



DUNA HOUSE[®]
GROUP

DUNA HOUSE GROUP

Investor presentation

20 March 2018



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WE ARE THE LEADING RESIDENTIAL REAL ESTATE BROKER IN CEE

WE SERVE PEOPLE. REAL ESTATE IS OUR PASSION.

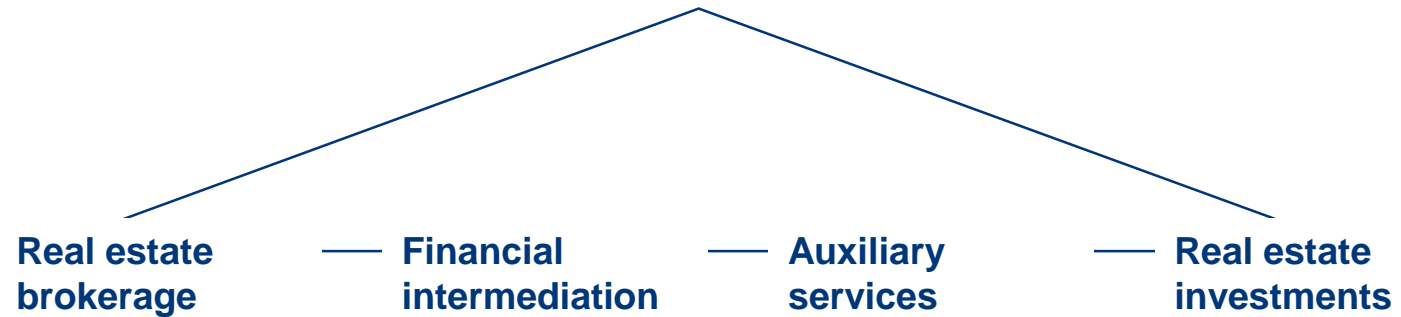


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Duna House Group

At a glance



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WE ARE THE LEADING RESIDENTIAL REAL ESTATE BROKER IN CEE



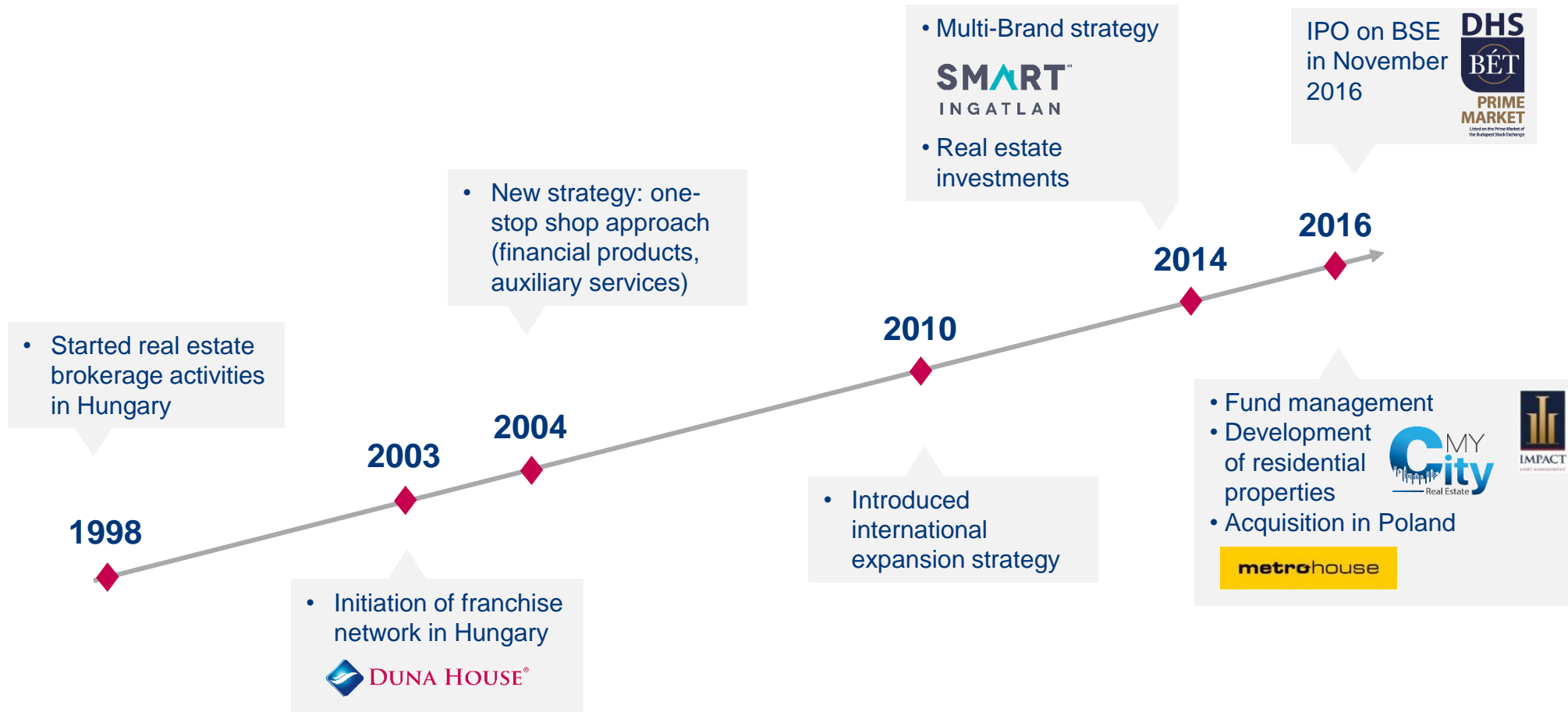
OUR CURRENT MARKETS



DH GROUP IN NUMBERS

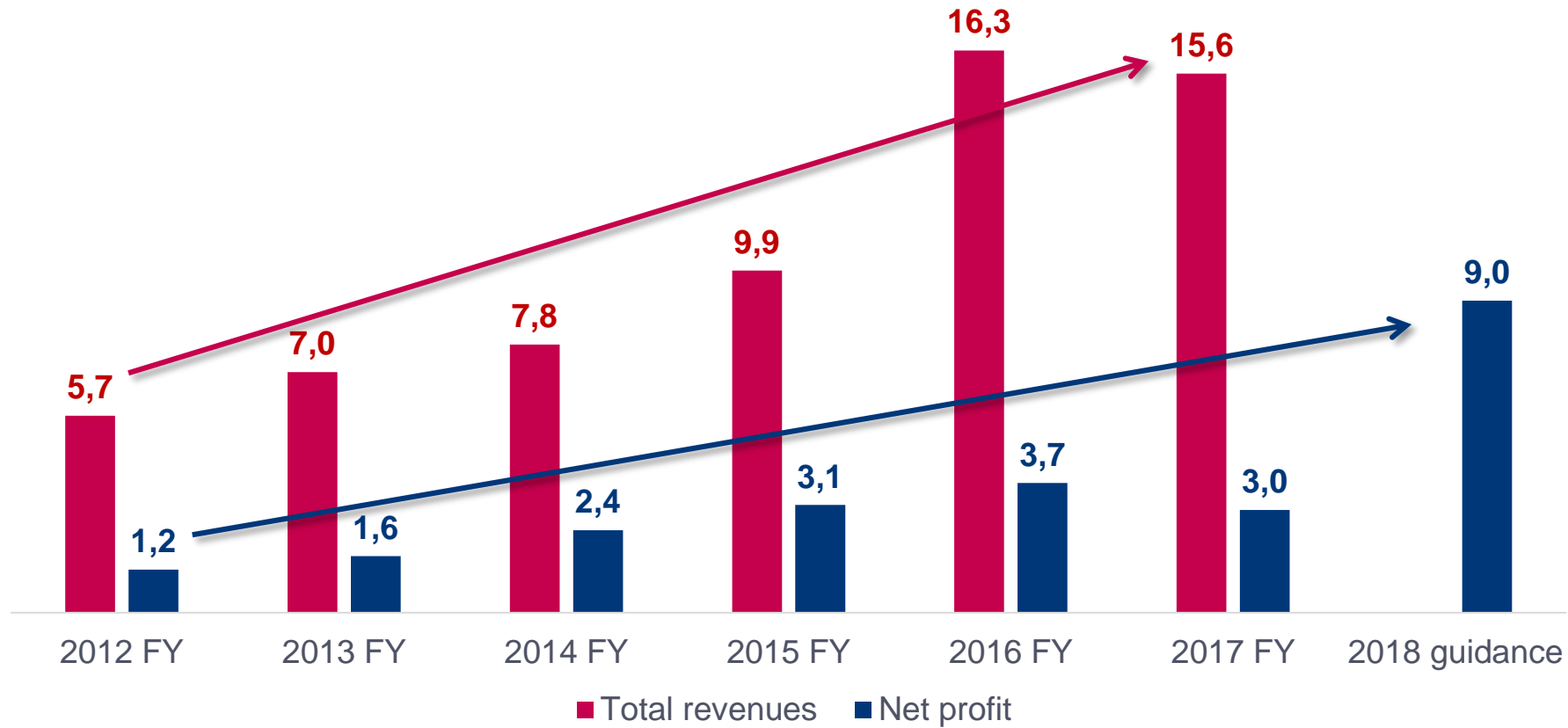
- DH Group: Hungary, Poland, Czech Republic
- Currently 236 offices in three countries
- 13k successful real estate sales per year
- HUF 64.7bn (EUR 209.2m) loans intermediated in 2017
- HUF 24.9bn (EUR 80.6m) home savings products intermediated in 2017
- Over 2,300 salespersons
- Residential real estate fund with AuM of HUF 2.3bn (EUR 7.4m)
- Listed on Budapest Stock Exchange with HUF 14.0bn (EUR 45m) market cap

PRESENCE AND KNOW-HOW OF TWO DECADES



STRONG GROWTH IN REVENUES AND NET PROFITS

Total revenues and Net profits of Duna House Group
- EURm



ANNUAL REVENUE GROWTH
OF **22%**

ANNUAL NET PROFIT
GROWTH OF **39%**

MISSION AND ACTIVITIES

WE SERVE PEOPLE. REAL ESTATE IS OUR PASSION.

OUR SERVICES

Real estate brokerage

- Franchise partnership model
- Sales via own offices (18-20% of total network commissions)

Financial intermediation

- Mortgage and other loans
- Home savings products
- Real estate insurance

Auxiliary services

- Fund management
- Home management
- Valuations
- Energy certificates

Real estate investments

- Residential developments
- Real estate portfolio




Continuous innovation based on spot-on market knowledge.

Our fully integrated business model gives us the ability to capitalize on many facets of each real estate transaction.

GEOGRAPHICAL PRESENCE

Our long-term goal is to create a consistent service portfolio in all of our countries.

OUR SERVICES BY COUNTRY*

| |  |  |  | |
|---|--|---|---|--------------|
| <i>Contribution to revenues</i> | 69% | 25% | 6% | |
| Franchise real estate brokerage | ✓ | ✓ | ! ** | — 24% |
| Own office real estate brokerage | ✓ | ✓ | ✓ | — 30% |
| Loan intermediation | ✓ | ✓ | - | } 38% |
| Home savings intermediation | ✓ | - | - | |
| Home management | ✓ | ! | - | } 5% |
| Other related services | ✓ | - | - | |
| Fund management | ✓ | - | - | } 2% |
| Residential real estate development & investments | ✓ | - | - | |

2017

Total turnover of HUF 4.8bn
(EUR 15.6m)

EBITDA of HUF 1.0bn
(EUR 3.1m)

Net Profit of HUF 0.9bn
(EUR 3.0m)

*Based on 2017 figures; ** Activity started in Q4 2017

BACK TO THE CORE ACTIVITIES

| Million HUF | 2015 FY | 2016 FY | 2017 FY | YoY |
|---------------------------------|--------------|--------------|--------------|-------------|
| Sale of investment property | | 1,097 | 10 | -99% |
| Service revenue | 2,833 | 3,687 | 4,675 | +27% |
| Other revenue | 232 | 279 | 135 | -52% |
| Total revenue | 3,066 | 5,064 | 4,820 | -5% |
| Operating costs | 1,955 | 4,261 | 3,956 | -7% |
| Operating profit | 1,111 | 803 | 864 | +8% |
| <i>EBIT-margin</i> | 36.2% | 15.9% | 17.9% | +207bp |
| EBITDA | 1,185 | 880 | 951 | +8% |
| Profit on financial activities | 10 | 21 | 147 | +600% |
| Revaluation of investments | 0 | 505 | 81 | -84% |
| Profit before tax | 1,121 | 1,329 | 1,092 | -18% |
| Tax | -156 | -161 | -174 | +8% |
| Profit after tax | 966 | 1,168 | 918 | -21% |
| <i>Net profit margin</i> | 31.5% | 23.1% | 19.1% | -401bp |
| <i>Return on Equity</i> | 57.2% | 45.0% | 20.8% | |
| <i>PAT without Developments</i> | | | 981 | |
| <i>Adjusted core PAT*</i> | 783 | 537 | 932 | +74% |
| <i>Adjusted core EPS*</i> | 235 | 158 | 274 | +74% |

- 27% increase in core revenues
- Improvement of EBIT margins to 18%
- 74% increase in core PAT (excl. developments and appraisals)
- HUF 600 million dividend to common shares (HUF 176 DPS, 4.4% dividend yield)

PAT guidance for 2017: HUF 850 to 1,000 million (excl. MyCity residential development projects)

* Adjusted PAT: excluding the impact of real estate appraisal and development results

Source: Audited consolidated IFRS reports and unaudited report for 2017

ASSET-LIGHT BUSINESS MODEL

| Million HUF | 2015 FY | 2016 FY | 2017 FY |
|---------------------------------------|--------------|--------------|--------------|
| Goodwill | 19 | 992 | 1,049 |
| Investments | 1,324 | 1,446 | 1,268 |
| Financial instruments | 48 | 66 | 70 |
| Other long term assets | 583 | 817 | 889 |
| Total long term assets | 1,974 | 3,321 | 3,275 |
| Inventory and assets for sale | 8 | 12 | 3,595 |
| Receivables from customers | 76 | 286 | 482 |
| Receivables from affiliated companies | 0 | 379 | 141 |
| Cash and cash equivalents | 416 | 1,584 | 1,428 |
| Other short term assets | 477 | 411 | 534 |
| Total short term assets | 978 | 2,671 | 6,181 |
| Total assets | 2,951 | 5,992 | 9,456 |
| Total equity | 1,688 | 2,543 | 4,530 |
| Long term loans | 495 | 583 | 1,272 |
| Other long term liabilities | 49 | 97 | 145 |
| Total long term liabilities | 544 | 680 | 1,416 |
| Short term loans | 114 | 199 | 997 |
| Suppliers | 35 | 69 | 388 |
| Payables to affiliated companies | 11 | 1,741 | 582 |
| Other short term liabilities | 559 | 760 | 1,543 |
| Total short term liabilities | 720 | 2,769 | 3,510 |
| Equity and liabilities | 2,951 | 5,992 | 9,456 |

- Asset-light business model, only real estate development projects require substantial financing.
- Residential real estate developments are booked at HUF 3.6 bn asset value. Additional investment property of HUF 1.1 bn.
- Bank loans and affiliated financing of HUF 2.2 bn related to developments.
- Total equity of HUF 4.5bn from accumulated earnings and IPO proceeds of HUF 1.5bn.

Source: Audited consolidated IFRS reports

DEVOTED MANAGEMENT TEAM



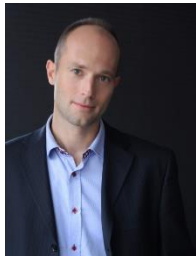
Guy Dymschiz
Co-CEO

- Co-founder of Duna House
- Lawyer
- Former lawyer in Gissin & Keset Lawyer office
- Lives in Budapest with his family



Doron Dymschiz
Co-CEO

- Co-founder of Duna House
- MBA in economics
- First sales manager, then CEO at Computer Direct North Ltd
- Lives in Budapest with his family



Ferenc Máté, FCCA
COO
at DH for 7 years



Zoltán Varga
Independent Board Member
for 2 years



Zoltán Tóth
CFO
at DH from 2016



Dániel Schilling
Head of IR and M&A
at DH from 2017

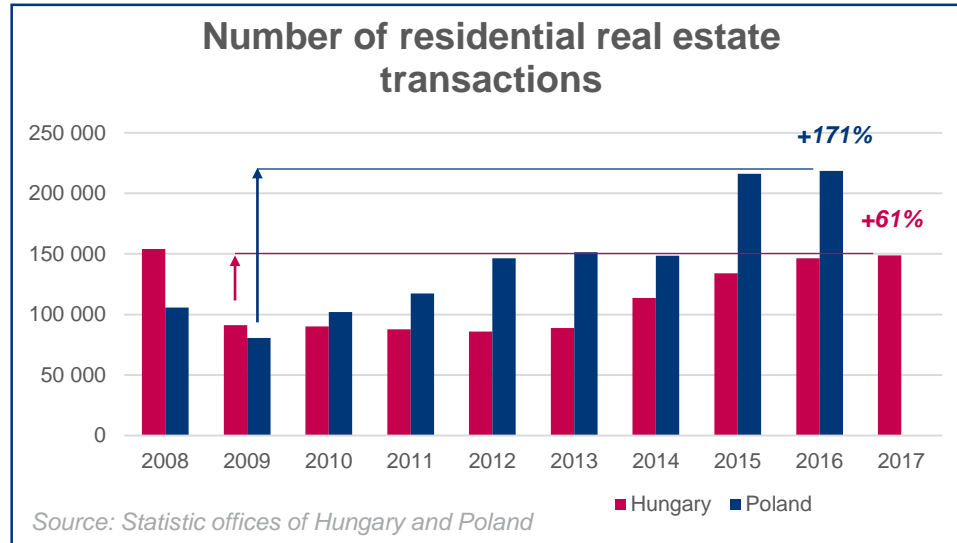


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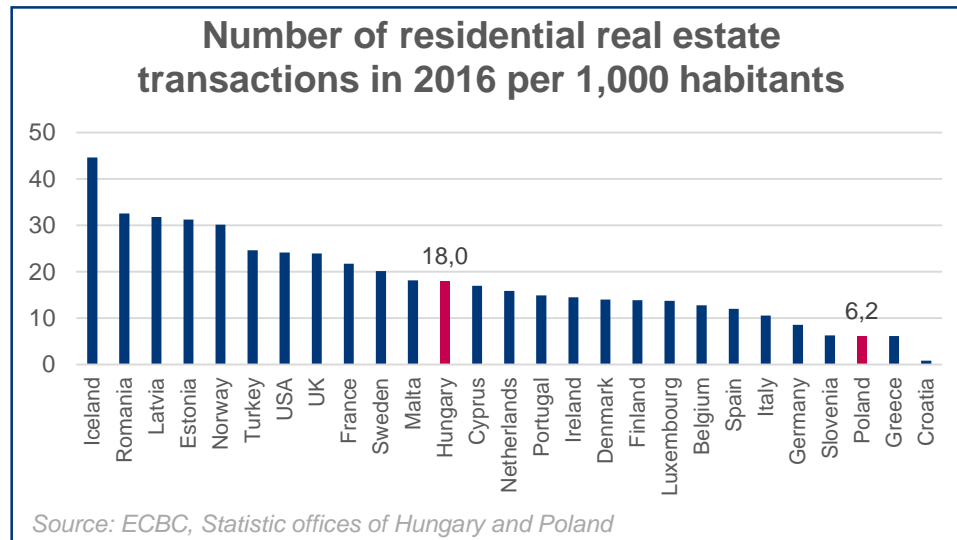
Our markets



REAL ESTATE TRANSACTION VOLUMES HAVE BEEN PICKING UP

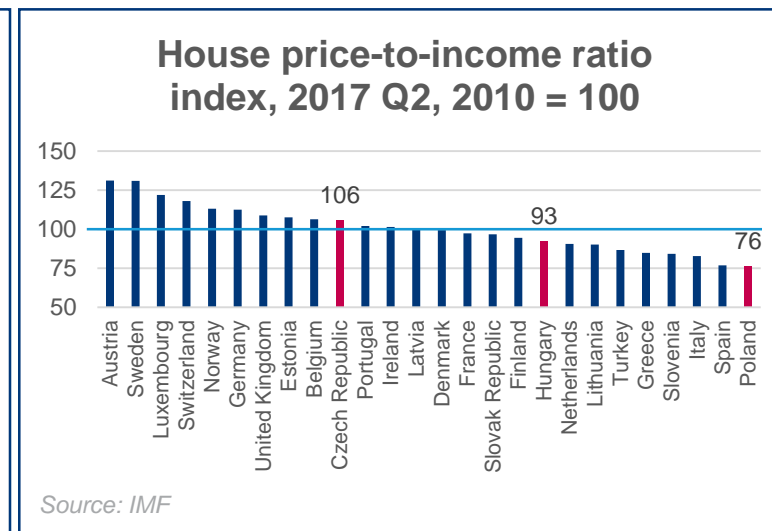
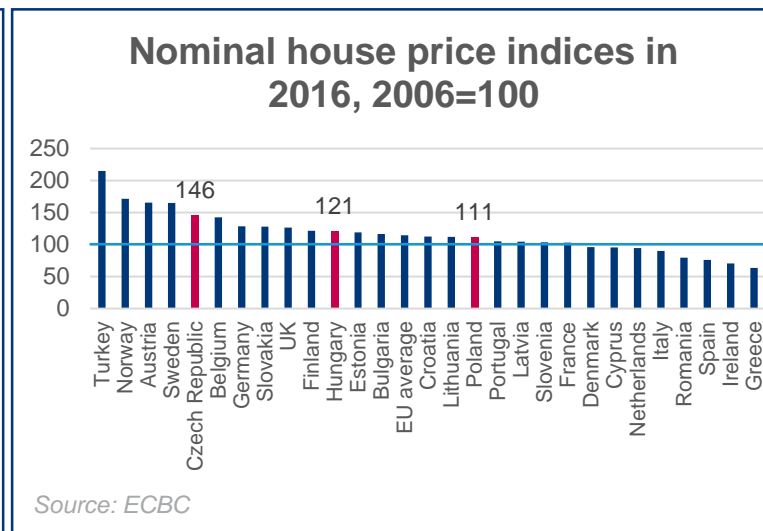
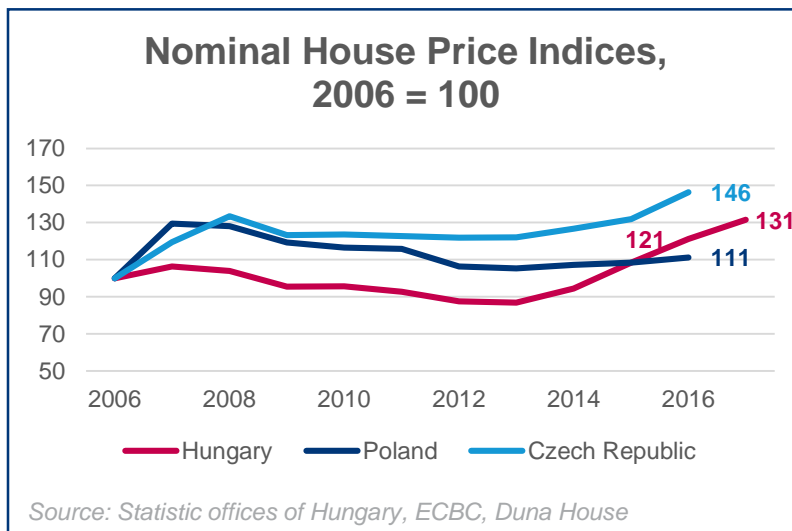


- Both of our main markets performed exceptionally well in the last three years with a **growth of 13% CAGR in Hungary and 18% in Poland.**
- After a decrease of 40% in 2009, the number of residential real estate transactions climbed back to 146k in Hungary. In Poland there was a smaller, 25% decrease in 2009 that has since grown to 219k by 2016.



- In **Poland**, the current number of transactions is **among the lowest in Europe** according to local statistics.
- **Hungary is around the median** with some further potential for growth in terms of transaction volumes.

PRICE INCREASE SUPPORTED BY INCOME GROWTH

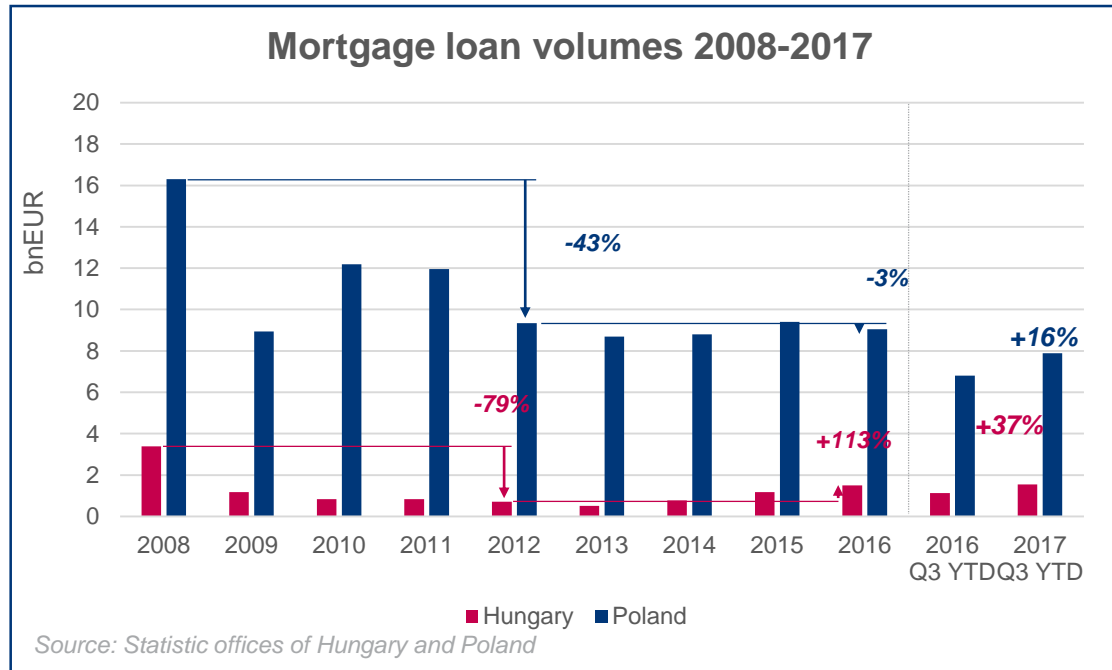


- By 2016, nominal house prices of Hungary and the Czech Republic have recovered from a 6 year long depression between 2008 and 2013.
- **Polish prices are still 18% below the historic highs of 2007.**

- Most European countries have exceeded pre-crisis nominal price levels.
- Nominal increases seen in the Czech Republic and Hungary areprecedented.

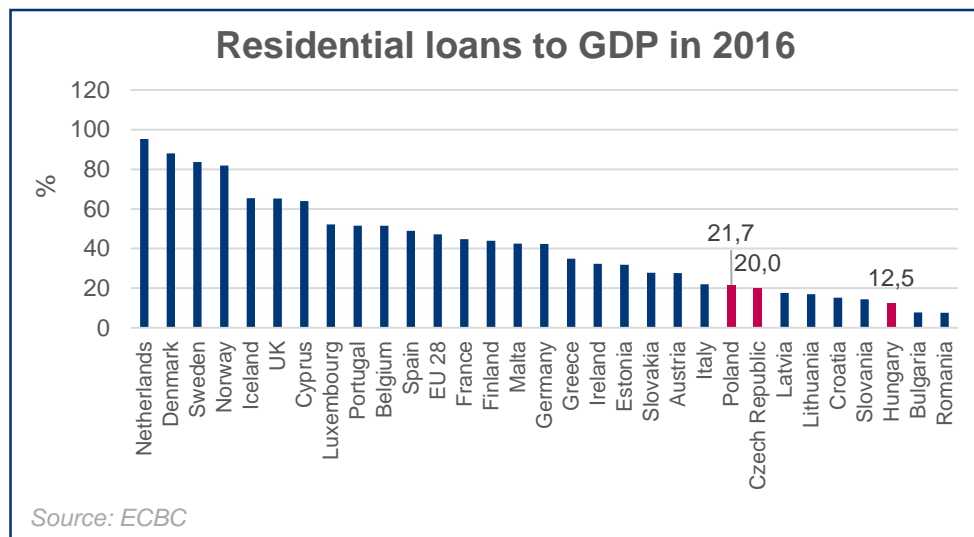
- **Household incomes have increased above house prices in Hungary and Poland** allowing further growth through affordability of home purchases.

UPSWING IN BOTH OF OUR LOAN MARKETS

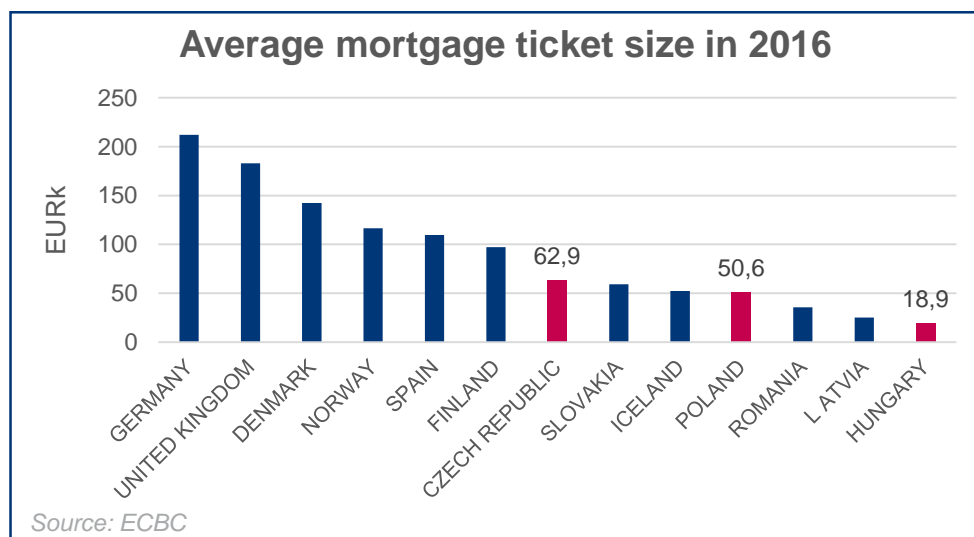


- Residential mortgage loan volumes suffered significantly and dropped by 80% in Hungary from 2008 to 2012. Followed by continuous growth, current outlooks are positive.
- Polish mortgage loan figures have seen a less dramatic, but still substantial fall, by 43% from 2008 to 2012. After stagnating until 2016, recent volumes show a positive turn in 2017 with 16% YoY growth.

LOW INDEBTEDNESS IN CEE



- Even after years of expansion, Central Eastern European countries have very low residential loan to GDP ratios compared to the rest of Europe.
- Average mortgage ticket sizes are also well below Western and Northern European countries.
- Hungary, in particular, is lagging behind with only 12.5% residential loans to GDP and an average ticket size of EUR 18.9 thousand in 2016.





DUNA HOUSE[®]
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Our services



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WE ARE THE LARGEST REAL ESTATE FRANCHISERS IN THE REGION

- We sell franchises, service and retain franchisees on the basis of our unique value propositions.
- We help agents become more professional and build more profitable businesses.
- We have our feet on the ground through own offices to ensure spot-on market knowledge and continuous innovation.



metrohouse



SMART[™]
INGATLAN



OUR UNIQUE BUSINESS MODEL DELIVERS UNBEATABLE SUPPORT



PAIRING SOLUTION FOR REAL ESTATE CLIENTS

Overview

- Franchise system focusing on brokerage of residential properties
- Strong network of over 2,000 trained real estate advisors
- Direct link to the market via own offices
- Comprehensive offering with financial and other related solutions
- Adaptive motivation system
- IT systems support efficient matchmaking

SERVICES FOR VENDORS

Sales strategy and profile creation → Advertising → Buyer selection → Presentation → Negotiation

13 thousand
successful real estate
sales per year



SERVICES FOR BUYERS

Bidding and negotiation ← Presentation ← Advert selection ← Buyer qualification

ADDITIONAL SERVICES

Valuation

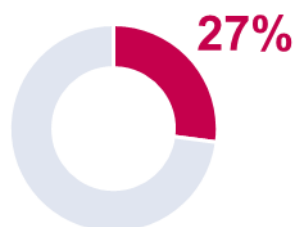
Energy certificate

Home management

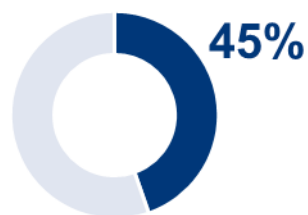
Loans

CORE OPERATION WITH HIGH GROSS PROFIT LEVELS

Contribution to Revenues



Contribution to Gross Profit



Key Segment Financials

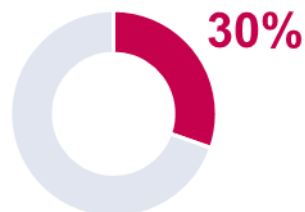
| million HUF | 2014 | 2015 | 2016 | 2017 | CAGR 2017 vs 2014 | 2017 vs 2014 | 2017 vs 2016 |
|-----------------------------|--------------|--------------|--------------|--------------|-------------------------|-----------------|-----------------|
| Total RE commission – HU | 4 704 | 5 914 | 6 406 | 6 882 | +14% | +46% | +7% |
| Total RE commission – PL | - | - | 1 269 | 1 486 | - | - | +17% |
| Total RE commission – CZ | - | - | 77 | 244 | - | - | +217% |
| Total RE commissions | 4 704 | 5 914 | 7 752 | 8 612 | +22% | +83% | +11% |
| Sales Revenue | 729 | 842 | 1 094 | 1 269 | +20% | +74% | +16% |
| Gross Profit | 670 | 752 | 928 | 1 105 | +18% | +65% | +19% |
| Revenue / commissions | 15% | 14% | 14% | 15% | | | |
| Gross profit margin | 92% | 89% | 85% | 87% | | | |
| Number of offices | 119 | 137 | 233 | 236 | +26% | +98% | +1% |

* Including data of Metrohouse since 1 April 2016, the Czech office was not part of the DH Group until 2 September 2016

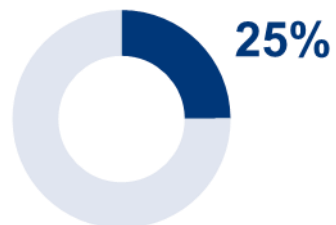
- We generate revenues from franchise partners: (i) entry fees, (ii) continuous franchise fees and (iii) other (e.g. trainings) fees.
- We have successfully increased sold real estate volumes and commissions via organic growth and acquisitions.
- We continue to expand our franchise incomes and maintain stable franchise fee rates.
- The gross profit margins of our franchise segment has decreased due to higher current cost levels in Metrohouse.

PROFIT GENERATION AND DIRECT LINK TO THE MARKET

Contribution to Revenues



Contribution to Gross Profit



Key Segment Financials

| <i>million HUF</i> | 2014 | 2015 | 2016 | 2017 | CAGR 2017 vs 2014 | 2017 vs 2014 | 2017 vs 2016 |
|----------------------------|------------|--------------|--------------|--------------|-------------------------|-----------------|-----------------|
| Total commission – HU | 865 | 1 076 | 948 | 851 | -1% | -2% | -10% |
| Total commission – PL | | | 350 | 504 | - | - | +44% |
| Total commission – CZ | | | 77 | 244 | - | - | +217% |
| Total commissions | 865 | 1 076 | 1 375 | 1 599 | +23% | +85% | +16% |
| Sales revenue | 620 | 734 | 1086 | 1 421 | +32% | +129% | +31% |
| Gross profit | 362 | 456 | 508 | 616 | +19% | +70% | +21% |
| Gross profit / commissions | 42% | 42% | 37% | 39% | | | |

- We generate revenues through commissions earned by our offices and agents.
- We operate 30 own offices with approximately 310 real estate agents in Hungary, Poland and the Czech Republic.
- The own office segment operates under the same conditions as the external franchise partners.
- Margins slightly lowered with the acquisition of Metrohouse in 2016

* Including data of Metrohouse since 1 April 2016, the Czech office was not part of the DH Group until 2 September 2016

WE ARE THE LARGEST LOAN BROKERS IN HUNGARY AND 6TH IN POLAND

- We help real estate buyers select and obtain the best available financial products to finance their new homes.
- Our loan brokers work in close cooperation with our franchise real estate agents to offer one-stop shopping experience to our customers.



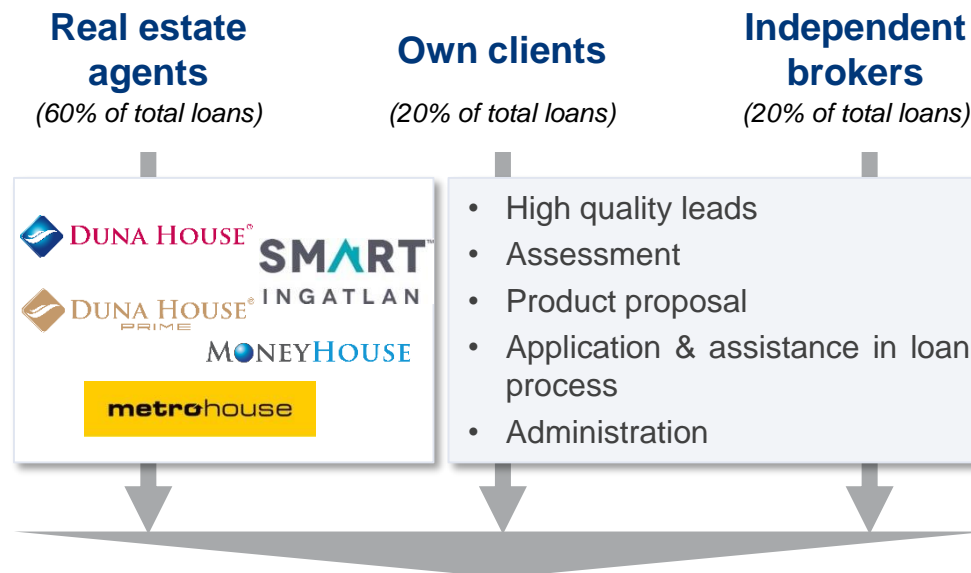
metrohouse



SMART[™]
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EXCEPTIONAL CROSS-SELLING OPPORTUNITIES WITH REAL ESTATE BROKERAGE

THREE CHANNELS OF LEAD GENERATION



OVERVIEW

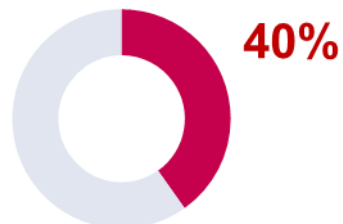
- Mortgage and personal loans, SME business loans, home savings, insurance
- Significant cross-selling via referrals from real estate brokers
- Direct channel and strong relationship with independent advisers
- Partnership with 23 banks in two countries
- Comprehensive administration of loan applications
- 300 financial advisers
- Strongly growing activity driven by promoted cross-selling and market upswing

HUF 64.7bn (EUR 209.2m) loans brokered in 2017

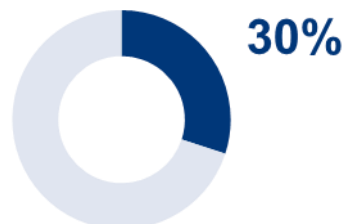
HUF 24.9bn (EUR 80.6m) home savings products intermediated in 2017

SIGNIFICANT INCREASE IN MARKET SHARE

Contribution to Revenues



Contribution to Gross Profit



Key Segment Financials

| <i>million HUF</i> | 2014 | 2015 | 2016 | 2017 | CAGR 2017 vs 2014 | 2017 vs 2014 | 2017 vs 2016 |
|--|-------------|--------------|--------------|--------------|-------------------|--------------|--------------|
| <i>Mortgage loan – HU (bnHUF)</i> | 18,2 | 21,1 | 28,7 | 39,8 | +30% | +119% | +39% |
| <i>Mortgage loan – PL (bnHUF)</i> | - | - | 14,6 | 25,2 | - | - | +73% |
| <i>Home savings – HU (bnHUF)</i> | 5,3 | 8,2 | 19,2 | 25,1 | +68% | +373% | +30% |
| <i>Total intermediated volume (bnHUF)</i> | 23,5 | 29,3 | 62,5 | 90,1 | +56% | +283% | +44% |
| Sales revenue | 961 | 1 230 | 1 410 | 1 883 | +25% | +96% | +34% |
| Gross profit | 431 | 607 | 554 | 743,3 | +20% | +72% | +34% |
| <i>Average commission</i> | 4,1% | 4,2% | 2,3% | 2,1% | | | |
| <i>Gross profit margin</i> | 45% | 49% | 39% | 39% | | | |

- In Hungary, we earn up-front and trailing commissions. Legislation limited total commission levels at 2% from 21 March 2016 (previous average was 4%). Negative effects on revenues and profits are partly compensated by the modification of our commission system, favorable market environment and increased focus on home-saving products.
- In Poland, average commission levels are around 2%.
- We achieved exceptional growth in all of our volume figures.
- Gross profits stabilized in 2017 H1 after a significant drop due to changes in regulation.

* Including data of Metrohouse since 1 April 2016, the Czech office was not part of the DH Group until 2 September 2016

PROVIDING COMPREHENSIVE SERVICES TO RESIDENTIAL REAL ESTATE BUYERS AND SELLERS

| | | | |
|---|--|---|---|
|  <p>Property management</p> | <p>Main clients:</p> <ul style="list-style-type: none"> Foreign and local investors with 1 to 5 properties | <ul style="list-style-type: none"> Rental services Refurbishment Cleaning and repair Collection | <p>340 properties under management</p> |
| <p>Valuation</p> | <p>Main clients:</p> <ul style="list-style-type: none"> Financial institutions (loan applications, bad portfolios) Private sellers and investors | <ul style="list-style-type: none"> Estimation of fair market value of residential real estate Largest, up-to-date transaction database in Hungary | <p>3500+ valuations performed in 2017</p> |
|  <p>Energy certificate</p> | <p>Main clients:</p> <ul style="list-style-type: none"> Private sellers | <ul style="list-style-type: none"> Certificate of energy status of residential real estate Legal requirement in Hungary | <p>3500+ certificates prepared in 2017</p> |

UTILIZING EXPERIENCES GAINED ON THE REAL ESTATE MARKET



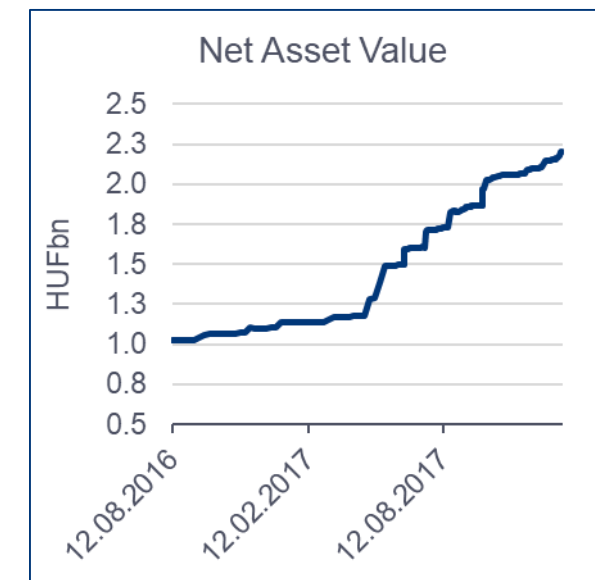
IMPACT
ASSET MANAGEMENT

Basic information

- **Permission date:** 20 April 2016 by the Central Bank of Hungary
- **Net asset value:** HUF 2.3 billion as of 29 January 2018
- **Investment Policy: Residential real estate** preferably in Budapest or in other larger Hungarian cities, aiming stable rental yields, liquidity and potential value increase

Management and success fee

- **Management fee:** maximum 2% / year based on Net Asset Value of which 1% is trailer fee
- **Success fee:** 20% of the return exceeding the benchmark yield (RMAX)



Synergy

Franchise

Direct connection to the largest real estate brokerage network in Hungary supporting the Fund to identify, buy and sale the appropriate properties

Related services

Rental services
Property management



Annual return
7.2%

The services offered by DH Group's other segments satisfy all requirements of the Fund's Procedure to Treat Business Conflict of interests

TAKING ADVANTAGE OF A POSITIVE MARKET MOMENTUM

- We use our unique market knowledge and invest in residential real estate from time to time to gain profits from price increases and rental yields.
- We currently have three development projects in Budapest, Hungary as we have identified a midterm market opportunity in the low supply of new housing.
- Our projects are expected to be ready in 2018-2019 with a total of 385 flats, and sellable area of 28k sqm.



PROPERTY DEVELOPMENT STATUS AND TIMELINE

Duna House Group manages the development of 385 flats in 3 projects under MyCity brand, as follows:



| | Forest Hill Budapest III. district | Reviczky Liget Budapest XVIII. district | MyCity Residence Budapest III. district | TOTAL |
|-------------------------------------|---|--|--|---------------|
| Duna House Group's share in Project | 100% | 100% | 50% | |
| Landsize (m2) | 29 314* | 5 625 | 3 345 | 38 284 |
| Sellable area (m2) | 16 085* | 4 672 | 6 882 | 27 639 |
| Number of Apartements (pcs.) | 148 in phase 1 (+48 in phase 2)* | 86 | 103 | 385 |
| Average Apartements size (m2) | 80,0 | 54,3 | 68,8 | 71,3 |
| Actual status of Projects | | | | |
| Construction status | September 2018 | Completed | October 2019 | |
| % of flats sold | 50% | 83% | 38% | |
| Handover of flats in progress | | ✓ | | |
| Expected profit in 2018 | HUF 1,060 million (78% of phase 1 flats) | HUF 680 million | | |

* 148 flats with building permits at present



DUNA HOUSE[®]
GROUP

Our strategy



COMMITTED TO GROW

Our vision is to become a significant player in Europe in residential real estate services.

2018

PILLARS OF OUR STRATEGY

1. The Polish expansion

- Expanding market presence, new offices
- Improving operative efficiency in franchise segment
- Continued loan focus

2. The Hungarian core

- Market outlook: 5-20% transaction volume growth, 5-10% price growth, 15-20% loan volume growth
- Focus on education and service quality
- Expansion in SMART network

3. Impact R/E fund

- Track record
- New sales channels

4. R/E development

- Successful completion of existing projects, significant cash-inflow
- Investment strategy going forward: conservative capital exposure, opportunistic approach

5. M&A

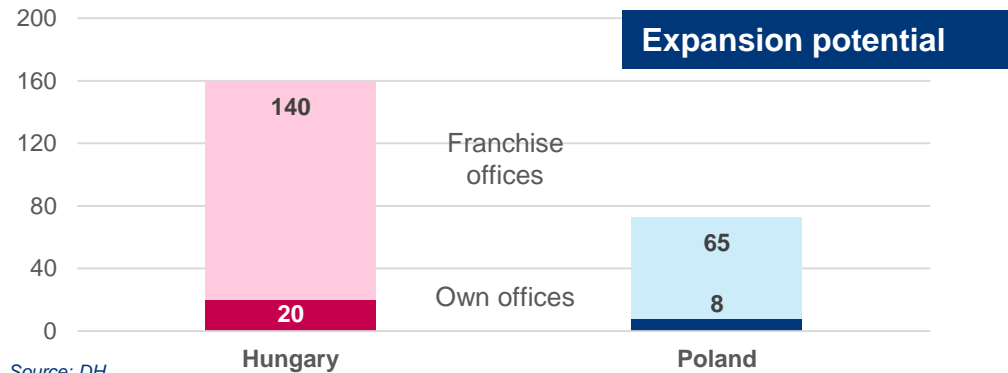
- In the lookout for synergies

Expected PAT of HUF 950-1,150 million

Expected PAT of HUF 1,740 million

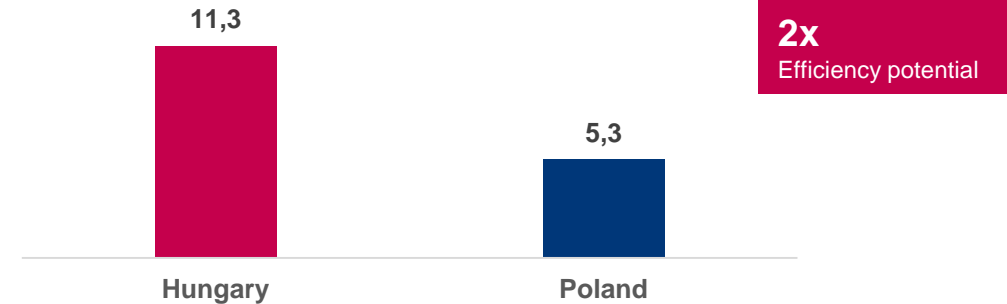
ROOM TO GROW ON THE POLISH MARKET

DH Group – Franchise and own offices in Hungary and Poland, 2017 Q3 (mHUF)



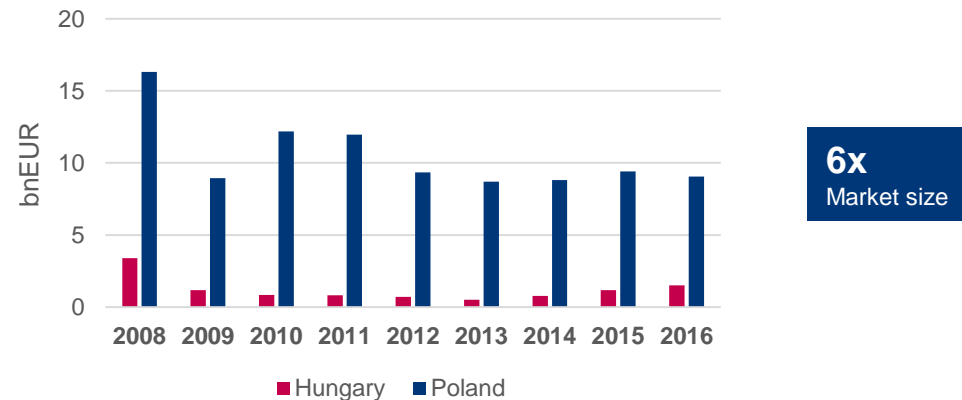
Source: DH

DH Group – Real estate brokerage commission income per office in Hungary and Poland, 2017 Q3 (mHUF)



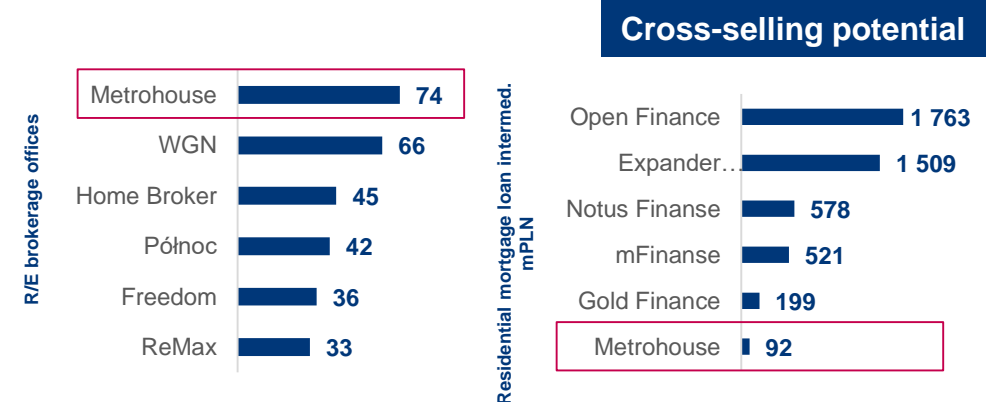
Source: DH

Loan market – Disbursement of residential mortgage loan in Hungary and Poland (bn EUR)



Source: KSH, GUS, MNB

Competition – No. of R/E brokerage offices and Residential mortgage loan intermediated in Poland (m PLN)



Source: Corporate websites

Source: Latest available quarterly data, Polish Mortgage Association

FOCUSED APPROACH

We aspire to become the leading residential real estate broker in Europe.

We intend to continue to do highly targeted M&A for gaining access to new markets, as well as to expand our capabilities in existing ones. We look for targets with the following characteristics:

Overall requirements

our **Baseline expectations**

- Deal value between EUR 2 and 20 million
- Operations in European markets, where a dual real estate - loan brokerage model is possible
- Positive EBITDA, or successful turnaround

Market-specific acquisition focus

in **New markets**

- Spearhead, core acquisitions to gain significant market position
- Real estate brokerage and / or Financial intermediation are of key interest

in **Existing markets**

(Hungary, Poland, Czech Republic)

- Add-ons to current activities in each of our markets
- Additional customers or new sales channels
- Innovative technologies
- Services of interest include real estate brokerage, mortgage or other financial product intermediation, real estate management services, relocation services, online brokerage



DUNA HOUSE[®]
GROUP

**Thank you for your
attention.**



FURTHER INFORMATION ON DUNA HOUSE GROUP

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