



Interim report  
of Hypoport SE for  
the period ended at  
31 March 2021

10 May 2021

The background features a light blue gradient with various geometric shapes, including circles, squares, and rectangles, in shades of teal, blue, and red. Some shapes are solid, while others are semi-transparent or have a drop shadow effect, creating a modern, abstract design.

# Key performance indicators

Revenue and earnings (€'000)	Q1 2021	Q1 2020	Change
Revenue	107,882	100,638	7%
Gross profit	55,592	52,540	6%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	19,170	16,671	15%
Earnings before interest and tax (EBIT)	12,070	10,518	15%
EBIT margin (EBIT as a percentage of gross profit)	21.7	20.0	8%
Net income	9,352	7,998	17%
attributable to Hypoport SE shareholders	9,517	7,992	19%
Earnings per share (€) (non-diluted / diluted)	1.51	1.27	19%

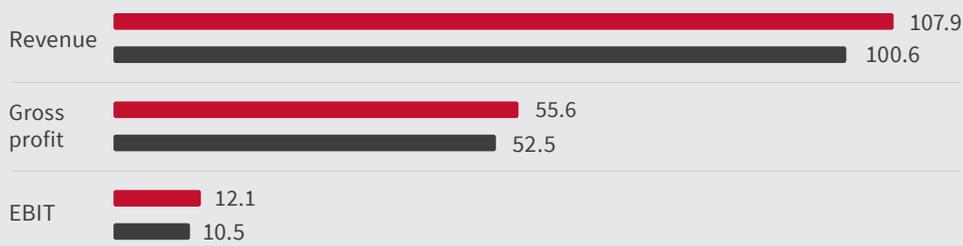
  

Financial position (€'000)	31.03.2021	31.12.2020	Veränderung
Current assets	105,115	112,830	-7%
Non-current assets	460,775	439,217	5%
Equity	231,311	221,392	4%
attributable to Hypoport SE shareholders	230,240	220,456	4%
Equity ratio (%)	40.9	40.1	2%
Total assets	565,890	552,047	3%

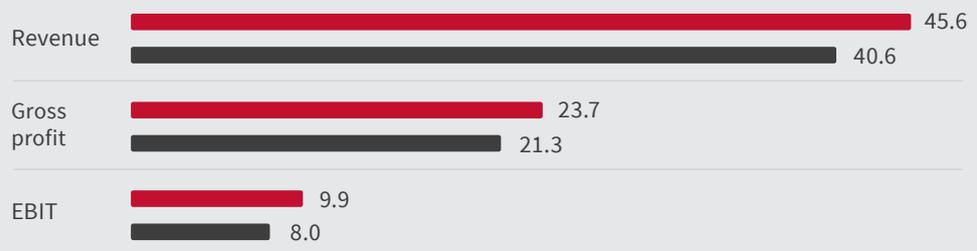
## Revenue, Gross profit and EBIT (€ million)

■ Q1 2021 ■ Q1 2020

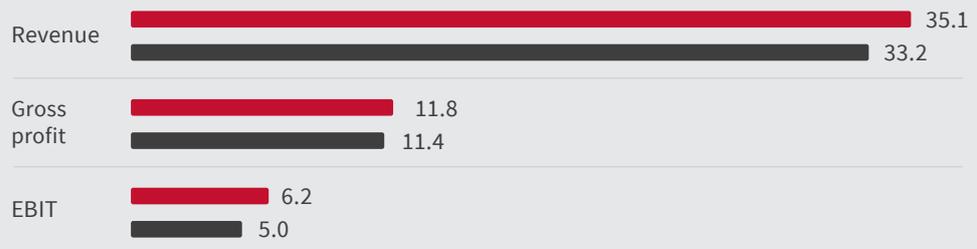
### Hypoport Group



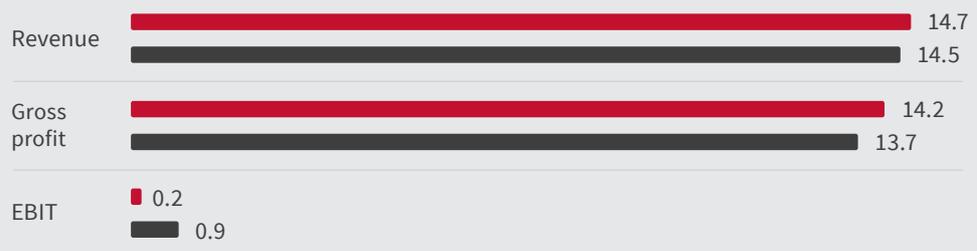
### Credit Platform



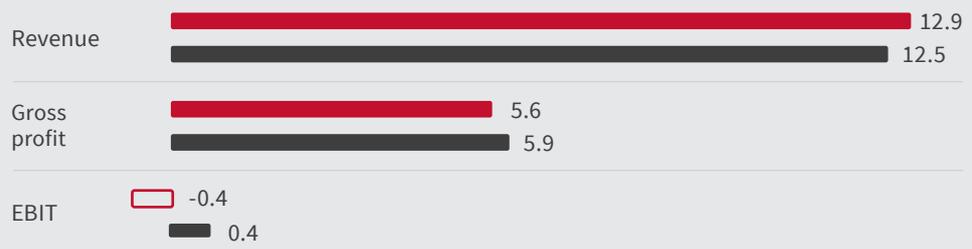
### Privat Clients



### Real Estate Platform



### Insurance Platform





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# Letter to shareholders

Dear shareholder, dear Hypoport employee,

In 2020, the dramatic impact of the social distancing measures imposed as a result of the spread of coronavirus, combined with a reluctance on the part of consumers to spend, (referred to in this report as the ‘coronavirus crisis’) had a huge effect on the German economy as a whole and on many individual companies, including some illustrious names. This situation continued in the first quarter of 2021 with the arrival of the third wave of the pandemic.

Despite these difficult economic conditions, our Hypoport SE can look back on a very solid first quarter of 2021. All Hypoport segments contributed to our revenue of around €108 million, which rose by 7 per cent compared with the very good figure achieved in the first quarter of the previous year.

The Hypoport Group is therefore continuing to grow during the pandemic. The first reason for this is that the markets in which we operate – the German credit, housing and insurance sectors – tend to be fairly immune to short-term economic trends. Secondly, we are a cutting-edge technology company that is currently capturing market share from traditional competitors thanks to our much greater level of efficiency.

For reporting purposes, our network is broken down into our four segments, whose performance in the first quarter of 2021 was as follows:

The **Credit Platform segment**, which centres around the online B2B lending marketplace Europace, fared very well in the reporting period. The transaction volume on Europace amounted to €26.9 billion, an increase of 30 per cent compared with the first three months of 2020. The rapid growth of GENOPACE, which has been ongoing since 2018, led to an 82 per cent rise to €3.1 billion in the volume of transactions from cooperative banks compared with the prior-year period. The sub-marketplace for savings banks, FINMAS, also made a significant contribution, with the volume of transactions rising by 35 per cent to €2.6 billion. Considering that the overall market for mortgage finance expanded by only 2 per cent, Hypoport’s market share gains driven by these platforms were very substantial. Combined with the rise in revenue from the sales-supporting brokerage pools, the increase in the volume of transactions caused revenue under mortgage finance business models to go up by 16 per cent despite a significantly reduced average period of fixed interest rates and therefore slightly lower average transaction revenue. Revenue from corporate finance advisor REM Capital decreased owing to a change in the structure of support grants and loans that resulted in a shift in approvals for such support to the second half of 2021. The market conditions created by the pandemic led to a decrease in revenue from the white-label personal loans business. The total revenue of the segment rose by 12 per cent to €46 million (Q1 2020: €41 million). Despite high levels of investment, the segment’s EBIT climbed by 23 per cent to €9.9 million (Q1 2020: €8.0 million). The reasons for this sharp rise included a reduction in operating costs as a result of more employees working from home and fewer business trips.

The **Private Clients segment**, with its main B2C brand Dr. Klein, captured further market share as a result of using Europace and deploying video conferencing technology for its advisory meetings. The sales volume in the first three months of 2021 increased by 14 per cent to €2.6 billion, whereas the market as a whole grew by just 2 per cent. Revenue in the Private Clients segment came to €35 million, a rise of 6 per cent (Q1 2020: €33 million). The segment's EBIT increased at a much stronger rate, climbing by 23 per cent to €6.2 million (Q1 2020: €5.0 million) owing to an improved product mix and the pandemic-related reduction in operating costs.

In the **Real Estate Platform segment**, revenue from the property sales platform and property management platform fell slightly due to the decision to forego individual project business in favour of a scalable platform business model. However, the property valuation platform, which is closely integrated with the credit platform, increased its revenue despite its banking partners having to battle with the third wave of the coronavirus crisis in their day-to-day operations. The property financing platform for the housing industry reported a small rise in revenue due to slightly heightened interest-rate volatility in 2021. The segment's overall revenue advanced by 1 per cent to €14.7 million (Q1 2020: €14.5 million). This operating performance should be viewed in the context of the strategic reduction of project business. Excluding this project business, revenue would have increased by almost 10 per cent. Following the gradual reduction, which continued until early 2020, project business will no longer be relevant to the Real Estate Platform segment in future. The Real Estate Platform segment is an important focal point of the Hypoport Group's investment in 2021, which meant that the segment's EBIT fell from €0.9 million to €0.2 million.

The **Insurance Platform segment**, which is centred around the fully integrated SMART INSUR platform, signed up additional small and medium-sized enterprises as pilot customers for the platform in 2020, resulting in increasing buy-in among the target group of large distribution organisations and brokerage pools. Moreover, the migration of insurance portfolios from the legacy systems to SMART INSUR is progressing well. A volume of €2.84 billion (annual net premiums) had already been migrated as at 31 March 2021, equating to a migration rate of over 30 per cent. Revenue rose by just 3 per cent compared with the prior-year period to reach €12.9 million (Q1 2020: €12.5 million) due to the reduction in project business and the focus on recurring revenue streams from the platform business. EBIT deteriorated slightly from €0.4 million to a loss of €0.4 million.

For the **Hypoport Group** as a whole, EBIT increased by 15 per cent to €12.1 million in the first quarter of 2021. As in the past, Hypoport will maintain its high level of investment in the operating business models of the individual Hypoport segments along with further investment at Group level, for example new offices and Hypoport SE's innovation hub.

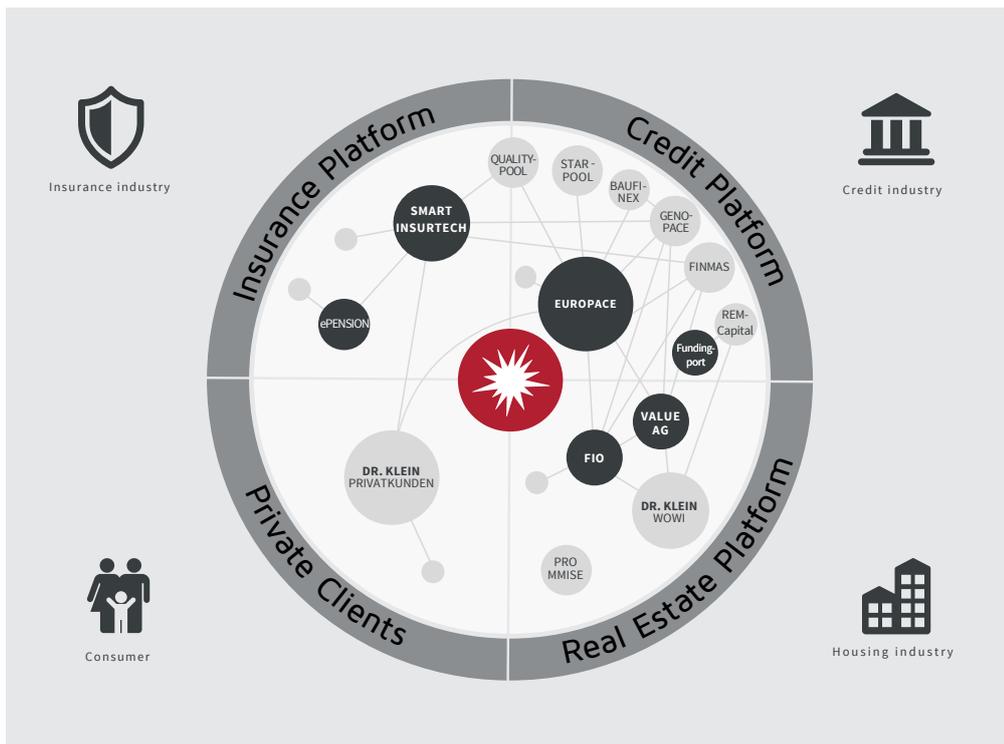
The magnitude of the impact of the coronavirus crisis, and particularly the third wave of the virus, remains difficult to predict. At the time of preparation of this report, the number of coronavirus cases in Germany was climbing sharply again and the German government was reimposing measures to contain the spread of infection ('emergency brake'). These measures could herald the introduction of further restrictions on consumers and business partners. Given our experiences in 2020, however, we still do not anticipate any tangible constraints for our own business processes. The Hypoport Group therefore remains optimistic that it can comfortably get through the coronavirus crisis.

Stay safe and keep well.

Kind regards,



Ronald Slabke





# Management report

## Business and economic conditions

### Macroeconomic environment

The particular market environment in which the Hypoport Group operates – the German credit, housing and insurance industries – traditionally benefits from a high level of immunity to fluctuations in the wider economy. Apart from the industry-specific factors listed below (see the ‘Sectoral performance’ section), the only macroeconomic variables that have exerted a degree of influence on consumers’ and the housing industry’s willingness to take out loans and insurance in recent years have been gross domestic product (GDP), interest rates and inflation. In the first quarter of 2021, as had already been the case in 2020, the coronavirus outbreak and the necessary countermeasures taken to contain the pandemic impacted on the macroeconomic environment and sectoral conditions. The nature of the rapidly evolving pandemic means that the precise impact is not yet conclusively quantifiable, although a current assessment of the effects is provided in this ‘Macroeconomic environment’ section and in the ‘Business performance’ and ‘Outlook’ sections.

Until 2019, the German economy enjoyed a ten-year run of expansion, the longest period of growth since German reunification. The effects of the public health measures taken to contain coronavirus caused GDP in 2020 to fall by 4.9 per cent compared with the previous year. Due to the macroeconomic impact of these measures, the forecast for GDP in 2021 cannot be conclusively quantified, although researchers at the leading economic research institutes predict growth of 3.1 per cent in their spring report.

In 2020, consumer prices in Germany went up by 0.5 per cent, which was well under the inflation target of the European Central Bank (ECB) of “below, but close to, 2.0 per cent”. Inflation gradually rose from 1.0 per cent to 1.7 per cent in the first three months of 2020, therefore remaining below the ECB’s target. Although there may be short-lived bouts of volatility, these conditions mean that the current environment of low interest rates is likely to be here to stay.

### Sectoral performance

The subsidiaries of the Hypoport Group that are involved in operating activities are assigned to its four segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform.

The companies within the first two segments (Credit Platform and Private Clients) are primarily involved in the brokerage of financial products for private residential mortgage finance, the development of technology platforms for such brokerage, and related services. The key target sector for these segments is therefore the credit industry for residential property in Germany.

The Real Estate Platform segment is involved in the sale, valuation, financing and management of residential properties. The volume of housing market transactions in Germany is this segment’s best possible market benchmark, because it has a bearing on the development of the relevant business processes.

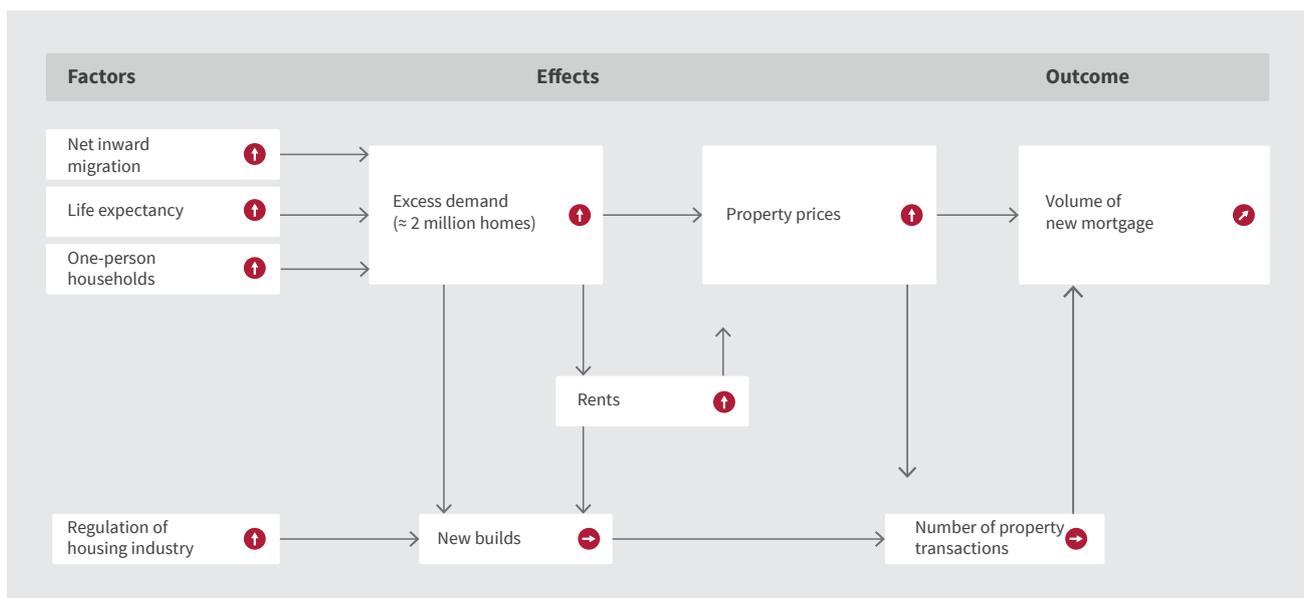
The fourth segment – Insurance Platform – provides software solutions for traditional distribution organisations and B2C insurtech start-ups. The German insurance industry therefore constitutes the key market environment for this segment’s operations.

### Housing market in Germany

The German housing market has been buoyant for years. It is influenced by four main long-term factors:

1. Net inward migration to Germany,
2. Higher life expectancy,
3. Growing number of one-person households,
4. Wish to be unaffected by possible rent increases.

The first three of these factors have been pushing up consumer demand for residential property in Germany for many years. On the supply side, the regulation of residential construction and a shortage of building resources mean that only a moderate level of new construction is taking place. These changes in the situation for supply and demand are resulting in excess demand, which different experts put at between one and two million homes and which primarily affects metropolitan areas. The surplus demand, combined with a narrow and heavily regulated rental market, is causing an increase in property prices, in the volume of housing market transactions (see the ‘Volume of housing market transactions’ section below) and in the volume of private residential mortgage finance (see the ‘Market for residential mortgage finance’ section on page 12).



**Volume of housing market transactions  
(market environment of the Real Estate Platform segment)**

Based on Deutsche Bundesbank's data for the market volume of new mortgage finance business, the data obtained from Europace and a study from GEWOS,<sup>1</sup> a property research institution, the Hypoport Group estimates that the volume of consumer housing market transactions in Germany was around €220 billion in 2020. The small year-on-year increase of approximately 5 per cent was driven by a rise in property prices, as the number of property transactions was down slightly.

Operational developments in the housing market were overshadowed by the ongoing coronavirus outbreak in 2020. Nevertheless, the long-term trend is intact due to the aforementioned excess demand for residential properties.

In spring 2020, housing demand and supply in Germany fell sharply due to the first lockdown (March to May) but soon staged a marked recovery. Having a home of one's own immediately became more important for a significant proportion of the population in 2020 because many people were working from home and/or looking after their children at home. Consequently, demand for higher-value housing bounced back rapidly in the second quarter and remained high for the rest of the year and in the first quarter of 2021.

The supply of housing also began to improve noticeably again in the second quarter. As in recent years, the low level of available homes is limiting the number of completed transactions, which – as was the case in the past – is leading to sharp price rises. This was reflected in Europace's EPX house price index, which rose by 11 per cent from 170 points to 188 points over the course of 2020. This trend continued in early 2021 and, as a result, the EPX had climbed to 194 points by March 2021, an increase of 11 per cent compared with March 2020.

Irrespective of the price increases, the social distancing measures imposed in 2020 in order to tackle coronavirus are likely to have resulted in a temporary fall in the number of housing transactions. This adverse effect on the volume of housing market transactions was limited because, as explained above, it was more than offset by the rise in property prices.

**Market for residential mortgage finance  
(market environment for the Credit Platform and Private Clients segments)**

The market for residential mortgage finance in Germany is influenced by various industry-specific factors. The following three factors are the most important:

- Developments in the housing market,
- Regulatory requirements for brokers and suppliers of residential mortgages,
- Level of interest rates for mortgage finance.

See the 'Housing market in Germany' and 'Volume of housing market transactions' sections

<sup>1</sup> IMA® information on the German property market in 2020, GEWOS.

above for information about the first factor.

As regards the second factor, the German financial services market has, for many years, seen a steady increase in European and national regulation aimed at consumer protection. Banks and insurance companies in particular have been required to use significant resources to implement laws and directives. As these resources could otherwise have been used to strengthen operations, the overall impact of the regulations has been to inhibit market performance.

The third factor, the level of interest rates in the short term, tends to play a subordinate role when consumers are deciding whether to buy property. For this group, being able to secure the right property at the right time for an affordable price is more important than the current mortgage rate. Moreover, it can be assumed that there is an inverse correlation between long-term changes in interest rates and the level of property prices, with the effect that they balance each other out over time.

The interaction of these factors caused the volume of new mortgage finance business, based on Deutsche Bundesbank statistics (Bundesbank time series BBK01.SUD231), to rise to €72.5 billion in the first quarter of 2021, a year-on-year increase of 6.9 per cent (Q1 2020: €67.8 billion).

#### **Insurance market (market environment for the Insurance Platform segment)**

Regular income from premiums and the predictable nature of insurance benefit payments as a result of the huge number of individual policies mean that the insurance industry (direct insurance) is not generally subject to rapid or dramatic changes. Nevertheless, sales of life insurance and private health insurance policies have been weak for years owing to the low level of interest rates and regulatory intervention by legislators, and this is holding back the growth of the sector as a whole.

Premiums rose by 1.2 per cent in 2020, which was only marginally lower than the forecast of 1.5 per cent to 2.0 per cent produced by the German Insurance Association (GDV) in January 2020, i.e. before the coronavirus crisis. This increase reaffirms that the German insurance market is resilient to crises in the wider economy. Only consumers' inclination to take out endowment insurance declined temporarily as a result of the coronavirus crisis.

Assuming that the coronavirus-related restrictions are eased and good progress is made with vaccinations in the spring, the GDV anticipates that premiums will rise by around 2 per cent this year.

#### **Business performance**

In the first three months of 2021, the Hypoport Group increased its revenue by 7 per cent to €107.9 million (Q1 2020: €106.7 million). Excluding selling expenses of €52.3 million (Q1 2020: €48.1 million), the full Hypoport network's gross profit amounted to €55.6 million (Q1 2020: €52.5 million), an increase of 6 per cent.

The first quarter of 2021 saw a continuation of the very high levels of investment in the ongoing development of the individual platforms, the leveraging of synergies between the platforms' business models and the expansion of key account manager capacity, particularly for the regional banks. At the same time, operating costs went down due, among other reasons, to a reduction in spending on travel and advertising during the coronavirus pandemic. Overall, earnings before interest and tax (EBIT) therefore rose by 15 per cent to €12.1 million (Q1 2020: €10.5 million).

### **Credit Platform segment**

The Credit Platform segment includes the web-based B2B credit platform Europace, which is the largest German marketplace for the sale of mortgage finance, building finance products and personal loans, plus sub-marketplaces and distribution companies that are tailored to individual target groups. Furthermore, Hypoport began to establish a corporate finance advice business and a corporate finance platform within the Credit Platform segment in 2019.

Europace brings together two groups: distribution organisations (non-captive distribution organisations, private commercial banks, savings banks, cooperative banks) and product suppliers (private commercial banks, insurance companies, savings banks and cooperative banks). The transaction volume on Europace rose by 30 per cent to €27 billion. Mortgage finance, which is by far the largest product group, saw its transaction volume grow by 34 per cent to €22 billion. In the second-largest product group, building finance, the transaction volume rose by 16 per cent to around €3 billion. The volume in the smallest product group, personal loans, held steady at €1 billion despite the very sharp contraction of the market as a whole. All three product groups using Europace thus grew at significantly faster rates than their respective markets once again.

FINMAS, the sub-marketplace for institutions in the savings banks sector, increased its volume of transactions by 35 per cent to more than €2.6 billion in the first three months of 2021. In the cooperative banking sector, institutions used the dedicated GENOPACE sub-marketplace to generate a volume of €3.1 billion, an impressive jump of 82 per cent. The two platforms therefore again brought the affiliated banks substantial productivity gains.

Alongside these groups of banks, the volumes generated by the other groups using Europace – non-captive financial product distributors and, in particular, private commercial banks – also expanded at a much faster rate than the market, with increases of around 20 per cent and 40 per cent respectively.

<b>Financial figures Credit Platform</b>	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>Change</b>
<b>Transaction volume (billion €)</b>			
Total	26.9	20.8	30%
thereof Mortgage finance	22.4	16.7	34%
thereof Building finance / 'Bausparen'	3.6	3.1	17%
thereof Personal loan	1.0	1.0	0%
<b>Partners (number)</b>			
Europace (incl. GENOPACE und FINMAS)	782	726	8%
GENOPACE	378	354	7%
FINMAS	313	287	9%
<b>Revenue and earnings (million €)</b>			
Revenue	45.6	40.6	12%
Gross profit	23.7	21.3	12%
EBIT	9.9	8.0	23%

The greater volume of transactions on Europace and the growth of revenue from the two brokerage pools for independent loan brokerage advisors, Qualitypool and Starpool, led to a year-on-year increase of 16 per cent in revenue from the mortgage finance business models in the first quarter of 2021, despite shorter periods of fixed interest rates. Revenue from REM Capital's corporate finance advice business and revenue from the personal loans business both went down. In the corporate finance business, a significant shift in revenue to the second half of the year is expected due to the structure of support grants and loans from Germany's KfW development bank. As has been the case since the second quarter of 2020, lower demand from consumers for loans and banks' more restrictive approach to lending led to a decrease in revenue in the personal loans product group compared with the first quarter of 2020, which had not been affected by the coronavirus pandemic. These two effects – the good performance of the mortgage finance business models and decreases in corporate finance and personal loans business – combined to produce an overall rise in revenue for the Credit Platform segment of 12 per cent to €45.6 million (Q1 2020: €40.6 million).

After deduction of selling expenses, gross profit went up by 12 per cent to €23.7 million (Q1 2020: €21.3 million). The segment's EBIT rose by 23 per cent to €9.9 million in the first three months of 2021 (Q1 2020: €8.0 million) despite high levels of investment in the next generation of Europace, establishment of the 'fundingport' corporate finance platform and expansion of key account resources, particularly for regional banks. The segment's EBIT also benefited from a pandemic-related fall in operating costs.

### Private Clients segment

The Private Clients segment, made up of the web-based, non-captive financial product distributor Dr. Klein Privatkunden AG and the consumer comparison portal Vergleich.de, brings together all business models aimed at directly advising consumers on mortgage finance, insurance and pension products (B2C business model, or B2B2C including franchisees).

Dr. Klein offers advice on mortgage finance, building finance products and personal loans at more than 230 locations. At these locations, the advice is mainly provided through a franchise system. Dr. Klein also has eight flagship stores located in large metropolitan areas in Germany. The network of sites has already been optimised in terms of coverage, which means the opening of new locations will not be the main source of growth in future. Instead, further expansion will largely be determined by the number and performance of the advisors at the existing locations. As at 31 March 2021, the number of advisors<sup>2</sup> had grown by 14 per cent year on year, taking the total to 603 (31 March 2020: 528).

In the first three months of 2021, the volume of mortgage finance, building finance and personal loan products brokered by Dr. Klein amounted to approximately €2.6 billion (Q1 2020: €2.4 billion), which equates to a sharp rise of 14 per cent.

Dr. Klein advisors have been offering advice via video as well as in face-to-face meetings for years, which has proved to be a huge competitive advantage over less tech-savvy advisors in dealing with the social distancing requirements imposed due to the coronavirus outbreak (lockdown). Consequently, the outbreak of the coronavirus pandemic did not have any tangible negative effect on the segment's business model.

Financial figures Private Clients	Q1 2021	Q1 2020	Change
Transaction volume financing (billion €)	2.65	2.35	14%
Number of franchise advisors (financing) *	603	528	14%
<b>Revenue and earnings (million €)</b>			
Revenue	35.1	33.2	6%
Gross profit	11.8	11.4	4%
EBIT	6.2	5.0	23%

\* Only those people whose main occupation is mortgage finance advisor now count as Dr. Klein advisors.

Revenue in the Private Clients segment as a whole advanced by 6 per cent to €35.1 million in the first three months of 2021 (Q1 2020: €33.2 million). Commission is paid to franchisees and lead acquisition fees are paid to third parties and recognised as selling expenses. The gross profit remaining after deduction of these selling expenses went up by 4 per cent to €11.8 million (Q1 2020: €11.4 million). The EBIT of the Private Clients segment jumped by 23 per cent, from €5.0 million to €6.2 million. This was due to an improved product mix and lower operating costs as a result of the coronavirus pandemic.

<sup>2</sup> Only those people whose main occupation is mortgage finance advisor now count as Dr. Klein advisors.

### Real Estate Platform segment

All property-related activities of the Hypoport Group, with the exception of loan brokerage for private clients, are grouped together in the Real Estate Platform segment with the aim of digitalising the sale, valuation, financing and management of properties. The target groups are estate agents in the credit industry, mortgage lenders and the housing industry.

The segment includes four platforms that have a lot of potential synergies with each other and with the Credit Platform segment: a property sales platform for the credit industry (FIO Systems), a property valuation platform for the credit industry (Value AG), a property financing platform for the housing industry (Dr. Klein Wowi Finanz) and a property management platform for the housing industry (Dr. Klein Wowi Digital, FIO Systems and Hypoport B.V. with its PRoMMiSe product).

The focus for both the property sales platform and the property management platform was again on acquiring new clients and expanding the platform offerings. As at 31 March 2021, the sales solution was used by 326 savings banks within the Savings Banks Finance Group (31 March 2020: 319). The number of affiliated institutions in the cooperative banking group grew to 82 (31 March 2020: 73). The difference between the growth rates for the savings bank sector (3 per cent) and cooperative bank sector (18 per cent) is attributable to the different degree of market penetration. Whereas almost 90 per cent of the around 376 savings banks work with FIO's property sales platform, only 82 of the approximately 810 cooperative banks use the platform. This huge potential for new clients is being steadily unlocked. The total value of all properties sold via the platform was €3.66 billion in the first quarter of 2021, a small decrease of 1 per cent compared with the prior-year period (Q1 2020: €3.69 billion). This slight year-on-year fall in selling activity can be explained by the very good first quarter of 2020 and a small decrease in activity by estate agents in the credit industry at the start of 2021 due to the third wave of the coronavirus crisis.

The number of banking partners using the property valuation platform increased by 23 per cent to 451 as at 31 March 2021 (31 March 2020: 367). The value of the properties valued also continued to rise, reaching €7.7 billion in the first quarter of 2021. This equates to a year-on-year increase of around 16 per cent (Q1 2020: €6.7 billion). Growth was held back slightly as a result of some banking partners having to battle with the third wave of the coronavirus crisis in their day-to-day operations.

The volume of new loans brokered on the property financing platform for the housing industry held steady at €0.58 billion in the first three months of 2021 (Q1 2020: €0.57 billion). Unfavourable conditions in the medium term caused by political debate at federal and state level about intervention in the German rental market were offset by heightened interest-rate volatility. This meant that the housing industry was willing to do business at short notice, resulting in higher levels of commission.

Acquiring new clients was again the focus for the property management platform, which achieved some early successes in 2020 and in the first quarter of 2021. At the end of March 2021, the number of homes being managed on the platform was in the high tens of thousands.

Financial figures Real Estate Platform	Q1 2021	Q1 2020	Change
Transaction volume of financing platform (billion €)	0.5	0.5	0%
Value properties sold via property sales platform (billion €)	3.7	3.7	-1%
Value properties valued by property valuation platform (billion €)	7.7	6.7	16%
<b>Revenue and earnings (million €)</b>			
Revenue	14.7	14.5	1%
thereof property financing platform	4.3	4.0	6%
thereof property sales platform + property management platform	4.6	5.5	-15%
thereof property valuation platform	5.8	5.0	15%
Gross profit	14.2	13.7	3%
EBIT	0.2	0.9	-83%

Revenue from the property sales platform and property management platform amounted to €4.6 million (Q1 2020: €5.5 million). This decrease of 15 per cent in spite of the good operating performance was due to the decision to forego individual project business, which had been particularly strong in the second half of 2019 and had still had a small positive influence in the first quarter of 2020. This strategic decision in favour of a scalable platform business model was announced in 2020. Despite banking partners having to battle with the third wave of the coronavirus crisis in their day-to-day operations, the property valuation platform's revenue rose by 15 per cent to €5.8 million (Q1 2020: €5.0 million). Revenue from the property financing platform for the housing industry edged up by 6 per cent to €4.3 million, despite the volume of transactions remaining unchanged (Q1 2020: €4.0 million).

This shows that the third wave of coronavirus had only limited negative effects on the segment in the first quarter of 2021. The segment's overall revenue advanced by 1 per cent to €14.7 million (Q1 2020: €14.5 million). This operating performance should be viewed in the context of the strategic reduction of project business. Excluding this project business, revenue would have increased by almost 10 per cent. Following the reduction, which continued until early 2020, project business will no longer be relevant to the Real Estate Platform segment in future. The segment's gross profit climbed by 3 per cent to €14.2 million (Q1 2020: €13.7 million). The Real Estate Platform segment is an important focal point of the Hypoport Group's investment in 2021, and the high levels of investment meant that the segment's EBIT fell from €0.9 million to €0.2 million.

### Insurance Platform segment

The Insurance Platform segment brings together all of the Hypoport Group’s activities relating to insurance technology. To this end, there is a fully integrated platform, SMART INSUR, for the sale and administration of insurance products. The platform’s development began in 2017 and it is based on the legacy systems of the ten or so companies providing software solutions for the insurance industry that were acquired between 2016 and 2019. Migrating the portfolios from the legacy systems to SMART INSUR is crucial to the establishment of premiums-based fee models in the sector. As at 31 March 2021, the volume of policies (as measured by annual net premiums) that have been migrated to the SMART INSUR platform was reported for the first time. The volume migrated was €2.97 billion. In parallel to the migration, a process to validate the policy portfolios got under way in 2020. This validation is needed to be able to provide further added value for brokers, distribution organisations and insurance companies, e.g. robo-advice.

Alongside the SMART INSUR platform, Qualitypool GmbH’s insurance business provides support services to small financial product distributors in relation to the brokerage of insurance. In 2020, the Hypoport Group invested in AMEXPool AG, an insurance pool specialising in insurance for businesses, and acquired a majority stake in ePension GmbH & Co. KG, a digital platform for the administration of occupational pension schemes.

<b>Financial figures Insurance Platform</b>	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>Change</b>
<b>Revenue and earnings (million €)</b>			
Revenue	12.9	12.5	3%
Gross profit	5.6	5.9	-5%
EBIT	-0.4	0.4	-217%

Expansion of existing client relationships and the signing up of additional small and medium-sized enterprises as pilot customers for the platform are resulting in increasing buy-in among the target group of large financial product distributors and brokerage pools.

As a result of the reduction in project business and the focus on expanding the platform, revenue rose only slightly, by 3 per cent, to €12.9 million in the first three months of 2021 (Q1 2020: €12.5 million). The segment’s gross profit nudged down by 5 per cent to €5.6 million (Q1 2020: €5.9 million). EBIT fell slightly, declining from €0.4 million in the prior-year period to a loss of €0.4 million owing to the reduction in project business and continued high levels of investment.

## Earnings

Against the backdrop of the operating performance described above, EBITDA rose substantially (by 15 per cent) from €16.7 million to €19.2 million and EBIT advanced (by 15 per cent) from €10.5 million to €12.1 million.

The EBIT margin (EBIT as a percentage of gross profit) rose from 20.0 per cent to 21.7 per cent.

Revenue and earnings (million €)	Q1 2021	Q1 2020	Change
Revenue	107.9	100.6	7%
Gross profit	55.6	52.5	6%
EBITDA	19.2	16.7	15%
EBIT	12.1	10.5	15%
EBIT margin (EBIT as percentage of gross profit)	21.7%	20.0%	8%

### Own work capitalised

In the first quarter of 2021, the Company continued to attach considerable importance to investing in the further expansion of its platforms. There was also further investment in new advisory systems for consumers and distributors. This investment underpins the further growth of all of the segments.

The Company invested a total of €11.7 million in expansion in the first quarter of 2021 (Q1 2020: €9.6 million). Of this total, €5.8 million was capitalised (Q1 2020: €5.0 million) and €5.9 million was expensed as incurred (Q1 2020: €4.6 million). These amounts represent the personnel expenses and operating costs attributable to software development.

### Other income

Other operating income mainly comprised income of €1.5 million from other accounting periods (Q1 2020: €1.2 million), income of €0.5 million from the reversal of provisions (Q1 2020: €0.4 million) and income of €0.4 million from employee contributions to vehicle purchases (Q1 2020: €0.3 million).

### Personnel expenses

Personnel expenses went up because of salary increases and the rise in the number of employees to 2,261 as at the reporting date (31 March 2020: 1,998).

### Other operating expenses

The breakdown of other operating expenses is shown in the table below.

Other operating expenses (million €)	Q1 2021	Q1 2020
Operating expenses	2.4	2.7
Other selling expenses	0.7	2.5
Administrative expenses	4.3	4.9
Other personnel expenses	0.5	0.5
Other expenses	1.2	1.1
	<b>9.1</b>	<b>11.7</b>

The operating expenses consisted mainly of servicing and IT maintenance costs of €1.2 million (Q1 2020: €1.5 million) and vehicle-related costs of €0.5 million (Q1 2020: €0.5 million). The other selling expenses related to advertising costs and travel expenses. The administrative expenses largely comprised IT-related costs of €2.3 million (Q1 2020: €2.4 million) and legal and consultancy expenses of €0.9 million (Q1 2020: €1.0 million). The other personnel expenses mainly consisted of training costs of €0.3 million (Q1 2020: €0.4 million).

### Depreciation, amortisation expense and impairment losses

Of the depreciation, amortisation expense and impairment losses of €7.1 million (Q1 2020: €6.2 million), €3.6 million (Q1 2020: €2.6 million) was attributable to intangible assets and €3.5 million (Q1 2020: €3.6 million) to property, plant and equipment. The depreciation and impairment losses on property, plant and equipment largely consisted of a sum of €2.5 million for depreciation and impairment recognised on rental/leasing-related right-of-use assets (Q1 2020: €2.4 million).

### Net financial income/finance costs

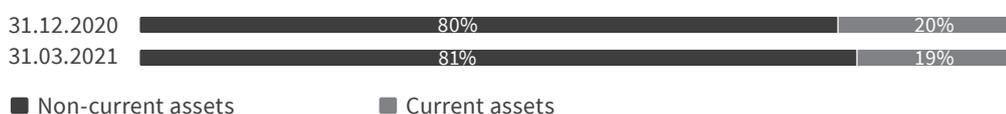
The net finance costs primarily included interest expense and similar charges of €0.4 million incurred by the drawdown of loans and the use of credit lines (Q1 2020: €0.5 million).

## Balance sheet

The Hypoport Group's consolidated total assets as at 31 March 2021 amounted to €565.9 million, which was a 3 per cent increase on the total as at 31 December 2020 (€552.0 million).

### Balance sheet structure

#### Assets



#### Passiva



Non-current assets totalled €460.8 million (31 December 2020: €439.2 million). They largely consisted of goodwill of €222.4 million (31 December 2020: €222.0 million) and development costs for the financial marketplaces of €66.5 million (31 December 2020: €62.2 million). The €13.0 million rise in property, plant and equipment to €110.7 million is mainly attributable to the recognition of leasing-related right-of-use assets amounting to €9.9 million, in particular in connection with office leases.

Other current assets essentially comprised prepaid expenses of €2.6 million (31 December 2020: €2.7 million) and VAT credits of €1.0 million (31 December 2020: €0.4 million).

The equity attributable to Hypoport SE shareholders as at 31 March 2021 had grown by €9.8 million, or 4.4 per cent, to €230.2 million. The equity ratio improved slightly from 40.1 per cent to 40.9 per cent owing to the Hypoport Group's net profit for the period and the only slightly higher level of total assets.

The €18.5 million increase in non-current liabilities to €246.7 million stemmed primarily from the €15.7 million rise in non-current financial liabilities.

Other non-current liabilities mainly related to purchase price liabilities resulting from three debtor warrants.

Total financial liabilities comprised bank loans of €115.5 million (31 December 2020: €109.0 million) and rental liabilities of €91.0 million (31 December 2020: €80.7 million). Financial liabilities arising from bank loans went up because scheduled repayments of loans amounting to €3.5 million were outweighed by new borrowing of €10.0 million. The increase in liabilities arising from rentals was largely the result of new office leases being signed.

Other current liabilities mainly comprised tax liabilities of €3.8 million (31 December 2020: €4.6 million), deferred income of €3.6 million (31 December 2020: €1.0 million) and bonus commitments of €2.7 million (31 December 2020: €5.5 million).

## Cash flow

Cash flow grew by €1.3 million to €16.2 million during the reporting period. The total net cash generated by operating activities in the first quarter of 2021 amounted to €12.9 million (Q1 2020: €6.4 million). The cash used for working capital fell by €5.2 million to minus €3.3 million (Q1 2020: minus €8.5 million).

The net cash outflow of €12.8 million for investing activities (Q1 2020: €26.8 million) consisted primarily of capital expenditure of €7.6 million on non-current intangible assets (Q1 2020: €6.1 million) and of €1.5 million for the acquisition of shareholdings in companies.

The net cash of €4.4 million provided by financing activities (Q1 2020: €29.1 million) consisted of new borrowing from banks of €10.0 million (Q1 2020: €20.0 million), the scheduled repayment of bank loans in an amount of €3.5 million (Q1 2020: €3.2 million) and the repayment of rental liabilities in an amount of €2.1 million (Q1 2020: €2.2 million).

Cash and cash equivalents as at 31 March 2021 totalled €38.0 million, which was €4.5 million higher than at the beginning of the year.

## Capital expenditure

Most of the capital investment was spent on refining the platforms. There was also further capital expenditure on new advisory systems for consumers and distributors.

## Investment

Most of the investment was in refinement of the platforms. There was also further investment in new advisory systems for consumers and distributors.

## Employees

The Hypoport Group had 2,261 employees as at 31 March 2021 (31 March 2020: 1,998 employees). The number of employees rose by 130 compared with the end of 2020 (31 December 2020: 2,131 employees).

## Outlook

Our assessment of the sector-specific market environment has not changed since we presented it in the 2020 annual report.

The reduction in consumer spending and in companies' inclination to invest as a result of the impact of the coronavirus crisis led to a substantial decrease in GDP of 5.0 per cent in 2020. The leading economic research institutions and government institutions are predicting significant economic growth of around 3 per cent for 2021. In the eurozone, interest rates are likely to remain low in 2021 and beyond in view of the continued weakness of the economy as a result of the coronavirus crisis and the ECB's bond-buying programme.

At the time of preparation of this report, the number of coronavirus cases in Germany was continuing to climb sharply and the German government had introduced a nationwide 'emergency brake', thereby cancelling the easing of measures to contain the spread of infection that had been decided in March 2021. Given our experiences during the two lockdowns in March to May 2020 and since November 2020, however, we do not currently anticipate any tangible constraints for our business processes over the course of 2021 because the B2B platform business models of the Hypoport Group do not involve direct client contact. The only segment with a material number of client meetings is Private Clients, with its brand Dr. Klein Privatkunden. However, it has continued to fully meet consumers' needs by offering advice via video.

Nevertheless, a severe recession in Germany may lead to a temporary dip in consumer demand for housing and for new mortgage finance and insurance policies. On the other hand, Hypoport currently has a significant edge in terms of efficiency over traditional competitors thanks to the use of video in advisory meetings and the digital processing of financing applications on Europe. This has significantly strengthened the Group's position compared with providers that do not use digital technologies to the same extent. It is still too soon to predict whether the Group would be able to mitigate the impact of a fall in consumer demand in 2021, or would in fact be able to more than offset this impact, thanks to its gains in market share.

As a result, there are no material changes for the four segments of the Hypoport Group compared with the forecast in the 2020 annual report.

Assuming that there continues to be no significant turmoil in the credit, property or insurance industries, we still expect the Hypoport Group as a whole to achieve a double-digit growth rate in 2021 with consolidated revenue of between €430 million and €460 million and EBIT of €40 million to €45 million.



# Shares and investor relations

Performance of Hypoport shares (daily closing prices, Xetra, €) up to 31 Mar 2021



On Xetra, Hypoport shares went down in value by around 12 per cent over the first three months of 2021. The performance of Hypoport shares was therefore worse than that of the capital markets in general (DAX up by 9 per cent, SDAX up by 5 per cent, TecDAX up by 6 per cent). The daily volume of Hypoport shares traded on all German stock exchanges averaged €4.6 million.

### Membership of indices

In terms of market capitalisation, Hypoport shares were ranked at 86th place in the SDAX in March 2021 owing to their rise in price over recent quarters. This means that they meet the criteria for admission to the MDAX. Hypoport shares are now positioned in the upper third of the SDAX on the basis of trading volume, having risen progressively over the course of 2020 to a ranking of 111 in March 2021.

Hypoport expressly welcomed the discussion in the second half of 2020 about expansion of the DAX and changes to the admission rules and has played an active role in Deutsche Börse’s ongoing market consultation. Although the outcome is not what Hypoport had hoped for in every regard, it does overall represent a significant improvement to the culture around shares in Germany. As it has in the past, Hypoport SE is also calling for an update of the definitions used to assign individual shares to sectors of industry. In particular, the definition used to assign shares to the technology sector is outdated and, in Hypoport SE’s view, does not reflect technological innovation in the 21st century. The almost total focus on manufacturing and technologies that were new in the 20th century (e.g. mobile communications) to the detriment of innovative business models using internet-based technology is damaging to the culture around shares and thus to the strength of innovation in Germany. Hypoport will continue to encourage debate about modernising this definition.

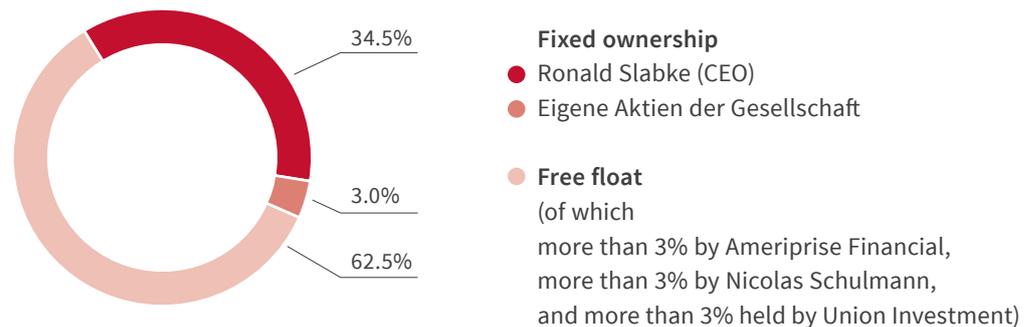
### Shareholder structure

There were two notifiable changes necessitating a voting right notification in the reporting period.

Ameriprise Financial, Inc. informed us that its stake in Hypoport SE had exceeded the 3 per cent threshold on 1 March 2021 and stood at 4.31 per cent on that date.

Ameriprise Financial, Inc. informed us that its stake in Hypoport SE had exceeded the 3 per cent threshold on 18 March 2021 and stood at 4.38 per cent on that date.

### Shareholder structure to 31 Mar 2020



### Research

Hypoport shares were covered by five professional banking institutions (Bankhaus Metzler, Berenberg, Commerzbank, Pareto Securities and Warburg Research) in the first three months of 2021. The analysts' latest assessments can be found at <https://www.hypoport.com/investor-relations/research>.

**Activities in the capital markets**

At the roadshows and conferences listed below, and during meetings at Hypoport SE's offices, more than 400 (virtual) meeting were held with institutional investors in 2020. The intensity of these activities continued in the first quarter of 2021, with more than 120 meetings taking place. Since March 2020, all meetings have been held via digital video chat due to the global coronavirus pandemic.

<b>Type of event</b>	<b>Location</b>	<b>Month</b>
Roadshow (dig.)	Ger/Aus/Swi	Q1 2021
Conferences (dig.)	Amsterdam, Frankfurt, Lyon	Q1 2021
Conferences (dig.)	Berlin, London, Frankfurt	Q4 2020
Roadshows (dig.)	Paris, USA	Q4 2020
Conferences (dig.)	Frankfurt, Munich	Q3 2020
Roadshows (dig.)	Copenhagen, London, Ger/Aus/Swi, Edinburgh, USA	Q3 2020
Conferences (dig.)	Canada, USA	Q2 2020
Roadshows (dig.)	Canada, Ger/Aus/Swi, UK, USA	Q2 2020
Conferences	London, Lyon	Q1 2020
Conferences	Berlin (2x), Frankfurt (3x), Hamburg, London, Munich, New York, Paris, Warsaw	2019
Roadshows	Brussels, Chicago, Edinburgh, London (2x), Paris, Copenhagen, Helsinki, Zurich	2019

**Annual Shareholders' Meeting**

In view of the situation created by coronavirus, the Management Board's speech at the Annual Shareholders' Meeting of Hypoport SE was recorded and made permanently available in full on Hypoport SE's YouTube channel.

**Designated sponsor**

Designated sponsors enhance a share's liquidity by quoting binding prices at which they will buy and sell the share. The designated sponsor for Hypoport SE was ODDO SEYDLER BANK AG, Frankfurt am Main, in the reporting period.



# Interim consolidated financial statements

## Consolidated income statement for the period 1 January to 31 March 2021

	Q1 2021 €'000	Q1 2020 €'000
Revenue	107,882	100,638
Commissions and lead costs	-52,290	-48,098
<b>Gross profit</b>	<b>55,592</b>	<b>52,540</b>
Own work capitalised	5,783	4,979
Other operating income	2,627	1,977
Personnel expenses	-35,982	-31,000
Other operating expenses	-9,073	-11,734
Income from companies accounted for using the equity method	223	-91
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>19,170</b>	<b>16,671</b>
Depreciation, amortisation expense and impairment losses	-7,100	-6,153
<b>Earnings before interest and tax (EBIT)</b>	<b>12,070</b>	<b>10,518</b>
Financial income	9	10
Finance costs	-803	-675
<b>Earnings before tax (EBT)</b>	<b>11,276</b>	<b>9,853</b>
Income taxes and deferred taxes	-1,924	-1,855
<b>Net profit for the year</b>	<b>9,352</b>	<b>7,998</b>
attributable to non-controlling interest	-165	6
<b>attributable to Hypoport SE shareholders</b>	<b>9,517</b>	<b>7,992</b>
<b>Earnings per share (€) (non-diluted/diluted)</b>	<b>1.51</b>	<b>1.27</b>

## Consolidated statement of comprehensive income for the period 1 January to 31 March 2021

	Q1 2021 €'000	Q1 2020 €'000
<b>Net profit (loss) for the year</b>	<b>9,352</b>	<b>7,998</b>
Total income and expenses recognized in equity*	0	0
<b>Total comprehensive income</b>	<b>9,352</b>	<b>7,998</b>
attributable to non-controlling interest	-165	6
<b>attributable to Hypoport SE shareholders</b>	<b>9,517</b>	<b>7,992</b>

\*There was no income or expense to be recognized directly in equity during the reporting period.

Consolidated balance sheet as at 31 March 2021

	31 Mar 2021 €'000	31 Dec 2020 €'000
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	312,843	306,423
Property, plant and equipment	110,656	97,655
Investments accounted for using the equity method	15,636	15,413
Financial assets	262	398
Trade receivables	5,987	5,782
Other assets	367	365
Deferred tax assets	15,024	13,181
	<b>460,775</b>	<b>439,217</b>
<b>Current assets</b>		
Inventories	1,756	1,509
Trade receivables	58,356	70,232
Other current items	5,790	6,346
Income tax assets	1,225	1,230
Cash and cash equivalents	37,988	33,513
	<b>105,115</b>	<b>112,830</b>
	<b>565,890</b>	<b>552,047</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Subscribed capital	6,493	6,493
Treasury shares	-193	-194
Reserves	223,940	214,157
	<b>230,240</b>	<b>220,456</b>
Non-controlling interest	1,071	936
	<b>231,311</b>	<b>221,392</b>
<b>Non-current liabilities</b>		
Financial liabilities	183,265	167,524
Provisions	34	34
Other liabilities	43,249	43,029
Deferred tax liabilities	20,153	17,614
	<b>246,701</b>	<b>228,201</b>
<b>Current liabilities</b>		
Provisions	327	706
Financial liabilities	23,189	22,139
Trade payables	32,175	47,896
Current income tax liabilities	2,586	3,145
Other liabilities	29,601	28,568
	<b>87,878</b>	<b>102,454</b>
	<b>565,890</b>	<b>552,047</b>

Abridged consolidated statement of changes in equity for the three months ended 31 March 2021

2020 in TEUR	Subscribed capital	Treasury shares	Capital reserves	Retained earnings	Equity attribut- able to Hypoport SE shareholders	Equity attributable to non-con- trolling interest	Equity
Equity as at 1 Jan 2020	6,493	-241	51,111	120,670	178,033	342	178,375
Sale of own shares	0	46	14,328	436	14,810	0	14,810
Total compre- hensive income	0	0	0	7,992	7,992	6	7,998
<b>Balance as at 31 March 2020</b>	<b>6,493</b>	<b>-195</b>	<b>65,439</b>	<b>129,098</b>	<b>200,835</b>	<b>348</b>	<b>201,183</b>

2021 in TEUR	Subscribed capital	Treasury shares	Capital reserves	Retained earnings	Equity attribut- able to Hypoport SE shareholders	Equity attributable to non-con- trolling interest	Equity
Equity as at 1 Jan 2021	6,493	-194	65,773	148,384	220,456	936	221,392
Sale of own shares	0	1	261	5	267	0	267
Change in scope of consolidation	0	0	0	0	0	300	300
Total compre- hensive income	0	0	0	9,517	9,517	-165	9,352
<b>Equity as at 31 Mar 2021</b>	<b>6,493</b>	<b>-193</b>	<b>66,034</b>	<b>157,906</b>	<b>230,240</b>	<b>1,071</b>	<b>231,311</b>

Consolidated cash flow statement for the period 1 January 2021 to 31 March 2021

	Q1 2021 €'000	Q1 2020 €'000
Earnings before interest and tax (EBIT)	12,070	10,518
Non-cash income / expense	-530	397
Interest received	9	10
Interest paid	-803	-675
Income taxes paid	-1,188	-1,289
Income from companies accounted for using the equity method	-223	91
Depreciation and amortisation expense, impairment losses on non-current assets	7,100	6,153
Income from disposal of intangible assets and property, plant and equipment and financial assets	0	-8
<b>Cashflow</b>	<b>16,186</b>	<b>14,906</b>
Increase / decrease in current provisions	-379	2
Increase / decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	<b>11,990</b>	<b>2,492</b>
Increase / decrease in trade payables and other liabilities not attributable to investing or financing activities	-14,926	-10,966
<b>Change in working capital</b>	<b>-3,315</b>	<b>-8,472</b>
<b>Cash flows from operating activities</b>	<b>12,871</b>	<b>6,434</b>
Payments to acquire property, plant and equipment / intangible assets	-11,706	-8,951
Cash outflows for acquisitions less acquired cash	-1,484	-17,891
Proceeds from the disposal of financial assets	535	15
Purchase of finance assets	-99	0
<b>Cash flows from investing activities</b>	<b>-12,754</b>	<b>-26,827</b>
redemption of own share	0	14,535
Repayments of lease liabilities	-2,121	-2,212
Proceeds from the drawdown of loans under finance facilities	10,000	20,000
Redemption of loans	-3,521	-3,188
<b>Cash flows from financing activities</b>	<b>4,358</b>	<b>29,135</b>
Net change in cash and cash equivalents	4,475	8,742
<b>Cash and cash equivalents at the beginning of the period</b>	<b>33,513</b>	<b>24,892</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>37,988</b>	<b>33,634</b>

Abridged segment reporting for the period 1 January to 31 March 2021

€'000	Credit Platform	Private Clients	Real Estate Platform	Insurance Platform	Holding	Reconciliation	Group
<b>Segment revenue in respect of third parties</b>	<b>45,256</b>	<b>34,933</b>	<b>14,637</b>	<b>12,775</b>	<b>281</b>	<b>0</b>	<b>107,882</b>
1 Jan – 31 Mar 2020	40,242	33,140	14,533	12,378	345	0	100,638
<b>Segment revenue in respect of other segments</b>	<b>388</b>	<b>137</b>	<b>56</b>	<b>91</b>	<b>7,412</b>	<b>-8,084</b>	<b>0</b>
1 Jan – 31 Mar 2020	352	85	0	112	5,966	-6,515	0
<b>Total segment revenue</b>	<b>45,644</b>	<b>35,070</b>	<b>14,693</b>	<b>12,866</b>	<b>7,693</b>	<b>-8,084</b>	<b>107,882</b>
1 Jan – 31 Mar 2020	40,594	33,225	14,533	12,490	6,311	-6,515	100,638
<b>Gross profit</b>	<b>23,743</b>	<b>11,835</b>	<b>14,153</b>	<b>5,580</b>	<b>7,693</b>	<b>-7,412</b>	<b>55,592</b>
1 Jan – 31 Mar 2020	21,275	11,364	13,698	5,858	6,311	-5,966	52,540
<b>Segment earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>11,745</b>	<b>6,307</b>	<b>1,737</b>	<b>542</b>	<b>-1,161</b>	<b>0</b>	<b>19,170</b>
1 Jan – 31 Mar 2020	9,544	5,130	2,281	1,028	-1,312	0	16,671
<b>Segment earnings before interest and tax (EBIT)</b>	<b>9,873</b>	<b>6,163</b>	<b>152</b>	<b>-423</b>	<b>-3,695</b>	<b>0</b>	<b>12,070</b>
1 Jan – 31 Mar 2020	8,017	4,995	914	363	-3,771	0	10,518
<b>Segment assets</b>							
<b>31.03.2021</b>	<b>126,185</b>	<b>27,501</b>	<b>159,706</b>	<b>142,644</b>	<b>109,854</b>	<b>0</b>	<b>565,890</b>
31.12.2020	128,681	30,577	148,323	146,111	98,355	0	552,047



# Notes to the interim consolidated financial statements

## Information about the Company

The companies in the Hypoport Group develop technology platforms for the credit, property and insurance industries (fintech, proptech, insurtech). The Hypoport companies are divided into four mutually supporting segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform. The Group's parent company is Hypoport SE, which is headquartered in Lübeck, Germany.

The Credit Platform segment includes the web-based B2B credit platform Europace, which is the largest German marketplace for the sale of mortgage finance, building finance products and personal loans. Sub-marketplaces and distribution companies that are tailored to individual target groups also belong to the Credit Platform segment.

The companies within the Private Clients segment primarily focus on the brokerage of residential mortgage finance products for consumers. The Hypoport Group is represented in this market by its subsidiaries Dr. Klein Privatkunden AG and Vergleich.de Gesellschaft für Verbraucherinformation mbH. As well as selling mortgage finance to consumers, the companies in this segment offer their clients various financial products in the categories of consumer loans, insurance and basic banking products (e.g. instant-access accounts).

All property-related activities of the Hypoport Group, with the exception of loan brokerage for private clients, are grouped together in the Real Estate Platform segment with the aim of digitalising the sale, valuation and management of properties. FIO Systems AG provides a comprehensive platform that enables bank-affiliated estate agents and large independent estate agents in Germany to fully digitalise their business operations. Operating across Germany, Value AG provides mortgage valuation services to help banks, insurers and building finance associations make their lending decisions.

Dr. Klein Wowi Finanz AG has been a major financial service partner to the housing industry since 1954. Dr. Klein Wowi Finanz provides its institutional clients in Germany with a fully integrated service comprising expert advice in the business lines of loan brokerage, insurance and portfolio management. Dr. Klein WoWi Digital AG and FIO SYSTEMS AG offer software as a service (SaaS) solutions for the housing industry that focus on enterprise resource planning (ERP), rental management, payments processing and management of insurance claims. Hypoport B.V., the Group's subsidiary based in Amsterdam, helps banks to analyse and report on securitised or collateralised mortgage finance portfolios.

The Insurance Platform segment brings together all of the Hypoport Group's activities relating to insurance technology. To this end, Smart InsurTech AG develops and operates a fully integrated platform for the sale and administration of insurance products. In addition, Qualitypool GmbH (insurance business unit) and further distribution service companies provide support services to small and medium-sized financial product distributors in relation to the brokerage of insurance. ePension Holding GmbH operates a digital platform for the administration of occupational pension schemes.

The parent company is Hypoport SE, which is headquartered in Lübeck. Within the Hypoport Group, Hypoport SE performs the role of a strategic and management holding company. Hypoport SE's objectives are the advancement and expansion of its network of subsidiaries along value chains, while making use of synergies. Hypoport SE is entered in the commercial register of the Lübeck local court under HRB 19859 HL. The Company's business address is Hansestrasse 14, 23558 Lübeck, Germany. From 2021, the shared services will be bundled in a separate company, Hypoport hub SE.

### **Basis of presentation**

The condensed interim consolidated financial statements for the period ended 31 March 2021 for Hypoport SE have been prepared in accordance with the provisions of IAS 34 (Interim Financial Reporting). They are based on the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the European Union and take into account the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC). The report has been condensed in accordance with IAS 34 compared with the scope of the consolidated financial statements for the year ended 31 December 2020. These condensed interim consolidated financial statements should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2020 and the disclosures contained in the notes thereto. These condensed interim consolidated financial statements and the interim group management report have not been audited or reviewed by an auditor.

These condensed interim consolidated financial statements are based on the accounting policies and the consolidation principles applied to the consolidated financial statements for the year ended 31 December 2020. However, the changes presented below have been introduced due to the adoption of new or revised accounting standards and due to a review of the expected useful life of software.

The interim consolidated financial statements and the separate financial statements for the entities included in the IFRS interim consolidated financial statements are prepared in euros. To improve clarity, all figures in the IFRS interim consolidated financial statements and the interim group management report are presented in thousands or millions of euros unless stated otherwise. We wish to point out that the application and aggregation of rounded amounts and percentages and the use of automated calculation methods may give rise to rounding discrepancies.

All disclosures on the number and volume of financial products processed are calculated at a cut-off point in the product transaction process that is appropriate for the accrual method of accounting used. The growth of the subsidiaries in the Credit Platform and Private Clients segments can be seen from the volume of transactions on the Europace transaction platform. The volume of transactions is the indicator used by the management to measure the current intensity with which the Europace marketplace is being used. Transactions are initiated at the end of the advisory process. They take place after the advisor/consumer has selected a specific product and include a check against all of the product supplier's lending rules stored in the system. A query is also sent to the product supplier's external decision-making systems.

Transactions are then frequently cancelled, for example because the consumer allows the offering period to expire, the product supplier rejects the transaction following the individual credit check or the consumer exercises his or her right to withdraw. The revenue for a transaction may be recognised up to three months later. This means that it is only possible to draw limited conclusions about revenue for a period from the volume of transactions in that period.

### **Accounting policies**

The accounting policies applied are those used in 2020, with the following exceptions:

- Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4: Insurance Contracts)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

The first-time adoption of the standards and interpretations listed above has had no significant impact on the financial position or financial performance of the Hypoport Group or on its earnings per share.

### **Basis of consolidation**

The consolidation as at 31 March 2021 included all entities controlled by Hypoport SE in addition to Hypoport SE itself.

The table below shows the entities included in the interim consolidated financial statements in addition to Hypoport SE.

<b>Subsidiary</b>	<b>Holding in %</b>
1blick GmbH, Heidelberg	100.00
asseQ GmbH, Lübeck	100.00
Basler Service GmbH, Bayreuth	70.00
Bayreuth Am Pfaffenleck 15 Objektgesellschaft mbH, Bayreuth	100.00
Dr. Klein Finance S.L.U., Santa Ponca (Spain)	100.00
Dr. Klein Wowi Finanz AG, Lübeck	100.00
Dr. Klein Privatkunden AG, Lübeck	100.00
Dr. Klein Ratenkredit GmbH, Lübeck	100.00
Dr. Klein Wowi Digital AG, Berlin	100.00
GWB Gesellschaft für wohnungswirtschaftliche Beratung mbH & Co. KG, Dresden	100.00
ePension GmbH & Co. KG, Hamburg	51.00
ePension Verwaltungs-GmbH, Hamburg	51.00
ePension Holding GmbH, Berlin	51.00
E&P Pensionsmanagement GmbH, Hamburg	51.00
Europace AG, Berlin	100.00
FIO SYSTEMS AG, Leipzig	100.00
FIO SYSTEMS Bulgaria EOOD, Sofia (Bulgaria)	100.00
FM InsurTech GmbH, Berlin	100.00
FUNDINGPORT GmbH, Hamburg	70.00
Fundingport Sofia EOOD, Sofia, (Bulgaria)	100.00
GENOPACE GmbH, Berlin	45.025
Growth Real Estate EOOD, Sofia (Bulgaria)	100.00
helber innomaxx GmbH, Stuttgart	100.00
Hypoport B.V., Amsterdam (Netherlands)	100.00
Hypoport Grundstücksmanagement GmbH, Berlin	100.00
Hypoport Holding GmbH, Berlin	100.00
Hypoport hub SE, Berlin	100.00
Hypoport Mortgage Market Ltd., Westport (Ireland)	100.00
Hypoport Sofia EOOD, Sofia, (Bulgaria)	100.00
Hypoport Systems GmbH, Berlin	100.00
Maklaro GmbH, Hamburg	100.00
Primstal - Alte Eiweiler Straße 38 Objektgesellschaft mbH, Nonnweiler	100.00
Qualitypool GmbH, Lübeck	100.00
REM CAPITAL AG, Stuttgart	100.00

<b>Subsidiary</b>	<b>Holding in %</b>
Smart BancAssurance GmbH, Berlin	100.00
Smart InsurTech AG, Berlin	100.00
source.kitchen GmbH, Leipzig	100.00
Starpool Finanz GmbH, Berlin	50.025
Value AG the valuation group, Berlin	100.00
Vergleich.de Gesellschaft für Verbraucherinformation mbH, Berlin	100.00
Vergleich.de Versicherungsservice GmbH, Lübeck	100.00
VS Direkt Versicherungsmakler GmbH, Bayreuth	100.00
Volz Vertriebsservice GmbH i.L., Ulm	100.00
Winzer - Kneippstraße 7 Objektgesellschaft mbH, Berlin	100.00
<b>Joint ventures</b>	
AMEXPool AG, Buggingen	49.997
BAUFINEX Service GmbH, Berlin	50.00
FINMAS GmbH, Berlin	50.00
Hypoport on-geo GmbH i. L., Berlin	50.00
LBL Data Services B.V., Amsterdam (Niederlande)	50.00
<b>Associated company</b>	
BAUFINEX GmbH, Schwäbisch Hall	30.00
finconomy AG, München	25.00
IMMO CHECK Gesellschaft für Informationsservice mbH i. L., Bochum	33.33

### Changes to the basis of consolidation; corporate transactions

With the exception of the aforementioned joint ventures and associates (all accounted for under the equity method owing to lack of control), all major Hypoport Group companies are fully consolidated.

### Changes to the basis of consolidation; corporate transactions

The Hypoport Group carried out the following significant corporate transactions in 2021.

All of the shares in GWB Gesellschaft für wohnungswirtschaftliche Beratung mbH & Co. KG ('GWB'), Dresden, were acquired on 1 January 2021. GWB specialises in insurance for businesses, particularly those in the housing sector. By acquiring GWB, the Hypoport Group is extending its offering in relation to insurance for businesses. The purchase consideration was attributable to an insurance portfolio.

The acquisition was accounted for using the acquisition method. Its activities were allocated to the Real Estate Platform segment. Since the date of acquisition, GWB has contributed €0.1 million to revenue and €0.1 million to net profit for the period.

The fair values of the identifiable assets and liabilities were as follows as at the acquisition date:

<b>GWB initial consolidation</b>	<b>Fair value recognises on acquisition €'000</b>
<b>Assets</b>	
Intangible assets	1,932
Property, plant and equipment	8
Financial assets	0
Trade receivables	0
Other current items	7
Cash and cash equivalents	0
	<b>1,947</b>
<b>Liabilities</b>	
Financial liabilities	(32)
Trade payables	(0)
Other liabilities	(431)
Deferred tax liabilities	(445)
	<b>(908)</b>
<b>Total identifiable net assets at fair value</b>	<b>1,039</b>
Goodwill arising on acquisition	445
<b>Purchase consideration transferred</b>	<b>1,484</b>
<b>Analysis of cash flows on acquisition:</b>	
Net cash acquired with the subsidiary (included in Cashflow from investing activities)	0
Cash paid	(1,484)
<b>Net cash outflow</b>	<b>1,484</b>

The goodwill recognised arises as a result of taking account of deferred tax liabilities following recognition of the insurance portfolio. The goodwill recognised is non-deductible for tax purposes.

The Group incurred total costs of €0.1 million for legal advice and due diligence in connection with the acquisition. These costs are shown under administrative expenses in the income statement and under cash flows from operating activities in the cash flow statement.

Other corporate transactions had no material impact, either individually or collectively, on the Group's financial position or financial performance.

### Income taxes and deferred taxes

This item includes current and deferred tax income and expense in the following amounts:

Income taxes and deferred taxes	Q1 2021 €'000	Q1 2020 €'000
Income taxes and deferred taxes	1,924	1,855
current income taxes	1,675	1,564
deferred taxes	249	291
in respect of timing differences	1,997	1,423
in respect of tax loss carryforwards	-1,748	-1,132

The average combined income tax rates computed on the basis of current legislation remain unchanged at just under 30 per cent for Hypoport Group companies in Germany and between 10.0 per cent and 25.5 per cent for subsidiaries outside Germany.

### Earnings per share

The figure for earnings per share is determined in accordance with IAS 33. Basic earnings (loss) per share is calculated by dividing the net profit (loss) for the period attributable to the shareholders of Hypoport SE by the weighted average number of outstanding shares. In the first quarter of 2021, there were no share options that would have a dilutive effect on earnings per share.

Earnings Per Share	Q1 2021 €'000	Q1 2020 €'000
Net income for the year (€'000)	9,352	7,998
of which attributable to Hypoport SE stockholders	9,517	7,992
Basic weighted number of outstanding shares (€'000)	6,300	6,282
<b>Earnings per share (€)</b>	<b>1.51</b>	<b>1.27</b>

As a result of the release of treasury shares, the number of shares in issue rose by 516, from 6,299,480 as at 31 December 2020 to 6,299,996 as at 31 March 2021.

### **Intangible assets and property, plant and equipment**

Intangible assets primarily comprised goodwill of €222.4 million (31 December 2020: €222.0 million) and development costs of €66.5 million for the financial marketplaces (31 December 2020: €62.2 million).

Property, plant and equipment largely consisted of rental/leasing-related right-of-use assets of €89.3 million (31 December 2020: €79.4 million) and office furniture and equipment amounting to €9.8 million (31 December 2020: €10.1 million).

### **Equity-accounted investments**

The change in the carrying amounts of equity-accounted investments relates to the pro rata net profit (loss) for the period of the five joint ventures FINMAS GmbH, Berlin (Hypoport's interest: 50 per cent), Hypoport on-geo GmbH i.L., Berlin (Hypoport's interest: 50 per cent), LBL Data Services B.V., Amsterdam (Hypoport's interest: 50 per cent), AMEXPool AG, Buggingen (Hypoport's interest: 49.997 per cent) and BAUFINEX Service GmbH, Berlin (Hypoport's interest: 50 per cent), as well as of the three associates BAUFINEX GmbH, Schwäbisch Hall (Hypoport's interest: 30 per cent), finconomy AG, Munich (Hypoport's interest: 25 per cent) and IMMO Check Gesellschaft für Informationsservice mbH i.L., Bochum (Hypoport's interest: 33.33 per cent). In the first quarter of 2021, the profit from equity-accounted long-term equity investments amounted to €223 thousand (Q1 2020: loss of €91 thousand).

### **Subscribed capital**

The Company's subscribed capital as at 31 March 2021 was unchanged at €6,493,376.00 (31 December 2020: €6,493,376.00) and was divided into 6,493,376 (31 December 2020: 6,493,376) fully paid-up, registered no-par-value shares.

The Annual Shareholders' Meeting held on 9 June 2020 voted to carry forward Hypoport SE's distributable profit of €93,301,000.07 to the next accounting period.

### **Authorised capital**

The Annual Shareholders' Meeting held on 9 June 2020 voted to set aside the unused authorisation granted on 5 May 2017 and to issue a new authorisation. The Management Board was authorised – subject to the consent of the Supervisory Board – to increase the Company's subscribed capital by up to a total of €2,799,061 by issuing new registered no-par-value shares for cash or non-cash capital contribution on one or more occasions on or before 8 June 2025. The Management Board can decide – subject to the consent of the Supervisory Board – to disapply the shareholders' statutory pre-emption rights.

### Treasury shares

Hypoport held 193,380 treasury shares as at 31 March 2021 (equivalent to €193,380.00, or 3.0 per cent, of the subscribed capital of Hypoport SE), which are mainly intended to be issued to employees. The change in the balance of treasury shares and the main data relating to transactions in 2021 are shown in the following table:

Change in the balance of treasury shares in 2021	Number of shares	Amount of share capital €	Proportion of subscribed capital (%)	Cost of purchase (€)	Sale price (€)	Gain or loss on sale (€)
Opening balance as at 1 January 2021	193,896		2.265	9,290,140.52		
Dissemination in January 2021	516	516.00	0.008	6,191.56	267,045.48	260,853.92
Balance as at 31 March 2021	193,380	516.00	2.978	9,283,948.96	267,045.48	260,853.92

The release of treasury shares was recognised directly in equity and offset against retained earnings.

### Reserves

The breakdown of reserves can be found in the above consolidated statement of changes in equity.

Capital reserves include the premium from the capital increase carried out in 2001 (€400 thousand), the premium from the issuance of shares under the 2002–2004 employee share ownership programme from 2006 to 2009 (€1.187 million), amounts equivalent to the par value of the treasury shares recalled in 2006 (€99 thousand), an amount equivalent to the imputed share of subscribed capital for the treasury shares recalled in 2007 (€247 thousand), the premium from the issuance of new shares in 2018 (€46.9 million), income from the sale of shares (€14.1 million) and income from the transfer of shares to employees (€3.128 million, of which €261 thousand relates to 2021).

Retained earnings include the profits generated by the entities included in the consolidated financial statements prior to the first-time consolidation on 1 January 2004, the capital gains on the sale of treasury shares, the losses on the recall of treasury shares and three negative goodwill amounts arising from business combinations. These negative goodwill amounts are reported under retained earnings, because profits had been retained after the acquisition but before the date of first-time consolidation.

The cumulative net profits and losses for all periods since the date of first-time consolidation, all the remaining adjustments made under the first-time adoption of IFRS on 1 January 2004 and recognised directly in equity, and a statutory reserve of €7 thousand (31 December 2020: €7 thousand) are also reported under this item.

### Non-controlling interests

The net loss for the first quarter of 2021 attributable to non-controlling interests was €165 thousand (Q1 2020: net profit of €6 thousand). Total non-controlling interests amounted to €1.071 million as at 31 March 2021 (31 December 2020: €936 thousand), of which €307 thousand (31 December 2020: €288 thousand) related to the non-controlling interest in the equity of Starpool Finanz GmbH, Berlin (non-controlling interest of 49.975 per cent), €110 thousand (31 December 2020: €110 thousand) to GENOPACE GmbH, Berlin (non-controlling interest of 54.975 per cent), minus €2 thousand (31 December 2020: €1 thousand) to Basler Service GmbH, Bayreuth (non-controlling interest of 30.0 per cent), €57 thousand (31 December 2020: €437 thousand) to ePension GmbH & Co. KG, Hamburg (non-controlling interest of 49 per cent), €0 thousand (31 December 2020: €0 thousand) to ePension Verwaltungs-GmbH, Hamburg (non-controlling interest of 49 per cent), €247 thousand (31 December 2020: €56 thousand) to ePension Holding GmbH, Berlin (non-controlling interest of 49 per cent), €44 thousand (31 December 2020: €44 thousand) to E&P Pensionsmanagement GmbH, Hamburg (non-controlling interest of 49 per cent) and €308 thousand (31 December 2020: €0 thousand) to FUNDINGPORT GmbH, Hamburg (non-controlling interest of 30 per cent).

### Share-based payment

No share options were issued in the first quarter of 2021.

### Related parties

IAS 24 requires disclosure of the names of persons or entities that control, or are controlled by, Hypoport SE. Transactions between Hypoport SE and its subsidiaries are eliminated during consolidation and therefore do not have to be reported in this note.

IAS 24 also requires disclosure of the names of persons who can exercise significant influence over the Company.

The parties covered by the requirements also include key management personnel, their close family members and other entities via which a named person exercises control or significant influence over Hypoport SE. The parties covered by this requirement during the reporting period were the members of the Group Management Board and Supervisory Board of Hypoport SE and their close family members.

The table below shows the numbers of shares in Hypoport SE directly or indirectly held by the members of the Group Management Board and Supervisory Board as at 31 March 2021.

	Shares (number) 31 Mar 2021	Shares (number) 31 Dec 2020
<b>Group Management Board</b>		
Ronald Slabke	2,240,381	2,240,381
Stephan Gawarecki	101,802	101,800
<b>Supervisory Board</b>		
Dieter Pfeiffenberger	1,000	1,000
Roland Adams	0	0
Martin Krebs	115	115

The companies in the Hypoport Group have not carried out any further disclosable transactions with members of either the Supervisory Board or the Group Management Board or with companies on whose management or supervisory bodies these persons are represented. This also applies to close family members related to these persons.

Revenue of €292 thousand was generated by joint ventures in the first quarter of 2021 (Q1 2020: €345 thousand). As at 31 March 2021, receivables from joint ventures amounted to €1.645 million (31 December 2020: €817 thousand) and liabilities to such companies totalled €257 thousand (31 December 2020: €957 thousand).

### Opportunities and risks

Please refer to the opportunities and risks report that forms part of the group management report in our 2020 annual report. It provides a comprehensive presentation of the Hypoport Group's risks and opportunities, which remained largely unchanged in the period currently under review.

The risks to which the Hypoport Group is exposed are limited, both in terms of individual risks and their interactions with other risks, and are not currently believed to jeopardise the existence of individual subsidiaries or the Group as going concerns.

Opportunities and risks, including positive or negative changes to them, are not offset against each other.

#### Seasonal influences on business activities

There were no seasonal effects in the housing market or credit industry during the first quarter. The impact of the coronavirus crisis is explained in the 'Business and economic conditions' section. The Company is assuming that there will be growth in the distribution of insurance products for private and institutional clients during the course of the year, partly as a result of certain industry-wide cancellation deadlines and tax issues.

#### Events after the reporting period

No material events have occurred since the balance sheet date that are of particular significance to the financial position and financial performance of the Hypoport Group in 2021.

#### Responsibility statement

"We assure that, to the best of our knowledge and in accordance with the accounting standards applicable to interim financial reporting, the interim consolidated financial statements give a fair presentation of the Hypoport Group's financial position and financial performance, the interim group management report gives a fair presentation of the Hypoport Group's business, profits and position and that the material opportunities and risks of its expected development during the remainder of the financial year are described."

Berlin, 10 May 2021  
Hypoport SE – The Management Board



Ronald Slabke



Stephan Gawarecki

**Hypoport SE**

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