



# **DUNA HOUSE GROUP**

October, 2016

**4-7****Introduction****8-9****Financial overview****10-15****DH Group's strategy****16****Main risk factors****17-19****Investment story and the transaction****20-****Annexes**

- *This presentation shall not be considered as an offer or an invitation to tender concerning the purchase, subscription or any other transaction of any securities or financial assets to be carried out by any persons in any countries (particularly including but not limited to the United States of America, Australia, the United Kingdom, Japan, Canada, Hungary, Malaysia, Poland, Singapore and New-Zealand), furthermore this presentation does not and shall not constitute a basis for any person to enter into any transactions related to any securities or financial assets.*
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## Hungary's and Poland's largest franchise network



**151 offices countrywide**  
**96 independent franchise partners**  
**More than 1200 real-estate brokers**



**78 offices countrywide**  
**62 independent franchise partners**  
**500 real-estate brokers**



**SMART**  
 INGATLAN

**metrohouse**

						CAGR		Change	
	2013	2014	2015	2015 H1	2016 H1*	2013	2015	2015 H1	2016 H1
Real estates sold – HU, pcs	7,612	9,472	10,669	5,329	5,598	+18%		+5%	
Real estates sold – PL, pcs	-	-	-	-	786				
Volume of loan intermediated – HU HUF billions	11,1	18.2	21.1	9.4	13.7	+38%		+46%	
Volume of loan intermediated – PL HUF billions	-	-	-	-	5.2				
Volume of home savings intermediated – HU HUF billions	3,7	5.3	8.2	3.9	8.7	+50%		+121%	
Sales revenue HUF millions	1,662	2,287	2,833	1,341	2,003	+31%		+49%	
EBIT HUF millions	538	788	1,111	485	551	+44%		+14%	
Profit after tax HUF millions	487	735	966	422	940	+41%		+121%	

Source: Prospectus

\* Including data of Metrohouse since 1 April 2016



**DUNA HOUSE®**

**SMART™**  
INGATLAN



**Devoted management team****Guy Dymschiz**

Co-CEO

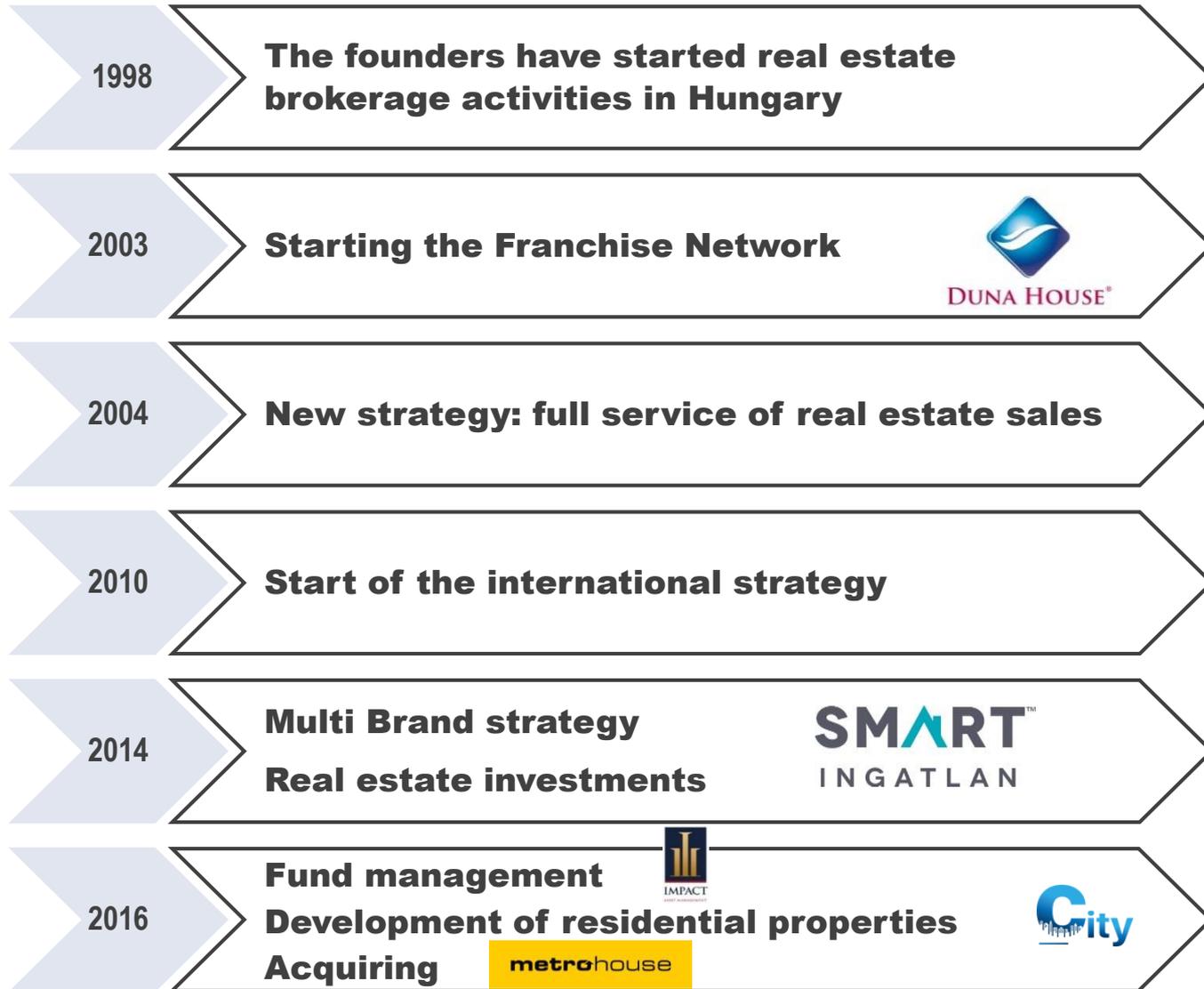
- Co-founder of Duna House
- Lawyer
- Former lawyer in Gissin & Keset Lawyer office
- Lives in Budapest with his family

**Doron Dymschiz**

Co-CEO

- Co-founder of Duna House
- MBA economist
- 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**30,000 pcs  
of shares****Zoltán Tóth**CFO  
at DH from 2016**Tamás Ambrus**Sales Director  
at DH for 12 years**5,454 pcs of  
shares****Kinga Szalay**Franchise Director  
at DH for 13 years**2,182 pcs of  
shares**

**Presence and know-how of two decades**

**Increasing revenue and net profit ratio**

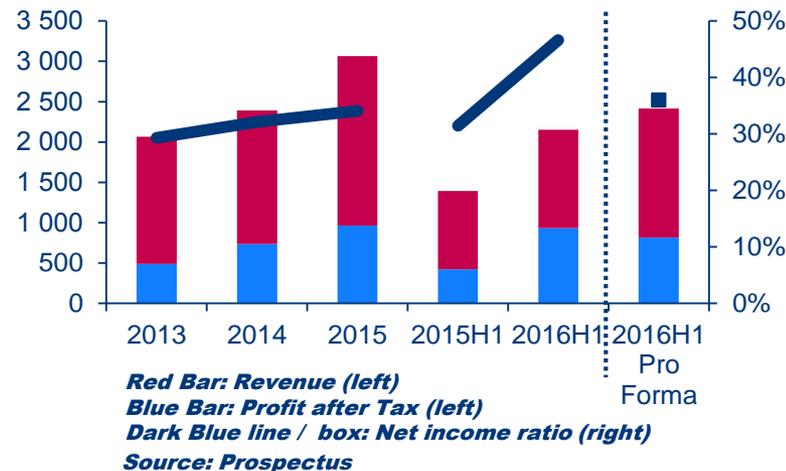
million HUF	2013	2014	2015	2015 H1	2016 H1*	2016 H1 PF**
Sales revenue	1,662	2,287	2,833	1,341	2,003	2,258
Other revenue	404	107	232	52	150	158
<b>Total revenue</b>	<b>2,066</b>	<b>2,393</b>	<b>3,066</b>	<b>1,393</b>	<b>2,153</b>	<b>2,416</b>
Material cost	26	30	35	22	27	29
Sold goods and services	436	643	732	329	568	568
Used services	439	549	753	356	709	950
Personal costs	205	229	298	140	194	197
Other cost	371	114	62	27	67	208
Depreciation and amortization	51	41	74	35	37	49
<b>Operating profit</b>	<b>538</b>	<b>788</b>	<b>1,111</b>	<b>485</b>	<b>551</b>	<b>414</b>
Profit on financial activities	21	48	10	10	40	34
Revaluation of investments					481	481
<b>Profit before tax</b>	<b>559</b>	<b>836</b>	<b>1,121</b>	<b>495</b>	<b>1,071</b>	<b>929</b>
Tax	72	101	156	73	131	115
<b>Profit after Tax</b>	<b>487</b>	<b>735</b>	<b>966</b>	<b>422</b>	<b>940</b>	<b>814</b>

\* Including data of Metrohouse since 1 April 2016

\*\* Pro Forma figures

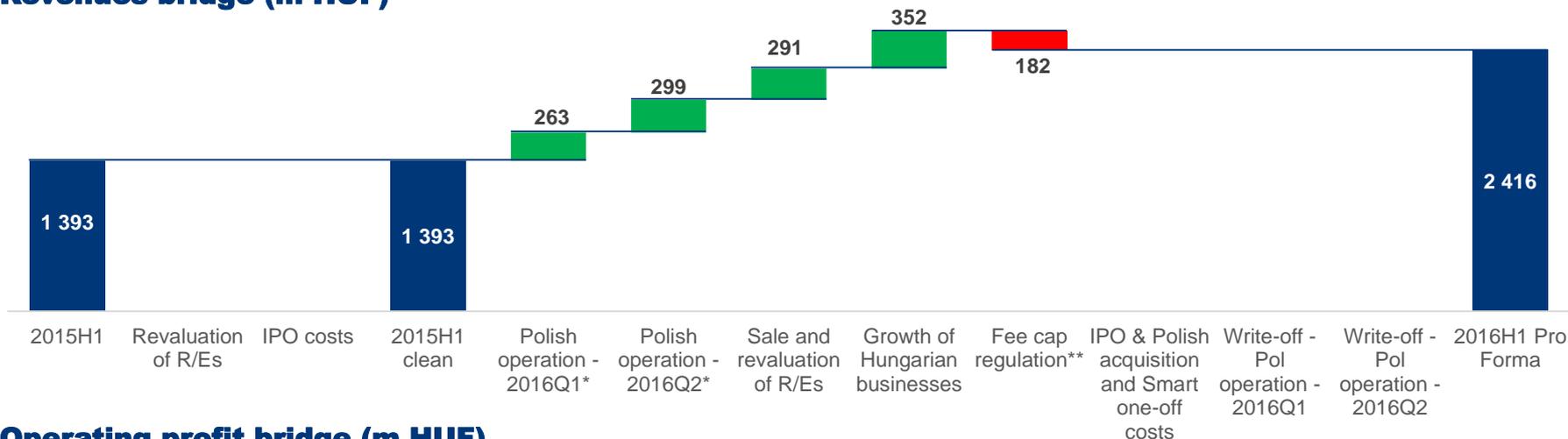
Source: Prospectus

- Significant increase in revenue and net profit
- Consolidation of polish operation in Q2 (decreasing gross margin ratio)
- Significant one-off costs (IPO, Polish M&A cost, etc.) in 2015 and 2016H1
- HUF 481 million of revaluation of MyCity's plots as one off item in 2016H1
- The company pays off 6% of profit after tax (excluding the impact of real estate appraisal results) as dividends to employee shares.

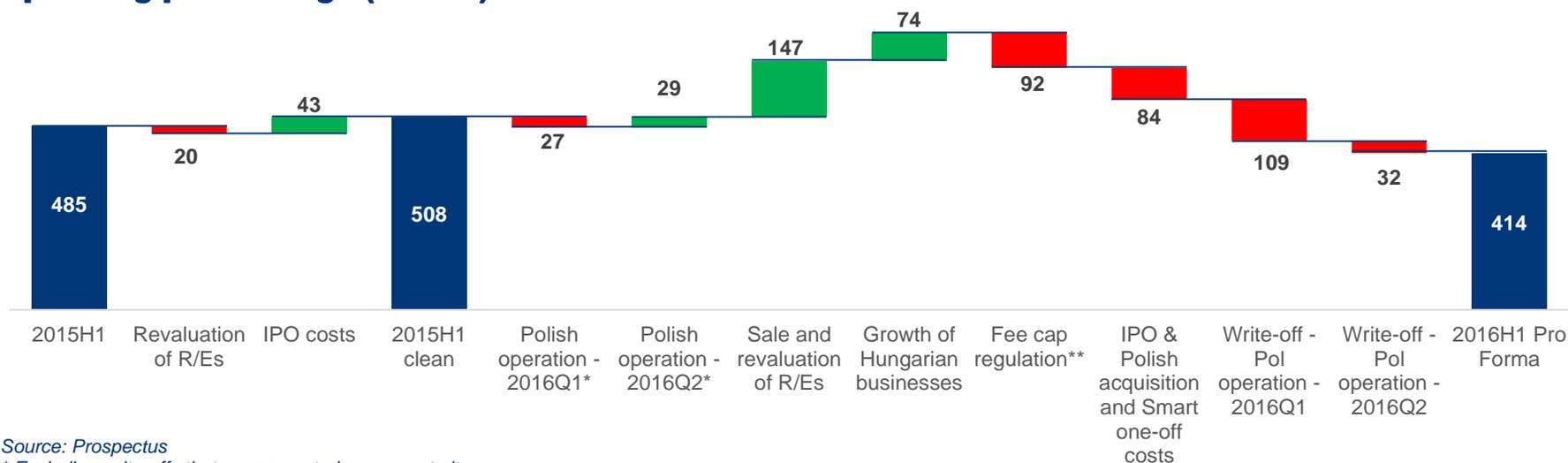
**Revenue, net profit ratio and net profit ratio on revenue (m HUF)**

**Change of Net profit, CAGR**


## Key drivers of 2016 H1 Pro Forma figures

### Revenues bridge (m HUF)



### Operating profit bridge (m HUF)



Source: Prospectus

\* Excluding write-offs that are presented as separate item

\*\* Estimated financial impact assuming unchanged commission rates and actual intermediated loan volumes. The regulation entered into force on 21 March 2016, therefore the 2016 H1 figures only partially contain its impact on DH Group..

**Positioned for growth**

**Our mission is to become a significant player in Central Eastern Europe in the field of real-estate intermediation and loan brokerage services**

**1. The Polish story**

Strong potential in Metrohouse Group and the Polish market

**2. The Hungarian core**

Further growth in the Hungarian core businesses

**3. Impact R/E fund**

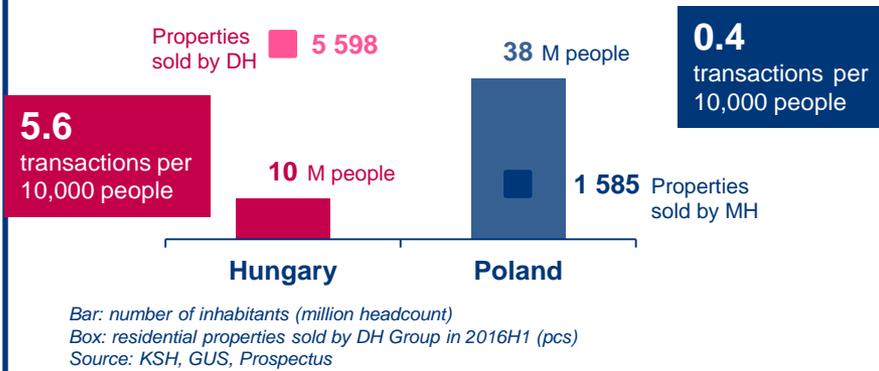
Utilizing experiences on the real estate market

**4. R/E development**

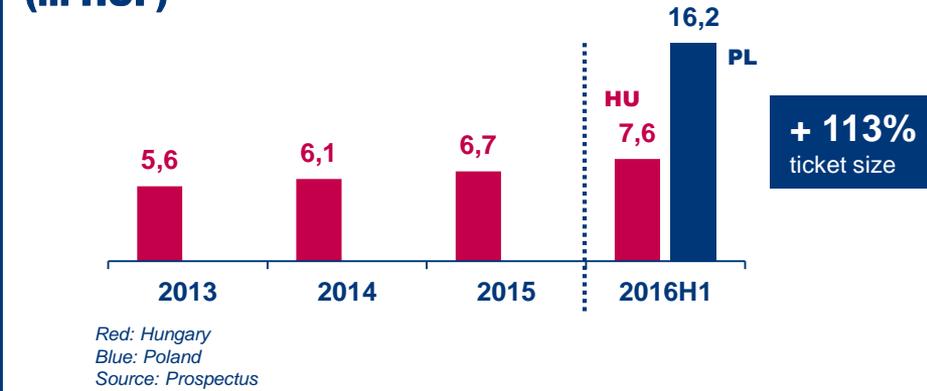
Taking advantage of positive market momentum

## Strong potential on the Polish market

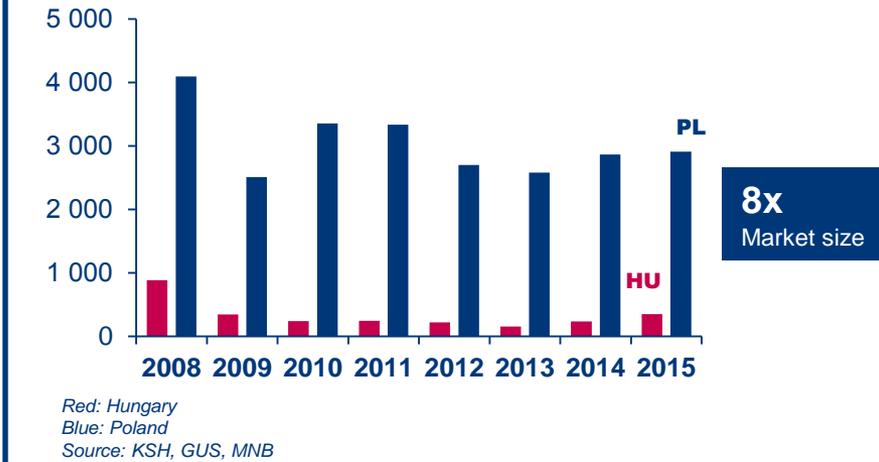
### DH – Residential properties sold by DH Group in 2016H1 and number of inhabitants



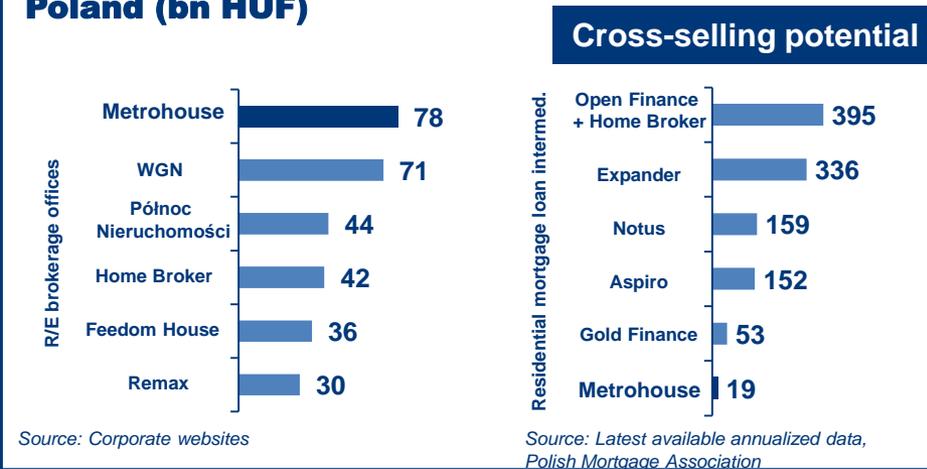
### DH – Average residential mortgage loan intermediated by DH Group in Hungary and Poland (m HUF)



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



### Competition – R/E brokerage offices and Residential mortgage loan intermediated in Poland (bn HUF)



**Metrohouse strategy – Strong growth in revenues and margins****Segment breakdown****Franchise**

Expanding the franchise network  
Strengthening support for the franchise network  
Stricter and more stable regulation of the network

**Own offices**

Increasing the number of own offices and agents  
Lower commission ratio for real estate agents  
Increasing efficiency of operations

**Financial  
intermediation**

Fastest growth potential  
Increasing cross-selling with real estate brokerage  
Lower commission ratio for financial professionals

**Related  
services**

Introducing related services in Metrohouse

## Further growth in the Hungarian core businesses

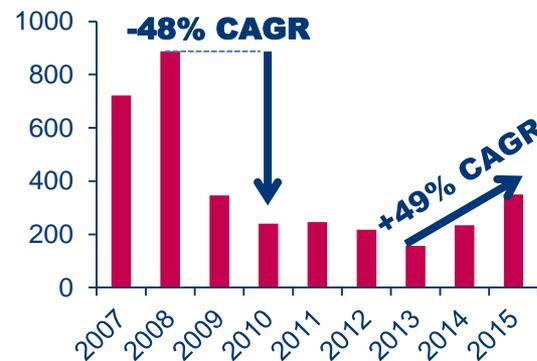
- **Continued growth in core segments** (after the adaption to the 2% commission cap)
  - Franchise
  - Own offices
  - Intermediation of financial products

**Transaction on Hungarian residential real-estate market (thousand pieces)**



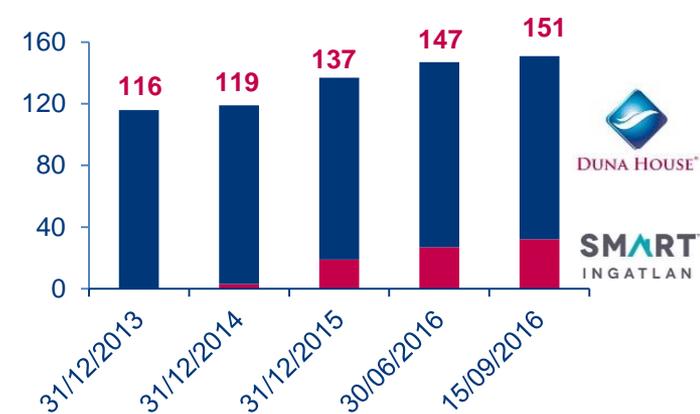
Source: Eurostat, KSH

**Disbursement of residential mortgage loans in Hungary (billion HUF)**



Source: KSH, MNB

**Number of Duna House and SMART offices in Hungary (pieces)**



Blue: Duna House  
 Red: SMART  
 Source: Company's data

**Utilizing experiences gained on the real estate market**

**Basic information**

- **Permission date:** 20 April 2016 by the Central Bank of Hungary
- **Fund shares issued:** HUF 1 billion
- **Net asset value:** 1,043 as of 16 September 2016
- **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



*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 positive market momentum

- Supportive legislation changes: decreased VAT to 5%, subsidies to families for buying new units (CSOK)
- DH Group has initiated a joint-venture agreement with an international real estate development group
- Purchase of plots for 4 residential development projects



	<b>Budapest III. district Forest Hill</b>	<b>Budapest XVIII. district Reviczky Liget</b>	<b>Budapest XIII. district Írisz Ház</b>	<b>Budapest III. district MyCity Residence</b>	<b>Total</b>
DH Group's ownership in the project	50%	50%	50%	25%	
Size of plot (sq.)	29 314	5 625	1 319	3 345	<b>39 603</b>
Total salable area (sq.)	16 085	4 672	2 228	7 069	<b>30 054</b>
Number of flats (pcs)	196*	86	44	105	<b>430</b>
Average current offer price (ths HUF/sq.)**	526	430	527	-	-
Average flat size (sq.)	82.1	54.3	51.8	67.3	<b>69.9</b>

\* Currently 148 flats have construction permit  
 \*\* According to MyCity's average sale prices  
 Source: Company data

**Core**

**Risks related to the proceeding of the Hungarian Competition Authority**

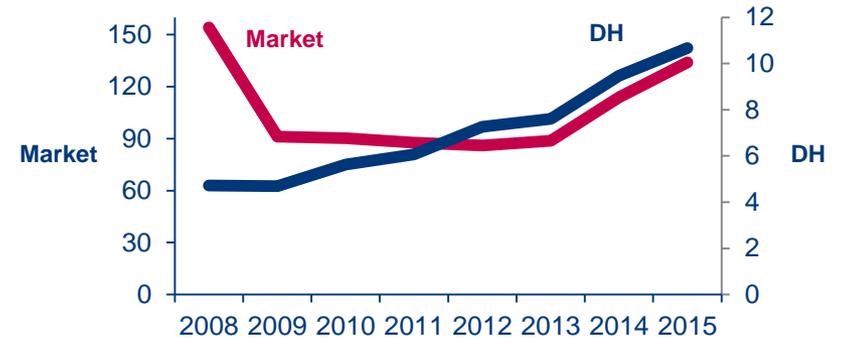
**Growth**

**Risks related to the successful turn-around of Metrohouse Group**

**Risks of low asset under management at IMPACT**

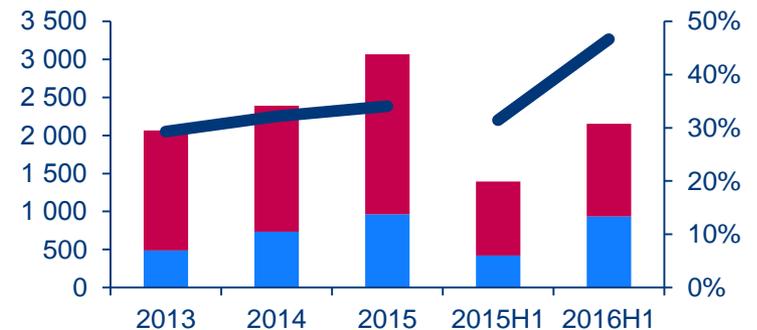
**Risks of high indebtedness of MyCity**

- ✓ Experienced management team with dedication to build a regional player
- ✓ Outstanding growth both in downward and upward market environments
- ✓ Upswing of residential real estate transactions and financing in Hungary
- ✓ Turn-around of the currently underperforming Metrohouse Group
- ✓ Fund management and R/E developments using thorough market expertise
- ✓ Strong revenue growth combined with high profit margin and cash generation support future dividend payout
- ✓ Diversified growth strategy

**Transaction on residential real-estate market in Hungary (in thousand pieces)**


*Red line: number of transactions on the residential property market (left)  
Blue line: number of residential properties sold by DH (right)*

*Source: KSH, Prospectus,*

**Revenue, net profit ratio and net profit ratio on revenue (m HUF)**


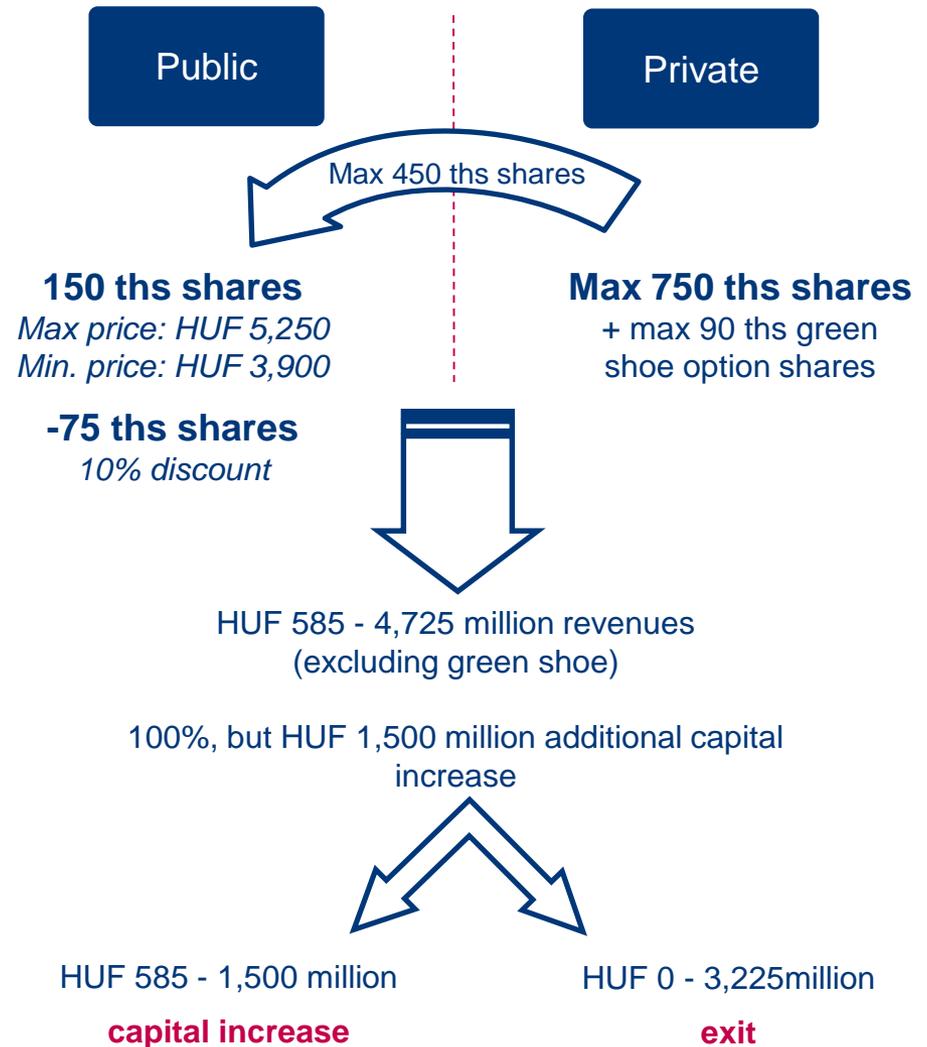
*Red Bar: Revenue (left)  
Blue Bar: Net income (left)  
Dark Blue line: Net profit ratio (right)*

*Source: Prospectus*

- Subscription period starts: 17 October 2016
- Subscription period ends: 27 October 2016, 14.00
- Public and private placement with reallocation possibility.
- Maximum 900,000 shares to be sold (+15%, maximum 90,000 green shoe option shares)
- Out of which maximum 75,000 shares (maximum 250 shares per investor) sold with 10% discount
- The total (estimated) revenue of public and private placement is HUF 4.7 billion (excluding green shoe). 100% of the revenues (excluding green shoe), maximum HUF 1.5 billion will be used for additional capital increase.
- The Company is aiming to pay 47% dividend of the profit after tax to common stock (excluding the revaluation of R/E and development projects).

### Underwriters:

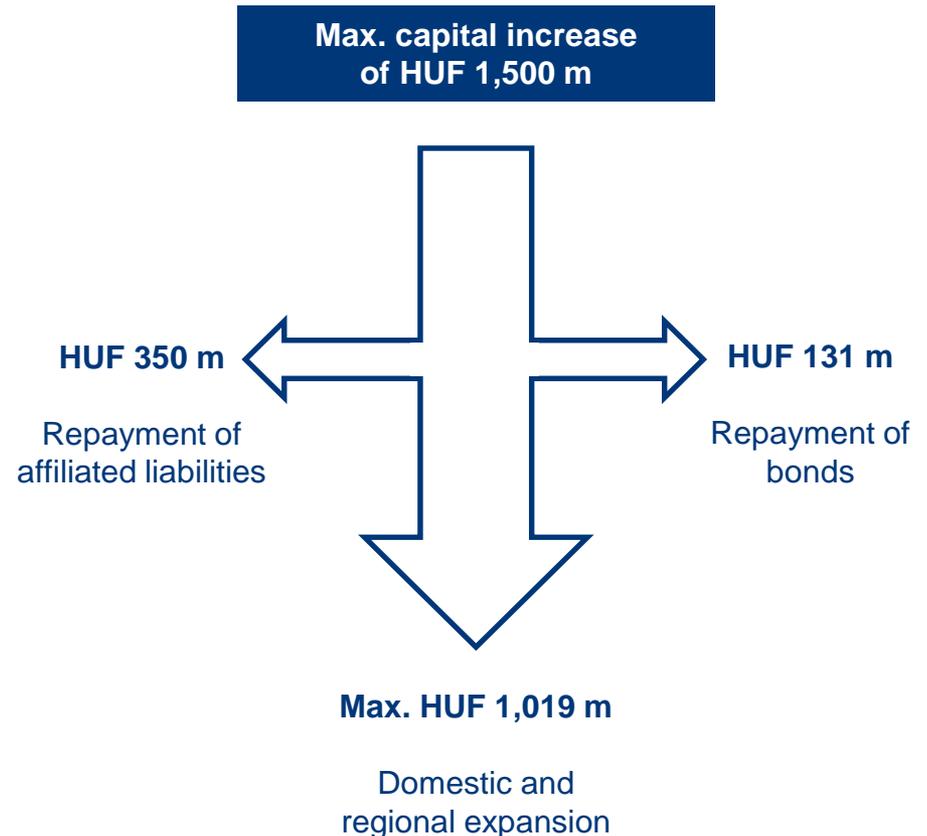
- Concorde Értékpapír Zrt.
- Equilor Befektetési Zrt.
- Erste Befektetési Zrt.
- MKB Bank Zrt.
- Raiffeisen Bank Zrt.



DH Group used affiliated and bank loans to acquire Metrohouse Group and start development projects in 2016.

Use of proceeds is as follows:

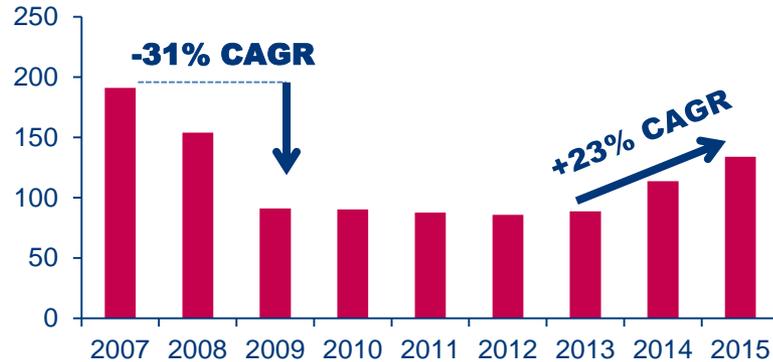
- The maximum value of capital increase is HUF 1,500 m.
- HUF 350 m will be spent on the repayment of affiliated liabilities.
- HUF 131 m will be spent on the repayment of bonds expiring in November 2016.
- The remaining HUF 1,019 m capital increase will be spent on achieving domestic and regional business developments.



# ANNEXES

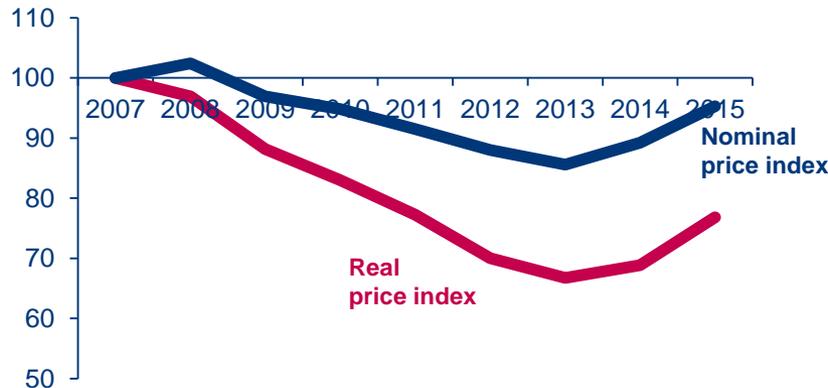


# Appendix – Market overview

**Booming residential real estate market**
**Residential real-estate transactions in Hungary (thousand pieces)**


Source: Eurostat, KSH

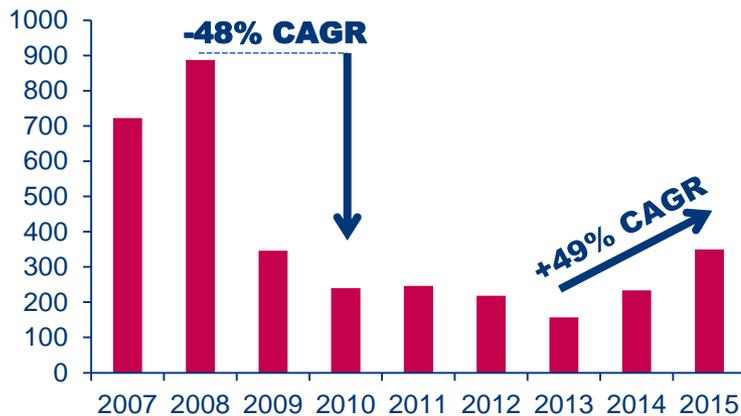
- Pre 2008: favorable lending environment, expanding economy and continuous rise of households' disposable income
- 2008-2013: Global economic crisis → decreasing number of transactions and price index
- After 2013: decline of interest rates, improving overall economic sentiment and the extra demand generated by the postponed residential property transactions, government subsidiary program (CSOK) and VAT reduction to 5% → increasing number of transactions and price index

**Real and nominal price indexes of residential real-estate in Hungary (2007 = 100)**


Red line: real price index  
Blue line: nominal price index  
Source: KSH, Eurostat

**2008 vs 2015**

- **DH transaction number: +126%**
- **Market transaction: -13%**

**Increasing loan volume in 2015, limiting mortgage broker commissions**
**Disbursement of residential mortgage loans in Hungary (billion HUF)**


Source: KSH, MNB

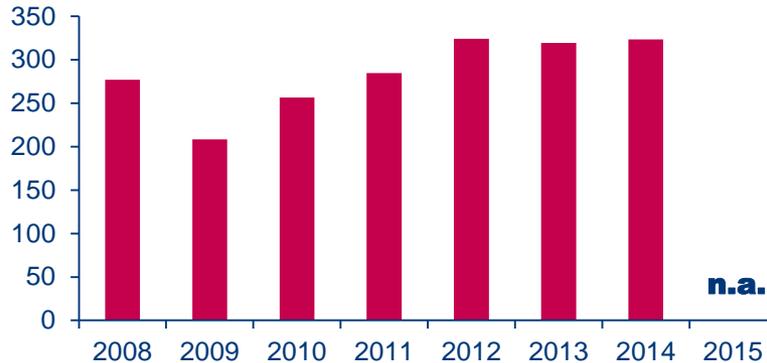
- Before 2008: growing mortgage lending due to the subsidized mortgage programs and the low interest rates of the foreign currency loans. Total value of the residential property loans to the value of residential property transactions: 51%.
- 2008H2 - : banks had drastically tightened their lending policies.
- After 2014Q2: Improving lending policy, consumption and investment activity of the population, significant reduction of the costs of credit



increasing housing loan disbursement

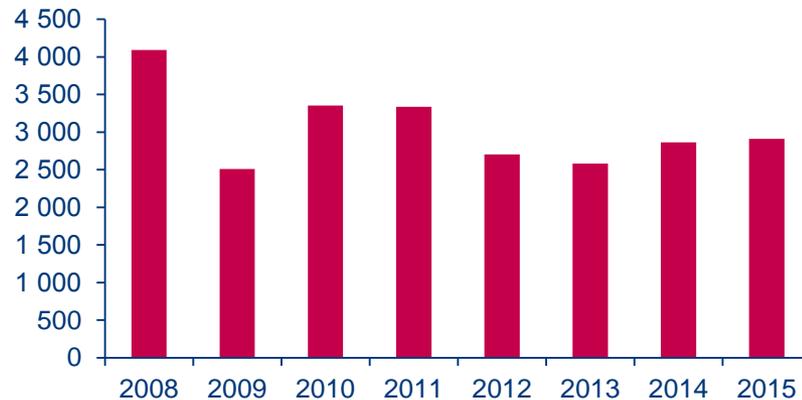


- Substantial government actions in the past: preferential repayment, Act on Accountability, hard currency loan of HUF, debt control, Act on Fair Banks, maximizing total mortgage broker commissions at 2%, government subsidiary program (CSOK)

**Stable market even during the years of the crisis**
**Real-estate transactions in Poland  
(thousand pieces)**


Source: GUS

- Stable economy and real estate sector even after the crisis → transaction numbers declined only in 2009
- Growing number of transaction after 2009
- Polish government introduced the MdM program in 2014 to subsidize young people to buy own residential property
- Favorable demographics

**Disbursement of residential mortgage loan  
in Poland (billion HUF)**


Source: NBP

- Hit by the crisis, but significantly less compared to Hungary
- Stability during 2012-2015
- Favorable banking environment → constantly decreasing interest rates

# Appendix – Segment overview

**Synergistic activities focused on the real-estate market**
**SEGMENT OF REAL-ESTATE INVESTMENTS**

- Buy-and-hold of residential properties, for long term, especially for investment purposes
- Development of residential real estates from 2016

**SEGMENT OF RELATED SERVICES**

- Property management, Energy certificates, Appraisals

**FRANCHISE SEGMENT**

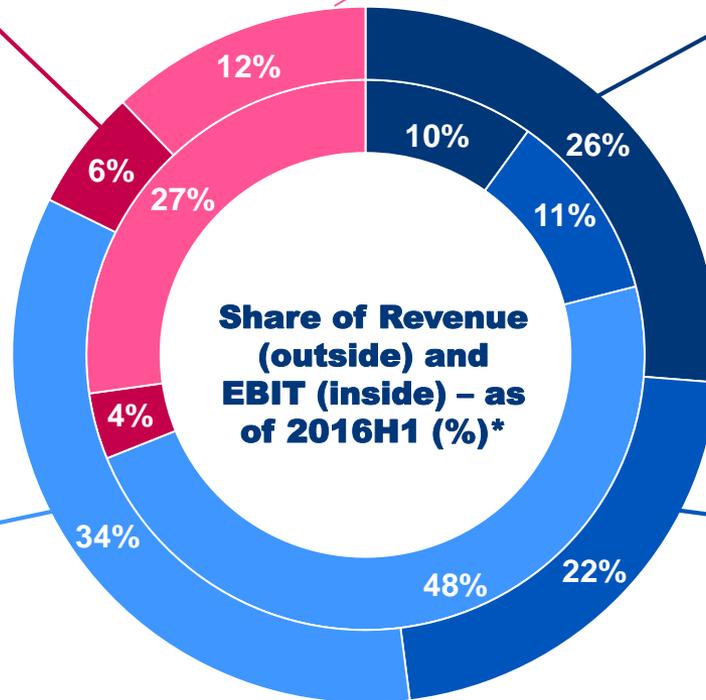
- Intermediation of new-built and used residential properties and commercial real estates
- Largest network on the residential real estate agency market

**SEGMENT OF INTERMEDIATION OF FINANCIAL PRODUCTS**

- Main focus: mortgage loans, home saving and insurance products

**SEGMENT OF OWN OFFICES**

- DH Group operates own franchise offices
- DH Group owns and runs 28 offices in Hungary and Poland with cca 310 real estate agents



\* Without consolidation of inter-segment transactions; non pro-forma figures

**Growing significantly above market trends**


**DUNA HOUSE®**  
**SMART™**  
 INGATLAN

**metrohouse**

- Hungary's and Poland's largest residential real-estate franchise network.
- Sales of newly-built and used residential properties as well as commercial real estates.
- 158 independent franchise partners at Duna House, Smart and Metrohouse networks with 229 offices (including 28 own offices) and more than 1,700 agents.
- Revenues generated from franchise partners: (i) entry fees, (ii) continuous franchise fees and (iii) other (e.g. trainings) fees.
- Decrease of Net profit in 2015 and 2016H1 is due to one-off items (IPO costs, Smart marketing budget subsidies, M&A costs)

million HUF	2013	2014	2015	2015H1	2016H1*	CAGR 2015 vs 2013	Change 2016H1/ 2015H1
<i>Sold real-estates - HU (pcs)</i>	7,612	9,472	10,669	5,329	5,598	+18%	+5%
<i>Sold real-estates - PL (pcs)</i>	-	-	-	-	786	-	-
<i>Total commission – HU</i>	3,542	4,704	5,914	2,831	3,327	+29%	+18%
<i>Total commission – PL</i>	-	-	-	-	559	-	-
<b>Sales Revenue</b>	<b>606</b>	<b>729</b>	<b>842</b>	<b>432</b>	<b>563</b>	<b>+18%</b>	<b>+30%</b>
<b>Gross Profit</b>	<b>544</b>	<b>670</b>	<b>752</b>	<b>389</b>	<b>482</b>	<b>+18%</b>	<b>+24%</b>
<b>Operational Profit (EBIT)</b>	<b>172</b>	<b>230</b>	<b>150</b>	<b>84</b>	<b>56</b>	<b>-7%</b>	<b>-33%</b>

*Source: Prospectus*

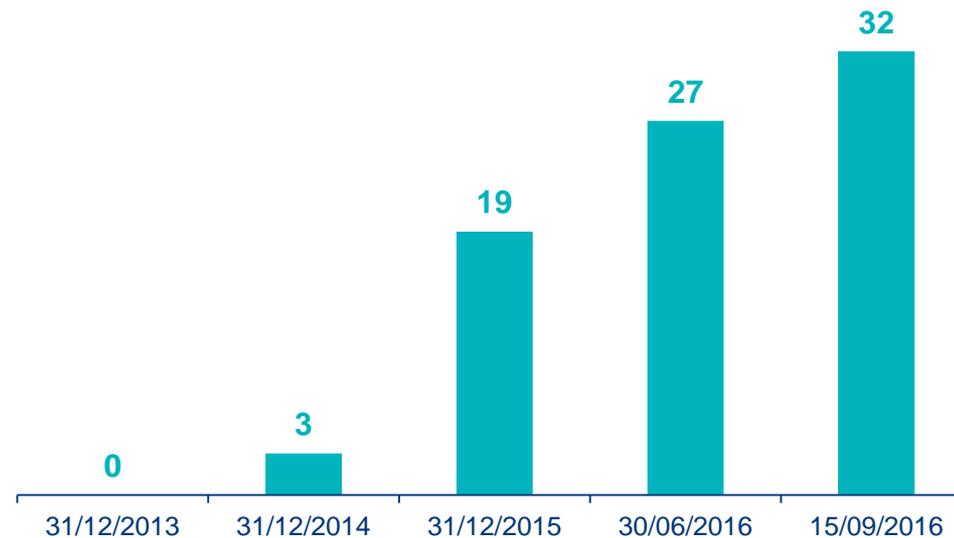
*\* Including data of Metrohouse since 1 April 2016*

## Development of SMART franchise



- 32 SMART offices under operation (incl. 4 own offices) as of 15 September 2016.
- 4 additional offices under opening procedures.

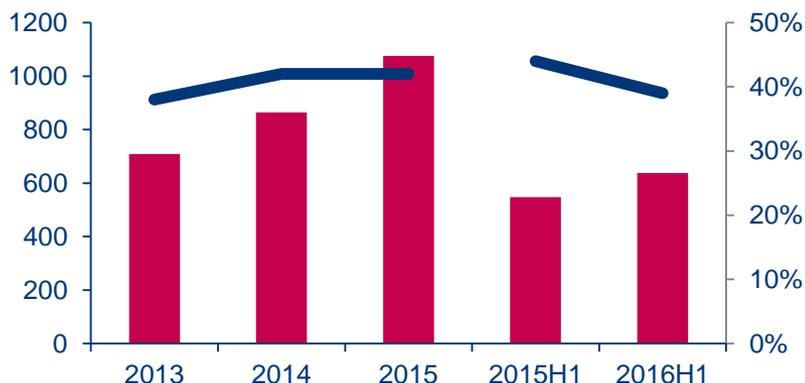
### Number of Smart offices (pieces)



*Source: Prospectus*

## Profit generation and direct link to the market

### Commission income (m HUF), gross profit / commission income (%)



**Red Bar: Commission Income (left) (m HUF)**  
**Blue line: gross profit/commission income (right) (%)**

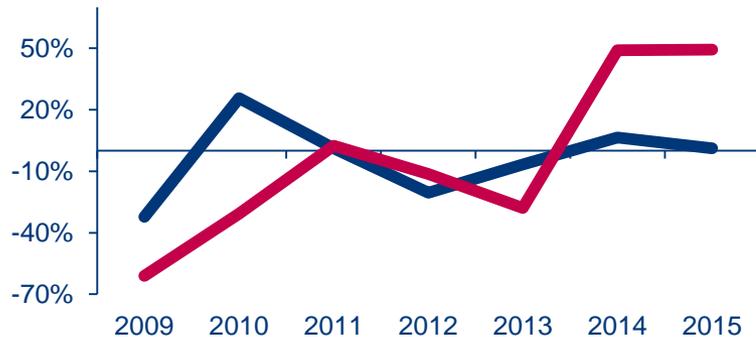
Source: Prospectus

- DH Group operates 28 offices with approximately 310 real estate agents in Hungary and Poland. The Company also operates one office in the Czech Republic (part of DH Group from 2 September 2016).
- The own office segment operates under the same conditions as the external franchise partners.
- DH Group is planning to open further Duna House, Smart and Metrohouse real estate offices in the near future.
- Margins slightly lowered with the acquisition of Metrohouse Group, due to i) different revenue model and ii) the operating costs of 3 Smart own offices (opened in H2 of 2015)

million HUF	2013	2014	2015	2015H1	2016H1*	CAGR 2015 vs 2013	Change 2016H1/ 2015H1
Commission income	709	865	1,076	547	638	+23%	+17%
Sales revenue	469	620	734	377	465	+25%	+23%
Gross profit	271	362	456	240	246	+30%	+2%
Operational costs	209	203	262	127	183	+12%	+44%
Operational profit (EBIT)	62	159	194	114	63	+77%	-45%

Source: Prospectus

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

**Significant increase in market share**
**Changes in mortgage loan disbursement in Hungary and Poland (year / year, %)**


**Blue line: Poland**  
**Red line: Hungary**  
**Source: Prospectus**

- Under the multiple agency contract with banks and insurance companies, DH Group offers wide range of financial products
- Its main focus is mediation of residential property loans, home savings and insurance products.
- DH Group is entitled for up-front fee and trailing fee (in Hungary). Legislation limited total commissions at 2% effective from 21 March 2016 (previously the average was 4%). Negative effect on results is partly compensated by modification of DH's commission system, favorable market environment and focus on home-saving.
- Commissions for mortgage loan intermediation is paid on the disbursed amount.
- Commission for home saving products is earned on the contractual amount and length of contractual term.

<i>million HUF</i>	2013	2014	2015	2015H1	2016H1*	CAGR 2015 vs 2013	Change 2016H1/ 2015H1
<i>Intermediated mortgage loan – HU (bnHUF)</i>	11.1	18.2	21.1	9.4	13.7	+38%	+46%
<i>Intermediated mortgage loan – PL (bnHUF)</i>	-	-	-	-	5.2	-	-
<i>Intermediated home savings – HU (bnHUF)</i>	3.7	5.3	8.2	3.9	8.7	+50%	+121%
<b>Sales revenue</b>	<b>570</b>	<b>961</b>	<b>1,230</b>	<b>553</b>	<b>736</b>	<b>+47%</b>	<b>+33%</b>
<b>Gross profit</b>	<b>240</b>	<b>431</b>	<b>607</b>	<b>277</b>	<b>333</b>	<b>+59%</b>	<b>+20%</b>
<b>Operational profit (EBIT)</b>	<b>154</b>	<b>339</b>	<b>488</b>	<b>222</b>	<b>272</b>	<b>+78%</b>	<b>+23%</b>

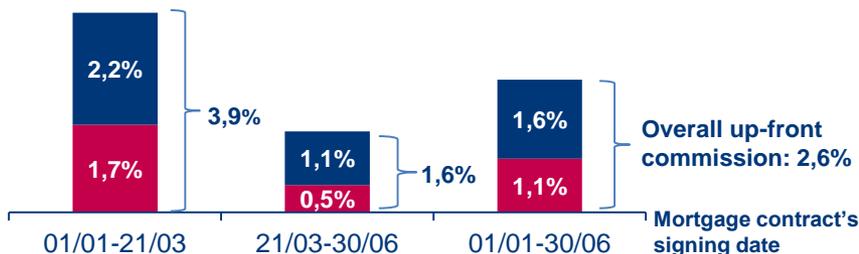
**Source: Prospectus**

**\* Including data of Metrohouse since 1 April 2016**

**Significant legislation changes in Hungary**
**Upfront commission levels of mortgage loans intermediated by DH Group before and after the legislative changes**

%	Contracted before 21/03/2016	Contracted after 21/03/2016	2016H1
Upfront commission of mortgage loans intermediated	3.9%	1.6%	2.6%
<i>Commission ratio paid to financial advisors</i>	56.2%	66.0%	59.6%
Upfront commission paid for financial advisors	2.2%	1.1%	1.6%
Upfront commission held by DH Group	1.7%	0.5%	1.1%
Split of mortgage loans intermediated	43%	57%	100%

Source: Prospectus

**Upfront commission of mortgage loans intermediated by DH Group in 2016H1**


Red bar: Upfront commission held by DH Group (%)

Blue bar: Upfront commission paid for financial advisors (%)

Note: 0,4% maintenance fee remain at DH as before 21 March 2016

Source: Prospectus

**Sensitivity – The effect of changes in mortgage loans intermediated, upfront commission of mortgage loans and the commission ratio paid to financial advisors**

HUF	2016H1	change	Effect on EBIT 2016H1
Intermediated mortgage loans	13.7 bn	+1 bn	+10.6 m
Commission level	2.6%	-10 bp	-5.5 m
Commission ratio paid to financial advisors	59.6%	+100 bp	-3.6 m

Assuming other parameters unchanged

Source: Prospectus

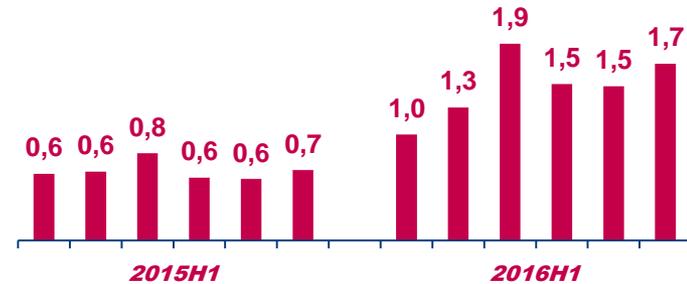
## Focus shift

**Residential mortgage loan intermediated by DH Group (bn HUF)**



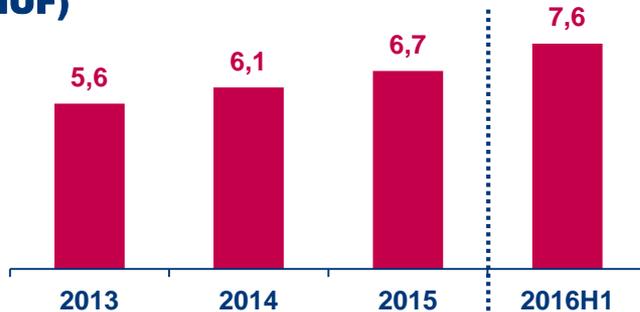
Source: Prospectus

**Home saving products intermediated by DH Group (bn HUF)**



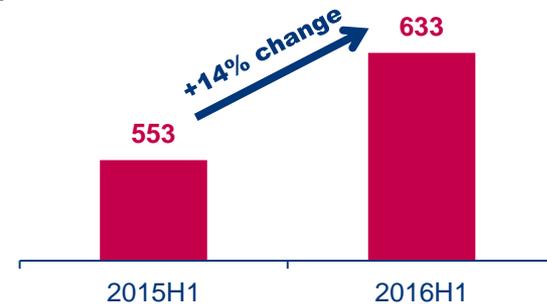
Source: Prospectus

**DH – Average residential mortgage loan intermediated by DH Group in Hungary (m HUF)**



Source: Prospectus

**Revenues of DH Group's Intermediation of Financial Products segment in Hungary (m HUF)**



Source: Prospectus

## „One-stop shop” strategy



### Business activities of the segment:

- Property management;
- Energy certificates;
- Property valuation services.

<i>million HUF</i>	2013	2014	2015	2015H1	2016H1	CAGR 2015 vs 2013	Change 2016H1/ 2015H1
Sales Revenue	161	193	236	94	120	+21%	+28%
Gross profit	111	121	157	58	71	+19%	+22%
Operational profit (EBIT)	39	56	74	24	22	+38%	-8%

*Source: Prospectus*

## Realizing profit on increasing prices and supportive legislation

- DH Group has started to build a mainly residential real estate portfolio for long term investment purposes utilizing the DH Group's extensive knowledge of the Hungarian real estate market.

<i>Book value (m HUF)</i>	<b>31 December 2014</b>	<b>31 December 2015</b>	<b>30 June 2016</b>
Real-estate used by DH Group	589	469	509
Real-estate investments	0	1,324	1,646

*Source: Prospectus*

- The investment properties are recorded at market value in IFRS reports.
- The DH Group took HUF 537 million bank loan for financing the real estate portfolio, as of 30 June 2016.
- For changes after 30th of June, please refer to slide 26

# Appendix – Financial overview

## Slightly increased leverage to finance expansion

(m HUF)	2013.12.31.	2014.12.31.	2015.12.31.	2016.06.30.
<b>Assets</b>				
Real estate for investment purpose			1,324	1,646
Real estate	75	589	469	509
Other invested assets	236	244	181	1,637
<b>Total long-term assets</b>	<b>311</b>	<b>833</b>	<b>1,974</b>	<b>3,793</b>
Balances with related parties	320	139		349
Other short-term assets	145	115	149	411
Accruals	229	299	412	378
Short-term investments		352		
Cash	136	267	416	398
<b>Total short-term assets</b>	<b>829</b>	<b>1,171</b>	<b>978</b>	<b>1,535</b>
<b>Total assets</b>	<b>1,141</b>	<b>2,004</b>	<b>2,951</b>	<b>5,328</b>
<b>Capital and liabilities</b>				
Share capital	3	150	153	153
Capital reserves			9	9
Retained earnings	663	969	1,525	2,218
<b>Capital on mother company</b>	<b>666</b>	<b>1,119</b>	<b>1,688</b>	<b>2,374</b>
Minority interest	1	0		
<b>Total capital</b>	<b>666</b>	<b>1,119</b>	<b>1,688</b>	<b>2,374</b>
Long-term bank loans		221	495	904
Other long-term liabilities	32	31	49	122
<b>Total long-term liabilities</b>	<b>32</b>	<b>252</b>	<b>544</b>	<b>1,026</b>
Short-term bank loans		36	114	478
Other short-term liabilities	247	407	313	1,014
Provisions, accruals	195	191	293	436
<b>Total short-term liabilities</b>	<b>442</b>	<b>634</b>	<b>720</b>	<b>1,927</b>
<b>Total capital and liabilities</b>	<b>1,141</b>	<b>2,004</b>	<b>2,951</b>	<b>5,328</b>

*Source: Prospectus*

- The build-up of the real estate portfolio was financed by own capital and long term loan.
- Other invested assets grew significantly due to the acquisition of Metrohouse Group and the start of the real estate development projects. These were financed by bank loan and affiliated loans, as a result of the postponed public placement planned for November 2016.
- More than half of the accruals are connected to incomes, such as trailing commissions.
- Short term liabilities consist of affiliated liabilities and loans payable within the year.
- A significant part of provisions, accruals are related to accruals of entry franchise fees.

## Very high cash-flow conversion

million HUF	2013	2014	2015	2015H1	2016H1
Profit after Tax	487	735	966	422	940
Depreciation	51	41	74	35	37
Deferred tax	3	2	18	5	-33
Capital gain on real-estate revaluation	0	0	-183	-20	-100
Selling of fixed assets	-55	0	0	0	0
Revaluation of investments	0	0	0	0	-481
Changes in working capital	-177	316	-10	77	272
<b>Operational net cash-flow</b>	<b>309</b>	<b>1,095</b>	<b>865</b>	<b>520</b>	<b>636</b>
Buying of real-estate and fixed assets	-67	-566	-1,027	-322	-340
Selling of real-estate and fixed assets	325	0	0	0	0
Acquisition of shares	0	0	0	0	-839
<b>Net cash-flow from investing activity</b>	<b>258</b>	<b>-566</b>	<b>-1,027</b>	<b>-322</b>	<b>-1,179</b>
Changes in bank loan	0	256	353	71	773
Capital increase	0	0	13	0	0
Changes in financial investments	0	-352	352	352	0
Dividend paid	-541	-302	-405	-405	-248
<b>Net cash-flow from financing activity</b>	<b>-541</b>	<b>-398</b>	<b>312</b>	<b>18</b>	<b>525</b>
<b>Changes in cash position</b>	<b>26</b>	<b>131</b>	<b>149</b>	<b>216</b>	<b>-18</b>

*Source: Prospectus*

- Investment cash flow was effected by transactions connected to real estates and the acquisition of Metrohouse Group.
- Revaluation of 481 million HUF related to the investment in property development joint venture.
- Dividend to be paid for 2015: 200 million HUF (for common stock) and 48 million HUF (for employee shares). Dividend policy: 47% of clean net profits (net of real estate and investment revaluations)

Aug-  
Sept  
2016

**Fund shares of IMPACT successfully issued (HUF 1,022 m)**  
**IMPACT acquires R/Es from DH Group (HUF 680 m)**

2 Sept  
2016

**Acquisition of Czech operation**

The Czech operation is now controlled by DH Group  
80% share purchase of HUF 10 m, loan acquisition of HUF 205 m

16  
Sept  
2016

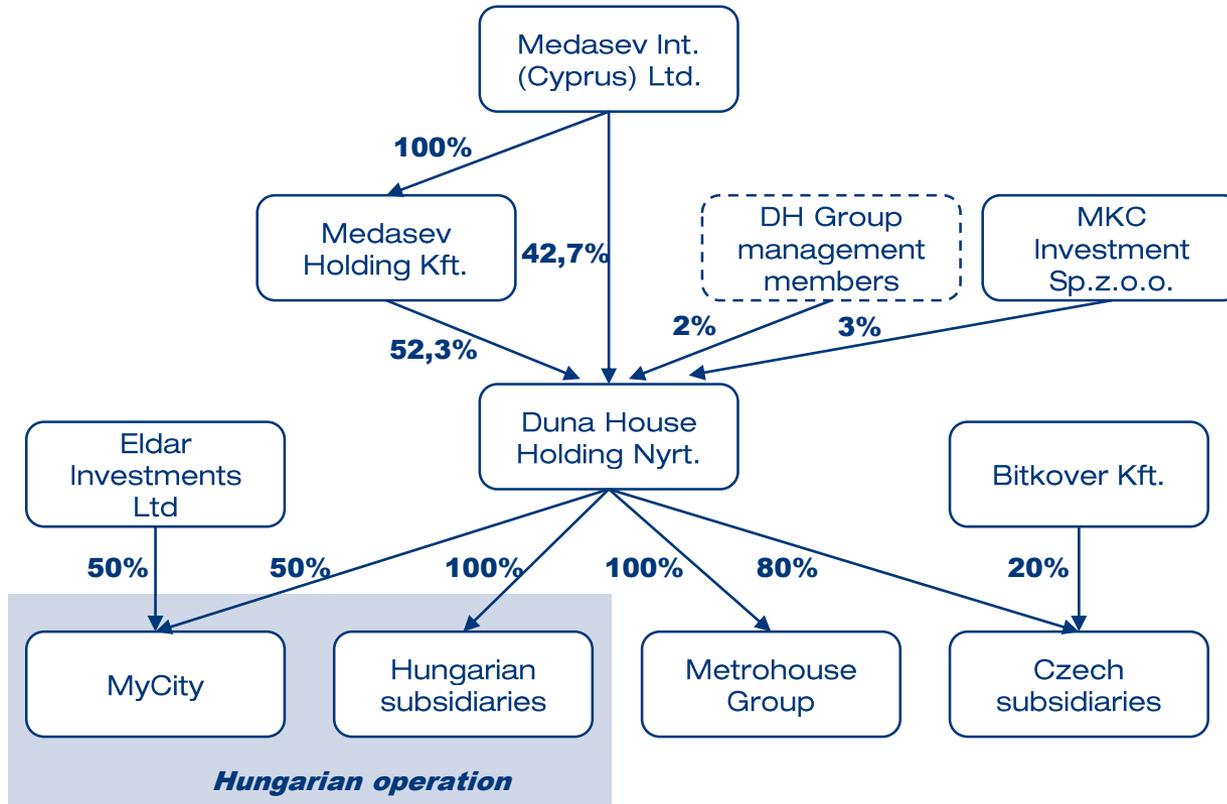
**Acquisition of Hunor utca 24 Kft.**

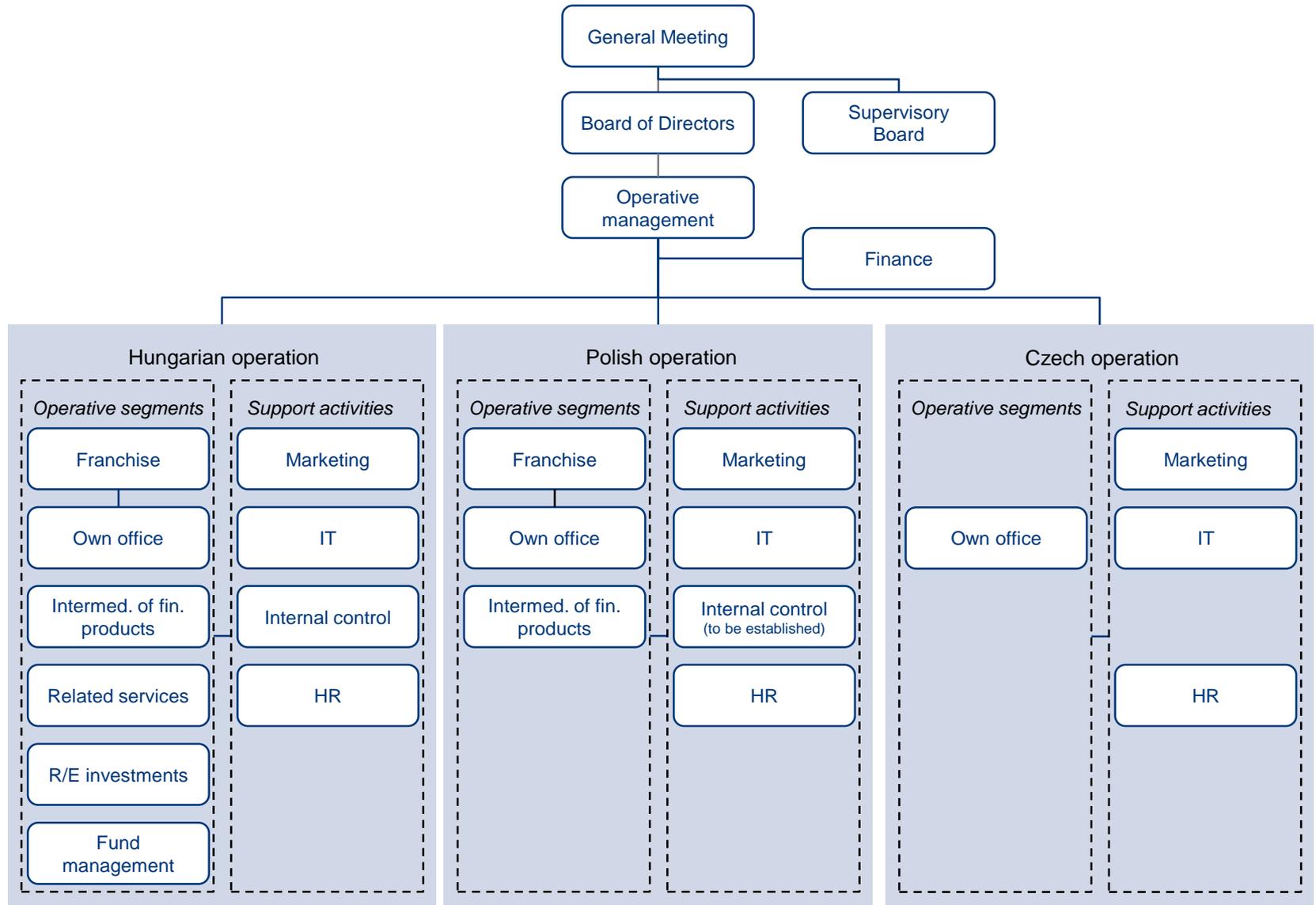
Hunor utca 24 Kft is the owner of the plot for the 4th R/E investment project  
50% share purchase of HUF 1.5 m, shareholder loan after transaction of HUF 40m

Sept  
2016

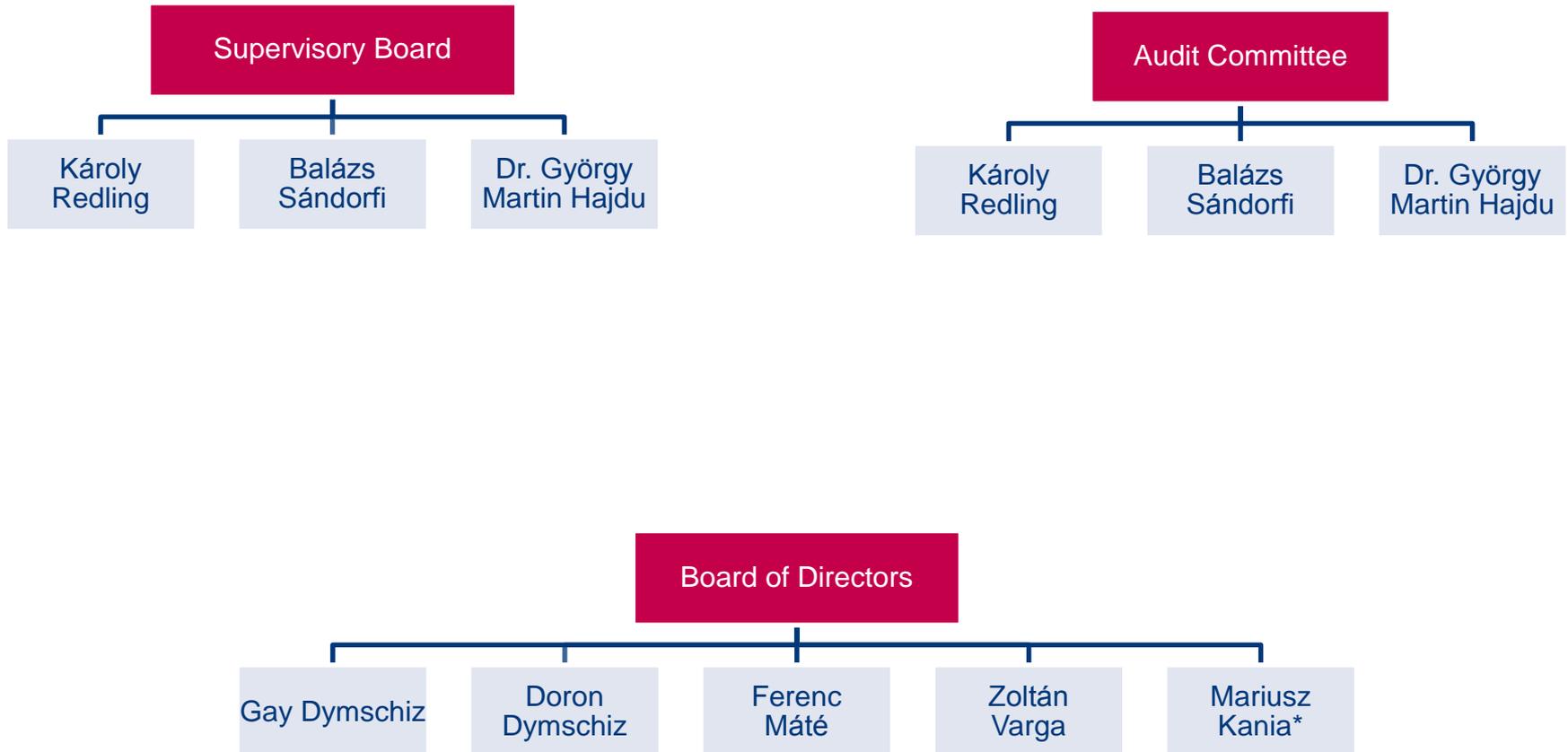
**Repayment of related liabilities (HUF 228 m)**  
**Repayment of bank loan (HUF 375 m)**  
**Partial sale of DH Group's R/E portfolio to 3rd party (HUF 135 m)**

# Appendix – Structure and orgchart





## Transparent corporate governance



*\*Mariusz Kania (former owner of Metrohouse Group) will serve as Director until a new member will be nominated by institutional investors after the IPO and elected*

**Long term management motivation**

Share class	Number of shares (pcs)	Nominal value		
Common stock	3,060 ths	HUF 50		
Employee shares	1,000	HUF 50		

Name	Common stocks owned	Employee shares owned	Direct stake controlled	Indirect stake controlled
Medasev Holding Kft.	1,600,000	0	52.27%	-
Medasev International	1,308,500	0	42.75%	52.27%*
Gay Dymischiz	7,636	72	0.25%	47.51%**
Doron Dymischiz	7,636	72	0.25%	47.51%***
MKC Investment Sp. z.o.o.	91,500	0	2.99%	-
Ferenc Máté	30,000	151	0.99%	-
Tamás Ambrus	5,454	150	0.18%	-
Kinga Szalay	2,182	150	0.08%	-
Bernadett Szirtes	1,364	80	0.05%	-
Krisztián Fülöp	2,182	0	0.07%	-
dr András Szabadházy	1,364	65	0.05%	-
Nir Bitkover	2,182	0	0.07%	-
Angelika Fóris	0	110	0.00%	-
Zoltán Tóth	0	150	0.00%	-
<b>Total</b>	<b>3,060,000</b>	<b>1,000</b>	<b>100.00%</b>	

\* Medasev International is the sole owner of Medasev Holding Kft

\*\* Gay Dymischiz has 50% voting rights of Medasev International

\*\*\* Doron Dymischiz has 50% voting rights of Medasev International

Source: Prospectus

- The owners of employee shares have dividend priority of 6% on profit after tax excluding revaluation of R/E and investments

**Thank you for your attention**