

# DUNA HOUSE GROUP

## 2022.Q4 Quarterly report

28 February 2023



Listed on the Prime Market of  
the Budapest Stock Exchange



**Table of contents**

Executive summary.....	3.
Consolidated financial statements .....	4-6.
Clean core profits.....	7-8.
Revenue, EBITDA, operating income and profit after tax by country.....	9.
2022 Guidance and Dividend.....	10.
Consolidated Cash-flow statement.....	11.
Accounting treatment of Hgroup.....	12.
Segment report.....	13-22.
Statement in changes of equity.....	23.
Annex 1.: time-series report of operational segments .....	24.
Declaration.....	25.

## EXECUTIVE SUMMARY- 2022 FOURTH QUARTER

### Quarterly results

- Duna House Group`s (the "Group") revenue grew by 89% to HUF 8.9 billion and EBITDA tripled to HUF 1.6 billion in Q4 2022 compared to the previous year. For the full year 2022, consolidated revenue doubled to HUF 30.3 billion and EBITDA jumped by 120% to HUF 4.4 billion.
- The strong year-end performance of the Italian subsidiaries and the continued delivery of apartments in the Forest Hill project pulled the Group out of the third quarter slump following record results in the second quarter of 2022.
- In Q4 2022, the Group achieved adjusted core EBITDA of HUF 1,035 million (+69% y/y). Adjusted core after tax profit was HUF 641 million, up 39% y/y. While volumes declined in core loan, real estate and related services in Hungary and Poland, the completion of the Forest Hill project and the continued delivery of its apartments contributed significantly to the Group's results. By the end of the quarter, a total of 44% of the apartments had been handed over, and the Group realised EBITDA of HUF 1,040 million on the total revenue of HUF 4.1 billion recognised to date, of which HUF 1.2 billion in revenue and HUF 550 million in EBITDA in Q4 2022. At current sales prices, the Group expects a further net cash flow of HUF 4.7 billion from the project after 31 December 2022.
- Italy achieved a quarterly EBITDA of HUF 843 million. Hungarian operations generated an EBITDA of HUF 825 million, while Poland continued to post losses, with EBITDA falling to HUF -87 million. Management's focus is on network expansion and market acquisition. It expects the negative impact of the current very tight borrowing constraints on the market to be mitigated in the short term and the Polish market to return to growth from Q2 2023 ([see page 16 for market specifics](#)).
- *The Company has made changes to the accounting treatment of the Italian Hgroup, details of which are described on [page 12](#).*

### Guidance 2022 & Dividend

- In the full year of 2022, **the Group has achieved revenues of HUF 30.3 billion (+109% y/y), clean core EBITDA of HUF 3.5 billion (+49% y/y) and clean core profit after tax of HUF 2.3 billion (+31% y/y), and its real estate development activity generated additional EBITDA of HUF 1.0 billion**, thereby achieving all its result targets for the year.
- The Board of Directors plans to propose the AGM on 27 April 2023 a **dividend of HUF 3 690 million, ie. HUF 107.3 per share. The proposed dividend is 25.86% of the closing share price on 28 February 2023.** [Breakdown of proposed dividend can be found on page 10.](#)



# DUNA HOUSE GROUP

## Consolidated financial statements



## CONSOLIDATED INCOME STATEMENT

Consolidated income statement (data in mHUF, except earnings per share)	2022 Q4	2021 Q4	Variance		2022 Q1-Q4	2021 Q1-Q4	Variance	
	(not audited)	(not audited)	mHUF	%	(not audited)	(audited)	mHUF	%
Net sales revenue	8 938.4	4 733.5	+4 205.0	+89%	30 264.3	14 461.9	+15 802.4	+109%
Other operating income	62.5	56.7	+5.8	+10%	396.4	298.3	+98.1	+33%
Change in stocks of finished products and work in progress	539.6	591.3	-51.7	-9%	1 256.7	-411.0	+1 667.7	-406%
Consumables used	51.0	65.9	-15.0	-23%	228.7	261.6	-32.9	-13%
Cost of goods and services sold	388.4	495.5	-107.0	-22%	2 041.8	2 217.3	-175.5	-8%
Services purchased	5 995.0	2 650.8	+3 344.2	+126%	20 427.5	8 966.9	+11 460.6	+128%
Personnel expenses	366.1	221.8	+144.3	+65%	1 665.3	841.2	+824.1	+98%
Other operating expenses	87.4	254.9	-167.5	-66%	598.6	866.5	-267.9	-31%
<b>EBITDA</b>	<b>1 573.5</b>	<b>510.1</b>	<b>+1 063.5</b>	<b>+208%</b>	<b>4 442.1</b>	<b>2 017.7</b>	<b>+2 424.4</b>	<b>+120%</b>
Depreciation and amortization	251.0	55.5	+195.5	+352%	825.7	187.5	+638.2	+340%
Depreciation of right-of-use assets	72.4	30.4	+42.1	+139%	235.6	134.8	+100.8	+75%
<b>Operating income (EBIT)</b>	<b>1 250.2</b>	<b>424.2</b>	<b>+825.9</b>	<b>+195%</b>	<b>3 380.8</b>	<b>1 695.4</b>	<b>+1 685.4</b>	<b>+99%</b>
Finance income	384.9	117.5	+267.4	+228%	862.0	225.6	+636.4	+282%
Finance costs	247.7	34.7	+213.0	+613%	709.0	291.7	+417.4	+143%
Share of the profits of a joint venture	1.2	45.7	-44.6	-97%	214.4	156.7	+57.8	+37%
<b>Profit before tax</b>	<b>1 388.5</b>	<b>552.8</b>	<b>+835.7</b>	<b>+151%</b>	<b>3 748.2</b>	<b>1 786.0</b>	<b>+1 962.2</b>	<b>+110%</b>
Income tax expense	370.0	103.6	+266.4	+257%	749.1	311.8	+437.3	+140%
<b>Profit after tax</b>	<b>1 018.5</b>	<b>449.2</b>	<b>+569.3</b>	<b>+127%</b>	<b>2 999.1</b>	<b>1 474.2</b>	<b>+1 524.9</b>	<b>+103%</b>
Currency translation difference	-626.4	-3.2	-623.2	+19 222%	964.8	25.6	+939.3	+3 676%
Net profit of discontinued operation	-1.7	0.0	-1.7		-1.7	0.0	-1.7	
<b>Other comprehensive income</b>	<b>-629.9</b>	<b>-3.2</b>	<b>-626.6</b>	<b>+19 275%</b>	<b>961.4</b>	<b>25.6</b>	<b>935.8</b>	<b>+3 669%</b>
<b>Total comprehensive income attributable to</b>	<b>390.4</b>	<b>446.0</b>	<b>-55.6</b>	<b>-12%</b>	<b>3 962.2</b>	<b>1 499.7</b>	<b>+2 462.4</b>	<b>+164%</b>
Shareholders of the Company	394.7	419.2	-24.5	-6%	3 581.5	1 499.6	+2 081.9	+139%
Non-controlling interest	-4.3	6.8	-11.1	-164%	380.7	0.2	+380.5	
<b>Earnings per share (basic and diluted)</b>	<b>33.6</b>	<b>12.6</b>	<b>+21.0</b>	<b>+166%</b>	<b>85.0</b>	<b>41.2</b>	<b>+43.8</b>	<b>+106%</b>

## Comments

- The Group quarterly revenues stood at HUF 8.9 billion (+89% y/y), its composition has changed due to the intensifying handover of Forest Hill apartments and decreasing volume in the core activity. EBITDA was HUF 1.6 billion (+208% y/y). *Changes in EBITDA were influenced by unique factors, which are presented on page 7, [Clean core result](#). The Company has made changes to the accounting treatment of the Italian Hgroup, details of which are described on [page 12](#).*
- 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 1 218 million in revenues against an inventory value of HUF 539 million.
- The value of services purchased is significantly increased by the consolidation of Hgroup and increased audit fees.
- The Group booked a foreign exchange gains of HUF 27 million on foreign currency positions (in Q4 2022 foreign exchange gain was HUF 122 million) and realized HUF 312 million in interest revenue. Finance costs increased due to the bond issued in January 2022 (the outstanding bonds Duna House NKP 2030/l. and 2032/l. had a quarterly total interest of HUF 105 million), one-off goodwill impairment of HUF 58 million on Polish own office real estate activity and the interest rates of bank loans of the consolidated Italian entities.
- PAT of Q4 2022 was higher by HUF 449 million compared to the same period of 2021. **The clean core PAT amounted to HUF 641 million, thereby HUF 179 million above Q4 2021. MyCity activity improved it by HUF 417 million and extraordinary items lowered it by HUF 40 million. Reconciliation of Clean core results can be found on page 7, [Clean core result](#).**
- Other comprehensive income includes: i) exchange rate changes on goodwill recorded in foreign currency and capital of foreign subsidiaries, and ii) the result of Impact Fund Management Ltd. reclassified for sale. Translation differences related to international operations have shown strong volatility both on a quarterly and annual basis due to significant fluctuations in the EUR/HUF and PLN/HUF exchange rates in 2022.

## CONSOLIDATED BALANCE SHEET

Consolidated balance sheet data in mHUF	31 December 2022 (not audited)	31 December 2021 (Audited)	Variance	
			mHUF	%
Goodwill	4 264.6	1 775.5	+2 489.1	+140%
Investment property	982.5	1 849.5	-867.0	-47%
Property, plant	1 787.0	409.1	+1 378.0	+337%
Right-of-use asset	1 540.9	347.4	+1 193.5	+344%
Other	7 237.8	1 210.0	+6 027.8	+498%
<b>Non-current assets</b>	<b>15 812.9</b>	<b>5 244.1</b>	<b>+10 568.8</b>	<b>+202%</b>
Inventories	6 059.1	7 418.9	-1 359.8	-18%
Trade receivables	3 234.8	2 102.1	+1 132.8	+54%
Restricted cash	212.6	1 270.5	-1 057.9	-83%
Cash and cash equivalents	10 517.5	5 226.5	+5 290.9	+101%
Accruals	911.2	734.5	+176.7	+24%
Other	2 363.5	615.9	+1 747.6	+284%
<b>Current assets</b>	<b>23 298.7</b>	<b>17 368.4</b>	<b>+5 930.3</b>	<b>+34%</b>
<b>Total assets</b>	<b>39 111.6</b>	<b>22 612.5</b>	<b>+16 499.2</b>	<b>+73%</b>
<b>Share capital</b>	<b>5 517.1</b>	<b>6 921.5</b>	<b>-1 404.4</b>	<b>-20%</b>
Borrowings	14 437.6	6 909.5	+7 528.1	+109%
Other non-current liabilities	9 964.8	591.3	+9 373.5	+1 585%
<b>Non-current liabilities</b>	<b>24 402.4</b>	<b>7 500.8</b>	<b>+16 901.6</b>	<b>+225%</b>
Borrowings	360.6	4 373.4	-4 012.8	-92%
Trade payables	3 106.9	1 321.1	+1 785.9	+135%
Deferrals	733.5	369.3	+364.2	+99%
Other liabilities	4 991.2	2 126.5	+2 864.7	+135%
<b>Current liabilities</b>	<b>9 192.1</b>	<b>8 190.2</b>	<b>+1 001.9</b>	<b>+12%</b>
<b>Total equity and liabilities</b>	<b>39 111.6</b>	<b>22 612.5</b>	<b>+16 499.2</b>	<b>+73%</b>

## Comments

- The balance sheet presentation of the Hgroup acquisition has been revised in the statement of 31 December 2022 in accordance with IFRS 3. Consolidated goodwill increased by HUF 2.5 billion and intangible assets by HUF 6.2 billion as a result of the acquisition of Italian HGroup. The difference between i) the purchase price paid for the stake, plus deferred payments, and ii) the net asset value of Hgroup is reported as goodwill.
- The remaining goodwill of HUF 1.8 billion relates mainly to the Polish acquisitions, on which the Group has recognized impairment of HUF 58 million on own office operations in Poland, out of precaution.
- The investment property portfolio has decreased by HUF 867 million since 31 December 2021 due to appraisal of HUF 51 million, the sale of HUF 704 million of property and the reclassification of HUF 223 million of property to 'Assets held for sale'. The value of real estate increased by HUF 1.4 billion as a result of the consolidation of Hgroup, as did the value of right-of-use assets.
- The Group's inventories have decreased by HUF 1.4 billion since the end of the previous year due to two main effects: i) HUF 1.2 billion of construction and interest costs were capitalised in relation to ongoing development projects; ii) dwellings with a total cost of HUF 2.6 billion were derecognised.
- Trade receivables amounted to HUF 3.2 billion. Receivables increased by HUF 2.4 billion due to the consolidation of Hgroup, while receivables decreased by HUF 770 million due to the handovers of Forest Hill. Other receivables increased due to the consolidation of Hgroup, of which HUF 585 million is receivable from sellers of the company.
- The consolidated equity of the Group amounted to HUF 5,5 billion at 31 December 2022, decline due to Hgroup's consolidation. The Group held 744 287 treasury shares for the purposes of the employee share plan.
- Under other non-current liabilities, the Group has two deferred liabilities in relation to the HGroup acquisition: i) an earn-out liability of HUF 3.7 billion in relation to the acquisition of the 70% stake and ii) an expected option liability of HUF 4.3 billion for the buy-out of the remaining minority interest.
- Total debt liabilities amounted to HUF 14.1 billion at the end of the quarter, of which HUF 13.0 billion is the interest-bearing value of the bond liability and HUF 1.8 billion is the value of Hgroup's bank loans in Italy. The Group's non-recourse project loans of HUF 3.6 billion related to residential real estate developments were repaid during Q3 2022. The Group's net external borrowings stood at HUF 4.3bn at 31 December 2022, 1.1 times 12-month clean core EBITDA.

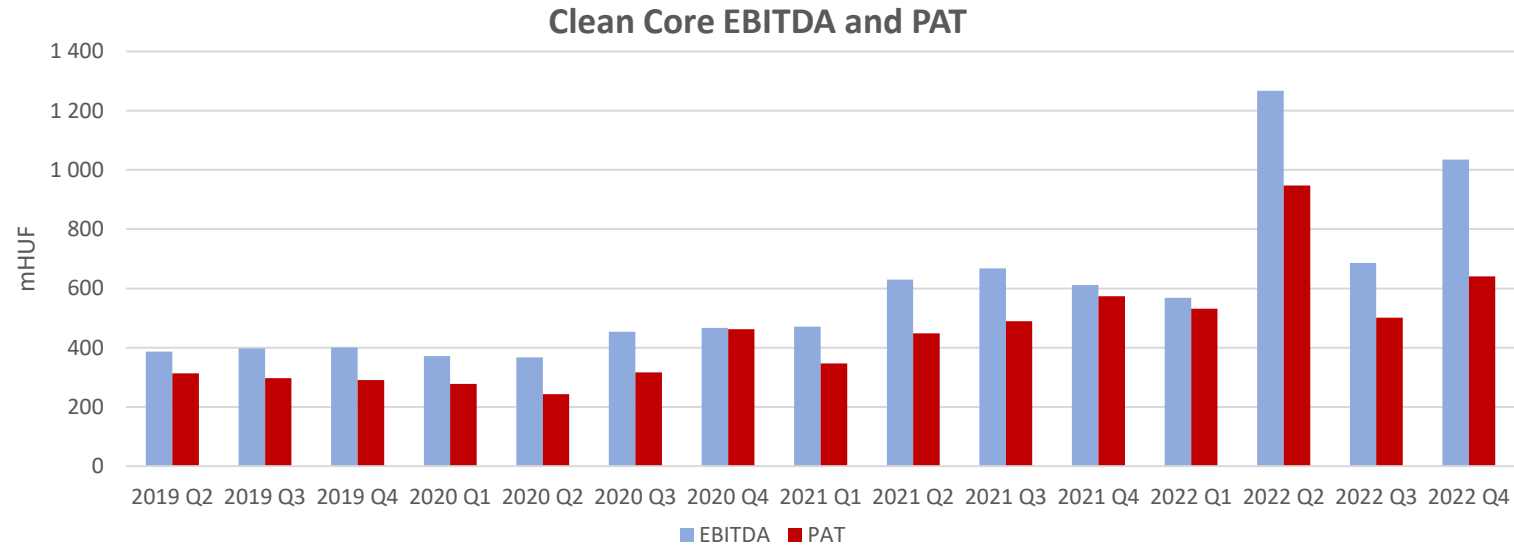
## CLEAN CORE RESULT

data in million of HUF	2022Q4	2021Q4	Variance %	2022 Q1-Q4	2021 Q1-Q4	Variance %
<b>EBITDA</b>	<b>1 573.5</b>	<b>510.1</b>	<b>+208%</b>	<b>4 442.1</b>	<b>2 017.7</b>	<b>+120%</b>
(-) MyCity EBITDA	551.2	-146.3	-477%	988.3	-442.2	-324%
<b>Core EBITDA</b>	<b>1 022.3</b>	<b>656.3</b>	<b>+56%</b>	<b>3 453.8</b>	<b>2 459.9</b>	<b>+40%</b>
(-) Costs related to before acquisition date	0.0	0.0		-8.1	0.0	
(-) Result of portfolio appraisal	-13.0	45.0	-129%	51.1	68.7	-26%
(-) COVID subsidy	0.0	0.0	+0%	0.0	18.3	-100%
(-) Audit cost related to past quarters	0.0	0.0	+0%	0.0	0.0	+0%
(-) Acquisition costs	0.0	0.0	+0%	-125.9	-5.6	+2149%
<b>Total core adjustments</b>	<b>13.0</b>	<b>-45.0</b>	<b>-129%</b>	<b>82.9</b>	<b>-81.4</b>	<b>-202%</b>
<b>Cleaned core EBITDA</b>	<b>1 035.4</b>	<b>611.3</b>	<b>+69%</b>	<b>3 536.7</b>	<b>2 378.5</b>	<b>+49%</b>

data in million of HUF	2022Q4	2021Q4	Variance %	2022 Q1-Q4	2021 Q1-Q4	Variance %
<b>Profit after tax</b>	<b>1 018.5</b>	<b>449.2</b>	<b>+127%</b>	<b>2 999.1</b>	<b>1 474.2</b>	<b>+103%</b>
(-) Profit after tax for MyCity	417.4	-164.9	-353%	617.4	-446.1	-238%
<b>Core PAT</b>	<b>601.1</b>	<b>614.2</b>	<b>-2%</b>	<b>2 381.7</b>	<b>1 920.3</b>	<b>+24%</b>
(-) Costs related to before acquisition date	0.0	0.0		-8.1	0.0	
(-) Result of portfolio appraisal	-13.0	45.0	-129%	51.1	68.7	-26%
(-) Result of foreign currency exchange	27.3	122.1	-78%	242.3	110.0	+120%
(-) Goodwill impairment	-58.0	0.0	+0%	-58.0	0.0	+0%
(-) COVID subsidy	0.0	0.0	+0%	0.0	18.3	-100%
(-) Acquisition costs	0.0	0.0	+0%	-125.9	-5.6	+2149%
<b>Total core adjustments</b>	<b>43.7</b>	<b>-167.1</b>	<b>-126%</b>	<b>-101.3</b>	<b>-191.4</b>	<b>-47%</b>
<b>Tax effect of adjustments (9%)</b>	<b>-3.9</b>	<b>15.0</b>	<b>-126%</b>	<b>9.1</b>	<b>17.2</b>	<b>-47%</b>
<b>Cleaned core PAT</b>	<b>640.9</b>	<b>462.1</b>	<b>+39%</b>	<b>2 289.5</b>	<b>1 746.1</b>	<b>+31%</b>

- For transparency reasons, from Q2 2019 onwards the Group publishes “clean core” adjusted profit and loss categories. The Group adjusts its results besides the result of MyCity property development activity, with any 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 Q4 2022, the Group made the following one-off adjustments:
  - The Group realized fair value losses on its investment property portfolio of HUF 13 million,
  - A net result of HUF 27 million was achieved on the revaluation of foreign currency positions,
  - Goodwill impairment of HUF 58 million was recognized on own office operations in Poland, out of precaution.
- The Group’s **clean core EBITDA increased by 69% to HUF 1,035 million** in Q4 2022 in comparison to the same period of 2021.
- The Group’s **clean core PAT elevated by 39% and totaled HUF 641 million** in Q4 2022. Of this, HUF 192 million net interest result.

## EVOLUTION OF CLEAN CORE RESULTS



- Duna House Group's growth path in clean core EBITDA and profit after tax has stalled in the third quarter of 2022 due to strong summer seasonality of its Italian subsidiaries and declining Polish and Hungarian markets.
- A strong Italian performance at the end of 2022 was able to give a further boost to core results, while the credit and real estate markets in Poland and Hungary continued to fall. Q4 2022 adjusted EBITDA amounted to HUF 1,035 million and profit after tax to HUF 641 million.
- *Note: The Company has made changes to the accounting treatment of the Italian Hgroup, details of which are described on [page 12](#).*



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

in million HUF	Hungary		Poland		Czech Republic		Italy		Duna House Group	
	2022 Q4	2021 Q4	2022 Q4	2021 Q4	2022 Q4	2021 Q4	2022 Q4	2021 Q4	2022 Q4	2021 Q4
<b>Net sales revenue</b>	2 118.0	2 058.2	1 085.9	2 555.8	100.5	119.5	5 634.0	0.0	8 938.4	4 733.5
<b>EBITDA</b>	825.3	320.5	-87.2	190.0	-7.1	-0.4	842.5	0.0	1 573.5	510.1
<b>Operating income</b>	749.3	256.0	-102.9	168.6	-7.1	-0.4	610.8	0.0	1 250.2	424.2
<b>Profit after tax</b>	824.6	324.2	-95.6	124.5	-7.1	0.5	296.6	0.0	1 018.5	449.2

in million HUF	Hungary		Poland		Czech Republic		Italy		Duna House Group	
	2022Q1-4	2021Q1-4	2022Q1-4	2021Q1-4	2022Q1-4	2021Q1-4	2022Q1-4	2021Q1-4	2022Q1-4	2021Q1-4
<b>Net sales revenue</b>	7 706.0	5 275.3	6 620.6	8 756.2	368.7	430.4	15 569.0	0.0	30 264.3	14 461.9
<b>EBITDA</b>	2 332.4	1 194.3	10.2	789.5	-20.3	34.0	2 119.8	0.0	4 442.1	2 017.7
<b>Operating income</b>	2 054.8	968.6	-59.3	692.8	-20.3	34.0	1 405.6	0.0	3 380.8	1 695.4
<b>Profit after tax</b>	2 098.1	914.8	-69.0	525.0	-23.4	34.4	993.3	0.0	2 999.1	1 474.2

- The Group has repositioned itself on the international markets with the acquisition of HGroup. The Italian entities were responsible for over 60% of the Group`s consolidated revenues and 54% of its EBITDA in Q4 2022. Italian profit after tax figures are lowered each quarter by depreciation of HUF 130 million attributable to immaterial assets recognized in the acquisition as per IFRS 3. *Technical note: the Company has made changes to the accounting treatment of the Italian Hgroup, details of which are described on [page 12](#).*
- In Hungary quarterly revenues improved by 3%, EBITDA increased by 158%. The turnover of the Hungarian operations was significantly impacted by the intensifying handover of the Forest Hill apartments, which increased the turnover by HUF 385 million and EBITDA by nearly 700 million compared to Q4 2021. The property development activity generated quarterly EBITDA of HUF 551 million, resulting in a Hungarian core EBITDA of HUF 274 million. This contains one-off costs of HUF 13 million. For comparison, in Q4 2021, the core EBITDA related to the Hungarian core activity was HUF 466 million.
- The revenues of the Polish entities halved on a year/year basis while EBITDA turned to loss of HUF 87 million due to a drastic drop in volumes and increase of operating costs. The credit market, dominated by variable rate loans, fell significantly due to interest rate increases and strict lending thresholds. At the beginning of 2023, borrowing rules were relaxed, leading to a noticeable recovery in the market. After a weak first quarter, the Group expects growth in the Polish market from the second quarter of 2023 (see [page 16](#) for market specifics).
- The Czech subsidiaries closed the quarter with 16%% decrease in net sales revenue and EBITDA of -7 million.

## 2022 GUIDANCE AND DIVIDEND

### Guidance fulfillment

bIn HUF	2022 FY - 5 YR BP	2022 FY - Guidance	2022 FY - Actuals	Completion
Clean core revenues	14.5		30.3	
<b>Clean core EBITDA</b>	<b>2.4</b>	<b>3.2-5.1</b>	<b>3.5</b>	✓
<b>Clean core Net profit</b>	<b>1.6</b>	<b>1.9-3.3</b>	<b>2.3</b>	✓
MyCity Property Development EBITDA		0.5-0.7	1.0	✓
MyCity Property Development PAT		0.3-0.4	0.6	✓
<b>Duna House Group EBITDA</b>		<b>3.7-5.7</b>	<b>4.4</b>	✓
<b>Duna House Group PAT</b>		<b>2.1-3.7</b>	<b>3.0</b>	✓

**Duna House Group confidently met its core and consolidated profit targets for the full year**, even in a continuously challenging market environment in 2022 and despite the postponement of the start date of Hgroup's inclusion in the consolidation ([see page 12](#)).

Deliveries of apartments at the Forest Hill development are progressing according to plan. Following the final repayment of the project loan in July 2022, the total expected cash flow from the project is £6.4 billion, of which the Group has realised £1.7 billion by 31 December 2022. The remaining total cash flow is HUF 4.7 billion, of which the Group expects to generate HUF 4.5 billion in 2023-2024.

### Proposed dividend

<b>Profit after tax</b>	<b>2 999.1 mFt</b>
MyCity profit after tax (paid on cash flow base)	-617.4 mFt
Property revaluations impact on the results	-51.1 mFt
Revaluation differences on equity method investments recognised in the profit&loss account	-214.4 mFt
Profit after tax to non-controlling interest	-246.0 mFt
<b>Divident base</b>	<b>1 870.2 mFt</b>
Dividend to ordinary shareholders (47% based on the Dividend policy)	879.0 mFt
Dividend received from joint venture	194.5 mFt
Forest Hill cash flow	1 746.1 mFt
Sale of investment property (including ongoing sale)	868.9 mFt
<b>Total</b>	<b>3 688.4 mFt</b>
<b>Proposed dividend</b>	<b>3 690.0 mFt</b>
Number of ordinary shares	34 388 870
<b>Proposed dividend per share</b>	<b>107.3 Ft</b>

The Board of Directors' decision on dividends confirms its previous communication, proposing to pay additional dividends on top of the dividends provided for in the Group's dividend policy:

- i. Dividend income of HUF 194.5 million received in 2022 related to the completion of the MyCity Residence project,
- ii. Cash flow of HUF 1 746.1 million received by the Group from the Forest Hill project,
- iii. Total cash inflow from the real estate portfolio under disinvestment of HUF 868.9 million.

A dividend of **HUF 3 690 million**, i.e. **HUF 107.3 per share**, is planned to be proposed to the Company's Annual General Meeting scheduled for 27 April 2023.

The Group has begun the sale of its investment property portfolio in order to streamline its profile. The Board of Directors intends to use the additional total of HUF 5.6-5.7 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 Data in mHUF	1-12. 2022 (not audited)	1-12. 2021 (audited)	Consolidated cash flow statement Data in mHUF	1-12. 2022 (not audited)	1-12. 2021 (audited)
<b>Cash flows from operating activities</b>			<b>Cash flows from investing activities</b>		
Profit after tax	2 999.1	1 474.2	Payments for property, plant and equipment	-872.8	-202.3
Adjustments:			Proceeds from the sale of properties	703.9	92.6
Received / paid interests	-152.9	66.1	Escrow account related to acquisition	0.0	0.0
Depreciation	1 061.3	322.3	Assets held for sale and directly (...)	0.0	0.0
Deferred tax expense	-203.3	-21.1	Other asset purchased	12.9	10.3
Fair value adjustments of investment properties	-51.1	-68.7	Dividend received from joint venture	194.5	370.0
Share program	19.9	18.0	Acquisition of subsidiaries	-2 436.1	0.0
Change in Goodwill	-417.3	-36.0	<b>Net cash used in investing activities</b>	<b>-2 397.6</b>	<b>270.6</b>
Share of profit of a joint venture	-214.4	-156.7			
The result of unrealized exchange differences	1 177.0	29.3	<b>Cash flows from financing activities</b>		
Asset held for sale	0.0	0.0	Proceeds from borrowings	-5 231.5	-477.1
Income tax expense	891.7	284.9	Treasury share transactions	-127.5	-49.8
<b>Gross CF</b>	<b>5 109.9</b>	<b>1 912.4</b>	Changes in right-of-use asset and leasing obligations	-162.9	-2.7
			Dividends paid	-1 172.0	-1 388.5
Movements of working capital			Bond issue	5 716.0	-199.7
Increase in inventories	1 359.8	-183.1	Securities sold	0.0	0.0
Increase in trade- and other receivables	772.4	-1 690.3	Received / paid interests	-21.9	-20.7
Decrease of other assets	949.5	-162.4	<b>Net cash generated from financing activities</b>	<b>-999.7</b>	<b>-2 138.4</b>
Increase of trade payables	878.8	454.3			
Increase of other short term liabilities	1 271.0	709.4	Net increase in cash and cash equivalents	5 158.3	-1 053.4
Increase in accruals	-827.4	-20.6	Cash and cash equivalents at the beginning of the year	5 226.5	6 169.5
Income taxes paid	-958.3	-205.3	Exchange gains/(losses) on cash and cash equivalents	132.6	119.0
<b>Net cash generated by operating activities</b>	<b>8 555.7</b>	<b>814.4</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>10 517.5</b>	<b>5 235.1</b>

## ACCOUNTING TREATMENT OF HGROUP S.P.A. ACQUISITION

### ATTENTION

- **The Company has changed the consolidation date of Hgroup S.p.a. and will include it in its financial statements on a consolidation of equity basis for the first quarter of 2022 and on a full consolidation basis for the second to fourth quarters of 2022.**
- The Company's management has revised the date of acquisition of control over Hgroup S.p.a. and has changed it from 1 January 2022 to 1 April 2022 based on the detailed rules of control rights over Hgroup S.p.a.
- The consequence of the change is that Hgroup S.p.a. and its subsidiaries ("Hgroup Group") are not fully consolidated in the Company's consolidated financial statements for the first quarter of 2022, but the Company's share of the Hgroup Group's quarterly net profit after tax (70%) is reported under "Share of the profits of a joint venture".
- The following table presents the income statement of the Hgroup Group i) used for the unaudited Q1 2022 report of the Company and ii) the restated income statement for Q1 2022 that is used in present quarterly report. The difference shown in the line Total comprehensive income attributable to shareholders of the Company is due to deferred taxes.
- For the full financial year 2022, the results of the Hgroup Group for the period 1 January - 31 March 2022 have been included in the "Share of the profits of a joint venture" and the results for the period 1 April - 31 December 2022 have been included as full consolidation.
- The changes have been applied retrospectively and all tables and graphs showing the Hgroup Group's performance for the first quarter of 2022 are presented with the corrected figures in this report .

Hgroup consolidated profit and loss statement (in HUF millions)	2022 Q1 22Q1 report	2022 Q1 22Q4 report
Net sales revenue	4 054.0	0.0
Other operating income	24.9	0.0
	0.0	0.0
Consumables used	4.7	0.0
Cost of goods and services sold	0.0	0.0
Services purchased	3 437.5	0.0
Personnel expenses	278.8	0.0
Other operating expenses	32.1	0.0
<b>EBITDA</b>	<b>325.6</b>	<b>0.0</b>
Depreciation and amortization	27.3	0.0
Depreciation of right-of-use assets	42.0	0.0
<b>Operating income (EBIT)</b>	<b>256.3</b>	<b>0.0</b>
Finance income	0.0	0.0
Finance costs	25.2	0.0
Share of the profits of a joint venture	0.0	121.2
<b>Profit before tax</b>	<b>231.1</b>	<b>121.2</b>
Income tax expense	55.8	0.0
<b>Profit after tax</b>	<b>175.3</b>	<b>121.2</b>
Currency translation difference	14.9	0.0
<b>Other comprehensive income</b>	<b>14.9</b>	<b>0.0</b>
	0.0	0.0
<b>Total comprehensive income</b>	<b>190.2</b>	<b>121.2</b>
<i>attributable to</i>	0	0
Shareholders of the Company	133.2	121.2
Non-controlling interest	57.1	0.0

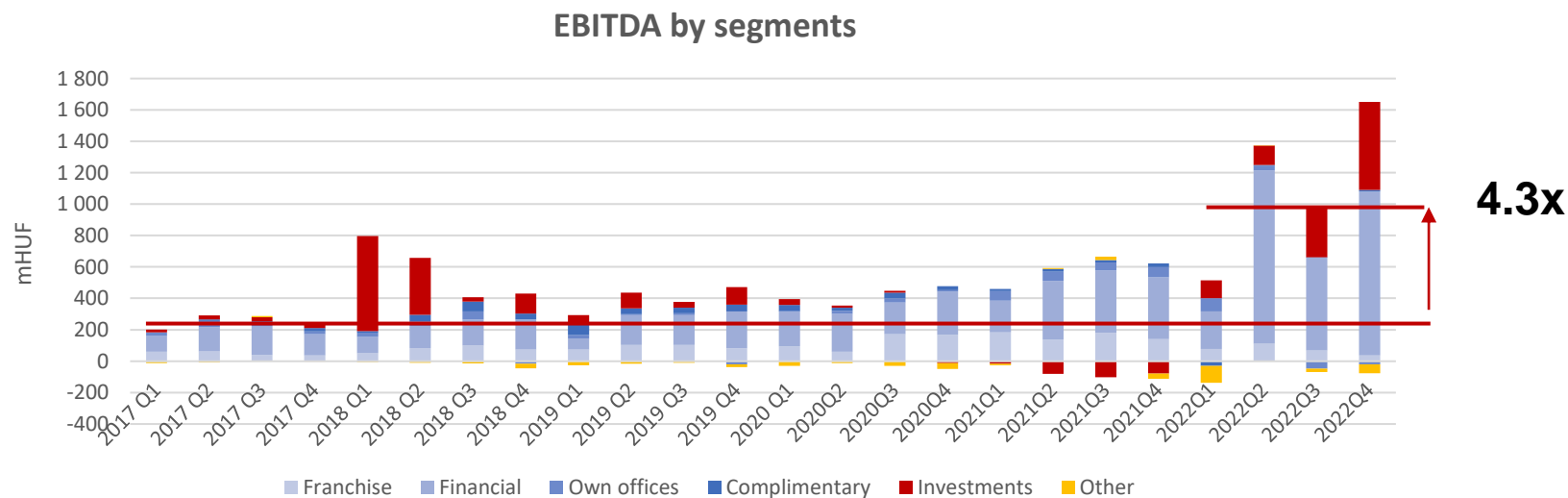
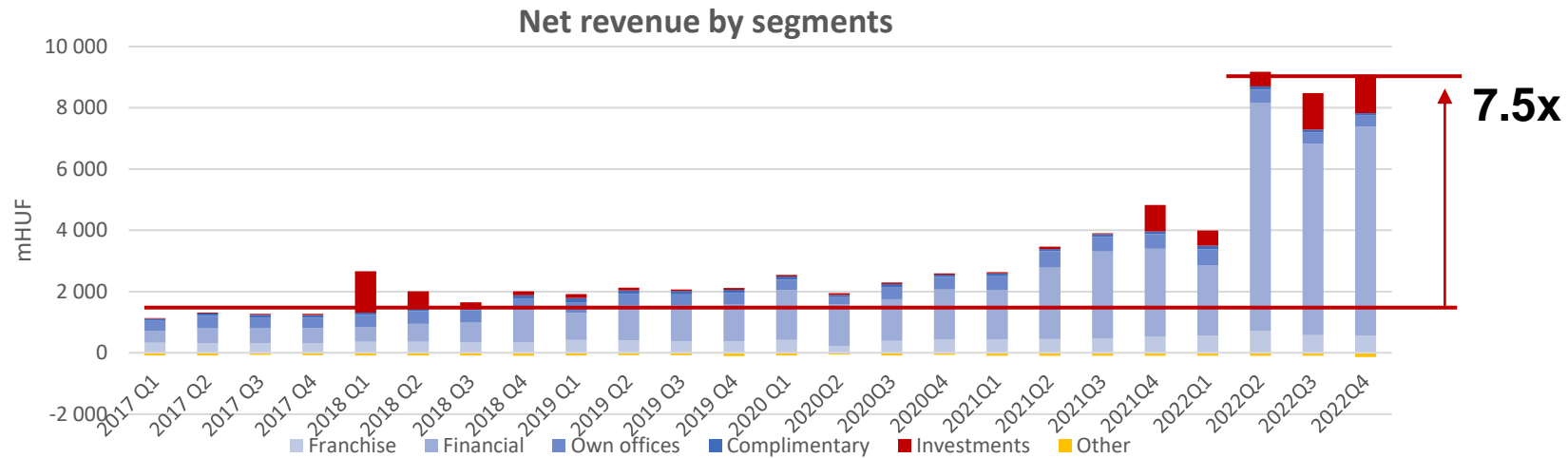


# DUNA HOUSE GROUP

## Segment report



## SEGMENT LEVEL RESULTS



- Since its IPO in November 2016, Duna House Group has increased its average quarterly revenue by 650% and quadrupled its quarterly EBITDA from its services activities.
- Its quarterly revenue increased from HUF 1.2 billion to HUF 8.8 billion and its quarterly EBITDA from service activities increased from HUF 220 million to HUF 1.0 billion.
- Note: the segmental income statements exclude the results of the MyCity Residence project and the Italian Hgroup's Q1 2022 results, as they are reported outside EBITDA in the Group's line "Share of results of joint ventures".

## SEGMENT LEVEL RESULTS

<b>CONSOLIDATED</b>	<b>2022</b>	<b>2021</b>	<b>Variance</b>	<b>Variance</b>	<b>2022</b>	<b>2021</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	6 810.6	2 878.4	+3 932.3	+137%	22 806.9	9 670.3	+13 136.6	+136%
Real estate franchise segment	573.6	518.7	+54.9	+11%	2 427.3	1 882.3	+545.1	+29%
Own office segment	362.6	482.9	-120.3	-25%	1 665.7	1 951.4	-285.8	-15%
Complementary segment	74.7	86.8	-12.0	-14%	332.9	324.1	+8.8	+3%
Investment segment	1 250.2	864.3	+385.9	+45%	3 403.3	1 007.6	+2 395.7	+238%
Other segment	-133.3	-97.6	-35.7	+37%	-371.8	-373.9	+2.0	-1%
<b>Total net revenue</b>	<b>8 938.4</b>	<b>4 733.5</b>	<b>+4 205.0</b>	<b>+89%</b>	<b>30 264.3</b>	<b>14 461.9</b>	<b>+15 802.4</b>	<b>+109%</b>
Financial segment	1 044.0	393.4	+650.7	+165%	2 994.6	1 364.3	+1 630.3	+119%
Real estate franchise segment	35.8	139.9	-104.1	-74%	425.5	678.1	-252.6	-37%
Own office segment	-20.8	65.2	-86.0	-132%	45.9	237.0	-191.1	-81%
Complementary segment	11.6	23.3	-11.8	-50%	61.9	69.8	-7.9	-11%
Investment segment	559.6	-79.7	+639.3	-802%	1 110.7	-279.5	+1 390.2	-497%
Other segment	-56.6	-32.0	-24.6	+77%	-196.5	-52.0	-144.6	+278%
<b>Total EBITDA</b>	<b>1 573.5</b>	<b>510.1</b>	<b>+1 063.5</b>	<b>+208%</b>	<b>4 442.1</b>	<b>2 017.7</b>	<b>+2 424.4</b>	<b>+120%</b>
<i>Financial segment</i>	<i>15%</i>	<i>14%</i>	<i>+2%p</i>		<i>13%</i>	<i>14%</i>	<i>-1%p</i>	
<i>Real estate franchise segment</i>	<i>6%</i>	<i>27%</i>	<i>-21%p</i>		<i>18%</i>	<i>36%</i>	<i>-18%p</i>	
<i>Own office segment</i>	<i>-6%</i>	<i>13%</i>	<i>-19%p</i>		<i>3%</i>	<i>12%</i>	<i>-9%p</i>	
<i>Complementary segment</i>	<i>15%</i>	<i>27%</i>	<i>-11%p</i>		<i>19%</i>	<i>22%</i>	<i>-3%p</i>	
<i>Investment segment</i>	<i>45%</i>	<i>-9%</i>	<i>+54%p</i>		<i>33%</i>	<i>-28%</i>	<i>+60%p</i>	
<i>Other segment</i>	<i>42%</i>	<i>33%</i>	<i>+10%p</i>		<i>53%</i>	<i>14%</i>	<i>+39%p</i>	
<b>Total EBITDA margin</b>	<b>18%</b>	<b>11%</b>	<b>+7%p</b>		<b>15%</b>	<b>14%</b>	<b>+1%p</b>	

- Group revenue jumped 89% and EBITDA jumped 208% in Q4 2022 on a year-on-year basis.
- Financial Intermediation growth rate is below the dynamics of previous quarters due to volume declines in Poland and Hungary.
- The Group's real estate franchise segment saw revenue increase but EBITDA decline due to the early-stage loss-making Italian subsidiaries. The Polish operation, which turned loss-making, also worsened the segment's results.
- The own office operations segment turned loss-making due to declining volumes, rising operating costs (partly one-off).
- The real estate investment segment's quarterly revenues jumped to over HUF 1.2 billion and EBITDA to HUF 560 million, due to the ongoing handovers of the Forest Hill project and the partial sale of the investment property portfolio.
- Changes in EBITDA were influenced by unique factors, which are presented on page 7 in the description of Clean core results

## SEGMENT LEVEL RESULTS

<i>FINANCIAL SEGMENT</i>	2022	2021	Variance	Variance	2022	2021	Variance	Variance
<i>(data in mHUF)</i>	Q4	Q4		(%)	Q1-Q4	Q1-Q4		(%)
<b>Net sales revenue</b>	<b>6 810.6</b>	<b>2 878.4</b>	<b>+3 932.3</b>	<b>+137%</b>	<b>22 806.9</b>	<b>9 670.3</b>	<b>+13 136.6</b>	<b>+136%</b>
Direct expenses	4 379.1	2 317.0	+2 062.1	+89%	16 186.6	7 578.3	+8 608.3	+114%
<b>Gross profit</b>	<b>2 431.5</b>	<b>561.4</b>	<b>+1 870.1</b>	<b>+333%</b>	<b>6 620.3</b>	<b>2 092.0</b>	<b>+4 528.3</b>	<b>+216%</b>
Indirect expenses	1 387.5	168.0	+1 219.5	+726%	3 625.6	727.7	+2 898.0	+398%
<b>EBITDA</b>	<b>1 044.0</b>	<b>393.4</b>	<b>+650.7</b>	<b>+165%</b>	<b>2 994.6</b>	<b>1 364.3</b>	<b>+1 630.3</b>	<b>+119%</b>
<i>Gross profit margin (%)</i>	36%	20%	+16%		29%	22%	+7%	
<i>EBITDA margin (%)</i>	15%	14%	+2%		13%	14%	-1%	
<b>Loan volume (bn HUF)</b>	<b>191.7</b>	<b>127.1</b>	<b>+64.6</b>	<b>+51%</b>	<b>728.2</b>	<b>428.6</b>	<b>+299.6</b>	<b>+70%</b>
Hungary	17.9	25.5	-7.7	-30%	88.8	101.8	-13.0	-13%
Poland	33.4	101.6	-68.2	-67%	240.7	326.8	-86.1	-26%
Italy	140.5	0.0	+140.5		398.8	0.0	+398.8	

### Market update

- Long-term loans are popular in the Italian credit market, and as lending rates rose, the overall Italian mortgage market fell by 22.7% in 2022 as a whole, according to CRIF analysts, and the double-digit decline continued in the first month of 2023, with the market down 22.8% compared to January 2022. Although the share of intermediaries in the overall market has increased significantly from around 10% pre-Covid in recent years, it is still only around 20% and still has room for further growth.
- According to data from the Polish Credit Information Bureau (BIK), the mortgage market contracted by 49.1% in 2022 as a whole. The drastic fall is due to short interest periods favored by the market in the past. Rising interest rates, strict PTI (payment-to-income) rules resulted in disappearing creditworthiness of the population. The Polish regulator (KNF) has eased PTI rules for fixed-rate loans, which increases the amount of credit that can be taken out by an average of 20%. The positive impact of the change could be more significant from as early as Q2 2023, with a market bottom expected in the last quarter of 2022 or the first quarter of 2023. In addition, the Polish government plans to introduce subsidised loans for young first-time home buyers later this year, which could provide a further boost to the property and credit markets.
- In Hungary, following a first half-year surge driven by green lending, new home loan disbursements declined by 29% in the third quarter and 54% in the fourth quarter on an annualised basis. With the 20-year BIRS peaking in October 2022, a gradual decline in lending rates is expected during 2023 as inflation slows.

- The financial intermediation segment was driven by acquisition of Hgroup in Italy and the continued slowdown of loan markets. Net sales revenue increased to HUF 6.8 billion (+137% yoy), EBITDA to HUF 1 044 million (+165% yoy), but below performance of Q2 2022.
- Italy closed 2022 with its second strongest quarter of the year, with intermediated loan volumes of EUR 341.9 million (HUF 140.5 billion), up 3.3% compared to Q4 2021 (EUR 330.9 million).
- In Poland, the loan market has been falling steadily for the fourth quarter. In Q4 2022, the Group's intermediated loan volume during the quarter amounted to PLN 384 million (HUF 33.4 billion) (-70.2% y/y on a PLN basis).
- In Hungary, the quarterly loan volume brokered by the Group amounted to HUF 17.9 billion, down 30.0% on a y/y basis, while the market volume of home loans fell by 54% in the last quarter.



## SEGMENT LEVEL RESULTS

<b>REAL ESTATE FRANCHISE SEGMENT</b>	<b>2022</b>	<b>2021</b>	<b>Variance</b>	<b>Variance</b>	<b>2022</b>	<b>2021</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>573.6</b>	<b>518.7</b>	<b>+54.9</b>	<b>+11%</b>	<b>2 427.3</b>	<b>1 882.3</b>	<b>+545.1</b>	<b>+29%</b>
Direct expenses	139.2	41.3	+97.9	+237%	543.5	134.4	+409.0	+304%
<b>Gross profit</b>	<b>434.4</b>	<b>477.4</b>	<b>-43.0</b>	<b>-9%</b>	<b>1 883.9</b>	<b>1 747.8</b>	<b>+136.0</b>	<b>+8%</b>
Indirect expenses	398.6	337.5	+61.1	+18%	1 458.3	1 069.7	+388.6	+36%
<b>EBITDA</b>	<b>35.8</b>	<b>139.9</b>	<b>-104.1</b>	<b>-74%</b>	<b>425.5</b>	<b>678.1</b>	<b>-252.6</b>	<b>-37%</b>
Gross profit margin (%)	76%	92%	-16%p		78%	93%	-15%p	
EBITDA margin (%)	6%	27%	-21%p		18%	36%	-18%p	
<b>Network commission revenues*</b>	<b>2 754.9</b>	<b>3 702.8</b>	<b>-948.0</b>	<b>-26%</b>	<b>14 049.7</b>	<b>14 118.4</b>	<b>-68.7</b>	<b>-0%</b>
Hungary	1 840.2	2 632.9	-792.7	-30%	10 025.0	9 962.1	+62.9	+1%
Poland	713.8	935.9	-222.2	-24%	3 264.6	3 704.8	-440.1	-12%
Czech Republic	100.0	134.0	-33.9	-25%	356.6	451.6	-95.0	-21%
Italy	100.9	0.0	+100.9		403.5	0.0	+403.5	
<b>Network office numbers (pcs)</b>	<b>315</b>	<b>260</b>	<b>55</b>	<b>+21%</b>	<b>315</b>	<b>260</b>	<b>55</b>	<b>+21%</b>
Hungary	162	162	0	+0%	162	162	0	+0%
Poland	111	97	14	+14%	111	97	14	+14%
Czech Republic	1	1	0	+0%	1	1	0	+0%
Italy	41	0	41		41	0	41	

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

Real Estate and Loan market data published by Duna House are available at the following link :  
<https://dh.hu/barometer>

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.

- EBITDA realized in the franchise segment declined by 74% yoy to HUF 36 million due to the currently loss-making operation in Italy and the Polish operation turning loss-making due to falling volumes.
- In Hungary, volumes lowered by 30.1% yoy mainly due to increasing lending rate and subsequently slowed real estate market. The Hungarian operation maintained its EBITDA generation power and reached HUF 107 million quarterly EBITDA.
- In Poland, the decline continued, with the annual decline rising to 24% after a 22% decline in the third quarter, turning the business into an EBITDA loss of HUF 11 million for the quarter. Management expects an improvement from Q2 2023 onwards.
- In Italy, the acquired Realizza network generated commission income of HUF 93 million. Due to the small size of the business, it is currently operating at a loss at EBITDA level. Management will focus on expanding the network size over the next 2 years, improving profitability remains secondary for the time being.
- The number of offices continues to grow: 2 offices were added in Italy and 8 in Poland during the quarter, while 3 offices were closed in Hungary.

**SEGMENT LEVEL RESULTS**

<b>OWN OFFICE SEGMENT</b>	<b>2022</b>	<b>2021</b>	<b>Variance</b>	<b>Variance</b>	<b>2022</b>	<b>2021</b>	<b>Variance</b>	<b>Variance</b>
<b>(data in mHUF)</b>	<b>Q4</b>	<b>Q4</b>		<b>(%)</b>	<b>Q1-Q4</b>	<b>Q1-Q4</b>		<b>(%)</b>
<b>Net sales revenue</b>	<b>362.6</b>	<b>482.9</b>	<b>-120.3</b>	<b>-25%</b>	<b>1 665.7</b>	<b>1 951.4</b>	<b>-285.8</b>	<b>-15%</b>
Direct expenses	209.3	306.0	-96.7	-32%	972.8	1 246.2	-273.3	-22%
<b>Gross profit</b>	<b>153.3</b>	<b>176.9</b>	<b>-23.6</b>	<b>-13%</b>	<b>692.8</b>	<b>705.3</b>	<b>-12.4</b>	<b>-2%</b>
Indirect expenses	174.1	111.8	+62.4	+56%	647.0	468.3	+178.7	+38%
<b>EBITDA</b>	<b>-20.8</b>	<b>65.2</b>	<b>-86.0</b>	<b>-132%</b>	<b>45.9</b>	<b>237.0</b>	<b>-191.1</b>	<b>-81%</b>
<i>Gross profit margin (%)</i>	<i>42%</i>	<i>37%</i>	<i>+6%</i>		<i>42%</i>	<i>36%</i>	<i>+5%</i>	
<i>EBITDA margin (%)</i>	<i>-6%</i>	<i>13%</i>	<i>-19%</i>		<i>3%</i>	<i>12%</i>	<i>-9%</i>	
<b>Networ commission revenues*</b>	<b>436.2</b>	<b>575.0</b>	<b>-138.8</b>	<b>-24%</b>	<b>2 043.2</b>	<b>2 149.8</b>	<b>-106.6</b>	<b>-5%</b>
Hungary	205.5	254.0	-48.5	-19%	1 045.1	848.2	+196.9	+23%
Poland	130.6	187.0	-56.4	-30%	641.6	859.8	-218.2	-25%
Czech Republic	100.0	134.0	-34.0	-25%	356.6	441.9	-85.3	-19%
<b>Network office numbers (pcs)</b>	<b>23</b>	<b>21</b>	<b>2</b>	<b>+10%</b>	<b>23</b>	<b>21</b>	<b>2</b>	<b>+10%</b>
Hungary	14	13	1	+8%	14	13	1	+8%
Poland	8	7	1	+14%	8	7	1	+14%
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

- In Q4 2022, the own office segment achieved gross profit of HUF 153 million (-13% y/y) on total network commission income of HUF 436 million (-24% y/y). The segment's commission income and margin increased from the previous low level in Q3. In Hungary, volumes declined by 19% year-on-year and were flat compared to the third quarter
- In Poland, volumes fell by 30% year-on-year due to the combined fall in the credit and real estate markets.
- The segment's result is below the first half of 2022 levels, while its quarterly EBITDA loss narrowed by HUF 28 million compared to Q3 2022. Management has implemented cost reduction measures, the effects of which will be visible from Q2 2023.
- The segment grew by two offices in one year.

**SEGMENT LEVEL RESULTS**

<b>COMPLEMENTARY SEGMENT</b>	<b>2022</b>	<b>2021</b>	<b>Variance</b>	<b>Variance</b>	<b>2022</b>	<b>2021</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>74.7</b>	<b>86.8</b>	<b>-12.0</b>	<b>-14%</b>	<b>332.9</b>	<b>324.1</b>	<b>+8.8</b>	<b>+3%</b>
Direct expenses	18.1	17.4	+0.6	+4%	75.7	78.9	-3.1	-4%
<b>Gross profit</b>	<b>56.6</b>	<b>69.3</b>	<b>-12.7</b>	<b>-18%</b>	<b>257.2</b>	<b>245.3</b>	<b>+11.9</b>	<b>+5%</b>
Indirect expenses	45.1	46.0	-0.9	-2%	195.3	175.5	+19.8	+11%
<b>EBITDA</b>	<b>11.6</b>	<b>23.3</b>	<b>-11.8</b>	<b>-50%</b>	<b>61.9</b>	<b>69.8</b>	<b>-7.9</b>	<b>-11%</b>
<i>Gross profit margin (%)</i>	<i>76%</i>	<i>80%</i>	<i>-4%</i>		<i>77%</i>	<i>76%</i>	<i>+2%</i>	
<i>EBITDA margin (%)</i>	<i>15%</i>	<i>27%</i>	<i>-11%</i>		<i>19%</i>	<i>22%</i>	<i>-3%</i>	

- In the complementary services segment, management has classified Impact Fund Management Ltd, which the Company intends to sell, as an asset held for sale.
- The segment's quarterly revenue amounted to HUF 75 million during the quarter (-14% y/y). The decrease is due to the exclusion of HUF 34 million of Impact's quarterly revenue, which, except for this, the activity grew.
- The segment generated an EBITDA margin of 15% of sales.

## SEGMENT LEVEL RESULTS

<b>INVESTMENT SEGMENT</b> <i>(data in mHUF)</i>	<b>2022</b> <b>Q4</b>	<b>2021</b> <b>Q4</b>	<b>Variance</b>	<b>Variance</b> <b>(%)</b>	<b>2022</b> <b>Q1-Q4</b>	<b>2021</b> <b>Q1-Q4</b>	<b>Variance</b>	<b>Variance</b> <b>(%)</b>
<b>Net sales revenue</b>	<b>1 250.2</b>	<b>864.3</b>	<b>+385.9</b>	<b>+45%</b>	<b>3 403.3</b>	<b>1 007.6</b>	<b>+2 395.7</b>	<b>+238%</b>
Direct expenses	584.9	101.5	+483.4	+476%	2 819.3	187.2	+2 632.2	+1406%
<b>Gross profit</b>	<b>665.3</b>	<b>762.8</b>	<b>-97.5</b>	<b>-13%</b>	<b>583.9</b>	<b>820.4</b>	<b>-236.5</b>	<b>-29%</b>
Indirect expenses	105.7	842.5	-736.8	-87%	-526.7	1 100.0	-1 626.7	-148%
<b>EBITDA</b>	<b>559.6</b>	<b>-79.7</b>	<b>+639.3</b>	<b>-802%</b>	<b>1 110.7</b>	<b>-279.5</b>	<b>+1 390.2</b>	<b>-497%</b>
<i>Gross profit margin (%)</i>	<i>53%</i>	<i>88%</i>	<i>-35%</i>		<i>17%</i>	<i>81%</i>	<i>-64%</i>	
<i>EBITDA margin (%)</i>	<i>45%</i>	<i>-9%</i>	<i>+54%</i>		<i>33%</i>	<i>-28%</i>	<i>+60%</i>	
<b>Carrying amount of properties</b>	<b>2 652.8</b>	<b>2 149.1</b>	<b>+503.7</b>	<b>+23%</b>	<b>2 652.8</b>	<b>2 149.1</b>	<b>+503.7</b>	<b>+23%</b>
Carrying amount of investment purpose properties	982.5	1 849.5	-867.0	-47%	982.5	1 849.5	-867.0	-47%
Carrying amount of operational properties	1 670.3	299.6	+1 370.7	+458%	1 670.3	299.6	+1 370.7	+458%
<b>Number of properties (pcs) **</b>	<b>9</b>	<b>17</b>	<b>-8</b>	<b>-47%</b>	<b>9</b>	<b>17</b>	<b>-8</b>	<b>-47%</b>
Number of investment purpose properties	4	14	-10	-71%	4	14	-10	-71%
Number of operational properties	5	3	+2	+67%	5	3	+2	+67%

- The total real estate investment activity generated a total EBITDA profit of HUF 560 million in the quarter, of which HUF 551 million profit relates to the MyCity real estate development activity. The Group's real estate portfolio generated an EBITDA profit of HUF 9 million.
- Within the MyCity projects, the handover of apartments of the Forest Hill residential development continued during the quarter, with the Group generating a total EBITDA of HUF 551 million.
- Investment properties are valued at market value as assessed by an independent appraiser at 30 June and 31 December each year. During the quarter the Group realised a loss before tax of HUF 13.0 million due to revaluations.
- The figures in the table do not include the results of the MyCity Residence project (Hunor utca, Budapest III. district), in which the Group holds a 50% stake, recognised through equity consolidation.



## FOREST HILL RESIDENTIAL PARK



### Forest Hill – UNDER HANDOVER – Key data

	Total	Realized by 31 Dec 2022	Expected after 31 Dec 2022
<b>Number of units (pcs)</b>	154	114 sold (74%) 68 handed over (44%)	40 to sell (26%) 86 to hand over (56%)
<b>Expected consolidated revenue</b>	HUF 12.0bn	HUF 4.1bn	HUF 7.9bn
<b>Net cash flow form handovers</b>	HUF 6.4bn	HUF 1.7bn	HUF 4.7bn

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

- 57 apartments, 4 605 sqm sellable area
- Given the current uncertain economic environment, the Group is contemplating the potential sale of the plot.

**SEGMENT LEVEL RESULTS**

<b>OTHER- AND CONSOLIDATION SEGMENT</b>	<b>2022</b>	<b>2021</b>	<b>Variance</b>	<b>Variance</b>	<b>2022</b>	<b>2021</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>-133.3</b>	<b>-97.6</b>	<b>-35.7</b>	<b>+37%</b>	<b>-371.8</b>	<b>-373.9</b>	<b>+2.0</b>	<b>-1%</b>
Direct expenses	-31.0	-12.2	-18.9	+155%	-198.6	-76.4	-122.1	+160%
<b>Gross profit</b>	<b>-102.3</b>	<b>-85.5</b>	<b>-16.8</b>	<b>+20%</b>	<b>-173.3</b>	<b>-297.5</b>	<b>+124.2</b>	<b>-42%</b>
Indirect expenses	-45.7	-53.4	+7.8	-15%	23.3	-245.5	+268.7	-109%
<b>EBITDA</b>	<b>-56.6</b>	<b>-32.0</b>	<b>-24.6</b>	<b>+77%</b>	<b>-196.5</b>	<b>-52.0</b>	<b>-144.6</b>	<b>+278%</b>
<i>Gross profit margin (%)</i>	<i>77%</i>	<i>88%</i>	<i>-11%</i>		<i>47%</i>	<i>80%</i>	<i>-33%</i>	
<i>EBITDA margin (%)</i>	<i>42%</i>	<i>33%</i>	<i>+10%</i>		<i>53%</i>	<i>14%</i>	<i>+39%</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
<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			820.9	2 760.6	3 581.5	269.4	3 850.9
Purchase of treasury shares					-127.5		-127.5
Acquisition		-2 155.4		-1 816.6	-3 972.0		-3 972.0
Employee Share-based payment provision		19.9			19.9		19.9

**Annex 1.**

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

Duna House Holding Nyrt 2022Q4 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 2023.

Budapest, 28 February 2022.

Duna House Holding Plc. Board of Directors

Represented by: Doron Dymshiz, Board of Directors, President