

Hypoport SE

*Preliminary results for
2021*

Our mission

Digitalisation of the credit, real-estate and insurance industries



Credit industry



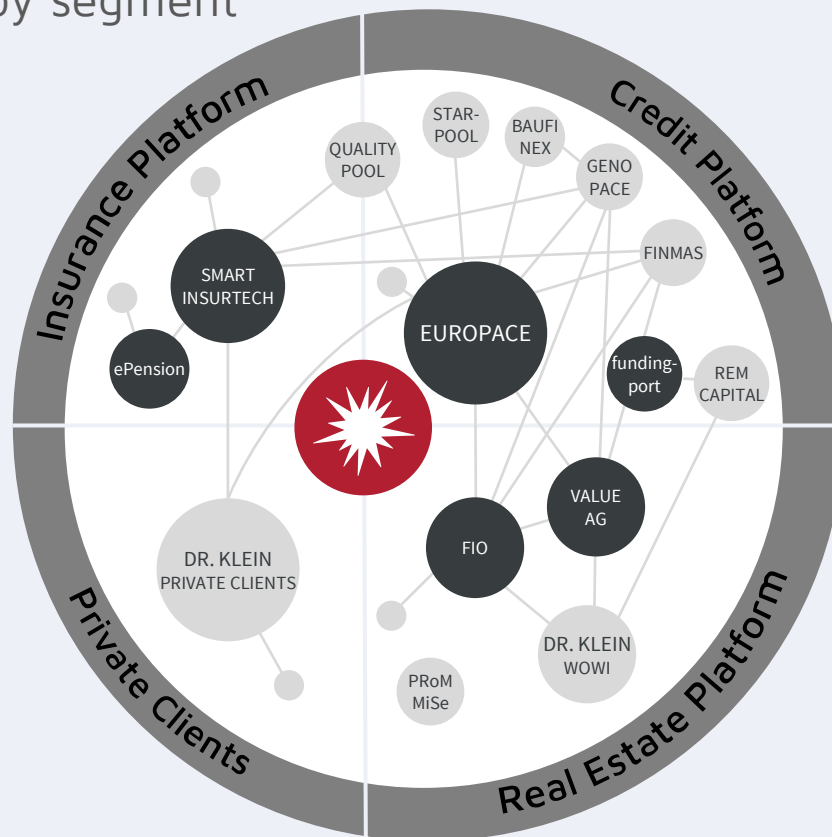
Real-estate industry



Insurance industry

Hypoport – a network of technology companies

Revenue in 2021 by segment



Hypoport – clearly ahead of the market

Results for FY 2021

Key figures for 2021 (yoy change)

- Revenue: €446 million (+15%)
- Gross profit: €249 million (+19%)
- EBIT: €47 million (+32%) *incl. an outperformance of €4-5 million in corporate finance*
- EPS: €4.79 (+11%)

Hypoport and market volume (yoy change in euros)

- | | |
|-------------------------------------|-------------------------------|
| • Credit Platform revenue: +22% | → Mortgage finance: +4%* |
| • Private Clients revenue: +10% | |
| • Real Estate Platform revenue: +9% | → Residential property: +8%** |
| • Insurance Platform revenue: +7% | → Insurance premiums: +1%*** |

Sources: *Deutsche Bundesbank **Estimate by GEWOS Institut für Stadt-, Regional- und Wohnforschung GmbH dated 13 October 2021 ***German Insurance Association (GDV), 27 January 2022.

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1. Market environment in 2021

2. Key performance indicators for the segments

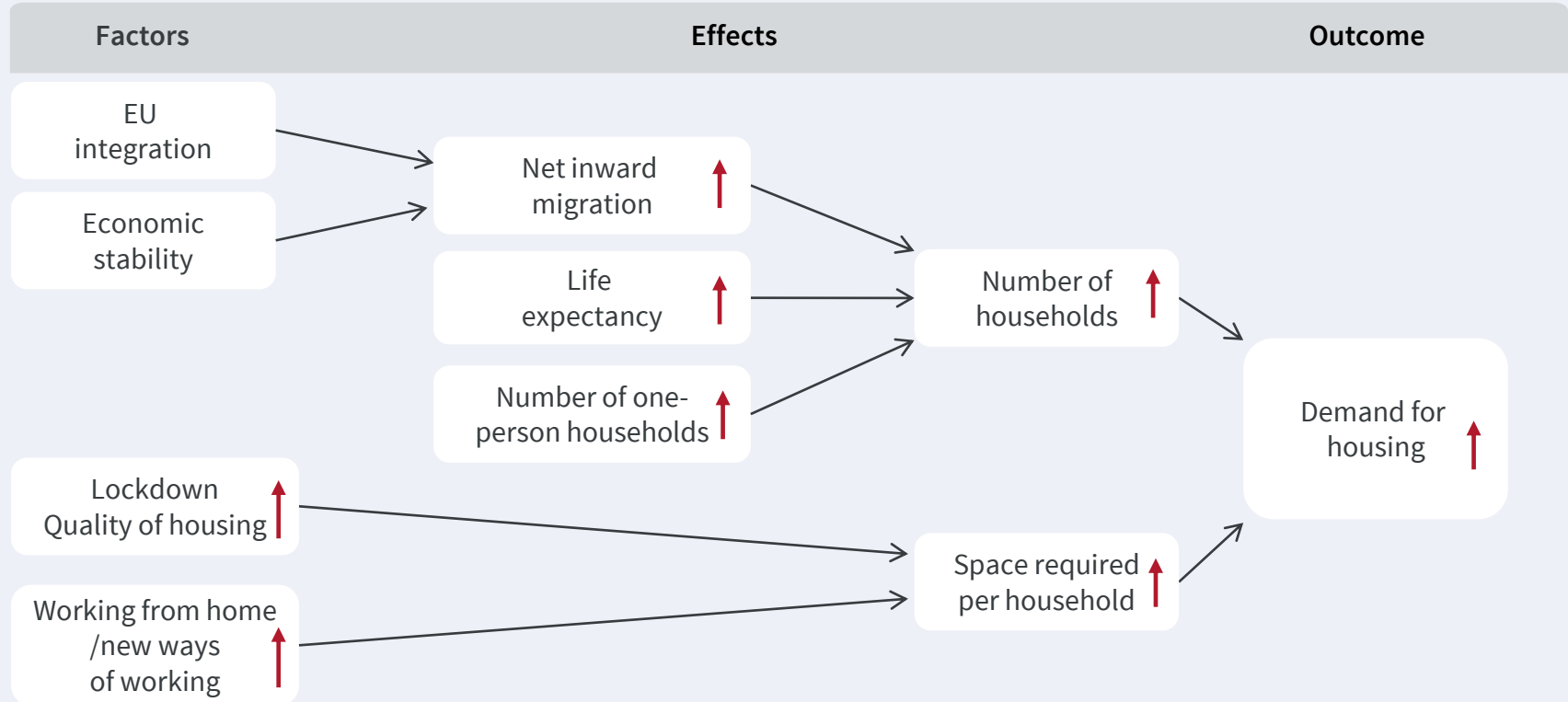
3. Overview of key performance indicators

4. Outlook for 2022

Annex (incl. share price info & IR)

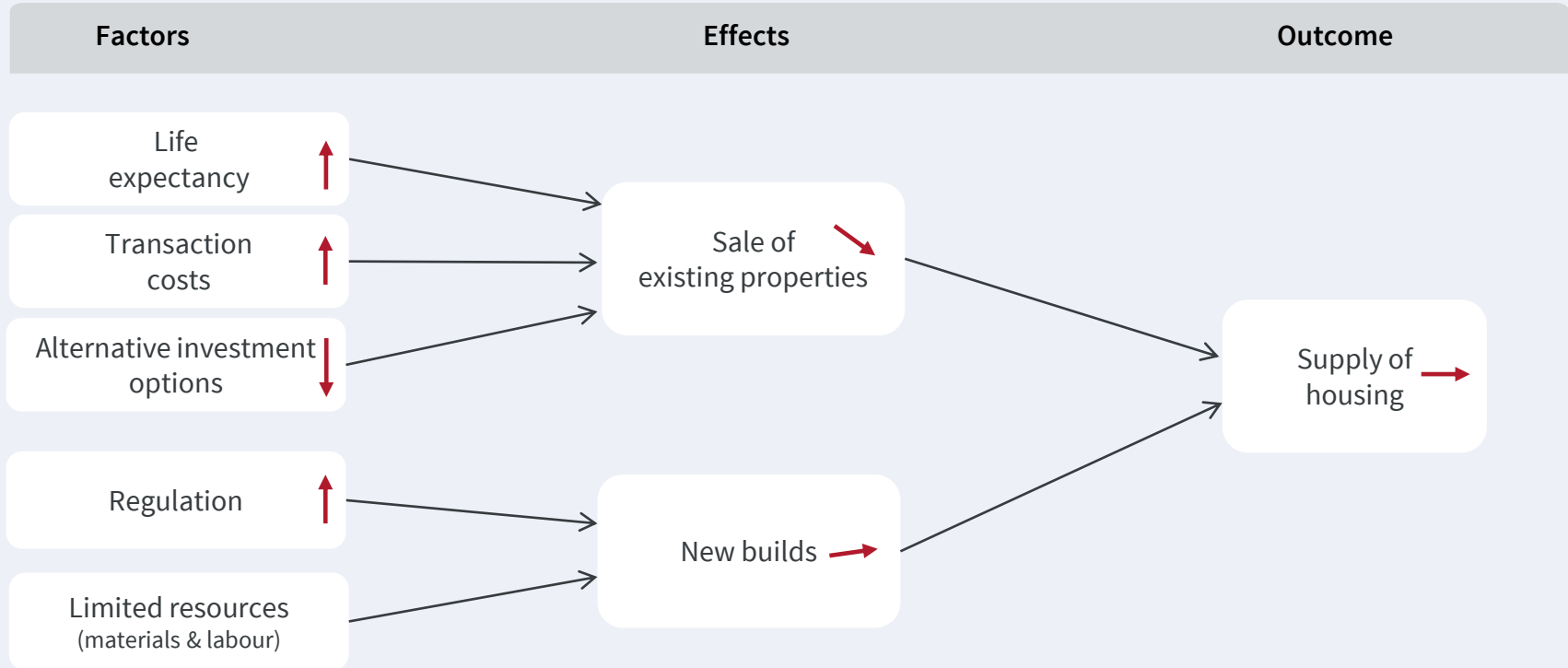
Neither interest rates nor short-term political topics are relevant

Factors influencing demand in the German housing market



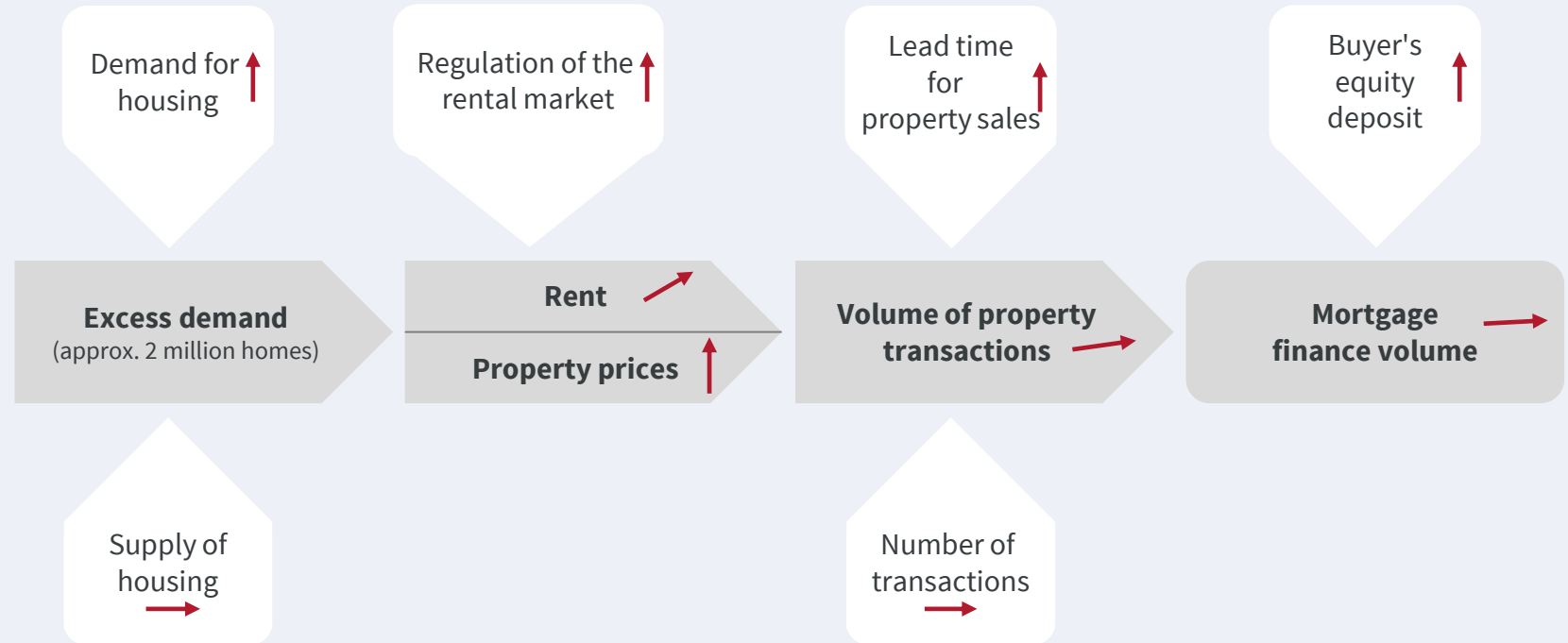
Scarce supply due to low sales volumes and limited new construction

Factors influencing supply in the German housing market



Funding market is stable and growing modestly

Factors influencing the volume of mortgage finance



Short-term trends in 2021

Important changes in key markets

Factors	Effects
Limited net inward migration	<ul style="list-style-type: none">• Limited net inward migration to Germany in 2020/2021 due to the coronavirus pandemic offset by an immediate increase in demand in connection with lockdowns and working from home; a lack of alternative investment options means that sellers are under little pressure to act and properties are taking longer to sell
Rising interest rates	<ul style="list-style-type: none">• Limited influence on the purchasing decisions of consumers looking to buy a property for personal use, but may cause consumers to amend their choices of fixtures and fittings and how they structure their financing• For investors/private landlords, purchasing properties has become less attractive
After-effects of lockdowns	<ul style="list-style-type: none">• Willingness to do business has increased in the corporate finance and institutional housing sectors• Ongoing merger talks and branch closures continued to pose challenges for new customer acquisition and, in some instances, IT implementation projects at regional banks, insurance companies and housing sector institutions
General election in Germany	<ul style="list-style-type: none">• In the run-up to the general election in Germany, private landlords and housing sector institutions took a wait-and-see approach with regard to financing projects

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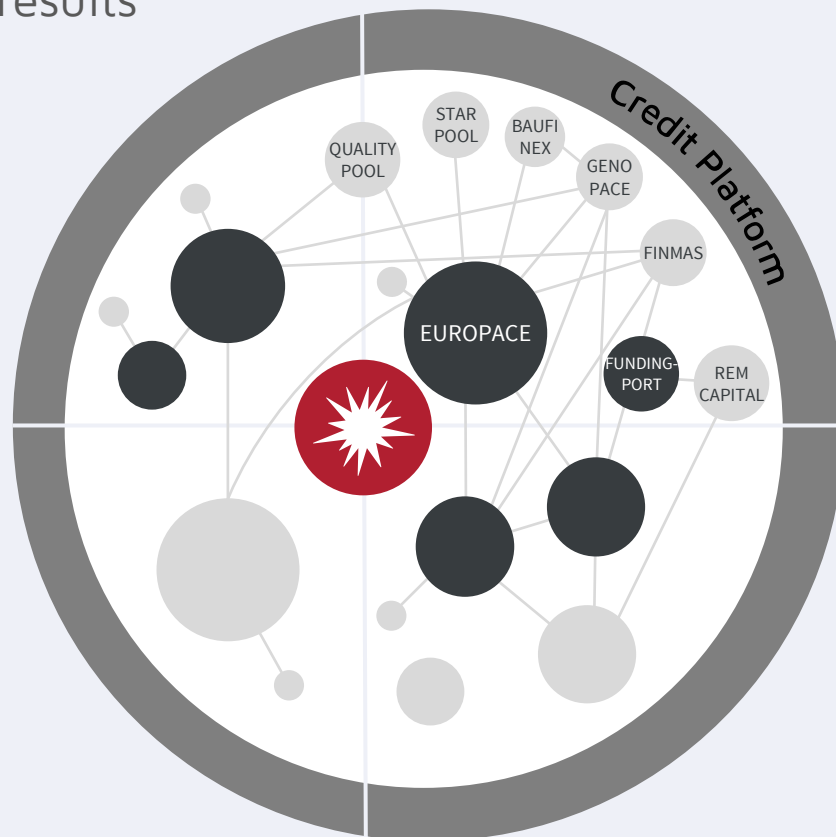
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Credit Platform

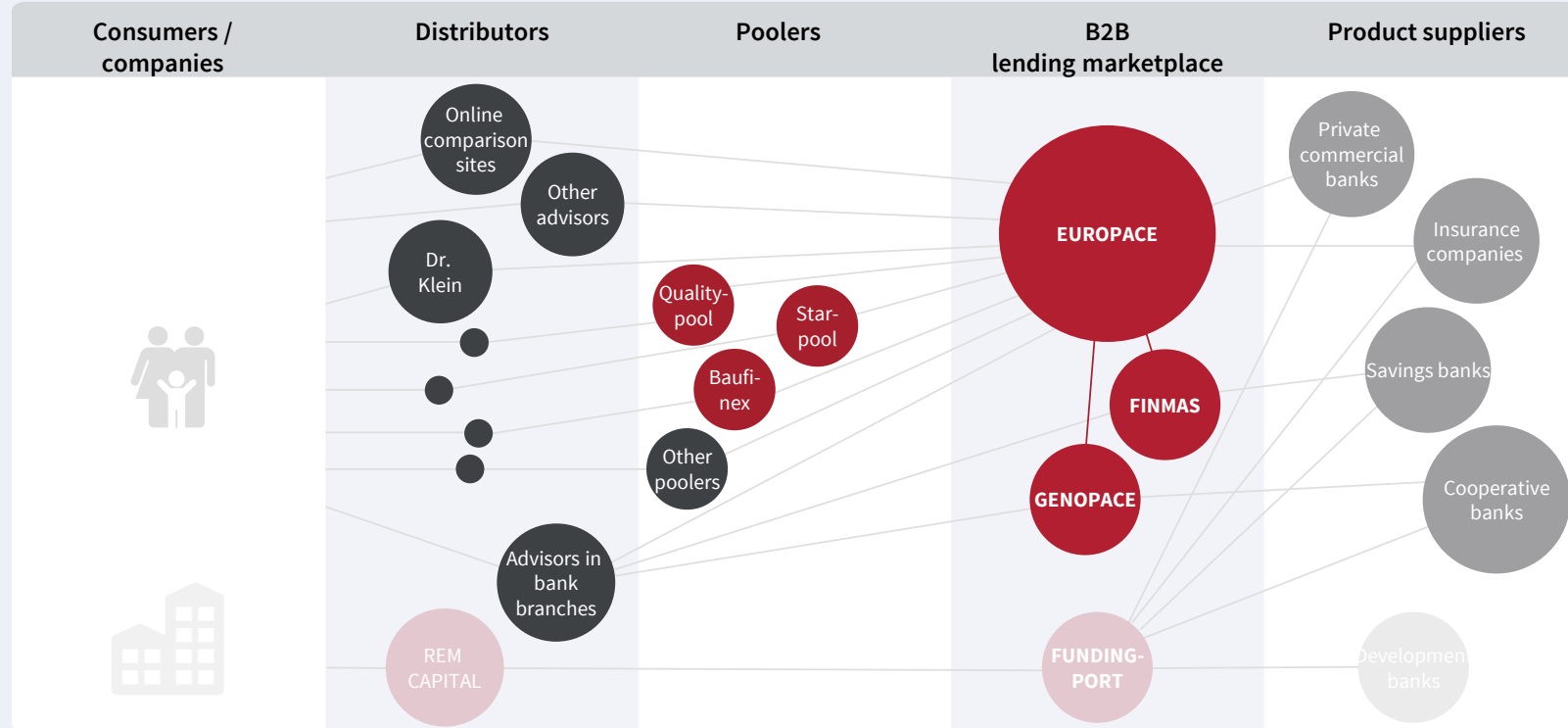
Business model & results



Credit industry

Digitalisation of the credit industry

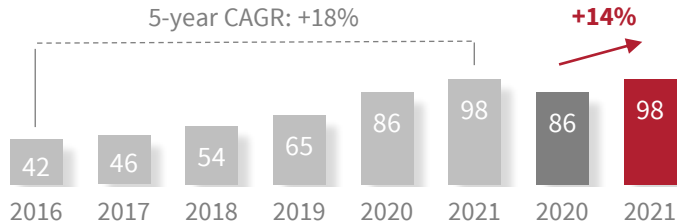
Credit Platform segment business model



Mortgage finance volume at almost €100 billion

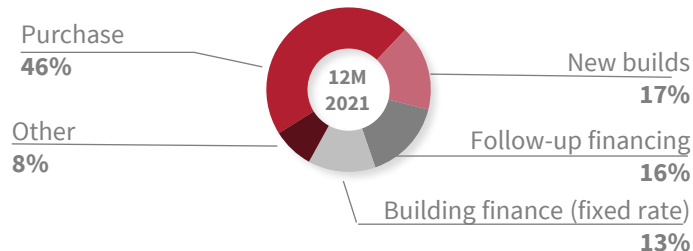
Credit Platform: mortgage finance and building finance segment

Volume of transactions (€ billion)*



* Numbers before cancellations.

Mortgage finance & building finance by use (€ billion)

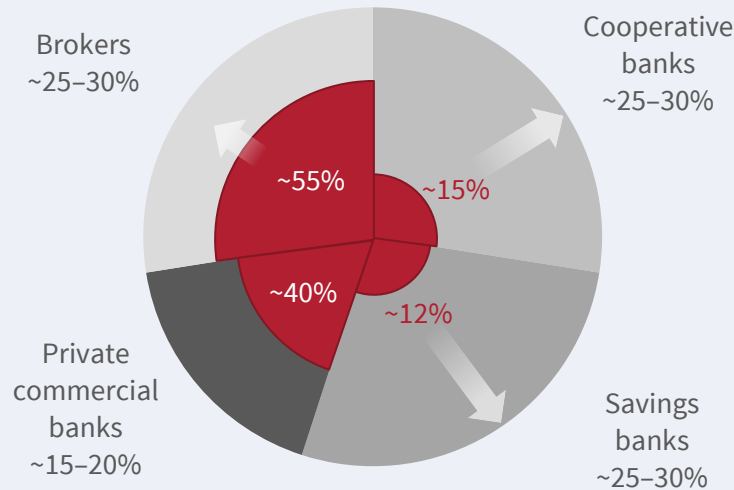


- Further significant gains in market share for mortgage finance (+14% compared with +5% overall market growth)
- Building finance transaction volume almost on a par with the previous year (down by 1%) in a weak environment (overall market down by 7%)
- All four distribution channels (brokers, private commercial banks, cooperative institutions, savings banks) are growing on Europace at a much faster rate than the market's overall growth rate
- Regional associations of savings banks and cooperative banks are recording the fastest growth rates
- The coronavirus crisis is accelerating the long-term need for financial product distributors to digitalise
- The fact that more people took a holiday in summer 2021 than in summer 2020, combined with some uncertainty in connection with the general election and a sharp rise in property prices, meant that lead times for property sales increased

Europace has huge potential for growth

Mortgage finance in Germany (€ billion) and Europace's share

Distribution channels and Europace's share*



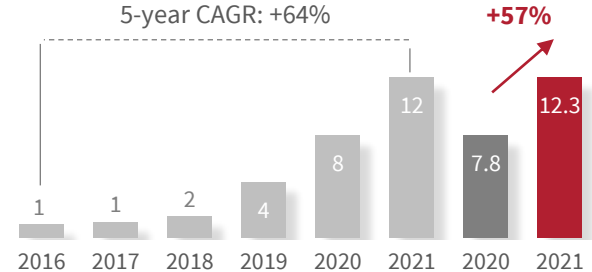
○ Mortgage finance in Germany in 2021: €284 billion

■ Mortgage finance on Europace* in 2021: €85 billion

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

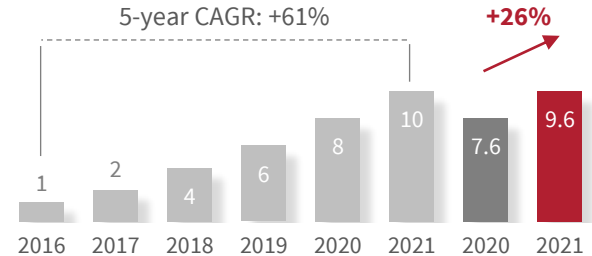
GENOPACE (for cooperative banks)*

5-year CAGR: +64%



FINMAS (for savings banks)*

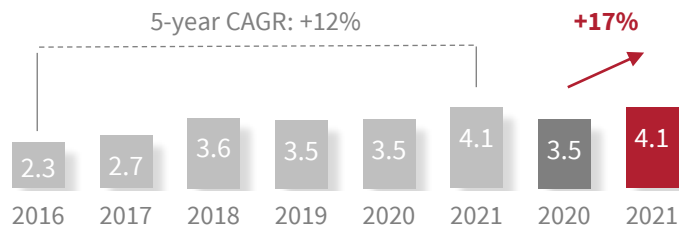
5-year CAGR: +61%



Robust growth despite challenging market conditions

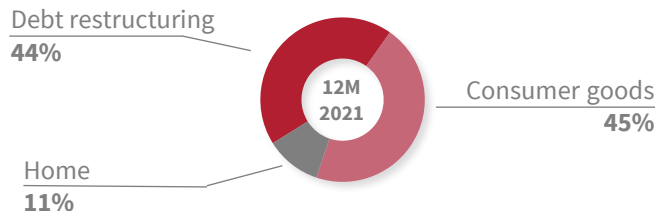
Credit Platform: Personal loans segment

Transaction volume in personal loans (€ billion)*



* Numbers before cancellations.

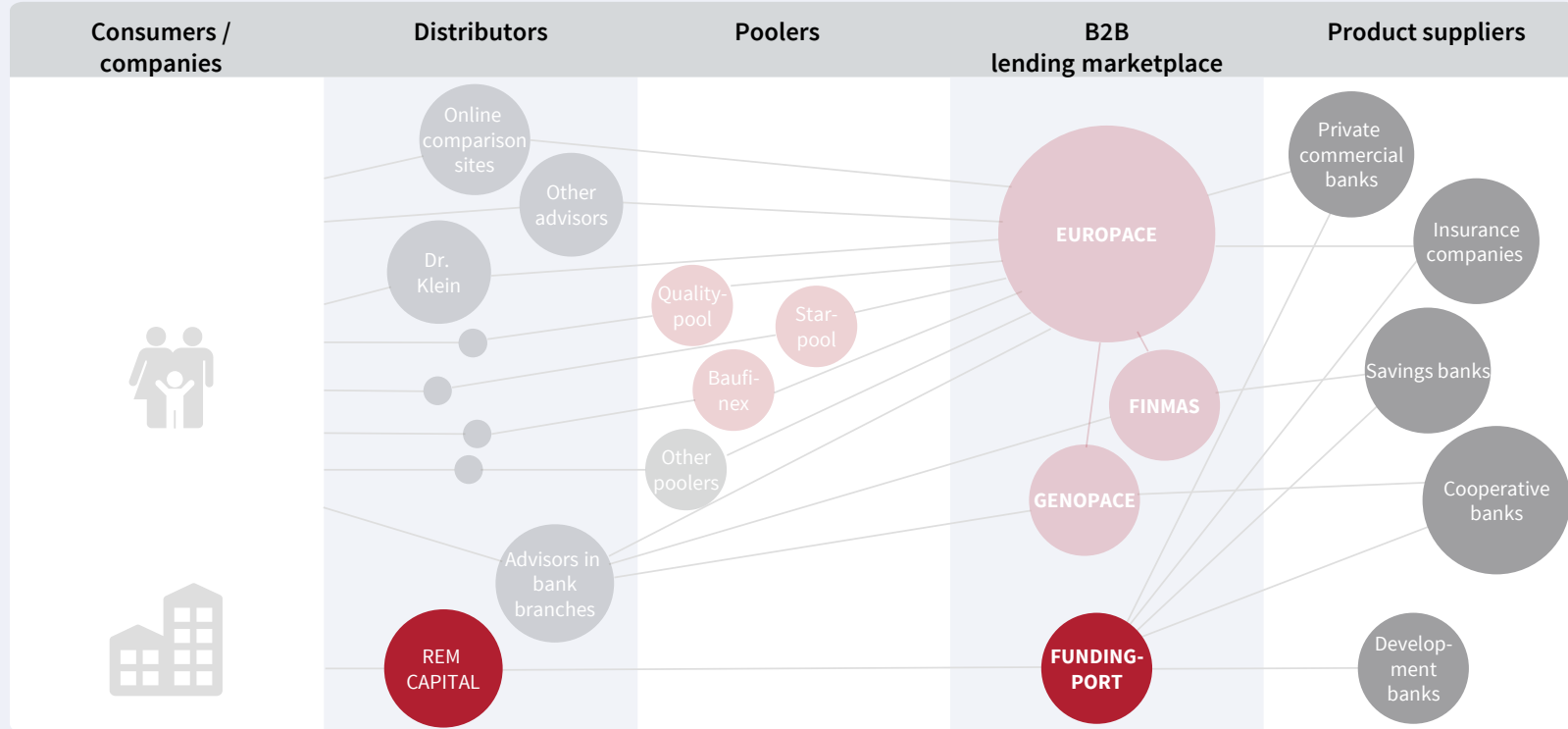
Transaction volume by use (€ billion)



- Since 2016, Europace has gained significant market share in the personal loans segment thanks to a clear B2B focus
- This expansion was achieved in a stagnating market (5-year CAGR: +0.3%)
- On Europace, personal loan products are now brokered almost exclusively by independent distributors and private commercial banks (as a risk and price management tool)
- Personal loan optimisation within the mortgage finance sphere offers great potential for growth and ample scope for synergies
- Some savings banks have started to pilot FINMAS for personal loans
- The joint venture GENOFLEX was launched in 2021 in collaboration with TeamBank (Easy Credit) in order to develop the cooperative banking sector together

Digitalisation of the credit industry

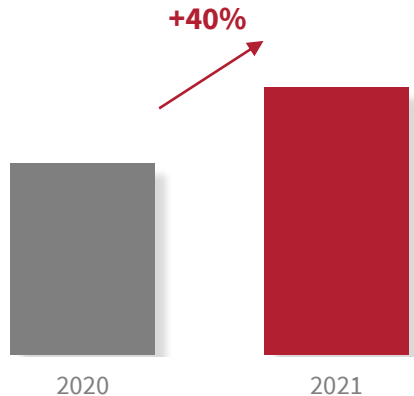
Credit Platform segment business model (corporate finance business)



Extremely strong year for REM Capital

Credit Platform: Corporate finance business

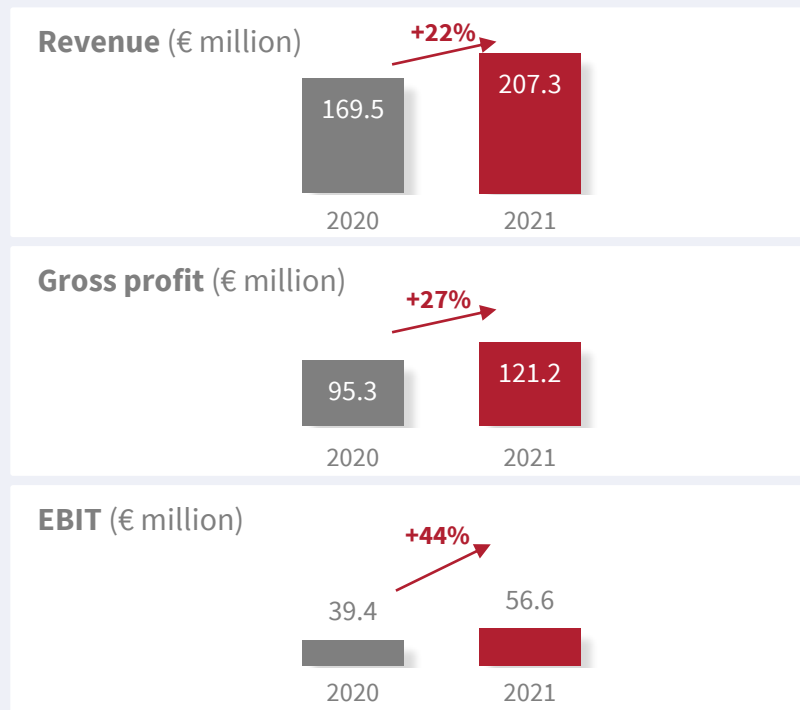
Number of completed corporate finance projects



- The corporate finance business within the Credit Platform segment comprises the activities of REM Capital and fundingport
- REM Capital was acquired in 2019 in order to establish a customer base in the upper strata of Germany's SME sector
- Then, the fundingport platform was established in stages – and, since 2021, in collaboration with IKB
- REM Capital had a very strong second half of 2021 thanks to changes in KfW support schemes for energy efficiency and innovation initiatives of German SMEs
- Data for a new operational KPI measuring new volume at REM will be collected over the course of the year and then published for the first time
- It is also expected that the first transactions via fundingport will be executed in 2022

Profitable growth thanks to innovation leadership

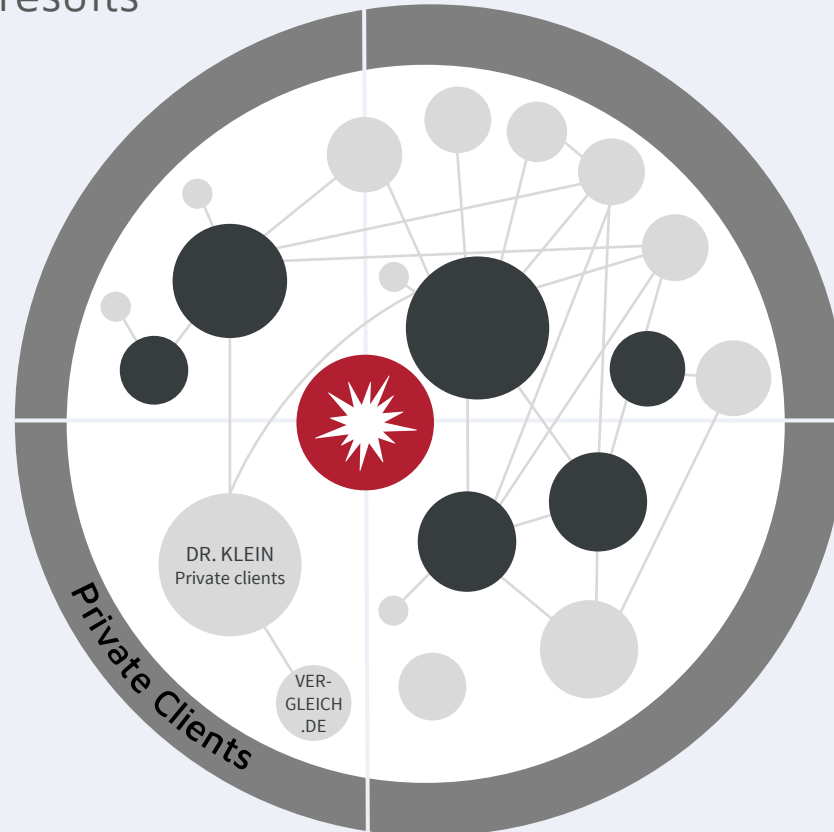
Credit Platform: revenue, gross profit and earnings



- Segment revenue exceeded €200 million for the first time ever
- Huge boost for corporate finance from changes in KfW funding
- Revenue from the white-label personal loans business increased slightly in the challenging environment of the pandemic despite the contraction of the overall market
- Disproportionately strong rise in the segment's EBIT despite high levels of capital expenditure on the next generation of Europace and key account resources for regional banks and the establishment of fundingport
- Revenue growth of 10–20% targeted for 2022; above-average profitability of more than 45% of gross profit repeatable only if the corporate finance business has another very strong year

Private clients

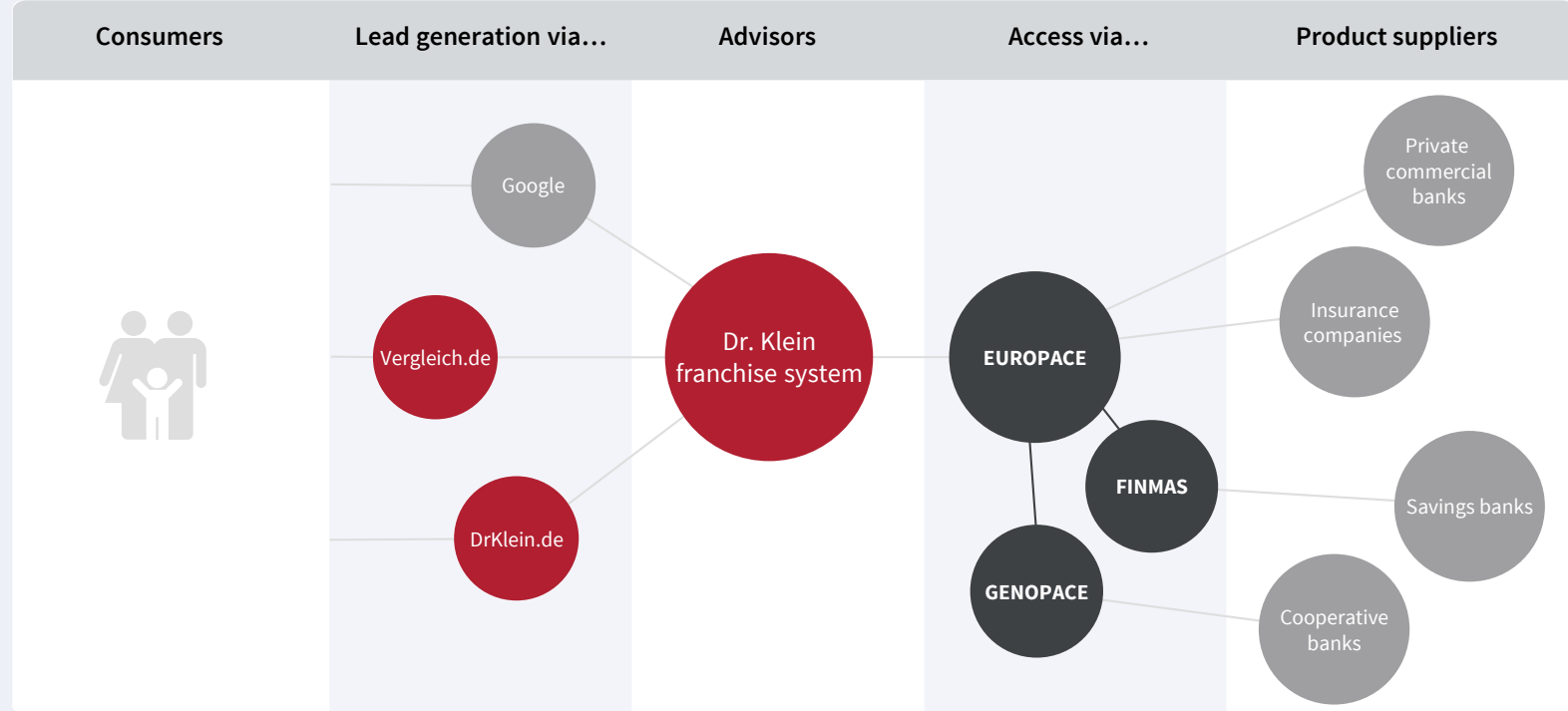
Business model & results



Private clients

Brokers of mortgage finance products

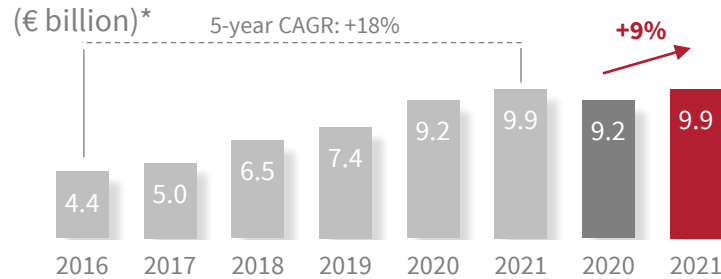
Private Clients segment business model



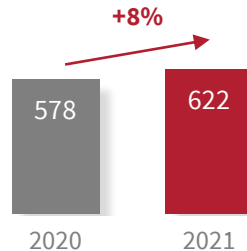
Healthy volume of sales for Dr. Klein Privatkunden

Private Clients: volume of loans brokered and number of advisors

Volume of new loans brokered to private clients



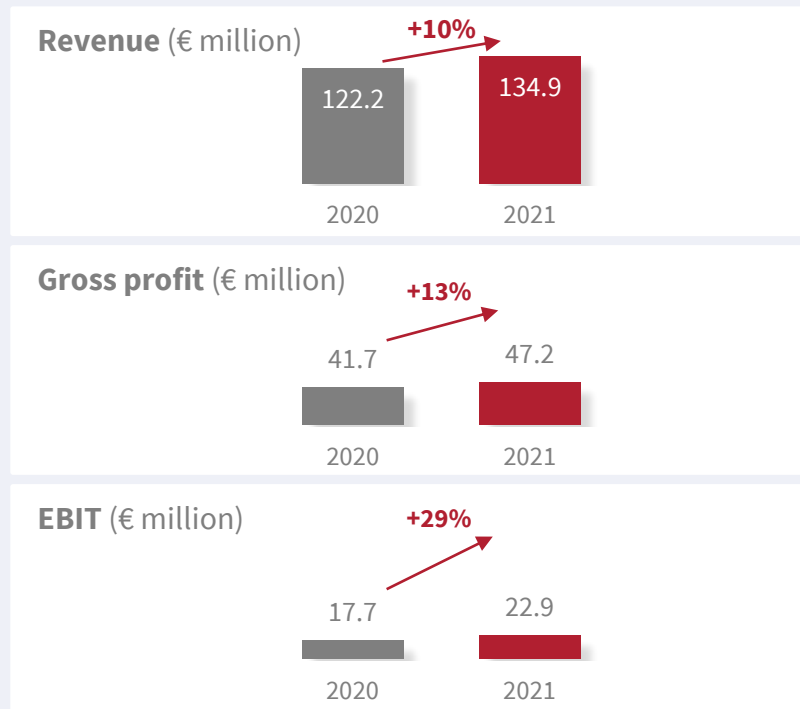
Number of loan brokerage advisors in branch-based sales



- Volume of new loans brokered up by 9% on the already strong performance in 2020, the first year of the pandemic, in which competitive advantages over traditional distributors resulted in extraordinarily strong growth
- Further expansion of market share (overall market: +4%)
- Growth in the volume of loans brokered was held back slightly by the fact that lead times for property sales grew longer
- Long-term growth of consumer demand for state-of-the-art provision of independent advice has been strengthened as a result of the coronavirus crisis and further increases in property prices
- Increasing demand and the rising number of advisors are laying the foundations for future growth

Record figures in 2021

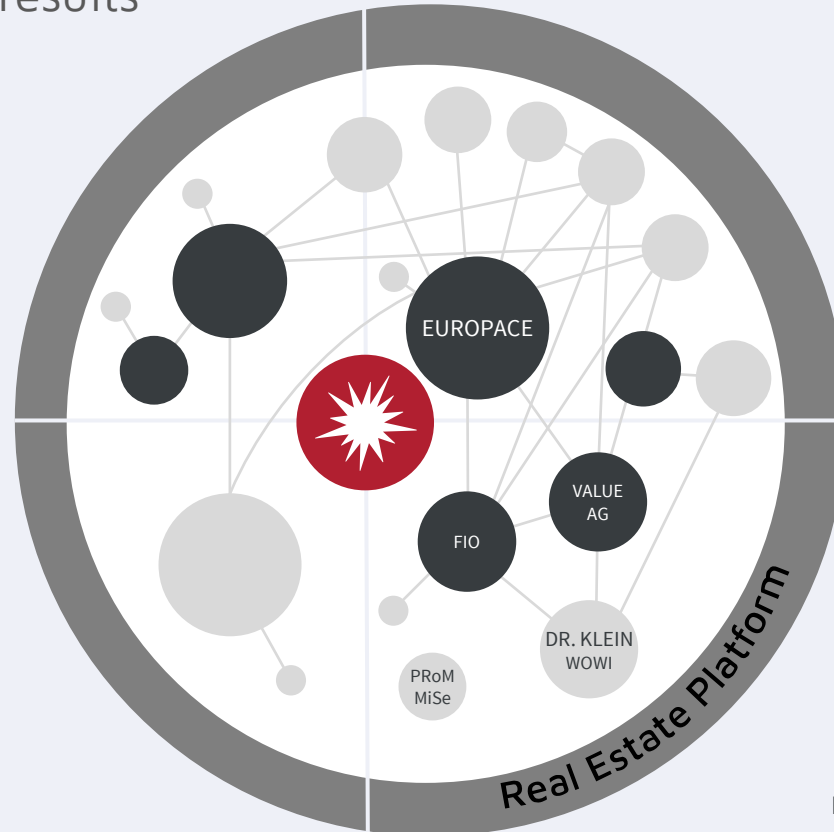
Private Clients: revenue, gross profit and earnings



- Record levels of revenue thanks to further gains in market share
- Capital expenditure carried out in 2018/2019 to integrate regional product partners and achieve greater efficiency in advisory services (e.g. digitalisation of processes) is paying off
- The disproportionately strong rise in EBIT of more than 30% was due to the growth in the volume of lending and the temporary effect of lower costs during the pandemic
- Consequently, the EBIT margin remained above its historical level of 35–40% of gross profit in 2021 (47%) but, as expected, was back at the top end of this range in the fourth quarter (40%)

Real Estate Platform

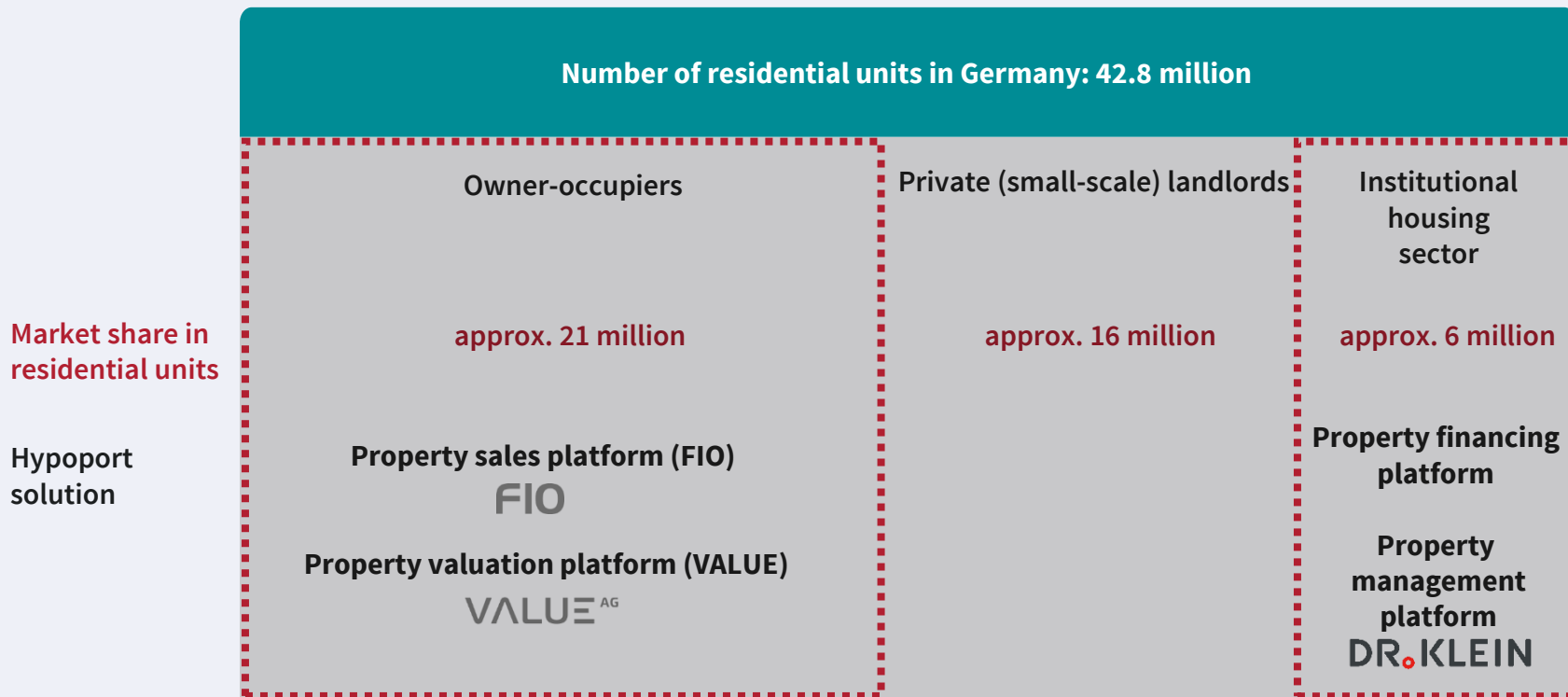
Business model & results



Real-estate industry

Digitalisation of the real-estate industry

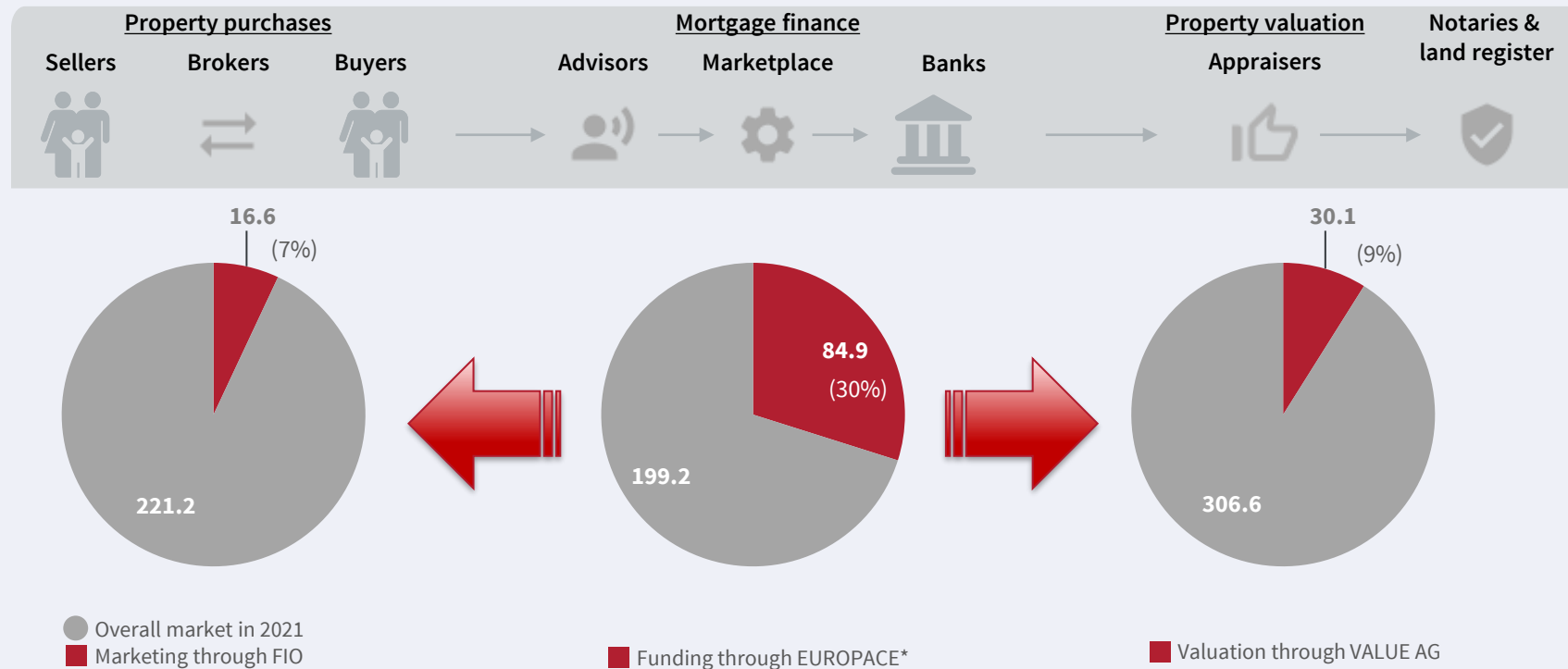
German real-estate industry market



Sources: German Housing and Property Companies Association (GdW), German Federal Statistical Office.

Strong cross-selling potential

Market share for the marketing, financing and valuation of residential property



Sources: Bundesbank, GEWOS, Europace, FIO SYSTEMS, VALUE AG, own estimate. * Before cancellations.

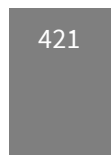
Better scalability and less project business

Real Estate Platform: property sales platform and property management platform

Marketing through FIO

Number of clients

+3%

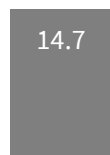


2020

2021

Volume (€ billion)

+13%



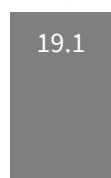
2020

2021

Revenue from the property sales and property management platforms

(€ million)*

+4%



2020

2021

- Development of software solutions for the sale and management of residential properties in the credit and housing industries
- The credit industry occupies a leading position in Germany when it comes to residential property sales
- FIO market share among savings banks already around 90%; huge potential among the cooperative banks is slowly being unlocked
- Revenue still down by 15% yoy in Q1 2021 due to the decision to forego individual project business, but up by around 10% yoy in Q2–Q4
- Some rollouts to new clients delayed during coronavirus crisis

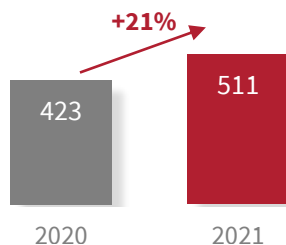
* Revenue of FIO SYSTEMS AG, Maklaro GmbH and Hypoport B.V. (PRoMMiSe).

Successful year of growth for VALUE AG

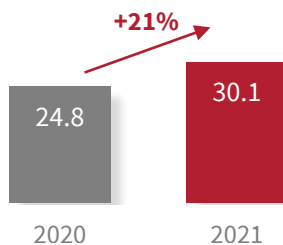
Real Estate Platform: property valuation platform

VALUE AG

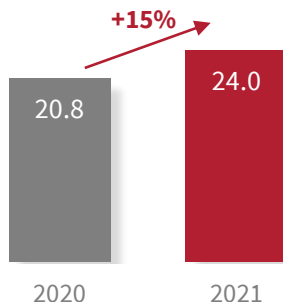
Number of clients



Valuation volume (€ billion)



Revenue from the property valuation platform (€ million)

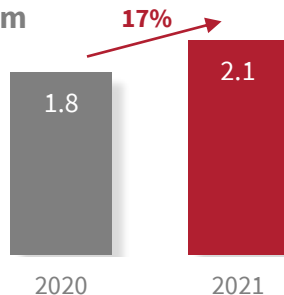


- The business model consists of integrated property valuations for the lending banks and the real-estate industry
- High level of capital expenditure on the digitalisation of business processes and the development of a comprehensive suite of outsourcing services for the credit industry
- Cross-selling potential and USP thanks to incremental improvements to the technical integration of FIO, Europace and VALUE AG with the aim of creating one overall digital process, i.e. one integrated residential property platform
- Following a huge increase in the number of employees, there were still some start-up losses; the focus now is on improving productivity and gaining further market share, which is already systematically reducing these start-up losses

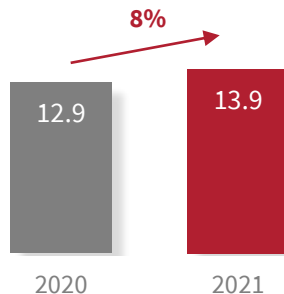
Positive interest-rate volatility in a muted environment

Real Estate Platform: property financing platform

Volume of new loans brokered on the property financing platform
(€ billion)



Revenue from the property financing platform
(€ million)



- The business model is based on loan and insurance brokerage, mainly for the municipal and cooperative housing sectors
- Despite uncertain conditions caused by political debate at federal and state level about intervention in the German rental market, the volume of new loans brokered went up significantly
- This was due to volatile interest rates, which meant that the housing industry was willing to do business at short notice, especially in the second half of the year
- Client acquisition became more challenging because it had to happen through virtual channels (due to the pandemic), which is uncommon in this industry

Growth segment with high capital expenditure for the future

Real Estate Platform: revenue, gross profit and earnings



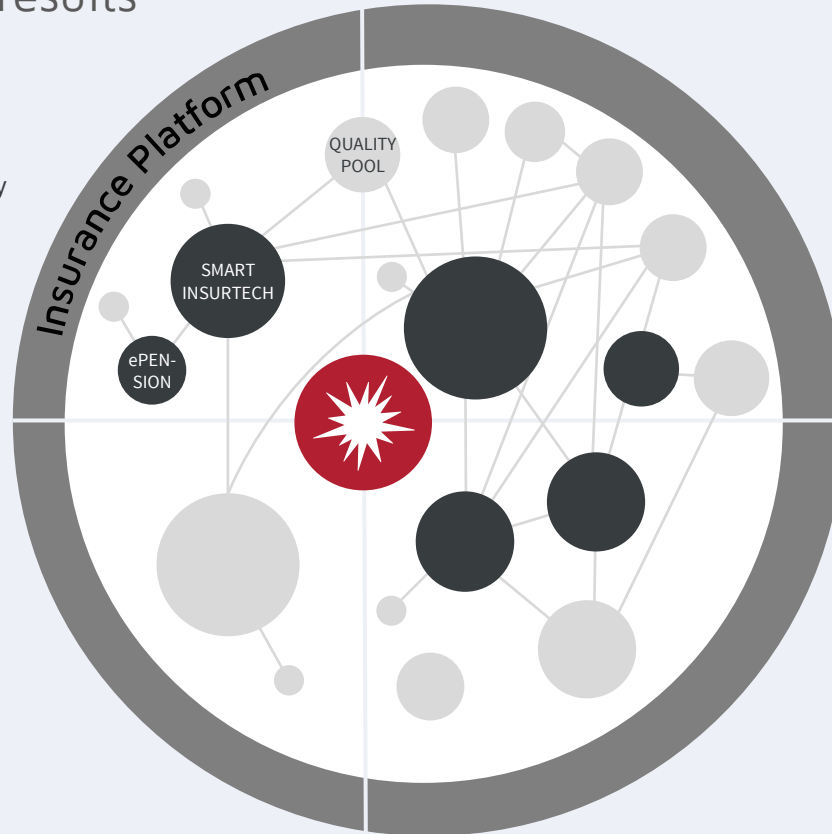
- Healthy operating performance of all four platforms (property sales, valuation, financing and management)
- The strategic reduction in individual project business that has been ongoing since Q2 2020 continued to have a small impact on the comparison with the prior-year period
- Slight delays to new projects as a result of the coronavirus crisis; however, they are being actively addressed by refining the products
- Cross-selling by the Credit Platform segment (Europace, FINMAS, GENOPACE) provides a strong basis for further gains in market share
- Capital expenditure in the Hypoport Group focused on the 'platform for housing' in 2021 and this focus will be retained in 2022.

Insurance platform

Business model & results



Insurance industry



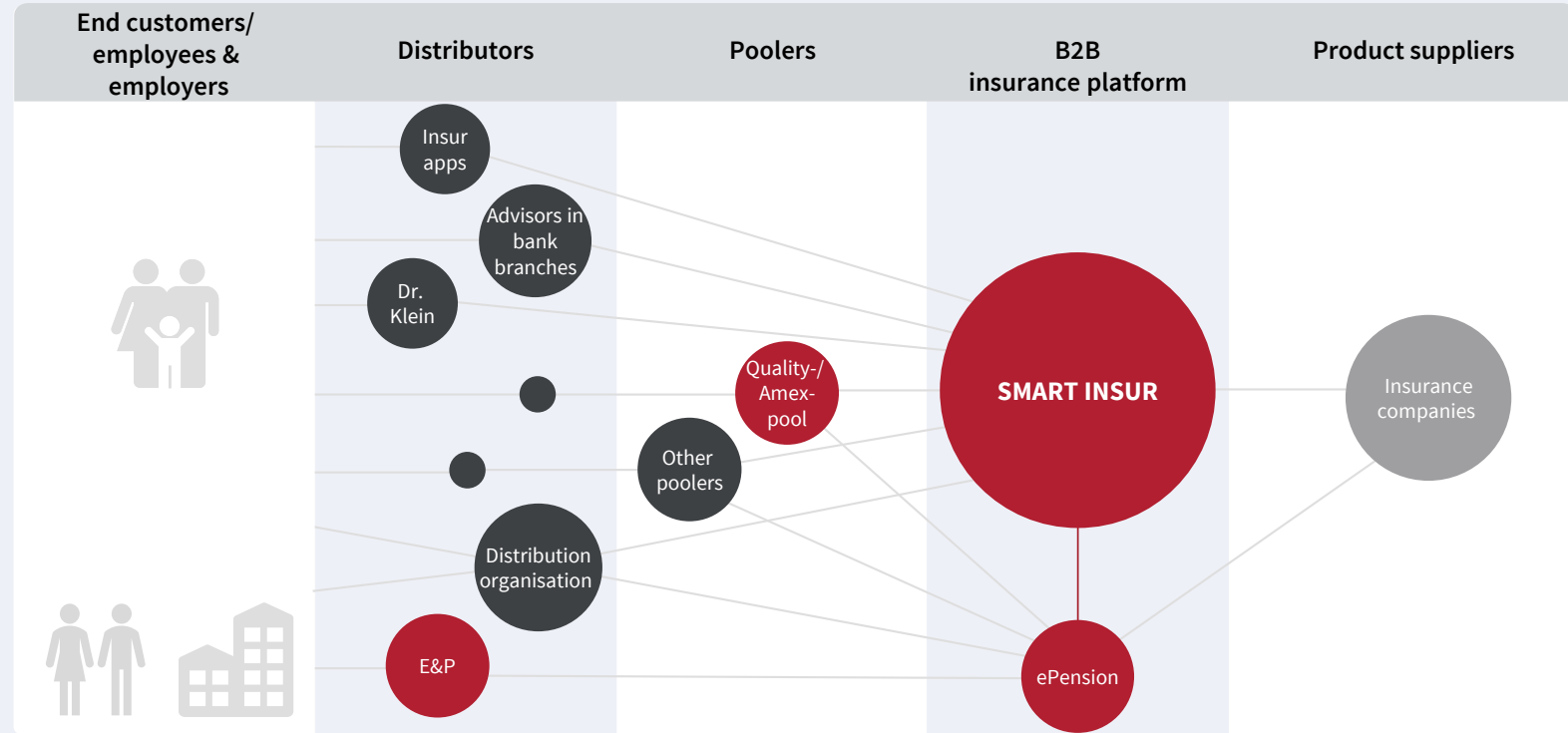
Potential for digitalisation in the insurance market

Market factors

	Negative factors	Positive factors
Private insurance companies	<ul style="list-style-type: none">• Established market players' legacy systems are slowing the pace of digitalisation due to the lack of compatibility with new technologies• Further regulation is increasing the complexity of the insurance business and its digital transformation	<ul style="list-style-type: none">• Consumers have higher expectations regarding digitalisation• Insurtech start-ups and coronavirus are increasing the pressure on traditional market players to adopt digital technologies• Possibilities for evaluating big data provide an incentive for digitalisation
Occupational pension schemes	<ul style="list-style-type: none">• Continuing lack of products and poor knowledge are holding back growth• Low interest-rate environment and falling technical interest rate are making it more difficult to keep to guarantees	<ul style="list-style-type: none">• Employees' growing expectations are driving the digitalisation of occupational pension support, administration and communications• Increasingly complex occupational pension processes make digitalisation a necessity

Digitalisation of the insurance industry

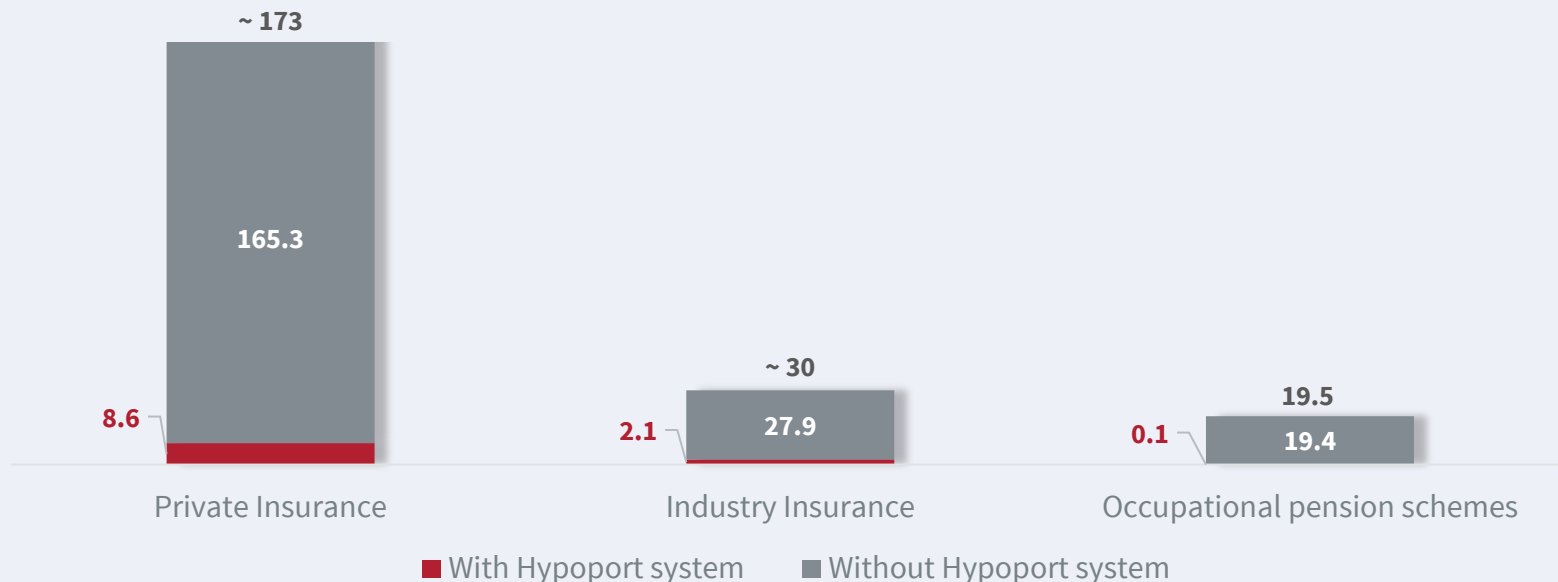
Insurance Platform segment business model



Significant potential for growth remaining in all segments

Market share in three insurance segments

Overall market in 2021: €223 billion in annual net premiums written

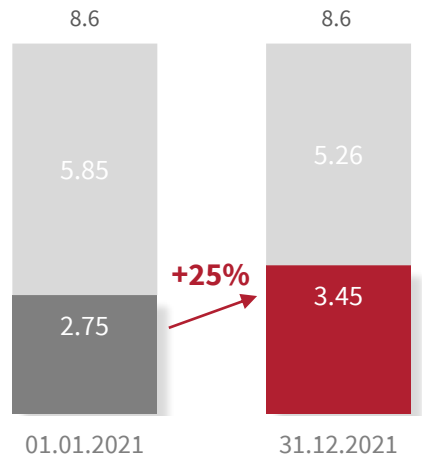


Sources: German Insurance Association (GDV), 27 January 2022. Own estimation

Steady increase in the platform volume in 2021

Insurance Platform: migrated SMART INSUR portfolios

Annual net policy premiums on private insurance portfolios (legacy system / SMART INSUR platform) (€ billion)

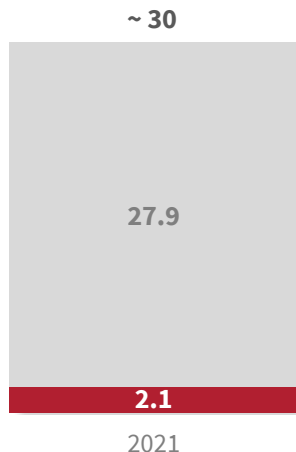


- Annual net premiums of approx. €8.6 billion are managed in the legacy systems of the acquired companies for private insurance policies
- Migrating these portfolios to the SMART INSUR platform is crucial to the establishment of premiums-based fee models in the sector
- SmIT is gradually validating these portfolios; around 23% validated by the end of 2021, compared with 14% at the start of the year
- Validation of the policy portfolios is needed to be able to provide further added value for brokers, distribution organisations and insurance companies, e.g. automated recommendations for action for their advisors

Validation of industrial insurance portfolios initiated

Insurance Platform: industrial insurance portfolios

Annual net policy premiums on industrial insurance portfolios (€ billion)

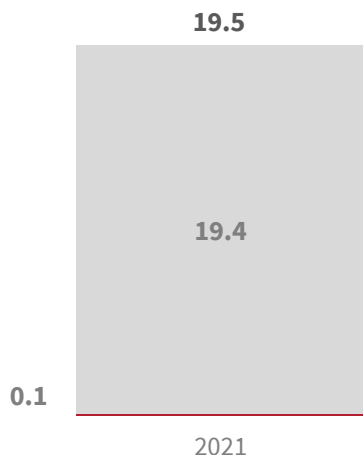


- As a result of acquisitions of several software providers in the period from 2016 to 2019, Hypoport also took over business relationships in the industrial insurance sector
- This segment, which generates premiums of €2.4 billion, does not fall within the strategic focus of the SMART INSUR platform
- However, there is attractive potential for development in terms of market share in the industrial insurance business
- The aim of the differentiation process is to give SMART INSUR a clear focus on the management of standard insurance products for consumers, freelancers and small business owners
- Validation phase for a project to spin off and expand the industrial insurance business has commenced

Breaking into the growth market of occupational pension provision

Insurance Platform: occupational pension portfolios

Annual net policy premiums on occupational pension portfolios (€ billion)



- Part of the Hypoport network since 2020
- ePension offers an innovative platform for the integration of various stakeholders in the occupational pension market, such as HR departments, insurers, distributors of occupational pension schemes / brokerage organisations and employees
- ePension is already being used by external distributors of occupational pension schemes
- Some major companies such as Edeka and Freenet are now digitalising their occupational pension processes on ePension and obtaining advice from E&P
- The occupational pension market is becoming ever more important for employees as a second pillar of retirement provision due to demographic change and the traditionally limited use of private pension products in Germany
- Plans to expand activities in the company healthcare insurance segment

Focus on recurring revenue

Insurance Platform: revenue, gross profit and earnings



- Additional clients have been signed up for SMART INSUR in 2021, but – so far – acquisition of new clients has been progressing more slowly than expected due to the pandemic
- Significant improvement in data quality as a result of migrating from local systems to the SMART INSUR platform
- Optimisation of the strategic focus planned for 2022 through the creation of three distinct business units (private insurance, industrial insurance, occupational pension provision)
- Business expected to grow organically in 2022, supplemented by revenue from the acquisition of AMEXPool. The overall target is robust double-digit revenue growth

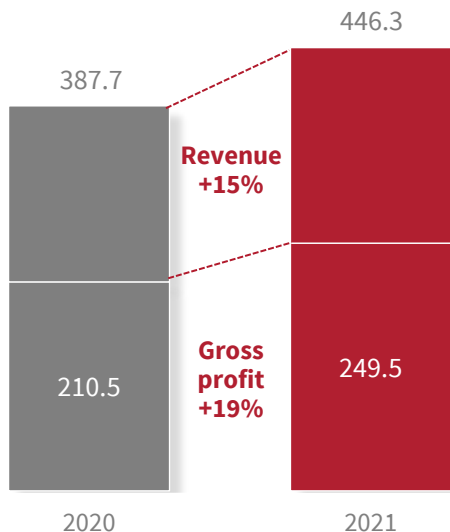
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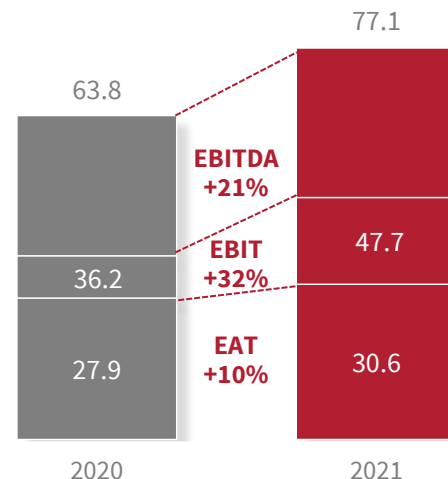
Stronger growth than in good prior-year period

Overview of Hypoport's key performance indicators

Growth (€ million)



Earnings (€ million)



22-year track record as a profitable growth company

Long-term changes in revenue and EBITDA

Start-up

Established
despite fin. crisis

Upscaling and
expansion

Revenue (€ million)



EBITDA (€ million)



Targeted investment in further growth

Areas of capital expenditure with an impact on earnings in 2021



Credit Platform

- a. Development resources for the next generation of Europace
- b. Establishment of the 'fundingport' corporate finance platform
- c. Expansion of key accounts for regional banks



Insurance Platform

- a. Refinement of the SMART INSUR marketplace
- b. Expansion of sales capacity
- c. Synergies



Real Estate Platform

- a. Headcount expansion in property valuation
- b. Expansion of platforms for property sales, valuation and management
- c. Synergies



Private clients

- a. Digitalisation of lead generation and distribution processes

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External conditions broadly stable in 2022

Anticipated market trends in 2022

Factors	Effects
Net inward migration	<ul style="list-style-type: none">• Net inward migration to Germany limited in 2020/2021 due to the coronavirus pandemic but likely to pick up again on the back of robust labour market conditions and falling infection rates as well as the transition to the endemic phase
Interest rates	<ul style="list-style-type: none">• Gradually rising interest rates result in shorter sales cycles and have only a limited influence on the purchasing decisions of consumers looking to buy a property for personal use, but may cause consumers to amend their choices of fixtures and fittings and how they structure their financing• Rising interest rates make it less appealing for investors/private landlords to purchase properties, so the proportion of properties purchased by owner-occupiers should increase
Support for SMEs	<ul style="list-style-type: none">• One-off effect that boosted corporate finance by between €4 million and €5 million in 2021 may not be repeatable in 2022, depending on KfW funding programmes; publication date for new catalogue of programmes currently unknown
After-effects of lockdowns	<ul style="list-style-type: none">• Strategic restructuring combined with high levels of M&A activity and branch closures could once again hold back client acquisition efforts in the regional bank segment in 2022

Hypoport steps up its pace of innovation

Key innovations of Hypoport in 2022

Factors	Effects
EUROPACE one-click	<ul style="list-style-type: none">• Innovative pilot project that was launched in January 2022 and aims to revolutionise lending; Growing need of consumers for quicker credit approval in mortgage finance is addressed at an early stage
Personal loans via cooperative banks	<ul style="list-style-type: none">• GENOFLEX pilot project started in the cooperative banking sector in partnership with TeamBank
fundingport	<ul style="list-style-type: none">• Fundingport is currently being piloted and the integration with banks for the provision of finance for SMEs is under way
Integration in the residential property business	<ul style="list-style-type: none">• The integration of all Hypoport platforms in the residential property market will be the primary focus of all subsidiaries operating in this segment from 2022 onwards; the strategic objective is to create one integrated digital process for sellers and buyers
Industrial insurance	<ul style="list-style-type: none">• Validation process has been initiated

For years

Hypoport has been generating double-digit increases in revenue and EBIT

Forecast for 2022

Hypoport expects to generate consolidated revenue of €500–540 million and EBIT of €51–58 million in 2022

For many more years

Hypoport will generate double-digit increases in revenue and EBIT

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Annex

Investment highlights

~25% **REVENUE GROWTH**
5-year CAGR

1.5 **MODERATE DEBT LEVEL**
Liabilities to banks /
12M EBITDA

~15% **EBIT INCREASE**
5-year CAGR

20+ **YEARS**
of experience with platform-
based business models

15+ **ACQUISITIONS**
in 7 years

93% **OUR EMPLOYEES**
are satisfied or even
extremely satisfied with
Hypoport as an employer

Market capitalisation of approx. €3 billion

Shareholder structure and share information

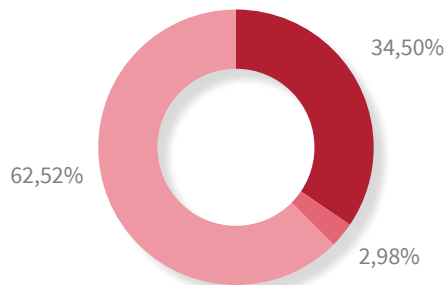
Breakdown of shareholders as at 28 February 2022

■ Ronald Slabke (CEO)

■ Treasury shares

■ Free float

(of which more than 4% held by Ameriprise Financial, more than 4% by BlackRock, more than 3% by Nicolas Schulmann, more than 3% by Allianz Global Investors and more than 3% by Union Investment)

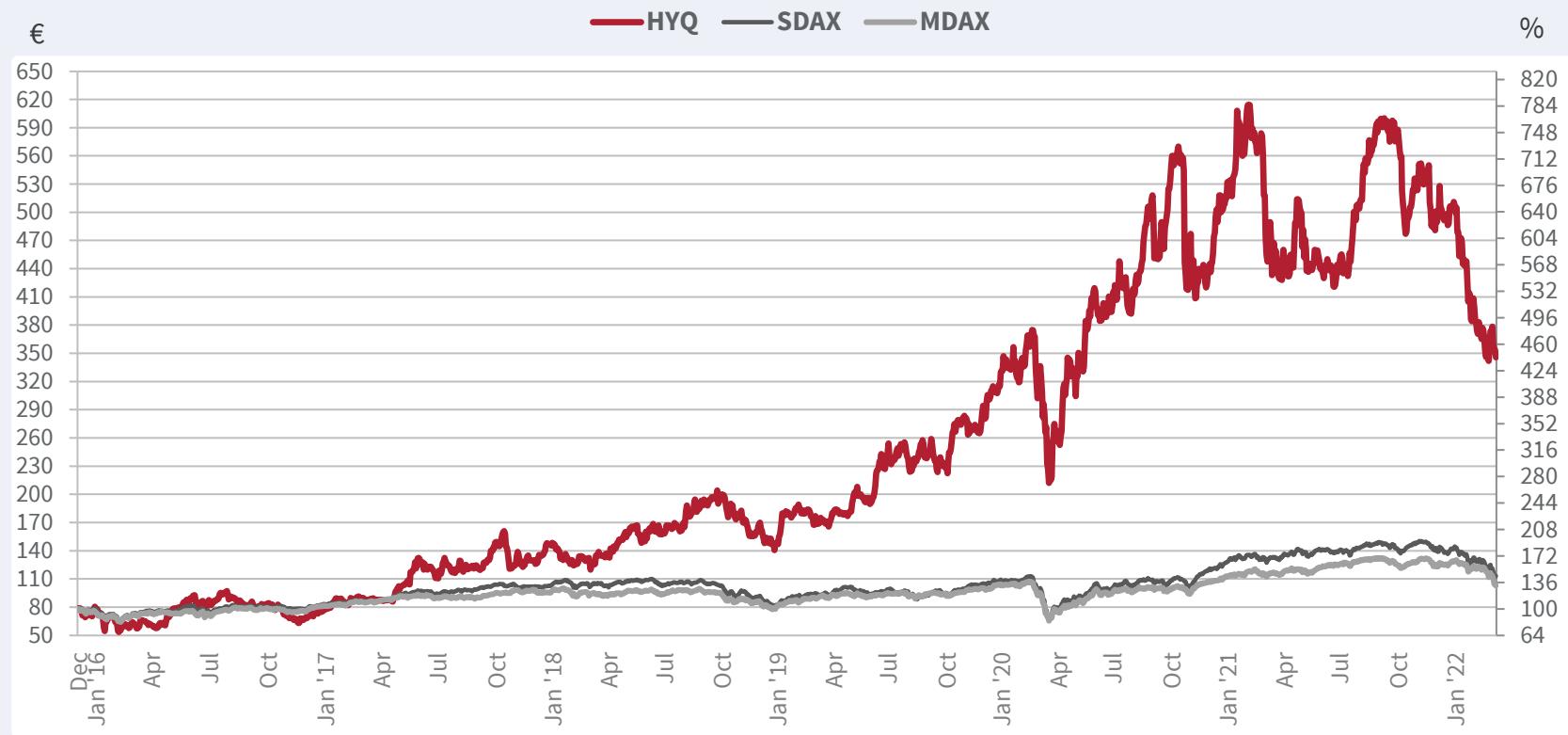


Key performance indicators

KPI	Details	Value
EPS	Earnings per share in 2021	€4.79
Number of shares	Total number of shares	6,493,376
Market cap	Market capitalisation 12/31/22	~ €3.3 bn
Trading volume	Average trading volume per day in 2021	~ €4.1 m
High	Highest closing price in 2021	€614.00
Low	Lowest closing price in 2021	€420.60
Indices	MDAX, Prime All Share, CDAX, DAXplus Family, GEX	

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

Analyst	Recommendation	Target price	Date
Bankhaus Metzler	Sell	€320.00	28 Feb. 2022
Berenberg	Buy	€600.00	8 Nov. 2021
Commerzbank	Buy	€550.00	28 April 2021
Pareto Securities	Buy	€575.00	8 Feb. 2022
Warburg	Buy	€615.00	9 Nov. 2021

Index and awards

- MDAX, HDAX, DAX PLUS FAMILY
- Berenberg 'European MidCap – Top picks for H2 2021'
- Commerzbank 'Top ideas 2021'
- Institutional Investor 'The 2020 All-Europe Executive Team'
 - 1st place 'Best IR Program Small & Midcap - Specialty & Other Finance' (investor choice)
 - 1st place 'Best IR Professional Small & Midcap - Specialty & Other Finance' (investor choice)

Recent IR events

Conferences (dig./person.)	Amsterdam, Berlin, Frankfurt (3x), Lyon, Hamburg, London, Munich (2x), Paris, USA (2x)	2021
Roadshow (dig.)	Ger/Aus/Swi, London (3x), USA (2x)	2021
Conferences (dig.)	Berlin, Canada, Frankfurt (2x), London (2x), Lyon, Munich, USA	2020
Roadshows (dig.)	Canada, Copenhagen, Ger/Aus/Swi (2x), Paris, UK (3x), USA (3x)	2020
Conferences	Berlin (2x), Frankfurt (3x), Hamburg, London, Lyon, Munich, New York, Paris, Warsaw	2019
Roadshows	Brussels, Chicago, Edinburgh, London (2x), Paris, Copenhagen, Helsinki, Zurich	2019

Financial calendar

9 May 2022	Q1 results 2022
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Mortgage finance – a high-potential market

Factors influencing the private and institutional residential mortgage finance markets

	Negative factors	Positive factors
Finance for OWNER- OCCUPIED PROPERTIES Credit Platform Private Clients	<ul style="list-style-type: none">• Lack of available properties• High ancillary purchasing costs• Legislators keep the market busy with a steady stream of new regulatory ideas• Commercial and residential projects competing for construction resources	<ul style="list-style-type: none">• Strong pent-up demand in and from the rental market• Buying often cheaper than renting• Slight growth in construction activity• Market share of neutral loan brokerage advisors is growing• Low proportion of home ownership (under 50%)*
Finance for RENTAL PROPERTIES Real Estate Platform	<ul style="list-style-type: none">• Increasingly unrealistic, uneconomic ideas about rent regulation in an already over-regulated rental market• In metropolitan areas such as Berlin, political favouritism stands in the way of necessary new construction	<ul style="list-style-type: none">• Marked increase in planned projects owing to pent-up demand for affordable housing, which has become a political issue

* Source: Federal Statistical Office.