



EXTRAORDINARY NOTICE

The Board of Directors of **DUNA HOUSE HOLDING Public Limited Company** (seat: 1016 Budapest, Gellérthegy str. 17, Hungary; company registration number: Cg. 01-10-04838; hereinafter referred to as “**Company**”) hereby informs the Investors that due to the global health and economic crisis caused by the COVID-19 epidemic, the Company has taken the following actions in order to ensure the continuous and safe operation of the Company and its subsidiaries in the coming period.

In this uncertain environment, the Board of Directors primary responsibility is to maintain the Company’s business continuity and its stable liquidity in the short term, during the epidemiological emergency and curfew restrictions. Since the security of our clients and colleagues is very important to us, we have implemented new technologies and business practices in our real estate and loan intermediation networks in Hungary, Poland and the Czech Republic that help minimizing personal contacts, online preparation and execution of transactions. In addition, we have also taken the necessary actions to protect those who are working in the construction area of our real estate development projects and assigned home office to the employees working in the headquarter for the vast majority of jobs from March 16, 2020.

In order to ensure business continuity, it is essential to maintain stable liquidity. The Group expanded its liquid assets, and on March 18, 2020, it agreed with Raiffeisen Bank Zrt to increase its existing credit line by another HUF 1.0 billion, which the Company drew down on April 1, 2020.

The Board of Directors is committed to paying out 47% of its adjusted PAT in the form of dividends, but at the same time in the midst of current uncertainty prudent management requires the postponement of the payment of dividends re. the 2019 financial year, which was announced to the Investors on March 27, 2020.

Due to the successful operation of the past years and the above actions, the Board of Directors is convinced that the Group is prepared for all realistic scenarios.

However, the epidemic and the accompanying economic effects may affect the operations of the Group in many areas. The time horizon and strength of curfew restrictions can be decisive for the development of real estate and loan transactions. The weekly data published in the transaction number estimation on April 1, 2020, and the 67% downturn

in the real estate market in the last week of March show a negative picture. Under current regulations, the movements related to property transactions, unlike other countries' regulations, are not exempt from restrictions, so even further significant reductions are expected. At the same time, it is positive for the operation of the Group that the lending dynamism has remained, thus the 1-2 month delayed effect of loan disbursements compared to real estate transactions helps to mitigate the immediate impact.

The core services of the Group operate at a high direct cost ratio thus in the event of a significant drop in revenue, its effect on profitability can be mitigated. Nonetheless, the Board of Directors has begun to implement reasonable cost reduction actions with regard to the pandemic. The Group is committed to retaining its franchise partners and employees and takes all necessary steps to support and keep them. As one of the first actions, the operative members of the Board of Directors decided to forgo their payments as of April 1, 2020, and the employees in the headquarter have accepted a 30% temporary wage decrease, contributing to the Group's margin increase. In addition, the Group will also temporarily release the minimum fees payable by franchise partners from April 1, 2020, to help them through this difficult time. The percentage franchise fees remain unchanged.

The real estate development projects run smoothly, even with curfew restrictions, but difficulties in securing labor and purchasing imported materials can cause further slowdowns.

The actions referred above are not only aimed at short-term crisis management caused by the epidemic, but we are also preparing for the future, the transformation of the market. After the immediate restrictions, several scenarios are possible from the quick recovery to the protracted crisis. The Board is convinced that the Group is in a particularly favorable position in both cases, as the brokerage model can create value for both the real estate and loan transactions on the seller and buyer side, as well. In addition, the epidemic also increases the value of security for clients, the one-stop-shop solution provided by the broker is essential. The Group has the market position and a solid financial background that can ensure a rapid recovery.

The Board of Directors believes that due to the COVID-19 pandemic, the Group will not be able to maintain its profit forecast for 2020. We will inform the Investors when the uncertainty surrounding this year diminishes.

Budapest, April 2, 2020

Duna House Holding Plc.