

Press release

Preliminary financial results for the first nine months of 2016

Hypoport's top- and bottom-line growth in double digits

Berlin, 31 October 2016: Hypoport was able to maintain its path of steady growth in the third quarter. This is clear from the results for the nine-month period: the technology-based financial service provider has again reported record levels of revenue and earnings. At €113.5 million, consolidated revenue was up by approximately 10 per cent year on year (Q1–Q3 2015: €103.1 million). Earnings rose by 15 per cent to €17.0 million (Q1–Q3 2015: €14.7 million).

Whereas the market environment in the prior-year period had been boosted by a jump in interest rates in the early summer of 2015, the introduction of the Mortgage Credit Directive had a dampening effect on the markets in the reporting period, at least during April and May. According to Deutsche Bundesbank, the mortgage finance market contracted by 6 per cent in the first eight months of 2016 as a result of these non-recurring effects – despite structural growth generated by construction activity and rising property prices. Ronald Slabke, Chief Executive Officer of Hypoport AG, believes that the increase in the Hypoport Group's market share is "accelerating the growth of technology-based lending advice with a wide choice of products from a variety of mortgage providers".

The Financial Service Providers business unit delivered its best performance for a nine-month period in the Company's history. In the first three quarters of 2016, the business unit reported revenue of €38.3 million (Q1–Q3 2015: €31.5 million). Earnings before interest and tax (EBIT) was significantly higher than in the prior-year period at €9.6 million (Q1–Q3 2015: €7.7 million). Besides a much stronger market position in the mortgage finance market, another reason for the good results was the encouraging performance of KreditSmart in the personal loans market.

The Private Clients business unit also registered its best performance for a nine-month period in the Company's history. The business unit's revenue grew by 7 per cent to €64.1 million (Q1–Q3 2015: €59.7 million). EBIT rose at an even stronger rate of 19 per cent, reaching €7.4 million (Q1–Q3 2015: €6.2 million). Market share was increased in both the loan brokerage and the personal loans segments. Expansion of the advisor network and the top marks consistently achieved by Dr. Klein in consumer surveys on service quality and fairness are helping to strengthen the business unit's market position.

The Corporate Real Estate Clients business unit was faced with widespread reticence among market participants during the reporting period due to the lack of stimulus from interest rates. At the same time, new-build housing projects are being planned but the timing of their financing is not yet clear. Revenue nevertheless held steady thanks to interest rates being locked in for long periods under contracts already signed and thanks to attractive loans of insurers. At €11.9 million, revenue was down only slightly year on year (Q1–Q3 2015: €12.5 million). Capital expenditure on expanding

support resources and on new business models resulted in EBIT of €3.6 million, which was lower than in the first nine months of the previous year (Q1–Q3 2015: €4.8 million).

Ronald Slabke believes that this solid performance will be sustained in the coming months: "We anticipate a further increase in our market share during the fourth quarter of 2016. For 2016 as a whole and for 2017, we continue to expect revenue and earnings growth to be just into double figures."

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 Firmenkunden AG has been a major financial service partner to housing companies and commercial property investors since 1954. Hypoport AG is headquartered in Berlin, employs about 800 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

ISIN	DE 0005493365
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