85 million.
- Office numbers increased by one since end of 2021.

SEGMENT LEVEL RESULTS

COMPLEMENTARY SEGMENT	2022	2021	Variance	Variance	2022	2021	Variance	Variance
<i>(data in mHUF)</i>	Q1	Q1		(%)	Q1-Q1	Q1-Q1		(%)
Net sales revenue	127,2	75,3	+51,9	+69%	127,2	75,3	+51,9	+69%
Direct expenses	18,5	21,4	-2,9	-14%	18,5	21,4	-2,9	-14%
Gross profit	108,7	53,9	+54,8	+102%	108,7	53,9	+54,8	+102%
Indirect expenses	138,4	38,9	+99,5	+256%	138,4	38,9	+99,5	+256%
EBITDA	-29,7	15,0	-44,7	-298%	-29,7	15,0	-44,7	-298%
<i>Gross profit margin (%)</i>	85%	72%	+14%		85%	72%	+14%	
<i>EBITDA margin (%)</i>	-23%	20%	-43%		-23%	20%	-43%	
Housing found NAV	2 140,7	3 646,4	-1 505,7	-41%	2 140,7	3 646,4	-1 505,7	-41%

- Net sales revenue of the complementary services segment reached HUF 127 million during the quarter (+69% YoY). Growth was driven by i) the Italian Relabora subsidiary, which although being loss-maker, already has significant revenue, ii) the strong performance in the portfolio management activity of Home Management. Relabora is being restructured to eliminate losses.
- 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 2.1 billion (-41% 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 23% EBITDA-level losses on its revenue, in spite of improving gross margins.

SEGMENT LEVEL RESULTS



INVESTMENT SEGMENT	2022	2021	Variance	Variance	2022	2021	Variance	Variance
<i>(data in mHUF)</i>	Q1	Q1		(%)	Q1-Q1	Q1-Q1		(%)
Net sales revenue	489,3	35,0	+454,3	+1298%	489,3	35,0	+454,3	+1298%
Direct expenses	540,8	25,2	+515,6	+2049%	540,8	25,2	+515,6	+2049%
Gross profit	-51,5	9,8	-61,3	-624%	-51,5	9,8	-61,3	-624%
Indirect expenses	-165,8	25,8	-191,6	-742%	-165,8	25,8	-191,6	-742%
EBITDA	114,3	-16,0	+130,3	-815%	114,3	-16,0	+130,3	-815%
<i>Gross profit margin (%)</i>	<i>-11%</i>	<i>28%</i>	<i>-39%</i>		<i>-11%</i>	<i>28%</i>	<i>-39%</i>	
<i>EBITDA margin (%)</i>	<i>23%</i>	<i>-46%</i>	<i>+69%</i>		<i>23%</i>	<i>-46%</i>	<i>+69%</i>	
Carrying amount of properties	3 421,6	2 147,4	+1 274,2	+59%	3 421,6	2 147,4	+1 274,2	+59%
Carrying amount of investment purpose properties	1 849,5	1 837,9	+11,6	+1%	1 849,5	1 837,9	+11,6	+1%
Carrying amount of operational properties	1 572,1	309,5	+1 262,7	+408%	1 572,1	309,5	+1 262,7	+408%
Number of properties (pcs) **	20	18	+2	+11%	20	18	+2	+11%
Number of investment purpose properties	14	15	-1	-7%	14	15	-1	-7%
Number of operational properties	6	3	+3	+100%	6	3	+3	+100%

- Property development activities generated a total EBITDA-level profit of HUF 114 million in the quarter, of which profit of HUF 85 million is related to MyCity property development project. The real estate portfolio of the group generated positive EBITDA of HUF 29 million.
- MyCity project's handover phase for Forest Hill residential park continued during the quarter, resulting in HUF 70 million profits.
- Investment purpose properties are valued at market value by an independent appraiser on 30 June and on 31 December each year. No seasonal appraisal took place this quarter, but the Group realized HUF 10 million gain on one real estate being sold.
- The table does not include the result of the 50% owned MyCity Residence project (Hunor utca, District III, Budapest) as it is recognized through equity consolidation in the Group's financial statements.

PROPERTY DEVELOPMENT ACTIVITY

Duna House Group manages the development of 211 flats in 2 projects under MyCity brand, as follows:



	Forest Hill Budapest District III.	MyCity Panorama Budapest District III.	Összesen
Duna House Group's share in Project	100%	100%	
Landsize (m2)		Total FH and FHP: 29,314	29,314
Sellable area (m2)	11,837	4,605	16,442
Number of Apartments (pcs.)	154	57	211
Average Apartments size (m2)	76.9	80.7	77.9
Total expected cash flow (net of project loan)	HUF 4.7-4.8 bn Future usage: acquisition or dividend payment		
Actual status of Projects	<ul style="list-style-type: none"> • Handover phase • The appartements' technical completion is ongoing. • The project's sales ratio was 66% as of the end of Q1 2022. 	<ul style="list-style-type: none"> • Given the current situation in the construction industry, the Group is considering whether to proceed with the project. 	.
			

SEGMENT LEVEL RESULTS

OTHER- AND CONSOLIDATION SEGMENT	2022	2021	Variance	Variance	2022	2021	Variance	Variance
<i>(data in mHUF)</i>	Q1	Q1		(%)	Q1-Q1	Q1-Q1		(%)
Net sales revenue	-98,6	-92,0	-6,5	+7%	-98,6	-92,0	-6,5	+7%
Direct expenses	-58,8	-22,7	-36,1	+159%	-58,8	-22,7	-36,1	+159%
Gross profit	-39,8	-69,4	+29,6	-43%	-39,8	-69,4	+29,6	-43%
Indirect expenses	37,9	-58,2	+96,2	-165%	37,9	-58,2	+96,2	-165%
EBITDA	-77,7	-11,1	-66,6	+600%	-77,7	-11,1	-66,6	+600%
<i>Gross profit margin (%)</i>	<i>40%</i>	<i>75%</i>	<i>-35%</i>		<i>40%</i>	<i>75%</i>	<i>-35%</i>	
<i>EBITDA margin (%)</i>	<i>79%</i>	<i>12%</i>	<i>+67%</i>		<i>79%</i>	<i>12%</i>	<i>+67%</i>	

- Under the Other and consolidation segment we present the supporting holding activity of Duna House Holding Nyrt. and Hgroup S.p.a., 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

data in million HUF	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 2020	172,0	1 526,2	83,3	5 318,3	6 906,2	-64,2	6 842,0
Dividend paid				-1 388,4	-1 388,4		-1 388,4
Total comprehensive income			29,2	1 470,4	1 499,6	0,2	1 499,7
Purchase of treasury shares					-49,8		-49,8
Employee Share-based payment provision		18,0			18,0		18,0
31 December 2021	172,0	1 544,1	112,5	5 400,3	6 985,5	-64,0	6 921,5
Dividend paid					0,0		0,0
Total comprehensive income			39,7	511,8	551,5	496,5	1 048,0
Purchase of treasury shares					-57,3		-57,3
Employee Share-based payment provision		-3,3			-3,3		-3,3
31 March 2022	172,0	1 540,8	152,2	5 912,0	7 476,3	432,5	7 908,8

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 2022Q1 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 2022.

Budapest, 31 May 2022.

Duna House Holding Plc. Board of Directors

Represented by: Doron Dymshiz, Board of Directors, President