

Press release

Preliminary financial results for the first quarter of 2016

Hypoport starts 2016 with revenue growth and a jump in EBIT

Berlin, 2 May 2016: Technology-based financial service provider Hypoport has begun this year with the strongest first quarter in its history. Consolidated revenue was up by 7 per cent, rising to €35.7 million (Q1 2015: €33.3 million). Earnings before interest and tax (EBIT) jumped by 42 per cent to €5.4 million (Q1 2015: €3.8 million) and earnings per share increased by 40 per cent to €0.70 (Q1 2015: €0.50).

"We achieved this outstanding result despite the fact that the implementation of new regulations in the mortgage finance market arising from the Mortgage Credit Directive (MCD) has tied up resources for us and for banks and partners, and had a negative impact on new business," said Ronald Slabke, Chief Executive Officer of Hypoport AG.

In its Financial Service Providers business unit, the transaction volume of €10.4 billion was slightly down on the prior-year quarter (Q1 2015: €11.1 billion), largely due to the introduction of the MCD to regulate the lending market. At the same time, the business unit successfully completed the development of the new **BaufiSmart** front end – the biggest IT project in its history. The unit has also expanded its distribution capability and has secured a total of 15 new partners since the beginning of the year. Even in this difficult environment, the business unit remained on a growth trajectory, with revenue for the quarter rising to €10.8 million (Q1 2015: €10.1 million). Despite these factors and the expansion in distribution capacity, EBIT remained unchanged year on year at €2.5 million (Q1 2015: €2.5 million).

The Private Clients business unit also had to deal with the MCD. Focusing on product suppliers that were not held back by the Mortgage Credit Directive meant that the business unit was still able to further expand its share of the mortgage finance market. The business unit generated revenue of €20.9 million (Q1 2015: €19.4 million) – its best-ever quarterly result. The full migration to **EUROPACE BaufiSmart** also led to efficiency gains for its current team of 476 advisors (31 December 2015: 437). This, combined with lower losses from the insurance business, enabled the business unit to report a significant jump in EBIT of 117 per cent to €2.5 million (Q1 2015: €1.2 million).

Market conditions were stable for the Corporate Real Estate Clients business unit in the first quarter. The housing industry's government brief to create more housing is significantly increasing the number of potential new customers in the business development pipeline. At €371 million, the volume of new business brokered in the first quarter of 2016 was down on the corresponding period of last year (Q1 2015: 492 million), reflecting the normal pattern of volatility during the year. However, complex, one-off lending transactions generated exceptionally high income, enabling revenue to grow by 7 per cent to



€4.2 million (Q1 2015: €3.9 million). Earnings were also up, rising to €1.4 million (Q1 2015: €1.3 million).

"Overall, we enjoyed a good first quarter in a market held back by regulation," said Slabke, adding: "We expect the lending market to normalise as the year progresses and we are looking to the future with confidence. Structural growth in the housing market and the pressure for financial services to go digital will also help us to continue expanding our market share. That is why, following a strong start to 2016 and despite the uncertainty created by regulation, we continue to forecast revenue and earnings growth for 2016 as a whole that is just into double digits, both at Group level and in the three business units."

About Hypoport AG

The Hypoport Group is a technology-based financial service provider. The business model is based on its three mutually supporting business units: Private Clients, Financial Service Providers, and Institutional Clients. All three units are engaged in the distribution of financial services, facilitated or supported by finance-technology ('fintech'). As a wholly-owned subsidiary of Hypoport, Europace AG develops and operates the web-based EUROPACE financial marketplace, which is Germany's largest platform for mortgages, building finance products and personal loans. A fully integrated system links more than 350 partners – banks, insurers and financial product distributors. Several thousand users execute some 35.000 transactions worth a total of up to €4 billion on EUROPACE every month.

The Hypoport subsidiary Dr. Klein & Co. AG is an independent online distributor of financial products. This firm's specialists provide private clients with a full range of advisory services around mortgage finance, insurance and retirement planning. Dr. Klein & Co. AG has been a major financial service partner to housing companies and commercial property investors since 1954. Hypoport AG is headquartered in Berlin, employs more than 500 people and is listed in the Prime Standard of the Frankfurt Stock Exchange. At the end of 2015 Hypoport was admitted to the SDAX.

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Key data on Hypoport's shares

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