

PRESS RELEASE: Duna House group making huge move and acquiring second biggest loan broker in Italy.

On 10 December 2021, DHG has signed an agreement for the acquisition of 70% of the Italian HGroup with future put/call options that can increase its ownership to 100%.

With full country-wide coverage, the Bergamo-based HGroup through Credipass, its subsidiary, is currently the second biggest loan broker in Italy by network size with close to 1,000 financial experts and plans to reach No. 1 position in the Italian market in 2022. The group also has a substantial insurance brokerage activity and has started to build up a real estate brokerage business.

The Enterprise value of HGroup might reach EUR 40-45m due to an adjusted pricing based on actual financial results of 2021, additional earn out on 2022-2024 results and future results-based put/call option mechanism. The first payment of partial purchase price will be EUR 11.3m on closing.

The estimated EBITDA for HGroup in 2021 is EUR 4.5m (HUF 1.6 bln), thus the combined proforma EBITDA of Duna House Group and HGroup in 2021 is expected to be close to EUR 11m (HUF 4.0 bln), the combined loan volumes brokered will be above EUR 2bln (HUF 726bln), and the combined sales force of the 2 groups reaches close to 5,000 loan and real estate brokers.

In connection with this transaction, Duna House Group is considering to issue additional NKP bonds of up to 6bn HUF in order to strengthen its current financial position in regard to future earn out payments, refinance the existing debt in HGroup, other possible acquisitions and maintain the dividend policy of the group. However, the transaction is viable also without such bond issue.

“The current acquisition is a huge leap for Duna House Group, giving us access to one of the largest countries in Europe, significantly increasing our size and profit generation capabilities, opening possibilities to expand into additional western European markets and bringing the group an important step closer to our vision of becoming a leading player in the European residential real estate and financial services markets.” said Guy Dymshiz, the co-founder of Duna House Group, “After showing significant growth in income and EBITDA levels in 2021 and turning our Polish operation into a significant contributor to Duna House Group’s financial results through acquisitions and organic growth, we felt that we are ready to take the next step towards our vision.

During the negotiations and the due diligence process in the last few months we got to know HGroup closely and we found an innovative, committed and very strong management from top to middle levels. We are confident that we will be able work well together and see significant additional growth potential in HGroup, including the strengthening of its real estate brokerage leg and for that purpose we might look at additional add-on acquisitions in the Real Estate field in Italy.

We believe that using the combined strength, know-how and capabilities of these 2 entities will create the situation where one plus one equals three”

“In the last few months of the year, our group has received expressions of interest from several private equity funds, but the choice immediately focused on DHG for the non-speculative but industrial approach of their proposal. With DHG we share development strategies and have an overall vision of the markets in which we operate. I am sure that from this union a much stronger, more competitive group will be formed, ready to explore the opportunities in the market with the declared goal of becoming the leading European group in our reference sectors.” said Mr. Diego Locatelli, the Chairman of HGroup.

KPMG Italy acted as the legal and financial advisor to Duna House Group in the acquisition of HGroup. On behalf of the Sellers, Lorenzo Valentino of Global Strategy s.r.l. acted as the M&A advisor and Stefano Bucci and Aldo Turella of the international law firm Gianni & Orioni as the legal advisor in the transaction.

EXTRAORDINARY NOTICE

DUNA HOUSE HOLDING Public Limited Company (seat: 1016 Budapest, Gellértheagy str. 17, Hungary; company registration number: Cg. 01-10-04838; hereinafter referred to as “**Company**” or „**DHG**”), with reference to the detailed provisions on public notice obligation of Decree No. 24/2008. (VIII.15.) PM of the Minister of Finance publishes the following information within the form of extraordinary notice:

Duna House Holding Plc. hereby informs the capital market participants that on 10 December 2021, following the approval of the Group’s Board of Directors, the Company has signed a binding Investment Agreement for the acquisition of 70% of HGroup S.p.A (“**HGroup**”) with future put/call options that can increase its ownership to 100%. The transaction is expected to close in the middle of January 2022 following the fulfillment of certain condition precedents. HGroup’s financials will be consolidated by DHG from 1st of January 2022.

HGroup generated EUR 43.1m consolidated revenues LTM Sep 2021 and EBITDA of EUR 3.7m. The enterprise value of HGroup was set according to a formula of 10.5 multiplier on adjusted EBITDA (after taxes and other items) at EUR 31.3m, but due to earn out on 2022-2024 results and future results-based put/call option mechanism, the average enterprise value of the acquisition might reach EUR 40-45m.

DHG will pay upfront purchase price of EUR 11.3m at closing and total expected earn out payments of EUR 8-10m on the 2022-2024 performance for the purchase of 70% of the shares .

In connection with this transaction, Duna House Group is considering to issue additional NKP bonds of up to 6bn HUF.

Please find information in relation to the description of HGroup’s activities, its current financial figures and rationale for the transaction in the Investor Presentation (Annex 1) and the summary of the terms of the Investment Agreement (Annex 2).

Budapest, 10 December 2021

Duna House Holding Plc.

DUNA HOUSE GROUP

DHG enters the Italian market by acquiring a leading local brokerage firm

10 December 2021



EXECUTIVE SUMMARY

Growth story of DHG: market entry to Italy via acquisition

- After a **significant growth** in **income and EBITDA** levels in **2021** and **turning our Polish operation into a significant contributor to Duna House Group's („DHG”, „we”) results** through acquisitions and organic growth, the group was ready to take the next step on its growth path.
- On 10 December 2021, DHG has **signed an agreement for the acquisition of 70% of the Italian HGroup** with **future put/call options** that can **increase its ownership to 100%**.
- With full country-wide coverage, the Bergamo-based **HGroup** is currently the **second biggest loan broker in Italy** by network size with **close to 1,000 financial experts** and **plans to reach No. 1 position** in the Italian market in **2022**. The group also has a substantial insurance brokerage activity and has started to build up a real estate brokerage business.
- HGroup generated **EUR 43.1m consolidated revenues LTM Sep 2021** and **EBITDA of EUR 3.7m. Estimated EBITDA for 2021 is EUR 4.5m.**
- The **Enterprise value of HGroup** was set according to a formula of **10.5 multiplier on adjusted EBITDA** (after taxes and other items) at **EUR 31.3m**, but due to earn out on 2022-2024 results and future results-based put/call option mechanism, the average enterprise value of the acquisition might reach EUR 40-45m.
- DHG will pay upfront **purchase price of EUR 11.3m** and **total expected earn out payments of EUR 8-10m** on the **2022-2024** performance for the purchase of 70% of the shares . The **closing of the transaction is planned for middle of January** and in that case HGroup's **financials will be consolidated by DHG from 1st of January 2022.**
- HGroup is a market leader on its market, managed by committed and very strong team from top to middle levels. We see significant **additional growth potential** in HGroup, **including the strengthening** of its **real estate brokerage leg, also giving room for further consolidation opportunities in Italy.**
- The **combined proforma EBITDA of DHG and HGroup in 2021 is expected to be close to EUR 11m**, the **combined loan volumes brokered will be above EUR 2bln in 2021**, and total salesforce close to 5,000 persons.

The current acquisition is a huge leap for DHG, giving access to one of the largest countries of Europe, opening possibilities to expand into additional western European markets and bringing the group an important step closer to our vision of becoming a leading player in Europe in residential real estate and financial services.

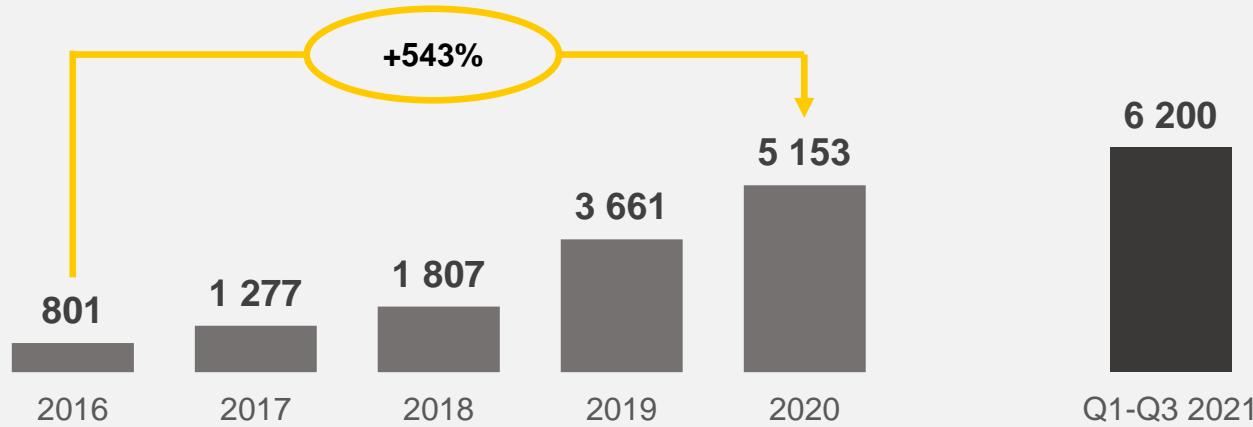
DUNA HOUSE GROUP

M&A activity: HGroup acquisition

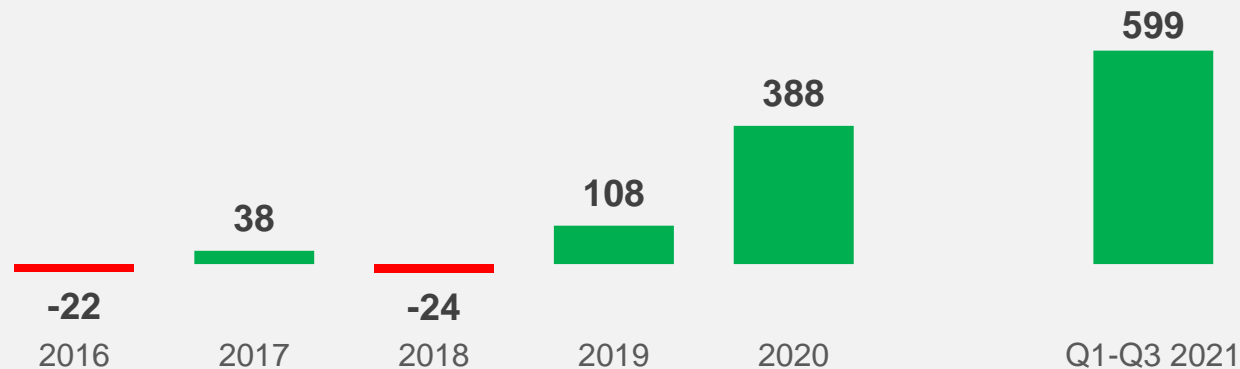


PROVEN ACQUISITION & IMPLEMENTATION CAPABILITIES: SUCCESS STORY IN POLAND

Revenues of Polish loan and real estate brokerage operations (HUF millions)



EBITDA of Polish loan and real estate brokerage operations (HUF millions)



KEY MILESTONES & GROWTH STORY

- **Acquiring the largest Polish real estate broker** holding, Metro House in 2016 was an important **milestone** in the **internationalization** of Duna House Group
- The **target had a strong position** on a large and **prospering market**, however a **turnaround had to be made** as the company has not been profitable at the time
- Our **strategy** pursued both **organic and inorganic growth** to further upscale revenues and we also **restructured operations to increase efficiency**
- Further M&A activity focused on strengthening the loan brokerage segment: DHG **acquired Gold Finance in 2018 and Alex T. Great in 2020**
- On top of financial returns, DHG has been able to **accumulate significant organizational knowledge about inorganic growth** and market exploration through the Polish M&A activities

Success story in Poland:
steady EBITDA growth despite COVID

STRATEGIC RATIONAL OF THE HGROUP ACQUISITION

Standalone strategic value of HGroup

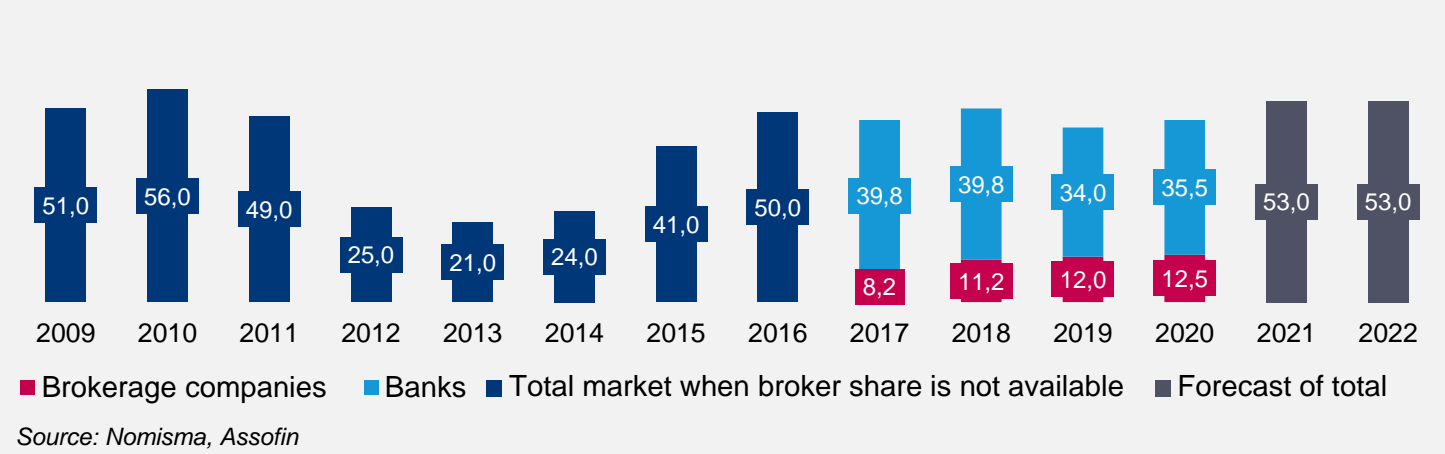
- ✓ HGroup is a spearhead acquisition on the Italian market as it is the second largest loan brokerage company in terms of financial experts and aims to reach No. 1 position in 2022
- ✓ 2021 expected results of 4.5M EBITDA show significant profit generating capabilities
- ✓ HGroup is an innovative player, constantly seeking new revenue streams both via organic and inorganic growth
- ✓ Its product portfolio is well diversified as it offers mortgages and a non-housing related personal loan product supplemented by insurance and real estate brokerage and digital real estate solutions
- ✓ Its network structure and organizational knowledge provides an asset light business model enabling high agent motivation and commitment
- ✓ Key top managers have significant experience and are also motivated with employee shareholder packages

Additional strategic value for Duna House Group

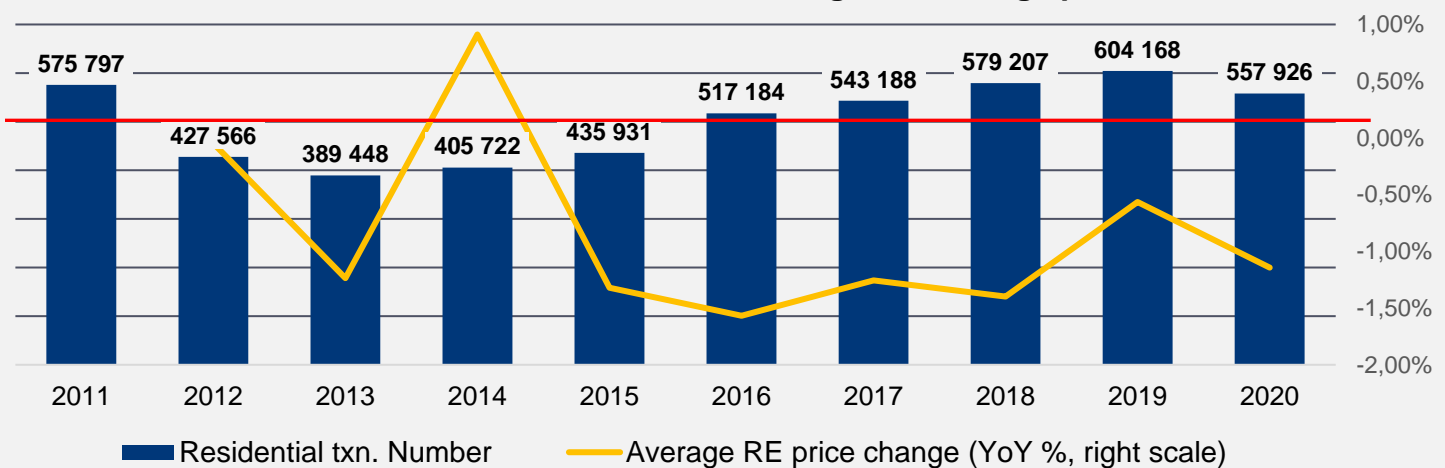
- ✓ Diversifying operations outside the CEE regions will bring higher, more stable income and additional growth opportunities
- ✓ Doubling the size of DHG will allow for leveraging economies of scale in tech developments, operation optimization, synergies and organizational knowledge sharing within 4 countries
- ✓ DHG is able to contribute to the upscaling of HGroup's real estate business line relying on its 20+ years of experience including pursuing opportunities for add-on acquisitions in the real estate brokerage field in Italy
- ✓ The transfer of ownership and the enterprise value is stretched over and will be adjusted along 7 years which mitigates initial risk taking and ensures the future engagement of current shareholders and managers
- ✓ The acquisition and integration contributes to the further development of DHG's M&A capabilities which have already been proven in the Polish success story
- ✓ The deal strengthens DHG's future deal-flow throughout Europe and places the group into a stronger league

ITALIAN MARKET OVERVIEW

Mortgage sales volumes (2009-2022, € billion)



Residential real estate transaction numbers and changes of average price



KEY INSIGHTS

- **Mortgage financing grew € 2 bn. in 2020 to 48 € bn. despite the decrease of overall real estate transactions**
- **Loan brokers gain increasing share (26% in 2020) of mortgage volume** which signals a positive market environment for HGroup
- **2021 mortgage stock growth** (3.2% from Jan to Jul) and the steady **decrease of lending rates** (1.6% as of 2021 Jul) **supports further market expansion**
- The **COVID health crises impacted the Italian housing market** substantially and broke the increasing trend of transactions in 2020
- Real estate **trading volume has started recovering in 2021** with 3-5% full-year growth expectations
- **Real estate prices increased 1.7% in Q2 2021** compared to Q1 2021 and **0.4% compared to that quarter of the previous year** according to the Italian National Statistics Institution

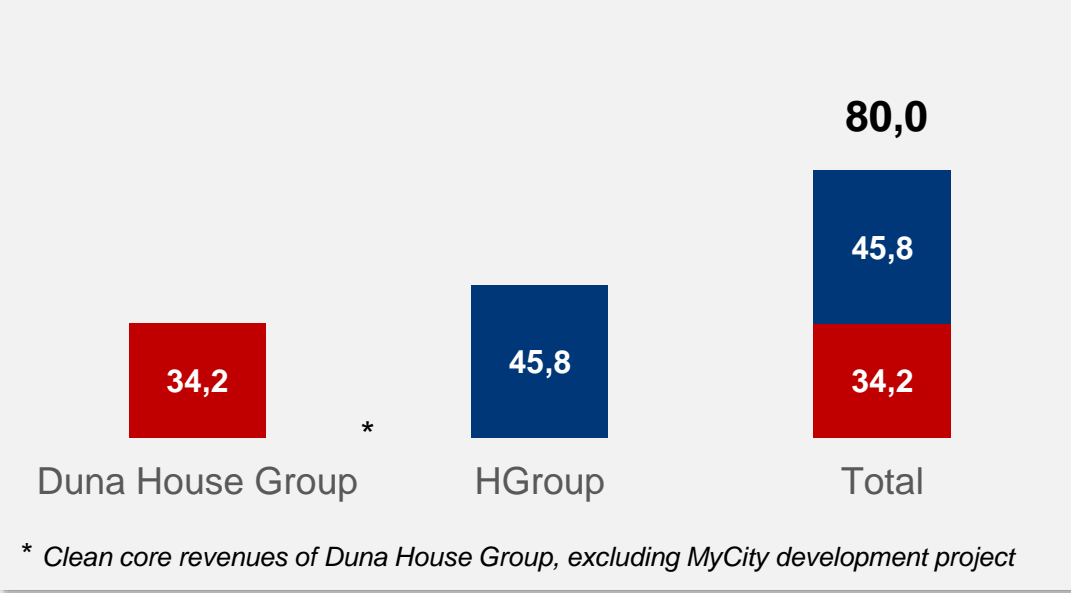
H-GROUP BUSINESS OVERVIEW

HGroup and its subsidiaries are active in the Italian market since 2014, offering credit brokerage, insurance brokerage, real estate and digital ancillary services. The group has 320 sales offices and close to 1000 financial experts throughout Italy.

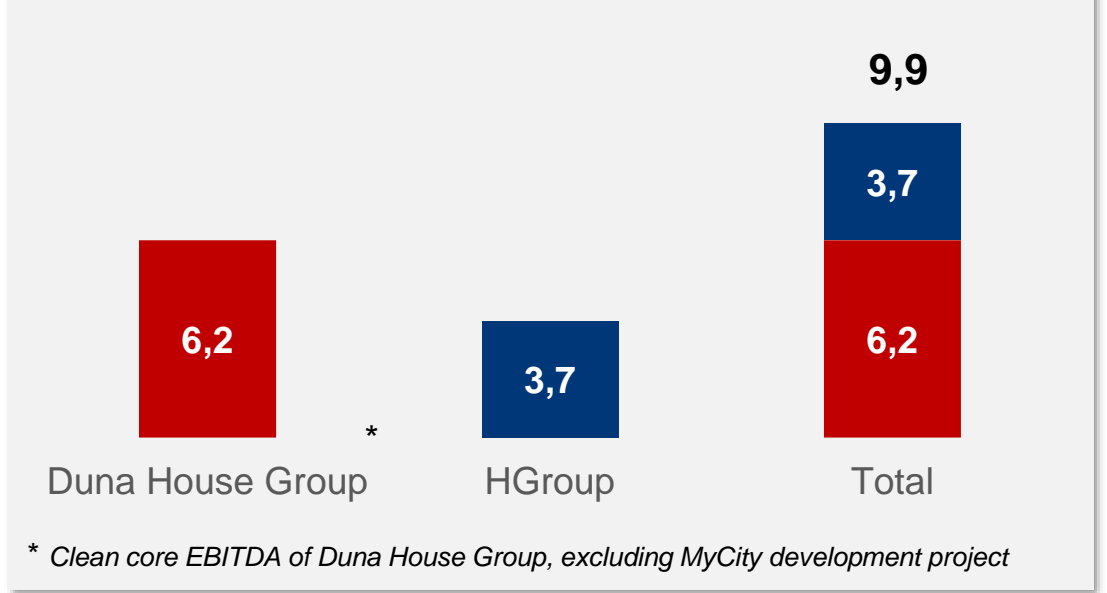
Entity	Credipass	Realizza	Relabora	Medioinsurance	HGroup
Description and value proposition	<p>Flagship company of the group, engaged in credit brokerage for retail customers.</p> <p>It supports customers in choosing financial products and lending bank, managing the process from lead generation to contract signature.</p>	<p>Company established in Q4 2018 to benefit from the synergies of loan and RE brokerage.</p> <p>Assists home-seekers with high-tech search tools and a pre-approved credit line obtained by Credipass.</p>	<p>Digital company of the group that supports real estate and loan brokers through different services.</p> <p>Current users are HGroup agents and 3rd party RE brokers.</p>	<p>Insurance brokerage company, focusing on the life event of buying a house.</p> <p>Clients receive support and advice on insurance products seamlessly in the homebuying process from one agent.</p>	<p>Holding company of the group.</p> <p>It provides administrative coordination and cash pooling activities to the other companies of the group.</p>
LTM Sept 21 Revenues	€ 35.1 m	€ 1.0 m	€ 0.4 m	€6.6 m	€2.8 m <i>(intracompany consolidated)</i>
Products	<ul style="list-style-type: none"> • Mortgage • Salary/pension backed loan (CQS): an Italian specialty where installments are directly paid by employer / pension fund. Simple product with low default rates. • Personal loan 	<ul style="list-style-type: none"> • Real estate brokerage, focusing on the buyer side 	<ul style="list-style-type: none"> • Casahare app: online ad aggregator • Verificasa: access to official property documentation • Irealtors: contract management app • Credit Bureau 	<p>Insurance types:</p> <ul style="list-style-type: none"> • Home • Life • Health • Profession and business • Credit 	<ul style="list-style-type: none"> • Administrative coordination
LTM Sept 21 EBITDA	€ 3.3 m	€ (0.2) m	€ (0.3) m	€ 0.5 m	€ 0.4 m

COMBINED FINANCIAL RESULTS OF HGROUP AND DHG

LTM Sep 21 revenues of DHG and HGroup (€ millions)



LTM Sep 21 EBITDA of DHG and HGroup (€ millions)



The acquisition of HGroup would increase DHG's revenues by 134% and its EBITDA by 59% based on LTM Sep 21 results

DUNA HOUSE GROUP

Duna House Group's growth and capital market strategy

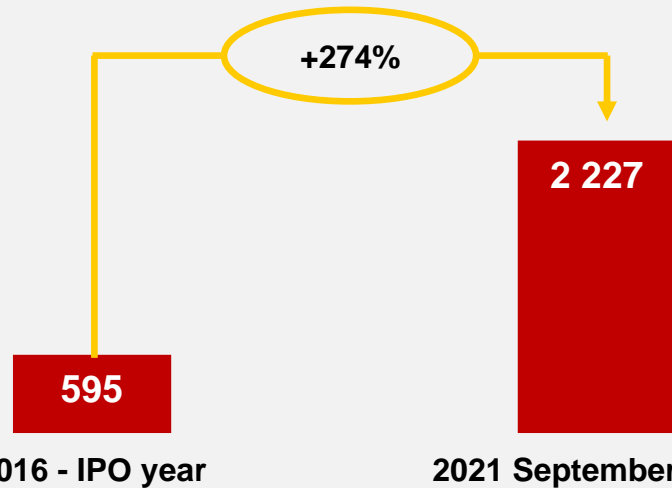


WE ARE COMMITTED TO GROW

Our long-term objective is to become a leading player in Europe in residential real estate and financial services. We are the leading player in CEE and are currently entering the Italian market via acquisition.

GROWTH STORY SINCE 2016 IPO

Clean core EBITDA* of DHG (m HUF)



*: EBITDA of core operations excluding property development projects and other items as published in DHG quarterly reports.

- DHG's **clean core EBITDA** has **increased by HUF 1.6 bn (+274%)** since its 2016 IPO
- The recently acquired **HGroup** is **expected to generate HUF 1.6 bn (EUR 4.5 m)** EBITDA in 2021

PILLARS OF OUR STRATEGY

Organic growth

- We are committed to **sustainable growth** in **existing activities**
- We provide **top-notch support** to our franchise partners and sales network to help their success
- We **focus on net earning** and **cash flow** expansion



Synergies

- Combination of activities with strong synergic effect: **real estate + financing** as the very **core of our operations**
- **Additional services** providing **extra profit** on the back of our network



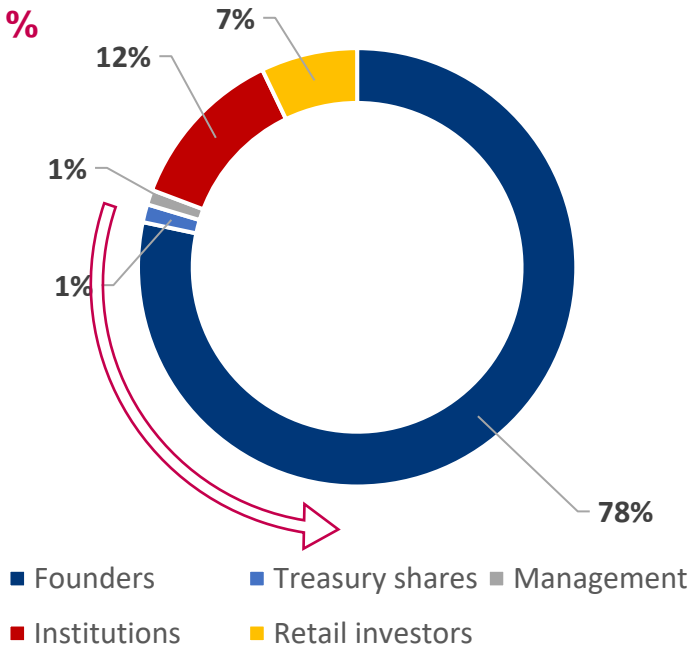
M&A

- **Selective M&A activity to :**
 1. Improve market position
 2. Expand synergies
 3. Gain access to markets with strong long-term potential

LONG-TERM EQUITY STRATEGY: INCREASING FREE FLOAT MARKET CAP

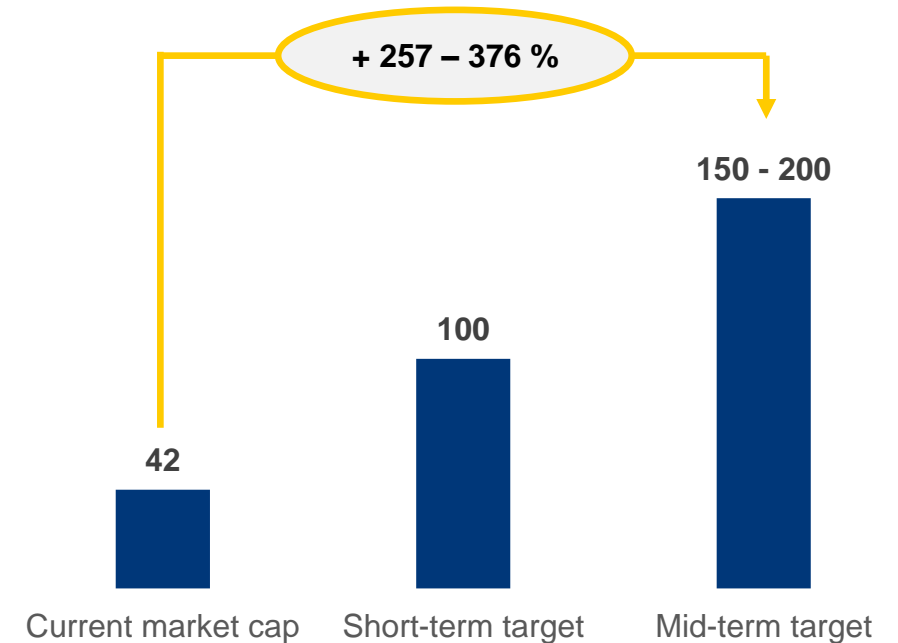
Ownership structure

Free float: 21%



Free float
target: 50%

Market cap (EURm)



*We intend to increase our market cap in the mid-term to EUR 150-200 million
– Our long-term goal is to reach 50% free float*

- (i) starting from July 1, 2026 and until June 30, 2027, 50% of each Minority Shareholder's Quota;
 - (ii) starting from July 1, 2027 until July 1, 2028, the remaining 50% of each Minority Shareholder's Quota.
- **Investors's Call option:** Starting from July 1, 2025 and until 1 day after expiration, the Sellers grant to Investor an option right to purchase at its own discretion from all the Sellers, each of which will be obliged to sell, the entire (and only the entire) participation respectively held within 30 Business Days from the exercise of the option.
 - **Option Pricing:**
 - The Option pricing formula is the same for the Put and Call Option and the price that Investor will pay for the purchase of each of the Shareholders' Put Option Quota or the Call Option Quota will be equal to the amount in Euro determined as the result of the formula below:
 - $[x]\%$ (pro-rata ownership % of the Shareholder) * (10.5 multiplied by the average Consolidated Adjusted EBITDA on a cash-free, debt-free basis resulting from the approved financial statements related to the last two financial years closed before the payment of the Put Option Purchase Price.
5. **The Seller's Undertakings during the Period Between Signing and Closing (the "Interim Period")**
- HGroup and its Subsidiaries are carried on/conducted in the ordinary course and in a manner consistent with past practice.
6. **Conditions Precedent – The consummation of the Transaction is subject to the fulfillment of the following conditions precedent which shall occur within January 20, 2022:**
- the execution of the waiver agreements by relevant employees or consultants to their rights over the IP of the Group; and
 - No Material Adverse Effect has occurred with respect to the Company or any Subsidiary, their profitability or their business or any part thereof, including, but not limited to, any event or development adversely affecting the Company's or Subsidiaries' businesses, operations, assets, financial statements or other condition, performance or prospects of the Company's or Subsidiaries' businesses;
 - Investor has the right to waive any of the above listed Condition Precedent.
7. **Representations and Warranties**
- The Agreement contains representations and warranties of the parties as customary in transaction of the nature of the Transaction. The Company's representations and warranties shall expire within 3 years after the Closing Date except for Tax and Fundamental warranties. Fundamental warranties include the Company's representations of its incorporation and organizational documents, the Company's share capital, the Company's authority to enter into the Agreement and the required approvals to consummate the Transaction with the customary Italian statute of limitation.

- No indemnification will occur or the relevant liability will be consequently reduced accordingly as the case may be, among other things: Earnings Before Taxes in relation to the financial year in which the Claim occurred, net of all Claims during the same period, has been higher, than the Earnings Before Taxes for 2021 increased by 10% annually.

8. De minimis, Basket and Cap

- Customary de minimis limitations and with the following Investor's indemnification caps which are up to an aggregate amount of:
 - 35% of the Purchase Price during the first 12 months after the Closing Date (the "First Period");
 - 30% of the Purchase Price during the first 12 months after the First Period (the "Second Period"); and
 - 25% of the Purchase Price during the first 12 months after the Second Period.

9. Corporate Governance

- Company's activity and business shall be managed and developed by the Sellers and its current management within the limits of the targets of the 4 year Business Plan during the Earn Out period.
- Change of Management shall occur in one of the earliest ways of the two following cases:
 - 1 January 2025; or
 - the event of a Material Underperformance, which means a performance of the Company and of the Subsidiaries in relation to the Consolidated Adjusted EBITDA, resulting from the quarterly financial statements of the group, which is below the annualized target of EUR 4.9m in 2022; EUR 5.7m in 2023, or EUR 6.5m in 2024.
 - the occurrence of Overspending: in occurrence of an overspending by Seller's management above the agreed threshold of the budget.

10. Securities of the Payment

- For securing the payment of the First, the Second and Third Earn Out the Investor undertakes to:
 - In case of the bond will be issued the Investor deposits an amount equal to Euro 2,000,000.00 into the an escrow account and pledge 21% of the shares.
 - In case of no bond, pledge will be 25.2% of the shares.
- The pledge includes penalty mechanisms which in case of non-payment will results in losing bigger proportion of shares in comparison to non-paid Earn out.

11. Non-compete and Non-solicitation:

- The total middle management of the company who are also Sellers undertakes non compete and non solicitation obligation in accordance with the Italian law.