

This is a translation of the Hungarian Report

DUNA HOUSE HOLDING NYRT.
31 December 2024
CONSOLIDATED FINANCIAL STATEMENTS

DUNA HOUSE HOLDING NYRT.

CONSOLIDATED FINANCIAL STATEMENTS

**IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL
REPORTING STANDARDS
31 DECEMBER 2024**

DUNA HOUSE
GROUP

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Statement of consolidated financial position

data in thousands of forints, unless otherwise indicated

ASSETS	Comments	31.12.2024	31.12.2023
Long-term assets			
Intangible assets	<u>4</u>	5 833 530	5 983 411
Right-of-use	<u>5</u>	1 306 539	1 483 816
Property	<u>3</u>	1 912 622	1 627 272
Machinery and equipment	<u>3</u>	151 489	152 970
Goodwill	<u>6</u>	5 829 242	5 529 914
Investments in associated companies and joint ventures	<u>7</u>	122 199	118 122
Financial instruments	<u>8</u>	127 806	113 052
Deferred tax assets	<u>9</u>	1 067 518	936 827
Total long-term assets		16 350 945	15 945 384
Current assets			
Inventories	<u>10</u>	2 212 744	2 278 405
Trade receivables	<u>11</u>	4 061 860	3 311 757
Amounts owed by related undertakings	<u>12</u>	472 871	329 261
Other receivables	<u>13</u>	1 095 238	1 686 137
Actual income tax assets	<u>40</u>	464 709	270 675
Cash and cash equivalents	<u>14</u>	5 656 169	8 292 649
Restricted cash	<u>14</u>	500	500
Prepayments and accruals	<u>15</u>	1 038 831	855 278
Assets held for sale	<u>16</u>	1 180 650	527 400
Total current assets		16 183 572	17 552 062
Total Assets		32 534 517	33 497 446

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data in thousands of forints, unless otherwise indicated

LIABILITIES	Comments	31.12.2024	31.12.2023
Equity			
Registered capital	17	171 989	171 989
Treasury shares repurchased	18	(214 249)	(160 147)
Capital reserve	17	1 601 233	1 562 273
Exchange reserves	19	989 240	244 817
Retained earnings	17	38 075	3 417 152
Total equity of the parent company		2 586 288	5 236 084
Non-controlling interests	20	388 490	231 475
Total equity:		2 974 778	5 467 559
 Long-term liabilities			
Long-term loans	21	653 249	904 732
Provisions for expected liabilities	23	106 848	91 784
Deferred tax liabilities	24	1 426 222	1 450 894
Other long-term liabilities	25	5 864 292	4 860 165
Bonds payable	22	13 008 028	13 033 923
Long-term liabilities from leases	5	1 025 680	1 272 781
Total long-term liabilities		22 084 319	21 614 279
 Current liabilities			
Short-term loans and borrowings	21		90 397
Accounts payable	26	4 368 048	3 578 720
Liabilities to related undertakings	12	43 884	58 658
Other liabilities	27	1 435 890	1 021 169
Short-term liabilities from leases	5	483 405	440 467
Actual income tax liabilities	40	315 287	456 446
Prepayments and accruals	28	803 523	769 751
Liabilities directly linked to instruments classified as held for sale	16	25 383	
Total current liabilities		7 475 420	6 415 608
 Total liabilities and equity		32 534 517	33 497 446

Statement of consolidated profit and loss

data in thousands of forints, unless otherwise indicated

Continuing activities	Comments	2024	2023 Modified
Net sales revenues	29	39 707 123	32 818 311
Other operating income	31	251 912	403 429
Total revenue		39 959 035	33 221 740
Variation in self-manufactured stock	32	(1 182 431)	(3 409 737)
Consumables and raw materials	33	(124 645)	(138 853)
Goods and services sold	34	(491 834)	(631 023)
Contracted services	35	(29 271 417)	(22 714 327)
Personnel costs	36	(2 685 843)	(2 408 214)
Depreciation and amortisation	3, 4	(865 446)	(780 216)
Depreciation of right-of-use	5	(478 037)	(414 108)
Other operating charges	37	(925 418)	(759 952)
Operating costs		(36 025 071)	(31 256 430)
Operating profit		3 933 964	1 965 310
Financial income	38	448 899	2 517 135
Financial charges	39	(1 026 680)	(1 093 179)
Share of the results of jointly controlled undertakings	7	2 607	(6 339)
Profit before tax from continuing operations		3 358 790	3 382 927
Income tax expense	40	(1 199 839)	(677 531)
Profit for the year from continuing operations		2 158 951	2 705 396
Discontinued operations			
Profit or loss after tax from discontinued operations	16	24 398	
Profit for the year		2 183 349	2 705 396
From profit for the year			
Attributable to the parent company		2 097 321	2 706 363
Attributable to non-controlling interest		86 028	(967)
		2 183 349	2 705 396
Earnings per share (HUF)	42		
Base		60,3	75,2
Diluted		60,2	75,0

The comments on pages 9 to 102 are integral parts of the consolidated accounts

Consolidated statement of comprehensive income

in thousands of HUF, unless otherwise stated

	Comments	2024	2023
Profit for the year		2 183 349	2 705 396
Other comprehensive income			
Items to be reclassified to profit or loss in subsequent periods			
Translation differences on foreign subsidiaries	<u>41</u>	761 541	(269 611)
Other		0	0
Net other comprehensive income reclassified to profit or loss in subsequent periods		761 541	(269 611)
Items that will not be reclassified to profit or loss in subsequent periods			
Other			
Net other comprehensive income not reclassified to profit or loss in subsequent periods		0	0
Other comprehensive income		761 541	(269 611)
Total comprehensive income		2 944 890	2 435 785
Of total comprehensive income			
Attributable to owners of the parent		2 841 744	2 446 678
Attributable to non-controlling interests		103 146	(10 893)
		2 944 890	2 435 785

The comments on pages 9 to 102 are integral parts of the consolidated accounts

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Statement of changes in equity capital

	Comments	Registered capital	Treasury shares repurchased	Capital reserves	Retained earnings	Exchange reserves	Total equity of the parent company	Non-controlling interests	Total equity
Balance on 31 December 2022		171 989	(370 862)	1 564 066	3 205 707	504 502	5 075 402	175 508	5 250 910
Profit for the year					2 706 363		2 706 363	(967)	2 705 396
Other comprehensive income	41					(259 685)	(259 685)	(9 926)	(269 611)
Total comprehensive income					2 706 363	(259 685)	2 446 678	(10 893)	2 435 785
Acquisition	2.5.2.1				1 341 982		1 341 982	66 860	1 408 842
Dividends	17				(3 836 900)		(3 836 900)		(3 836 900)
Purchase of own shares	18		210 715				210 715		210 715
MRP and executive share program	18			(1 793)			(1 793)		(1 793)
Balance on 31 December 2023		171 989	(160 147)	1 562 273	3 417 152	244 817	5 236 084	231 475	5 467 559
Profit for the year					2 097 321		2 097 321	86 028	2 183 349
Other comprehensive income	41					744 423	744 423	17 118	761 541
Total comprehensive income					2 097 321	744 423	2 841 744	103 146	2 944 890
Acquisition	2.5.2.1				(1 022 498)		(1 022 498)	53 869	(968 629)
Dividends	17				(4 453 900)		(4 453 900)		(4 453 900)
Purchase of own shares	18		(54 102)				(54 102)		(54 102)
MRP and executive share program	18			38 960			38 960		38 960
Balance on 31 December 2024		171 989	(214 249)	1 601 233	38 075	989 240	2 586 288	388 490	2 974 778

The comments on pages 9 to 102 are integral parts of the consolidated accounts

Consolidated Cash Flow Statement

data in thousands of forints, unless otherwise indicated

	Comments	31.12.2024	31.12.2023
Cash flow from operating activity			
Profit before tax from continuing operations		3 358 790	3 382 927
Profit/(loss) before tax from discontinued operations	16	24 398	0
Profit before tax		3 383 188	3 382 927
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation and impairment of property, plant and equipment and right-of-use assets		668 489	582 874
Amortisation and impairment of intangible assets and impairment of goodwill	4, 6	734 966	611 450
Share-based payment expense	36	44 459	14 882
Net foreign exchange differences		(1 070)	578 504
Gain on disposal of property, plant and equipment	31	(1 740)	(101 057)
Fair value adjustment of a contingent consideration		243 027	(1 007 122)
Finance income	38	(448 899)	(1 510 013)
Finance costs	39	783 653	1 093 179
Share of profit of an associate and a joint venture	7	(2 607)	6 339
Movements in provisions, pensions and government grants	23	(15 064)	(11 749)
<i>Changes of working capital</i>			
Decrease/(increase) in trade receivables, contract assets, prepayments and restricted cash	11, 12, 13, 14, 15	(496 424)	(688 871)
Decrease in inventories and right of return assets	10	690 268	3 780 670
Purchase of investment property	16	(1 267 800)	
Increase in trade and other payables, contract liabilities and refund liabilities	12, 26, 27, 28	1 223 047	(2 779 890)
		5 537 493	3 952 123
Interest received	38	324 156	1 122 581
Interest paid	39	(584 322)	(731 816)
Income tax paid	40	(1 509 095)	(837 860)
Net cash flow from operating activity		3 768 232	3 505 028
Cash flow from investing activity			
Proceeds from sale of property, plant and equipment	3, 31	8 453	801 500
Purchase of property, plant and equipment	3	(319 701)	(22 277)
Purchase of financial instruments	8	(14 754)	(2 450)
Dividends from associates and joint ventures	7	1 500	91 500
Development expenditures	4	(195 196)	(177 225)
Net cash flow from investing activity		(519 698)	691 048
Cash flow from financing activity			
Proceeds from exercise of share options	18	119 714	259 426
Purchase of own shares	18	(170 030)	(71 100)
Acquisition of non-controlling interests	2.5.2.1, 2.5.3	0	(1 127 101)
Payment of deferred payments	2.5.2.1	(237 763)	(241 665)
Payment of principal portion of lease liabilities	5	(566 137)	(502 717)
Revenue from borrowings	21, 22		
Repayment of borrowings	21	(341 880)	(765 946)
Dividends paid to equity holders of the parent	17	(4 449 944)	(3 836 900)
Net cash flow from financing activity		(5 646 040)	(6 286 003)
Net change of cash and cash equivalents		(2 397 506)	(2 089 927)
Cash and cash equivalents at start of period		8 292 649	10 646 364
Currency exchange differences on cash and cash equivalents		(238 974)	(263 788)
Cash and cash equivalents at end of period	14	5 656 169	8 292 649

The comments on pages 9 to 102 are integral parts of the consolidated accounts.

1 General

1.1 Introduction to the company

This report contains the consolidated financial statements of Duna House Holding Nyrt. (the “Company”) and its subsidiaries (hereinafter jointly the “Group”) for the year ending 31 December 2024. Duna House Holding Nyrt, as the parent company, is a public limited company registered in Budapest, Hungary, with its registered office at 1016 Budapest, Gellérthegegy utca 17. The Group was established in 2003 and its main activities are financial product brokerage, real estate brokerage and other related services. It is a leader in the services sector in Central Europe.

It is a strategic objective of Duna House Group to extend its expertise to the Central-European region and to become a major international actor. A transaction as a result of which Duna House Group, Hungary is now the sole owner of Metrohouse, the largest Polish real estate agency was closed in April 2016. Metrohouse was consolidated into the Duna House Group on 1 April 2016. On 2 September 2016 the Company acquired 80% participation in the Czech Duna House Franchise s.r.o and, through it, in two of its subsidiaries, Center Reality s.r.o and Duna House Hypotéky s.r.o.; on 6 November 2018, it acquired the Polish loan brokerage company Gold Finance Sp. z.o.o.; and on 7 January 2020 it acquired the Polish loan brokerage company Alex T. Great Sp. z.o.o.

On 13 January 2022, the Company closed the acquisition of a 70% share in HGroup S.p.A. with additional future options (Put/Call), which may increase Duna House's stake in the Italian group to 100%. The Group is consolidating the Italian subsidiaries with a starting date of 1 April 2022. The details regarding the Italian acquisition are set out in section 2.5.2.1.

The Company's registered seat is H-1016 Budapest, Gellérthegegy u. 17.

Principal activities:

- selling and operating franchise system,
- real estate agency services,
- financial products brokerage,
- insurance brokerage,
- real estate appraisal services and the mediation thereof,
- energy certification services and the mediation thereof,
- real estate management,
- buying and selling of own real estate,
- residential real estate fund management,
- real estate development.

After the increase in capital registered on 1 February 2017, Duna House Holding Nyrt.'s largest shareholder was, with a 77.72% share, Medasev Holding Kft. (1016 Budapest, Gellérthegegy utca 17., company registration number: Cg.01-09-209753), which on 6 September 2022 underwent a demerger to form GD Holding Kft. (1026 Budapest, Hidász utca 21. fszt 1., company registration number: Cg.01-09-405548, beneficial owner: Gay Dymischiz) and DDGroup Kft. (1025 Budapest, Szépvölgyi út 206, company registration number: Cg.01-09-405549, beneficial owner: Doron Dymischiz). GD Holding Ltd and DDGroup Kft. are acting in concert and are the controlling shareholders of the Group.

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Owner's name	Ownership shares as at 31 December 2024	Ownership shares as at 31 December 2023
GD Holding Kft.	39,18%	39,18%
DDGroup Kft.	39,18%	39,18%
VIG Asset Management Hungary Zrt.	-	8,24%
Employees	1,72%	1,77%
Treasury shares	0,77%	0,97%
Other investors	19,15%	10,67%
Total	100%	100%

The Company is operated by the Board of Directors, the members of which are: Gay Dymshiz (Chairman), Doron Dymshiz, Jenő Nagy (non-operative), Ferenc Máté, Dániel Schilling. The controlling tasks over the operation of the Company are performed by the Supervisory Board, the members of which are: Károly Redling (Chairman), György Martin-Hajdu, Kálmán Nagy.

1.2 Basis of the financial statements

i) Approval and declaration on compliance with the International Financing Reporting Standards

The annual consolidated financial statements were approved by the Board of Directors on 9 April 2025. The consolidated financial statements were prepared in compliance with the International Financial Reporting Standards (IFRS), as announced and enacted in a regulation in the official journal of the European Union (EU). The IFRS consists of the standards and interpretations developed by the International Accounting Standards Board (IASB) and the International Financing Reporting Interpretations Committee (IFRIC).

At the moment there is no difference between the Group IFRS and IFRS policies accepted by the EU according to the EU in acting processes and the activities of the Group. The disclosures in the financial statements comply with the requirements of the individual standards.

ii) Basis of the financial statements

The consolidated financial statements were prepared on the basis of the standards issued and effective before 31 December 2024 and according to the IFRIC interpretations.

The financial statements were prepared on the basis of the historical cost principle, except when the IFRS requires the use of a different valuation principle than the one stated in the accounting policy.

The Group has prepared the financial statements on the basis that the company will continue as a going concern.

The financial year is identical to the calendar year.

iii) Basis of the valuation

In the case of consolidated financial statements, the valuation is based on the original historical cost, except for the assets and liabilities for which the relevant International Reporting Standard requires or permits valuation at fair value.

While preparing the financial statements in compliance with IFRS the management must apply a professional judgement, estimates and assumptions, which have an impact on the applied accounting policy and on the amounts of assets and liabilities, revenues and expenses stated in the financial statements. The estimates and related assumptions are based on historical experience and numerous other factors, which may be deemed reasonable under the given circumstances and the result of which is the basis of the estimated book value of the assets and liabilities that cannot be defined clearly from other sources. The actual results may be different from these estimates.

The estimates and underlying assumptions are regularly reviewed. The modification of accounting estimates is presented in the period of the modification of the estimate when the modification relates only to the particular year or during the period of the modification and in the subsequent periods when the modification affects both the current and future years.

2 Accounting policy

Below we present the material accounting policies that were applied by preparing the consolidated financial statements. The accounting policies were applied consistently for the periods covered by these consolidated financial statements. The most important accounting principles applied during the preparation of the financial statements were as follows:

2.1 Main components of the accounting policy

2.1.1 Basis of consolidation

Subsidiaries

The consolidated annual financial statements include Duna House Holding Nyrt. and the subsidiaries controlled by it. Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights over, variable returns from its involvement in the entity and is able to influence such returns through its control over the entity. The consolidated annual financial statements include the annual accounts of the subsidiaries from the date on which control commences until the date on which control ceases. Whether or not the Group controls another entity is determined by taking into account the potential voting rights currently exercisable or transferable and their effect.

In general, it is assumed that a majority of voting rights grants the possibility to exercise control. In order to support this presumption, and when the Group does not have a majority of the voting or similar rights of an entity, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity, including:

- The contractual agreement(s) with other owners of the entity,
- Rights under other contractual agreements,
- The Group's voting rights and potential voting rights

The acquisition accounting method is applied to the acquired business shares. This method uses the values at the time of the acquisition based on the market values of the assets and liabilities at the time of the acquisition, i.e., when control is obtained. The cost of acquisition equals the total of the consideration plus the total non-controlling shares in the acquired business. The companies acquired or sold during the year are included in the consolidated financial statements from or to the date of the respective transaction.

The transactions, balances and profits as well as non-realised profits between the companies involved in the consolidation are eliminated. During the preparation of the consolidated annual financial statements similar transactions and events are recorded according to consistent accounting principles.

The equity and profit shares of non-controlling shares are presented in separate rows in the balance sheet and in the income statement. The share of the non-controlling shareholders equals the originally taken value, modified by the amount of changes in the equity of the acquired company relating to non-controlling shareholders. The non-controlling shares have a share of the interim total comprehensive income even if it leads to a negative balance of their shares.

All changes in the participation of the Group in subsidiaries that do not lead to the loss of control are recognised as capital transactions. The amount modifying the participation of non-controlling shareholders and the difference between the received or paid consideration is recognised in the equity as the shareholder value. For each option agreement for a non-controlling interest, the Group assesses

the probability of the transaction occurring and based on the fair value of the expected payment, recognises the difference between the non-controlling interest and the fair value of the payment as an equity transaction.

2.1.2 Reporting currency and FX balances

In view of the content and circumstances of the underlying business events the functional currency of the parent company and reporting currency of the Group is the Hungarian forint.

The consolidated financial statements were prepared in Hungarian forints (HUF), rounded to the nearest one thousand, except otherwise indicated.

The transactions executed in foreign currencies are recognised in the functional currency, applying the exchange rate of the reporting currency to the foreign currency, effective on the date of the transaction, to the amount stated in the foreign currency. In the comprehensive income statement the exchange rate differences that result from the use of an exchange rate other than the exchange rate applied during the settlement of the monetary items, at the initial presentation during the period or in the previous financial statements are stated either as revenues or as expenses during the period when they occurred. The monetary assets and liabilities defined in foreign currencies are converted at the exchange rate of the functional currency effective at the end of the reporting period. The items defined in foreign currencies and valued at fair value are converted at the exchange rate effective at the time of establishment of the fair value. The exchange rate differences between trade receivables and trade payables are included in the income from business activities, while the exchange rate differences of loans are shown in the rows of the revenues or expenses of financial transactions.

The Group's member companies

The results and balance sheets of the Group's member companies that have a functional currency other than the reporting currency (none of which operate in a hyperinflationary economy) are converted into the reporting currency as follows:

- On the first consolidation of acquired foreign subsidiaries, assets and liabilities are included in the consolidated balance sheet in HUF, converted at the exchange rate prevailing on the date of acquisition.
- In the balance sheets presented, assets and liabilities are converted at the closing exchange rate as at the balance sheet date.
- Income statement items are converted to HUF at the average cumulative annual exchange rate.
- All differences arising from exchange rate changes are recognised in consolidated capital (as cumulative conversion differences). If the Group sells part or all of a foreign operation, the exchange difference is recognised in equity until the sale is recognised in profit or loss (Other operating income) through the gain or loss on sale.

2.1.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost value of an acquisition is defined as the sum of the consideration transferred, at the fair value as at the acquisition date, and the non-controlling interests in the acquired party. For each business combination, the Group determines whether to evaluate the non-controlling interests in the acquired party at fair value or at the proportionate share of the acquired party's identifiable net assets. The Group has elected to value non-controlling interests in all past acquisitions at their proportionate share of the identifiable net asset value. Acquisition-related costs are settled as expenses when they are incurred and are included in services rendered.

The Group determines that a business is acquired when the acquired activities and assets comprise inputs together with a significant process that together contributes significantly to the ability to generate outputs. An acquired process is considered to be substantial if it is critical to the continued production of outputs, and the inputs acquired include an organised workforce with the skills, knowledge, or experience to carry out that process, or it contributes significantly to the continued production of outputs and is unique or rare or cannot be replaced without significant cost, effort, or delay in the continued production of outputs.

When the Group acquires a business, it evaluates the acquired financial assets and liabilities in accordance with the contractual terms, economic conditions, and relevant terms and conditions for the appropriate classification at the acquisition date. This includes the separation of derivative transactions embedded in principal contracts by the acquired party.

Any contingent consideration to be transferred by the Group is recognised at fair value as at the acquisition date. Contingent consideration classified as equity is not revalued and its subsequent settlement is recognised in equity. Contingent consideration that is a financial instrument and is classified as an asset or liability within the scope of IFRS 9 Financial Instruments is valued at fair value, and changes in fair value are recognised in the income statement in accordance with the IFRS 9 standard. Other contingent considerations not within the scope of IFRS 9 are valued at fair value at each reporting date, and changes in fair value are recognised in profit or loss.

Goodwill is initially valued at cost value (being the excess of the consideration transferred over the amount recognised for non-controlling interests and any previously held interests in the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired exceeds the consideration transferred, the Group reassesses whether it has correctly identified all assets acquired and liabilities assumed and revises the procedures used to evaluate the amounts to be recognised at the acquisition date. If the revaluation still results in the fair value of the net assets acquired exceeding the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is valued by the Group at cost value decreased by accumulated impairment losses. For the purpose of assessing impairment, goodwill acquired in a business combination is allocated, from the acquisition date to each of the Group's cash-generating units expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired party are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the activity within that unit is disposed of, the goodwill associated with the disposed activity shall be included in the book value of the activity in determining the gain or loss on disposal. Goodwill disposed of in such circumstances is valued by the Group on the basis of the relative value of the part of the operation disposed of and the part of the cash-generating unit retained.

2.1.4 Investments in associated companies and joint ventures

An associated company is a business unit over which the Group has significant influence. Significant influence means participation in the financial and operating policy decisions of the investee company, but does not mean control or joint control over those policies.

A joint venture is a type of joint arrangement in which the parties that have joint control over the arrangement have rights regarding the net assets of the joint venture. Joint control is the contractual

sharing of control over an agreement, which exists only when decisions on the relevant activities require the unanimous consent of the parties sharing control.

The considerations used to determine significant influence or joint control are similar to those used to determine control over subsidiaries. The Group accounts for its investments in associated companies and joint ventures using the equity method.

Under the equity method, an investment in an associated company or joint venture is initially recognised at cost. The book amount of the investment is adjusted for changes in the net assets of the associated company or joint venture since the acquisition date. Goodwill relating to an associated company or joint venture is included in the book value of the investment and is not examined separately for impairment.

The income statement reflects the Group's share of the results of the associated company or joint venture. Any changes in the other comprehensive income of such investments are presented as part of the Group's other comprehensive income. In addition, if there has been a directly recognised change in the equity of an associated company or joint venture, the Group recognises its share of the changes, if any, in the statement of changes in equity. Unrealised gains and losses arising from transactions between the Group and an associated company or joint venture are eliminated to the extent of the Group's interest in such associated company or joint venture.

The aggregate of the Group's share of the profits or losses of associated companies and joint ventures is recognised in the income statement outside profit or loss from operations and relates to profit or loss after tax and non-controlling interests in subsidiaries of associated companies or joint ventures. The financial statements of an associated company or joint venture are prepared for the same reporting period as for the Group. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group.

2.1.5 Distinction between short and long-term

The Group presents assets and liabilities in the statement of its financial position as distinguished between short and long term. An asset is short-term if:

- It is expected to be realised, or is sold or used, within the normal operating cycle,
- It is held mainly kept for trading purposes,
- It is expected to be realised within twelve months after the reporting period,

Or

- It is a cash or cash equivalent, unless it cannot be exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as long-term.

A liability is short-term if:

- It is expected to be settled within the normal operating cycle,
- It is held mainly kept for trading purposes,
- It must be paid within twelve months of the end of the reporting period,

Or

- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period. The terms of the liability that may, at the counterparty's option, result in the settlement of the liability by the issue of equity instruments do not affect the classification of the liability.

The Group classifies all other liabilities as long-term.

Deferred tax assets and liabilities are classified as long-term assets and liabilities.

2.1.6 Sales revenue

Revenues are recognised by the Group in line with the IFRS 15 (revenues from client contracts) standard. The Group is principally engaged in the brokerage of financial products, real estate brokerage, and the operation of a real estate franchise system.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer in an amount to which the customer expects to be entitled for the provision of services by another party. In general, the Group has concluded that it is an agent in revenue arrangements, except for the franchise fees described below, because it typically does not check the goods or services before they are transferred to the customer.

The Company uses a five-step approach when accounting revenue to determine the timing and amount of revenue to be recognised:

Step 1: Identification of the contract with the buyer,

Step 2: Identifying the performance conditions in contracts,

Step 3: Determining the transaction price,

Step 4: Allocation of the transaction price to the performance conditions in the contract,

Step 5: Recognition of revenue when the performance conditions are met.

Underwriting and trail commissions related to financial products (loans, insurance products) brokered to customers

The Company has identified a performance obligation in relation to the financial products it brokers to customers, which obligation it will settle when the loans are fully disbursed to the customers by the financial institutions or when the premium is paid by the customer. The brokerage commission is typically based on the agreed commission percentage and the amount of credit disbursed and on insurance premiums; however, for certain products it is a fixed amount per transaction.

In the case of mortgage loans brokered in Hungary, the Group is also entitled to a trail (maintenance) commission. The Group becomes entitled to the brokerage commission when the financial institution disburses the mortgage loan to the customer, while the Group becomes entitled to the trail commission when the customer repays the loan from the financial institution according to the contract.

Real estate agent commissions from clients for sold properties

The Company has identified a performance obligation in respect of the real estate agent commission received from customers, which is satisfied at the time of signing the sales contract for the given property. The transaction price is based on the agreed commission percentage and the sale price of the property.

Monthly franchise fee based on commission volumes generated by franchise partners

The Group has a monthly franchise fee income with fixed and variable components. Variable fee income is based on the commission volume generated by the franchise partner in a given month. For the monthly commission volume used as the basis for the calculation of variable fees, the Group takes into account the real estate transactions that took place in the given month, in relation to which the franchisee became entitled to a commission, i.e. a sales contract for a real estate property was signed in the given month. The transaction price is based on a percentage of the agreed franchise fee and the commission volumes generated by franchise partners.

The fixed fee is the minimum of these variable fees that the franchisee must pay each month, regardless of the volume of commissions generated. Franchise fee income is recognised monthly, at the end of the month.

Entry franchise fees from new franchise partners based on multi-year contracts

The Company recognises revenue from entry franchise fees received from new franchise partners based on multi-year contracts on a pro rata basis over the term of the franchise agreements, as the Group's efforts are evenly spread over the performance period.

The Company continually evaluates the terms of its contracts with customers and the related performance obligations to ensure that its revenue-recognition policy is appropriate and in compliance with IFRS 15.

2.1.7 Intermediation commission cost

The Group presents agency and other subcontractor commission costs incurred in connection with its intermediary activities under Contracted services.

Commission costs incurred on the sale of own real estate are included in Goods and services sold.

2.1.8 Contractual assets

A contractual asset is initially recognised for the trail commission income received on mortgage loans brokered in Hungary, as the receipt of the consideration is dependent on the loan portfolio remaining intact. The trail commission is invoiced to the lending financial institution in proportion to the time elapsed since the loan was disbursed and the amount recognised as a contractual asset is reclassified by the Group to trade receivables.

Contractual assets are recognised at a discounted value based on the expected default rate and adjusted each period based on the loan portfolio eligible for a trail commission as recorded by financial institutions. The Group discloses contractual assets in the statement of its financial position under "Other receivables".

2.1.9 Contractual obligations

A contractual obligation related to real estate property development is an obligation to deliver goods or services to a customer for which the Group has received a consideration (or the amount of consideration is due) from the customer. Contractual obligations are recognised as revenue when the Group has fulfilled the contract (i.e. transferred control of the related goods or services to the customer).

The amounts invoiced to the customer for the sale of completed properties and of properties under development are based on the achievement of various milestones set out in the contract. The amounts recognised as revenue in a given period do not necessarily coincide with the amounts invoiced to and certified by the customer. For contracts in which the goods or services delivered are less than the amount invoiced to and certified by the customer (i.e. when a payment is due or a payment is received before the Group delivers the remaining goods or services), the difference is accounted for as a contractual liability and is presented in the statement of its financial position under "Other liabilities".

2.1.10 Real estate, machines, equipment

The tangible assets are stated at historical cost less accumulated depreciation. An item of property, plant and equipment is carried at cost value decreased by any accumulated depreciation and any accumulated impairment losses.

The Company writes off the value of its assets with the straight-line method during the useful life of the assets. The life of assets by asset category is as follows:

Properties	17-50 years
Machinery and equipment	3-7 years

The useful lives and depreciation methods are reviewed at once a year based on the actual economic benefit provided by the particular asset. If required, the modification is accounted against the profit/loss of the current year.

2.1.11 Impairment loss

The Group assesses at the end of each reporting period whether or not a change triggering impairment has occurred in relation to any asset. If such a change occurred, the Group estimates the estimated recovery value of the asset. The estimated recovery value of an asset or cash-generating unit is either the fair value less the costs of sales or the value in use, whichever is higher. The Group recognises impairment against the profit if the estimated recovery value of the asset is lower than its book value. The Group prepares the required calculations based on adequately discounting the long-term future cash flow plans. The Group recognises asset impairments in accordance with IAS 36 as a Financial expense in the line Foreign exchange losses.

2.1.12 Intangible assets

The individually purchased intangible assets are entered into the books at purchase price, while intangible assets acquired during business combination are entered into the books at fair value at the time of their acquisition. The assets are entered into the books when the use of the asset probably results in the influx of future economic goods and its cost can therefore be clearly identified.

Following the initial recognition the historical cost model applies to intangible assets. The lifetime of these assets is finite or cannot be defined. The assets of a finite lifecycle are depreciated with the straight-line method according to the best estimate for the lifetime. The depreciation period and the depreciation method are reviewed annually at the end of the financial year.

The purchase costs of goods and software falling within the scope of trademarks, licenses and industrial right protection are capitalized and written down with the straight-line method during their estimated useful life.

Brand names	20 years
Purchased contracts	10 years
Rights and titles as well as software	3-6 years

During the periods covered by this report, the Group did not have any intangible assets with indefinite useful lives.

2.1.13 Inventories

The inventories are stated at historical cost less impairment recognised on superfluous and obsolete stocks or at net realizable value, depending on which is lower. The inventory value is defined at the actual historical cost.

The historical cost of real estate development projects includes all the costs of purchasing, transforming, and any other direct costs incurred in order for the developed property to be completed.

2.1.14 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an item of property held in inventories that necessarily takes a substantial period of time to prepare for its intended use or sale are capitalized as part of the cost of the asset. Capitalization starts when: (1) the Group incurs expenses in connection with the asset; (2) the Group incurs borrowing costs; and (3) the Group engages in activities necessary to prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the business unit incurs in connection with the borrowing of funds.

Capitalized interest is calculated on the basis of the weighted average of the Group's borrowing costs, after adjusting for borrowings related to specific developments. Where the borrowings relate to specific developments, the amount capitalized is the gross interest accrued on the borrowings related to the given development. Interest is capitalized from the start of the development work until the date of completion in practice, i.e. when the development work is substantially complete. The capitalization of financing costs is suspended if the development activity is interrupted for an extended period.

2.1.15 Receivables

The receivables are stated in the financial statements and nominal value less impairment recognised for estimated losses. In accordance with the requirements of the IFRS 9 standard, the Group uses the expected credit loss (ECL) model to estimate the expected amount of impairment.

For trade receivables and contractual assets, the Group applies a simplified approach to the calculation of ECLs. The Group does not monitor changes in credit risk but recognises a loss provision at each reporting date based on the life of the expected credit loss. The Group has established an impairment matrix based on the past experience of credit losses, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.1.16 Instruments classified as held for sale and liabilities directly linked to them

The Group classifies non-current assets and disposal groups as held for sale when their book value will be recovered principally through a sale transaction rather than through continuing use. Non-current assets (or disposal groups) classified as held for sale are valued either at their carrying value or their fair value less costs of sales, whichever is lower. The cost of sale is the incremental costs directly attributable to the sale of the asset (disposal group), excluding finance costs and income tax expenses.

The conditions for classification as held for sale are considered met only if the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Arrangements necessary for completing the sale should indicate that it is unlikely that significant changes to the sale will occur or that the decision to sell will be cancelled. Management must be committed to the plan to sell the asset, and the sale must be expected to be completed within one year of the classification date.

Properties, machinery and equipment, and intangible assets are neither depreciated nor amortised if they are classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of the Company's financial position.

Discontinued operations are not included in the results from current operations and are presented in the income statement as a single amount as profit or loss after tax from discontinued operations. For further disclosures, see note 15. All other notes to the financial statements include amounts for continuing operations unless otherwise stated.

2.1.17 Financial instruments

The Group normally records purchases and sales of financial assets on the settlement date. To establish the category of financial instruments, the Group determines whether the financial instrument is a debt instrument or equity investment. Equity investments have to be valued at fair value against profit; however, the Group may decide to evaluate at fair value the equity investments held for other than business purposes against other comprehensive results. If the given financial instrument is a debt instrument, the following points have to be taken into account when establishing the classification.

- The amortised historical cost - target - is the collection of contractual cash flows, which contains only the cash flows related to the payment of interests on capital and extended capital amounts.
- Fair value against other comprehensive profits - the purpose of holding - which realizes its goal by way of the collection of contractual cash flows and the sale of financial instruments, and result in cash flows at times specified by the contractual conditions of the financial instrument, which are exclusively the payment of interests on capital and extended amounts of capital.
- Against fair value results - which do not belong to either of the two financial instrument categories or were designated as valued at fair value against profit when they were first recognised.

Financial liabilities have to be valued at their amortised historical cost value, with the exception of the financial liabilities that have to be valued at fair value against profit or where the Group opted to value for fair valuation.

The subsequent valuation is based on the classification of the given financial instrument.

Valuation at amortised historical cost

Amortised historical cost is the original cost value of the financial instrument or liability decreased by the amount of capital redemption, increased or decreased by the accumulated amortisation of the difference between the original cost value and the value as at maturity, and decreased by the amount of depreciation due to impairment or collectability. The effective interest method has to be applied to the interest rate, with the interest calculated in the profit.

The changes in the fair value of the asset have to be recognised in the profit only at the time of derecognition or re-classification.

The Group carries trade receivables, cash and cash equivalents, long-term and short-term loans, liabilities from bond issues and liabilities from leasing contracts at amortised cost.

Valued at fair value against profit

The asset shall be valued at fair value and changes in fair value shall be recognised against profits.

The Group recognises liabilities arising from deferred purchase price and option payments at fair value through profit or loss.

Fair value accounting

Based on the market prices recorded as at the balance sheet date without deducting transaction costs. If there is none, then the basis of the valid market value of instruments with the same fundamental properties, or the cash flows expected from the net assets that form the basis of investments.

Derecognition of financial instruments

Financial instruments are derecognized when the Group no longer has the rights embodied by the financial instrument in question (sale, all cash flow has taken place, transfer).

If the Group does not transfer and does not retain the risks and earning related to the financial instruments, but does maintain control of the instrument, the retained earning has to be recognised as an asset and the possible outflows stemming from the retained risks have to be recognised as liabilities.

The Group may remove a financial liability (or a part of a financial liability) from its report pertaining to its financial situation if, and only if, it has been terminated – i.e. when the Group has complied with the obligations specified in the contract or such obligations have been cancelled or have expired.

2.1.18 Provisions

The Group recognises provisions on its existing (legal or assumed) commitments resulting from historic events, which the Group is likely to have to settle and when the amount of the obligation can be reliably measured.

The amount recognised as provisions is the best estimate of the expense required on the balance sheet date to settle an existing obligation, taking into account the risks and uncertainties that characterize the obligation. If the provisions are calculated on the basis of the cash flow, likely to be required for the settlement of an existing obligation, the book value of the provisions equals the present value of those cash flows.

If another party is likely to reimburse the expenses required for the settlement of the provisions in part or in full, the receivable can be recognised as an asset when it is virtually certain that the reimbursement will be received, and the amount of the receivable can be measured reliably.

In relation to the Forest Hill Residential Park real estate development project, Reviczky 6-10. Kft. is subject to warranty and guarantee obligations under the relevant legal provisions and the sales contracts, which

apply for a period of up to ten years after the completion of the real estate, in the event of a defect existing in the Property at the time of completion (building structure, building engineering, etc.). These conditions are “safeguard-type” guarantees that must be provided as a legal obligation for a quality guarantee. Minor repairs are accounted immediately as costs and are included in the cost of services and materials used.

Provisions are set aside for expected warranty claims on properties sold during the year, based on past experiences regarding the extent of major repairs. The provisions for guarantees in the year are accounted as “Other operating expenses”. The estimate of such provisions is reviewed annually.

The assumptions used to calculate the guaranteed provisions are based on current and historical information regarding major repairs at the level of property sales and the warranty period for all properties sold. These costs are expected to be incurred within three years from the date of sale and are presented at discounted present value.

2.1.19 Income taxes

The income tax on consolidated profit before tax in Hungary is based on the act on corporate and dividend tax law, regulations on the rate of local business tax and the tax and contribution liabilities set out in the act on innovation contributions, while in Italy, Poland and the Czech Republic, it is based on related tax regulations. The full income tax liability contains tax components for the current year and deferred items. The Company also classifies the support provided for spectacular sports as corporate tax, because by content it considers it an income tax.

The tax liability for the current year is calculated on the basis of the taxable profit of the current year. The taxable profit is different from the profit before tax recognised in the consolidated financial statements due to gains and losses not included in the tax base and due to items, which are recognised in the taxable profit of other years. The current tax liability of the Group is calculated on the basis of the tax rate effective or announced by the balance sheet date (provided that the announcement is equivalent to entry into force). The deferred tax is calculated with the liability method.

Deferred tax occurs when there is a time difference in the recognition of an item in the annual report and in the financial statements prepared according to the tax law. A deferred tax asset and liability is established by applying the tax rates to the taxable income of the years when the difference caused by the time difference is likely to be recovered. The deferred tax liability and tax asset reflects the Group’s estimate for the method of realization of tax assets and liabilities prevailing on the balance sheet date.

A deferred tax asset is included in the balance sheet with respect to deductible time differences, tax benefits allowed to be carried forward and tax losses when it is likely that the Group will realize profit in the course of its future operations against which the deferred tax asset can be settled.

On each balance sheet date, the Group takes into account the deferred tax assets not recognised in the balance sheet and the book value of the recognised tax assets. It enters into the inventory those assets not yet recognised in the balance sheet which may be recovered as a reduction of its future profit tax. On the contrary, the Group reduced its deferred tax assets to such an extent that its recovery is unlikely to be funded from taxed profit.

The current and deferred tax is recognised directly against the equity when it relates to items which were also recognised against equity in the same or a different period, also including modifications in the opening value of reserves due to any change made in the accounting policy with retroactive effect.

The deferred tax assets and liabilities can be offset against each other when the Group has a right granted by the law to offset its actual tax assets and liabilities relating to the same tax authority against each other and when the Group intends to account for those assets and liabilities on net basis.

2.1.20 Leasing

The Group assesses whether a contract is a lease or contains a lease element at the conclusion of the contract. I.e. if the contract transfers the right to control the use of an identified asset for a certain period of time in exchange for consideration.

The Group as lessee

The Group applies a uniform recognition and valuation approach to all leases, with the exception of short-term leases and leases of low-value assets. The Group recognises lease liabilities to meet lease payments and the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets on the commencement date of the lease (i.e. the date on which the underlying asset becomes available for use). Right-of-use assets are valued at cost value decreased by accumulated depreciation and impairment losses and adjusted for the revaluation of lease liabilities. The cost value of right-of-use assets includes the amount of recognised lease obligations, initial direct costs incurred and lease payments made at or before the inception of the lease, decreased by any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term or their estimated useful life, whichever is shorter. The useful life of assets:

- Real estate and machinery: 3-20 years
- Motor vehicles and other equipment: 3-5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated on the basis of the estimated useful life of the asset.

Impairment also applies to assets with rights of use. See the accounting policy in the chapter on the impairment of non-financial assets.

ii) Lease liabilities

At the inception of a lease, the Group recognises lease liabilities at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including payments that are essentially fixed but decreased by lease incentives), variable lease payments that are a function of an index or an interest rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the price of the purchase option that the Group is reasonably certain to exercise and the payment of penalties for cancellation of the lease if the lease term reflects the Group's exercise of the cancellation option.

Variable lease fees that are not dependent on an index or interest rate are recognised as an expense in the period in which the event or condition giving rise to the payment occurs (unless they are incurred in the production of inventories).

In calculating the present value of lease payments, the Group uses the interest rate at the inception of the lease, as the interest rate inherent in the lease cannot be readily determined. After the commencement date, the amount of the lease obligations is increased to reflect the accrual of interest, and the amount of the lease payments is reduced. In addition, the book value of lease liabilities shall be revalued if there is a modification, a change in the lease term, a change in the lease payments (e.g. a change in future payments resulting from a change in the index or interest rate used to determine such lease payments), or a change in the valuation of an option to purchase the underlying asset. The Group presents its lease commitments, according to maturity, in the statement of financial position under the headings "Long-term liabilities from leases" and "Short-term liabilities from leases".

iii) Short-term leases and the leasing of low-value assets

The Group applies the exemption from recognizing short-term leases for short-term leases of machinery and equipment (i.e. leases with a lease term of 12 months or less from the commencement date and without a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment classified as low-value (less than HUF 1.5 million). For short-term leases and leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the course of the lease term.

The Company is availing itself of the possibility of simplification offered by the amendment to the IFRS 16 standard passed in connection with the COVID-19 epidemic as regards the effects of rent concessions on leased assets. The Company applies the simplification to all assets that meet the requirements of IFRS point 16.46B.

2.1.21 Earnings per share (EPS)

The earnings/share is established on the basis of the Group's profit and the shares less the temporary average portfolio of repurchased own shares.

The diluted earnings/share is calculated similarly to the earning/share. However, during the calculation all shares in distribution, suitable for dilution are taken into account, and the dividend that may be distributed on common shares is increased by the dividend and return on the convertible shares taken into account during the applicable period, modified by further income and expenses on conversion; the weighted average number of shares in distribution is increased by the weighted average number of further shares which would be in distribution if all convertible shares were converted.

2.1.22 Off-balance sheet items

The off-balance sheet liabilities are not included in the balance sheet or income statement that constitute parts of the consolidated financial statements unless they were acquired during business combinations. They are presented in the notes to the financial statement unless the possibility of outflow of sources representing economic benefits is remote and negligible. The off-balance sheet receivables are not included in the balance sheet or income statement constituting parts of the consolidated annual financial statements but if the influx of economic benefits is likely, they are presented in the notes to the financial statements.

2.1.23 Treasury shares repurchased

Repurchased treasury shares are recognised separately within equity at historical cost in accordance with the requirements of the IAS 1 standard.

2.1.24 Dividends

The Company recognises dividend in the year when it is approved by the general meeting.

2.1.25 Distribution of shares, option schemes

The Group distributes its own shares to certain employees within the framework of its employee share schemes. The detailed description of the benefit schemes can be found in section 18. These benefit schemes are recognised as equity-settled share-based payment.

Equity-settled share-based payments granted to employees and others providing similar services are valued at the fair value of the equity instruments on the grant date. The fair value of equity-settled share-based payments determined on the grant date is recognised using the straight-line method over the vesting period (adjusted for changes in estimates) based on the Group's estimate of the effectively vested equity instruments. At the end of each reporting period, the Group reviews the estimate of how many shares are expected to be vested under non-market vesting conditions. The Group recognises a change in the estimate in the income statement against equity.

2.1.26 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position include cash at banks and in hand and highly liquid short-term deposits with a maturity of three months or less, which are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, excluding outstanding bank overdrafts, as these are an integral part of the Group's cash management. The Group prepares a statement of indirect cash flows, starting with net profit or loss from operating activities and presenting adjustments to reconcile net profit or loss to cash flows from operating activities.

2.1.27 Events subsequent to the accounting reference date

The events occurring after the end of the reporting period that provide additional information about the conditions prevailing at the end of the Group's reporting period (amending items) are all presented in the report. Those events occurring after the reporting period that do not modify the data of the report are presented in the notes to the financial statements when they are important.

2.2 Changes in the Accounting Policy

The Group prepared its financial statements in compliance with the provisions of all the standards and interpretations in force as at 31 December 2024.

2.2.1 The new standards entering into effect on 1 January 2024 and applied by the Group:

The accounting policies applied are consistent with those of the previous financial year, except for the following IFRS amendments, which the Group will apply from 1 January 2024:

- **IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current (Amendments)**

The amendments shall be applied retrospectively in accordance with IAS 8 for annual periods beginning on or after 1 January 2024. The amendments clarify the principles in IAS 1 for classifying liabilities as current or non-current. The amendments clarify the reporting of the right to defer settlement, the requirement that this right should exist at the end of the reporting period. Management's intention does not affect classification as current or non-current. Under the amendments, a counterparty's options that may result in settlement by a transfer of the entity's own equity instruments do not affect current or non-current classification. The amendments also specify that only covenants that the entity must meet on or before the reporting date affect the classification of a liability. Additional disclosures are also required for long-term liabilities arising from loan agreements that have covenants that must be fulfilled within twelve months after the reporting period.

Management has assessed the amendments and they have no impact on the Group's financial statements.

- **IFRS 16 Leases: Lease liability in leaseback transactions (Amendments)**

The amendments apply for reporting periods starting on or after 1 January 2024. The amendments aim to improve the requirements that a seller-lessee applies in measuring a lease liability in a leaseback transaction under IFRS 16. However, the amendments do not change the accounting for leases that are not related to leaseback transactions. A vendor-lessee defines 'lease payments' or 'revised lease payments' so that the vendor-lessee does not recognise the portion of the gain or loss that relates to the right of use that it retains. The application of these requirements does not prevent a vendor lessee from recognising in profit or loss the gain or loss on the partial or total termination of a lease. In accordance with IAS 8, a vendor lessee shall apply the amendment retrospectively to leaseback arrangements entered into after the date of initial application, which is the beginning of the reporting period in which the entity first applies IFRS 16.

The Group is not involved in any sale and leaseback transactions and therefore the amendments have no impact on the Group's financial statements.

- **IAS 7 Statement of Cash Flows and IFRS 7 Disclosure of Financial Instruments - Supplier Financing Arrangements (Amendments)**

The amendments apply for reporting periods starting on or after 1 January 2024. The amendments add to the existing requirements in IFRSs and require an entity to disclose the terms of a vendor financing arrangement. In addition, entities are required to disclose, at the beginning and end of the reporting period, the carrying amount of financial liabilities under vendor financing arrangements and the line items on which those liabilities are presented, as well as the carrying amount and line items of financial liabilities for which the financiers have settled the corresponding vendor payables. Entities shall also disclose the nature and effect of any non-cash changes in the carrying amount of financial liabilities arising from vendor financing arrangements that affect the comparability of the carrying amounts of financial liabilities. The amendments also require an entity to disclose, at the beginning and end of the reporting period, the maturity of financial liabilities to financiers and similar trade payables that are not part of those arrangements.

The Group is not involved in any vendor financing transactions and therefore the amendments have no impact on the Group's financial statements.

2.2.2 Standards issued but not yet in force and not subject to early application

2.2.2.1 Standards/amendments not yet in force but adopted by the EU

- **IAS 21 The Effect of Changes in Foreign Exchange Rates: Non-convertibility (Amendments)**
The amendments will take effect from reporting periods beginning on or after 1 January 2025, with early application permitted. The amendments specify how an entity should assess whether a currency is convertible and determine the exchange rate to be used when it is not convertible. A currency is regarded as convertible into another currency if the entity can obtain access to the other currency within a time frame that takes into account normal administrative time requirements and through a market or exchange mechanism in which an exchange transaction creates enforceable rights and obligations. If a currency cannot be exchanged for another currency, the entity shall estimate the exchange rate at the measurement date. The objective of an entity in estimating the exchange rate is to reflect the rate at which a regular way exchange transaction would be effected between market participants under current economic conditions at the measurement date. Based on the adjustments, an entity may use an unadjusted observable rate or another estimation technique.

Management has assessed the amendments and no impact on the Group's financial statements is expected.

2.2.2.2 Standards/amendments not yet in force and not adopted by the EU

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)**
The Amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application of amendments related to the classification of financial instruments is permitted, with an option to apply other amendments at a later date. The Amendments clarify that a financial liability is derecognised on the 'settlement date' if the liability is discharged, cancelled, the liability expires or otherwise meets the criteria for derecognition. The Amendments introduce an accounting policy option to allow liabilities settled through electronic payment systems to be derecognised before the settlement date if specific conditions are met. The Amendments provide guidance on the assessment of the contractual cash flow characteristics of financial instruments with ESG-conditional or other similar conditions. The Amendments clarify the treatment of non-recourse and contractually-linked instruments and require additional disclosures in IFRS 7 in relation to financial assets and liabilities that are contingent (including those with ESG conditions) and equity instruments that are measured at fair value through other comprehensive income. The amendments have not yet been endorsed by the EU.

Management has assessed the amendments and no impact on the Group's financial statements is expected.

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts for Electricity Contingent on Environmental Conditions (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2026, with early application permitted. The Amendments clarify the application of the requirements for "own use" type arrangements, permit hedge accounting when contracts covered by the Amendments are used as hedging instruments, and introduce new disclosure requirements to help investors understand the impact of these contracts on the financial performance and cash flows of the company. The clarifications to the "own use" requirements are applied retrospectively, but hedge accounting can only be applied to new hedging relationships designated on or after the date of initial application. The amendments have not yet been adopted by the EU.

Management has assessed the amendments and no impact on the Group's financial statements is expected.

- **IFRS 18 Presentation and disclosure of financial statements**

IFRS 18 introduces new requirements for the presentation of the income statement. IFRS 18 requires an entity to classify all income and expenses in the income statement into one of the following five categories: operating, investing, financing, income taxes and discontinued operations. These categories are supplemented by requirements to present summary line items for operating profit, profit before taxation and financing costs and profit or loss.

IFRS 18 also requires the disclosure of management-defined performance measures, which are subtotals of revenues and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, the requirements of other standards have been amended as a result of the adoption of IFRS 18.

IFRS 18 is effective for accounting periods beginning on or after 1 January 2027, but earlier application is permitted. IFRS 18 applies retrospectively. The amendments have not yet been endorsed by the EU.

Management has assessed the amendments and they are expected to have an impact on the Group's financial statements.

- **IFRS 19 Subsidiaries not subject to public accountability: Disclosures**

IFRS 19 allows subsidiaries without public accountability to apply reduced disclosure requirements if their parent (ultimate or indirect parent) prepares publicly available consolidated financial statements in accordance with IFRS. Those subsidiaries shall continue to apply the recognition, measurement and presentation requirements of other IFRSs. Unless otherwise specified, a qualifying entity need not comply with the disclosure requirements in other standards if it elects to apply IFRS 19. IFRS 19 is effective for annual periods beginning on or after 1 January 2027, but earlier application is permitted. The amendments have not yet been endorsed by the EU.

Management has assessed the amendments and no impact on the Group's financial statements is expected.

- **Annual improvements to IFRS accounting standards - Volume 11**

The IASB's annual improvements process for IFRS is not urgent but addresses necessary clarifications and amendments. In July 2024, the IASB issued the Annual Improvements to IFRS Accounting Standards - Volume 11. Entities shall apply these amendments for annual

reporting periods beginning on or after 1 January 2026. Annual Improvements to IFRSs - Volume 11 includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. These amendments are intended to clarify wording, correct minor unintended consequences, inadvertent omissions or inconsistencies between the requirements of the Standards. The amendments have not yet been endorsed by the EU.

Management has assessed the amendments and no impact on the Group's financial statements is expected.

- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments resolve a recognised inconsistency between the requirements of IFRS 10 and IAS 28 in the treatment of a sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss should be recognised when the transaction involves a business (whether or not it is embedded in a subsidiary) and a partial gain or loss should be recognised when the transaction involves assets that do not constitute a business, even if those assets are embedded in a subsidiary. In December 2015, the IASB deferred the effective date of this amendment indefinitely pending the outcome of its research project on the equity method. The amendment has not yet been adopted by the EU.

Management has assessed the amendments and no impact on the Group's financial statements is expected.

2.3 Amendments to past statements

The Group has reclassified the direct commission cost of financial intermediation in Hungary from Cost of goods and services sold to Contracted services in order to manage this cost consistently with Polish and Italian costs. The reclassification ensures that each cost type is treated in the same way and has no impact on the Group's results as it is a reclassification between operating costs.

The statement before and after reclassification up to the level of Operating profit is presented in the table below.

Statement of consolidated profit and loss 2023

Continuing activities	2023	2023 Modified	Modification
Net sales revenues	32 818 311	32 818 311	0
Other operating income	403 429	403 429	0
Total revenue	33 221 740	33 221 740	0
Variation in self-manufactured stock	(3 409 737)	(3 409 737)	0
Consumables and raw materials	(138 853)	(138 853)	0
Goods and services sold	(1 476 517)	(631 023)	845 494
Contracted services	(21 868 833)	(22 714 327)	(845 494)
Personnel costs	(2 408 214)	(2 408 214)	0
Depreciation and amortisation	(780 216)	(780 216)	0
Depreciation of right-of-use	(414 108)	(414 108)	0
Other operating charges	(759 952)	(759 952)	0
Operating costs	(31 256 430)	(31 256 430)	0
Operating profit	1 965 310	1 965 310	0

2.4 Uncertainties

During the application of the accounting policy described in Section 2.1, estimates and assumptions must be applied for the establishment of the values of individual assets and liabilities at a particular time that cannot be clearly valued from other sources. The estimation process contains the decisions based on the last available information and relevant factors. These main estimates and assumptions affect the values of assets and liabilities, revenues and expenses recognised in the financial statements and the presentation of contingent assets and liabilities in the notes to the financial statement. The actual results may be different from the estimated data.

The estimates are regularly updated. If a change affects only the particular period, it should be taken into account during the period of the change occurring in the accounting estimates and if the change affects both periods, it must be taken into account in the period of the change as well as subsequent periods.

The main aspects of critical decisions adopted in terms of the uncertainties of estimates and accounting policy that have the greatest impact on the amounts presented in the consolidated financial statements are as follows:

2.4.1 Impairment on goodwill

In accordance with Section 2.1.3 of the significant counting principles, the Group tests each year whether or not any impairment took place on goodwill. The recovery value of cash-generating units was defined on the basis of the calculation of the value in use. Estimates are indispensable for these calculations. In order to define the impairment loss of goodwill the value in use of those cash-generating units must be estimated to which the goodwill was assigned. In order to calculate the value in use it is absolutely necessary that the management estimate the future estimated cash flow of the cash-generating unit and the appropriate discount rate because the present value can only be calculated from them.

2.4.2 Impairment recognised on uncollectible and doubtful receivables

In accordance with the IFRS 9 standard, the Group recognises impairment on uncollectible and doubtful receivables to cover the losses arising from the fact that customers cannot pay. The company uses the expected credit loss (ECL) model as the basis of measuring the appropriateness of impairment on uncollectible and doubtful receivables. When estimating expected losses, the Company takes all available information into account, including information external to the Company and internal information, as well as past experiences and forecasts for the future. When estimating credit risk, the Company applies the "default event" definition in line with its internal risk assessment policy and determines at least the probability of payment and default and the expected timing of cash flows. In line with the above requirements, if the timing of cash flows or the probability of their occurrence differs from the contract (including in the case of defaults), the Company accounts for impairment.

The expected credit losses of trade receivables are calculated using a provisioning matrix. The company uses the assessments of independent credit rating agencies and its historical experience of credit losses on trade receivables to estimate expected credit losses on trade receivables over their lifetime. The provisioning matrix defines different provisioning rates for each subsidiary based on past experiences. The impairment of trade receivables is accounted as "other cost" and is corrected among "other incomes."

2.4.3 Trail commission

The Group recognises trail commission in compliance with Sections 2.1.6 and 2.1.7. For the trail commission estimates the Group uses a number of variables, the changes in which represent uncertainties of estimates. The variables used for estimating the trail commission are reviewed whenever a report is prepared.

2.4.4 Depreciation

Properties, machines and equipment and intangible assets are recognised at historical cost and are depreciated with the straight-line method during their useful life. The useful life of assets is defined on the basis of former experience relating to similar assets and estimated technological development as well as changes in the larger economic or industry factors. The estimated useful lives are reviewed annually. Depreciation of property, machinery and equipment, and amortisation of intangible assets is disclosed in the Group's statement of consolidated profit or loss and other comprehensive income under "Depreciation and amortisation".

2.4.5 Deferred purchase price and option liability

As part of its acquisition agreements, the Group may pay a deferred purchase price or an option price to acquire additional shares, subject to certain conditions. The Group records these payment obligations at fair value and reviews them annually. In order to calculate fair value, it is absolutely necessary that the management estimate the estimated future amount and date of payment and the appropriate discount rate because the present value can only be calculated from them.

2.4.6 Deferred purchase price and option liability

The Group makes provisions for expected warranty claims on sold self-developed properties based on experience of the extent of past warranty claims and repairs. These costs are expected to be incurred in the three financial years following the technical delivery. The effect of time value is minimal and therefore the Group does not apply discounting. The provision for warranties is based on the current sales levels and the warranty period for all properties sold.

2.5 Business combination details, enterprises involved in the consolidation

<u>As Subsidiary</u>	Address:	31.12.2024	31.12.2023
Duna House Biztosításközvetítő Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Credipass Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Duna House Franchise Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Home Management Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Duna House Ingatlan Értébecslő Kft.	1016 Budapest, Gellérthegy u. 17.	-	100%
(dissolved by merger)			
Energetikai Tanúsítvány Kft. (dissolved by merger)	1016 Budapest, Gellérthegy u. 17.	-	100%
REIF 2000 Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
DH Projekt Kft. (dissolved by merger)	1016 Budapest, Gellérthegy u. 17.	-	100%
Superior Real Estate Kft. (dissolved by merger)	1016 Budapest, Gellérthegy u. 17.	-	100%
GDD Commercial Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
SMART Ingatlan Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Impact Alapkezelő Zrt.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Home Line Center Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Akadémia Plusz 2.0 Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Duna House Szolgáltatóközpont Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
DH Energy Zrt.	1027 Budapest, Kapás utca 6-12.	80%	
Metrohouse Franchise S.A.	02-675 Warszawa, ul. Wołoska 22, Polska (Lengyelország)	100%	100%
Metrohouse S.A.	02-675 Warszawa, ul. Wołoska 22, Polska (Lengyelország)	100%	100%
Credipass Sp. z. o.o (dissolved by liquidation)	02-675 Warszawa, ul. Wołoska 22, Polska (Lengyelország)	-	100%
Credipass Polska S.A.	02-675 Warszawa, ul. Wołoska 22, Polska (Lengyelország)	100%	100%
Primse.com Sp. z o.o.	02-675 Warszawa, ul. Wołoska 22, Polska (Lengyelország)	90%	90%
Pusztakúti 12. Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
MyCity Residential Development Kft. (dissolved by merger)	1016 Budapest, Gellérthegy u. 17.	-	100%
Reviczky 6-10. Kft. (dissolved by merger)	1016 Budapest, Gellérthegy u. 17.	-	100%
MyCity Panoráma Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Duna House Franchise s.r.o.	140 00 Praha 4, Michelská 300/60 (Csehország)	80%	80%
Duna House Hypoteky s.r.o.	140 00 Praha 4, Michelská 300/60 (Csehország)	80%	80%
Center Reality s.r.o.	140 00 Praha 4, Michelská 300/60 (Csehország)	80%	80%
HGroup S.p.A.	24121 Bergamo, via Martiri di Cefalonia 5 (Olaszország)	95%	94%
Credipass S.r.l.	24121 Bergamo, via Martiri di Cefalonia 5 (Olaszország)	94%	94%
Medioinsurance S.r.l.	24121 Bergamo, via Martiri di Cefalonia 5 (Olaszország)	94%	94%
Realizza S.r.l. (dissolved by liquidation)	24121 Bergamo, via Martiri di Cefalonia 5 (Olaszország)	-	85%
Realizza Franchising S.r.l. (dissolved by liquidation)	24121 Bergamo, via Martiri di Cefalonia 5 (Olaszország)	-	94%
Duna House Golden Visa Lakás	1016 Budapest, Gellérthegy u. 17.	100%	-
Ingatlanalap I. (classified as held for sale)			
<u>As Joint Venture</u>			
Hunor utca 24 Kft.	1016 Budapest, Gellérthegy u. 17.	50%	50%
<u>As Associated Company</u>			
Professione Casa	20139 Milano, Via Quaranta Bernardo 40 (Olaszország)	10%	10%
Visadmin Kft	1012 Budapest, Logodi utca 30.	50%	-
DRL Property Kft.	1074 Budapest, Damjanich utca 30.	50%	-

The reporting periods of the Company and its subsidiaries are identical.

During 2023, the Company increased its shareholdings in the following subsidiaries:

-
- a) In January 2023, the Company acquired an additional 22.84% of HGroup S.p.A., increasing its direct ownership to 94.0%,
 - b) In the first quarter of 2023, HGroup S.p.A. acquired an additional 5% direct shareholding in Credipass S.r.l., increasing the Group's indirect shareholding to 93.8%.

In order to rationalise the company structure, the following changes have been made in 2024:

- a) Duna House Ingatlan Értékecselő Kft. and Energetikai Tanúsítvány Kft. were merged into Home Management Ltd,
- b) DH Projekt Kft and Superior Real Estate Kft were merged into REIF 2000 Kft,
- c) MyCity Residential Development Kft. and Reviczky 6-10 Kft. merged into Pusztakúti 12 Kft,
- d) Credipass Sp. z. o.o., Realizza S.r.l. and Realizza Franchising S.r.l.

On 21 August 2024, the Company established DH Energy to provide energy efficiency investment services to residential customers. In addition, it subscribed 100% of the units in the Duna House Golden Visa Lakás Ingatlan fund managed by Impact Alapkezelő Zrt. The fund was treated as Asset Held for Sale at the end of 2024.

2.5.1 Presentation of the subsidiaries involved in the consolidation

2.5.1.1 Duna House Franchise Kft.

The subsidiary operates the Duna House Franchise Network. Its most important objective is to enter into contract with new franchise partners and to maintain and provide high-level support to existing partners. The Company provides access to a well-structured and formed system to franchise partners joining the Franchise Network. This system provides a recognised brand name, a single image, know-how and support in sales, marketing, information technology and other aspects of operation.

2.5.1.2 REIF 2000 Kft.

It is the largest franchise partner of the Duna House Franchise Network and currently operates 13 offices. The operation of own offices is important in the strategy of the Duna House Group as it contributes a great deal to obtaining a true picture of the situation of the real estate market and also helps assessing real estate market innovations and needs and their introduction in the network.

2.5.1.3 Credipass Kft.

It is a subsidiary of the Group that is engaged in financial intermediation. In line with the multiple agency contracts concluded with credit institutions, it offers a wide range of financial products to its customers, primarily in the purchase or sale of residential properties. At the moment, Credipass Kft. focuses mainly on the intermediation of housing loans and housing savings products. The service includes advice on the selection of the best available financial product and complex administration. Its services are free for customers and are rewarded by credit institutions in the form of commission.

2.5.1.4 Duna House Biztosításközvetítő Kft.

In the framework of the intermediation of financial services this company pursues insurance brokerage activities.

2.5.1.5 Home Management Kft.

Home Management Kft. performs comprehensive management services in residential properties, primarily for foreign property owners. The following services are provided: letting, lease payment monitoring, collection, management of overheads, maintenance, accounting and owner representation. The DH Group outsources maintenance and other activities to subcontractors. also appraisal and energy certification services.

2.5.1.6 GDD Commercial Kft.

The activities of the company include the sale and purchase and lease of owned properties that have business functions.

2.5.1.7 SMART Ingatlan Kft.

The company group operated the SMART Real Estate Franchise Network real estate brokerage until 31 December 2019, at which time the SMART networked merged with Duna House. The company currently has no activities.

2.5.1.8 Impact Alapkezelő Zrt.

In its resolution H-EN-III-130/2016 of 20 April 2016, the Hungarian National Bank issued a license to Impact Alapkezelő Zrt. for collective portfolio management activities which, in line with the above, extend to investment management, risk management and administrative tasks.

The primary objective of the fund management activity is to create (a) real estate investment fund(s) based on (residential) properties located in Hungary. The fund manager manages private and public real estate funds investing into properties.

2.5.1.9 Home Line Center Kft.

The activity of the company is the sale and purchase as well as short-term and long-term lease of owned residential properties, which can be expanded with condominium management activity in the near future.

2.5.1.10 DH Energy Zrt.

The establishment of DH Energy Zrt. was registered with the Commercial Court on 21 August 2024. The Group has established the company to address the European market opportunities in residential energy efficiency investments, with actual business operations starting in 2025.

2.5.1.11 Pusztakúti 12 Kft.

Pusztakúti 12 Kft. was registered on 21 January 2016 by the Commercial Court of the Metropolitan Court of Budapest. The purpose of the project company is the construction and sale of the 211-apartment Forest-Hill and MyCity Panorama residential complexes in Csillaghegy, 3rd district of Budapest.

2.5.1.12 Akadémia Plusz 2.0 Kft.

Founded in H1 2018, Akadémia Plusz 2.0 Kft. will be responsible for training linked to the Group's Hungarian real estate agency activity.

2.5.1.13 Duna House Szolgáltatóközpont Kft .

The company was formerly licensed as a money market broker. It currently provides central services to the Group's subsidiaries.

2.5.1.14 Polish subsidiaries

Metrohouse Franchise S.A. operates franchise offices mainly in major Polish cities, including Warsaw, Krakow, Gdansk and Lodz. Its subsidiary Metrohouse S.A. operates its own offices.

Credit and insurance intermediation is carried out by Credipass Polska S.A.

Metrohouse Franchise S.A. founded Primse.com Sp. z o.o. owning 90% of its quota on 1 May 2021. The aim of Primse.com is to provide digital sales services to real estate developers.

2.5.1.15 Czech subsidiaries

The Czech Duna House Franchise s.r.o. established in Prague and two of its subsidiaries, Center Reality s.r.o. and Duna House Hypotéky s.r.o. were acquired by the Duna House Group on 2 September 2016. Center Reality s.r.o. currently operates a single own office, while Duna House Franchise s.r.o. began to establish a franchise network in early 2018. Currently, Duna House Hypotéky s.r.o. is not engaged in any operations.

2.5.1.16 Italian subsidiaries

The Bergamo-based Hgroup, through its subsidiary, Credipass, is Italy's second largest credit intermediary based on network size with almost 1,000 financial experts and 320 offices and covers the entire country.

The HGroup SpA holding company currently has two subsidiaries, in which it owns near 100% of shares. The subsidiary Credipass is specialized in the brokering of financial products, thus primarily mortgage loans and a special loan product called CQS. The Group's other important activity is the provision of insurance brokerage through the company Medioinsurance Srl.

Presentation of the acquired ownership share

The following table contains the detailed ownership shares:

Cég	Duna House Group's share on 13.01.2022	Duna House Group's share after the acquisition on 31.12.2022	Duna House Group's share after the acquisition on 31.12.2023	Duna House Group share on 31.12.2024
Hgroup S.p.A.	70,0%	71,1%	94,0%	94,7%
Credipass S.r.l.	66,3%	67,4%	93,8%	94,5%
Medioinsurance S.r.l.	70,0%	71,1%	94,0%	94,7%
Realizza S.r.l.	57,4%	58,3%	84,6%	-
Realizza Franchising S.r.l. (previously Relabora S.r.l.)	51,8%	52,6%	94,0%	-

2.5.2 Acquisitions during the year 2022.

2.5.2.1 Business combination - Hgroup S.p.A.

On 10 December 2021, Duna House Holding Nyrt. entered into a binding Investment Contract for the acquisition of a 70% share in Hgroup S.p.A., registered in Bergamo, Italy. Hgroup S.p.A. is a holding company with shares in many companies (Section 2.4.1.19. Italian subsidiaries contain a presentation of Hgroup)

Nature of the transaction	Business combination (through acquisition)
Date of acquisition	01/04/2022
Share percent	70.0% (71.1% from 06.12.2022, 94,0% from 31.01.2023)

Non-controlling interests in Hgroup S.p.A. are valued at the net asset value per share of ownership.

The Group recognised goodwill of HUF 3 822 196 thousand on the acquisition, representing the value of synergies expected from the acquisition and assets that are not separately identified (customer lists, skilled workforce and management). The Group allocated all of the goodwill generated to the financial product intermediary CGU.

The Group has call options on non-controlling interests and their holders have put options on the Group. The expected value of the option payments exceeds the value of the non-controlling interests in Hgroup Group calculated on the basis of the net asset value, so the options are expected to be exercised by the sellers. The Group will derecognise the carrying amount of the non-controlling interests through profit or loss and will also recognise an option payment liability through profit or loss.

Presentation of the value of the deferred purchase price (earn-out)

The sellers are entitled to further earn-outs on 30 June 2023, 30 June 2024, and 30 June 2025 based on the consolidated revised EBITDA for the previous business year. The amount of earn-out payments is surrounded by significant uncertainty as they depend on HGroup group's actual future EBITDA figures based on Italian accounting standards. At the close of each business year, the Group's management reviews the assumptions used to calculate the deferred purchase price based on Hgroup's business plan.

The following table presents the details of the expected earn-out payments:

EUR thousand	2023	2024
<i>Calculation as of 31.12.2023</i>		
HGroup Group's expected consolidated EBITDA	3 106	6 466
- Adjustments (24% tax)	-745	-1 552
HGroup Group's expected consolidated adjusted EBITDA	2 360	4 914
<i>EV/EBITDA multiplier</i>	10,0x	10,0x
Expected Enterprise Value	23 603	49 139
- Net Debt	-6 835	-6 835
Expected equity value	16 768	42 304
	8,40%	8,40%
Earn-out calculated on 30% ownership	1 409	3 554
Actual Earn out per 22.87% ownership share currently entitled Expected Earn out	1 074	2 709
<i>Calculation as of 31.12.2024</i>		
HGroup Group's expected consolidated EBITDA		7 670
- Adjustments (24% tax)		-1 841
HGroup Group's expected consolidated adjusted EBITDA		5 829
<i>EV/EBITDA multiplier</i>		10,0x
Expected Enterprise Value		58 292
- Net Debt		-7 120
Expected equity value		51 172
		8,40%
Earn-out calculated on 30% ownership		4 298
Actual Earn out per 22.17% ownership share currently entitled Expected Earn out		3 177

The Group's management has taken into account that the payments after each earn-out period are expected to be made in the middle of the following year, and has calculated the present value of the cash flows at a discount rate of 8.1% EUR. (2023: 8.9%)

The Group has entered into individual agreements with minority shareholders during 2022, 2023 and 2024, which also covered deferred payments and were financially settled during different periods. The present value of the expected earn-out payments, taking into account the revaluation effects of these agreements, was EUR 3,056,477, or HUF 1,253,431 thousand at 31 December 2024 (31 December 2023: EUR 3,412,712, or HUF 1,306,318 thousand).

Presentation of the value of the option purchase price

For non-controlling share packages, the Group has a call option and the former owners have a put option. The Group's call option can be exercised from 1 July 2025 to 1 July 2028, and the sellers' put option can be exercised in several instalments from 1 July 2026 to 30 June 2028. The formula for the optional purchase price: % of the applicable ownership share $\times$ (10.5 $\times$ consolidated adjusted EBITDA based on the average of the two years preceding the payment of the optional purchase price *minus* net debt). The Group has assumed that the options will be exercised, in two parts at the end of-2025 and mid 2027 (2023: mid-2025).

The amount of option payments is subject to significant uncertainty as they depend on HGroup group's actual future EBITDA figures based on Italian accounting standards. At the close of each business year, the Group's management reviews the assumptions used to calculate the option payments based on Hgroup's business plan.

The following table presents the details of the expected option payments:

EUR thousand	2023	2024	2025	2026	Average, expected exercise 2025	Average, expected exercise 2027
Calculation as of 31.12.2023						
HGroup Group's expected consolidated EBITDA	3 106	6 466			4 786	
- Adjustments (24% tax)	-745	-1 552			-1 149	
HGroup Group's expected consolidated adjusted EBITDA	2 360	4 914			3 637	
EV/EBITDA multiplier					10,5x	
Expected Enterprise Value					38 190	
- Net Debt					3 313	
Expected equity value					41 503	
					30,00%	
Option payout calculated on 30% ownership					12 451	
Currently eligible 22.87% vested Expected Option payout					9 490	
Calculation as of 31.12.2024						
HGroup Group's expected consolidated EBITDA	2 919	7 670	8 820	9 820	5 205	9 320
- Adjustments (24% tax)	-1 051	-1 841	-2 117	-2 357	-1 446	-2 237
HGroup Group's expected consolidated adjusted EBITDA	1 868	5 829	6 703	7 463	3 759	7 083
EV/EBITDA multiplier					10,5x	10,5x
Expected Enterprise Value					39 468	74 374
- Net Debt					3 313	6 000
Expected equity value					42 781	80 374
Exercised options					16,85%	5,32%
Expected Option Payout					7 207	4 279

The Group's management has taken into account the expected timing of the option payments and calculated the present value of the cash flows using a discount rate of EUR 8.1% (2023: 8.9%). The Group has entered into individual agreements with minority shareholders during 2022, 2023 and 2024, which also covered deferred payments and were financially settled in each period. The present value of the expected option payments, including these agreements, amounted to EUR 10,194,049, HUF 4,180,478 thousand at 31 December 2024 (31 December 2023: EUR 8,352,131, HUF 3,190,067 thousand).

2.5.3 Transactions in the year 2023

2.5.3.1 Buyout of minority shareholders – Hgroup S.p.A.

On January 25, 2023, the Company entered into an agreement with Vgroup Ltd to acquire its 5.99% stake in Hgroup S.p.A. and to settle the deferred purchase price liabilities under the Investor Agreement dated 10 December 2021 for a total consideration of EUR 2,350 thousand.

On 31 January 2023, the Company entered into an agreement with Diego Locatelli to acquire his 16.85% stake in Hgroup S.p.A. Under the terms of the sale and purchase agreement, the consideration for the stake will be settled between the parties in the same amount and at the same time as the option obligation set out in the sale and purchase agreement of 10 December 2021. The consideration will be increased by the dividend paid by Hgroup Spa on the 16.85% stake until the purchase price is paid.

2.5.3.2 Buy-out of minority shareholders - Credipass S.r.l.

During March 2023, Hgroup S.p.A. increased its shareholding in Credipass S.r.l. to 99.87% by purchasing 5.0% of the shares.

2.5.3.3 Purchase of minority shareholding - Professionecasa

On 30 September 2023, Hgroup S.p.A. entered into an investment and cooperation agreement with Professionecasa S.p.A., under which it acquired a 10% non-controlling interest in the company.

2.5.4 Transactions in 2024

2.5.4.1 Minority buy-outs – Hgroup S.p.A.

During the year 2024, the Company entered into an agreement with a private minority shareholder to acquire its 0.70% interest in Hgroup S.p.A. and to settle the deferred purchase price obligations under the Investor Agreement dated 10 December 2021.

3 Property, machinery and equipment

thousand HUF	Property	Machinery and equipment	Total
at 31 December 2022	2 120 757	496 576	2 617 333
Additions	302	21 975	22 277
Disposals	(45 155)	(5 962)	(51 117)
Exchange differences	(66 281)	(5 257)	(71 538)
at 31 December 2023	2 009 623	507 332	2 516 955
Additions	273 196	46 505	319 701
Disposals	(5 613)	(31 370)	(36 983)
Exchange differences	103 231	18 269	121 500
at 31 December 2024	2 380 437	540 736	2 921 173
at 31 December 2022	(333 707)	(309 479)	(643 186)
Depreciation charge for the year	(64 411)	(53 324)	(117 735)
Disposals	7 974	4 097	12 071
Exchange differences	7 793	4 344	12 137
at 31 December 2023	(382 351)	(354 362)	(736 713)
Depreciation charge for the year	(71 101)	(33 840)	(104 941)
Disposals	239	16 246	16 485
Exchange differences	(14 602)	(17 291)	(31 893)
at 31 December 2024	(467 815)	(389 247)	(857 062)
Net book value			
at 31 December 2024	1 912 622	151 489	2 064 111
at 31 December 2023	1 627 272	152 970	1 780 242
at 31 December 2022	1 787 050	187 097	1 974 147

In the first quarter of 2025, the Group's headquarters in Hungary moved to a new office, for which an investment of HUF 270 386 thousand was made in 2024, recorded under Properties.

The Group has no contractual obligations to purchase real estate property or machinery and equipment.

4 Intangible assets

thousand HUF	Intangibles
at 31 December 2022	8 309 245
Additions	177 225
Exchange differences	(309 072)
at 31 December 2023	8 177 398
Additions	195 196
Sales	(46 960)
Exchange differences	510 845
at 31 December 2024	8 836 479
at 31 December 2022	(1 643 112)
Depreciation charge for the year	(611 450)
Exchange differences	60 575
at 31 December 2023	(2 193 987)
Depreciation charge for the year	(734 966)
Sales	57 265
Exchange differences	(131 261)
at 31 December 2024	(3 002 949)
Net book value	
at 31 December 2024	5 833 530
at 31 December 2023	5 983 411
at 31 December 2022	6 666 133

During 2024, the Group acquired intangible assets for HUF 195,196 thousand (2023: HUF 177,225 thousand), including the capitalised costs of the Group-wide controlling and reporting system, which is currently being implemented, and the development of ERP systems for credit and real estate brokerage.

5 Leases

	2024	2023
Right-of-use		
Real estate	1 152 282	1 301 103
Machinery and equipment	154 257	182 712
Book value of Right-of-use	1 306 539	1 483 816
 Lease liabilities by maturity		
less than 1 year	483 405	440 467
between 1 and 5 years	795 458	965 938
more than 5 years	230 222	306 843
Book value of lease liabilities	1 509 085	1 713 248
 Depreciation of right-of-use asset	(478 037)	(414 108)
Interest expenditure	(78 641)	(82 676)
	(556 678)	(496 784)
 IFRS 16 Leasing impact on cash-flow	2024	2023
Profit before tax	9 459	5 934
Depreciation	478 037	414 108
Interest	-78 641	-82 676
Net cash flow from operating activities	408 855	337 366
Repayment of lease liabilities	-566 137	-502 717
Paid interest	78 641	82 676
Net cash flow from financial activities	-487 496	-420 040

The book value of the right to use assets and the movements during the period are presented below:

Right-of-use	Office rental		Total
	Car rental fee	fee	
31.12.2022	288 931	1 251 998	1 540 929
New leasing contracts	117 308	381 975	499 283
Contract amendments	21 109	81 988	103 097
Exchange rate gain	764	8 567	9 331
Increase total	139 181	472 530	611 711
Depreciation	(72 871)	(341 236)	(414 107)
Contract amendments	(39 396)	(156 109)	(195 505)
Exchange rate loss	(4 766)	(54 446)	(59 212)
Decrease total	(117 033)	(551 791)	(668 825)
(+/-) Reclassification between assets	(121 549)	121 549	0
Book value of Right of Use 31.12.2023	189 530	1 294 286	1 483 816
New leasing contracts	59 270	155 904	215 175
Contract amendments	1 849	269 368	271 217
Exchange rate gain	8 324	74 768	83 093
Increase total	69 444	500 041	569 485
Depreciation	(73 966)	(390 164)	(464 130)
Contract amendments	(2 940)	(1 820)	(4 760)
Contract terminations	(24 745)	(253 127)	(277 872)
Exchange rate loss	(0)	(0)	(0)
Decrease total	(101 650)	(645 112)	(746 762)
Book value of Right of Use 31.12.2024	157 324	1 149 215	1 306 539

Lease liabilities and movements during the period are presented below:

Lease Liabilities	2024	2023
01 January	1 713 248	1 762 557
New leasing contracts	215 505	499 283
Contract amendments	275 485	117 681
Interest rate increase	78 641	82 676
Exchange rate gain	113 734	12 408
Increase total	683 364	712 047
Lease payments	(566 137)	(502 717)
Contract amendments	(7 254)	(190 772)
Exchange rate loss	(3 362)	(65 019)
Termination of contracts	(310 774)	(2 848)
Decrease total	(887 527)	(761 356)
Book value of lease liabilities	1 509 085	1 713 248
31 December		

The Group rents offices and vehicles on a long-term basis as part of its central administration, real estate and credit intermediation activities. The Company uses a discount rate of 8.9% (2023: 9.0%) in Hungary, 8.2% (2023: 8.2%) in Poland and 3.3% (2023: 3.1%) in Italy to calculate the present value of the asset usage rights and lease obligations.

In 2024, the book value of the Group's right-of-use assets decreased, mainly due to rationalisations and contract cancellations in the leased office space in Italy.

Lease liabilities decreased by HUF 204 million in 2024, mainly due to a reduction in the scope of leases. In 2024, the Group has committed to office leases which will be used by the Group's central operations. The commencement date of the lease is 1 February 2025 and the opening IFRS 16 right to use assets and liability is expected to be HUF 560 million.

6 Goodwill

	2024	Increase (decrease)	Conversion differences	2023
Polish franchise CGU <i>Metrohouse Franchise S.A.</i>	801 251		66 207	735 044
Polish own office CGU <i>Metrohouse Sp. Zoo.</i>	234 200		24 141	210 059
Polish financial intermediary CGU <i>Gold Finance Sp. z o.o.</i> <i>Alex TG Sp. z o.o.</i>	730 118		60 970	669 148
Cseh franchise CGU <i>Duna House Franchise s.r.o.</i>	0	(14 861)	748	14 113
Czech own office CGU <i>Center Reality s.r.o.</i>	129 010	(110 000)	12 024	226 986
Hungarian related services CGU <i>Home Management Kft.</i>	18 500		0	18 500
Italian financial intermediary CGU	3 916 163		260 100	3 656 063
Total	5 829 242	(124 861)	424 189	5 529 914

Each year, the Group has to examine whether goodwill suffered any impairment. The Group determines the recoverable amount based on value in use calculations. The method requires the estimation of future cash flows and the determination of discount rates for the calculation of cash flow present values. The goodwill generated during the acquisition of foreign subsidiaries is converted at the exchange rate prevailing on the balance sheet date pursuant to IAS 21.47.

The Group performed a test of the recoverability of the goodwill recognised in the consolidated balance sheet in relation to the acquired subsidiaries in December 2024 and 2023. As a result of the market downturns in the real estate and credit markets, in 2024 the Group recognised an impairment loss of HUF 14,861 thousand for the Czech franchise CGU and HUF 110,000 thousand for the Czech own office CGU.

Polish franchise CGU

The recoverable amount of the Polish franchise CGU as at 31 December 2024 of HUF 1,210,459 thousand (2023: HUF 1,955,433 thousand) was determined based on a value in use calculation from cash flow projections derived from the financial plan approved by senior management for a four-year period. The projected cash flows have been updated to reflect the recovery in the real estate market. The discount rate applied to the cash flow projections is 10.2% (2023: 9.6%) and cash flows beyond the four-year period have been extrapolated using a growth rate of 2.0% (2023: 2.0%). The increase in the discount rate compared to the comparative period is due to higher risk-free rates and weighted average cost of capital due to the elevated interest rate environment. It was concluded that the fair value less costs to sell does not exceed the value in use. As a result of this analysis, management did not recognize an impairment loss in the current year against goodwill with a carrying amount of HUF 801,251 thousand at 31 December 2024, net of exchange differences.

Polish own office CGU

The recoverable amount of the Polish Own Office CGU as at 31 December 2024 of HUF 528,121 thousand (2023: HUF 741,222 thousand) was also determined based on a value in use calculation from cash flow projections derived from the financial plan approved by senior management for a four-year period. The projected cash flows have been updated to reflect the renewed increased demand for real estate brokerage services. The discount rate applied to the cash flow projections is 10.2% (2023: 9.6%) and cash flows beyond the four-year period have been extrapolated at a growth rate of 2.0% (2023: 2.0%). The increase in the discount rate compared to the comparative period is due to a higher risk-free rate of return and weighted average cost of capital due to the elevated interest rate environment. It was concluded that the fair value less costs to sell does not exceed the value in use. As a result of this analysis, management did not recognise an impairment loss in the current year against goodwill with a carrying amount of HUF 234,200 thousand at 31 December 2024, plus translation differences.

Polish financial intermediary CGU

The recoverable amount of the Polish Financial Intermediary CGU as at 31 December 2024 of HUF 6,999,479 thousand (2023: HUF 3,829,810 thousand) was also determined based on a value in use calculation from cash flow projections derived from the financial plan approved by senior management for a four-year period. The forecast cash flows have been updated to reflect the surge in market demand for credit intermediation services and borrowing during 2024. The discount rate applied to the cash flow projections is 10.2% (2023: 9.6%) and cash flows beyond the four-year period have been extrapolated using a growth rate of 2.0% (2023: 2.0%). The increase in the discount rate compared to the comparative period is due to a higher risk-free rate of return and weighted average cost of capital due to the elevated interest rate environment. It was concluded that the fair value less costs to sell does not exceed the value in use. As a result of this analysis, management did not recognise an impairment loss in the current year against goodwill with a carrying amount of HUF 730,118 thousand at 31 December 2024, net of translation differences.

Czech franchise CGU

Goodwill of the Czech franchise CGU amounted to HUF 14,113 thousand at 31 December 2023. The value in use from cash flow projections derived from the financial plan approved by senior management for a four-year period did not support the carrying amount of goodwill and the Group has recognised an impairment loss for the total amount.

Czech own office CGU

The recoverable amount of the Czech own office CGU as at 31 December 2024 of HUF 310,433 thousand (2023: HUF 376,225 thousand) was also determined based on the value in use calculation from cash flow projections from the financial plan approved by senior management for a four-year period. The projected cash flows have been updated to reflect the demand for real estate services. The discount rate applied to the cash flow projections is 8.8% (2023: 8.4%) and cash flows beyond the four-year period have been extrapolated using a growth rate of 2.0% (2023: 2.0%). It was concluded that the fair value less costs to sell does not exceed the value in use. As a result of this analysis, management has recognised an impairment loss of HUF 110,000 thousand against the goodwill value of the CGU.

Italian financial intermediary CGU

The recoverable amount of the Italian Financial Intermediary CGU as at 31 December 2024 of HUF 43,963,477 thousand (2023: HUF 32,100,581 thousand) was also determined based on a value in use calculation using cash flow projections from the financial plan approved by senior management for a four-year period. The projected cash flows have been updated to reflect the increasing market demand for credit intermediation services and borrowing. The discount rate applied to the cash flow projections is 8.1% (2023: 8.4%) and cash flows beyond the four-year period have been extrapolated using a growth rate of 2.0% (2023: 2.0%). The reduction in the discount rate compared to the comparative period is due to lower risk-free rates and weighted average cost of capital due to the declining EUR interest rate environment. Fair value less costs to sell was found not to exceed value in use. As a result of this analysis, management did not recognise an impairment loss in the current year against goodwill with a carrying amount of HUF 3,916,163 thousand at 31 December 2024, net of exchange differences.

Main assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of the value in use in the case of all real estate franchises, own offices, and financial intermediary units is most sensitive to the following assumptions:

- Gross margin
- Discount rates
- Inflation
- Market share in the forecast period
- Growth rates used to extrapolate cash flows beyond the forecast period

Of the factors listed, the development of Gross margin has the most significant impact on goodwill impairment, and therefore the Group has performed a sensitivity analysis for this factor for the Polish and Czech CGUs. The Italian Financial Intermediation CGU has a recoverable amount of 11x the carrying amount of goodwill at the end of 2024, so a sensitivity analysis is not necessary.

Gross margin - The gross margin is based on the average of the three years preceding the start of the forecast period, taking into account trends over the period. The table below shows in which cases an additional impairment would be necessary in addition to the impairment recognised.

CGU	Average gross margin used in cash flow model	Gross margin level below which <u>further</u> goodwill impairment is necessary
Polish franchise CGU	91,5%	89,2%
Polish own office CGU	34,6%	29,9%
Polish financial intermediation CGU	16,5%	10,3%
Italian financial intermediation CGU	28,0%	-
Czech own office CGU	23,6%	23,6%

Discount rates - The discount rates reflect the current market valuation of the risks specific to each CGU, taking into account the time value of money and the specific risks of the underlying assets that are not taken into account in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from the weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investments by the Group's investors. The cost of debt is determined on the basis of the interest rate on marginal loans available to the Group. Segment-specific risk is taken into account by applying specific beta factors. Beta factors are assessed annually based on publicly available market data.

Inflation - Estimates are derived from published inflation indices and forecasts for each country. Projected inflation for 2025 is 3.8% in Poland, 2.4% in the Czech Republic, and 2.3% in Italy.

Market share assumptions - The Group has not anticipated a significant increase in the market share of the various CGU in the forecast period.

Growth rate estimates - The Group expects growth in the Polish CGUs to exceed 20% in the first year of the forecast period, followed by a moderating annual growth rate of 5-15%. The Italian financial intermediary CGU is expected to grow by 14.0% in 2025 and 5.0% the following year. For the long-term growth rate of CGUs, the Group projected a uniform annual growth rate of 2.0%.

7 Investments in associated companies and joint ventures

The Group has a 50% ownership interest in the entity jointly controlled by Pusztakúti 12 Kft., called Hunor utca 24. Kft. The company is a real estate development project company. The Group recognises its 50% equity interest in its financial statements using the equity method.

Furthermore, the Group holds a 10% non-controlling interest in Professionecasa S.p.A. and has the right to delegate one member to the company's five-member board of directors, so the Group considers the investment to be an associated company.

Joint ventures do not have a quoted market price. Summary financial information of the joint ventures based on their IFRS financial statements and a reconciliation with the book value of investments in the consolidated financial statements is set out below:

In 2024, Hunor utca 24. Kft. paid the Group dividends of HUF 1,500 thousand (HUF 91,500 thousand in 2023).

As at 31 December 2024 and 31 December 2023, the Group had no contingent liabilities in respect of its interest in joint ventures, nor did the joint ventures themselves have any contingent liabilities for which the Group has contingent liability.

The Group has no capital commitment in respect of its interest in joint ventures.

31. December 2024.	Hunor utca 24. Kft.	ProfessioneCasa	VISAAdmin	DRL Property	Total
Group ownership share	50,00%	10,00%	50,00%	50,00%	
Book value of the Group's investment	4 395	114 834	1 470	1 500	122 199

Period ending 31. December 2024.	Hunor utca 24. Kft.	Total
Revenues	7 217	7 217
Profit of continuing activity	5 214	5 214
Group's share from profit after tax	2 607	2 607

31. December 2023.	Hunor utca 24. Kft.	ProfessioneCasa	Total
Current assets	21 380	1 697 553	1 718 933
Long-term assets	0	176 457	176 457
Short-term liabilities	(14 804)	(1 819 059)	(1 833 863)
Long-term liabilities	0	(7 455)	(7 455)
Total Equity	6 576	47 495	54 071
Group ownership share	50,00%	10,00%	
Book value of the Group's investment	3 288	114 834	118 122

Period ending 31. December 2023.	Hunor utca 24. Kft.	ProfessioneCasa	Total
Revenues	21 074	1 639 493	1 660 567
Profit of continuing activity	(12 677)	23 443	10 766
Group's share from profit after tax	-6 339	2 344	-3 994

8 Financial instruments

The Company's long-term financial assets were as follows:

	31.12.2024	31.12.2023
Deposit, security deposit	127 806	105 052
Other long-term loans granted	0	8 000
Total	127 806	113 052

The Group records deposits given regarding leased offices under deposits and security deposits.

9 Deferred tax receivables

In the course of calculation of deferred tax, the Group compares the value that can be taken into account for taxation to the book value by asset and liability. If the difference is a temporary difference, i.e., it will be offset within a foreseeable time, then it will take a deferred tax liability or deferred tax receivable, depending on the prefix. When a deferred tax receivable is recorded, the Group examines recovery separately. The Group calculates the deferred tax incurred in relation to Hungarian activities at 9% tax rate, because the actual tax impact of the temporary differences relating to the particular assets and liabilities will occur in a period when the corporate profit tax rate is likely to be 9%. A 19% tax rate is applied to both the Polish and Czech operations, and a 24% rate is applied to the Italian operation.

The deferred tax receivables are supported by a tax strategy prepared by the management, which proves the recovery of the asset.

The following deductible and taxable discrepancies causing taxable tax differences were identified. The table shows the amount of the deferred tax asset remaining after the netting of the deferred tax liability at the level of the consolidated subsidiaries.

Deferred tax receivables	31.12.2024	31.12.2023
From business combination - (Hgroup)	709 532	680 851
Due to taxation in accordance with the cash accounting principle	199 927	187 002
Losses carried forward	112 991	46 394
Impairment loss of receivables	23 604	19 641
Provisions	10 709	2 835
Due to the difference in the valuation of fixed assets	10 753	104
Total	1 067 518	936 827

Deferred tax assets arising from business combinations include the tax effect of assets recognised in the acquired subsidiaries under local accounting rules but not recognised in IFRS, which are tax deductible under local tax rules. In connection with the acquisition of Hgroup S.p.A., the Group recognises a deferred

tax asset of HUF 709,532 thousand (2023: HUF 680,852 thousand) related to goodwill recognised under local accounting rules.

Cash-based tax items represent temporary tax differences resulting from cash-based tax rules in Poland.

Of the deferred tax assets from loss carryforwards of HUF 112,991 thousand, HUF 100,318 thousand relate to the Polish subsidiaries. The maximum deferred tax losses affecting Polish operations that can be used in a business year against future positive tax bases are the following.

Status at 31.12.2024:

Maximum available tax loss amount						
Year of use	Metrohouse Franchise S.A.	Metrohouse S.A.	Primse.com Sp. z o.o.	Total (PLN)	Total (HUF thousand)	Distribution between years
2025	0	232 175	678 278	910 453	83 538	18%
2026	0	0	622 130	622 130	57 083	12%
2027	796 665	1 444 327	551 448	2 792 440	256 219	54%
2028	75 816	0	0	75 816	6 956	1%
2029	764 174	0	0	764 174	70 116	15%
Total	1 636 655	1 676 502	1 851 856	5 165 013	473 913	100%

Status at 31.12.2023:

Maximum available tax loss amount							
Year of use	Metrohouse Franchise S.A.	Metrohouse S.A.	Gold Finance Sp. z o.o.	Primse.com Sp. z o.o.	Total (PLN)	Total (HUF thousand)	Distribution between years
2024	0	742	0	336 623	337 365	29 702	12%
2025	0	232 175	0	678 278	910 453	80 156	33%
2026	0	0	0	622 130	622 130	54 772	23%
2027	796 665	0	0	0	796 665	70 138	29%
2028	75 816	0	0	0	75 816	6 675	3%
Total	872 481	232 917	0	1 637 031	2 742 429	241 443	100%

10 Inventories

	<u>31.12.2024</u>	<u>31.12.2023</u>
Value of real estate property taken into inventory	2 202 542	2 264 947
Marketing tools	10 202	12 932
Recharged services	0	526
Total	<u>2 212 744</u>	<u>2 278 405</u>

The value of the real estate property taken into inventory comprises (i) the value of the apartments for sale in the Forest Hill residential development and the land for the second phase of the project, totalling HUF 900,431 thousand (2023: HUF 2,264,947 thousand) and (ii) residential properties purchased for resale, totalling HUF 1,302,111 thousand. Recovery of these stocks is expected in 2025 with the planned sale of the properties.

The inventories were not subjected to mortgage.

11 Trade receivables

	<u><u>31.12.2024</u></u>	<u><u>31.12.2023</u></u>
Trade receivables	4 305 408	3 524 622
Impairment loss of receivables	(243 548)	(212 865)
Total	<u><u>4 061 860</u></u>	<u><u>3 311 757</u></u>

The book value of trade receivables increased by HUF 750,103 thousand mainly due increase of loan intermediation volumes and receivable commissions from credit institutions.

	<u><u>31.12.2024</u></u>	<u><u>31.12.2023</u></u>
Impairment of trade receivable opening values	212 865	170 609
Increase	93 972	111 331
Bad debts (derecognition)	0	0
Decrease	(63 289)	(69 075)
Impairment changes on trade receivables in the target year	30 683	42 256
Impairment of trade receivable closing values	243 548	212 865

12 Amounts owed by related undertakings

The Group's affiliated parties may be individuals or entities that are affiliated with the Group.

In the case of a private individual or a close relative of a private individual, a relationship with the Group exists if such individual:

- exercises control or joint control, or
- has significant influence over the Company;
- is a member of key management of the reporting business unit or one of its parent companies.

The business unit is related to the reporting business unit if any of the following conditions are met:

-
- The business unit and the reporting business unit are part of the same group (i.e. each parent company, subsidiary, and associated company is related).
 - One business unit is an associate or joint venture of another business unit (or an associate or joint venture of a member of a group of which the other business unit is a member).
 - Both business units are joint ventures of the same third party.
 - One business unit is a joint venture of a third business unit and the other business unit is an associate of the third business unit.
 - The business unit provides a post-employment benefit plan for employees of the reporting business unit or of a business unit related to the reporting business unit. If the reporting business unit itself provides such a plan, the sponsoring employers are also related to the reporting business unit.
 - The business unit is controlled or jointly controlled by an individual related to the Company or such an individual has a key management position in the business unit.
 - A business unit, or any member of the group of which the business unit is a part, provides key management services to the reporting business unit or the parent of the reporting business unit.

The Group has entered into transactions with related parties on the same terms as transactions with unrelated parties, where these terms are reasonable.

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Transactions with related parties		Sales to related parties	Purchases from related parties	Related party receivables	Related party liabilities
Entities with significant influence over the Group					
DDGroup Kft.	2024	191	772	123	-
	2023	-	-	-	-
GD Holding Kft.	2024	144	772	72	-
	2023	-	-	-	-
GD Property Group Kft.	2024	523 982	-	-	-
	2023	-	-	-	-
DD Real Estate Kft.	2024	534 466	-	-	-
	2023	-	-	-	-
Joint venture in which the parent company is the owner					
Hunor utca 24 Kft.	2024	-	-	12 661	-
	2023	-	-	11 161	-
Related company					
Professione Casa	2024	-	64 159	358 197	-
	2023	-	-	314 335	-
Key managers of the Group					
Dividend on employee shares	2024	-	-	-	40 389
	2023	-	-	-	36 725
Directors' and employees' interests	2024	-	9 272	101 818	2 631
	2023	-	6 460	3 765	2 133
Common and minority shareholders	2024	-	-	-	864
	2023	-	-	-	19 800
Related parties Total	2024	1 058 783	74 975	472 871	43 884
	2023	-	6 460	329 261	58 658

The Group received a total of HUF 1,058,783 thousand from sales to related parties in 2024. Of this amount, a total of 10 residential properties and associated parking lots and storage facilities were purchased by the Group's controlling owners from the Forest Hill project developed by the Group for a total amount of HUF 1,058,448 thousand + VAT. The transaction was approved by the supervisory board of Duna House Nyrt. on 28 February 2024.

The total value of the related receivables increased to HUF 472,871 thousand during the period (2023: HUF 329,261 thousand). The largest item is the upfront fee paid in connection with the collaboration with Professione Casa, which the Group will recognise as an expense over several years starting from 1 January 2024. In addition, the Group has granted loans totalling HUF 101,818 thousand to middle managers. The loans are secured by mortgages or will be consolidated with earnout payments in the future.

Dividends payable to holders of employee shares amount to HUF 40,389 thousand (2023: HUF 36,725 thousand). The approved dividends are presented in note 17.

The Italian Hgroup had a total of HUF 19,231 thousand in shareholder loans due to non-controlling interest holders at the end of 2023, which have been repaid.

The remuneration of the Board of Directors and the Supervisory Board is presented in section 47.

13 Other receivables

	<u>31.12.2024</u>	<u>31.12.2023</u>
Advances paid	842 195	897 567
Other receivables (taxes)	99 836	573 605
Collateral	92 050	92 050
Short-term loans	17 175	68 039
Other receivables	19 885	25 660
Receivables related to the purchase of shares	14 475	13 510
Security deposit	3 839	7 539
Duty receivable from lawsuits	2 532	5 143
Rental fee paid as attorney deposit	1 524	1 742
Assigned receivables	1 727	1 282
Total	<u>1 095 238</u>	<u>1 686 137</u>

The cost line of advances paid consists of the advances on commissions given to credit consultants as part of certain promotions and of deposits given to the lessor in connection with vehicle leases. At the end of 2024, HUF 612,798 thousand was attributable to the Italian Hgroup (2023: HUF 722,729 thousand. In 2023, the Group has recognised an impairment loss of HUF 121,267 thousand in other operating expenses on advances to the network of agents that are not expected to be recovered.

Other receivables (tax) include year-end overpayments of various taxes.

The Group includes in the line "Collateral" the amount of performance and warranty guarantees retained by the collateral manager of the Forest Hill project.

The Group had a total receivable of HUF 14,475 thousand in the end of 2024 from the sellers of Hgroup Spa. in connection with a purchase price adjustment (2023: HUF 13,510 thousand) (see Section 2.5.2.1 regarding the acquisition). By agreement between the parties, the receivable was settled in the deferred purchase price (see also Section 25 for more information on the deferred purchase price).

14 Cash and cash equivalents

	<u>31.12.2024</u>	<u>31.12.2023</u>
Bank account balance – available	5 647 548	8 279 451
Bank account balance – restricted	500	500
Cash	8 621	13 198
Total	<u>5 656 669</u>	<u>8 293 149</u>

Regarding the aggregate bank account balance, HUF 500 thousand (2023: HUF 500 thousand) is only available subject to the following restrictions.

Affected by restrictions		Reason for restriction
Companies involved in the consolidation	Bank account balance	
Akadémia Plusz 2.0 Kft. deposit	HUF 500 thousand	The institution had to provide financial security to continue its adult education activity.
Total:	HUF 500 thousand	

The Company has been managing its bank accounts linked to its operations in Hungary and Italy under a cash pooling regime, which makes automatic internal group financing possible. A general current account limit is available to back the cash pool system, which amount is suited to the needs of regular operations and can be used to satisfy any transitional additional financing needs. The cash pool limit is HUF 100 million in Hungary and EUR 1.56 million in Italy. The amount used at the end of the reporting period is shown in Section 21. The breakdown of bank account balances by financial institution is presented in Section 45 under Credit risk.

15 Accrued incomes

	31.12.2024	31.12.2023
Trail commission	838 916	697 401
Accrued incomes	65 934	43 259
Prepaid expenses	133 981	114 618
Total	1 038 831	855 278

The trail commission is the maintenance commission of long-term mediated loans. Although the settlement principles are slightly different by financial partner, in general it may be stated that the purpose of this type of commission is to make sure that the amount of the accountable intermediary commission is proportionate to the actual tenor of the mediated financial product. The factors affecting the amount of commission include the type of mediated product and its tenor, the delay in the prepayment of the respective borrower and the continuation rate of the total active mediated loan portfolio. The rise in trail commissions was caused by the increase in the volume of brokered loans. The Group considers trail commissions as contractual assets (for contractual balances, see Section 30).

The accrued incomes line indicates the amount of commission revenue not yet invoiced at the end of the period.

16 Instruments classified as held for sale and liabilities directly linked to them

The Group's Board of Directors has decided to gradually reduce the investment property portfolio in order to streamline its profile. The properties held for sale were reclassified as assets held for sale.

The sale of assets held for sale is expected to be completed within one year of the reporting date. The following is a summary of the assets held for sale and the liabilities directly associated with them:

	Duna House Golden Visa Lakás Ingatlanalap I. 2024.12.31	Investment property 2024.12.31	Properties 2024.12.31	Total 2024.12.31
Derecognition of carrying amount (assets)	559 838	527 400	93 412	1 180 650
Derecognition of carrying amount (liabilities)	25 383			0
Total net assets	534 455	527 400	93 412	1 180 650
Derecognition of carrying amount (assets)				
Investment property	430 500	527 400	0	957 900
Properties			93 412	93 412
Receivables	10 057			10 057
Liquid assets	119 281			119 281
Assets classified as held for sale	549 781	527 400	93 412	1 180 650
Derecognition of carrying amount (liabilities)				
Deferred tax liabilities	3 991			3 991
Accounts receivables	7 417			7 417
Other tax liabilities	67			67
Corporate tax liabilities	11 762			11 762
Accruals and deferred income	2 146			2 146
Assets classified as held for sale (liabilities)	25 383	0	0	25 383
Income Statement				
Results of discontinuing activity	24 398	0	0	24 398

	Investment property 31.12.2023	Total 31.12.2023
Derecognition of cost value (assets)	527 400	527 400
Derecognition of cost value (liabilities)	0	0
Total net assets	527 400	527 400
Derecognition of carrying value (assets)		
Investment property	527 400	527 400
Assets classified as held for sale	527 400	527 400
Derecognition of carrying value (liabilities)		
Assets classified as held for sale (liabilities)	0	0
Income Statement		
Results of discontinuing activity	0	0

Duna House Golden Visa Lakásingatlan Alap I. is a closed-end investment fund managed by Impact AlapkezelőZrt. For the launch of the fund, the Group subscribed on 1 August 2024 for a total of HUF 500 million of units. The Group has not obtained the necessary license to manage Golden Visa and plans to sell or close the fund.

17 Subscribed capital and profit reserve

The Company's share capital is HUF 171,989 thousand, which consists of 34,387,870 dematerialized ordinary shares of HUF 5 face value each and 1,000 preferential shares of HUF 50 face value each.

In 2020, the Company implemented a stock split. As of 5 August 2020, as value date, the 3,438,787 dematerialized ordinary shares of HUF 50 face value each were converted to 34,387,870 dematerialized ordinary shares of HUF 5 face value each. As a result of this transformation, each dematerialized ordinary share with a face value of HUF 50 was replaced by 10 ordinary shares with a face value of HUF 5 each.

The following table presents the number and face value of the shares issued by the Company:

Class of shares	2024		2023	
	Number	Total face value (HUF thousand)	Number	Total face value (HUF thousand)
"A" ordinary share, face value of HUF 5	34 387 870	171 939	34 387 870	171 939
"B" employee preferential share, face value of HUF 50	1 000	50	1 000	50
Total	34 388 870	171 989	34 388 870	171 989

"A" ordinary share, face value of HUF 5	2024		2023	
	Number	Total face value (HUF thousand)	Number	Total face value (HUF thousand)
1 January	34 387 870	171 939	34 387 870	171 939
Shares issued	0	0	0	0
31 December	34 387 870	171 939	34 387 870	171 939

"B" employee preferential share, face value of HUF 50	2024		2023	
	Number	Total face value (HUF thousand)	Number	Total face value (HUF thousand)
1 January	1 000	50	1 000	50
Shares issued	0	0	0	0
31 December	1 000	50	1 000	50

A right of preferential dividend is associated with the employee shares issued by the Company. If the General Meeting decides to pay a dividend for a given year, the employee shares with preferential dividend rights are included in the after-tax profit for the same year in the consolidated financial statements prepared in accordance with IFRS (less (i) the effect on profit of property valuations (based on: IAS 40 Investment Property); (ii) the revaluation difference recognised in the income statement for equity accounted investments; (iii) the share of profit after tax attributable to outside equity holders), up to an amount equal to 6% of the profit before tax of the ordinary shares.

The employee shares shall carry no rights to dividends other than as specified above. In particular, the employee shares do not entitle their holders to dividends in excess of the above amount, or entitle their holders to dividends if, for the financial year concerned, the profit after tax according to the consolidated annual financial statement drawn up on the basis of IFRS is negative.'

The preferential right attached to employee shares is not cumulative, and the date of dividend payments is set by the Board of Directors.

The maximum payable dividend for preferential shares was taken into account during the EPS calculation.

The General Meeting of the Company decided on 29 April 2024 to pay a dividend of HUF 4,453,900 thousand. As stated above, an amount corresponding to 6% of the consolidated profit after tax, i.e. (HUF 161,556 thousand), adjusted for the result of 2023 from the revaluation of investment properties and the revaluation of equity method investments, was paid to the preference shareholders, while HUF 4,292,340 thousand was paid to the ordinary shareholders (107.3 HUF per share). The dividend declared was paid to the ordinary shareholders on 28. May 2024. Due to the treasury shares held by the Company, the dividend actually paid was HUF 125.21 per share.

Dividend calculations	2024	2023
Dividend for series "A" ordinary shares, based on a general meeting decision	4 292 344	3 690 000
Dividend for series "B" employee preferential shares, based on a general meeting decision	161 556	146 900
Total approved dividends	4 453 900	3 836 900
Deducted PIT	(57 191)	(36 136)
Total approved dividends after Personal Income Tax	4 396 709	3 800 764
Q2	(4 292 052)	(3 690 000)
Dividends paid for series "A" ordinary shares	(4 292 052)	(3 690 000)
Q1	(36 725)	(18 825)
Q2	(40 389)	(36 725)
Q3	(40 389)	(36 725)
Q4	(40 389)	(36 725)
Dividends paid for series "B" employee shares	(157 892)	(129 000)
Total dividends paid	(4 449 944)	(3 819 000)

Dividends on ordinary shares was paid in a lump sum; dividends on preferential employee shares are paid in four equal instalments quarterly.

18 Treasury shares

The Company intends to transfer its own shares to its directors and employees within the framework of its remuneration policy. The Company operates two share-based benefit schemes, which are detailed below.

Management option scheme

In 2018, Duna House Holding Nyrt. launched a two-year option scheme to provide long-term incentives for Group managers and key employees, which was repeated in 2019 and 2020. The Company granted option rights for 312,000 ordinary shares with a face value of HUF 5 each per scheme.

The management option scheme launched in 2021 specified a framework amount instead of numbers: HUF 20 million per participant would be made available for five participants with the scheme's future call price.

The management option scheme launched in 2022 pertains to a total of 250 thousand shares with the participation of 11 persons, at a call price of HUF 520/share, set in advance.

The three-year management option scheme, which started in 2024, will cover a total of 125,000 shares with 10 participants, at a pre-fixed exercise price of HUF 5 per share. At the end of the 3-year vesting period, 80% of the shares will be available for sale after a further 2 years.

2023/2033 Program

The General Meeting of Shareholders held on 27 April 2023 approved the Company's 2023/2033 Plan, under which Gay Dymisz, founder and Chairman of the Board of Directors, may acquire 1 719 394 shares in the form of a capital increase at a call price of HUF 400 per share, subject to performance conditions. The call price will be increased by the rate of inflation in Hungary in excess of 6%.

The performance conditions are linked to the achievement of a profit target and intermediate results, starting from the Group's adjusted EBITDA in EUR in 2023. The method of calculation of the performance targets is set out in Annex 13 to the Remuneration Policy of the Company's Employee Share Ownership Plan. The Adjusted EBITDA (EUR) for 2023 calculated on this basis was EUR 5 776 thousand, which is derived from the table below:

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	thousand HUF	2023	2024
EBIT		1 965 309	3 933 964
<i>Increased by</i>			
Depreciation and amortization		780 216	865 446
Depreciation of Right of Use assets		414 108	478 037
EBITDA		3 159 633	5 277 447
<i>Decreased by</i>			
The properties owned by DH group located at 19286/4/A/1, Érd; 3920/7/A/187, Budapest; 7235, Budapest. and Budapest 7237/1/A/1		69 107	
Consolidated EBITDA of MyCity Residential Development Kft. (head office: 1016 Budapest, Gellérthegy utca 17.; company registration number: 01-09-984485) and its subsidiaries according to IFRS		818 719	610 966
EBITDA profit attributable to non-controlling interests in subsidiaries of the DH Group		65 717	173 748
Adjusted EBITDA (HUF) result		2 206 089	4 492 733
<i>Yearly average EUR/HUF (MNB)</i>		<i>381,95</i>	<i>395,20</i>
Adjusted EBITDA (EUR) result		5 776	11 368

The program's effectiveness criteria are considered to be met if:

- the Group's Adjusted EBITDA (in EUR) for any two consecutive financial years up to the end of the financial year 2032 totals EUR 34,000,000, such that the result in any one year is not less than EUR 13,000,000, and
- the Group meets the intermediate profit targets.

Taking into account the amount of the Adjusted EBITDA (EUR) result for 2023, the intermediate profit targets are as follows:

- in the financial year 2024-2026, the Adjusted EBITDA (EUR) result of the DH Group will cumulatively reach EUR 22,329,000, and
- in the financial year 2027-2029, the Adjusted EBITDA (EUR) result of the DH Group will cumulatively reach EUR 31,530,000.

Employee 2023 scheme

At the General Meeting held on 27 April 2022, the Company's "Employees 2023" share scheme was approved, under which all employees that are employed in Hungary by the Group since 1 April 2022 will receive shares in the amount of their average wage of 2022 if the performance conditions are met in 2024.

Employee 2024 scheme

The General Meeting of Shareholders held on 27 April 2023 approved the Company's Employees 2024 Share Award Plan, under which all employees of the Group in Hungary hired since 1 April 2023 will receive a share award in 2025 at the average salary of 2023, subject to the fulfilment of performance conditions.

Employee 2025 scheme

The General Meeting of Shareholders held on 29 April 2024 approved the Company's Employees 2025 Share Award Plan, under which all employees of the Group employed in Hungary since 1 April 2024 will receive a share incentive in 2026 at the average salary of 2024, subject to the fulfilment of performance conditions.

Fulfilment of the performance condition

The joint performance condition of the **Employees 2024** and the **Management Option Scheme 2023/2025** is that the consolidated sales revenue of the Company for the year 2024, excluding the revenue of MyCity Residential Development Kft, Pusztakúti 12 Kft, Reviczky 6-10 Kft and Hunor utca 24 Ingatlanfejlesztő Kft, exceeds the consolidated revenue of the Company for the same year 2022 calculated in the same way. The underlying results of the MRP schemes are summarised in the table below, based on which **the performance condition is met.**

	2024	2022
Consolidated sales revenue	39 707 123	30 264 318
Revenue of the real estate development companies	(2 200 110)	(3 284 655)
Revenue underlying the performance condition	37 507 013	26 979 663

On 29 April 2024, the General Meeting decided to acquire a total of 1,500,000 ordinary shares with a nominal value of HUF 5 each belonging to series "A", with a purchase price of minimum HUF 50, but not exceeding HUF 1,500 each.

Number of treasury shares	31.12.2024	31.12.2023
Start of the period	332 785	744 287
Purchase of shares	205 587	146 027
Provided in the framework of the Management option scheme	(230 220)	(522 515)
Provided in the framework of the Employee scheme	(21 996)	(35 014)
End of the period	286 156	332 785

19 Exchange reserves

The balance of the conversion reserve at the end of the year HUF 989,240 thousand (2023: HUF 244,817 thousand) equals the amount of the conversion difference recognised in compliance with the IAS 21 standard with the involvement of the foreign subsidiaries of the Duna House Group in the consolidation.

20 Non-controlling interests

This balance sheet line shows the amount of equity attributable to minority shareholders. The balance also contains the conversion difference allocated to minority shareholders in relation to the operation of those companies. In the report, the Group recognises non-controlling interests in HGroup using the method described in section 2.5.2.1.

The tables below present financial information of subsidiaries with significant non-controlling interests:

Ownership shares of non-controlling interests

Name	Headquarters and country of operation	2024	2023
Hgroup S.p.A.	Italy	5,32%	6,02%
Credipass S.r.l.	Italy	5,53%	6,23%
Medioinsurance S.r.l.	Italy	5,32%	6,02%
Realizza S.r.l.	Italy	-	15,42%
Relabora S.r.l.	Italy	-	6,02%
Duna House Franchise s.r.o	Czech Republic	20,00%	20,00%
Duna House Hypoteky s.r.o.	Czech Republic	20,00%	20,00%
Center Reality s.r.o.	Czech Republic	20,80%	20,80%
Primse.com Sp. z o.o.	Poland	10,00%	10,00%
DH Energy Zrt.	Hungary	20,00%	-

Profit attributable to significant non-controlling interests

Name	2024	2023
Hgroup S.p.A.	(49 711)	(7 260)
Credipass S.r.l.	91 534	(6 172)
Medioinsurance S.r.l.	42 244	33 089
Realizza S.r.l.	3 031	(8 552)
Relabora S.r.l.	(979)	(1 782)
Duna House Franchise s.r.o	(4 131)	(2 937)
Duna House Hypoteky s.r.o.	110	78
Center Reality s.r.o.	(3 723)	(2 434)
Primse.com Sp. z o.o.	12 149	(4 997)
DH Energy Zrt.	(4 496)	0
Total	86 028	(967)

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Summary financial information on these subsidiaries is provided below. The data is based on amounts before intra-group eliminations.

Summary income statement for 2024

	Hgroup S.p.A.	Credipass S.r.l.	Medioinsurance S.r.l.	Realizza S.r.l.	Relabora S.r.l.	Duna House Franchise s.r.o.	Duna House Hypoteky s.r.o.	Center Reality s.r.o.	Primse.com Sp. z o.o.	DH Energy Zrt.
Total income	1 103 435	17 977 174	3 141 911	40 708	10 329	19 886	0	222 248	35 231	0
Operating costs	(1 873 337)	(16 401 066)	(2 249 025)	(112 130)	(36 532)	(37 445)	(107)	(244 758)	(91 779)	(22 203)
Financial results	(64 764)	(16 145)	(1 058)	(677)	(2)	(3 097)	656	(1 391)	164 706	(275)
Profit before tax	(834 665)	1 559 963	891 828	(72 099)	(26 205)	(20 656)	549	(23 901)	108 158	(22 478)
Income taxes	8 898	(89 952)	(190 099)	35 154	9 947	0	0	5 284	13 335	0
Profit after tax	(825 767)	1 470 010	701 729	(36 945)	(16 258)	(20 656)	549	(18 617)	121 493	(22 478)

Summary income statement for 2023

	01.01.2023-31.12.2023					Duna House Franchise s.r.o	Duna House Hypoteky s.r.o.	Center Reality s.r.o.	Primse.com Sp. z o.o.
	Hgroup S.p.A.	Credipass S.r.l.	Medioinsur ance S.r.l.	Realizza S.r.l.	Relabora S.r.l.				
Total income	1 094 910	13 794 699	2 901 451	382 226	10 535	23 655	1 053	223 147	41 264
Operating costs	(1 168 190)	(13 756 832)	(2 166 602)	(525 691)	(49 747)	(38 082)	(642)	(242 654)	(93 177)
Financial results	(55 925)	(50 058)	(1 471)	(2 750)	0	(260)	(19)	(697)	(9 759)
Profit before tax	(129 205)	(12 192)	733 378	(146 216)	(39 212)	(14 687)	392	(20 204)	(61 672)
Income taxes	8 600	(86 935)	(183 723)	33 975	9 613	0	0	8 033	11 700
Profit after tax	(120 605)	(99 127)	549 655	(112 241)	(29 599)	(14 687)	392	(12 171)	(49 972)

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Summary statement of financial position at 31 December 2024

	Hgroup S.p.A.	Credipass S.r.l.	Medioinsurance S.r.l.	Realizza S.r.l.	Relabora S.r.l.	Duna House Franchise S.r.O.	Duna House Hypoteky S.r.O.	Center Reality s.r.o.	Primse.com Sp. z o.o.	DH Energy Zrt.
Cash, inventories, short-term assets	1 439 999	4 280 186	2 382 696	0	0	325 654	19 461	36 340	47 828	10 296
Real estate properties, machinery and equipment, and other long-term assets	2 637 113	6 589 159	17 832	0	0	6 974	0	31 229	75 600	0
Trade and other short-term liabilities	(2 360 482)	(3 056 292)	(1 097 790)	0	0	(379 153)	(448)	(429 302)	(134 286)	(27 775)
Loans, deferred tax, and other long-term liabilities	(1 151 746)	(1 948 979)	(31 385)	0	0	0	0	0	0	0
Total equity	564 884	5 864 074	1 271 353	0	0	(46 526)	19 013	(361 734)	(10 859)	(17 478)
Of which:										
Per the parent company	530 878	5 498 933	1 194 817	0	0	(37 220)	15 211	(286 493)	(9 773)	(13 983)
Per non-controlling interest	34 006	365 142	76 535	0	0	(9 305)	3 803	(75 241)	(1 086)	(3 496)

Summary statement of financial position at 31 December 2023

	Hgroup S.p.A.	Credipass S.r.l.	Medioinsurance S.r.l.	Realizza S.r.l.	Relabora S.r.l.	Duna House Franchise S.r.O.	Duna House Hypoteky S.r.O.	Center Reality s.r.o.	Primse.com Sp. z o.o.
Cash, inventories, short-term assets	1 818 899	3 027 963	2 012 323	65 257	27 742	314 978	17 341	51 612	31 634
Real estate properties, machinery and equipment, and other long-term assets	2 617 563	6 642 903	14 458	115 752	488	1 943	0	12 819	61 693
Trade and other short-term liabilities	(1 693 975)	(2 460 193)	(685 479)	(588 815)	(753 185)	(340 782)	176	(389 649)	(219 864)
Loans, deferred tax, and other long-term liabilities	(1 691 544)	(2 181 041)	(33 050)	(101 954)	(7 058)	0	0	0	0
Total equity	1 050 943	5 029 632	1 308 252	(509 760)	(732 013)	(23 861)	17 517	(325 218)	(126 536)
Of which:									
Per the parent company	987 676	4 716 449	1 229 495	(431 165)	(687 946)	(19 089)	14 014	(257 573)	(113 883)
Per non-controlling interest	63 267	313 183	78 757	(78 595)	(44 067)	(4 772)	3 503	(67 645)	(12 654)

21 Long and short-term credits and loans

Short-term loans and borrowings

	<u>Interest</u>	<u>Maturity</u>	<u>31.12.2024</u>	<u>31.12.2023</u>
Cash-pool loan, Italy			0	90 397
Total			0	90 397

	<u>Interest</u>	<u>Maturity</u>	<u>31.12.2024</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>31.12.2023</u>
			<i>EUR</i>	<i>EUR</i>	<i>thHUF</i>	<i>thHUF</i>
BPER mortgage, EUR 2,100,000	Euribor 3m + 2,9%	2031.11.08	1 298 600	1 465 718	532 544	561 047
Volksbank mortgage, EUR 440,000	Euribor 6m + 1,6%	2032.06.11	294 339	325 235	120 705	124 493
October, 2 000 000 EUR	5,20%	2024.05.05	0	308 108	0	117 938
Credit Agricole (Creval), 1 500 000 EUR	Euribor 3m + 2,75%	2024.10.05	0	264 522	0	101 254
Total			1 592 939	2 363 582	653 249	904 732

BPER and Volksbank mortgages

The Hgroup group owns a total of two offices in the Italian cities of Bergamo and Castelfranco Veneto (see Section 3). The Group took out two fixed interest-rate mortgages in 2018 to purchase the properties, which are now mortgaged. The company amortizes the loans in equal monthly instalments.

October and Creval loans

These loans were borrowed by Hgroup Spa to finance past acquisitions. These are not secured with mortgages. The loans were repaid in full in 2024.

22 Bonds payable

Bonds are initially recognised at fair value decreased by transaction costs and subsequently carried at amortised cost using the effective interest method in accordance with IFRS 9. The difference between the value received for the bonds and the value due on redemption is recognised as interest expense over the term of the bond using the effective interest method.

In 2020, the Group initiated a review of its external financing structure in order to diversify and improve the maturity structure of the Group's loan portfolio. Accordingly, the Group issued bonds under the Growth Credit Programme (NKP) of the National Bank of Hungary (MNB) and obtained competitively priced funding.

On 1 July 2019, the MNB launched the Bond for Growth Scheme, which aims to increase the efficiency of monetary policy transmission by expanding liquidity in the domestic corporate bond market. The Group uses the proceeds from the bond issue to redeem existing loans, for acquisitions, and for other investments.

The table below shows the main parameters and the outstanding bond debt:

				<u>Coupon</u>	<u>Maturity</u>	<u>31.12.2024</u>	<u>31.12.2023</u>
Duna House NKP Bond 2030/I., HUF				3.00%	2030.09.02	6 803 726	6 839 675
Duna House NKP Bond 2032/I., HUF				4.50%	2032.01.12	6 204 302	6 194 248
Total						13 008 028	13 033 923

Duna House NKP Bond 2030/I.

Following a private auction on 31 August 2020, on 2 September 2020 the Company issued bonds under the name "Duna House NKP Bond 2030/I" with a total nominal value of HUF 6,600,000 thousand, the consideration for which was made available to the Group by the bond subscribers on the day of issue. Subsequently, on 1 March 2021, the "Duna House NKP Bond 2030/I." bonds were registered in the XBond multilateral trading facility of the Budapest Stock Exchange.

The average issue value of the bonds is 104.6955% of their face value. The bonds have a fixed-rate interest, the coupon is set at 3.0%, and the term is 10 years. The average yield realised by the issuance was 2.3477 percent and the total proceeds were HUF 6,909,902 thousand. The Company capitalized borrowing costs for the issued bonds in a total of HUF 22,240 thousand (legal, organization, and distributor fees), of which HUF 20,534 thousand was in 2020 and HUF 1,706 thousand was in 2021. Activation rate: 100%

The bond was recognised at fair value decreased by borrowing costs (HUF 6,889,368 thousand) when it was registered in 2020, with an average yield of 2.39%.

The Company used the issuance to refinance its loans used for other than financing projects and used the remainder to finance additional acquisitions. On 15 September 2020, the Company provided early repayment for the bank loan of its subsidiary Alex T. Great Sp. z. o.o, and on 2 October 2020 placed the entire amount owed to Raiffeisen Bank Zrt., including capital and interest, in a surety account as early repayment.

The Duna House NKP Bond 2030/I. pays interest and capital as follows:

	Interest payment	Payments of principal on loans	Total Cash Flow
2021	-198 000	0	-198 000
2022	-198 000	0	-198 000
2023	-198 000	0	-198 000
2024	-198 000	0	-198 000
2025	-198 000	0	-198 000
2026	-198 000	-1 320 000	-1 518 000
2027	-158 400	-1 320 000	-1 478 400
2028	-118 800	-1 320 000	-1 438 800
2029	-79 200	-1 320 000	-1 399 200
2030	-39 600	-1 320 000	-1 359 600
Total	-1 584 000	-6 600 000	-8 184 000

Duna House NKP Bond 2032/I.

Following a private auction on 10 January 2022, on 12 January 2022 the Company issued bonds under the name "Duna House NKP Bond 2032/I" with a total nominal value of HUF 6,000,000 thousand, the consideration for which was made available to the Group by the bond subscribers on the day of issue. Subsequently, on 18 March 2022, the "Duna House NKP Bond 2032/I." bonds were registered in the XBond multilateral trading facility of the Budapest Stock Exchange.

The average issue value of the bonds is 98.649% of their face value. The bonds have a fixed-rate interest, the coupon is set at 4.5%, and the term is 10 years. The average yield realised by the issuance was 4.7076 percent and the total proceeds were HUF 5,918,940 thousand. In 2022, the Company capitalized borrowing costs for the issued bonds in a total of HUF 4,940 thousand (legal, organization, and distributor fees). Activation rate: 100%

The bond was recognised at fair value decreased by borrowing costs (HUF 5,914,000 thousand) when it was registered in 2022, with an average yield of 4.72%.

The Group used the bond proceeds to finance the purchase of Hgroup Spa. and plans additional acquisitions.

The Duna House NKP Bond 2032/I. pays interest and capital as follows:

	Interest payment	Payments of principal on loans	Total Cash Flow
2023	-270 000	0	-270 000
2024	-270 000	0	-270 000
2025	-270 000	0	-270 000
2026	-270 000	0	-270 000
2027	-270 000	0	-270 000
2028	-270 000	-1 200 000	-1 470 000
2029	-216 000	-1 200 000	-1 416 000
2030	-162 000	-1 200 000	-1 362 000
2031	-108 000	-1 200 000	-1 308 000
2032	-54 000	-1 200 000	-1 254 000
Total	-2 160 000	-6 000 000	-8 160 000

23 Provisions

	Collateral type guarantees	Expected expenses related to litigation	Total
As at 31 December 2022	17 000	63 035	80 035
Incurred during the year	14 500	0	14 500
Used during the year	0	0	0
The amount of unused provisions released during the period	0	0	0
Exchange rate	0	(2 751)	(2 751)
As at 31 December 2023	31 500	60 284	91 784
Incurred during the year	10 763	0	10 763
Used during the year	0	0	0
The amount of unused provisions released during the period	0	0	0
Exchange rate	0	4 301	4 301
As at 31 December 2024	42 263	64 585	106 848

Collateral type guarantees

Provisions are made for expected warranty claims on own development properties sold during the year, based on the experience of the extent of past warranty claims and repairs. These costs are expected to be incurred in the three financial years following technical delivery. As the effect of time value is minimal, the Group does not apply discounting. The warranty provision is based on current sales levels and the warranty period for all real estate properties sold.

Expected expenses related to litigation

In connection with the pending litigation of Hgroup, the Group set aside provisions of HUF 128,812 thousand at the time of the acquisition, of which HUF 65,777 thousand was used up during 2022.

24 Deferred tax liabilities

	31.12.2024	31.12.2023
Impairment of trade receivables	2 725	2 742
Due to trailing commission	75 502	62 766
Due to the difference in the valuation of fixed assets and investment properties	34 751	55 158
Provisions	0	1 708
From business combination-Hgroup	1 313 244	1 328 520
Total	1 426 222	1 450 894

Deferred tax assets and liabilities were netted at the level of the subsidiaries.

In 2024, the deferred tax liability in relation to the acquisition of the Hgroup business combination in respect of the identified assets amounted to HUF 1,313,244 thousand (2023: HUF 1,328,520 thousand).

In 2024, a balance of HUF 75,502 thousand is a deferred tax liability resulting from the difference in the recognition of the trail commission realised in the financial product intermediation segment between the Hungarian and international accounting standards (2023: HUF 62,766 thousand).

25 Other long-term liabilities

	31.12.2023	31.12.2022
Deferred purchase price	1 253 440	1 306 318
Option liabilities pertaining to minority interest	4 180 478	3 190 067
Severance pay fund	429 014	362 411
Other long-term liabilities	1 360	1 369
Total	5 864 292	4 860 165

HUF 1,253,440 thousand in 2024 is the present value of the deferred purchase price related to the acquisition of the 70% share (2023: HUF 1,306,318 thousand), HUF 4,180,478 thousand is the present value of the expected consideration for put/call options on minority interests (2023: HUF 3,190,067 thousand), HUF 429,014 thousand is the mandatory redundancy fund in Italy (2023: HUF 362,411 thousand). For the calculation of the value of the deferred purchase price and option liability, see chapter 2.5.2.1.

26 Accounts payable

	<u>2024</u>	<u>2023</u>
Accounts payable	4 368 048	3 578 720
Total	<u>4 368 048</u>	<u>3 578 720</u>

The year-end balance of trade payables increased by a total of HUF 789,328 thousand in line with the increase in the Group's commission costs and services used.

27 Other liabilities

Other liabilities contain the following:

	<u>31.12.2024</u>	<u>31.12.2023</u>
Tax liability	595 806	410 703
Insurance clearing account	277 778	172 540
Settlement account of homeowners	224 134	138 534
Settlement account of lessees	132 350	125 873
Liabilities from remuneration	126 410	107 327
Advance payments, earnest money and bid bonds	67 744	47 243
Liabilities related to litigation	11 668	14 893
Liabilities related to shares	0	4 056
Total	<u>1 435 890</u>	<u>1 021 169</u>

The Group had outstanding tax liabilities of HUF 595,806 thousand (2023: HUF 410,703 thousand).

Insurance premiums received by the Group from customers are recorded in the insurance clearing account until the date of settlement with the insurance company.

Received deposits contain the amounts paid by lessees as deposit for renting the properties involved in real estate management.

Advances, deposits, and tender securities totaling HUF 67,744 thousand (2023: HUF 47,243 thousand) received from customers consist mainly of deposits and advances received from customers in connection with ongoing property development projects in MyCity project companies, which the Group considers as contractual obligations (see Section 30.)

The Company pays special attention to the management of the guarantees and deposits recognised among other liabilities and to be settled with owners and lessees. In order to make sure that the amounts can be repaid upon maturity, when requested or in the case of termination, the respective amount is either available on bank accounts and/or invested to securities within the subsidiary. The estimated amount of the immediately payable items is constantly available in the bank account of the subsidiary.

The Group had no contingent liabilities as at 31 December 2024 and 2023, with the exception of the liabilities related to the acquisition of Hgroup Spa., which are presented in Sections 2.5.2.1 and 25.

28 Accruals and deferred income

	31.12.2024	31.12.2023
Accrued costs and charges	651 643	618 303
Accrued revenues	151 880	151 448
Total	803 523	769 751

At the end of 2024 the Group has a total of HUF 290,542 thousand of accrued expenses in relation to multi-year incentive packages announced to the Italian sales network in (2023: HUF 204,506 thousand). Other cost accruals relate to brokerage commission costs to be invoiced by sales agents, and audit fees.

The Company recognises the proceeds from the sale of franchise contracts (in general for 3-5 years) as revenue in a pro-rated manner. In order to do that, it creates an accrual, which is shown in the accrued revenues row.

29 Net sales revenue

	2024	2023
Revenue from brokerage of loan and savings products	33 551 459	23 990 944
Revenue from real estate agency services	2 197 392	4 720 996
Franchise fees	1 820 883	1 535 018
Revenue from real estate brokerage	1 542 718	2 094 483
Revenue from real estate management	228 763	230 267
Education, training revenue	108 822	65 340
Recharging (rental fees, utilities, etc.)	78 517	10 085
Revenue from insurance intermediation	67 141	67 233
Revenue from appraisal	40 644	20 455
Revenue from energy certification	20 548	18 000
Other revenue (damages, penalties, etc.)	20 285	11 938
Marketing income from banks	13 770	30 739
Management fee income and success fee	10 731	4 837
Revenue from rental fee	5 450	16 286
Sales support revenue	0	1 690
Összesen	39 707 123	32 818 311

The consolidated revenue of Duna House Group increased by 21% to HUF 39,707,123 thousand in 2024. Revenue from the intermediation of loan and home savings products accounted for 85% of consolidated revenue (2023: 73%). Within the MyCity real estate development business, revenue from the sale of real estate amounted to HUF 2 197 392 thousand (2023: HUF 4 720 996 thousand) due to the delivery of apartments in the Forest Hill project. Within real estate related revenues, Real Estate Brokerage revenues decreased by 26% due to the discontinuation of real estate brokerage activities in Italy and reduced real estate market activity in Poland, while franchise fees increased by 19% compared to 2023.

Revenue from brokerage of loan and savings products

It includes the brokerage fees of Italian, Polish, and Hungarian banking products (primarily retail mortgage loans). The Group collects broker fees from financial institutions for which it is entitled at the moment of disbursing the loan. The fee is generally a certain percentage of the brokered loan volume or is a fixed amount for certain products.

Revenue from real estate agency services:

The Duna House Group operates a significant number of real estate brokerage offices within the Duna House, Metrohouse, and Realizza networks. The commission income from the brokerage of the sale and lease of properties is realised in these offices. The level of commissions takes into account the type, value, location of the property and the level of service included in the contracts. The Group is entitled to real estate agency revenue at the moment of the conclusion of the purchase and sale or lease agreement. The fee is a certain percentage of the transaction.

The franchise fees include the following types of fees:

Revenue from franchise and service fees: The monthly fee paid by the franchise partners of the Duna House and Metrohouse networks. Its rate is uniformly regulated for partners and its amount is a certain percentage of the commission turnover for the month involved in the settlement but is at least equal to the minimum fee. Conditions are ensured by long-term (typically 5-year) contracts. The franchise fee is considered a royalty for the use of brands and know-how owned and built by the DH Group. The service fee provides the network with the tools, functions (IT and CRM system, complaint handling, regulations and controls, etc.) necessary for the smooth operation of the network.

Revenue from marketing fee:

This type of monthly, continuous revenue ensures the financing of the marketing activities of the network. Its rate is uniformly regulated for all franchise partners and its amount is a certain percentage of the commission turnover for the month involved in the settlement but is at least equal to the minimum fee. Marketing revenue ensures marketing strategy implementation, market research, and systematic analysis related to them, as well as group-level appearances, ads, and campaigns.

Revenue from entry and extending fee: A one-time fee is payable for the sale of a new or existing site, or for extending an expiring area, for which the Group becomes eligible at the time of contract conclusion and which it recognises as revenue during the contract term. The fee is a fixed fee based on the location and the contract term.

Revenue from real estate management: Revenue is based on services related to real property management. Long-term contracts determine it as a monthly flat rate. As occasional revenues, commission from leases is also part of this revenue group.

Revenue from energy certificates: It is a legal obligation that the properties for sale must have a valid energy certificate. The revenue from the sale of this service is recognised under this category.

Revenue from appraisal: The revenue of a service that operates within a separate unit is also recognised in the Group. A significant part of the clientele are credit institutions, which constitute the majority of the revenues.

Recharging (rental fee, utilities, etc.): The recharging of goods and services (e.g. rent, marketing tools, PR events, events, etc.) purchased centrally by DH for franchise partners is included in this revenue group.

Revenue from rental fee: The Group purchases, leases and sells real properties for investment purposes.

Revenue from the sale of real properties: Revenue from the sale of real properties in the real estate development projects is shown here. The net purchase price of apartments is recognised as sales revenue as at handover.

Revenue from fund management: The amount of the management fee and the fund management success fee attributable to Impact Alapkezelő Zrt for the management of the Duna House Hungarian Residential Real Estate Fund.

30 Contractual balances

	31.12.2024	31.12.2023
Trade receivables	3 109 126	3 311 757
Contractual assets	838 915	697 401
Contractual obligations	157 648	176 672

The Group considers the trail commissions of its credit intermediation activities in Hungary to be contractual assets. The Group recognises these commissions as revenue at the time the loan is disbursed, with a provision for loan losses. The amount of the trail commission portfolio varies based on the live portfolio of mortgage loans brokered by the Group in Hungary.

Contractual liabilities include the amount of HUF 152,413 thousand entry fee (2023: HUF 174,015 thousand) and HUF 5,235 thousand advance and deposit (2023: HUF 2,675 thousand) invoiced and accrued by the Group's real estate franchise business.

The following sales revenue was recognised during the year:

	2024	2023
Recognition in sales revenue of balances contractually committed at the beginning of the year	1 522 294	5 047 258

Of the balances contractually committed at the beginning of the year, advances and deposits for the residential transfers of the property development activity were predominantly recognised as revenue in 2024 and 2023.

31 Other operating income

	2024	2023
Penalties and proceeds from litigation	128 176	230 745
Reversal of impairment on receivables	54 962	29 346
Revenue from recharges	20 894	0
Other	20 092	30 495
Deposits recorded as revenues	18 014	0
Time barred liabilities	8 034	10 189
Profit from the sale of tangible assets	1 740	101 057
Stock difference	0	1 003
Damage events	0	594
Total	251 912	403 429

In 2024, the Group realised a total of HUF 128,176 thousand in other operating income from litigation (2023: HUF 230,745 thousand).

32 Variation in self-manufactured stock

	2024	2023
Pusztakúti 12. Kft.	(1 182 431)	(3 409 737)
Total	(1 182 431)	(3 409 737)
Calculation of stock changes in the given year	2024	2023
Variations in self-manufactured stocks from the balance sheet	(1 317 803)	(3 779 002)
Variations in self-manufactured stocks from the profit and loss account	(1 182 431)	(3 409 737)
Difference	135 371	369 264
Of which:		
Stock changes taken into consideration as goods	124 557	370 507
Activation of software development costs	10 815	0
Interest capitalized from the expenses of financial transactions	0	(1 243)
Changes to the total of self-manufactured stocks	135 372	369 264

For its real estate development projects, the Company capitalizes its implementation costs for inventories and a part of interest paid to third parties for the financing of the projects.

In 2024, interest of HUF 1,313 thousand (2023: HUF 1,243 thousand) is capitalised (100% capitalisation rate).

The change in inventories of own production takes on a negative value if the capitalisation rate for inventories is lower than the rate of withdrawal from inventories.

33 Consumables and raw materials

	2024	2023
Utility fees and charges	97 965	116 109
Fuel	14 294	9 391
Official forms, office supplies	7 926	8 904
Maintenance costs	4 460	4 449
Total	124 645	138 853

34 Goods and services sold

	2024	2023
Direct cost of the sale of real properties	310 933	363 160
Other recharging (e.g., sales support, utilities, marketing)	120 475	107 957
Direct costs of real estate agency services	60 426	151 098
Subcontractors' performances	0	899
Appraiser fees	0	7 676
Energy certificate fees	0	233
Total	491 834	631 023

In the row of the direct cost of property sales, the Group presents the value of land derecognized in respect of the sale of residential property projects, while capitalized construction costs are reported under the change in own production inventories presented in section 32.

35 Contracted services

	2024	2023
Direct cost of the brokerage of financial products	23 854 157	17 620 330
Other services purchased (insurance, training, postal services, photocopying, cleaning, etc.)	1 993 388	1 514 345
Professional service fees	908 013	859 372
Direct costs of real estate agency services	753 701	748 663
Cost of IT operation	594 017	601 955
Other professional services (IT development, sales support, marketing, etc.)	369 036	437 154
Advertising, promotion	304 431	381 711
Rent, common expenses	216 141	262 768
Legal fees	121 994	128 540
Telephone and communications expenses	66 843	56 300
Bank fees, insurance premiums	54 369	50 759
Cost of stock exchange listings (BSE, KELER)	25 500	30 486
Direct cost of energy certificates	6 321	5 974
Direct cost of appraisal	3 506	0
Duna House Hungarian Residential Real Estate Fund distribution costs	0	3 138
MyCity planning costs and architect fees	0	12 826
MyCity engineering consultancy and inspection	0	6
Total	29 271 417	22 714 327

The direct costs of the brokering of financial products make up 81% of contracted services (2023: 78%). From the brokering commission it receives, the Group pays the part specified in its commission policy to its credit consultants. Year-on-year, this row grew by 35%, which is in line with the growth rate of credit intermediary revenue (see Section 29). Within the direct costs of financial product intermediation, the acquired Italian subsidiaries accounted for HUF 14,150,578 thousand (2023: HUF 11,642,607 thousand) (Section 2.5.2.1).

Other services received (insurance, education, postal services, photocopying, cleaning, etc.) in 2024 amounted to HUF 1,534,319 thousand from the acquired Italian subsidiaries (2023: HUF 1,272,682 thousand), of which the main part was local taxes and insurance paid in connection with commissions to intermediaries..

Within the services used, the commission fee of those employed in Poland through contracts for services ("civil contract"), and costs related to corporate management functions are recognized among "other professional services".

36 Personnel costs

	2024	2023
Payroll cost	2 016 311	1 797 673
Contributions	164 443	383 522
Employee share program	44 459	14 882
Other personnel-type benefits	460 630	212 137
Total	2 685 843	2 408 214
 Average statistical headcount	 201	 204

The Group's employment policy and its integration across countries are under continuous development. The average statistical headcount has decreased from 204 to 201 compared to the reference period. The headcount in the Group's Italian subsidiaries has been reduced to 55 due to the closure of real estate activities (2023: 60). In Poland, the statistical headcount decreased by 8.5 persons. The number of Hungarian employees increased by an average of 11.2 due to the expansion of group-wide functions and sales channels.

Due to high inflationary pressure, the Group implemented wage increases in Hungary and Poland during 2024 and 2023.

The Company puts emphasis on the diversified filling of jobs based on the skills and qualifications of employees.

37 Other operating charges

	2024	2023
Impairment of receivables	399 666	300 561
Various non-income-taxes recognised as expenses	260 220	194 427
Other	180 434	235 031
Penalties	53 149	14 094
Write-off of bad debts	19 866	5 575
Contractual penalty, late payment interest	6 192	5 962
Expenses related to litigation	4 118	597
Missing stocks	1 556	1 208
Cost of the sale of tangible assets	217	2 497
Total	925 418	759 952

The Group recognized impairment of receivables of HUF 399,666 thousand (2023: HUF 300,561 thousand),

Taxes recognised as expenses (official fees, VAT, KATA tax) increased due to non-deductible VAT in companies with VAT-exempt activities and official fees for activities subject to authorisation in Poland.

38 Revenues of financial transactions

	2024	2023
Exchange rate gain	124 743	1 394 554
Interest received	324 156	1 122 581
Total	448 899	2 517 135

The main items included under foreign exchange gains are the exchange gains on the revaluation at the end of the period of assets and liabilities denominated in foreign currencies, typically EUR, and the expected decreases in the value of deferred earn-out liabilities.

In 2023, the Group recognised a total foreign exchange gain of HUF 1,296,980 thousand on the revaluation of earnout liabilities related to the Hgroup acquisition due to the weak 2023 results of the subsidiaries, while in 2024 it recognised a foreign exchange loss (see note 39).

The amount of interest received in 2024 was below the 2023 level due to a reduction in market yields and a decrease in the average level of investible cash after dividend payments.

During 2024, the Group earned interest income of HUF 324,156 thousand on deposits held with banks (2023: HUF 1,122,581 thousand).

39 Expenses of financial transactions

	2024	2023
Bond interest	442 105	442 093
Exchange rate loss	363 717	361 363
Interest paid	142 217	207 047
Lease interest	78 641	82 676
Total	1 026 680	1 093 179

To ensure transparency, the Group presents a separate line for interests related to leases.

Of the Group's interest expenses for 2024, an amount of eFt 62 506 was incurred in the Italian subsidiaries (2023: eFt 110 205) and an amount of eFt 442 105 was recognised for bond interest expenses (2023: eFt 442 093).

Detailed information on the Group's bonds is provided in chapter 22 and information on loans and borrowings in chapter 21.

In 2024, the Group recognised a foreign exchange loss of eFt 243 027 on the revaluation of the earnout liability related to the Hgroup acquisition (2023: foreign exchange gain, see Section 38).

40 Income taxes

The expenses relating to income taxes consist of the following items:

	2024	2023
Actual income tax – corporate tax	1 222 510	660 051
Actual income tax – local business tax	158 175	170 361
Actual income tax – innovation contribution	11 292	8 672
Deferred taxes expense (+) / revenue (-)	(192 138)	(161 553)
Total	1 199 839	677 531

The corporate tax rate applicable to the Hungarian members of the Group is 9%, in Poland 19% and in Italy 24%, irrespective of the actual amount of the corporate tax base.

Reconciliation of income taxes recognised in the consolidated profit and loss statement and comprehensive income statement:

	2024	2023
Profit before tax	3 358 790	3 382 927
Hungarian corporate tax 9% (2023: 9%)	302 291	304 463
Non-deductible expenditures	277 483	186 816
Non-taxable income	(151 740)	(126 036)
Effects of foreign tax rates	602 338	133 255
Corporate tax in the profit and loss account	1 030 372	498 498
Business tax	158 175	170 361
Contribution for innovation	11 292	8 672
Total income taxes	1 199 839	677 531

41 Other comprehensive income

The Company incurred other comprehensive income due to the difference between the values of the equity capital of foreign subsidiaries and the value of goodwill, calculated as at acquisition and the exchange rate applied to the reporting period. This income is transferred to profit and loss only if the subsidiaries are sold.

	2024	2023
Conversion differences on foreign subsidiaries	761 541	(269 611)
Other comprehensive income	761 541	(269 611)
Amounts to be reclassified to profit or loss in future periods		
<i>Conversion differences on foreign subsidiaries</i>	<i>761 541</i>	<i>(269 611)</i>

42 Earnings per share (EPS)

To calculate the basic earning per share, the profit after tax available for distribution to the shareholders must be taken into account and the annual average number of the issued ordinary shares, which does not contain the own shares.

	2024	2023
After-tax profit that can be allocated to shareholders (thousand HUF)	2 183 349	2 705 395
Dividend that may be distributed to preferential shareholders	-124 345	-161 557
After-tax profit that can be allocated to shareholders holding ordinary shares (thousand HUF)	2 059 004	2 543 838
Weighted average number of issued ordinary shares (basic, thousand)	34 117	33 849
Weighted average number of issued ordinary shares (diluted thousand)	34 200	33 934
Earnings per share (basic) (HUF)	60,3	75,2
Earnings per share (diluted) (HUF)	60,2	75,0

The earning per share is diluted by the estimated 280 thousand shares that can be called during the course of 2025 using the stock option that forms part of the Company's employee stock ownership plan.

43 Segment information

The Group's segments are defined in accordance with the requirements of IFRS 8 Operating Segments, taking into account the company's organisational structure and management's decision-making processes.

The following factors have been taken into account in the design of the segments:

Principal areas of activity: the Group's business model comprises several service businesses, investment activities and central operations.

Management reporting structure: The design of the segments is consistent with the way senior management analyses performance and allocates resources.

The definition of segments is based on product and service differences and management decision-making logic, ensuring reliable and relevant presentation of financial statements.

Based on the activities of DH, six segments can be distinguished:

- 1) The franchise segment carries out the operation of the franchise system that runs under the Duna House and Metrohouse brands. The Company is the largest franchise network of real estate agents in Hungary and Poland, and the Group is also present in the Czech Republic.
- 2) The operation of own office consists of the real estate agencies operated by the Company under the Duna House and Metrohouse brands.
- 3) Financial product brokerage segment: the Group offers a wide range of financial products to its clients under its multiple agency agreements with credit institutions and insurance companies, in Italy, Hungary, and Poland under the Credipass brand name.
- 4) Segment of the related services of residential property management, energy certification, appraisal services, and fund management.
- 5) The sector dealing with properties for investment purposes utilizes the residential and commercial properties owned by the Company. This also includes the development projects that run under the MyCity brand name.
- 6) Transactions within each segment were consolidated in the statement. The "Other and eliminations" column includes the effect of the central services holding activities and filters out the transactions between the segments.

The Group prepares a balance sheet and income statement for its business divisions. The Group's financing (including financial expenses and financial revenues) and income taxes are managed on a consolidated basis for the Group and are not allocated to operating segments. Consequently, the income statements of the segments can be interpreted up to the level of the Business results.

Transfer pricing between operating segments takes place on an arm's length basis, similarly to transactions with third parties.

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31 December 2024	Franchise	Financial products brokerage	Operation of own office	Related services	Property investments	Other and eliminations	Total
Intangible assets	289 551	5 495 849	45	27 991	20	20 075	5 833 531
Goodwill	801 251	4 646 281	363 210	18 500	0	0	5 829 242
Real estate	385	1 025	29 373	775	291 686	1 589 377	1 912 622
Machinery and equipment	11 155	3 736	4 213	340	896	131 149	151 489
Trade receivables	396 500	3 555 861	66 302	39 435	5 111	(1 352)	4 061 857
Inventories	8 081	0	0	0	2 202 542	2 121	2 212 744
Assets held for sale	0	0	0	524 398	620 812	0	1 145 210
Assets that cannot be allocated to other segments	849 049	3 001 037	58 870	739 424	1 457 128	5 282 314	11 387 822
Total Assets	2 355 971	16 703 789	522 014	1 350 865	4 578 194	7 023 684	32 534 517
Trade payables	(164 874)	4 166 636	82 376	21 529	138 148	124 235	4 368 050
Liabilities that cannot be allocated to other segments	1 943 804	6 642 614	969 177	585 322	3 427 534	11 623 240	25 191 690
Total Liabilities	1 778 930	10 809 249	1 051 553	606 851	3 565 681	11 747 474	29 559 739
Net revenue from sales to third parties	1 956 446	33 589 164	1 500 184	387 815	2 203 416	70 098	39 707 123
Net revenue from sales between segments	336 286	0	31 244	1 473	64 716	(433 719)	0
Net sales revenues	2 292 732	33 589 164	1 531 428	389 288	2 268 132	(363 621)	39 707 123
Direct costs	(128 477)	(24 862 859)	(882 350)	(71 141)	(1 355 021)	244 222	(27 055 628)
Gross profit	2 164 254	8 726 305	649 078	318 147	913 111	(119 399)	12 651 495
Depreciation and amortisation	(405 670)	(640 830)	(143 626)	(10 183)	(22 900)	(120 273)	(1 343 482)
Indirect operating costs	(1 717 605)	(4 413 325)	(574 950)	(350 367)	(273 852)	(43 950)	(7 374 050)
Operating Profit (EBIT)	40 980	3 672 149	(69 498)	(42 403)	616 358	(283 622)	3 933 964
Financial revenues							448 899
Financial expenses							(1 026 680)
Share of the results of jointly controlled entities							2 607
Profit before tax from current operations							3 358 790

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31 December 2023	Franchise	Financial products brokerage	Operation of own office	Related services	Property investments	Other and eliminations	Total
Intangible assets	393 037	5 548 878	51	30 814	27	10 602	5 983 411
Goodwill	749 157	4 325 211	437 045	18 500	0	0	5 529 914
Real estate	0	2 542	32 012	829	311 626	1 280 264	1 627 272
Machinery and equipment	16 274	4 818	5 898	398	2 090	123 492	152 970
Trade receivables	330 339	2 849 593	104 253	25 647	2 249	(326)	3 311 755
Inventories	10 811	0	526	0	2 264 947	2 121	2 278 405
Assets held for sale	0	0	0	0	527 400	0	527 400
Assets that cannot be allocated to other segments	1 281 387	2 084 411	(23 155)	606 364	862 710	9 274 602	14 086 318
Total Assets	2 781 005	14 815 453	556 630	682 552	3 971 050	10 690 755	33 497 445
Trade payables	(121 036)	3 446 905	63 692	21 542	133 485	34 132	3 578 720
Liabilities that cannot be allocated to other segments	3 368 643	5 755 724	1 088 558	587 891	1 402 780	12 247 570	24 451 166
Total Liabilities	3 247 607	9 202 629	1 152 249	609 433	1 536 265	12 281 703	28 029 886
Net revenue from sales to third parties	1 983 800	24 262 942	1 462 506	354 440	4 740 955	13 669	32 818 311
Net revenue from sales between segments	263 783	0	49 772	23 723	90 401	(427 678)	0
Net sales revenues	2 247 582	24 262 942	1 512 278	378 163	4 831 355	(414 010)	32 818 311
Direct costs	(521 243)	(17 737 933)	(910 752)	(99 575)	(3 891 043)	237 156	(22 923 390)
Gross profit	1 726 340	6 525 009	601 525	278 589	940 312	(176 854)	9 894 921
Depreciation and amortisation	(329 895)	(583 176)	(126 445)	(4 310)	(23 170)	(127 327)	(1 194 323)
Indirect operating costs	(1 569 348)	(4 438 139)	(532 240)	(250 246)	25 228	29 456	(6 735 290)
Operating Profit (EBIT)	(172 904)	1 503 695	(57 160)	24 033	942 370	(274 725)	1 965 309
Financial revenues							2 517 135
Financial expenses							(1 093 179)
Share of the results of jointly controlled entities							(6 339)
Profit before tax from current operations							3 382 926

Below, the Group presents the breakdown of its revenue and operating profit by country:

<i>Data in thousand HUF</i>	2024	2023
Net sales revenues		
Hungary	7 542 637	8 271 422
Italy	21 099 384	16 955 136
Poland	10 842 832	7 364 839
Czech Republic	222 270	226 914
Total net sales revenues	39 707 123	32 818 311
EBITDA		
Hungary	1 860 800	1 644 120
Italy	2 944 186	1 149 701
Poland	489 918	383 302
Czech Republic	(17 457)	(17 489)
Total EBITDA	5 277 447	3 159 634
Operating profit/loss		
Hungary	1 462 689	1 280 317
Italy	2 296 717	489 916
Poland	214 735	228 600
Czech Republic	(40 177)	(33 523)
Total operating profit/loss	3 933 964	1 965 310

44 Capital management

The Group's policy is to preserve its equity in an amount that is sufficient for investor and creditor confidence in the future to sustain the future development of the Group. The Board of Directors seeks to maintain a policy whereby the Company undertakes a higher exposure arising from lending only against a higher rate of return, based on the advantages provided by a strong capital position and security.

The Group's capital comprises net external funds and the Group's equity (the latter comprises registered capital, reserves and the ownership share of non-controlling shareholders). Sections 17-19. and 21-22 of the notes to the financial statement provide detailed information regarding these capital elements. The Group's payment obligations in respect of acquisitions are presented in Sections 2.5.2.1 and 25.

The following table presents the ratio of equity to registered capital.

	31.12.2024	31.12.2023
Registered capital	171 989	171 989
Total equity	2 974 778	5 467 559
Equity capital/registered capital	1730%	3179%

The Group issued bonds under the names Duna House NKP bond 2030/I. and Duna House NKP bond 2032/I. (Section 22). The Group is obliged to redeem the bonds before maturity within 15 business days of the date of the occurrence, if the credit rating of the bonds:

- Is downgraded below B+ but not below B-, and the Bond is not rated B+ or higher within two years (2*365 days) after the downgrade is published, or
- Is downgraded to CCC or below at any time during the term.

In June 2024, Scope Ratings GmbH carried out an annual review of the credit rating of the Company's bonds issued under the NKP program, which resulted in the confirmation of the rating of the bonds at BB-, one notch above the minimum required by the MNB. The rating agency also confirmed the BB-/Stable rating of Duna House Holding Nyrt. as issuer.

In managing capital, the Group seeks to ensure that the members of the Group can continue their activities while maximizing the return to owners by optimally balancing debt and equity and maintaining an optimal capital structure to reduce the cost of capital. The Group also monitors whether the capital structure of its member companies complies with local legal requirements.

The equity risk run by the Company was not significant in 2024.

45 Risk management

The Group's financial assets contain liquid assets, securities, trade and other receivables and other assets excluding taxes. The Group's financial liabilities include loans and borrowings, supplier and other payables, excluding the gains or losses arising from the revaluation at fair value of taxes and financial liabilities.

The Group is exposed to the following financial risks:

- credit risk
- liquidity risk
- market risk

This section describes the Group's risks specified above, the Group's objectives and policies, measurement of the processes and risk management, as well as the capital management of the Group. The Board of Directors has overall responsibility for the establishment, supervision and risk management of the Group. The Group has a Supervisory Board and an Audit Committee consisting of three independent members.

The objective of the Group's risk management policy is to filter out and examine the risks the Group faces, to set the appropriate controls and to monitor the risks. The risk management policy and the system are reviewed so that it does reflect the changed market conditions and the Group's activities.

A presentation of the impact of the Russian-Ukrainian war

On 24 February 2022, Russia invaded Ukraine. The Group is present in two countries neighboring Ukraine: Hungary and Poland. The Group has no direct or indirect interests in either Ukraine or Russia, thus the war and the sanctions imposed on Russia do not directly affect the Group's operations.

Lending risk

The risk arising from the lending activity constitutes the risk which arises from the failure of the borrower or partner to fulfil its contractual obligations, which in turn results in a financial loss for the Group. Financial instruments that are exposed to credit risks may be long or short-term placements, cash and cash equivalents, trade, contractual assets and other receivables.

The book value of financial instruments shows the maximum risk exposure. The table below shows the maximum credit risk exposure of the Group on 31 December 2024 and 31 December 2023.

Lending risk	2024.12.31	2023.12.31
Trade receivables	4 061 860	3 311 757
Contractual assets	838 916	697 401
Other receivables	1 095 238	1 686 137
Financial instruments	127 806	113 052
Cash and cash equivalents	5 656 169	8 292 649
Restricted cash	500	500
Total	11 780 489	14 101 496
Restricted cash	500	500
Akadémia Plusz 2.0 deposit	500	500

HUF 500 thousand restricted cash is provided as collateral for teaching activities, and is only available to the Group with certain restrictions. These restrictions are set out in note 14.

The Group's cash and cash equivalents (including restricted cash) are held by the following banks:

	Credit Rating -	31.12.2024	31.12.2023
	Fitch		
Raiffeisen Bank Zrt.	A+	2 059 077	3 622 102
Magyar Bankholding Zrt.	BBB-	0	891
Gránit Bank Zrt.	BBB	246 787	2 230 920
OTP Bank Nyrt.	BBB+	738	1 097 213
Oberbank AG	A	0	3 179
PayPal Holdings, Inc	A-	0	18
Bank Millennium SA	A-	607 181	656 974
Société Générale	A	82	2 857
Banca Unicredit	BBB+	609 865	496 512
UBI BANK	BBB	1 974 876	32 193
BPER BANCA	BBB	63 979	51 535
Banca Monte dei Paschi	BB+	28 356	18 617
Banca Nazionale del Lavoro S.p.A.	A-	56 907	0
Banco BPM S.p.A.	BBB-	200	66 940
Bankszámlaegyenlegek összesen		5 648 048	8 279 951

Foreign currency risk

Exchange rate risk arises when some Group companies enter into transactions denominated in a currency other than the functional currency. It is the Group's policy that, where possible, Group members settle

liabilities denominated in their functional currency with cash generated from their own operations in their functional currency.

The Group's subsidiaries typically enter into transactions in their own functional currency and do not engage in export/import activities. Foreign exchange exposure arises in respect of rental payments for certain leased properties denominated in euro and for foreign acquisitions.

The following table presents the Group's liquid assets by currency:

	31.12.2024	31.12.2023
HUF	1 672 608	6 810 007
EUR	3 323 660	822 999
PLN	660 319	657 601
CZK	82	2 542
Total	5 656 669	8 293 149

Liquidity risk

Liquidity risk is the risk that the Group will be unable to fulfil its financial obligations by the due date. Under the Group's liquidity management approach, there should always be sufficient liquidity available to cover the Group's obligations when they fall due under both standard and stressed circumstances without the Group's incurring unacceptable losses or risking its reputation. To further minimize liquidity risk, reduce transaction costs and increase efficiency, starting from 7 December 2017 the Company has been managing its bank accounts linked to its operations under a cash pooling regime, which makes automatic group financing possible.

December 31, 2024

	less than 1 year	between 1 and 5 years	more than 5 years	Total
Interest-bearing loans and borrowings	578 887	1 511 620	11 865	2 102 372
Interest-bearing bonds	468 000	9 260 400	5 283 600	15 012 000
Deferred purchase price and option liability	4 258 232	1 754 758		6 012 989
Deposits received from tenants and owners	372 832			372 832
Lease liabilities	483 405	795 458	230 222	1 509 085
Accounts payable	4 368 048			4 368 048
Total	10 529 403	13 322 236	5 525 687	29 377 326

December 31, 2023

	less than 1 year	between 1 and 5 years	more than 5 years	Total
Interest-bearing loans and borrowings	646 848	1 902 057	112 432	2 661 338
Interest-bearing bonds	468 000	6 913 200	8 098 800	15 480 000
Deferred purchase price and option liability	410 968	4 669 586		5 080 554
Deposits received from tenants and owners	278 567			278 567
Lease liabilities	440 467	965 938	306 843	1 713 248
Accounts payable	3 578 720			3 578 720
Total	5 823 571	14 450 781	8 518 075	28 792 427

The conditions of the Group's loans and issued bonds are presented in sections 21 and 22.

Market risk

Market risk is the risk that a change in the market prices, such as exchange rates, interest rates and prices of investments in mutual funds will affect the Group's profit or the value of its investments made in financial instruments. Market risk management is aimed at managing market risk exposure and keeping it at an acceptable level while optimizing profitability.

Real estate market risks

The Group plans to sell its real estate portfolio in Hungary. The market price and demand for residential and office properties in Hungary is a risk for the Group. Risk management aims to maximise returns by optimising the selling price and time to sale.

Sensitivity analysis

The Group has concluded that, fundamentally, its profit much depends on key variables of a financial nature and on the interest rate risk, therefore, it has carried out sensitivity analyses in these key variables.

The Group strives to ensure the reduction of the interest rate risk primarily by tying up liquid assets. The Group's currency risk is insignificant, primarily because in all three countries it carries out the sales and purchases in the given country's currency. The Group does not enter into currency hedging transactions.

Outcome of the interest sensitivity test (as a percentage of interest changes):

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With actual interest	01.01.2024 31.12.2024	01.01.2023 31.12.2023
Profit before tax - excluding interest expense and interest income	3 618 957	2 909 487
Net interest income (income and expenses)	-260 166	473 439
Profit before tax	3 358 791	3 382 926
1%		
Profit before tax - excluding interest expense and interest income	3 618 957	2 909 487
Net interest income (income and expenses)	-262 768	478 173
Profit before tax	3 356 189	3 387 660
Changes in profit before tax	-2 602	4 734
Changes in profit before tax (%)	-0,078%	0,140%
5%		
Profit before tax - excluding interest expense and interest income	3 618 957	2 909 487
Net interest income (income and expenses)	-273 174	497 111
Profit before tax	3 345 783	3 406 598
Changes in profit before tax	-13 008	23 672
Changes in profit before tax (%)	-0,389%	0,695%
10%		
Profit before tax - excluding interest expense and interest income	3 618 957	2 909 487
Net interest income (income and expenses)	-286 183	520 783
Profit before tax	3 332 774	3 430 270
Changes in profit before tax	-26 017	47 344
Changes in profit before tax (%)	-0,781%	1,380%
-1%		
Profit before tax - excluding interest expense and interest income	3 618 957	2 909 487
Net interest income (income and expenses)	-257 564	468 705
Profit before tax	3 361 393	3 378 192
Changes in profit before tax	2 602	-4 734
Changes in profit before tax (%)	0,077%	-0,140%
-5%		
Profit before tax - excluding interest expense and interest income	3 618 957	2 909 487
Net interest income (income and expenses)	-247 158	449 767
Profit before tax	3 371 799	3 359 254
Changes in profit before tax	13 008	-23 672
Changes in profit before tax (%)	0,386%	-0,705%
-10%		
Profit before tax - excluding interest expense and interest income	3 618 957	2 909 487
Net interest income (income and expenses)	-234 149	426 095
Profit before tax	3 384 808	3 335 582
Changes in profit before tax	26 017	-47 344
Changes in profit before tax (%)	0,769%	-1,419%

46 Financial instruments

December 31, 2024	Book value	Fair value
Financial instruments		
<i>Assets recorded at amortised historical cost</i>		
Financial instruments	127 806	127 806
Trade receivables	4 061 860	4 061 860
Cash and cash equivalents	5 656 169	5 656 169
Financial liabilities		
<i>Liabilities recorded at amortised historical cost</i>		
Long-term loans	653 249	653 249
Debts on issue of bonds	13 008 028	10 998 670
Short-term loans and borrowings	0	0
Lease liabilities	1 025 680	1 025 680
<i>Liabilities recorded at fair value</i>		
Deferred purchase price and option payments	5 433 918	5 433 918
December 31, 2023	Book value	Fair value
Financial instruments		
<i>Assets recorded at amortised historical cost</i>		
Financial instruments	113 052	113 052
Trade receivables	3 311 757	3 311 757
Cash and cash equivalents	8 292 649	8 292 649
Financial liabilities		
<i>Liabilities recorded at amortised historical cost</i>		
Long-term loans	904 732	904 732
Debts on issue of bonds	13 033 923	10 880 967
Short-term loans and borrowings	90 397	90 397
Lease liabilities	1 713 248	1 713 248
<i>Liabilities recorded at fair value – Significant unobservable inputs (level 3)</i>		
Deferred purchase price and option payments	4 496 385	4 496 385

The book value of the financial instruments valued at amortised cost provides a rational approach to fair value, with the exception of the fixed interest rate bonds issued by the Group. The fair value of the Duna House NKP 2030/I and 2032/I bonds presented in note 22 amounted to HUF 10,998,670 thousand (2023: HUF 10,880,967 thousand, 2023 book value: HUF 13,033,923 thousand). The Group does not account for the result of the difference between the fair value and the book value in its financial statements due to the accounting policy chosen.

The Group used the following parameters to calculate fair value:

	Duration (years)	Zero coupon yield	Margin	Expected return
NKP 2032/I. issue	6,74	4,66%	1,92%	6,58%
December 31, 2022				
NKP 2032/I.	5,46	10,18%	1,92%	12,10%
NKP 2030/I.	4,97	9,92%	1,92%	11,84%
December 31, 2023				
NKP 2032/I.	5,03	5,72%	1,92%	7,64%
NKP 2030/I.	4,25	5,79%	1,92%	7,70%
December 31, 2024				
NKP 2032/I.	4,27	6,33%	1,92%	8,25%
NKP 2030/I.	3,37	6,33%	1,92%	8,24%

The cash flow of the bonds is described in Section 22.

Breakdown of revenues of financial transactions

	2024	2023
Interest from banks	279 921	1 040 617
Cashpool interest	43 407	81 872
Interest of loans given to private individuals	828	92
Interest received	324 156	1 122 581
Revaluation of deferred liability	0	1 007 122
Revaluation related to the purchase of a share	0	289 858
Exchange rate gain	124 743	97 574
Exchange rate gain	124 743	1 394 554
Interest income calculated using the effective interest rate method	0	0
Total	448 899	2 517 135

Breakdown of expenses of financial transactions

	2024	2023
Interest paid on bank loans	97 959	126 524
Cashpool interest	44 258	80 523
Interest paid	142 217	207 047
Revaluation of deferred liabilities	153 167	0
Revaluation related to the purchase of business shares	89 860	0
Exchange rate losses	120 690	361 363
Exchange rate losses	363 717	361 363
Bond interest	442 105	442 093
Lease interest	78 641	82 676
Interest losses calculated with the effective interest method	520 746	524 769
Total	1 026 680	1 093 179

47 Remuneration of the Board of Directors and Supervisory Board

In 2024, the total amount of the remuneration due to the members of the Board of Directors and the Supervisory Board was HUF 203,276 thousand (2023: HUF 166,647 thousand). These amounts also include the dividend paid to the members of the Board of Directors for preferential employee shares held by them and the distribution of shares actually transferred as part of the employee stock ownership plan. The increase in remuneration is attributable to the combined rise in wage income and preferential dividends.

Remuneration of the Board of Directors and Supervisory Board

	2024	2023
Members of the Board of Directors	195 476	158 847
<i>Short-term employee benefits (income from salary)</i>	65 078	53 553
<i>Short-term employee benefits (preferential dividend)</i>	126 471	102 181
<i>Share-based payment</i>	3 926	3 113
Members of the Supervisory board	7 800	7 800
<i>Short-term employee benefits (honorarium)</i>	7 800	7 800
Total	203 276	166 647

47.1 Option schemes

The following option schemes are operated for members of the Group's management (for more details see Section 18).

Management option schemes

In addition to Ferenc Máté and Dániel Schilling, members of the Board of Directors and certain senior and middle managers of the Group participate in the programs. The table shows the number of options available to all participants:

Programme	Condition of effectiveness	Entry into force	Start of the drawdown period	End of drawdown period	Drawdown exchange rate, HUF	2024	2023
						Number of existing units	Number of existing units
2018/2020	Completed	2018.04.21	2020.04.17	2022.04.17	375	0	0
2019/2021	Completed	2018.12.19	2021.04.20	2023.04.20	391	0	0
2020/2022	Completed	2020.04.18	2022.04.27	2023.07.26	511	0	0
2021/2023	Completed	2021.04.20	2023.04.27	2023.10.24	475	0	0
2022/2024	Completed	2022.04.27	2024.04.29	2026.04.27	520	0	250 000
2023/2025	Completed	2023.04.27	2025.04.30	2027.04.30	508	250 000	250 000
2024/2027	In progress	2024.04.29	2027.04.29	2027.06.13	5	125 000	-
Total						375 000	500 000

2023/2033 Scheme Founder and Chairman of the Management Board

The Group Founder and the Chairman of the Board of Directors may acquire 1 719 394 shares in the context of a capital increase at a purchase price of 400 HUF per share, subject to performance conditions. The exercise price will be increased by the rate of inflation in Hungary in excess of 6%.

The Group's transactions with related parties are presented in Note 12.

47.2 Related party transactions with members of the Board of Directors

During 2024, Gay Dymischiz and Doron Dymischiz purchased a total of 10 residential properties and associated parking spaces and storage facilities from the Forest Hill project developed by the Group for a total consideration of HUF 1,058,448 thousand + VAT. The transaction was approved by the Supervisory Board of Duna House Nyrt. on February 28, 2024. On 28 February 2024, the Supervisory Board of Duna House Nyrt.

Doron Dymischiz has completed two property transactions in 2023 with Pusztakúti Kft. in the Forest Hill residential complex developed by the Group. The transactions were finalized in January 2023 based on pre-contracts concluded in 2017-2018 at list prices and related to a total of two apartments and related properties. The gross pre-contracted price of the apartments was HUF 133 626 thousand, which was the same as the list price at the time. The Group implemented a price increase in the project during 2022, which resulted in the final contract price of Doron Dymischiz' apartments increasing to HUF 150 025 thousand. The rate of increase was the same as the price increase for the pre-contracts with independent parties. The transaction was approved by the Board of Directors and the Supervisory Board.

During 2023, the Group granted short-term, three-week interest-free loans totaling HUF 47,000 thousand to members of the Board of Directors for the exercise of MRP share options. The loans were repaid in full by December 31, 2023.

48 Events after the balance sheet date

The following events took place after the balance sheet date and until the approval of the financial statements for publication, which did not affect the results.

Exercise of MRP option on treasury shares

Participants in the Company's 2022/2024 MRP Scheme exercised their call option rights for the entire remaining stock in the program, i.e. a total of 19,780 shares. The Duna House MRP Organization exercised its call option on the shares and the Company transferred the shares to the MRP Organization.

49 Other publication obligations required by the Accounting Act

The Group is obligated to have its consolidated report audited in line with the IFRS. The auditor is Ernst & Young Könyvvizsgáló Kft (1132 Budapest, Váci út 20., registration number: 001165). The chamber member auditor personally responsible for the audit: Rita Domoszlai (chamber registration number: 007371).

The value of the audit services provided by Ernst & Young Könyvvizsgáló Kft. to the Company was EUR 91,400 in 2024, which includes the audit fees for the individual and consolidated accounts of Duna House Holding Nyrt. but does not include the audit fees for the individual accounts of the subsidiaries. The auditor does not provide any other services to the Company.

The person responsible for compiling the consolidated report under the IFRS: Ferenc Máté, certified accountant, registration number: 193951.

The following persons are authorized to sign the report: Doron Dymschiz, Member of the Board of Directors, (1025 Budapest, Szépvölgyi út 206/A), Gay Dymschiz, Member of the Board of Directors (1125 Budapest, Mátyás király út 52.), Ferenc Máté, Member of the Board of Directors (1121 Budapest, Denevér út 70.), Dr. Jenő Nagy, Member of the Board of Directors (1037 Budapest, Vízmű utca 22.), and Dániel Schilling, Member of the Board of Directors (1126 Budapest, Kiss János altábornagy utca 38.).

In line with the rules of disclosure set out by the Accounting Act, the Company publishes its consolidated annual report on <https://e-beszamolo.im.gov.hu/> as well as the Company's website: <https://dunahouse.com/hu/kozzetetelek>.

50 Liability declaration and approval of the financial statements for disclosure

In line with Annex 2 to Decree no 24/2008 of 15 August of the Minister of Finance on the information obligation related to publicly traded securities, the Board of Directors hereby declare that these audited standalone financial statements (independent auditor report attached) give a fair picture of the assets, liabilities, financial situation and performance of the Company and its subsidiaries included in consolidation.

The Board of Directors of the Group discussed the consolidated financial statements at its meeting held on 9 April 2025 and approved their disclosure in this form.

Budapest, 9 April 2025

Persons authorized to sign the consolidated statements:

Doron Dymshiz

Member of the Board of Directors

Gay Dymshiz

Member of the Board of Directors

Ferenc Máté

Member of the Board of Directors

Dr. Jenő Nagy

Member of the Board of Directors

Dániel Schilling

Member of the Board of Directors

This is a translation of the Hungarian Report

DUNA HOUSE HOLDING NYRT.
31 December 2024
CONSOLIDATED BUSINESS REPORT

DUNA HOUSE HOLDING NYRT.

CONSOLIDATED BUSINESS REPORT

ON THE 2024 ACTIVITIES OF THE GROUP

DUNA HOUSE GROUP

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1 Group profile

This business report was prepared by the Board of Directors based on the consolidated financial statements of Duna House Holding Nyrt. (the “Company”) and its subsidiaries (hereinafter jointly the “Group” or “Duna House Group”) for the year ending 31 December 2024. Duna House Holding Nyrt, as the parent company, is a public limited company registered in Budapest, with its registered office at 1016 Budapest, Gellérthegy utca 17. The Duna House Group was founded in 2003. Its main activities are financial product brokerage and real estate brokerage, as well as other related services, in which it holds a leading position in Central Europe. The company operates in Hungary, Italy, Poland, and the Czech Republic with more than 4,000 real estate agents and credit consultants.

The Group has been growing steadily since its IPO in November 2016:

- It acquired Metrohouse, the largest real estate network in Poland, in April 2016,
- in September 2016, it acquired an 80% stake in Duna House Franchise s.r.o. in the Czech Republic and through it in its two subsidiaries Center Reality s.r.o. and Duna House Hypotéky s.r.o.,
- It acquired the Polish credit intermediary Gold Finance Sp. z o.o in November 2018 and the Polish credit intermediary Alex T. Great Sp. z o.o in early January 2020,
- in January 2022, the Group acquired a 70% stake in HGroup, the Italian market leader in credit intermediation, and further future put/call options could increase the Group's stake to 100%. The Group is consolidating the Italian subsidiaries with a starting date of 1 April 2022.

It is a strategic objective of Duna House Group to extend its expertise to the Central-European region and to become a major international actor.

A presentation of the impact of the Russian-Ukrainian war

On 24 February 2022, Russia invaded Ukraine. The Group is present in two countries neighboring Ukraine: Hungary and Poland. The Group has no direct or indirect interests in either Ukraine or Russia, thus the war and the sanctions imposed on Russia do not directly affect the Group’s operations.

The Company’s registered seat is H-1016 Budapest, Gellérthegy u. 17.

The Group’s principal activities:

- selling and operating franchise systems
- real estate agency services
- financial products brokerage
- insurance brokerage
- real estate appraisal services and the mediation thereof,
- energy certification services and the mediation thereof,
- real estate management
- buying and selling of own real estate
- residential real estate fund management
- real estate development

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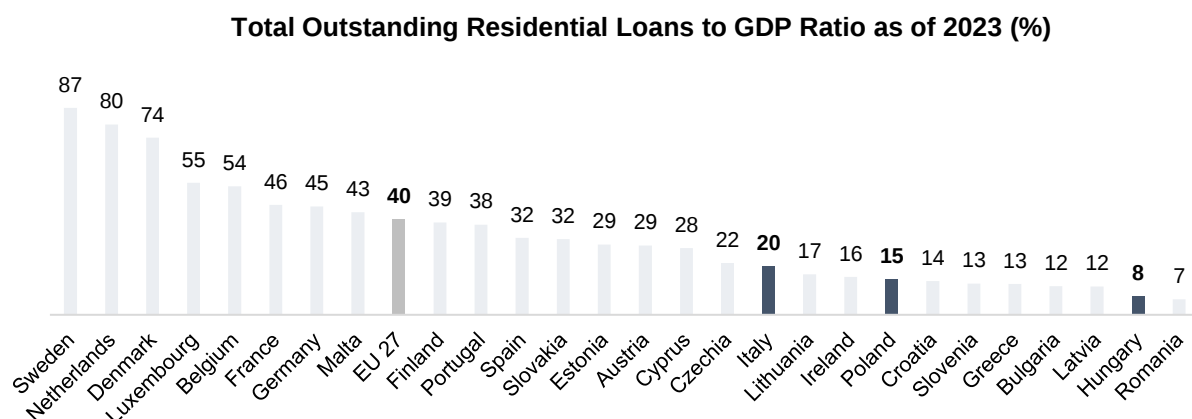
1.1 Consolidated companies

<u>As Subsidiary</u>	Address:	31.12.2024	31.12.2023
Duna House Biztosításközvetítő Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Credipass Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Duna House Franchise Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Home Management Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Duna House Ingatlan Értébecslő Kft. (dissolved by merger)	1016 Budapest, Gellérthegy u. 17.	-	100%
Energetikai Tanúsítvány Kft. (dissolved by merger)	1016 Budapest, Gellérthegy u. 17.	-	100%
REIF 2000 Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
DH Projekt Kft. (dissolved by merger)	1016 Budapest, Gellérthegy u. 17.	-	100%
Superior Real Estate Kft. (dissolved by merger)	1016 Budapest, Gellérthegy u. 17.	-	100%
GDD Commercial Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
SMART Ingatlan Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Impact Alapkezelő Zrt.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Home Line Center Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Akadémia Plusz 2.0 Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Duna House Szolgáltatóközpont Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
DH Energy Zrt.	1027 Budapest, Kapás utca 6-12.	80%	
Metrohouse Franchise S.A.	02-675 Warszawa, ul. Wołoska 22, Polska (Lengyelország)	100%	100%
Metrohouse S.A.	02-675 Warszawa, ul. Wołoska 22, Polska (Lengyelország)	100%	100%
Credipass Sp. z. o.o (dissolved by liquidation)	02-675 Warszawa, ul. Wołoska 22, Polska (Lengyelország)	-	100%
Credipass Polska S.A.	02-675 Warszawa, ul. Wołoska 22, Polska (Lengyelország)	100%	100%
Primse.com Sp. z o.o.	02-675 Warszawa, ul. Wołoska 22, Polska (Lengyelország)	90%	90%
Pusztakúti 12. Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
MyCity Residential Development Kft. (dissolved by merger)	1016 Budapest, Gellérthegy u. 17.	-	100%
Reviczky 6-10. Kft. (dissolved by merger)	1016 Budapest, Gellérthegy u. 17.	-	100%
MyCity Panoráma Kft.	1016 Budapest, Gellérthegy u. 17.	100%	100%
Duna House Franchise s.r.o.	140 00 Praha 4, Michelská 300/60 (Csehország)	80%	80%
Duna House Hypoteky s.r.o.	140 00 Praha 4, Michelská 300/60 (Csehország)	80%	80%
Center Reality s.r.o.	140 00 Praha 4, Michelská 300/60 (Csehország)	80%	80%
HGroup S.p.A.	24121 Bergamo, via Martiri di Cefalonia 5 (Olaszország)	95%	94%
Credipass S.r.l.	24121 Bergamo, via Martiri di Cefalonia 5 (Olaszország)	94%	94%
Medioinsurance S.r.l.	24121 Bergamo, via Martiri di Cefalonia 5 (Olaszország)	94%	94%
Realizza S.r.l. (dissolved by liquidation)	24121 Bergamo, via Martiri di Cefalonia 5 (Olaszország)	-	85%
Realizza Franchising S.r.l. (dissolved by liquidation)	24121 Bergamo, via Martiri di Cefalonia 5 (Olaszország)	-	94%
Duna House Golden Visa Lakás Ingatlanalap I. (classified as held for sale)	1016 Budapest, Gellérthegy u. 17.	100%	-
<u>As Joint Venture</u>			
Hunor utca 24 Kft.	1016 Budapest, Gellérthegy u. 17.	50%	50%
<u>As Associated Company</u>			
Professione Casa	20139 Milano, Via Quaranta Bernardo 40 (Olaszország)	10%	10%
Visadmin Kft	1012 Budapest, Logodi utca 30.	50%	-
DRL Property Kft.	1074 Budapest, Damjanich utca 30.	50%	-

2 Markets and economic environment

2.1 Loan market

The Group is active as a credit intermediary in Italy, Poland, and Hungary, where the household credit exposure is not significant by European standards, with 20% of GDP in Italy, 15% in Poland and 8% of GDP in Hungary as of 2023, according to the EMF¹. Combined with the above-average demand for own housing, these countries are likely to converge toward the EU average, also due to factors like continuing economic development and increasing household wealth over time.



Source: EMF

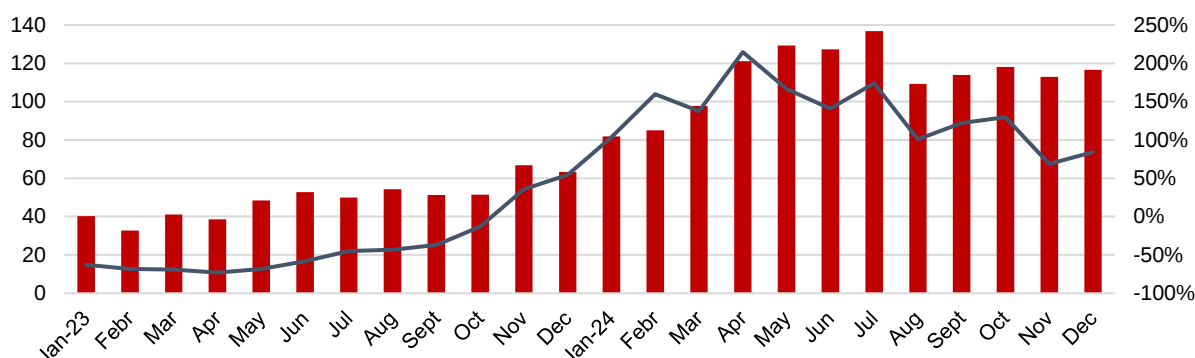
In 2024, monetary policy started to ease across Europe, as the inflation stabilized, and the period of continuous interest rate hikes thus came to an end. This development positively impacted both the real estate and loan markets which started to gradually recover - a trend expected to continue also throughout 2025.

Housing loan disbursements in Hungary experienced a strong recovery throughout 2024, jumping by 128% compared to 2023², following the market trough in February 2023. The segment continues to benefit from lower interest rates, government housing subsidies and a bouncing-back housing market, which will be further supported in 2025 by an anticipated spike in available household cash resources from government bond payments.

¹ EMF, [Storied Data](#)

² [Hitelezési folyamatok | MNB.hu](#)

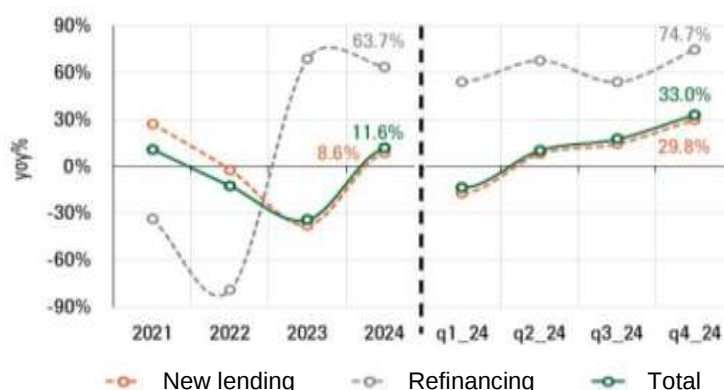
Monthly evolution of home loan disbursement
HUF bn (left axis, bar) and y-o-y change (right axis, line)



Source: MNB

In Italy, loan volumes continued recovering in 2024, driven mainly by the decreasing EUR interest rate during the year. The value of mortgage disbursements rose by 30% y-o-y during the last quarter of 2024³. This positive market correction is expected to continue in 2025 as well. The Group's market opportunities relative to the market will be enhanced by (i) an increase in brokerage market share within the Italian lending industry and (ii) cooperation with the Professionecasa real estate network, which has started in 2024. Thea collaboration marked the start of an exclusive cooperation between the two companies, which allowed the Group to cease its previously loss-making real estate brokerage activities, while increasing loan volumes.

Quarterly change y-o-y in home loan disbursement

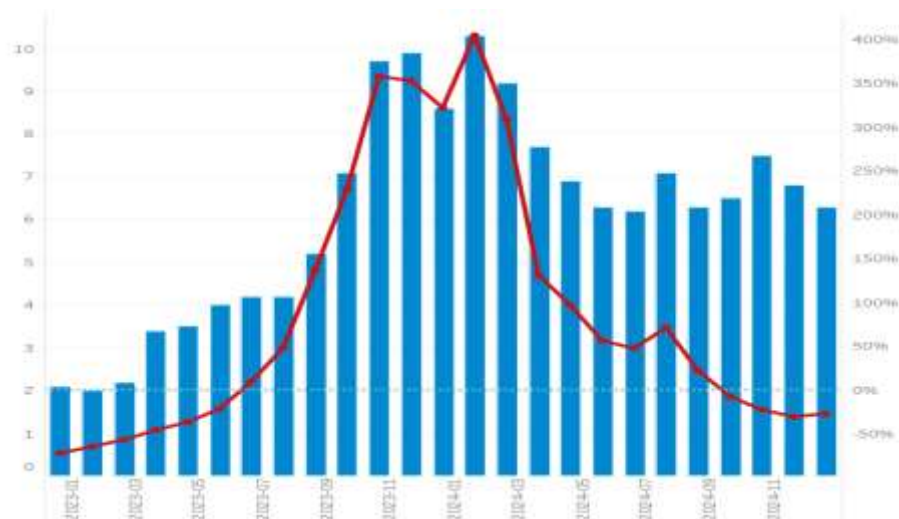


Source: Assofin

In Poland, falling interest rates, relaxed borrowing rules for fixed-rate loans and the First Home subsidised loan scheme available from July 2023 have pushed home loan volumes to historic record levels by January 2024. Throughout 2024 the volumes moderated at a stable level as the market awaits more information regarding possible interest rates cuts in 2025. Further, significant subsidies are not expected at the moment. Without significant state support and interest rate easing, the market is expected to remain rather stable throughout 2025, with possible support of interest rate decrease in the 2nd half of the year.

³ [Assofin](#)

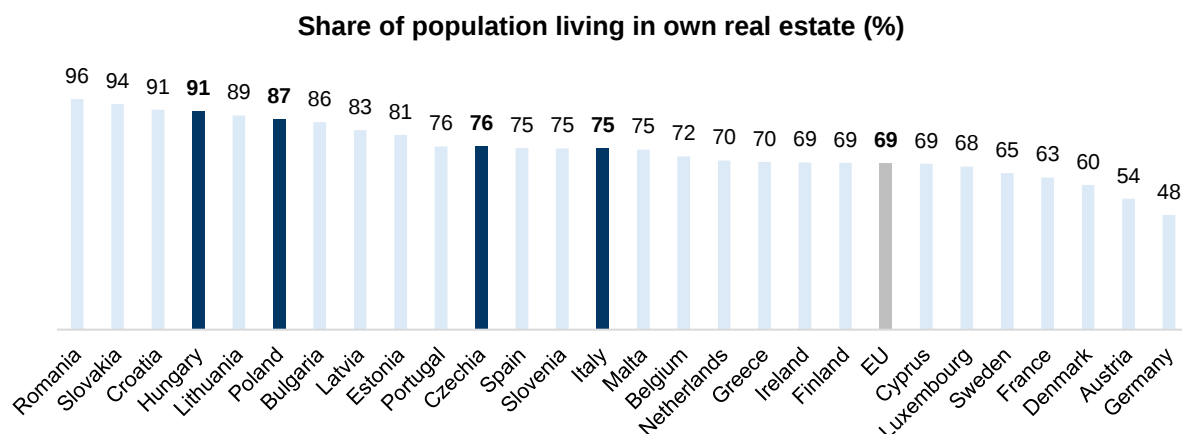
Monthly evolution of home loan disbursement
PLN bn (left axis, bar) and y-o-y change (right axis, line)



Source: Analizy rynkowe | Biuro prasowe BIK

2.2 Real estate market

According to Eurostat's 2023 data⁴, 69% of the population of the European Union lives in real estate they own. In our countries of presence there is an above-average home ownership rate (91% in Hungary, 87% in Poland, 76% in Czechia and 75% in Italy), which provides a stable market for the Group's real estate brokerage activities, which mainly serve private-home buyers and sellers. Moreover, the share of population living in overcrowded residential property is also above the EU average in Poland and Italy⁵ and the housing stock in these markets is expected to increase in the long term.



Source: Eurostat

According to data published by the Group in the Duna House Barometer no. 162⁶, more than 124,000 transactions took place in the Hungarian residential real estate market in 2024, which represents an 18% increase compared to the previous year. Following a significant decline in 2022-2023, caused by higher lending rates in response to inflationary pressures, the market experienced a strong recovery in 2024. The main driver was increased affordability of mortgages thanks to falling interest rates and the restructuring of CSOK Plus, a popular government loan scheme for families. According to the real estate broker's 2025 forecast, buyers' interest will persist, so a further 10-20% increase in transaction numbers and prices is expected in the Hungarian real estate market during 2025.

In 2023, the Polish real estate market showed strong growth, especially in the last quarter of the year, largely due to the subsidized loan scheme with a fixed interest rate of 2% which expired at the beginning of 2024. This initiative has stimulated a significant increase in housing demand, leading to a surge in mortgage lending activity. Increased demand coupled with limited supply led to a rapid increase in sales and limited price negotiation options for buyers. Therefore, in 2024 the residential market was rather stagnating, as the buyers were awaiting more information on possible interest rate cuts and government subsidies which would make housing more affordable again.

In Italy, the growth in housing transactions since 2014 has been slowed by rising interest rates after Covid-19. According to data from the Italian National Institute of Statistics (ISTAT)⁷, the number of housing sales fell by 8.9% year-on-year in 2023. During first three quarters of 2024, the number of residential transactions started gradually recovering, mainly reflecting easier access to household

⁴ [Statistics | Eurostat](#)

⁵ [Housing in Europe – 2023 edition - Interactive publications - Eurostat](#)

⁶ [Ingatlanpiac 2024 - Havi elemzések | Duna House Barométer](#)

⁷ [Sales of real estate units and loans – Q4 2023 – Istat](#)

mortgages and stabilization of housing prices, according to the INB in its Economic Bulletin report⁸. This trend is expected to continue in 2025, supported by further EUR interest rate decline.

⁸ [Bank of Italy - Economic Bulletin No. 1 - 2025](#)

3 The Group's financial and equity situation

3.1 Income Statement

<i>data in HUF thousands</i>	2024	2023 Modified
Net sales revenues	39 707 123	32 818 311
Other operating income	251 912	403 429
Total revenue	39 959 035	33 221 740
Variation in self-manufactured stock	(1 182 431)	(3 409 737)
Consumables and raw materials	(124 645)	(138 853)
Goods and services sold	(491 834)	(631 023)
Contracted services	(29 271 417)	(22 714 327)
Personnel costs	(2 685 843)	(2 408 214)
Depreciation and amortisation	(865 446)	(780 216)
Depreciation of right-of-use	(478 037)	(414 108)
Other operating charges	(925 418)	(759 952)
Operating costs	(36 025 071)	(31 256 430)
Operating profit	3 933 964	1 965 310
Financial income	448 899	2 517 135
Financial charges	(1 026 680)	(1 093 179)
Share of the results of jointly controlled undertakings	2 607	(6 339)
Profit before tax from continuing operations	3 358 790	3 382 927
Income tax expense	(1 199 839)	(677 531)
Profit for the year from continuing operations	2 158 951	2 705 396
Discontinued operations		
Profit or loss after tax from discontinued operations	24 398	0
Profit for the year	2 183 349	2 705 396
Conversion differences of foreign subsidiaries	761 541	(269 611)
Other comprehensive income	761 541	(269 611)
Total comprehensive income	2 944 890	2 435 785
From profit for the year		
Attributable to the parent company	2 097 321	2 706 363
Attributable to non-controlling interest	86 028	(967)
Of the total comprehensive income		
Attributable to the parent company	2 841 744	2 446 679
Attributable to non-controlling interest	103 146	(10 894)

Source: Audited Annual Report of the Group in accordance with the IFRS

The Duna House Group was able to grow in 2024 in an improving market environment due to the general moderation of international interest rates, with consolidated revenue jumping 21% to HUF 39,707 million (2023: HUF 32,818 million). The growth was driven by the financial product brokerage business, while revenue in the investment segment, which temporarily outperformed in 2023 due to

the residential sales of the Forest Hill project, declined. Group operating profit doubled to HUF 3,934 million (2023: HUF 1,965 million).

The share of financial product intermediation in the Group's revenue structure continued to increase.

Revenue by segments	2024	2023	Change %
Revenues from brokerage of financial products	33 589 164	24 262 943	38%
Revenues of the own office segment	1 531 428	1 512 278	1%
Revenues of the franchise segment	2 292 732	2 247 582	2%
Revenues of the related services segment	389 288	378 163	3%
Revenues of the investment segment	2 268 132	4 831 355	-53%
Transactions between segments	(363 621)	(414 010)	-12%
Total	39 707 123	32 818 311	21%

Source: Audited Annual Report of the Group in accordance with the IFRS

Revenues from the Group's financial product brokerage business jumped 38%, accounting for 85% of Group revenue in 2024. The Group brokered a total of HUF 1,052 billion of loans during the year (2023: HUF 736 billion), of which the Italian operations accounted for HUF 530 billion (2023: HUF 401 billion). Investment segment revenues fluctuated widely within the MyCity property development business, following the delivery schedule of Forest Hill project apartments. Segment revenue fell 53% to HUF 2,268 million (2023: HUF 4,831 million) after record revenue in 2023. Own office and franchise sales ended 2024 with a slight increase.

Operating expenses increased by 15% compared to FY 2023, totalling HUF 36,025 million (2023: HUF 31,256 million). The increase was mainly due to commission costs moving with the turnover of the brokerage business and high wage inflation in Hungary and Poland.

The Group achieved a significant financial result of HUF 1,424 million in 2023 thanks to interest income on increased deposit interest totalling HUF 1,123 million and the revaluation of earnout liabilities related to the acquisition of Hgroup S.p.a. In 2024, interest rates moderated significantly, which improved the performance of the Group's core credit intermediation business, while reducing the interest rates available on free cash, resulting in interest income realised by the Group of HUF 324 million and a financial result of HUF 576 million for the year.

The Company records its corporate and business tax liabilities in the tax payable line. For the financial year 2024, the combined amount of calculated current and deferred tax is HUF 1,200 million (2023: HUF 678 million).

In total, the Group's profit after tax amounted to HUF 2,185 million (2023: HUF 2,705 million). Within the profit after tax, HUF 86 million is attributable to non-controlling interests (2023: HUF -1 million).

Clean core results

In the interest of transparency, the Group, starting from the second quarter of 2019, publishes a "clean core" adjusted profit and loss category in which, in addition to the results of the MyCity real estate development activity, it applies additional adjustment with the items considered special by the management or significant for valuing the Group's continuous profits.

In 2024, the Group applied the following adjustments:

- Profit from the sale of tangible assets: The Group's real estate property sales are not considered by management to be core activities, and therefore the Group adjusts the results of its core activities to facilitate the assessment of its core activities.
- Tax adjustment for previous years: the Group recognized a tax expense of HUF 37 million in 2023 for the previous year. No tax adjustment for the previous year in 2024.
- EBITDA of Realizza and Relabora: Under the agreement with ProfessioneCasa, the Italian real estate activities (Realizza and Relabora) was taken over by ProfessioneCasa from January 2024, and are therefore considered by management as discontinued operations.
- Hgroup impairment: the Group has recognized an impairment of HUF 182 million for the cost of multi-year incentive plans granted to the agent network in the Italian subsidiaries for periods prior to 2023. There was no exceptional impairment in 2024 related to Hgroup.
- The National Authority for Data Protection and Freedom of Information imposed a HUF 50 million fine on the Group's Hungarian franchise business in Q3 2024. The Group disagrees with the Authority's findings and has challenged the judgment in court.
- Acquisition costs: The Group pursues an active acquisition policy and participates in negotiations for the purchase of more than one transaction target at the same time. During this process, legal, financial, and other consultancy costs are incurred during the due diligence and negotiation phases, regardless of the outcome of the negotiations. The management considers the consultancy fees related to potential acquisitions to be one-off items.

data in HUF thousands	2024	2023	Change %
EBITDA	5 277 447	3 159 634	67%
(-) MyCity EBITDA	610 966	818 719	-25%
Core EBITDA	4 666 481	2 340 915	99%
(-) The result of property revaluation	71 118	101 057	-30%
(-) Previous year tax corrections	0	-37 347	-100%
(-) EBITDA of Realizza and Relabora	-90 918	-209 219	-57%
(-) Hgroup impairment	0	-182 423	-100%
(-) GDPR penalty	-50 000	0	-
(-) Acquisition costs	-8 213	0	-
Clean core adjustments	78 013	327 932	-76%
Clean core EBITDA	4 744 494	2 668 847	78%

The Group's adjusted core EBITDA increased by 78% to HUF 4,744 million for the full year 2024 (2023: HUF 2,669 million), mainly due to the Italian operations, which contributed HUF 2,944 million to the Group's EBITDA (2023: HUF 1,150 million).

EBITDA of the MyCity business was HUF 611 million in 2024 (2023: HUF 819 million).

Segment income statement

The Group's strategic decisions are made by the Board of Directors. Therefore, when determining the segments during the compilation of these financial statements, the management relied on the statements prepared for the Board of Directors.

Based on the activities of DH, six segments can be distinguished:

- 1) The franchise segment carries out the operation of the franchise system that runs under the Duna House and Metrohouse brands. The Company is the largest franchise network of real estate agents in Hungary and Poland, and the Group is also present in the Czech Republic.
- 2) The operation of own office consists of the real estate agencies operated by the Company under the Duna House and Metrohouse brands.
- 3) Financial product brokerage segment: the Group offers a wide range of financial products to its clients under its brokerage agreements with credit institutions and insurance companies, in Italy, Hungary, and Poland under the Credipass brand name.
- 4) Segment of the related services of residential property management, energy certification, appraisal services, and fund management.
- 5) The sector dealing with properties for investment purposes utilizes the residential and commercial properties owned by the Company. This also includes the development projects that run under the MyCity brand name.
- 6) Transactions within each segment were consolidated in the statement. The "Other and eliminations" column includes the effect of the central services holding activities and filters out the transactions between the segments.

The Group prepares a balance sheet and income statement for its business divisions. The Group's financing (including financial expenses and financial revenues) and income taxes are managed on a

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consolidated basis for the Group and are not allocated to operating segments. Consequently, the income statements of the segments can be interpreted up to the level of the Business results.

Transfer pricing between operating segments takes place on an arm's length basis, similarly to transactions with third parties.

2024.

HUF million	Franchise segment	Financial product brokerage segment	Own office segment	Related services segment	Property investment segment	Other and eliminations	Consolidated total
Net sales revenues	2 293	33 589	1 532	389	2 268	(364)	39 707
Direct costs	(128)	(24 864)	(882)	(71)	(1 355)	244	(27 056)
Gross profit	2 165	8 725	650	318	913	(120)	12 651
Indirect operating costs	(1 718)	(4 413)	(575)	(350)	(274)	(43)	(7 373)
EBITDA	447	4 312	75	(32)	639	(163)	5 278
Depreciation and amortisation	(406)	(641)	(144)	(10)	(23)	(120)	(1 344)
EBIT	41	3 671	(69)	(42)	616	(283)	3 934
Gross margin	94%	26%	42%	82%	40%	33%	32%
EBITDA margin	19%	13%	5%	-8%	28%	45%	13%
EBIT margin	2%	11%	-5%	-11%	27%	78%	10%

2023.

HUF million	Franchise segment	Financial product brokerage segment	Own office segment	Related services segment	Property investment segment	Other and eliminations	Consolidated total
Net sales revenues	2 248	24 263	1 512	378	4 831	(414)	32 818
Direct costs	(521)	(17 740)	(911)	(100)	(3 891)	237	(22 926)
Gross profit	1 727	6 523	601	278	940	(177)	9 892
Indirect operating costs	(1 569)	(4 438)	(532)	(250)	25	30	(6 734)
EBITDA	158	2 085	69	28	965	(147)	3 158
Depreciation and amortisation	(330)	(583)	(126)	(4)	(23)	(127)	(1 193)
EBIT	(172)	1 502	(57)	24	942	(274)	1 965
Gross margin	77%	27%	40%	74%	19%	43%	30%
EBITDA margin	7%	9%	5%	7%	20%	36%	10%
EBIT margin	-8%	6%	-4%	6%	19%	66%	6%

Source: Audited Annual Report of the Group in accordance with the IFRS

Franchise segment revenues grew by 2%, driven by the recovering Hungarian market, where network commission income increased by 45.2% year-on-year. A 13% decline in the lower-volume Polish business was successfully offset by record volumes in Hungary. The segment's indicators improved year-on-year through a reduction in related operating costs.

Financial product intermediation revenues increased by 38% in 2024. The full-year consolidation of the Italian operations with higher profit margins, resulting from the proportionately lower operating costs

as a result of the market recovery described in section 2.1, improved the EBITDA margin from 9% to 13%, and nominal EBITDA doubled.

Revenues in the own office segment were flat in 2024, up 1% compared to 2023, underpinned by a 1% volume increase. The improvement in Hungarian office results offset a decline in Polish office results, which was triggered by the end of the state-subsidised loan programme. In the last quarter of 2024, Hungarian network commission income from own offices was double that of Polish offices.

Within MyCity's property development business, the delivery of the apartments of the Forest Hill project was nearing completion in 2024, which resulted in the segment's revenue halving to HUF 2,268 million in 2024 (2023: HUF 4,831 million), but the parallel decrease in direct development costs increased the segment's EBITDA margin from 20% to 28%.

The Group's consolidated EBITDA jumped from HUF 3,160 million in the comparative period to HUF 5,277 million at the end of this year.

The following table shows the sales revenue and the EBITDA realised by the Duna House Group in the various countries:

data in HUF thousands	2024	2023
Net sales revenues		
Hungary	7 542 637	8 271 422
Italy	21 099 384	16 955 136
Poland	10 842 832	7 364 839
Czech Republic	222 270	226 914
Total net sales revenues	39 707 123	32 818 311
EBITDA		
Hungary	1 860 800	1 644 120
Italy	2 944 186	1 149 701
Poland	489 918	383 302
Czech Republic	(17 457)	(17 489)
Total EBITDA	5 277 447	3 159 634
Operating profit/loss		
Hungary	1 462 689	1 280 317
Italy	2 296 717	489 916
Poland	214 735	228 600
Czech Republic	(40 177)	(33 523)
Total operating profit/loss	3 933 964	1 965 309

Source: Audited Annual Report of the Group in accordance with the IFRS

With the acquisition of Hgroup S.p.A. in 2022, the geographic composition of the Group has changed and more than half of its revenue and EBITDA in 2024 came from Italy. With revenue up 24% in 2024, EBITDA increased two and a half times compared to 2023.

In Hungary, annual revenue decreased by 9% mainly due to the upcoming completion of the Forest Hill apartments delivery, but EBITDA increased by 13% compared to 2023, driven by the performance of the core business and the growth in key volumes.

On a year/year basis, the Polish subsidiaries revenue increased by 43%, EBITDA increased to HUF 489 million, and operating profit decreased to HUF 214 million due to volumes.

Differences between the non-audited financial statement published in the 2024 Q4 quarterly report and the audited financial statement included in the Annual Report

In the interest of providing a comprehensive overview of the state of the Company's finances, the Board of Directors publishes non-audited consolidated quarterly reports after closing the various quarters. The preliminary data in these reports may differ from the financial statements in the audited Annual Report.

For the financial year 2024, the audited annual EBITDA of the Group exceeds the figures reported in the Q4 2024 report by HUF 0.9 million, while the profit after tax is HUF 28.0 million below the figures reported in the Q4 2024 report.

in HUF million	Quarterly report	Annual report	Difference
EBITDA 2024	5 276,6	5 277,4	0,9
After-tax profits 2024	2 213,5	2 183,3	-30,1

3.2 Assets

Data in thousand HUF

ASSETS	31.12.2024	31.12.2023
Long-term assets		
Intangible assets	5 833 530	5 983 411
Right-of-use	1 306 539	1 483 816
Property	1 912 622	1 627 272
Machinery and equipment	151 489	152 970
Goodwill	5 829 242	5 529 914
Investments in associated companies and joint ventures	122 199	118 122
Financial instruments	127 806	113 052
Deferred tax assets	1 067 518	936 827
Total long-term assets	16 350 945	15 945 384
Current assets		
Inventories	2 212 744	2 278 405
Trade receivables	4 061 860	3 311 757
Amounts owed by related undertakings	472 871	329 261
Other receivables	1 095 238	1 686 137
Actual income tax assets	464 709	270 675
Cash and cash equivalents	5 656 169	8 292 649
Restricted cash	500	500
Accrued incomes	1 038 831	855 278
Assets held for sale	1 180 650	527 400
Total current assets	16 183 572	17 552 062
Total Assets	32 534 517	33 497 446

Source: Audited Annual Report of the Group in accordance with the IFRS

The balance sheet total decreased by 2.9% compared to 31 December 2023, mainly due to a decrease in other receivables, which included a decrease in other tax receivables, and a 32% decrease in cash and cash equivalents due to the payment of dividends.

3.3 Liabilities

data in HUF thousands

LIABILITIES	31.12.2024	31.12.2023
Equity		
Registered capital	171 989	171 989
Treasury shares repurchased	(214 249)	(160 147)
Capital reserve	1 601 233	1 562 273
Exchange reserves	989 240	244 817
Profit reserve	38 075	3 417 152
Total equity of the parent company's owners	2 586 288	5 236 084
Non-controlling interests	388 490	231 475
Total equity:	2 974 778	5 467 559
Long-term liabilities		
Long-term loans	653 249	904 732
Provisions for expected liabilities	106 848	91 784
Deferred tax liabilities	1 426 222	1 450 894
Other long-term liabilities	5 864 292	4 860 165
Bonds payable	13 008 028	13 033 923
Long-term liabilities from leases	1 025 680	1 272 781
Total long-term liabilities	22 084 319	21 614 279
Current liabilities		
Short-term loans and borrowings	0	90 397
Accounts payable	4 368 048	3 578 720
Liabilities to related undertakings	43 884	58 658
Other liabilities	1 435 890	1 021 169
Short-term liabilities from leases	483 405	440 467
Actual income tax liabilities	315 287	456 446
Accruals and deferred income	803 523	769 751
Liabilities directly linked to instruments classified as held for sale	25 383	
Total current liabilities	7 475 420	6 415 608
Total liabilities and equity	32 534 517	33 497 446

Source: Audited Annual Report of the Group in accordance with the IFRS

The Company's share capital is HUF 171,989 thousand, which consists of 34,387,870 dematerialized ordinary shares of HUF 5 face value each and 1,000 preferential shares of HUF 50 face value each.

A right of preferential dividend is associated with the employee shares issued by the Company. If the general meeting orders dividend payment for a particular year, the employee shares with preferential dividend give a right to dividend prior to the ordinary shares in the amount of 6% of the profit after tax stated in the consolidated annual report prepared according to IFRS (adjusted with the impact of the valuation of investment properties and the revaluation of participations involved in the consolidation with the equity method).

The employee shares shall carry no rights to dividends other than as specified above. In particular, the employee shares do not entitle their holders to dividends in excess of the above amount, or entitle their holders to dividends if, for the financial year concerned, the profit after tax according to the consolidated annual financial statement drawn up on the basis of IFRS is negative.'

The preferential right attached to employee shares is not cumulative, and the date of dividend payments is set by the Board of Directors.

The maximum payable dividend for preferential shares was taken into account during the EPS calculation.

The liability side of the Group's balance sheet has decreased compared to 31 December 2023 due to a decrease in equity due to dividend payments.

3.4 Consolidated Cash Flow Statement

	31.12.2024	31.12.2023
Cash flow from operating activity		
Profit before tax from continuing operations	3 358 790	3 382 927
Profit/(loss) before tax from discontinued operations	24 398	0
Profit before tax	3 383 188	3 382 927
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and impairment of property, plant and equipment and right-of-use assets	668 489	582 874
Amortisation and impairment of intangible assets and impairment of goodwill	734 966	611 450
Share-based payment expense	44 459	14 882
Net foreign exchange differences	(1 070)	578 504
Gain on disposal of property, plant and equipment	(1 740)	(101 057)
Fair value adjustment of a contingent consideration	243 027	(1 007 122)
Finance income	(448 899)	(1 510 013)
Finance costs	783 653	1 093 179
Share of profit of an associate and a joint venture	(2 607)	6 339
Movements in provisions, pensions and government grants	(15 064)	(11 749)
<u>Changes of working capital</u>		
Decrease/(increase) in trade receivables, contract assets, prepayments and restricted cash	(496 424)	(688 871)
Decrease in inventories and right of return assets	690 268	3 780 670
Purchase of investment property	(1 267 800)	
Increase in trade and other payables, contract liabilities and refund liabilities	1 223 047	(2 779 890)
	5 537 493	3 952 123
Interest received	324 156	1 122 581
Interest paid	(584 322)	(731 816)
Income tax paid	(1 509 095)	(837 860)
Net cash flow from operating activity	3 768 232	3 505 028
Cash flow from investing activity		
Proceeds from sale of property, plant and equipment	8 453	801 500
Purchase of property, plant and equipment	(319 701)	(22 277)
Purchase of financial instruments	(14 754)	(2 450)
Dividends from associates and joint ventures	1 500	91 500
Development expenditures	(195 196)	(177 225)
Net cash flow from investing activity	(519 698)	691 048
Cash flow from financing activity		
Proceeds from exercise of share options	119 714	259 426
Purchase of own shares	(170 030)	(71 100)
Acquisition of non-controlling interests	0	(1 127 101)
Payment of deferred payments	(237 763)	(241 665)
Payment of principal portion of lease liabilities	(566 137)	(502 717)
Revenue from borrowings		
Repayment of borrowings	(341 880)	(765 946)
Dividends paid to equity holders of the parent	(4 449 944)	(3 836 900)
Net cash flow from financing activity	(5 646 040)	(6 286 003)
Net change of cash and cash equivalents	(2 397 506)	(2 089 927)
Cash and cash equivalents at start of period	8 292 649	10 646 364
Currency exchange differences on cash and cash equivalents	(238 974)	(263 788)
Cash and cash equivalents at end of period	5 656 169	8 292 649

Source: Audited Annual Report of the Group in accordance with the IFRS

The Group's cash flow from operating activities amounted to HUF 3,768 million in 2024 (2023: HUF 3,505 million), which included HUF 1,268 million of property acquisitions for sale and a total of HUF 1,509 million of increased tax payments due to the change in the country mix.

The Group realised HUF 8 million from the sale of tangible assets (2023: HUF 802 million) and HUF 2 million from dividends received from a jointly controlled entity (2023: HUF 92 million).

The Group paid deferred purchase consideration of HUF 238 million in connection with the acquisition of Hgroup S.p.A. In 2023, HUF 1,127 million was used to acquire non-controlling interests in Italy. No such transaction took place during 2024.

Interest paid amounted to HUF 584 million (2023: HUF 732 million), interest received amounted to HUF 324 million in 2024 (2023: HUF 1,123 million).

The Group paid dividends to its shareholders totalling HUF 4,450 million during 2024 (2023: HUF 3,837 million).

The balance of cash and cash equivalents at the end of the period decreased from HUF 8,292 million at the end of 2023 to HUF 5,656 million. In addition to this amount, an additional HUF 500 thousand can be used subject to the following restrictions:

Affected by restrictions		Reason for restriction
Companies involved in the consolidation	Bank account balance	
Akadémia Plusz 2.0 Kft. deposit	HUF 500 thousand	The institution had to provide financial security to continue its adult education activity.
Total:	HUF 500 thousand	

The Group operates a cash-pool system for the bank accounts related to its Hungarian and Italian operations, which allows for automated internal Group financing. Behind the cashpool system, a general overdraft facility of an amount sufficient for day-to-day operations is available to meet any temporary additional financing needs. The cash pool credit limit is HUF 100 million in Hungary and EUR 1.56 million in Italy.

3.5 Statement of changes in consolidated equity

	Registered capital	Treasury shares repurchased	Capital reserves	Retained earnings	Exchange reserves	Total equity of the parent company	Non- controlling interests	Total equity
Balance on 31 December 2022	171 989	(370 862)	1 564 066	3 205 707	504 502	5 075 402	175 508	5 250 910
Profit for the year				2 706 363		2 706 363	(967)	2 705 396
Other comprehensive income					(259 685)	(259 685)	(9 926)	(269 611)
Total comprehensive income				2 706 363	(259 685)	2 446 678	(10 893)	2 435 785
Acquisition				1 341 982		1 341 982	66 860	1 408 842
Dividends				(3 836 900)		(3 836 900)		(3 836 900)
Purchase of own shares		210 715				210 715		210 715
MRP and executive share program			(1 793)			(1 793)		(1 793)
Balance on 31 December 2023	171 989	(160 147)	1 562 273	3 417 152	244 817	5 236 084	231 475	5 467 559
Profit for the year				2 097 321		2 097 321	86 028	2 183 349
Other comprehensive income					744 423	744 423	17 118	761 541
Total comprehensive income				2 097 321	744 423	2 841 744	103 146	2 944 890
Acquisition				(1 022 498)		(1 022 498)	53 869	(968 629)
Dividends				(4 453 900)		(4 453 900)		(4 453 900)
Purchase of own shares		(54 102)				(54 102)		(54 102)
MRP and executive share program			38 960			38 960		38 960
Balance on 31 December 2024	171 989	(214 249)	1 601 233	38 075	989 240	2 586 288	388 490	2 974 778

Source: Audited Annual Report of the Group in accordance with the IFRS

4 The Group's plans for 2024

On 28 February 2025, the Group's Board of Directors published a Management Outlook for 2025:

	EBITDA range, HUFm		Profit after tax range, HUFm	
Italy	3 756	4 365	1 844	2 271
Hungary	1 613	1 874	756	989
Poland	643	747	251	336
Clean core total	6 011	6 985	2 852	3 595
Clean core 2023	4 822		2 415	

	Free cash flow
Sale of property portfolio	HUF 4.4 billion during 2025

The Group expects HUF 4.4 billion cash flow from the sale of the entire real estate portfolio

The Group continues to sell its investment property portfolio in order to rationalise its profile. The market value of this portfolio as at 31 December 2024 was HUF 2.1 billion (including assets held for sale).

The Group also plans to sell its own used head office building. The headquarters moved to new offices at the end of February 2025, therefore the sale of the former headquarters building has been postponed from 2024 to 2025. The book value of the building is HUF 208 million. The market value of the property is estimated at HUF 1.0 billion, so the Group expects an additional non-core gain of HUF 792 million from the sale.

In 2024, the Forest Hill real estate development project generated revenues of HUF 2.3 billion, EBITDA of HUF 0.6 billion, profit after tax of HUF 0.5 billion and cash flow of HUF 2.3 billion for the Group. The remaining HUF 1.3 billion cash flow is expected to be generated by the Group during 2025.

The Board of Directors intends to use the additional total cash flow of HUF 4.4 billion expected from the sale of the entire investment property portfolio, including Forest Hill, to finance its 5-year growth strategy and potential acquisitions under negotiation.

The outlook for the group's markets in 2025 is positive, as housing and credit markets in Italy and Hungary recover strongly from the downturn due to inflation and related monetary policy restrictions, and further interest rate cuts are expected in 2025. The Polish market has a stable outlook with potential support from interest rate cuts in H2. The Group's geographical presence has diversified significantly in recent years, with country-specific factors playing a role in each country:

- Italy: market lending started to increase again in Q2 2024, mainly due to the declining EUR interest rate during the year. Mortgage loan disbursements increased by 30% year-on-year in the last quarter of 2024. This positive market correction is expected to continue in 2025. The Group's prospects are boosted by (i) the expansion of the intermediary market share within the Italian lending sector and (ii) the cooperation with the Professionecasa real estate network, which started in 2024. This partnership has created an exclusive collaboration between the two companies, allowing the Group to exit its loss-making real estate brokerage business while increasing its lending volume.

-
- Hungary: residential mortgage originations in Hungary showed a significant rebound during 2024, up 91% in the fourth quarter from a year earlier, after a market low in February 2023. The segment will continue to benefit from lower interest rates, government housing subsidies and a buoyant housing market, which could be further boosted in 2025 by an expected increase in households' available cash resources through government bond issuance.
 - Poland: Falling interest rates, relaxation of rules on fixed-rate loans and the availability of the First Home interest-subsidised loan scheme from July 2023 pushed Polish housing loan volumes to a historic high in January 2024. Over the year, allocations gradually stabilised as the market awaits further information on possible interest rate cuts in 2025. No major new support schemes are expected at present. Without government support and interest rate cuts, the market is expected to remain stable in 2025.

5 Environmental protection, social responsibility, employment policy, diversity policy

The Company recycles some of the waste generated by it and collects packaging materials separately. Due to the nature of its business activity, the Company does not produce or store any hazardous material.

Our company's employment policy and cross-country harmonisation is constantly evolving. The average statistical headcount has decreased from 204 to 201 compared to the reference period. The number of employees in the Group's Italian subsidiaries decreased from 60 to 55 due to the closure of real estate activities. In Poland, the statistical headcount decreased by 8.5 persons. The number of Hungarian employees increased by an average of 11.2 due to the expansion of Group-wide functions and sales channels. The Company places emphasis on diversifying the filling of jobs according to the skills and qualifications of its employees.

6 Information on equity and share capital

Increase of the Company's equity

At its meeting on 16 September 2016, the Company's AGM authorized an equity capital increase of HUF 1.5 billion at most in connection with the public offering of the Company's shares in October. After the public offering of the Company's shares, the Company Court quoting a procedural error refused to register the Company's equity capital increase in the total amount of HUF 18,939,350 in its ruling dated 10 December 2016.

At their extraordinary meeting on 5 January 2017, the Company's shareholders passed a repeat resolution on the equity capital increase that was substantially identical with the first one. The Companies Court registered the capital increase in the register through decision no. 01-10-048384/50 dated 1 February 2017.

The shares issued during the increase of the share capital were generated on 28 March 2017.

In 2020, Duna House Holding Nyrt. implemented a stock split. As of 5 August 2020, as value date, the 3,438,787 dematerialized ordinary shares of HUF 50 face value each were converted to 34,387,870 dematerialized ordinary shares of HUF 5 face value each. As a result of this transformation, each dematerialized ordinary share with a face value of HUF 50 was replaced by 10 ordinary shares with a face value of HUF 5 each.

The Company's equity as of 31 December 2024

Type of shares	Share class	Share series	Number of shares issued	from this: treasury shares	Nominal value per share	Total nominal value
ordinary shares	-	"A"	34,387,870 pcs	286,156 pcs	HUF 5	HUF 171,939,350
employee share	preferential shares	"B"	1,000 pcs	0 pcs	HUF 50	HUF 50,000
Equity:						HUF 171,989,350

Number of voting rights attached to shares:

Share series	Number of shares issued	Number of voting rights per share:	Total number of votes	From this: for treasury shares	Number of treasury shares
"A"	34,387,870 pcs	5	171,939,350 pcs	1 430 780 pcs	286 156 pcs
"B"	1,000 pcs	50	50,000 pcs	0 pcs	0 pcs
Total	34,388,870 pcs	-	171,989,350 pcs	1 430 780 pcs	286 156 pcs

7 Investors each with a significant direct or indirect ownership share in the Company's equity (including the shares based on a pyramid structure and the cross-shares as well).

The table below provides a summary of the shareholders each with a significant direct or indirect ownership share in the Company's equity⁹, with the shares based on a pyramid structure and the cross-shares taken into account:

Shareholder Name	Number of shares held (number)	Share in equity (%)
Gay Dymschiz	13 473 804	39,18%
Doron Dymschiz	13 473 374	39,18%
Total of equity	34 388 870	100,00%

⁹ As of 31 December 2022

8 Restrictions on the transfer of shares

Restrictions on alienation on ordinary shares

Shareholder Name		Ferenc Máté		Total
Number of ordinary shares held on December 31, 2024 (pcs)		367,753		367,753
Is alienation restricted?		yes		
Restrictions on alienation	Beginning of the period	End of the period		
	2024.11.12	2025.11.11	60,000	60,000
	2025.11.12	2026.11.11	30,000	30,000

Restrictions on the alienation on preferred employee shares

Shareholder Name	Gay Dymischiz	Ferenc Máté	Dániel Schilling	Krisztián Fülöp	Anikó Varga	Dr András Szabadházy	Total
Number of preferred employee shares held (number)	438	225	138	88	70	41	1 000

There is an indefinite restriction on alienation for all employee shares that grant preferential shares *

** In accordance with Section 6:221 of Act V of 2013 on the Civil Code (Civil Code), the shareholder grants the right of first refusal, and in line with Section 6:224, the right to repurchase, to Guy Dymischiz or Doron Dymischiz for an indefinite period of time*

9 Other issues regarding controlling powers and executive officers

Board of Directors

The Board of Directors is responsible for all matters relating to the management and business of the Company which, by virtue of the Articles of Association or by law, do not fall within the exclusive competence of the General Meeting or other corporate bodies. The Board of Directors shall report to the General Meeting at the end of the financial year and to the Supervisory Board on a quarterly basis on the management of the Company, the Company's assets, the financial situation of the Company, and the Company's business policy.

Members of the Board of Directors of the Company as of 31 December 2024:

- Gay Dymschiz (President),
- Doron Dymschiz,
- Ferenc Máté,
- Dr. Jenő Nagy (non-operative),
- Dániel Schilling.

Supervisory Board

The Supervisory Board shall examine the proposals submitted to the General Meeting and present its position on them to the General Meeting. Regarding the financial statements prepared in accordance with the Act on Accounting and the allocation of the profits after tax, the Board of Directors shall make any decision only in possession of the written reports of the Supervisory Board. The Supervisory Board directly proposes to the General Assembly the election, remuneration, and recalling of the Statutory Auditor.

In accordance with the Company's Articles of Association, the Supervisory Board consists of three independent members. The members of the Supervisory Board are elected by the General Meeting for a term of one year, unless the General Meeting decides otherwise. Supervisory Board meetings shall have a quorum if two thirds of the members, but at least three members, are present.

Members of the Supervisory Board of the Company as of 31 December 2024:

- Károly Redling (President),
- György Martin-Hajdu,
- Kálmán Nagy.

Audit Committee

The members of the Audit Committee are elected by the General Meeting from among the independent members of the Supervisory Board for the same term as the Supervisory Board.

Members of the Audit Committee of the Company as of 31 December 2024:

- Károly Redling (President),
- György Martin-Hajdu,
- Kálmán Nagy.

Indirect holdings of members of the Board of Directors and Supervisory Board in the company's securities on 31 December 2023:

<i>pieces</i>	"A" Ordinary share	"B" Employee shares
<i>Members of the Board of Directors</i>		
Dymschiz Gay	13 473 804	438
Dymschiz Doron	13 473 374	0
Ferenc Máté	367 753	225
Dániel Schilling	111 967	138
Dr. Jenő Nagy	0	0
Total Members of the Board of Directors	27 426 898	801
<i>Members of the Supervisory Board</i>		
Károly Redling	0	0
György Martin-Hajdu	0	0
Kálmán Nagy	0	0
Total Members of the Supervisory Board	0	0

Other declarations

We declare that in respect of the following issues, apart from what is otherwise included in the business report, our Company has nothing more to report:

• Holders of issued ownership shares embodying special controlling rights and the presentation of such rights
• Control mechanism under any employee shareholder scheme where controlling rights are not exercised directly by employees
• Any restriction on voting rights (in particular, restrictions on the voting rights attached to the identified ownership share or on the number of votes, deadlines for exercising voting rights and the systems that help separate, in cooperation with the Company, the financial benefits associated with the ownership shares from the possession of the issued ownership shares)
• Rules governing the appointment and dismissal of executive officers and the modification of the Statutes
• The powers of executive officers, in particular, their powers to issue and repurchase shares
• Any material agreement to which the Company is a party which enters into force, is modified or terminates after a public purchase offer as a result of a change in the entrepreneur's control and their impact unless the disclosure of this information would harm the entrepreneur's lawful interests seriously if such information is not required to be made public by any other legal regulations
• Any agreement between the Company and its executive officer or its employee which stipulates compensation if the executive officer resigns or the employee quits, if the employment contract of the executive officer or the employee is unlawfully terminated or if the legal relationship is terminated because of a public purchase offer.

10 Risk management

The Group's assets contain liquid assets, securities, trade and other receivables and other assets excluding taxes. The Group's resources include loans and borrowings, supplier and other payables, excluding the gains or losses arising from the revaluation at fair value of taxes and financial liabilities.

The Group is exposed to the following financial risks:

- credit risk
- liquidity risk
- market risk

This section describes the Group's risks specified above, the Group's objectives and policies, measurement of the processes and risk management, as well as the capital management of the Group. The Board of Directors has overall responsibility for the establishment, supervision and risk management of the Group. The controlling tasks over the operation of the Company are performed by the Supervisory Committee and the Audit Committee.

The objective of the Group's risk management policy is to filter out and examine the risks the Group faces, to set the appropriate controls and to monitor the risks. The risk management policy and the system are reviewed so that it does reflect the changed market conditions and the Group's activities.

Capital management

The Group's policy is to preserve its equity in an amount that is sufficient for investor and creditor confidence in the future to sustain the future development of the Group. The Board of Directors seeks to maintain a policy whereby the Company undertakes a higher exposure arising from lending only against a higher rate of return, based on the advantages provided by a strong capital position and security.

The Group's capital comprises net external funds and the Group's equity (the latter comprises registered capital, reserves and the ownership share of non-controlling shareholders). Sections 17-19 and 21-23 of the notes to the financial statement provide detailed information regarding these capital elements. The Group's payment obligations in respect of acquisitions are presented in Sections 2.5.2.1 and 25.

The following table presents the ratio of equity to registered capital.

	31.12.2024	31.12.2023
Registered capital	171 989	171 989
Total equity	2 974 778	5 467 559
Equity capital/registered capital	1730%	3179%

The Group has issued bonds under the names Duna House NKP bond 2030/I. and Duna House NKP bond 2032/I. (Section 22 of the notes to the financial statement). The Group is obliged to redeem the bonds before maturity within 15 business days of the date of the occurrence, if the credit rating of the bonds:

- Is downgraded below B+ but not below B-, and the Bond is not rated B+ or higher within two years (2*365 days) after the downgrade is published, or
- Is downgraded to CCC or below at any time during the term.

In June 2024, Scope Ratings GmbH carried out an annual review of the credit rating of the Company's bonds issued under the NKP program, which resulted in the confirmation of the rating of the bonds at BB-, one notch above the minimum required by the MNB. The rating agency also confirmed the BB-/Stable rating of Duna House Holding Nyrt. as issuer.

In managing capital, the Group seeks to ensure that the members of the Group can continue their activities while maximizing the return to owners by optimally balancing debt and equity and maintaining an optimal capital structure to reduce the cost of capital. The Group also monitors whether the capital structure of its member companies complies with local legal requirements.

The Company's capital risk is not significant during 2024.

Lending risk

The risk arising from the lending activity constitutes the risk which arises from the failure of the borrower or partner to fulfil its contractual obligations, which in turn results in a financial loss for the Group. Financial instruments that are exposed to credit risks may be long or short-term placements, cash and cash equivalents, trade, contractual assets and other receivables.

The book value of financial instruments shows the maximum risk exposure. The table below shows the maximum credit risk exposure of the Group on 31 December 2024 and 31 December 2023.

Lending risk	2024.12.31	2023.12.31
Trade receivables	4 061 860	3 311 757
Contractual assets	838 916	697 401
Other receivables	1 095 238	1 686 137
Financial instruments	127 806	113 052
Cash and cash equivalents	5 656 169	8 292 649
Restricted cash	500	500
Total	11 780 489	14 101 496
Restricted cash	500	500
Akadémia Plusz 2.0 deposit	500	500

HUF 500 thousand restricted cash is provided as collateral for teaching activities, and is only available to the Group with certain restrictions. These restrictions are set out in note 14.

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The Group's cash and cash equivalents (including restricted cash) are held by the following banks:

	Credit Rating -		
	Fitch	31.12.2024	31.12.2023
Raiffeisen Bank Zrt.	A+	2 059 077	3 622 102
Magyar Bankholding Zrt.	BBB-	0	891
Gránit Bank Zrt.	BBB	246 787	2 230 920
OTP Bank Nyrt.	BBB+	738	1 097 213
Oberbank AG	A	0	3 179
PayPal Holdings, Inc	A-	0	18
Bank Millennium SA	A-	607 181	656 974
Société Générale	A	82	2 857
Banca Unicredit	BBB+	609 865	496 512
UBI BANK	BBB	1 974 876	32 193
BPER BANCA	BBB	63 979	51 535
Banca Monte dei Paschi	BB+	28 356	18 617
Banca Nazionale del Lavoro S.p.A.	A-	56 907	0
Banco BPM S.p.A.	BBB-	200	66 940
Bankszámlaegyenlegek összesen		5 648 048	8 279 951

Foreign currency risk

Exchange rate risk arises when some Group companies enter into transactions denominated in a currency other than the functional currency. It is the Group's policy that, where possible, Group members settle liabilities denominated in their functional currency with cash generated from their own operations in their functional currency.

The Group's subsidiaries typically enter into transactions in their own functional currency and do not engage in export/import activities. Foreign exchange exposure arises in respect of rental payments for certain leased properties denominated in euro and for foreign acquisitions.

The following table presents the Group's liquid assets by currency:

	31.12.2024	31.12.2023
HUF	1 672 608	6 810 007
EUR	3 323 660	822 999
PLN	660 319	657 601
CZK	82	2 542
Total	5 656 669	8 293 149

Liquidity risk

Liquidity risk is the risk that the Group will be unable to fulfil its financial obligations by the due date. Under the Group's liquidity management approach, there should always be sufficient liquidity available to cover the Group's obligations when they fall due under both standard and stressed circumstances without the Group's incurring unacceptable losses or risking its reputation. To further minimize liquidity risk, reduce transaction costs and increase efficiency, starting from 7 December 2017 the Company has been managing its bank accounts linked to its operations under a cash pooling regime, which makes automatic group financing possible.

December 31, 2024

	less than 1 year	between 1 and 5 years	more than 5 years	Total
Interest-bearing loans and borrowings	578 887	1 511 620	11 865	2 102 372
Interest-bearing bonds	468 000	9 260 400	5 283 600	15 012 000
Deferred purchase price and option liability	4 258 232	1 754 758		6 012 989
Deposits received from tenants and owners	372 832			372 832
Lease liabilities	483 405	795 458	230 222	1 509 085
Accounts payable	4 368 048			4 368 048
Total	10 529 403	13 322 236	5 525 687	29 377 326

December 31, 2023

	less than 1 year	between 1 and 5 years	more than 5 years	Total
Interest-bearing loans and borrowings	646 848	1 902 057	112 432	2 661 338
Interest-bearing bonds	468 000	6 913 200	8 098 800	15 480 000
Deferred purchase price and option liability	410 968	4 669 586		5 080 554
Deposits received from tenants and owners	278 567			278 567
Lease liabilities	440 467	965 938	306 843	1 713 248
Accounts payable	3 578 720			3 578 720
Total	5 823 571	14 450 781	8 518 075	28 792 427

The conditions of the Group's loans and issued bonds are presented in sections 21 and 22.

Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and the prices of investments in investment funds, will affect the Group's results or the value of its investments in financial instruments. The objective of market risk management is to manage and control exposures to market risk within acceptable limits while optimising profit.

Real estate market risks

The Group plans to sell its real estate portfolio in Hungary. The market price and demand for residential and office properties in Hungary is a risk for the Group. Risk management aims to maximise returns by optimising the selling price and time to sale.

11 Events after the balance sheet date

The following events took place after the balance sheet date and until the approval of the financial statements for publication, which did not affect the results.

Purchase of treasury shares

The participants of the Company's 2022/2024 MRP Programme exercised their exercise rights for Duna House ordinary shares for the total remaining stock of the programme, i.e. a total of 19,780 shares. Duna House's MRP Organisation exercised its exercise right in respect of the shares and the Company transferred the shares to the MRP Organisation.

12 Declaration on corporate governance

In light of its length and structural layout, our declaration on corporate governance ("Responsible Corporate Governance Report") will be published on the website of the [Budapest Stock Exchange](https://www.buda.hu/)¹⁰.

13 The Auditor of the Company

The Group is obligated to have its consolidated report audited in line with the IFRS. The auditor is Ernst & Young Könyvvizsgáló Kft (1132 Budapest, Váci út 20., registration number: 001165). The chamber member auditor personally responsible for the audit: Rita Domoszlai (chamber registration number: 007371).

The value of the audit services provided by Ernst & Young Könyvvizsgáló Kft. to the Company was EUR 91,400 in 2024, which includes the audit fees for the individual and consolidated accounts of Duna House Holding Nyrt. but does not include the audit fees for the individual accounts of the subsidiaries. The auditor does not provide any other services to the Company.

¹⁰ [https://bet.hu/oldalak/ceg_adatlap/\\$issuer/3433](https://bet.hu/oldalak/ceg_adatlap/$issuer/3433)

14 Declaration on responsibility

The Board of Directors of the Company prepared this business report on the basis of the data included in the consolidated accounts for 2024 compiled in accordance with the International Financial Reporting Standards (IFRS) and to the best of their knowledge.

The accounts are audited, therefore an independent auditor's report has been attached. This consolidated report gives a fair picture of the situation, development and performance of the Company and its companies included in consolidation.

Budapest, 9 April 2025

Persons authorized to sign the consolidated business report:

Doron Dymischiz

Member of the Board of Directors

Gay Dymischiz

Member of the Board of Directors

Ferenc Máté

Member of the Board of Directors

Dr. Jenő Nagy

Member of the Board of Directors

Dániel Schilling

Member of the Board of Directors