

# DUNA HOUSE GROUP

## 2023.Q4 Quarterly report

28 February 2024



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**EXECUTIVE SUMMARY- 2023 FOURTH QUARTER**

**Quarterly results**

- **Duna House Group (the "Group") had revenue of HUF 9.1 billion and EBITDA of HUF 626 million in the fourth quarter of 2023. The Group's consolidated quarterly clean core EBITDA closed at HUF 686 million.**
- The Group's quarterly result was below management's expectations. Italy temporarily lost quarterly EBITDA due to impairment charges and provisioning of HUF 332 million, Hungarian operations generated EBITDA of HUF 344 million and Poland generated EBITDA of HUF 285 million with a strong uptrend during the year.
- Management sees a gradual improvement in the Hungarian and Polish markets, while in Italy rising interest rates during 2023 have kept the markets under continued pressure (see [p. 15](#) for market specifics).
- In addition to the core activity, the pace of Forest Hill handovers picked up towards the end of the year. The project generated sales of HUF 617 million and a margin of HUF 225 million in the fourth quarter of 2023.

**Yearly results**

- **The Group closed the full year of 2023 with revenues of HUF 32.8 billion and EBITDA of HUF 3.2 billion. Adjusted core EBITDA amounted to HUF 2.7 billion.**
- In Italy, the Group generated EBITDA of HUF 1.1 billion due to a weak last quarter performance and impairments, in Hungary HUF 1.6 billion and in Poland HUF 383 million.
- In addition to the core business, the Forest Hill project generated total revenues of HUF 4.7 billion and EBITDA of HUF 812 million within the Group's Hungarian operations.
- The Group generated a total cash flow of HUF 624 million from the ongoing sale of the investment property portfolio in the context of streamlining its business profile.

**Guidance 2023 & dividend**

- The Group has missed its profit targets for the full year 2023 due to the change in scope of consolidation and weak Q4 results in Italy, but the cash flow from the Forest Hill handovers and the sale of the real estate portfolio provide significant additional dividend payout potential over and above the result of the core activity.
- The Board of Directors intends to propose a **dividend payment of HUF 4,505 million, or HUF 131.0 per share**, to the Annual General Meeting to be held on 29 April 2023. **The proposed dividend is 18.8% of the closing price of the stock exchange on 27 February 2023.**

*[A breakdown of the guidance fulfillment and proposed dividend is set out on page 11.](#)*



# DUNA HOUSE GROUP

## Consolidated financial statements



## CONSOLIDATED INCOME STATEMENT

| Consolidated income statement<br>(data in mHUF, except earnings per share) | 2023 Q4        |                | 2022 Q4         |             | Variance       |                | 2023 Q1-Q4      |             | 2022 Q1-Q4 |  | Variance |  |
|--|----------------|----------------|-----------------|-------------|----------------|----------------|-----------------|-------------|------------|--|----------|--|
|  | (not audited)  | (not audited)  | mHUF            | %           | (not audited)  | (audited)      | mHUF            | %           |            |  |          |  |
| Net sales revenue  | 9 133,3        | 8 938,4        | +194,8          | +2%         | 32 837,5       | 30 264,3       | +2 573,2        | +9%         |            |  |          |  |
| Other operating income   | 147,2          | 71,0           | +76,2           | +107%       | 391,2          | 404,9          | -13,7           | -3%         |            |  |          |  |
| Variation in self-manufactured stock                                       | 324,6          | 539,6          | -215,0          | -40%        | 3 409,7        | 1 256,7        | +2 153,1        | +171%       |            |  |          |  |
| Consumables and raw materials  | 37,9           | 51,0           | -13,1           | -26%        | 138,9          | 228,7          | -89,8           | -39%        |            |  |          |  |
| Cost of goods and services sold  | 348,0          | 388,4          | -40,5           | -10%        | 1 456,9        | 2 041,8        | -585,0          | -29%        |            |  |          |  |
| Contracted services  | 6 812,6        | 5 825,7        | +987,0          | +17%        | 21 932,1       | 20 258,2       | +1 673,9        | +8%         |            |  |          |  |
| Personnel costs  | 568,6          | 518,1          | +50,5           | +10%        | 2 159,9        | 1 817,3        | +342,6          | +19%        |            |  |          |  |
| Other operating charges  | 562,9          | 104,8          | +458,1          | +437%       | 974,2          | 616,0          | +358,1          | +58%        |            |  |          |  |
| <b>EBITDA</b>  | <b>626,0</b>   | <b>1 581,9</b> | <b>-955,8</b>   | <b>-60%</b> | <b>3 157,0</b> | <b>4 450,5</b> | <b>-1 293,4</b> | <b>-29%</b> |            |  |          |  |
| Depreciation and amortization  | 200,6          | 203,8          | -3,1            | -2%         | 763,9          | 778,5          | -14,6           | -2%         |            |  |          |  |
| Depreciation of right-of-use assets  | 120,0          | 72,4           | +47,6           | +66%        | 414,1          | 235,6          | +178,5          | +76%        |            |  |          |  |
| <b>Operating income (EBIT)</b>   | <b>305,4</b>   | <b>1 305,7</b> | <b>-1 000,3</b> | <b>-77%</b> | <b>1 979,0</b> | <b>3 436,3</b> | <b>-1 457,3</b> | <b>-42%</b> |            |  |          |  |
| Financial income   | 1 088,7        | 326,4          | +762,3          | +234%       | 2 502,4        | 803,5          | +1 698,9        | +211%       |            |  |          |  |
| Financial charges  | 260,1          | 277,8          | -17,6           | -6%         | 1 101,6        | 739,1          | +362,5          | +49%        |            |  |          |  |
| Share of the results of jointly controlled undertakings                    | -8,0           | 1,2            | -9,2            | -787%       | -6,3           | 214,4          | -220,8          | -103%       |            |  |          |  |
| <b>Profit before tax from continuing operations</b>                        | <b>1 125,9</b> | <b>1 355,5</b> | <b>-229,6</b>   | <b>-17%</b> | <b>3 373,6</b> | <b>3 715,2</b> | <b>-341,6</b>   | <b>-9%</b>  |            |  |          |  |
| Income tax expense   | 245,6          | 396,8          | -151,2          | -38%        | 656,1          | 775,9          | -119,8          | -15%        |            |  |          |  |
| <b>Profit after tax from continuing operations</b>                         | <b>880,3</b>   | <b>958,7</b>   | <b>-78,4</b>    | <b>-8%</b>  | <b>2 717,4</b> | <b>2 939,2</b> | <b>-221,8</b>   | <b>-8%</b>  |            |  |          |  |
| Profit or loss after tax from a discontinued operations                    | 0,0            | 0,9            | -0,9            | -100%       | 0,0            | 0,9            | -0,9            | -100%       |            |  |          |  |
| <b>Profit after tax</b>  | <b>880,3</b>   | <b>959,6</b>   | <b>-79,3</b>    | <b>-8%</b>  | <b>2 717,4</b> | <b>2 940,1</b> | <b>-222,7</b>   | <b>-8%</b>  |            |  |          |  |
| Other comprehensive income   | -46,8          | -337,7         | +290,9          | -86%        | -269,6         | 513,6          | -783,2          | -152%       |            |  |          |  |
| <b>Total comprehensive income attributable to</b>                          | <b>833,5</b>   | <b>621,9</b>   | <b>+211,6</b>   | <b>+34%</b> | <b>2 447,8</b> | <b>3 453,7</b> | <b>-1 005,8</b> | <b>-29%</b> |            |  |          |  |
| Shareholders of the Company  | 857,4          | 558,7          | +298,6          | +53%        | 2 458,7        | 3 102,8        | -644,1          | -21%        |            |  |          |  |
| Non-controlling interest   | -23,9          | 63,2           | -87,0           | -138%       | -10,9          | 350,8          | -361,7          | -103%       |            |  |          |  |
| <b>Earnings per share (diluted)</b>  | <b>25,9</b>    | <b>31,9</b>    | <b>-6,0</b>     | <b>-19%</b> | <b>76,4</b>    | <b>83,3</b>    | <b>-7,0</b>     | <b>-8%</b>  |            |  |          |  |

## Comments

- Group revenue for the quarter was HUF 9.1 billion (+2% yoy), EBITDA closed at HUF 623 million (-61% yoy). *EBITDA performance was influenced by specific factors, see the reconciliation of [Clean core result on page 7-8](#).*
- The change in Variation in self-manufactured stock is due to the cost of the final settlement of the flats of the 100% owned Forest Hill development project. During the quarter, delivery of the Forest Hill development apartments continued, with the Group recognising revenue of HUF 617 million on inventory value of HUF 383 million.
- During the quarter, the Group recognised impairment charges (HUF 182 million) and provisions (HUF 150 million) totalling HUF 332 million for the expected current and prior year costs of multi-year incentive plans for the agent network in the Italian subsidiaries, included in other operating expenses.
- Within Depreciation and amortisation, the amortisation of intangible assets identified in connection with the acquisition of Hgroup (brand name, value of banking and agency contracts) amounted to HUF 107 million.
- During the quarter, the EUR/HUF exchange rate moved from 391.25 to 382.78, resulting in a net foreign exchange gain of HUF 93.6 million on foreign currency items (Q4 2022: HUF 27 million foreign exchange gain). In addition, the Group i) recorded a net gain of HUF 679 million due to the decrease in the expected value of Hgroup's deferred purchase price liability, ii) earned interest income of HUF 185 million during the quarter. Financial expenses included quarterly interest on the Duna House NKP Bond 2030/I and 2032/I bonds totalling HUF 111 million.
- The profit after tax for the fourth quarter of 2023 was HUF 880 million, and the annual profit after tax was HUF 2.7 billion. **Clean core profit after tax for the fourth quarter of 2023 was HUF 346 million and for the full year 2023 HUF 2.0 billion.** *A reconciliation of the Clean core result is provided on [page 7-8](#).*
- Other comprehensive income includes goodwill values recorded in foreign currency and exchange rate changes on the equity of foreign subsidiaries recorded in HUF.
- Earnings per share are calculated by deducting the earnings attributable to non-controlling interests from the profit after tax.

## CONSOLIDATED BALANCE SHEET

| Consolidated balance sheet data in mHUF | 31 December 2023<br>(not audited) | 31 December<br>2022 (audited) | Variance        |             |
|---|-----------------------------------|-------------------------------|-----------------|-------------|
|   |                                   |                               | mHUF            | %           |
| Intangibles and Goodwill                | 11 529,7                          | 12 328,9                      | -799,3          | -6%         |
| Investment property                     | 0,0                               | 982,5                         | -982,5          | -100%       |
| Property, plant                         | 1 627,3                           | 1 787,1                       | -159,8          | -9%         |
| Right-of-use asset                      | 1 483,8                           | 1 540,9                       | -57,1           | -4%         |
| Other                                   | 1 327,0                           | 1 309,3                       | +17,7           | +1%         |
| <b>Non-current assets</b>               | <b>15 967,8</b>                   | <b>17 948,7</b>               | <b>-1 980,9</b> | <b>-11%</b> |
| Inventories                             | 2 278,4                           | 6 059,1                       | -3 780,7        | -62%        |
| Trade receivables                       | 3 316,4                           | 3 229,8                       | +86,6           | +3%         |
| Restricted cash                         | 0,5                               | 92,6                          | -92,1           | -99%        |
| Cash and cash equivalents               | 8 271,4                           | 10 646,4                      | -2 375,0        | -22%        |
| Accruals                                | 1 202,3                           | 911,2                         | +291,1          | +32%        |
| Assets held for sale                    | 527,4                             | 402,4                         | +125,0          | +31%        |
| Other                                   | 2 247,1                           | 1 882,6                       | +364,6          | +19%        |
| <b>Current assets</b>                   | <b>17 843,5</b>                   | <b>23 223,9</b>               | <b>-5 380,4</b> | <b>-23%</b> |
| <b>Total assets</b>                     | <b>33 811,3</b>                   | <b>41 172,6</b>               | <b>-7 361,4</b> | <b>-18%</b> |
| <b>Share capital</b>                    | <b>5 479,6</b>                    | <b>5 250,9</b>                | <b>+228,7</b>   | <b>+4%</b>  |
| Borrowings                              | 13 938,7                          | 14 463,9                      | -525,2          | -4%         |
| Other non-current liabilities           | 7 686,5                           | 12 373,0                      | -4 686,5        | -38%        |
| <b>Non-current liabilities</b>          | <b>21 625,1</b>                   | <b>26 836,8</b>               | <b>-5 211,7</b> | <b>-19%</b> |
| Borrowings                              | 90,4                              | 357,0                         | -266,7          | -75%        |
| Trade payables                          | 3 570,2                           | 3 106,9                       | +463,3          | +15%        |
| Deferrals                               | 859,5                             | 731,8                         | +127,7          | +17%        |
| Other liabilities                       | 2 186,5                           | 4 889,2                       | -2 702,7        | -55%        |
| <b>Current liabilities</b>              | <b>6 706,6</b>                    | <b>9 084,9</b>                | <b>-2 378,3</b> | <b>-26%</b> |
| <b>Total equity and liabilities</b>     | <b>33 811,3</b>                   | <b>41 172,6</b>               | <b>-7 361,4</b> | <b>-18%</b> |

## Comments

- Of the value of intangible assets and goodwill, HUF 9.2 billion was the value of intangible assets and goodwill identified in the Hgroup acquisition.
- The Group's inventory has decreased by HUF 3.8 billion since the end of the previous year due to the continued delivery of the Forest Hill apartments.
- The Group's cash and cash equivalents amounted to HUF 8.3 billion at the end of the year.
- The Group's consolidated equity after dividend payment of HUF 3.7 billion amounted to HUF 5.5 billion on 31 December 2023.
- The total value of credit liabilities amounted to HUF 13.9 billion at the end of the quarter, of which HUF 13.0 billion was the interest-bearing value of bond liabilities and HUF 0.9 billion was Hgroup's bank loans in Italy. The Group's net external borrowings stood at HUF 5.8 billion at 31 December 2023, 2.1 times 12-month adjusted core EBITDA. In November 2023, Scope Ratings completed its annual review of the Group's bond ratings and affirmed the BB-/Stable rating of the Issuer and the BB- rating of the Bonds.
- Other non-current liabilities include a lease liability and two deferred liabilities related to the HGroup acquisition: i) an earn-out liability of HUF 1.4 billion related to the acquisition of the 70% stake and ii) an expected option liability of HUF 3.2 billion for the buy-out of the remaining minority interest.

**CLEAN CORE RESULT - EBITDA**

| data in million of HUF                       | 2023Q4       | 2022Q4         | Variance %    | 2023 Q1-Q4     | 2022 Q1-Q4     | Variance %   |
|--|--------------|----------------|---------------|----------------|----------------|--------------|
| <b>EBITDA</b>                                | <b>626,0</b> | <b>1 581,9</b> | <b>-60%</b>   | <b>3 157,0</b> | <b>4 450,5</b> | <b>-29%</b>  |
| (-) MyCity EBITDA                            | 212,2        | 550,3          | -61%          | 811,9          | 987,4          | -18%         |
| <b>Core EBITDA</b>                           | <b>413,9</b> | <b>1 031,6</b> | <b>-60%</b>   | <b>2 345,1</b> | <b>3 463,0</b> | <b>-32%</b>  |
| (-) Costs related to before acquisition date | 0,0          | 0,0            |               | 0,0            | -8,1           | -100%        |
| (-) Result of portfolio appraisal            | 0,0          | -13,0          | -100%         | 91,2           | 51,1           | +79%         |
| (-) EBITDA of Relabora and Realizza          | -73,9        | 0,0            |               | -209,2         | 0,0            |              |
| (-) Hgroup impairment                        | -182,4       | 0,0            |               | -182,4         | 0,0            |              |
| (-) Tax correction of previous years         | -16,1        | 0,0            |               | -37,3          | 0,0            |              |
| (-) Acquisition costs                        | 0,0          | 0,0            |               | 0,0            | -125,9         | -100%        |
| <b>Total core adjustments</b>                | <b>272,4</b> | <b>13,0</b>    | <b>+1990%</b> | <b>-337,8</b>  | <b>82,9</b>    | <b>-507%</b> |
| <b>Cleaned core EBITDA</b>                   | <b>686,3</b> | <b>1 044,6</b> | <b>-34%</b>   | <b>2 682,9</b> | <b>3 546,0</b> | <b>-24%</b>  |

- In the interest of transparency, the Group discloses from the second quarter of 2019 "clean core" adjusted results categories, in which, in addition to the results of the MyCity property development business, it makes further adjustments for items that management considers to be either unique or material to the Group's ongoing earnings performance.
- In Q4 2023, the Group applied the following specific adjustments to EBITDA:
  - Under the agreement with ProfessioneCasa, the Italian real estate brokerage activities (Realizza and Relabora) are taken over by ProfessioneCasa from January 2024, and will therefore be considered as discontinued operations by the management.
  - Impairment and provision were recognised of HUF 182 million related to costs attributable to prior years regarding multiannual incentive plans of the agent network in the Italian subsidiaries.
  - HUF 16 million in taxes for the year 2022 in the fourth quarter of 2023.
- The Group's **clean core EBITDA amounted to HUF 686 million** in the fourth quarter of 2023 (-34% y/y).

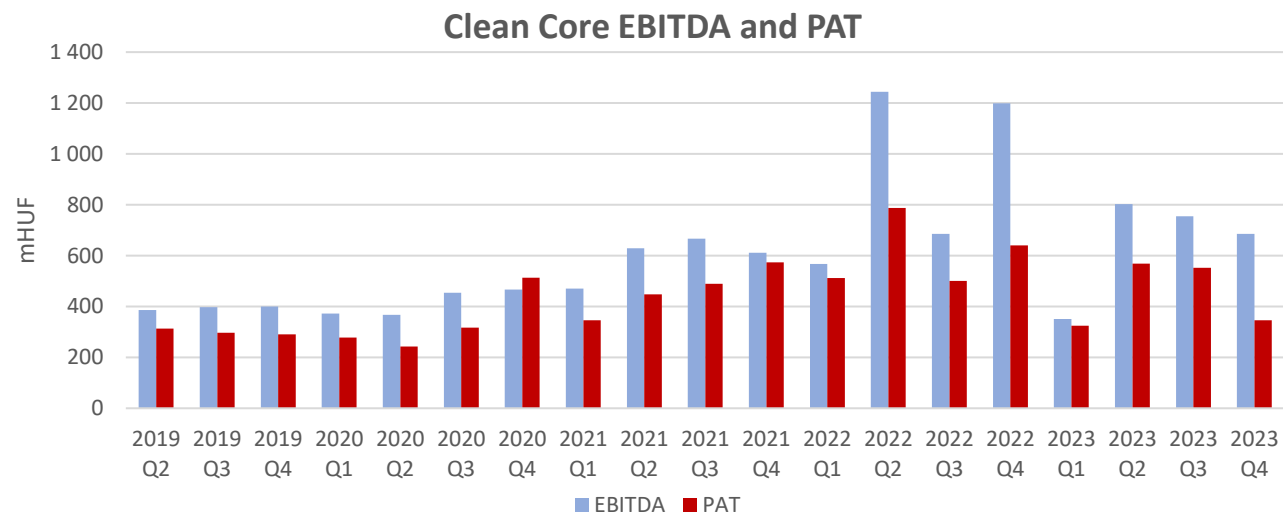
## CLEAN CORE RESULT – PROFIT AFTER TAX

| data in million HUF                            | 2023Q4        | 2022Q4       | Variance %   | 2023 Q1-Q4     | 2022 Q1-Q4     | Variance %   |
|--|---------------|--------------|--------------|----------------|----------------|--------------|
| <b>Profit after tax</b>                        | <b>880,3</b>  | <b>958,7</b> | <b>-8%</b>   | <b>2 717,4</b> | <b>2 939,2</b> | <b>-8%</b>   |
| (-) Profit after tax for MyCity                | 180,1         | 422,6        | -57%         | 584,0          | 622,6          | -6%          |
| <b>Core PAT</b>                                | <b>700,1</b>  | <b>536,1</b> | <b>+31%</b>  | <b>2 133,4</b> | <b>2 316,7</b> | <b>-8%</b>   |
| (-) Costs related to before acquisition date   | 0,0           | 0,0          | -            | 0,0            | -8,1           | -100%        |
| (-) Result of portfolio appraisal              | 0,0           | -13,0        | -100%        | 91,2           | 51,1           | +79%         |
| (-) Profit before tax of Relabora and Realizza | -77,9         | 0,0          | -            | -225,9         | 0,0            | -            |
| (-) Result of foreign currency exchange        | 93,6          | 27,3         | +243%        | 166,3          | 242,3          | -31%         |
| (-) Result on Hgroup minority buyout           | 0,0           | 0,0          | -            | 82,7           | 0,0            | -            |
| (-) Hgroup EarnOut liability revaluation       | 678,5         | 0,0          | -            | 736,0          | 0,0            | -            |
| (-) Amortization of Hgroup intangibles         | -106,8        | -174,6       | -39%         | -427,1         | -507,2         | -16%         |
| (-) Hgroup impairment                          | -182,4        | 0,0          | +0%          | -182,4         | 0,0            | +0%          |
| (-) Goodwill impairment                        | 0,0           | -58,0        | -100%        | 0,0            | -58,0          | -100%        |
| (-) Tax correction of previous years           | -16,1         | 0,0          | -            | -50,7          | 0,0            | -            |
| (-) Acquisition costs                          | 0,0           | 0,0          | -            | 0,0            | -125,9         | -100%        |
| <b>Total core adjustments</b>                  | <b>-388,9</b> | <b>218,3</b> | <b>-278%</b> | <b>-190,0</b>  | <b>405,9</b>   | <b>-147%</b> |
| <b>Tax effect of adjustments (9%)</b>          | <b>35,0</b>   | <b>-19,7</b> | <b>-278%</b> | <b>17,1</b>    | <b>-36,5</b>   | <b>-147%</b> |
| <b>Cleaned core PAT</b>                        | <b>346,3</b>  | <b>734,7</b> | <b>-53%</b>  | <b>1 960,5</b> | <b>2 686,0</b> | <b>-27%</b>  |

- In the fourth quarter of 2023, the Group applied the following adjustments to profit after tax:
  - Under the terms of the agreement with ProfessioneCasa, the Italian real estate brokerage activities (Realizza and Relabora) are taken over by ProfessioneCasa as of January 2024, and are therefore considered by management as discontinued operations.
  - Foreign exchange gains of HUF 94 million on the revaluation of foreign currency and foreign currency denominated receivables and payables,
  - A gain of HUF 679 million on the reduction of the expected amount of earnout liabilities related to the Hgroup acquisition,
  - Recognised a scheduled impairment of HUF 107 million on intangible assets (brand name, value of banking and agency contracts) included in the balance sheet related to the Hgroup acquisition. The maintenance of these assets does not involve any expense for the Group.
  - Impairment and provision were recognised of HUF 182 million related to costs attributable to prior years regarding multiannual incentive plans of the agent network in the Italian subsidiaries.
  - Recognised a tax charge of HUF 16 million for the year 2022 in the fourth quarter of 2023.
- Duna House Group's **clean core profit after tax result amounted to HUF 346 million (-53% y/y)**.



## EVOLUTION OF CLEAN CORE RESULTS



- Following the rebound in Q2 2023, the Group ended the year on a slightly declining path for adjusted core EBITDA.
- The Group's growth trajectory since its IPO was halted by the downturn in the Polish and Hungarian markets in the second half of 2022, but both markets returned to growth in 2023.
- In Italy, on the other hand, as an EUR area market, the cycle of interest rate hikes continued, and its negative impact persisted throughout 2023.

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

| in million HUF           | Hungary |         | Poland  |         | Czech Republic |         | Italy   |         | Duna House Group |         |
|--------------------------|---------|---------|---------|---------|----------------|---------|---------|---------|------------------|---------|
|                          | 2023 Q4 | 2022 Q4 | 2023 Q4 | 2022 Q4 | 2023 Q4        | 2022 Q4 | 2023 Q4 | 2022 Q4 | 2023 Q4          | 2022 Q4 |
| <b>Net sales revenue</b> | 1 576,5 | 2 118,0 | 2 957,2 | 1 085,9 | 64,6           | 100,5   | 4 535,1 | 5 634,0 | 9 133,3          | 8 938,4 |
| <b>EBITDA</b>            | 344,0   | 825,9   | 285,1   | -79,4   | -5,9           | -7,1    | 2,7     | 842,5   | 626,0            | 1 581,9 |
| <b>Operating income</b>  | 249,3   | 798,8   | 228,0   | -95,2   | -11,1          | -7,1    | -160,8  | 609,1   | 305,4            | 1 305,7 |
| <b>Profit after tax</b>  | 1 000,8 | 794,4   | 139,2   | -87,8   | -7,9           | -7,1    | -251,9  | 260,2   | 880,2            | 959,6   |

| in million HUF           | Hungary  |          | Poland   |          | Czech Republic |          | Italy    |          | Duna House Group |          |
|--------------------------|----------|----------|----------|----------|----------------|----------|----------|----------|------------------|----------|
|                          | 2023Q1-4 | 2022Q1-4 | 2023Q1-4 | 2022Q1-4 | 2023Q1-4       | 2022Q1-4 | 2023Q1-4 | 2022Q1-4 | 2023Q1-4         | 2022Q1-4 |
| <b>Net sales revenue</b> | 8 290,6  | 7 706,0  | 7 364,8  | 6 620,6  | 226,9          | 368,7    | 16 955,1 | 15 569,0 | 32 837,5         | 30 264,3 |
| <b>EBITDA</b>            | 1 641,5  | 2 333,0  | 383,3    | 17,9     | -17,5          | -20,3    | 1 149,7  | 2 119,8  | 3 157,0          | 4 450,5  |
| <b>Operating income</b>  | 1 294,0  | 2 104,3  | 228,6    | -51,6    | -33,5          | -20,3    | 489,9    | 1 403,9  | 1 979,0          | 3 436,3  |
| <b>Profit after tax</b>  | 2 466,2  | 2 067,9  | 133,3    | -61,3    | -26,5          | -23,4    | 144,4    | 956,9    | 2 717,4          | 2 940,1  |

- The Italian Hgroup accounted for 50% of the Group's turnover in the fourth quarter of 2023. Its quarterly EBITDA was reduced to zero due to i) the loss of the Italian real estate brokerage activity (HUF 78 million), which was discontinued following the agreement with Professionecasa, and ii) the recognition of a specific impairments (HUF 182 million) and provisions (HUF 150 million) by the Group's management for prudential reasons. The operating result was further reduced by the amortization of intangible assets (brand name, value of banking and agency contracts) identified in the acquisition in accordance with IFRS 3 on a regular pro rata basis. These assets serve the Group in the long term; however, their maintenance does not entail any expense for the Group and has no cash flow impact. [See the reconciliation of Clean core results on page 7-8.](#)
- In Hungary, the handovers of the Forest Hill project cause significant fluctuations in the consolidated financial statements. The property development activity generated total revenues of HUF 617 million and quarterly EBITDA of HUF 212 million in Q4 2023, resulting in Hungarian core EBITDA of HUF 132 million. The Hungarian EBITDA was negatively impacted by the return of Impact Fund Management to consolidation (loss of HUF 56 million) and increased provisions for trade receivables (HUF 36 million).
- The Group's Polish subsidiaries' revenue nearly tripled compared to Q4 2022, and EBITDA jumped to HUF 282 million quarter-on-quarter. Borrowing rules were eased in early 2023, leading to a noticeable recovery in the depressed credit market ([see page 15 for market specifics](#)).
- The Czech subsidiaries closed the quarter with revenues of HUF 65 million and EBITDA of HUF -6 million.

## 2023 GUIDANCE AND DIVIDEND

### Guidance fulfillment

|  | Hungary<br>2023 | Poland<br>2023 | Czech<br>Republic<br>2023 | Italy<br>2023 | Duna House<br>Total<br>2023 |
|--|-----------------|----------------|---------------------------|---------------|-----------------------------|
| <b>Clean core EBITDA</b>               | 775,7           | 383,3          | -17,5                     | 1 541,3       | <b>2 682,9</b>              |
| GUIDANCE min                           | 829,0           | -105,0         | -30,0                     | 2 020,0       | <b>2 714,0</b>              |
| max                                    | 1 013,0         | -70,0          | -10,0                     | 2 469,0       | <b>3 402,0</b>              |
| <b>Clean core profit<br/>after tax</b> | 949,0           | 133,3          | -26,5                     | 904,6         | <b>1 960,5</b>              |
| GUIDANCE min                           | 934,0           | -112,0         | -35,0                     | 1 418,0       | <b>2 205,0</b>              |
| max                                    | 1 120,0         | -75,0          | -12,0                     | 1 692,0       | <b>2 725,0</b>              |

**Duna House Group underperformed its EBITDA and profit after tax plans by HUF 31 million and HUF 245 million, respectively. The underperformance is due to the following reasons:**

1. The Group had planned to sell Impact Alapkezelő Zrt., but sees new business potential in the activity following a failed transaction. The reconsolidation of the fund manager reduced the Group's EBITDA by HUF 56 million
2. The Italian subsidiaries were nearly HUF 500 million below the annual plan EBITDA and PAT plans due to a weak credit market caused by high EUR interest rates. The Group expects to pay a lower deferred purchase price (earn-out) by HUF 679 million to sellers due to the weak 2023 EBITDA. This adjustment increases the Group's financial result but has not been included as a positive item in the calculation of adjusted core profit after tax.

In 2023, the delivery of the apartments in the Forest Hill development generated HUF 1.3 billion of cash flow for the Group, while the ongoing sale of the investment property portfolio generated a further HUF 624 million of cash flow in the context of the profile streamlining.

### Proposed dividend

|  |                     |
|--|---------------------|
| <b>Profit after tax</b>  | <b>2,717.4 mHUF</b> |
| MyCity profit after tax (paid on cash flow base)   | -584.0 mHUF         |
| Property revaluations  | -91.2 mHUF          |
| Revaluation differences on equity method investments recognised in the profit&loss account | 6.3 mHUF            |
| Profit after tax to non-controlling interest   | -10.9 mHUF          |
| <b>Dividend base</b>   | <b>2,037.7 mHUF</b> |
| Dividend to ordinary shareholders (47% based on the Dividend policy)                       | 957.7 mHUF          |
| Dividend received from joint venture   | 91.5 mHUF           |
| Forest Hill cash flow (with ongoing sales)   | 2,831.8 mHUF        |
| Sale of investment property - Property portfolio profiling                                 | 623.7 mHUF          |
| <b>Total</b>   | <b>4,504.7 mHUF</b> |
| <b>Proposed dividend</b>   | <b>4,504.9 mHUF</b> |
| Number of ordinary shares  | 34,388,870          |
| <b>Proposed dividend per share</b>   | <b>131.0 Ft</b>     |

In its decision on the dividend, the Board of Directors has confirmed its previous communication, proposing to pay an additional dividend on top of the dividend under the Group's dividend policy:

- i) Dividend income of HUF 91.5 million received in 2023 related to the completion of the MyCity Residence project,
- ii) HUF 2,831.8 million cash flow received by the Group from the Forest Hill project and ongoing transactions, of which HUF 1,058 million is a related party transaction with Supervisory Board approval,
- iii) A total of HUF 623.7 million was received from the portfolio of properties under disinvestment.

**BoD plans to propose a dividend of HUF 4,504.9 million, or HUF 131 per share, for the company's Annual General Meeting scheduled for 29 April 2024.**

The Group has started to sell its investment property portfolio in order to streamline its profile. The Board of Directors intends to use the additional total of HUF 3.0 billion expected from the Forest Hill project and the sale of the entire investment property portfolio for dividend payments or acquisitions in the future.

## CONSOLIDATED CASH FLOW STATEMENT

| Consolidated cash flow statement<br>data in mHUF   | 2023 Q1-Q4<br>(not audited) | 2022 Q1-Q4<br>(audited) |  | 2023 Q1-Q4<br>(not audited) | 2022 Q1-Q4<br>(audited) |
|--|-----------------------------|-------------------------|--|-----------------------------|-------------------------|
| <b>Cash flow from operating activity</b>   |                             |                         | <b>Cash flow from investing activity</b>                   |                             |                         |
| Profit before tax from continuing operations   | 3 373,6                     | 3 715,2                 | Proceeds from sale of property, plant and equipment        | 779,4                       | 703,9                   |
| Profit/(loss) before tax from discontinued operations                                      | 0,0                         | 1,0                     | Purchase of property, plant and equipment                  | (5,3)                       | (193,2)                 |
| <b>Profit before tax</b>   | <b>3 373,6</b>              | <b>3 716,1</b>          | Purchase of investment properties                          | (1,4)                       | 0,0                     |
| Adjustments to reconcile profit before tax to net cash flows:                              |                             |                         | Purchase of financial instruments                          | (2,5)                       | (12,9)                  |
| Depreciation and impairment of property, plant and equipment and right-of-use assets       | 1 059,9                     | 1 014,1                 | Proceeds from sale of financial instruments                | 0,0                         | 0,0                     |
| Amortisation and impairment of intangible assets and impairment of goodwill                | 118,1                       | 58,0                    | Dividends from associates and joint ventures               | 109,7                       | 194,5                   |
| Share-based payment expense  | 20,6                        | 16,9                    | Development expenditures                                   | (205,5)                     | 0,0                     |
| Net foreign exchange differences   | 63,0                        | (284,0)                 | Acquisition of a subsidiary, net of cash acquired          | (210,2)                     | (2 816,4)               |
| Gain on disposal of property, plant and equipment  | (101,2)                     | (71,1)                  | <b>Net cash flow from investing activity</b>               | <b>464,3</b>                | <b>(2 124,1)</b>        |
| Fair value adjustment of a contingent consideration  | (975,1)                     | 0,0                     | <b>Cash flow from financing activity</b>                   |                             |                         |
| Finance income   | (1 527,3)                   | (803,5)                 | Proceeds from exercise of share options                    | 259,4                       | 155,6                   |
| Finance costs  | 1 101,6                     | 739,1                   | Purchase of own shares                                     | (69,5)                      | (388,9)                 |
| Net loss on derivative instruments at fair value through profit or loss                    | 0,0                         | 0,0                     | Acquisition of non-controlling interests                   | (1 127,1)                   | (123,4)                 |
| Share of profit of an associate and a joint venture  | 6,3                         | (214,4)                 | Payment of principal portion of lease liabilities          | (505,7)                     | (236,7)                 |
| Movements in provisions, pensions and government grants                                    | 2,8                         | (48,8)                  | Payment of deferred payments                               | (241,7)                     | 0,0                     |
| <b>Changes of working capital</b>  |                             |                         | Proceeds from borrowings                                   | (25,9)                      | 5 914,0                 |
| Decrease/(increase) in trade receivables, contract assets, prepayments and restricted cash | (850,8)                     | 2 410,0                 | Repayment of borrowings                                    | (765,9)                     | (5 169,2)               |
| Decrease in inventories and right of return assets   | 3 780,7                     | 1 359,8                 | Dividends paid to equity holders of the parent             | (3 836,9)                   | (1 172,0)               |
| Increase in trade and other payables, contract liabilities and refund liabilities          | (2 078,8)                   | 1 550,4                 | <b>Net cash flow from financing activity</b>               | <b>(6 313,3)</b>            | <b>(1 020,6)</b>        |
| Interest received  | 1 097,7                     | 485,0                   | Net change of cash and cash equivalents                    | (2 241,6)                   | 5 287,2                 |
| Interest paid  | (720,4)                     | (479,2)                 | Cash and cash equivalents at start of period               | 10 646,4                    | 5 226,5                 |
| Income tax paid  | (763,2)                     | (1 007,0)               | Currency exchange differences on cash and cash equivalents | (133,3)                     | 132,6                   |
| <b>Net cash flow from operating activity</b>   | <b>3 607,3</b>              | <b>8 431,9</b>          | <b>Cash and cash equivalents at end of period</b>          | <b>8 271,4</b>              | <b>10 646,4</b>         |



# DUNA HOUSE GROUP

## Segment report



## SEGMENT LEVEL RESULTS

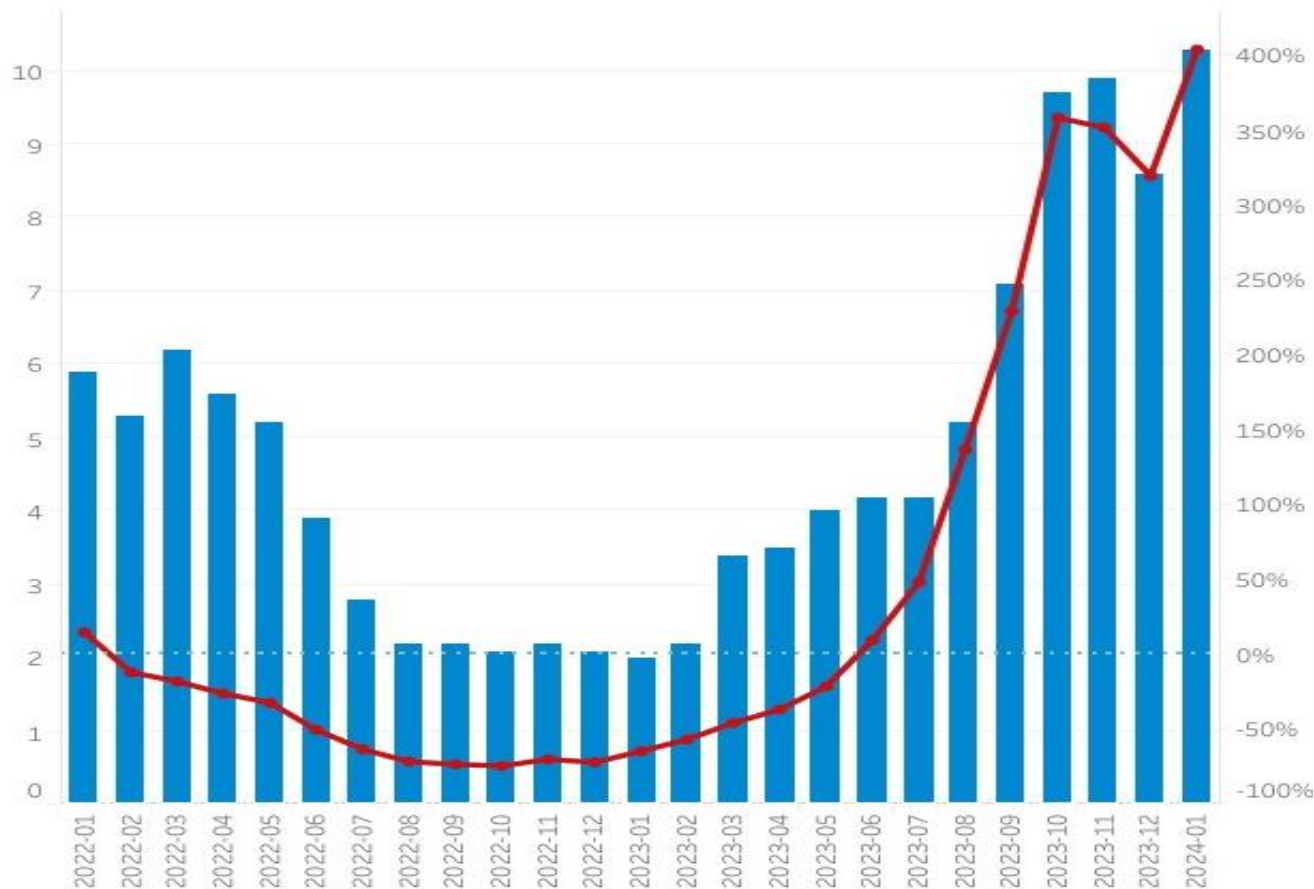
| <b>CONSOLIDATED</b>                  | <b>2023</b>    | <b>2022</b>    | <b>Variance</b> | <b>Variance</b> | <b>2023</b>     | <b>2022</b>     | <b>Variance</b> | <b>Variance</b> |
|--------------------------------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <i>(data in mHUF)</i>                | <b>Q4</b>      | <b>Q4</b>      |                 | <b>(%)</b>      | <b>Q1-Q4</b>    | <b>Q1-Q4</b>    |                 | <b>(%)</b>      |
| Financial segment                    | 7 526,6        | 6 810,6        | +715,9          | +11%            | 24 269,8        | 22 806,9        | +1 462,9        | +6%             |
| Real estate franchise segment        | 540,2          | 573,6          | -33,4           | -6%             | 2 259,9         | 2 427,3         | -167,4          | -7%             |
| Own office segment                   | 421,3          | 362,6          | +58,7           | +16%            | 1 512,3         | 1 665,7         | -153,4          | -9%             |
| Complementary segment                | 107,1          | 29,4           | +77,7           | +265%           | 378,2           | 332,9           | +45,2           | +14%            |
| Investment segment                   | 644,2          | 1 250,2        | -606,0          | -48%            | 4 831,4         | 3 403,3         | +1 428,1        | +42%            |
| Other segment                        | -106,1         | -87,9          | -18,2           | +21%            | -414,0          | -371,8          | -42,2           | +11%            |
| <b>Total net revenue</b>             | <b>9 133,3</b> | <b>8 938,4</b> | <b>+194,8</b>   | <b>+2%</b>      | <b>32 837,5</b> | <b>30 264,3</b> | <b>+2 573,2</b> | <b>+9%</b>      |
| Financial segment                    | 466,6          | 1 046,6        | -580,0          | -55%            | 2 086,4         | 2 997,2         | -910,8          | -30%            |
| Real estate franchise segment        | -0,3           | 29,6           | -29,9           | -101%           | 162,1           | 419,4           | -257,2          | -61%            |
| Own office segment                   | 33,6           | -7,6           | +41,1           | -543%           | 69,2            | 59,1            | +10,1           | +17%            |
| Complementary segment                | -20,9          | 31,1           | -51,9           | -167%           | 28,4            | 61,5            | -33,2           | -54%            |
| Investment segment                   | 229,2          | 558,6          | -329,4          | -59%            | 958,3           | 1 109,7         | -151,5          | -14%            |
| Other segment                        | -82,2          | -76,5          | -5,7            | +7%             | -147,4          | -196,5          | +49,1           | -25%            |
| <b>Total EBITDA</b>                  | <b>626,0</b>   | <b>1 581,9</b> | <b>-955,8</b>   | <b>-60%</b>     | <b>3 157,0</b>  | <b>4 450,5</b>  | <b>-1 293,4</b> | <b>-29%</b>     |
| <i>Financial segment</i>             | <i>6%</i>      | <i>15%</i>     | <i>-9%p</i>     |                 | <i>9%</i>       | <i>13%</i>      | <i>-5%p</i>     |                 |
| <i>Real estate franchise segment</i> | <i>0%</i>      | <i>5%</i>      | <i>-5%p</i>     |                 | <i>7%</i>       | <i>17%</i>      | <i>-10%p</i>    |                 |
| <i>Own office segment</i>            | <i>8%</i>      | <i>-2%</i>     | <i>+10%p</i>    |                 | <i>5%</i>       | <i>4%</i>       | <i>+1%p</i>     |                 |
| <i>Complementary segment</i>         | <i>-19%</i>    | <i>106%</i>    | <i>-125%p</i>   |                 | <i>8%</i>       | <i>18%</i>      | <i>-11%p</i>    |                 |
| <i>Investment segment</i>            | <i>36%</i>     | <i>45%</i>     | <i>-9%p</i>     |                 | <i>20%</i>      | <i>33%</i>      | <i>-13%p</i>    |                 |
| <i>Other segment</i>                 | <i>77%</i>     | <i>87%</i>     | <i>-10%p</i>    |                 | <i>36%</i>      | <i>53%</i>      | <i>-17%p</i>    |                 |
| <b>Total EBITDA margin</b>           | <b>7%</b>      | <b>18%</b>     | <b>-11%p</b>    |                 | <b>10%</b>      | <b>15%</b>      | <b>-5%p</b>     |                 |

\* Includes financial figures and volumes of Italian subsidiaries from 1 April 2022 onwards

- The Group's revenue increased by 2% and EBITDA decreased by 60% in Q4 2023 on a year-on-year basis.
- Financial Intermediation revenue was up 11% y/y to HUF 7.5bn, EBITDA-margin closed the quarter at 6%, 9% for the whole year, due to impairment charges at Italian subsidiaries and a higher weight of lower-margin Polish operations.
- EBITDA for the Group's franchise segment was zero at the end of the year due to increased marketing expenses and costs relating to previous quarters. On an annual basis, it generated HUF 162 million in weak but strengthening markets.
- The Own office segment's revenue increased by 16% compared to Q4 2022, with EBITDA of HUF 34 million.
- Real estate investment segment revenues increased to HUF 644 million, with continued sales of Forest Hill.
- *EBITDA performance was impacted by specific factors, which are presented in the reconciliation of [Clean core results](#) on page 7.*

**MARKET UPDATE**

**Monthly evolution of home loan disbursement, Poland**  
PLNbn (left axis, bar) and year/year change (right axis, line)



**Market update**

- In the Italian credit market, loans with a long interest period are popular, with interest rate rises having a slower but longer-term impact. According to CRIF analysts, the Italian mortgage market as a whole has been in steady decline for two years, with new mortgage originations falling by 23% in 2022 and a further 24% in 2023. The share of the intermediary segment has increased significantly from around 10% pre-Covid in recent years, still only around 20% and with further growth potential for the Group.
- According to the Polish Credit Information Bureau (BIK), the mortgage market expanded fivefold in the last months of 2023 on a year-on-year basis and mortgage lending reached record levels again in January 2024. The unprecedented increase was driven by two partly temporary measures in addition to falling interest rates:
  - The Polish regulator (KNF) has relaxed the PTI rules for fixed-rate loans, increasing the amount of credit that can be borrowed by an average of 20%,
  - A temporary programme called First Home was launched on 1 July 2023 to support first-time homebuyers under 45 years of age. The budget for the programme has been used up, and applications will be assessed and disbursements will continue into the first quarter of 2024. Lower credit market volumes than current monthly levels are expected in 2024.

Housing loan disbursements in Hungary have been on a steadily rising trend throughout 2023, following the market trough in February 2023. Mortgage disbursements in December 2023 were 91% higher than in February 2023, at HUF 63.4 bn, according to MNB data. With inflation slowing, a gradual decline in lending rates and an increase in lending is expected to continue through 2024.

Source: BIK, <https://media.bik.pl/analizy-rynkowe>

## SEGMENT LEVEL RESULTS

| <b>FINANCIAL SEGMENT</b>       | <b>2023</b>    | <b>2022</b>    | <b>Variance</b> | <b>Variance</b> | <b>2023</b>     | <b>2022</b>     | <b>Variance</b> | <b>Variance</b> |
|--------------------------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <i>(data in mHUF)</i>          | <b>Q4</b>      | <b>Q4</b>      |                 | <b>(%)</b>      | <b>Q1-Q4</b>    | <b>Q1-Q4</b>    |                 | <b>(%)</b>      |
| <b>Net sales revenue</b>       | <b>7 526,6</b> | <b>6 810,6</b> | <b>+715,9</b>   | <b>+11%</b>     | <b>24 269,8</b> | <b>22 806,9</b> | <b>+1 462,9</b> | <b>+6%</b>      |
| Direct expenses                | 5 625,2        | 4 379,1        | +1 246,1        | +28%            | 17 737,9        | 16 186,6        | +1 551,3        | +10%            |
| <b>Gross profit</b>            | <b>1 901,3</b> | <b>2 431,5</b> | <b>-530,2</b>   | <b>-22%</b>     | <b>6 531,9</b>  | <b>6 620,3</b>  | <b>-88,4</b>    | <b>-1%</b>      |
| Indirect expenses              | 1 434,7        | 1 384,9        | +49,9           | +4%             | 4 445,4         | 3 623,0         | +822,4          | +23%            |
| <b>EBITDA</b>                  | <b>466,6</b>   | <b>1 046,6</b> | <b>-580,0</b>   | <b>-55%</b>     | <b>2 086,4</b>  | <b>2 997,2</b>  | <b>-910,8</b>   | <b>-30%</b>     |
| <i>Gross profit margin (%)</i> | <i>25%</i>     | <i>36%</i>     | <i>-10%</i>     |                 | <i>27%</i>      | <i>29%</i>      | <i>-2%</i>      |                 |
| <i>EBITDA margin (%)</i>       | <i>6%</i>      | <i>15%</i>     | <i>-9%</i>      |                 | <i>9%</i>       | <i>13%</i>      | <i>-5%</i>      |                 |
| <b>Loan volume (bn HUF)</b>    | <b>248,4</b>   | <b>191,7</b>   | <b>+56,7</b>    | <b>+30%</b>     | <b>735,5</b>    | <b>728,2</b>    | <b>+7,3</b>     | <b>+1%</b>      |
| Hungary                        | 21,4           | 17,9           | +3,5            | +20%            | 70,9            | 88,8            | -17,9           | -20%            |
| Poland                         | 117,3          | 33,4           | +83,9           | +252%           | 263,7           | 240,7           | +23,1           | +10%            |
| Italy                          | 109,7          | 140,5          | -30,8           | -22%            | 400,9           | 398,8           | +2,1            | +1%             |

\* Includes financial figures and volumes of Italian subsidiaries from 1 April 2022 onwards

- The segment's revenue was 11% higher than in Q4 2022, and its gross profit margin closed at 25%, making it the strongest quarter of the year with gross profit of HUF 1.9 billion. The decrease in the gross profit is due to the different margins in each country. The Group generated a low EBITDA of HUF 463 million in the segment thanks to a total impairment of HUF 182 million on receivables of the Italian subsidiaries and an additional provision of HUF 150 million.
- In Italy, loan volumes amounted to EUR 287 million (HUF 109.7 billion), a year-on-year decline of 16% in EUR terms (HUF: -22%). Quarter-on-quarter growth was 17% in EUR terms.
- In Poland, after a lending turnaround in the first quarter, the Group's intermediated loan volume in the fourth quarter of the year amounted to PLN 1 356 million (HUF 117.3 billion, +253% y/y in PLN terms), with quarter-on-quarter growth of 89% in PLN terms. The turnaround was helped by the easing of payment-to-income conditions for fixed-rate loans by the regulator, and further boosted by the launch on 1 July of the First Home programme for first-time home buyers under 45.
- In Hungary, the quarterly loan volume intermediated by the Group amounted to HUF 21.4 billion, up 20% year-on-year and flat quarter-on-quarter.



**SEGMENT LEVEL RESULTS**

| <b>REAL ESTATE FRANCHISE SEGMENT</b> | <b>2023</b>    | <b>2022</b>    | <b>Variance</b> | <b>Variance</b> | <b>2023</b>     | <b>2022</b>     | <b>Variance</b> | <b>Variance</b> |
|--------------------------------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <i>(data in mHUF)</i>                | <b>Q4</b>      | <b>Q4</b>      |                 | <b>(%)</b>      | <b>Q1-Q4</b>    | <b>Q1-Q4</b>    |                 | <b>(%)</b>      |
| <b>Net sales revenue</b>             | <b>540,2</b>   | <b>573,6</b>   | <b>-33,4</b>    | <b>-6%</b>      | <b>2 259,9</b>  | <b>2 427,3</b>  | <b>-167,4</b>   | <b>-7%</b>      |
| Direct expenses                      | 90,1           | 139,2          | -49,1           | -35%            | 521,2           | 543,5           | -22,2           | -4%             |
| <b>Gross profit</b>                  | <b>450,1</b>   | <b>434,4</b>   | <b>+15,7</b>    | <b>+4%</b>      | <b>1 738,7</b>  | <b>1 883,9</b>  | <b>-145,2</b>   | <b>-8%</b>      |
| Indirect expenses                    | 450,4          | 404,8          | +45,6           | +11%            | 1 576,5         | 1 464,5         | +112,0          | +8%             |
| <b>EBITDA</b>                        | <b>-0,3</b>    | <b>29,6</b>    | <b>-29,9</b>    | <b>-101%</b>    | <b>162,1</b>    | <b>419,4</b>    | <b>-257,2</b>   | <b>-61%</b>     |
| <i>Gross profit margin (%)</i>       | <i>83%</i>     | <i>76%</i>     | <i>+8%p</i>     |                 | <i>77%</i>      | <i>78%</i>      | <i>-1%p</i>     |                 |
| <i>EBITDA margin (%)</i>             | <i>0%</i>      | <i>5%</i>      | <i>-5%p</i>     |                 | <i>7%</i>       | <i>17%</i>      | <i>-10%p</i>    |                 |
| <b>Network commission revenues*</b>  | <b>3 584,2</b> | <b>2 654,0</b> | <b>+930,2</b>   | <b>+35%</b>     | <b>12 471,2</b> | <b>13 646,2</b> | <b>-1 175,0</b> | <b>-9%</b>      |
| Hungary                              | 2 317,2        | 1 840,2        | +477,0          | +26%            | 8 253,0         | 10 025,0        | -1 772,0        | -18%            |
| Poland                               | 1 205,8        | 713,8          | +492,0          | +69%            | 4 001,8         | 3 264,6         | +737,2          | +23%            |
| Czech Republic                       | 61,3           | 100,0          | -38,8           | -39%            | 216,4           | 356,6           | -140,2          | -39%            |
| <b>Network office numbers (pcs)</b>  | <b>246</b>     | <b>274</b>     | <b>-28</b>      | <b>-10%</b>     | <b>246</b>      | <b>274</b>      | <b>-28</b>      | <b>-10%</b>     |
| Hungary                              | 140            | 162            | -22             | -14%            | 140             | 162             | -22             | -14%            |
| Poland                               | 105            | 111            | -6              | -5%             | 105             | 111             | -6              | -5%             |
| Czech Republic                       | 1              | 1              | 0               | +0%             | 1               | 1               | 0               | +0%             |

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

\*\* Includes financial figures and volumes of Italian subsidiaries from 1 April 2022 onwards

Real Estate and Loan market data published by Duna House are available at the following link :

<https://dh.hu/barometer>

- EBITDA in the franchise segment temporarily decreased to 0 due to several factors.
- In Hungary, Group volumes grew by 26% year-on-year during the quarter. The EBITDA of the Hungarian franchise operation amounted to HUF 44 million in the quarter, reduced by the recognition of costs of HUF 50 million relating to previous quarters.
- Poland continues to bounce back, with commission volumes of HUF 1 206 million, its strongest quarter ever (+69% y/y), while EBITDA fell to HUF -10 million due to a total of HUF 23 million in bad debt write-downs and year-end marketing campaigns.
- In Italy, under the agreement signed with ProfessioneCasa, the Realizza activity will be integrated into the ProfessioneCasa network. In the current quarter, it lowered the segment's EBITDA by HUF 27 million..
- The number of offices decreased to 246. During the quarter, the number of offices increased by 2 in Poland and decreased by 5 in Hungary.

**SEGMENT LEVEL RESULTS**

| <b>OWN OFFICE SEGMENT</b>           | <b>2023</b>  | <b>2022</b>  | <b>Variance</b> | <b>Variance</b> | <b>2023</b>    | <b>2022</b>    | <b>Variance</b> | <b>Variance</b> |
|-------------------------------------|--------------|--------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| <i>(data in mHUF)</i>               | <b>Q4</b>    | <b>Q4</b>    |                 | <b>(%)</b>      | <b>Q1-Q4</b>   | <b>Q1-Q4</b>   |                 | <b>(%)</b>      |
| <b>Net sales revenue</b>            | <b>421,3</b> | <b>362,6</b> | <b>+58,7</b>    | <b>+16%</b>     | <b>1 512,3</b> | <b>1 665,7</b> | <b>-153,4</b>   | <b>-9%</b>      |
| Direct expenses                     | 251,6        | 209,3        | +42,3           | +20%            | 910,8          | 972,8          | -62,1           | -6%             |
| <b>Gross profit</b>                 | <b>169,7</b> | <b>153,3</b> | <b>+16,4</b>    | <b>+11%</b>     | <b>601,5</b>   | <b>692,8</b>   | <b>-91,3</b>    | <b>-13%</b>     |
| Indirect expenses                   | 136,1        | 160,9        | -24,8           | -15%            | 532,3          | 633,7          | -101,4          | -16%            |
| <b>EBITDA</b>                       | <b>33,6</b>  | <b>-7,6</b>  | <b>+41,1</b>    | <b>-543%</b>    | <b>69,2</b>    | <b>59,1</b>    | <b>+10,1</b>    | <b>17%</b>      |
| <i>Gross profit margin (%)</i>      | <i>40%</i>   | <i>42%</i>   | <i>-2%</i>      |                 | <i>40%</i>     | <i>42%</i>     | <i>-2%</i>      |                 |
| <i>EBITDA margin (%)</i>            | <i>8%</i>    | <i>-2%</i>   | <i>+10%</i>     |                 | <i>5%</i>      | <i>4%</i>      | <i>+1%</i>      |                 |
| <b>Networ commission revenues*</b>  | <b>495,6</b> | <b>436,2</b> | <b>+59,4</b>    | <b>+14%</b>     | <b>1 712,1</b> | <b>2 043,2</b> | <b>-331,1</b>   | <b>-16%</b>     |
| Hungary                             | 212,6        | 205,5        | +7,1            | +3%             | 735,5          | 1 045,1        | -309,6          | -30%            |
| Poland                              | 221,7        | 130,6        | +91,0           | +70%            | 760,5          | 641,6          | +119,0          | +19%            |
| Czech Republic                      | 61,3         | 100,0        | -38,8           | -39%            | 216,1          | 356,6          | -140,5          | -39%            |
| <b>Network office numbers (pcs)</b> | <b>18</b>    | <b>23</b>    | <b>-5</b>       | <b>-22%</b>     | <b>18</b>      | <b>23</b>      | <b>-5</b>       | <b>-22%</b>     |
| Hungary                             | 9            | 14           | -5              | -36%            | 9              | 14             | -5              | -36%            |
| Poland                              | 8            | 8            | 0               | +0%             | 8              | 8              | 0               | +0%             |
| Czech Republic                      | 1            | 1            | 0               | +0%             | 1              | 1              | 0               | +0%             |

\*the total revenue generated by the Duna House Group after all real estate transactions brokered by its own offices

- In the fourth quarter of 2023, the own office segment achieved a gross profit of HUF 170 million (+11% y/y) with a total network commission income of HUF 496 million (+14% y/y).
- Quarterly commission income in Hungary increased by 3% year-on-year.
- Polish own office quarterly commission income grew by 70% year-on-year, while on a quarter-on-quarter basis the growth rate was 7%.
- Quarterly commission income at the Czech own office fell 39% year-on-year, down 10% after a jump in Q3 2023. Due to its relatively small size, the performance of the Czech private office can fluctuate widely between quarters.
- The number of offices decreased by three Hungarian offices during the quarter.

**SEGMENT LEVEL RESULTS**

| <b>COMPLEMENTARY SEGMENT</b>   | <b>2023</b>  | <b>2022</b> | <b>Variance</b> | <b>Variance</b> | <b>2023</b>  | <b>2022</b>  | <b>Variance</b> | <b>Variance</b> |
|--------------------------------|--------------|-------------|-----------------|-----------------|--------------|--------------|-----------------|-----------------|
| <i>(data in mHUF)</i>          | <b>Q4</b>    | <b>Q4</b>   |                 | <b>(%)</b>      | <b>Q1-Q4</b> | <b>Q1-Q4</b> |                 | <b>(%)</b>      |
| <b>Net sales revenue</b>       | <b>107,1</b> | <b>29,4</b> | <b>+77,7</b>    | <b>+265%</b>    | <b>378,2</b> | <b>332,9</b> | <b>+45,2</b>    | <b>+14%</b>     |
| Direct expenses                | 23,2         | 9,3         | +13,8           | +148%           | 99,6         | 75,7         | +23,8           | +31%            |
| <b>Gross profit</b>            | <b>84,0</b>  | <b>20,1</b> | <b>+63,9</b>    | <b>+319%</b>    | <b>278,6</b> | <b>257,2</b> | <b>+21,4</b>    | <b>+8%</b>      |
| Indirect expenses              | 104,8        | -11,0       | +115,8          | -1053%          | 250,2        | 195,7        | +54,6           | +28%            |
| <b>EBITDA</b>                  | <b>-20,9</b> | <b>31,1</b> | <b>-51,9</b>    | <b>-167%</b>    | <b>28,4</b>  | <b>61,5</b>  | <b>-33,2</b>    | <b>-54%</b>     |
| <i>Gross profit margin (%)</i> | <i>78%</i>   | <i>68%</i>  | <i>+10%</i>     |                 | <i>74%</i>   | <i>77%</i>   | <i>-4%</i>      |                 |
| <i>EBITDA margin (%)</i>       | <i>-19%</i>  | <i>106%</i> | <i>-125%</i>    |                 | <i>8%</i>    | <i>18%</i>   | <i>-11%</i>     |                 |

- The Group has decided to continue the activities of Impact Alapkezelő Zrt., which was planned to be sold during 2023, and to reconsolidate the currently loss-making company from the last quarter of 2023.
- The revenue of the related services segment amounted to HUF 107 million, and its EBITDA closed with a loss of HUF 21 million due to the consolidation of Impact.

**SEGMENT LEVEL RESULTS**

| <b>INVESTMENT SEGMENT</b>                        | <b>2023</b>    | <b>2022</b>    | <b>Variance</b> | <b>Variance</b> | <b>2023</b>    | <b>2022</b>    | <b>Variance</b> | <b>Variance</b> |
|--|----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| <i>(data in mHUF)</i>                            | <b>Q4</b>      | <b>Q4</b>      |                 | <b>(%)</b>      | <b>Q1-Q4</b>   | <b>Q1-Q4</b>   |                 | <b>(%)</b>      |
| <b>Net sales revenue</b>                         | <b>644,2</b>   | <b>1 250,2</b> | <b>-606,0</b>   | <b>-48%</b>     | <b>4 831,4</b> | <b>3 403,3</b> | <b>+1 428,1</b> | <b>+42%</b>     |
| Direct expenses                                  | 394,1          | -269,9         | +664,0          | -246%           | 3 894,1        | 1 964,6        | +1 929,5        | +98%            |
| <b>Gross profit</b>                              | <b>250,1</b>   | <b>1 520,0</b> | <b>-1 269,9</b> | <b>-84%</b>     | <b>937,2</b>   | <b>1 438,7</b> | <b>-501,5</b>   | <b>-35%</b>     |
| Indirect expenses                                | 20,9           | 961,4          | -940,5          | -98%            | -21,0          | 328,9          | -350,0          | -106%           |
| <b>EBITDA</b>                                    | <b>229,2</b>   | <b>558,6</b>   | <b>-329,4</b>   | <b>-59%</b>     | <b>958,3</b>   | <b>1 109,7</b> | <b>-151,5</b>   | <b>-14%</b>     |
| <i>Gross profit margin (%)</i>                   | <i>39%</i>     | <i>122%</i>    | <i>-83%</i>     |                 | <i>19%</i>     | <i>42%</i>     | <i>-23%</i>     |                 |
| <i>EBITDA margin (%)</i>                         | <i>36%</i>     | <i>45%</i>     | <i>-9%</i>      |                 | <i>20%</i>     | <i>33%</i>     | <i>-13%</i>     |                 |
| <b>Carrying amount of properties</b>             | <b>1 522,6</b> | <b>2 652,8</b> | <b>-1 130,2</b> | <b>-43%</b>     | <b>1 522,6</b> | <b>2 652,8</b> | <b>-1 130,2</b> | <b>-43%</b>     |
| Carrying amount of investment purpose properties | 0,0            | 982,5          | -982,5          | -100%           | 0,0            | 982,5          | -982,5          | -100%           |
| Carrying amount of operational properties        | 1 522,6        | 1 670,3        | -147,7          | -9%             | 1 522,6        | 1 670,3        | -147,7          | -9%             |
| <b>Number of properties (pcs) **</b>             | <b>4</b>       | <b>9</b>       | <b>-5</b>       | <b>-56%</b>     | <b>4</b>       | <b>9</b>       | <b>-5</b>       | <b>-56%</b>     |
| Number of investment purpose properties          | 0              | 4              | -4              | -100%           | 0              | 4              | -4              | -100%           |
| Number of operational properties                 | 4              | 5              | -1              | -20%            | 4              | 5              | -1              | -20%            |

\*The difference between gains and losses from the revaluation of investment properties is included in the indirect operating expenses.

- The total real estate investment activity generated a total EBITDA profit of HUF 229 million in the quarter. The MyCity real estate development activity generated HUF 617 million in revenues, HUF 225 million in margins and HUF 212 million in EBITDA. The Group's real estate portfolio generated an EBITDA profit of HUF 13 million.
- The Group continued the sale of its real estate portfolio, selling a total of 6 properties during 2023 and reclassifying all of its investment properties as "Assets held for sale".
- The figures in the table do not include the results of the MyCity Residence project (Hunor utca, Budapest III. district), 50% owned by the Group, which is accounted for through capital consolidation.



**FOREST HILL RESIDENTIAL PARK**



**Forest Hill – UNDER HANDOVER – Key data**

|   | <b>Total</b> | <b>Realized by<br/>31 December<br/>2023</b> | <b>Expected after<br/>31 December<br/>2023</b>   |
|---|--------------|---|--|
| <b>Number of units (pcs)</b>                | 154          | 130 sold (84%)                              | 24 to sell (16%)   |
| <b>Expected consolidated revenue</b>        | HUF 11.8 bn  | HUF 8.8 bn                                  | HUF 3.0 bn   |
| <b>Net cash flow form handovers</b>         | HUF 6.0 bn   | HUF 3.1 bn                                  | HUF 3.0 bn   |
| <b>Out of this transactions in progress</b> |              |   | 14 flats<br>HUF 1.5 bn<br><i>(taken into account in dividend proposal for year 2023)</i> |

**Phase II: MyCity Panorama (same plot as Forest Hill)**

- 57 apartments, 4 605 sqm sellable area,
- The Group is contemplating the potential sale of the plot.

**SEGMENT LEVEL RESULTS**

| <b>OTHER- AND CONSOLIDATION SEGMENT</b> | <b>2023</b>   | <b>2022</b>  | <b>Variance</b> | <b>Variance</b> | <b>2023</b>   | <b>2022</b>   | <b>Variance</b> | <b>Variance</b> |
|---|---------------|--------------|-----------------|-----------------|---------------|---------------|-----------------|-----------------|
| <i>(data in mHUF)</i>                   | <b>Q4</b>     | <b>Q4</b>    |                 | <b>(%)</b>      | <b>Q1-Q4</b>  | <b>Q1-Q4</b>  |                 | <b>(%)</b>      |
| <b>Net sales revenue</b>                | <b>-106,1</b> | <b>-87,9</b> | <b>-18,2</b>    | <b>+21%</b>     | <b>-414,0</b> | <b>-371,8</b> | <b>-42,2</b>    | <b>+11%</b>     |
| Direct expenses                         | -71,0         | -22,3        | -48,7           | +219%           | -237,2        | -198,6        | -38,6           | +19%            |
| <b>Gross profit</b>                     | <b>-35,1</b>  | <b>-65,7</b> | <b>+30,5</b>    | <b>-47%</b>     | <b>-176,9</b> | <b>-173,3</b> | <b>-3,6</b>     | <b>+2%</b>      |
| Indirect expenses                       | 47,0          | 10,8         | +36,2           | +335%           | -29,5         | 23,3          | -52,7           | -227%           |
| <b>EBITDA</b>                           | <b>-82,2</b>  | <b>-76,5</b> | <b>-5,7</b>     | <b>+7%</b>      | <b>-147,4</b> | <b>-196,5</b> | <b>+49,1</b>    | <b>-25%</b>     |
| <i>Gross profit margin (%)</i>          | <i>33%</i>    | <i>75%</i>   | <i>-42%</i>     |                 | <i>43%</i>    | <i>47%</i>    | <i>-4%</i>      |                 |
| <i>EBITDA margin (%)</i>                | <i>77%</i>    | <i>87%</i>   | <i>-10%</i>     |                 | <i>36%</i>    | <i>53%</i>    | <i>-17%</i>     |                 |

- The other and operating segment includes the results of the holding activities of Duna House Holding Nyrt. ("Holding") and Hgroup S.p.a. supporting the Group and the results of the Group's consolidation of the income and expenses and consolidation adjustments.
- The Holding's fourth quarter operating expenses not charged to operating segments consist primarily of the cost of employee share plans, BSE, KELER fees and a proportionate share of audit fees related to the audit of the Holding's annual individual and consolidated financial statements.

**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   |
|--|---------------|----------------|--------------------------------------|-------------------|---|---|----------------|
| <b>31 December 2020</b>                | <b>172,0</b>  | <b>1 526,2</b> | <b>83,3</b>                          | <b>5 318,3</b>    | <b>6 906,2</b>                                  | <b>-64,2</b>                              | <b>6 842,0</b> |
| 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           |
| <b>31 December 2021</b>                | <b>172,0</b>  | <b>1 544,1</b> | <b>112,5</b>                         | <b>5 400,3</b>    | <b>6 985,5</b>                                  | <b>-64,0</b>                              | <b>6 921,5</b> |
| Dividend paid                          |               |                |                                      | -1 175,7          | -1 175,7  |   | -1 175,7       |
| Total comprehensive income             |               |                | 392,0                                | 2 710,8           | 3 102,8   | 239,5                                     | 3 342,4        |
| Purchase of treasury shares            |               |                |                                      |                   | -127,5  |   | -127,5         |
| Acquisition                            |               | 0,0            |                                      | -3 729,7          | -3 729,7  |   | -3 729,7       |
| Employee Share-based payment provision |               | 19,9           |                                      |                   | 19,9  |   | 19,9           |
| <b>31 December 2022</b>                | <b>172,0</b>  | <b>1 564,1</b> | <b>504,5</b>                         | <b>3 205,7</b>    | <b>5 075,4</b>                                  | <b>175,5</b>                              | <b>5 250,9</b> |
| Dividend paid                          |               |                |                                      | -3 836,9          | -3 836,9  |   | -3 836,9       |
| Total comprehensive income             |               |                | -259,7                               | 2 718,4           | 2 458,7   | -10,9                                     | 2 447,8        |
| Purchase of treasury shares            |               |                |                                      |                   | 210,7   |   | 210,7          |
| Acquisition                            |               | -122,8         |                                      | 1 464,8           | 1 342,0   | 66,9                                      | 1 408,8        |
| Employee Share-based payment provision |               | -1,8           |                                      |                   | -1,8  |   | -1,8           |
| <b>31 December 2023</b>                | <b>172,0</b>  | <b>1 439,4</b> | <b>244,8</b>                         | <b>3 552,0</b>    | <b>5 248,1</b>                                  | <b>231,5</b>                              | <b>5 479,6</b> |

**Annex 1.**

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

Duna House Holding Nyrt 2023Q4 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 2024.

Budapest, 28 February 2024.

Duna House Holding Plc. Board of Directors

Represented by: Gay Dymshiz, Board of Directors, President