Hypoport AG

Results for Q1–Q3 2019
Our mission

Digitalisation of the credit, real estate and insurance industries

- Credit industry
- Real Estate industry
- Insurance industry
Hypoport – a dynamic group of companies
Hypoport's four segments
Hypoport – a network of technology companies
Results for Q1–Q3 2019 and forecast for 2019

Key figures for Q1–Q3 2019 (yoy)
• Revenue: €247.7 million (+29%)
• Gross profit: €130.9 million (+28%)
• EBIT: €25.0 million (+13%)
• EPS: €3.02 (+9%)

Hypoport growing faster than the various overall markets (yoy change)
• Revenue growth in Credit Platform segment: +25%
• Revenue growth in Private Clients segment: +21%
• Revenue growth in Real Estate Platform segment: +45%
• Revenue growth in Insurance Platform segment: +48%

Forecast for 2019
• Hypoport expects the Group's growth to be in double figures, with revenue of €310 million to €340 million and EBIT of €32 million to €40 million.

* Source: Deutsche Bundesbank, provisional data. ** Source: own estimate. *** Source: GDV figure for 2018 calendar year, as quarterly data is not collected.
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Huge excess demand in the housing market
Factors influencing the German housing market

- Net inward migration
- Life expectancy
- One-person households
- Regulation of housing industry

Excess demand (1.1–1.9 million homes)

Property prices

New builds

Rentals

New mortgage finance business

Marketed properties
# Mortgage finance – a high-potential market

Factors influencing the private and institutional residential real-estate finance markets

<table>
<thead>
<tr>
<th>Negative factors</th>
<th>Positive factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Lack of available properties</td>
<td>• Strong pent-up demand in and from the rental market</td>
</tr>
<tr>
<td>• High ancillary purchasing costs</td>
<td>• Buying often cheaper than renting</td>
</tr>
<tr>
<td>• Legislators keep the market busy with a steady stream of new regulatory ideas</td>
<td>• Slight growth in construction activity</td>
</tr>
<tr>
<td>• Commercial and residential projects competing for construction resources</td>
<td>• Market share of neutral loan brokerage advisors is growing</td>
</tr>
<tr>
<td></td>
<td>• Low proportion of home ownership (under 50%)*</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>• Increasingly unrealistic, uneconomic ideas about rent regulation in an already over-regulated rental market</td>
<td>• Marked increase in planned projects owing to pent-up demand for affordable housing, which has become a political issue</td>
</tr>
<tr>
<td>• In metropolitan areas such as Berlin, political favouritism stands in the way of necessary new construction</td>
<td></td>
</tr>
</tbody>
</table>

* Source: Federal Statistical Office.

## Finance for OWNER- OCCUPIED PROPERTIES
- Credit Platform
- Private Clients

## Finance for RENTAL PROPERTIES
- Real Estate Platform
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Credit Platform
Business model

<table>
<thead>
<tr>
<th>End consumer/company</th>
<th>Advisors</th>
<th>Poolers</th>
<th>B2B online credit marketplace</th>
<th>Product suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Online comparison sites</td>
<td>Other advisors</td>
<td>EUROPACE</td>
<td>Private commercial banks</td>
</tr>
<tr>
<td></td>
<td>Dr. Klein</td>
<td>Other poolers</td>
<td>FINMAS</td>
<td>Insurance companies</td>
</tr>
<tr>
<td></td>
<td>Advisors in bank branches</td>
<td>Quality-pool</td>
<td>GENOPACE</td>
<td>Savings banks</td>
</tr>
<tr>
<td></td>
<td>REM Capital</td>
<td>Star-pool</td>
<td>FUNDING PORT</td>
<td>Cooperative banks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Baufi-nex</td>
<td></td>
<td>Development banks</td>
</tr>
</tbody>
</table>
EUROPACE again outperforms the market
Credit Platform: volume of transactions of EUROPACE

- The transaction volume per sales day* for Q1–Q3 rose to a record high of €267 million (+18% yoy); the Q3 figure was even higher at more than €280 million (+22% yoy)
- The biggest product group, mortgage finance, grew by 20% in Q1–Q3 (market as a whole: +9%)
- Growth in the building finance product group was at a comparable level due to sales activities being linked to mortgage finance
- There was a slight contraction in the smallest product group, personal loans, compared with the strong figure for the prior-year period, but the year-on-year fall was reduced to just 5% in Q1–Q3 2019 thanks to a good Q3

** Numbers before cancellations.

* The number of sales days equals the number of bank working days less half of the number of ‘bridging days’ (days falling between public holidays and weekends).
EUROPACE has huge potential for growth
Mortgage finance in Germany and EUROPACE’s share

Distribution channels and EUROPACE's share*

- Brokers: ~25%
- Cooperative banks: ~30%
- Private commercial banks: ~15%
- Savings banks: ~30%

* Numbers before cancellations. Sources: Bundesbank, EUROPACE, own estimates.

Mortgage finance in Germany in 2018: €241 billion / Q1–Q3 2019: €197 billion
Mortgage finance on EUROPACE in 2018: €45 billion / Q1–Q3 2019: €40 billion

EUROPACE has huge potential for growth
Mortgage finance in Germany and EUROPACE’s share

GENOPACE (for cooperative banks)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (billion)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>1.2</td>
<td>+26%</td>
</tr>
<tr>
<td>2018</td>
<td>1.6</td>
<td></td>
</tr>
<tr>
<td>9M 2018</td>
<td>1.2</td>
<td>+149%</td>
</tr>
<tr>
<td>9M 2019</td>
<td>2.9</td>
<td></td>
</tr>
</tbody>
</table>

FINMAS (for savings banks)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (billion)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>2.3</td>
<td>+66%</td>
</tr>
<tr>
<td>2018</td>
<td>3.9</td>
<td></td>
</tr>
<tr>
<td>9M 2018</td>
<td>2.8</td>
<td>+47%</td>
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<tr>
<td>9M 2019</td>
<td>4.1</td>
<td></td>
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</table>
Substantial growth secures market leadership
Credit Platform: revenue, gross profit and earnings

- Revenue in the Credit Platform segment rose by 25% to more than €100 million in Q1–Q3
- There was growth in all four distribution channels (financial product distributors, private commercial banks, cooperative institutions, savings banks)
- EBIT rose sharply, despite high levels of capital expenditure on the next generation of EUROPACE and on further expansion of key accounts for regional banks
- Cooperation between the Credit Platform and Real Estate Platform segments has been further intensified
- Integration of the recently acquired REM Capital has begun well; the company is making its first positive contributions to revenue and earnings
Private Clients
Business model & segment results
# Private Clients

## Business model

<table>
<thead>
<tr>
<th>End customer</th>
<th>Lead generation via…</th>
<th>Advisors</th>
<th>Access via…</th>
<th>Product suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Klein franchise system</td>
<td>Vergleich.de</td>
<td>Google</td>
<td>EUROPACE</td>
<td>Private commercial banks</td>
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<tr>
<td></td>
<td>DrKlein.de website</td>
<td></td>
<td>FINMAS</td>
<td>Insurance companies</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>GENOPACE</td>
<td>Savings banks</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Cooperative banks</td>
</tr>
</tbody>
</table>
Gain in market share for Dr. Klein private clients
Private Clients: volume of loans brokered and number of advisors

- Market share increased again thanks to a sharp rise in the volume of new loans brokered (+16%) despite only a moderate increase in the overall mortgage finance market (+9%)
- The customer base is expanding steadily thanks to continued growth in demand from consumers for neutral loan brokerage advice
- The number of loan brokerage advisors went up by around 11% in Q1–Q3
- The rising number of advisors and increasing demand are laying the foundations for Dr. Klein's future growth
Record revenue in the Private Clients segment

Private Clients: revenue, gross profit and earnings

- Revenue rose sharply compared with Q1–Q3 2018 thanks to an increased volume of new loans brokered
- An exceptionally good performance in Q3 2019 contributed to this uptrend
- The integration of numerous new regional product partners is temporarily squeezing the average margin this year
- The decrease in EBIT was due to the costs resulting from the integration of new product partners, capital expenditure on process digitalisation and the building up of the workforce
- Following a weak Q1 and Q2 2019, EBIT in Q3 was up significantly year on year for the first time
Real Estate Platform
Business model and segment results
Digitalisation of the German housing industry

Real Estate Platform – business model

- Housing industry
  - DR. KLEIN
    - Property financing platform
  - Fio PRoMMiSe
    - Property management platform (ERP)

- Credit industry
  - VALUE AG
    - Property valuation platform
  - Fio
    - Property sales platform
Reticence due to political discourse
Real Estate Platform: property financing platform

- The business model consists of loan brokerage for the German housing industry
- The lack of stimulus from interest rates since summer 2018 has created unfavourable conditions
- Moreover, political debate at federal and state level about intervention in the German rental market is resulting in a reluctance to invest in the housing sector
- The impact on the volume of new loans brokered has been limited, despite the unfavourable conditions
- Revenue decreased year on year, partly due to lucrative one-off transactions in 2018
FIO's huge market potential becoming apparent
Real Estate Platform: property management platform and property sales platform

• The business model consists of the development of software solutions for property management and sales in the housing and credit industries

• The credit industry occupies a leading position in Germany when it comes to property sales; six of Germany's top ten estate agents now use the FIO solution

• Revenue was very high in Q3 2019 due to the exceptionally large volume of project business

• FIO, a new offering from the Hypoport network for FINMAS, EUROPACE and GENOPACE partners, is enjoying a high level of buy-in

• The business model's shift from SaaS to a platform model began in Q3 2019

* Revenue of FIO SYSTEMS AG and Hypoport B.V. (PRoMMiSe).
Integration of further partners going very well
Real Estate Platform: property valuation platform

- The business model consists of integrated property valuations for the lending banks, i.e. for EUROPACE product partners
- Revenue increased substantially in Q1–Q3 due to organic growth and acquisitions
- The number of EUROPACE banking partners using the services of VALUE AG is rising, highlighting the success of cross-selling
- The technical integration of the EUROPACE and VALUE AG platforms has continued
- Capital expenditure on a proprietary property valuation platform with a high degree of automation is laying the foundations for the future of the valuation business, which is still predominantly manual
Strong revenue growth and further capital expenditure
Real Estate Platform: revenue, gross profit and earnings

- The segment’s revenue growth was thanks to the very healthy operating performance of the property management platform, property sales platform and property valuation platform.
- The property financing platform was the only platform to register a small decrease in revenue.
- An increased proportion of recurring services, such as SaaS and property valuation, is leading to steady revenue streams that are unaffected by interest rates.
- The shift to a platform solution is creating further potential for revenue and earnings due to increased efficiency.
- EBIT went up despite the German housing sector's reticence regarding loan brokerage and despite initial capital expenditure on the property valuation platform.
Insurance Platform
Business model and segment results
## Insurance Platform

**Business model**

<table>
<thead>
<tr>
<th>End consumer</th>
<th>Advisors</th>
<th>Poolers</th>
<th>B2B platform</th>
<th>Product suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Insur apps</td>
<td>Other advisors</td>
<td>Dr. Klein</td>
<td>Insurers</td>
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<tr>
<td></td>
<td>Other poolers</td>
<td>Quality-pool</td>
<td>Other poolers</td>
<td>Smart Insur</td>
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<tr>
<td></td>
<td>Advisors in bank branches</td>
<td></td>
<td></td>
<td>Insurance companies</td>
</tr>
</tbody>
</table>

**SMART INSUR**

- End consumer
- Advisors
- Poolers
- B2B platform
- Product suppliers
Insurance technologies grouped together in this segment

Insurance Platform: revenue, gross profit and earnings

- The technical and cultural integration of the acquired companies is progressing well and unlocking the anticipated synergies, including between segments.
- The priority is to gain market share by offering an integrated platform and attractive pricing structures.
- The target groups for distribution are large broker organisations and broker pools, but banks are also showing interest in using SMART INSUR in order to expand their sales channel for multi-insurer products and services.
- Like EUROPACE, SmIT has begun with industry conferences so that it can collaborate with partners on refining the platform.
- A significant improvement in EBIT is anticipated for 2019.

### Revenue ($ million)

<table>
<thead>
<tr>
<th>Period</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1–Q3 2018</td>
<td>21.9</td>
</tr>
<tr>
<td>Q1–Q3 2019</td>
<td>32.5</td>
</tr>
</tbody>
</table>

### Gross profit ($ million)

<table>
<thead>
<tr>
<th>Period</th>
<th>Gross profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1–Q3 2018</td>
<td>12.0</td>
</tr>
<tr>
<td>Q1–Q3 2019</td>
<td>16.5</td>
</tr>
</tbody>
</table>

### EBIT ($ million)

<table>
<thead>
<tr>
<th>Period</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1–Q3 2018</td>
<td>-1.5</td>
</tr>
<tr>
<td>Q1–Q3 2019</td>
<td>-0.6</td>
</tr>
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Hypoport Group generates strong growth
Overview of Hypoport's key performance indicators

**Growth (€ million)**

- Q1–Q3 2018: 102,0
- Q1–Q3 2019: 247,7
  - Revenue: 191,8
  - Gross profit: 130,9

**Earnings (€ million)**

- Q1–Q3 2018: 29,2
- Q1–Q3 2019: 39,0
  - EBITDA: 22,2
  - EBIT: 16,9
  - EAT: 18,9

Growth:
- Revenue: +29%
- Gross profit: +28%

Earnings:
- EBITDA: +34%
- EBIT: +13%
- EAT: +12%
History of Hypoport Group
Long-term changes in revenue and EBIT

- **7Y Start-up**
  - Revenue (€ million): 4 in 1999, 26 in 2006
  - EBIT (€ million): 2 in 1999, 5 in 2006

- **7Y Established despite fin. crisis**
  - Revenue (€ million): 98 in 2013
  - EBIT (€ million): 4 in 2013

- **5Y+ Upscaling and expansion**
  - Revenue (€ million): 266 in 2018, 248 Q1-Q3 2019
  - EBIT (€ million): 29 in 2018, 25 Q1-Q3 2019
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Market capitalisation of around €1.5 billion
Shareholder structure and share information

Breakdown of shareholders as at 30 September 2019
- Ronald Slabke (CEO)
- Treasury shares
- Free float
  of which more than 5% held by Union Investment, more than 3% by Nicolas Schulmann and more than 3% by Wasatch

KPIs and indices

<table>
<thead>
<tr>
<th>KPI</th>
<th>DETAILS</th>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>Earnings per share in Q1–Q3 2019</td>
<td>€3.02</td>
</tr>
<tr>
<td>Number of shares</td>
<td>Total number of shares</td>
<td>6,493,376</td>
</tr>
<tr>
<td>Market cap</td>
<td>Market capitalisation as at 30 September 2019</td>
<td>approx. €1.5 billion</td>
</tr>
<tr>
<td>Trading volume</td>
<td>Average trading volume per day in Q1–Q3 2019</td>
<td>approx. €1.5 million</td>
</tr>
<tr>
<td>High</td>
<td>Highest closing price in Q1–Q3 2019</td>
<td>€259.00</td>
</tr>
<tr>
<td>Low</td>
<td>Lowest closing price in Q1–Q3 2019</td>
<td>€147.00</td>
</tr>
<tr>
<td>Indices</td>
<td>SDAX, Prime All Share, CDAX, DAXplus Family, GEX</td>
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Investment highlights

+22% REVENUE GROWTH
CAGR 5 years

+50% EBIT INCREASE
CAGR 5 years

+10 ACQUISITIONS
in 5 years

2.3 MODERATE DEBT LEVEL
Gross debt / 12M EBITDA

+20 YEARS
of experience with platform-based business models

83% OUR EMPLOYEES
are satisfied or even very satisfied with Hypoport as an employer
Forecast for 2019

Hypoport expects its growth to be in double figures in 2019, with revenue of €310 million to €340 million and EBIT of €32 million to €40 million.
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Annex
Share price rises sharply
Share price since the date of joining the SDAX (daily closing price, Xetra, €)
Hypoport's investor relations activity
Investor events, professional analysts' assessments, awards

<table>
<thead>
<tr>
<th>Analyst</th>
<th>Recommendation</th>
<th>Target price</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bankhaus Metzler</td>
<td>Hold</td>
<td>€233.00</td>
<td>9 Oct 2019</td>
</tr>
<tr>
<td>Berenberg</td>
<td>Buy</td>
<td>€255.00</td>
<td>6 Aug 2019</td>
</tr>
<tr>
<td>Commerzbank</td>
<td>Hold</td>
<td>€231.00</td>
<td>7 Oct 2019</td>
</tr>
<tr>
<td>KBW (Stifel)</td>
<td>Buy</td>
<td>€255.00</td>
<td>8 Jul 2019</td>
</tr>
<tr>
<td>Pareto Securities</td>
<td>Hold</td>
<td>€220.00</td>
<td>7 Oct 2019</td>
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<tr>
<td>Warburg</td>
<td>Buy</td>
<td>€280.00</td>
<td>14 Aug 2019</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Recent IR events</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference Munich</td>
<td>Roadshow Paris</td>
<td>Sep 2019</td>
</tr>
<tr>
<td>Conference Frankfurt</td>
<td>Roadshow Zurich</td>
<td>Aug 2019</td>
</tr>
<tr>
<td>Conference Hamburg</td>
<td>Conference Berlin</td>
<td>Jun 2019</td>
</tr>
<tr>
<td>Conference New York</td>
<td>Conference Berlin</td>
<td>Jun 2019</td>
</tr>
<tr>
<td>Roadshow Chicago</td>
<td>Conference Warsaw</td>
<td>May 2019</td>
</tr>
<tr>
<td>Roadshow Copenhagen, Helsinki</td>
<td>Roadshow Brussels</td>
<td>Apr 2019</td>
</tr>
<tr>
<td>Conference Paris</td>
<td>Conference London</td>
<td>Mar 2019</td>
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<tr>
<td>Conference Frankfurt</td>
<td>Conference Lyon</td>
<td>Jan 2019</td>
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<td>Conference London</td>
<td>Conference Berlin</td>
<td>Nov 2018</td>
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<tr>
<td>Conference Frankfurt</td>
<td>Roadshow Paris</td>
<td>Nov 2018</td>
</tr>
</tbody>
</table>

Index and awards

- SDAX
- Warburg ‘Best Ideas 2019’
- Berenberg ‘DACH Mid Caps Top Picks 2019’
- Pareto Securities ‘German Best Ideas Portfolio 01/19’
- Sdk ‘company of the year 2017’

<table>
<thead>
<tr>
<th>Date</th>
<th>Publication dates in 2019</th>
</tr>
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<tbody>
<tr>
<td>4 November 2019</td>
<td>Q3 results</td>
</tr>
<tr>
<td>9 March 2020</td>
<td>Preliminary results for 2019</td>
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