DUNA HOUSE® GROUP

2017. Q3
Quarterly report

November 27, 2017.

Table of contents

EXECUTIVE SUMMARY 2017. THIRD QUARTER

- In Q3 of 2017, Duna House Group (the „Group") has continued to increase its operational performance, nearly reaching HUF 300 Million EBITDA level, while its operating result (EBIT) reached HUF 273 Million, indicating a 151% growth compared to Q3 of the previous year, and exceeding Q2 by 8%. After tax profit was HUF 190 Million, due to the increased loan amount and interest payments.
- The Group has reached HUF 770 Million from the HUF 850-1.000 Million after tax profit guidance for the whole business year (calculated without MyCity). Based on the performance in the first nine months of the year, the Management confirms its guidance of HUF 850-1.000 Million.
- EBIT has exceeded Q3 of last year by HUF 164 Million. In relation to the core activity, the following entries explain the improving performance:
    - Financial intermediary services segment increased its contribution to EBIT by HUF 116 Million in total, compared to Q3 2016. The increase is partly explained by the 26% YoY growth in loan and home savings volume, as well as the revision of the estimation methodology of recurring loan commissions. The latter accounted for a one-time result of HUF 66 Million in relation to the existing portfolio.
    - The Franchise segment's revenue has grown by 21%, while its gross profit has expanded by 36% YoY. The growth of indirect costs connected primarily to Poland, has nearly utilized all the profit advantage.
    - Other business segments of the Group, primarily due to the low base, have contributed to the consolidated operating profit increase by HUF 47 Million.

EXECUTIVE SUMMARY 2017. THIRD QUARTER

- Metrohouse-group, following the positive operating profit reached in Q2 2017, has again produced EBIT of HUF 10 Million. A non-recurring HUF 24 Million tax duty related to already impaired receivables and in-house merger has worsen the after tax profit both in Q2 and Q3.
- The current state of MyCity is regarded positive by the Management. The increase of sales prices has significantly compensated for the higher construction costs experienced on the property development market in relation to on-going projects. In the Reviczky Liget project, the submission of the occupation permit is under way, while the technical take-over shall begin in Q4. 75% of the flats are sold; invoicing and recognition as revenues can take place following the receipt of the occupation permit.
- In October 2017, the net asset value of Impact Residential Investment Fund (in Hungarian referred to as: ILBA) exceeded HUF 2.0 Billion. Based on the outstanding result of ILBA, the Management is positive in relation of further net asset value increase in the forthcoming period.
- As a result of the significant improvement in the performance of the core activity, after tax profit has risen from HUF 86 Million in Q3 2016 to HUF 190 Million in Q3 2017. It falls behind the HUF 288 Million result presented in Q2 2017, despite the higher EBIT and EBITDA figures. This is primarily explained by a one-time HUF 108 Million profit recognized in Q2 2017 in connection with the Irisz Ház project -operating under joint management-, and related to the value increase of land registered as investment purpose property before the beginning of the development activity.

Franchise segment

DUNA HOUSE HOLDING FRANCHISE BRANDS

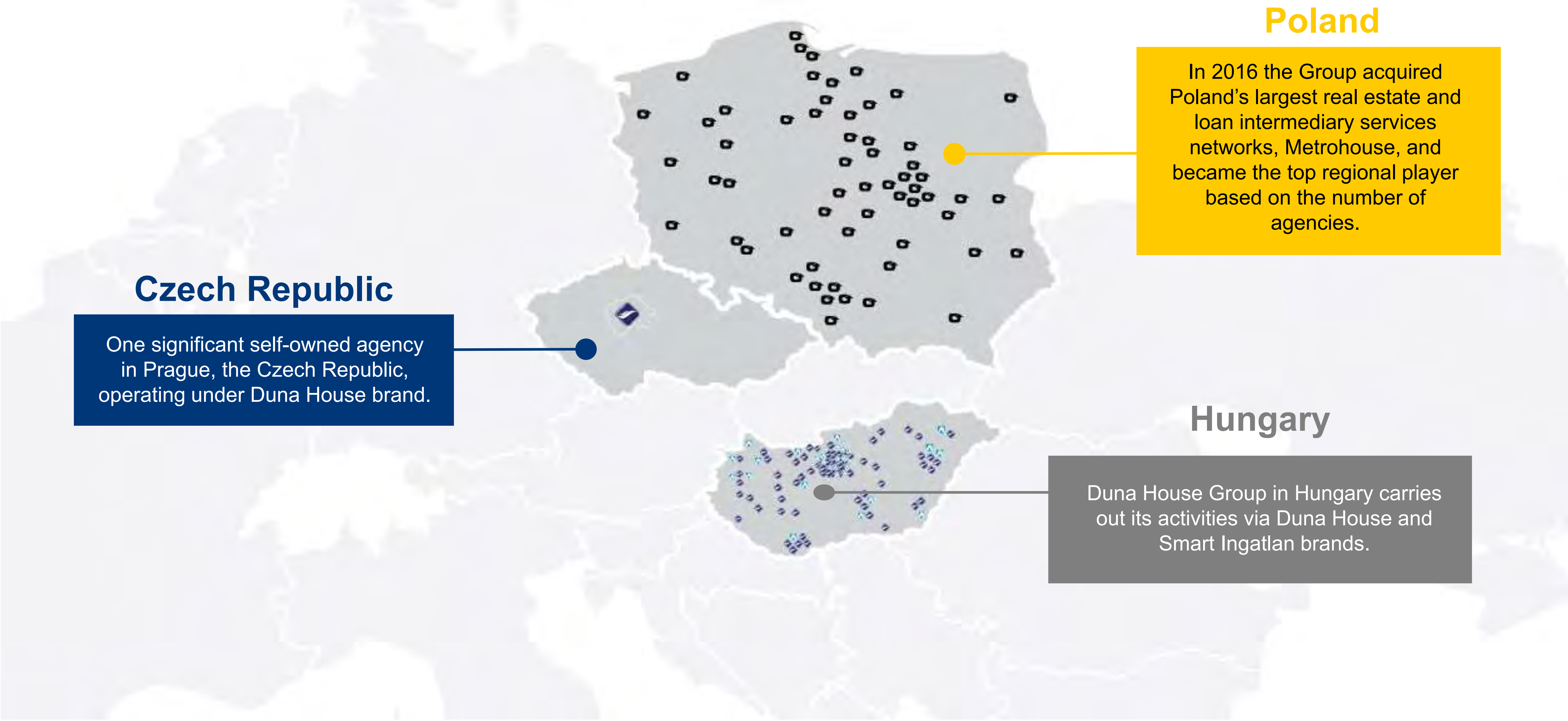
DUNA HOUSE

SMART INGATLAN

metrohouse

HUNGARY, CZECH REPUBLIC	HUNGARY	POLAND

REGIONAL PRESENCE



Poland

In 2016 the Group acquired Poland's largest real estate and loan intermediary services networks, Metrohouse, and became the top regional player based on the number of agencies.

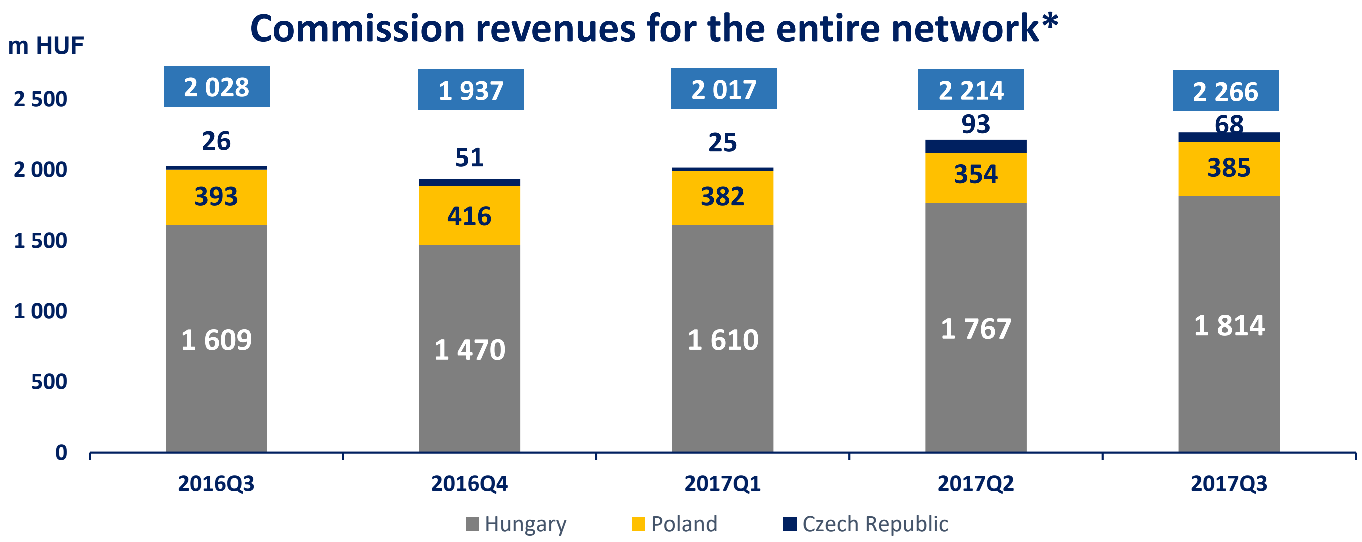
Czech Republic

One significant self-owned agency in Prague, the Czech Republic, operating under Duna House brand.

Hungary

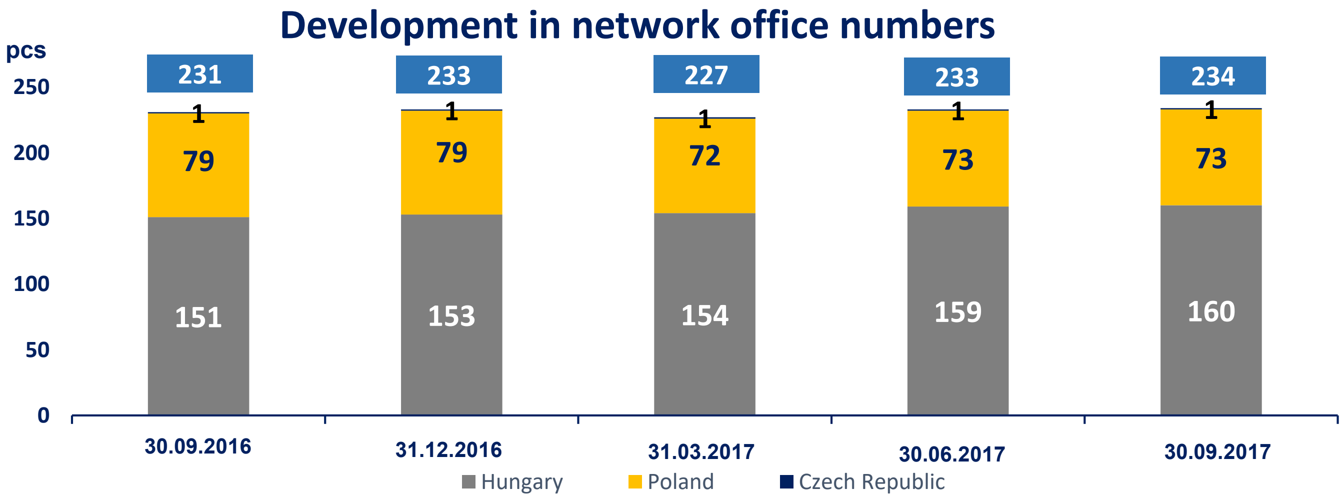
Duna House Group in Hungary carries out its activities via Duna House and Smart Ingatlan brands.

Changes in network commission revenues and office numbers



*total revenue, realized in connection with property transactions intermediated by Duna House Group's franchise network in total.

- In Q3 2017, DUNA HOUSE Group's network commission revenue has broken a new record, reaching HUF 2.3 Billion, and being 11.7% higher than in the same period of the previous year, and by 2.3% above the second quarter.
- The Hungarian market shows a steady growth since Q4 2016. The fallback experienced in the second half of 2016, based on the present Q3 data, will not be repeated. The strong property market activity, according the Management, will remain for the last quarter as well, keeping in mind the regular seasonality.
- In Poland, the decreasing tendency in commission revenues – resulting from the implemented network transparency process –, has turned in Q3 2017, and the activity presented an 8.8% growth when compared to the previous quarter, even despite the negative seasonality effects.



- Q3 of 2017 is characterized by stable agency numbers, the activity has expanded by one new agency in Hungary.
- Following the implemented network transparency process in Poland, the expansion of the Polish network with new agencies may begin in Q4 2017.

SEGMENT LEVEL RESULTS

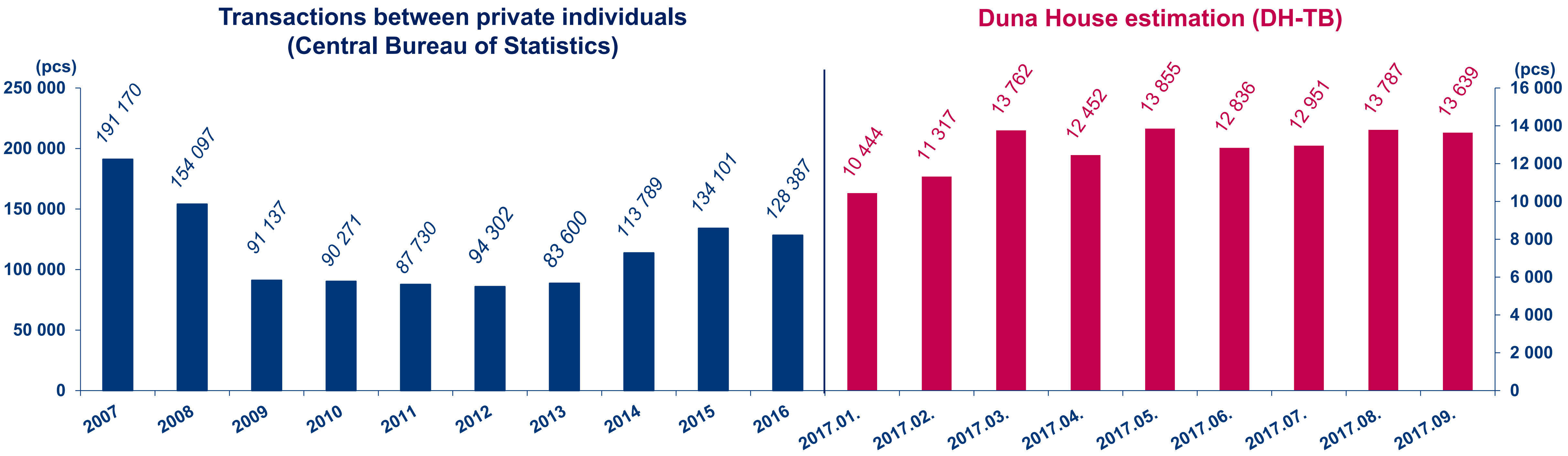
(data in thHUF)	FRANCHISE SEGMENT							
	7.-9. 2017	7.-9. 2016	Variance (thHUF)	Variance (%)	1.-9. 2017	1.-9. 2016	Variance (thHUF)	Variance (%)
Net sales revenue	**310 257**	**256 514**	**53 743**	**21%**	**961 694**	**819 079**	**142 614**	**17%**
Direct expenses	36 977	55 592	-18 615	-33%	128 801	136 098	-7 297	-5%
Gross profit	**273 280**	**200 922**	**72 358**	**36%**	**832 893**	**682 981**	**149 912**	**22%**
Gross profit margin (%)	*88%*	*78%*			*87%*	*83%*		
Depreciation and amortization	14 139	8 791	5 349	61%	30 829	24 977	5 852	23%
Indirect expenses	224 159	158 306	65 853	42%	673 044	567 981	105 063	18%
Operating income (EBIT)	**34 981**	**33 825**	**1 156**	**3%**	**129 020**	**90 024**	**38 997**	**43%**
EBIT margin (%)	*11%*	*13%*			*13%*	*11%*		

Revenue of the Franchise segment is 21% higher, than in the comparative period.

The engine behind the growth was the operation in Hungary, where a total of nine new officed opened in the last twelve months. Although six offices closed in the Polish Metrohouse network, this is primarily the result of new franchise rules and network transparency implemented following the acquisition.

The 2017 increase in direct operating costs is connected to a) the infrastructure development of Metrohouse network with the aim to increase efficiency (internal audit, management functions), b) the lower amount of bad debt reversals.

HUNGARIAN* PROPERTY MARKET TRENDS BASED ON DH-BAROMETER**

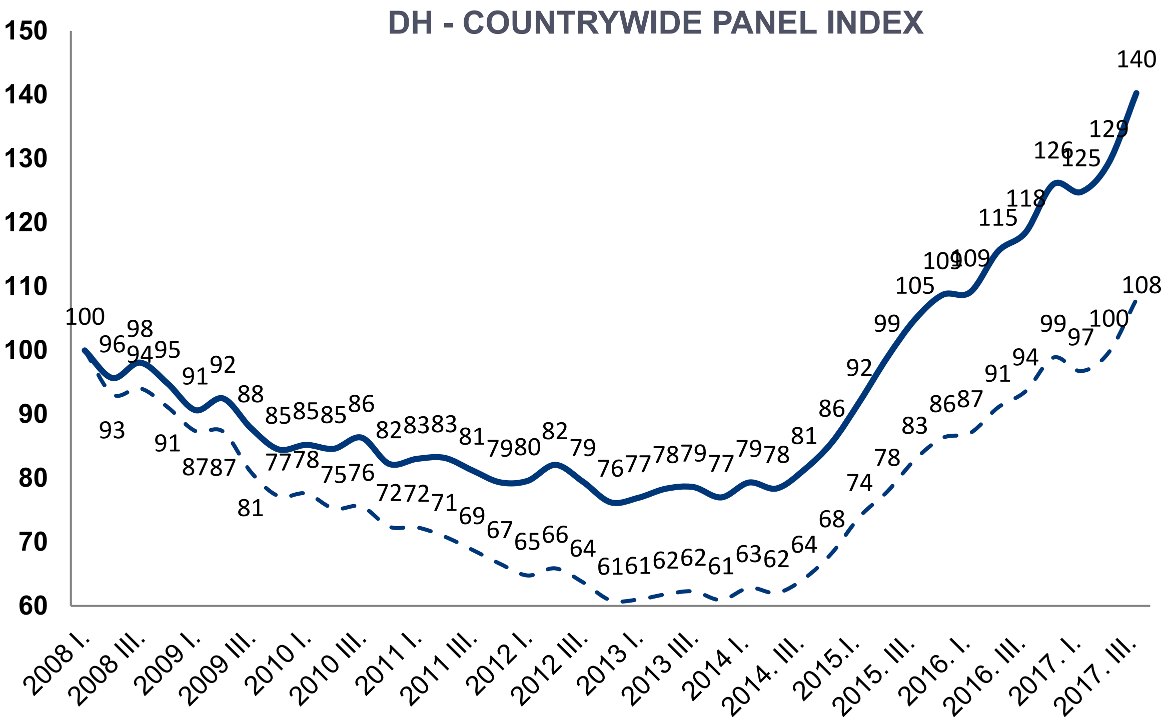


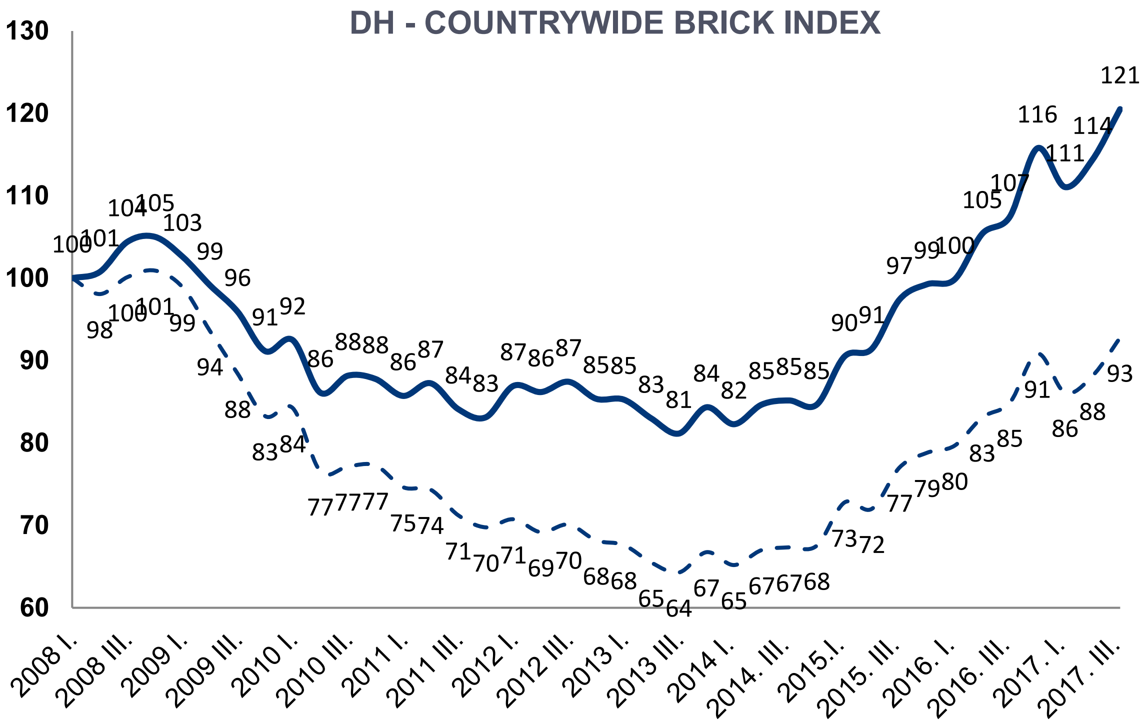
In 2016, the first two stronger quarters were followed by a weaker period, which doesn’t seem to apply for the current year. In comparison with the 35 thousand volume of last year, in Q3 of 2017 over 40 thousand properties were sold, accounting for a 15% increase. Based on Duna House estimates, 115.043 sale and purchase transactions took place during the first 9 months of the current year, while the same period of the previous year presented a turnover under 114 thousand. For the first time this year, the current year’s market has somewhat outgrown the same period of the previous year.

* No similar data available in relation of Poland at present

**Due to the lack of up-to-.date official data, the above presented data is based on Duna House own estimates.

HUNGARIAN* PROPERTY MARKET TRENDS BASED ON DH-BAROMETER



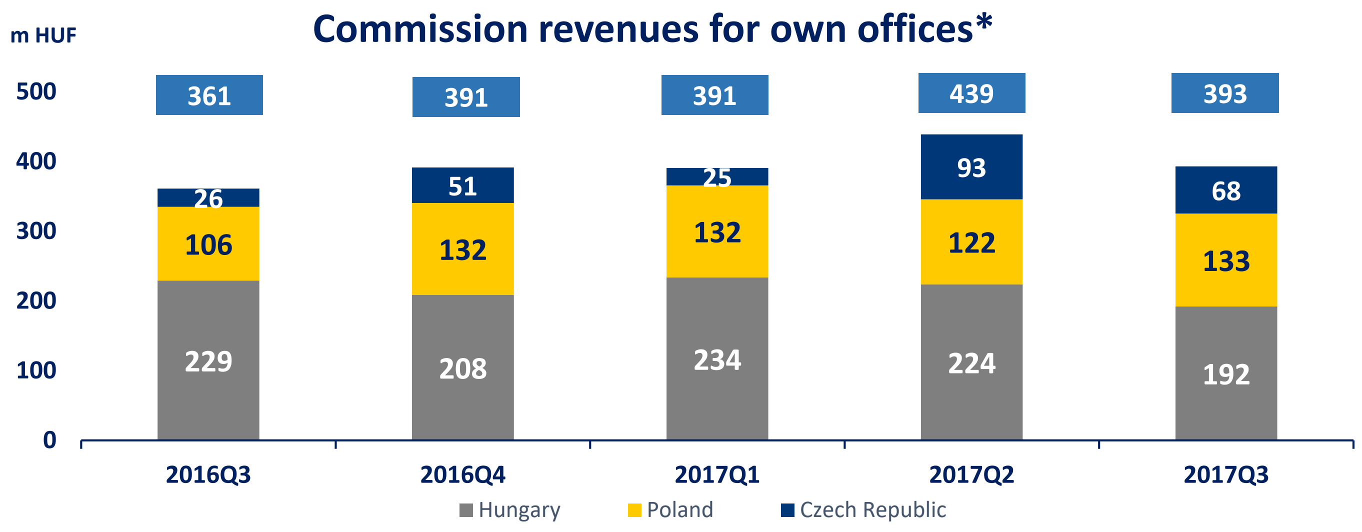


Profitability of Duna House activity in Hungary, beyond transaction volumes, is also highly affected by price level changes.

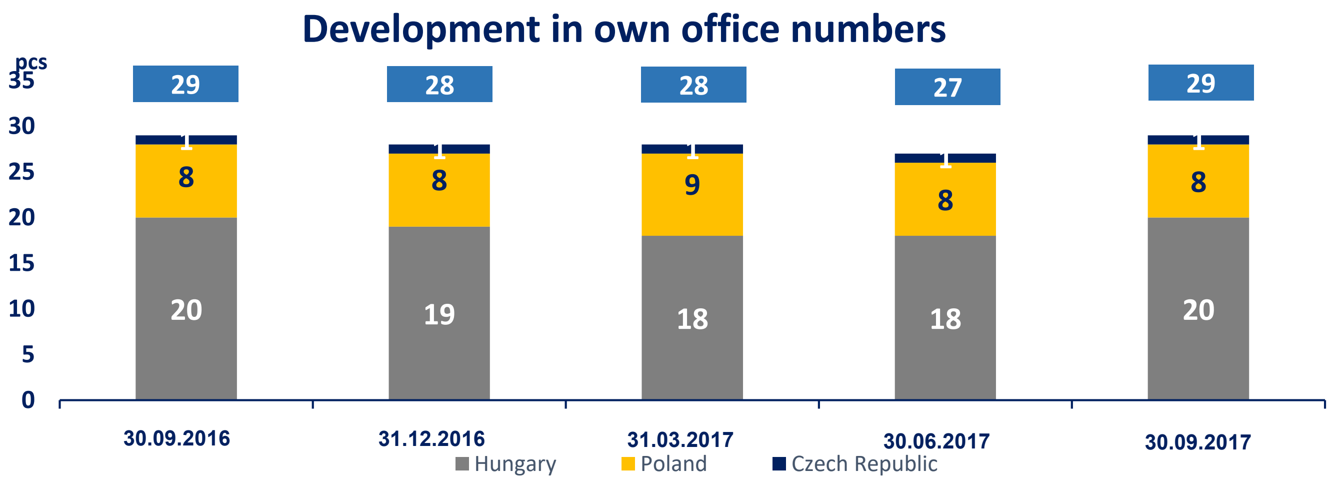
* No similar data available in relation of Poland at present

Own office operation segment

Changes in network commission revenues and office numbers for own offices



* total revenue, realized in connection with property transactions intermediated by Duna House Group's franchise network in total.



- In Q3 of 2017, own offices of DUNA HOUSE Group have reached an 8.8% YoY growth in commission revenues in total. The commission revenues of the segment are still 10.5% behind the previous, record breaking quarter.
- The reason behind the weak performance compared to the total network is primarily the 14.3% fallback in generated commission revenues in Hungary. Despite the positive turn experienced in early 2017, the segment's local performance has continued its decline, which resulted in appointing a new segment head this quarter. The new leader's key task is to restore the profitability of the segment.
- The activity in Hungary has expanded by 2 new offices.

SEGMENT LEVEL RESULTS

(data in thHUF)	OWN OFFICE SEGMENT							
	7.-9. 2017	7.-9. 2016	Variance (thHUF)	Variance (%)	1.-9. 2017	1.-9. 2016	Variance (thHUF)	Variance (%)
Net sales revenue	**343 328**	**260 968**	**82 360**	**32%**	**1 082 872**	**726 416**	**356 456**	**49%**
Direct expenses	200 956	161 603	39 353	24%	619 792	380 635	239 157	63%
Gross profit	**142 372**	**99 365**	**43 007**	**43%**	**463 080**	**345 781**	**117 299**	**34%**
Gross profit margin (%)	*41%*	*38%*			*43%*	*48%*		
Depreciation and amortization	5 013	4 200	813	19%	14 453	11 753	2 700	23%
Indirect expenses	123 345	94 337	29 009	31%	384 929	270 084	114 846	43%
Operating income (EBIT)	**14 013**	**828**	**13 185**	**1593%**	**63 698**	**63 944**	**-246**	**0%**
EBIT margin (%)	*4%*	*0%*			*6%*	*9%*		

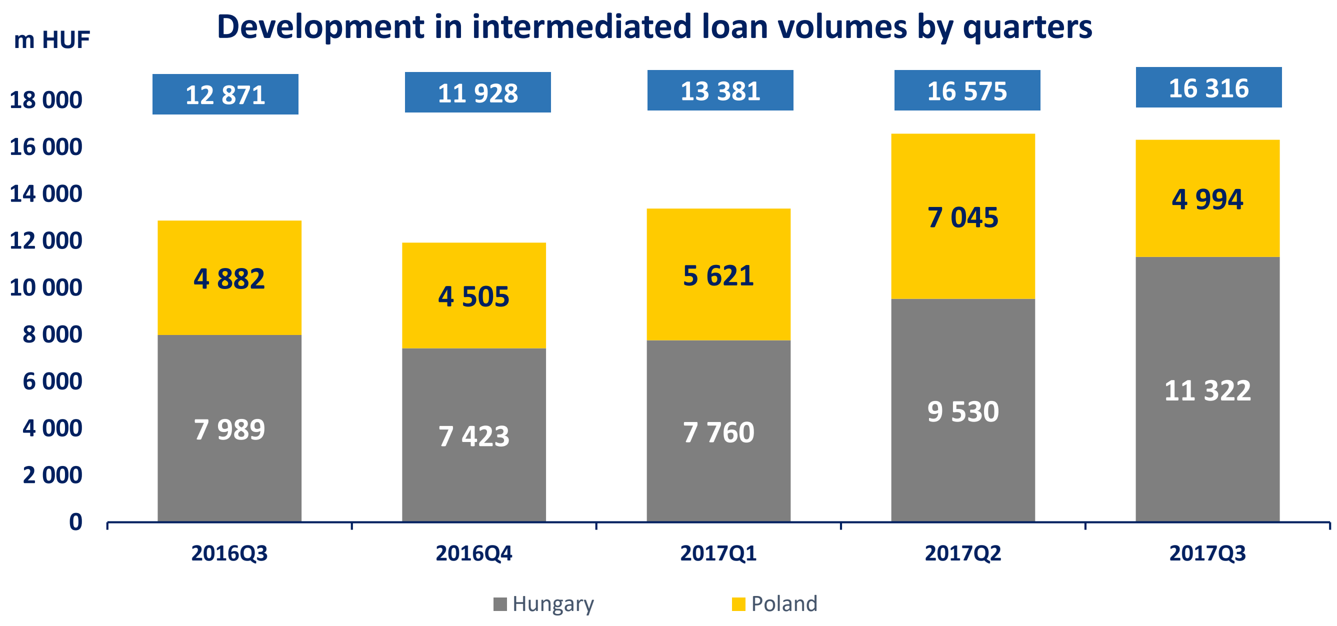
The revenue growth of the own office segment is primarily the result of the significant improvement in the own offices on the Czech and Polish markets. During the base period, the Czech office has contributed to the Group level performance of a single month, as its acquisition took place in early September 2016.

Although the Czech operation presents loss currently, the Hungarian and Polish own offices have presented profit on operating level.

Duna House Group

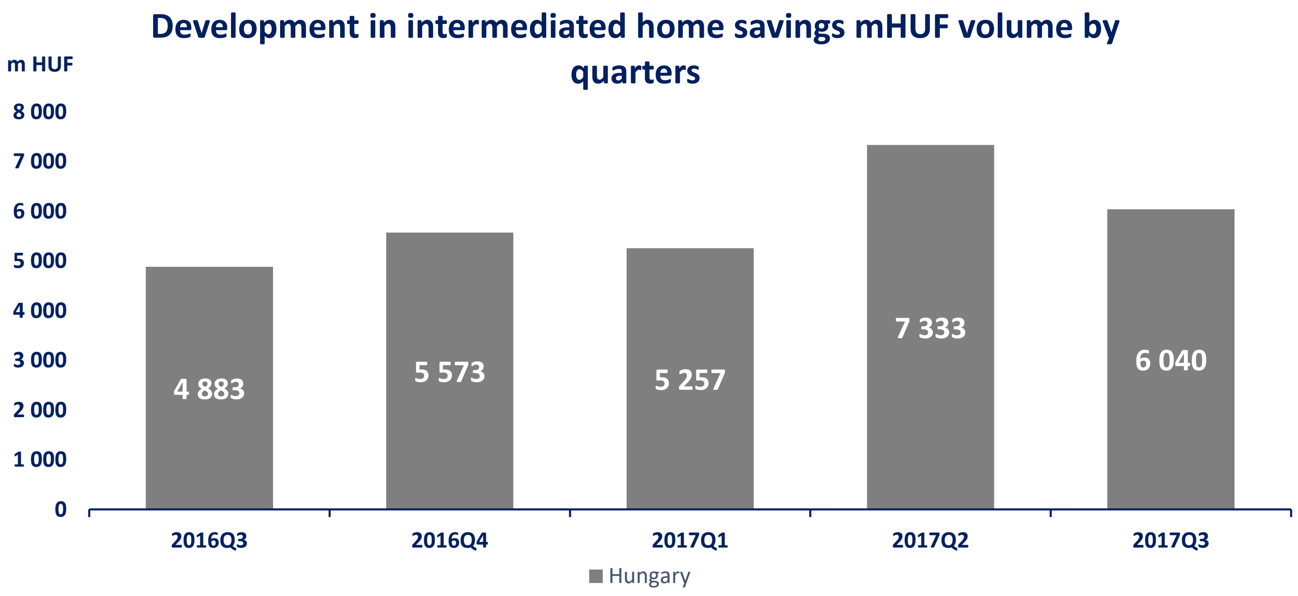
Financial product intermediary services segment

Changes in intermediated loan volumes



- Following the record result in Q2 2017, the intermediated loan volume has again outgrown the same period of the previous year in Q3 by 26.8% in total. The volumes, on the other hand, were 1.6% behind the previous quarter.
- The Hungarian activity, with the intermediated loan volume exceeding HUF 11.1 Billion, has presented its strongest result since its launch, exceeding the same period of the previous year by 41.7%, and being 18.8% higher than the previous quarter.
- The Polish activity reached a 2.3% growth in comparison with the same period of the previous year with its HUF 5.0 Billion intermediated loan volume. It is still behind the expectations based on the strong result of the previous two quarters. According to the Management, the reasons behind the fallback are temporary, and due to lower number of loan applications in the summer period, and the slower pace of bank loan transfers in September. Based on the loan application data from September, the Management still considers the Polish loan intermediation activity as positive, and expects a stronger volume in Q4 of 2017.

Changes in intermediated home savings volume



- The home savings volume exceeded HUF 6 Billion in Q3 2017, a growth of 23.7% compared to the same period of the previous year, but still 17.6% lower, than in the previous quarter. The reason behind the decrease is the special promotion of one of the home savings partners in the second quarter of 2017, which caused outstanding volumes. Excluding the extraordinary volume, the business line shows a clear growth path in the last five quarters.

SEGMENT LEVEL RESULTS

(data in thHUF)	FINANCIAL PRODUCT INTERMEDIARY SERVICES SEGMENT							
	7.-9. 2017	7.-9. 2016	Variance (thHUF)	Variance (%)	1.-9. 2017	1.-9. 2016	Variance (thHUF)	Variance (%)
Net sales revenue	**504 987**	**322 852**	**182 135**	**56%**	**1 381 027**	**1 058 780**	**322 247**	**30%**
Direct expenses	282 082	210 839	71 243	34%	816 333	614 217	202 115	33%
Gross profit	**222 905**	**112 013**	**110 892**	**99%**	**564 694**	**444 563**	**120 131**	**27%**
Gross profit margin (%)	*44%*	*35%*			*41%*	*42%*		
Depreciation and amortization	277	151	127	84%	721	624	97	16%
Indirect expenses	41 140	46 386	-5 245	-11%	127 073	106 504	20 568	19%
Operating income (EBIT)	**181 487**	**65 477**	**116 011**	**177%**	**436 900**	**337 434**	**99 466**	**29%**
EBIT margin (%)	*36%*	*20%*			*32%*	*32%*		

The financial intermediary services segment has closed an outstanding quarter, partly as a result of a one-time item.

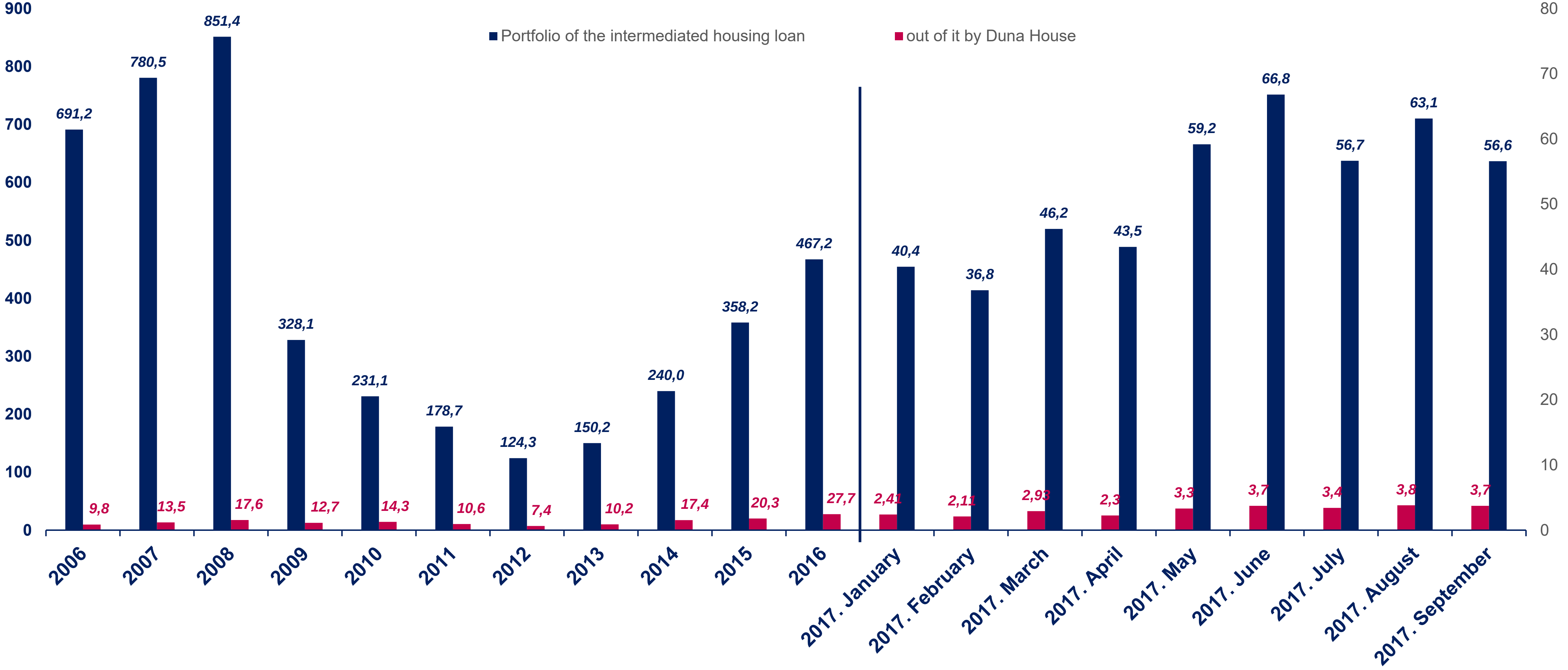
The revenue volume has increased by 56% compared to Q3 2016, which is mainly the result of the significant volume growth of intermediated loan and homes savings in Hungary.

Furthermore, a one-time item accounted for HUF 66 Million revenues and EBIT, as the result of the revision of the estimation methodology of recurring loan commissions. The revision has begun in Q2 and focused on the loan portfolio of the previous periods. The improved methodology was applied in relation to the current reporting period, as well.

The increase of the contribution margin and the operating result is also due to the volume growth of intermediated financial products, plus the improved recurring commission model.

HUNGARIAN HOUSING LOAN TRENDS

The Housing loan portfolio intermediated countrywide and by Duna House in the past periods (mrdHUF)



Complementary services segment

COMPLEMENTARY SERVICES SEGMENT

Complementary services segment at present includes 4 activities:

Comprehensive property management services

- Operation of empty and inhabited premises
- Property rent out and sales
- Cleaning, renovation, furnishing

- Deep knowledge of property market transactions – significant additional, up-to-date and detailed information and data.
- Property valuation is carried out by independent professionals throughout the country.

Serving both individuals and business entities:

- Quality services provisioned by Pannónia Általános Biztosító
- Independent energy certificate preparing professionals
- Countrywide presence

Fund Manager belonging to the Group

MNB cert.No:

- H-EN-III-130/2016

Date of registry:

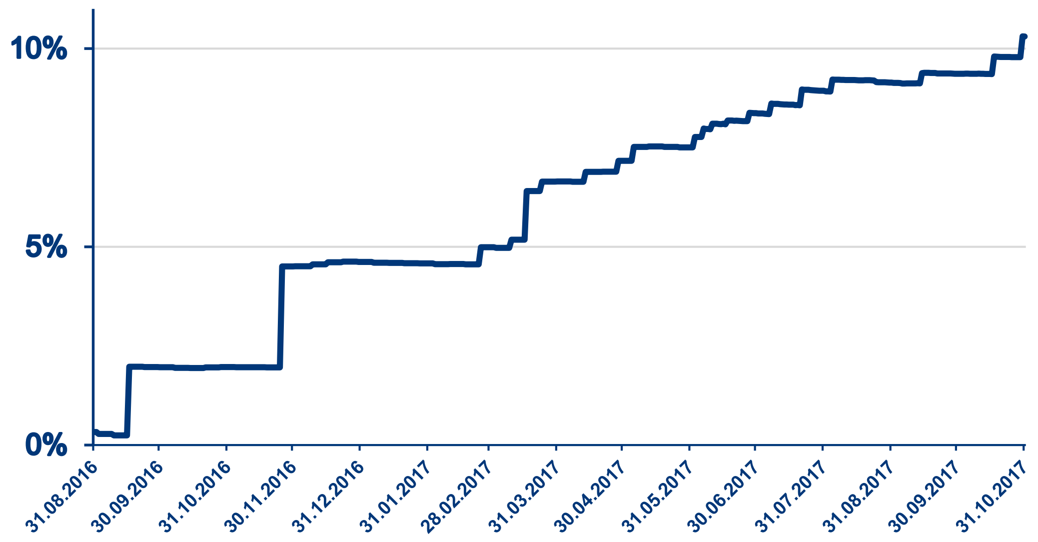
- April 2016.

Currently managed fund:

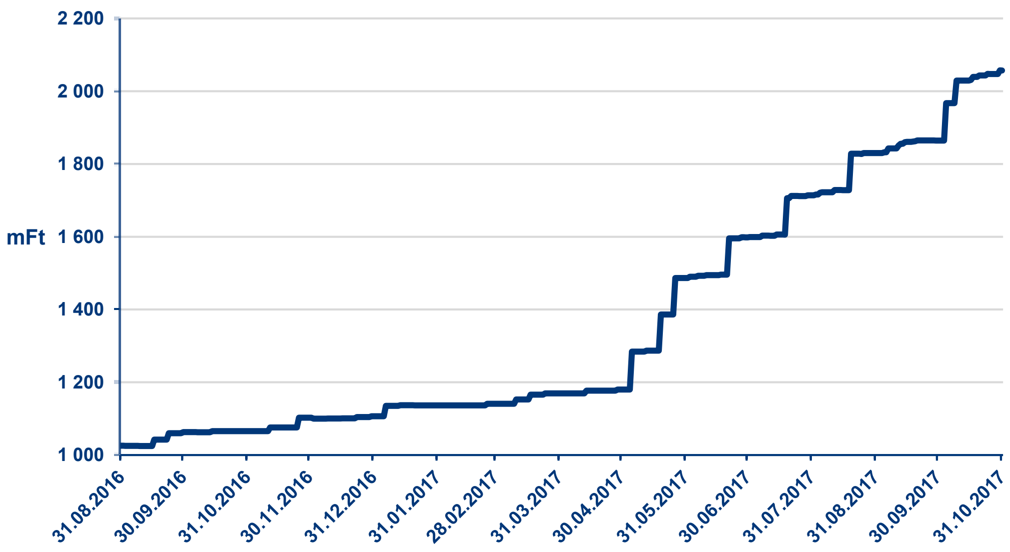
- ILBA, open-end, public

IMPACT FUND MANAGER

Generated yield from the beginning by Impact Residential Property Investment Fund



Net asset value development from the beginning by Impact Residential Property Investment Fund

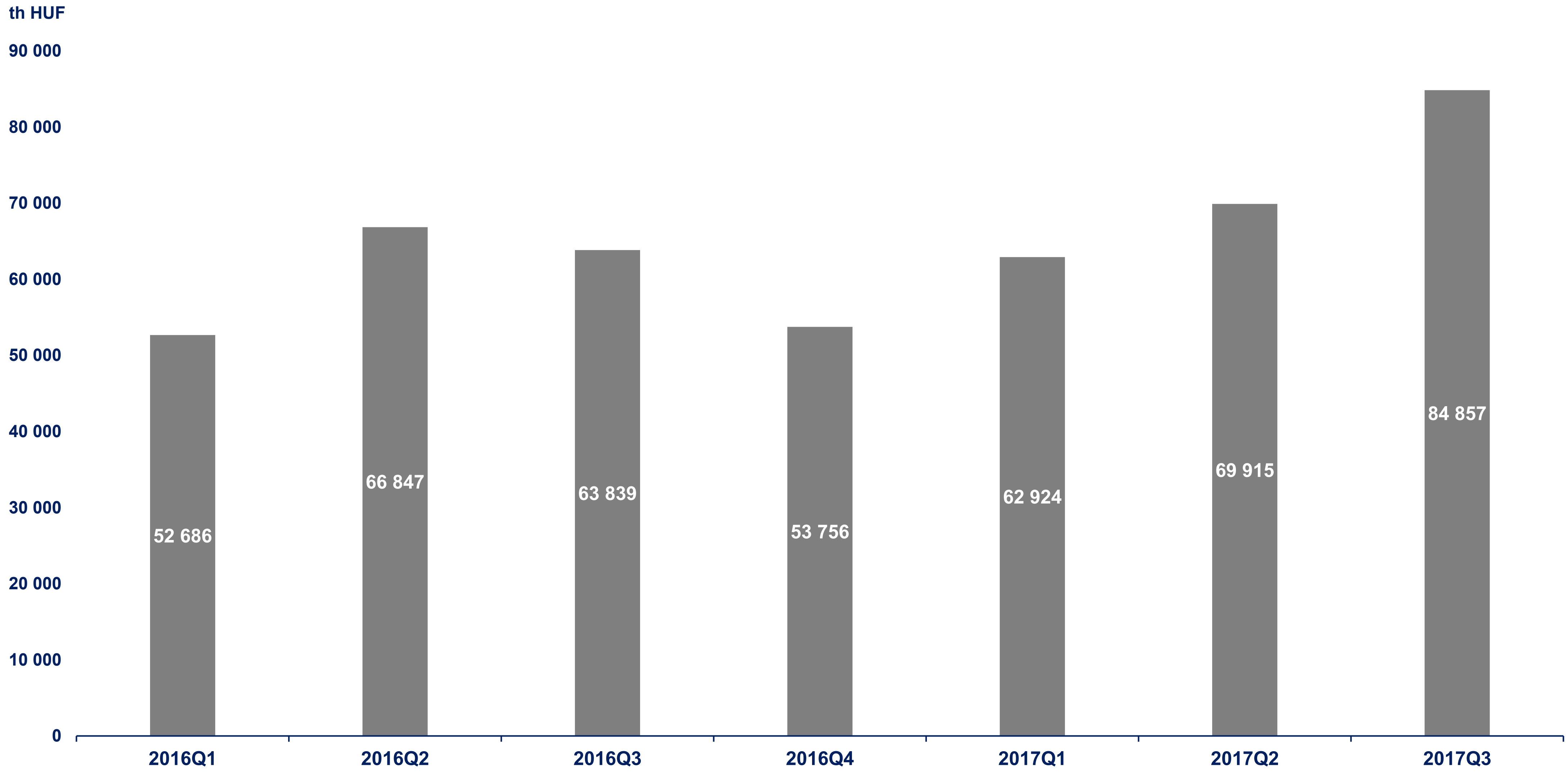


Annual yield of “ILBA”, the Impact Investment Fund, was 6.0% as of November 27, 2017.

The net asset value of the Impact Residential Investment Fund (“ILBA”) has exceeded HUF 2 Billion in October 2017, with nearly 80% of its assets invested in real estate.

The Management plans the further expansion of Impact Fund’s asset value. Accordingly, it is the short-term goal of the Management to develop new distribution channels enabling the widespread sales of its investment units.

CHANGES IN SEGMENT SALES REVENUE BY QUARTERS



SEGMENT LEVEL RESULTS

(data in thHUF)	COMPLEMENTARY SERVICES SEGMENT							
	7.-9. 2017	7.-9. 2016	Variance (thHUF)	Variance (%)	1.-9. 2017	1.-9. 2016	Variance (thHUF)	Variance (%)
Net sales revenue	**84 857**	**63 839**	**21 018**	**33%**	**217 696**	**183 372**	**34 324**	**19%**
Direct expenses	35 523	25 912	9 610	37%	82 373	74 600	7 773	10%
Gross profit	**49 334**	**37 926**	**11 408**	**30%**	**135 323**	**108 772**	**26 551**	**24%**
Gross profit margin (%)	*58%*	*59%*			*62%*	*59%*		
Depreciation and amortization	276	833	-557	-67%	1 233	1 385	-152	-11%
Indirect expenses	33 552	22 444	11 108	49%	112 756	70 635	42 121	60%
Operating income (EBIT)	**15 506**	**14 650**	**856**	**6%**	**21 334**	**36 752**	**-15 417**	**-42%**
EBIT margin (%)	*18%*	*23%*			*10%*	*20%*		

Among property-related services, the revenues from value appraisal and energy certificate intermediation reached the same level as in last year, while the revenue from residential property management and lease presented an above 30% increase in comparison with the base period. In addition, the realized revenue of the Impact Fund, which in the comparative period has been under ‚Other and consolidation segment', reached nearly HUF 14 Million.

Segment level contribution margin remained stable compared to the last year; as a result of Impact Fund's activity HUF 8 Million more gross margin was generated than in Q3 2016.

Following the deduction of Impact Fund's operational costs, the segment level operating result shows a 6% increase in comparison with the base period

Property investments segment

SEGMENT LEVEL RESULTS

(data in thHUF)	PROPERTY INVESTMENT SEGMENT							
	7.-9. 2017	7.-9. 2016	Variance (thHUF)	Variance (%)	1.-9. 2017	1.-9. 2016	Variance (thHUF)	Variance (%)
Net sales revenue	**31 272**	**877 399**	**-846 127**	**-96%**	**83 582**	**1 135 773**	**-1 052 191**	**-93%**
Direct expenses	7 443	833 633	-826 190	-99%	12 178	998 110	-985 932	-99%
Gross profit	**23 829**	**43 766**	**-19 938**	**-46%**	**71 404**	**137 663**	**-66 259**	**-48%**
Gross profit margin (%)	*76%*	*5%*			*85%*	*12%*		
Depreciation and amortization	5 599	5 163	436	8%	16 394	15 260	1 134	7%
Indirect expenses	-2 141	26 696	-28 837	-108%	1 583	-44 294	45 878	-104%
Operating income (EBIT)	**20 371**	**11 908**	**8 463**	**71%**	**53 427**	**166 697**	**-113 270**	**-68%**
EBIT margin (%)	*65%*	*1%*			*64%*	*15%*		

*profit/loss difference related to revaluation of investment purpose properties is indicated among indirect operating costs

**in the past, result of MyCity companies' activity was indicated under "Share of profit of a joint venture" in the consolidated income statement. The HUF 481 Million profit indicated on this line in the comparative period is Duna House Plc.'s proportional part of the value increase of construction lands registered as investment purpose property prior to the start of development activity.

Staring in Q2 2017, i.e the acquisition of MyCity group, the result of the property development activity through MyCity companies is indicated under this segment. **

The significant revenue fallback of the property investments segment is connected to the focus shift from the investment purpose property portfolio to property development since Q2 2016, and the subsequent sale of invested assets.

Only one investment purpose property (parking) was sold during the third quarter; the revenue realized in the segment consists primarily of lease revenue. Revenue arising in connection with the sales of properties within MyCity developments can be realized only following the receipt of the occupancy permits, thus Q3 numbers do not include such revenues.

The -2.1 Million balance of indirect operational costs is the result of the cumulated consolidation adjustment in connection with MyCity group's operating and financial profit.

The segment's profitability indicated on operating result level is outstanding – above 60%- , which is mainly due to lease activity.

VOLUME* AND VALUE OF INVESTMENT AND OPERATIVE PROPERTIES

(data in thHUF)	31 March 2017		30 June 2017		30 September 2017	
	Number (pcs)**	Carrying amount	Number (pcs)**	Carrying amount	Number (pcs)**	Carrying amount
Investment purpose property	12	953 429	12	976 385	12	972 885
Operational property	5	409 623	5	403 970	5	399 956
Total	**17**	**1 363 052**	**17**	**1 380 355**	**17**	**1 372 841**

* ˙properties owned by MyCity group not included

**number of properties doesn’t include the number of parking spaces, storage rooms

We appraise investment purpose properties on market value. Market appraisal is carried out every six months, next time on December 31, 2017.

PROPERTY DEVELOPMENT ACTIVITY

Duna House Group manages the development of 430 flats in 4 projects under MyCity brand, as follows:

	Forest Hill Budapest III. district	Reviczky Liget Budapest XVIII. district	Írisz Ház Budapest XIII. district	MyCity Residence Budapest III. district	TOTAL
Duna House Group's share in Project	**100%**	**100%**	**100%**	**50%**	
Landsize (m2)	29 314	5 625	1 319	3 345	**39 603**
Sellable area (m2)	16 085	4 672	2 601	6 882	**30 240**
Number of Apartements (pcs.)	196*	86	43	103	**428**
Average price (thHUF/ m2)**	601	438	541	629	**552**
Average Apartements size (m2)	80	54,3	60,4	68,8	**65,9**
Actual status of Projects					
Construction permit	✓	✓	✓	✓	
Construction is ongoing	✓	✓	-	-	
Active presale started	✓	✓	-	✓	

* 148 flats with building permits at present
** based on average MyCity sales prices

PROPERTY DEVELOPMENT ACTIVITY

- In case of MyCity property development projects, the significant increase of construction costs was reasonably compensated for by the major sales price increase, thus the Management's profit-forecast in relation of property development activity has not changed significantly.
- District 18. Reviczky Liget Project: The submission of the occupation permit is under way, while the technical take-over shall begin in Q4. 75% of the flats are sold; invoicing and revenue recognition can take place following the receipt of the occupation permit. The Management expects an operating result between HUF 600 and 700 Million in relation to the projects, and following the completed sales of the flats.
- District 3. Forest Hill: Constructing and sales are proceeding according to plans.
- District 3. MyCity Residence: The general contractor's assignment is in the finalization phase. Construction may begin afterwards, in December 2017 as expected.
- District 13. Írisz Ház Project: The first round of the tender for construction was unsuccessful, the invitation of further partners is under way.
- According to the Management, the performance of property development activity within MyCity is in accordance with the set goals, and shows positive tendency.

ON-GOING PROJECTS

Forest Hill

Reviczky Liget

Írisz Ház

MyCity Residence

Other- and consolidation segment

SEGMENT LEVEL RESULTS

(data in thHUF)	OTHERS- AND CONSOLIDATION SEGMENT							
	7.-9. 2017	7.-9. 2016	Variance (thHUF)	Variance (%)	1.-9. 2017	1.-9. 2016	Variance (thHUF)	Variance (%)
Net sales revenue	**-68 167**	**-70 271**	**2 104**	**-3%**	**-237 507**	**-208 836**	**-28 671**	**14%**
Direct expenses	61 381	9 270	52 111	562%	-24 104	28 421	-52 525	-185%
Gross profit	**-129 548**	**-79 541**	**-50 007**	**63%**	**-213 403**	**-237 257**	**23 854**	**-10%**
Gross profit margin (%)	*190%*	*113%*			*90%*	*114%*		
Depreciation and amortization	1 088	1 203	-115	-10%	3 107	3 605	-498	-14%
Indirect expenses	-137 320	-62 672	-74 647	119%	-204 306	-205 132	825	0%
Operating income (EBIT)	**6 683**	**-18 072**	**24 755**	**-137%**	**-12 204**	**-35 730**	**23 526**	**-66%**
EBIT margin (%)	*-10%*	*26%*			*5%*	*17%*		

Under the Other and consolidation segment we present the Group`s supporting holding activity performance, as well as yields and expenditures detected in the consolidation process, and the result of consolidation amendments. The segment’s positive result in the third quarter is the result of the latter.

The Group’s Q3 operational performance includes primarily BÉT, KELER fees, as well as the proportional part of the accounting and auditing fees in relation of the Group’s annual and consolidated report accounting activity.

Furthermore, Impact Asset Management Plc. was also indicated under the present segment in the comparative period – at present it is introduced under Complementary services segment

.

Consolidated financial statements

CONSOLIDATED BALANCE SHEET

Consolidated balance sheet data in thHUF	30. September 2017 (not audited)	2016. December 31. (audited)	Variance	
			thHUF	%
Other intangible assets	71 827	84 692	-12 865	-15%
Goodwill	1 021 751	992 089	29 662	3%
Investment property	1 174 686	939 362	235 324	25%
Property, plant	545 157	519 319	25 838	5%
Equipment	102 233	53 920	48 313	90%
Investment in a joint venture	205 409	506 273	-300 864	-59%
Deferred tax assets	150 749	158 829	-8 080	-5%
Other financial assets	68 765	66 401	2 364	4%
Non-current assets	**3 340 578**	**3 320 885**	**19 693**	**1%**
Inventories	2 667 999	11 616	2 656 383	22868%
Trade receivables	487 626	286 205	201 421	70%
Receivables from affiliates	141 352	378 709	-237 357	-63%
Other receivables	127 383	53 648	73 735	137%
Current tax asset	34 726	35 119	-393	-1%
Other assets	348 251	321 744	26 507	8%
Cash and cash equivalents	1 219 256	1 583 686	-364 430	-23%
Current assets	**5 026 593**	**2 670 727**	**2 355 866**	**88%**
Total assets	**8 367 171**	**5 991 612**	**2 375 559**	**40%**

Consolidated balance sheet data in thHUF	30. September 2017 (not audited)	31. December 2016 (audited)	Variance	
			thHUF	%
Share capital	171 989	153 050	18 939	12%
Share premium	1 490 536	9 479	1 481 057	15625%
Other reserves	1 685	-23 318	25 003	-107%
Retained earnings	2 715 012	2 444 092	270 920	11%
Equity attributable to the owners of the Company	**4 379 223**	**2 583 303**	**1 795 920**	**70%**
Non-controlling interests	-48 222	-40 154	-8 068	20%
Total equity	**4 331 001**	**2 543 149**	**1 787 852**	**70%**
Borrowings	522 224	582 664	-60 440	-10%
Deferred tax liabilities	158 452	86 557	71 895	83%
Other non-current liabilities	2 000	10 629	-8 629	-81%
Non-current liabilities	**682 676**	**679 850**	**2 826**	**0%**
Borrowings	852 994	198 830	654 164	329%
Trade payables	303 973	68 975	234 998	341%
Payables to affiliates	751 831	1 740 880	-989 049	-57%
Other liabilities	1 051 088	264 302	786 786	298%
Current tax liabilities	3 929	11 284	-7 355	-65%
Accrued expenses	389 679	484 342	-94 663	-20%
Current liabilities	**3 353 494**	**2 768 613**	**584 881**	**21%**
Total equity and liabilites	**8 367 171**	**5 991 612**	**2 375 559**	**40%**

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Attributable to the shareholders of the Company	Attributable to non-controlling interests	Total equity
data in thHUF							
31. December 2015	**153 050**	**9 479**	**0**	**1 525 238**	**1 687 767**	**0**	**1 687 767**
Dividend paid	0	0	0	-247 600	-247 600	0	-247 600
Aquisition of Subsidiary	0	0	0	0	0	-40 214	-40 214
Total comprehensive income	0	0	-23 318	1 166 454	1 143 136	60	1 143 196
31. December 2016	**153 050**	**9 479**	**-23 318**	**2 444 092**	**2 583 303**	**-40 154**	**2 543 149**
Dividend paid	0	0	0	-479 260	-479 260	0	-479 260
Capital increase	18 939	1 481 057	0	0	1 499 996	0	1 499 996
Total comprehensive income	0	0	25 003	750 180	775 184	-8 068	767 116
30. September 2017	**171 989**	**1 490 536**	**1 685**	**2 715 012**	**4 379 223**	**-48 222**	**4 331 001**

CONSOLIDATED INCOME STATEMENT

Consolidated income statement (data in thHUF, except earnings per share)	7-9. 2017. (not audited)	7-9. 2016. (not audited)	Variance thHUF	Variance %	1-9. 2017. (not audited)	1-9. 2016 (not audited)	Variance thHUF	Variance %
Net sales revenue	1 206 532	1 711 303	-504 771	-29%	3 489 363	3 714 585	-225 222	-6%
Other operating income	36 052	39 198	-3 146	-8%	101 560	188 894	-87 334	-46%
Change in stocks of finished products and work in progress	-459 220	0	-459 220	0%	-760 980	0	-760 980	0%
Consumables used	14 776	12 256	2 520	21%	44 764	38 899	5 865	15%
Cost of goods and services sold	243 756	1 004 645	-760 889	-76%	667 504	1 572 870	-905 366	-58%
Services purchased	986 373	502 503	483 870	96%	2 388 360	1 211 488	1 176 872	97%
Personnel expenses	136 748	72 498	64 250	89%	418 350	266 671	151 679	57%
Depreciation and amortization	26 393	20 340	6 053	30%	66 736	57 604	9 132	16%
Other operating expenses	20 717	29 643	-8 926	-30%	74 013	96 826	-22 813	-24%
Operating income (EBIT)	**273 040**	**108 616**	**164 424**	**151%**	**692 176**	**659 121**	**33 055**	**5%**
Finance income	1 452	13 155	-11 703	-89%	171 385	85 318	86 067	101%
Finance costs	34 669	15 257	19 412	127%	59 073	47 825	11 248	24%
Share of the losses of a joint venture	-6 763	-14 778	8 015	-54%	80 856	466 151	-385 295	-83%
Profit before tax	**233 060**	**91 736**	**141 325**	**154%**	**885 344**	**1 162 765**	**-277 421**	**-24%**
Income tax expense	42 542	5 756	36 787	639%	140 784	136 627	4 157	3%
Profit after tax	**190 518**	**85 980**	**104 538**	**122%**	**744 560**	**1 026 138**	**-281 578**	**-27%**
Currency translation difference	13 385	7 204	6 181	0%	-700	1 291	-1 991	-154%
Other comprehensive income	**13 385**	**7 204**	**6 181**	**0%**	**-700**	**1 291**	**-1 991**	**-154%**
Total comprehensive income	**203 904**	**93 184**	**110 720**	**119%**	**743 860**	**1 027 429**	**-283 569**	**-28%**
attributable to								
Shareholders of the Company	206 588	92 667	113 920	123%	751 866	1 026 013	-274 147	-27%
Non-controlling interest	-2 682	517	-3 199	-619%	-8 005	1 471	-9 476	-644%
Earnings per share (basic and diluted)	**52**	**28**	**24**	**85%**	**213**	**324**	**-111**	**-34%**

Revenue, operating and after tax income by countries

Originally published figures* (data in thHUF)	Hungary		Poland		Czech Rep.		Duna House total	
	2017Q2	2017Q1	2017Q2	2017Q1	2017Q2	2017Q1	2017Q2	2017Q1
Net sales revenue	829 265	735 856	306 071	285 587	95 099	30 599	1 230 789	1 052 042
Operating income (EBIT)	240 234	178 602	21 538	-5 023	-8 774	-7 441	252 998	166 138
Profit after tax	275 790	275 703	21 284	-1 991	-9 007	-7 738	288 067	265 974

Corrected quarterly figures (data in thHUF)	Hungary			Poland			Czech Rep.			Duna House total		
	2017Q3	2017Q2	2017Q1	2017Q3	2017Q2	2017Q1	2017Q3	2017Q2	2017Q1	2017Q3	2017Q2	2017Q1
Net sales revenue	853 192	829 265	735 856	284 393	306 425	285 587	68 947	95 099	30 599	1 206 532	1 230 789	1 052 042
Operating income (EBIT)	274 028	247 054	180 670	10 294	14 718	-7 061	-11 282	-8 774	-7 441	273 040	252 998	166 138
Profit after tax	199 286	305 559	277 741	2 769	-8 485	-4 029	-11 356	-9 007	-7 738	190 519	288 067	265 974

*The non-audited country level profit and loss statement data, as published on May 26, 2017 and August 25, 2017, in relation of the Polish and the Hungarian activity, have been inaccurate, due to errors in connection with the consolidation between these countries.

The impact of the above referred errors did not effect consolidated, Group-level operating and after tax profit data. Upon the detection and correction of the inaccuracies in Q3, we publish again the selected P&L report data from previous quarters in the above tables.

.

.

CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement	1-9. 2017 (not audited)	1-12. 2016 (audited)
Data in thHUF		
Cash flows from operating activities		
Profit after tax	744 560	1 167 859
Adjustments:		
Depreciation	66 736	77 795
Deferred tax expense	-5 235	-96 164
Fair value adjustments of investment properties	-22 469	-188 031
Badwill	-139 595	-56 272
Share of profit of a joint venture	80 856	-505 273
Movements of working capital		
Increase in inventories	-725 667	-3 122
Increase in trade- and other receivables	120 822	-612 728
Decrease of other assets	-26 507	90 658
Increase of trade payables	-291 539	33 742
Increase of other short term liabilities	403 239	238 807
Increase in accruals	-95 606	191 543
Net cash generated by operating activities	***109 596***	***338 815***

Consolidated cash flow statement	1-9. 2017 (not audited)	1-12. 2016 (audited)
Cash flows from investing activities		
Payments for property, plant and equipment	-138 098	-819 605
Proceeds from the sale of properties	9 314	1 096 588
Net cash outflow on acqusition of subsidiaries	-171 668	-873 464
Net cash used in investing activities	***-300 452***	***-596 481***
Cash flows from financing activities		
Proceeds from borrowings	334 749	172 339
Proceeds from shareholders for capital increase	0	1 499 997
Dividends paid	-485 166	-246 730
Securities sold	0	0
	-23 157	0
Net cash generated from financing activities	***-173 575***	***1 425 605***
Net increase in cash and cash equivalents	-364 430	1 167 939
Cash and cash equivalents at the beginning of the year	1 583 686	415 747
Cash and cash equivalents at the end of the year	**1 219 256**	**1 583 686**

GROUP LEVEL OPERATING AND AFTER TAX PROFIT WITHOUT MYCITY

Data in thHUF	Duna House Group [w/o MyCity*]				
	2017Q3	2017Q2	2017Q1	2017 1.-9. hó	Management forecast for the year 2017
Operating income	**263 428**	**269 273**	**171 456**	**704 157**	**-**
Profit after tax	**234 018**	**245 096**	**289 865**	**768 979**	**850 000 – 1 000 000**

**=Excluding the individual performance of MyCity group (MyCity Residential Development Kft., Pusztakúti 12 Kft., Revicky 6-10 Kft., Zsinór 39 Projekt Kft., Hunor utca 24 Ingatlanfejlesztő Kft.) , but taking into account the performance of transactions arising from the Group's cooperation with MyCity, and as a result of the control over MyCity group aqcuired in March 2017, the Group sustained a badwill. Sales revenue related to the real estate development projects within MyCity group -in accordance with current accounting standards with relevance to the sector- is realized following project closure. Indirect (operational) costs arising before sales revenue realization have a negative impact on profitability.*

Annex 1.

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

Duna House Group Nyrt 2017Q3 negyedeves HUN_1.sz.melleklet.xlsx

Disclaimer

Undersigned, members of the Board of Directors of DUNA HOUSE HOLDING Plc. (seated H-1016 Budapest, Gellérthegy str 17. Hungary; Company Reg. No. 01-10-048384) ; hereinafter „Company") declare that the present quarterly report has been prepared with our best knowledge and conviction, and with the aim to present an extensive look at the financial state of the Company, including statements and estimates referred to for the present.

All statements and estimates are based on estimates and forecasts up-dated with our best knowledge and conviction, and in relation to which we shall not be held responsible for publicly up-dating any of the statements or estimates based on any future information, or events. Statements referring to the present bear a certain level of risk and uncertainty in themselves, thus factual results in some cases may significantly differ from forecast-type statements.

We believe that the present quarterly interim report presents a trustworthy and real picture regarding the assets, liabilities, financial state, as well as the profit and loss of the Company and joint ventures included in the consolidation. The report also presents a trustworthy picture of the state, development and performance of the Company and joint ventures included in the consolidation.

Simultaneously, we shall call attention to the financial statements presented in the interim report not being subject of an accounting audit, and in its present form not being in full compliance with all requirements of the International Financial Reporting Standards implemented by the European Union. The audited annual report of the Company, prepared in compliance with the regulations of International Financial Reporting Standards shall be published following the approval of the ordinary General Meeting of the Company planned to take place in April 2018.

Budapest, 27 November, 2017.

Duna House Holding Plc. Board of Directors

Represented by: Doron Dymschiz, Board of Directors, President

DUNA HOUSE®
GROUP

dunahouse.com