

Hypoport SE

Results for Q1 2022

Mission

Digitalising the credit, real estate & insurance industries



Credit industry



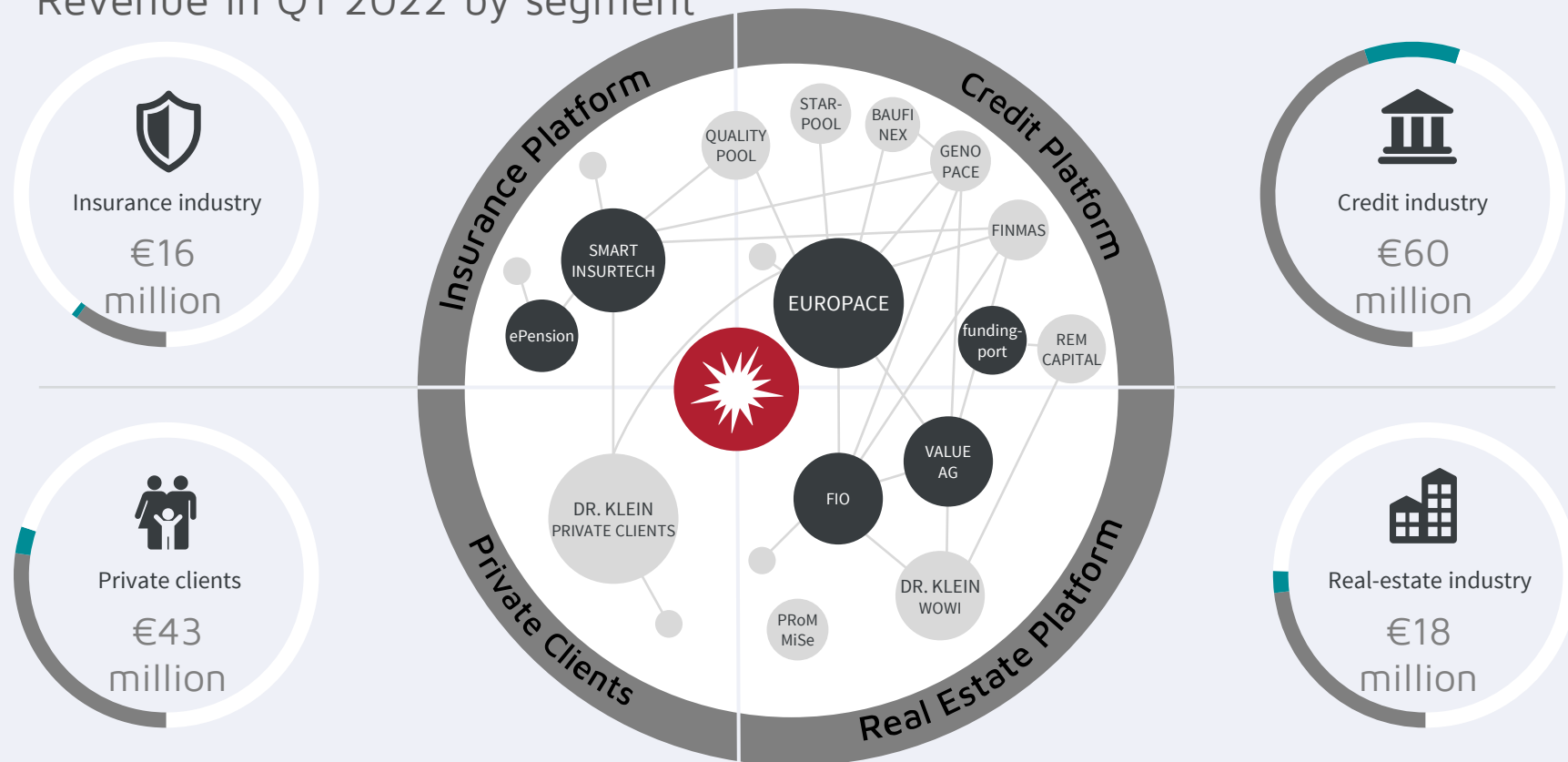
Real Estate industry



Insurance industry

Hypoport – a network of technology companies

Revenue in Q1 2022 by segment



Hypoport again grows faster than the overall market

Results for Q1 2022

Key figures for Q1 2022 (yoy change)

- Revenue: €136 million (+26%)
- Gross profit: €73 million (+30%)
- EBIT: €17 million (+40%)
- EPS: €1.99 (+32%)

Hypoport (Q1 2022, yoy change)

- Credit Platform revenue: +31%
- Private Clients revenue: +22%
- Real Estate Platform revenue: +25%
- Insurance Platform revenue: +23%

Market volume (Q1 2022, yoy change)

- Mortgage finance: +15%*
- Residential property (2021): +8%**
- 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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2. Key performance indicators for the segments

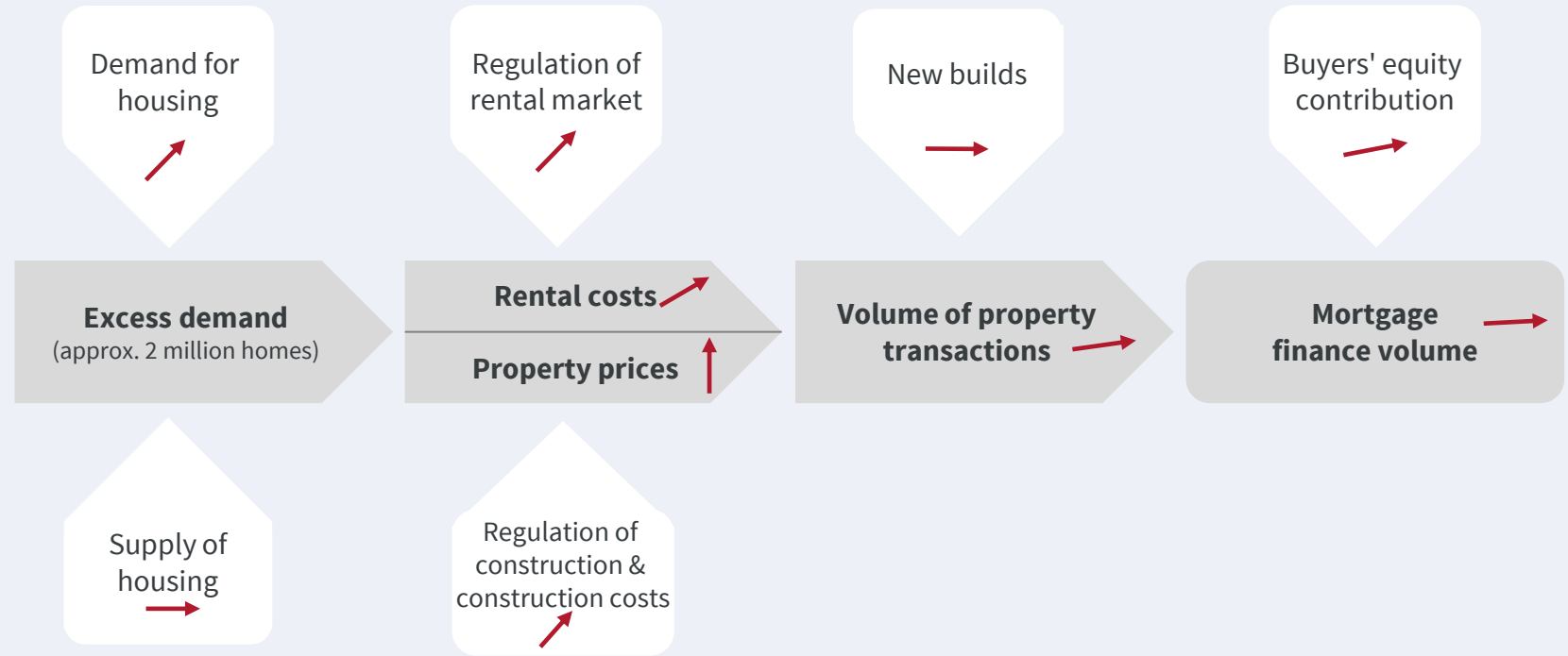
3. Overview of key performance indicators

4. Outlook

Annex (incl. share price info & IR)

Mortgage finance remains a growth market

Factors pointing to sustained growth in the medium term



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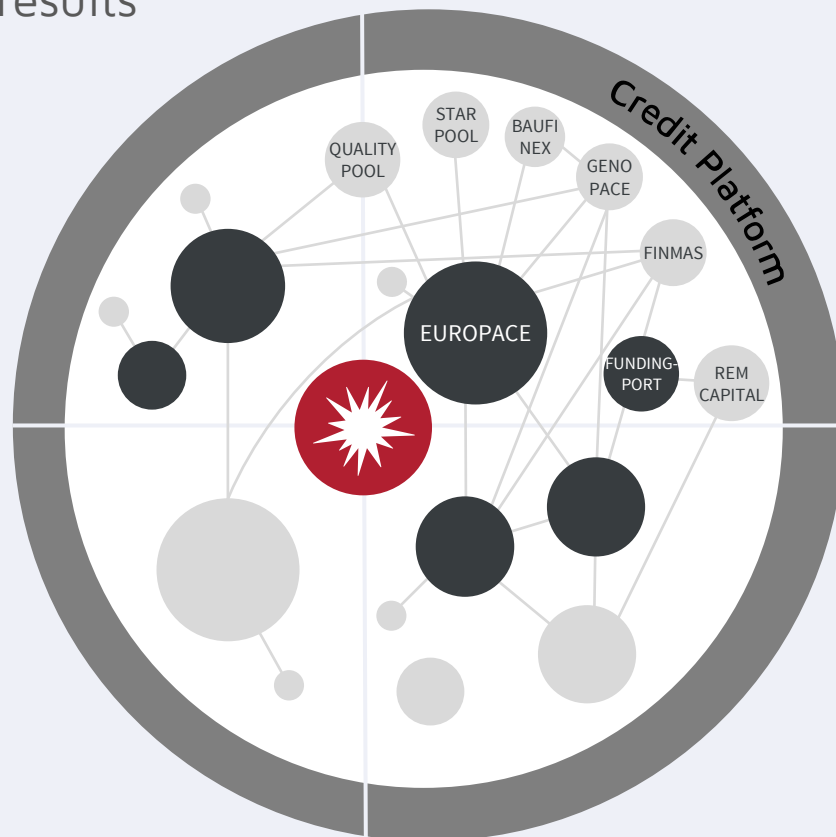
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Credit Platform

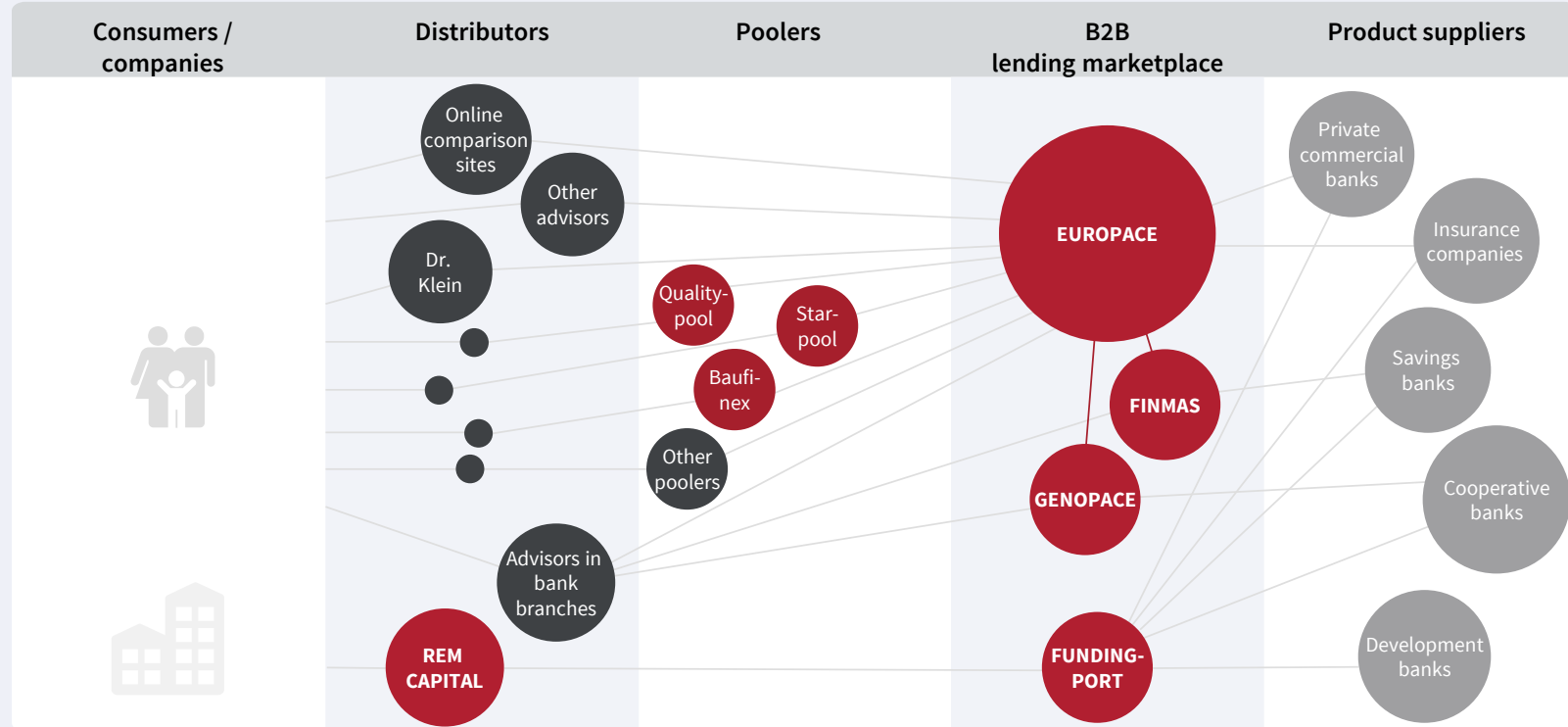
Business model & results



Credit industry

Digitalisation of the credit industry

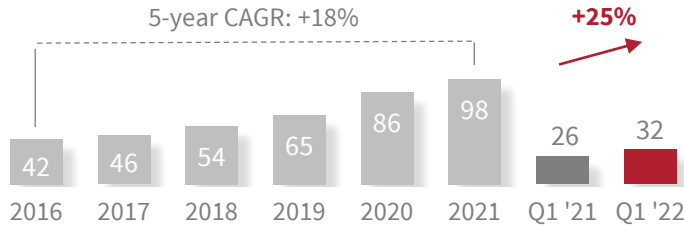
Credit Platform segment business model



More than €30 billion in Q1

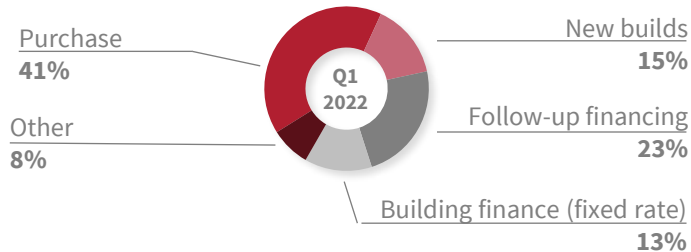
Credit Platform: mortgage finance and building finance product type

Volume of transactions (€ billion)*



* Numbers before cancellations.

Mortgage finance & building finance by use (€ billion)

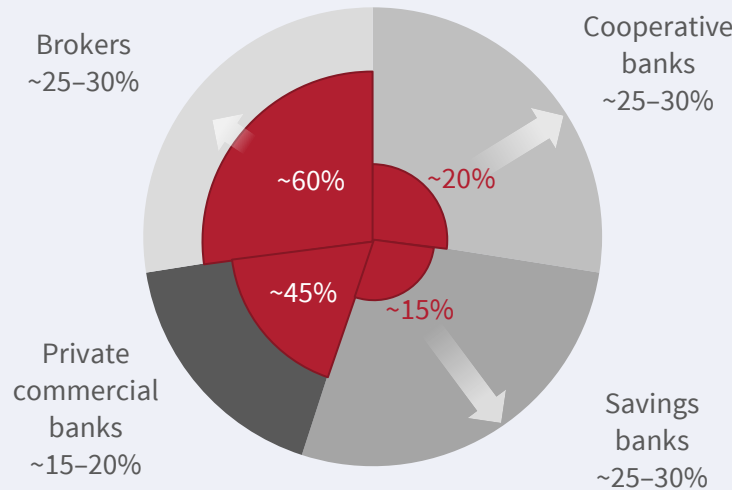


- Significant 26% gain in market share for mortgage finance (overall market growth: +15%)
- Strong growth of 22% for building finance, despite the overall market contracting by 6%)
- All four distribution channels (brokers, private commercial banks, cooperative institutions, savings banks) are growing 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
- Rising interest rates are providing a particular boost to follow-up financing and building finance as a way of locking in interest rates
- Coronavirus crisis is accelerating the need for financial product distributors to digitalise

Europeace still has good potential for growth

Mortgage finance product type: market share, by distribution channel

Distribution channels and Europeace's share*

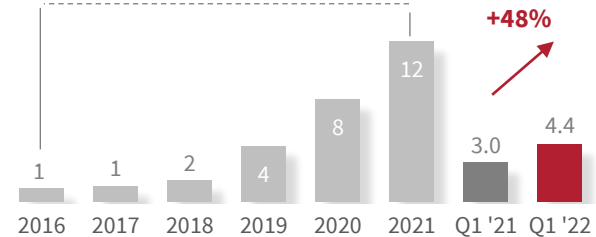


○ Mortgage finance in Germany in Q1 2022: €84 billion
■ Mortgage finance on Europeace* in Q1 2022: €28 billion

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

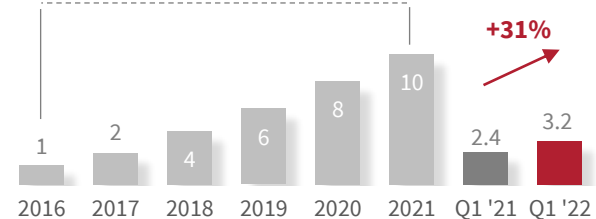
GENOPACE (for cooperative banks)*

5-year CAGR: +64%



FINMAS (for savings banks)*

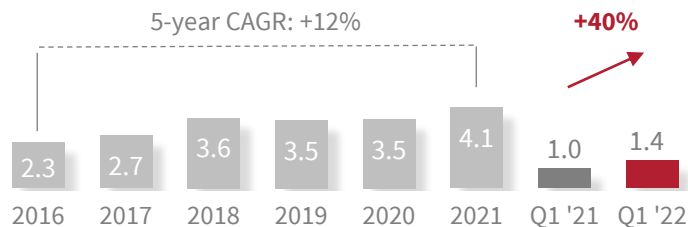
5-year CAGR: +61%



Robust growth despite challenging market conditions

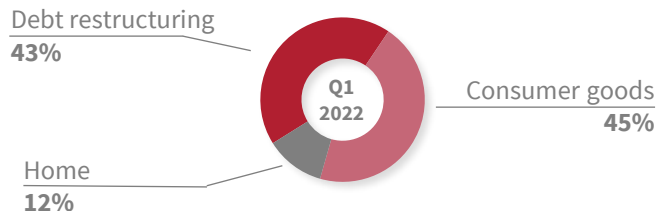
Credit Platform: personal loans product type

Transaction volume in personal loans (€ billion)*



* Numbers before cancellations.

Transaction volume by use (€ billion)

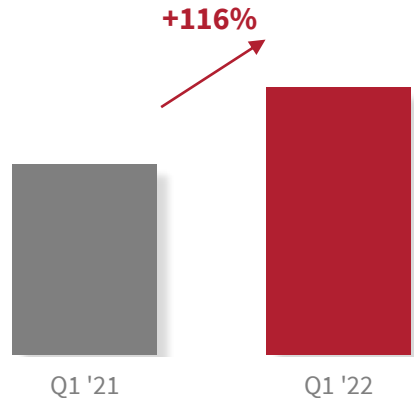


- Since 2016, Europace has gained significant market share in the personal loans business, with a focus on B2B
- This expansion was achieved in a stagnating market (5-year CAGR: +0.3%) that actually contracted during the coronavirus pandemic
- On Europace, personal loan products are now brokered almost 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
- GENOFLEX, a joint venture with TeamBank (easyCredit), is running as a pilot project in 2022 with the aim of developing business jointly within the cooperative banking sector

REM Capital goes from strength to strength in Q1

Credit Platform: corporate finance product type

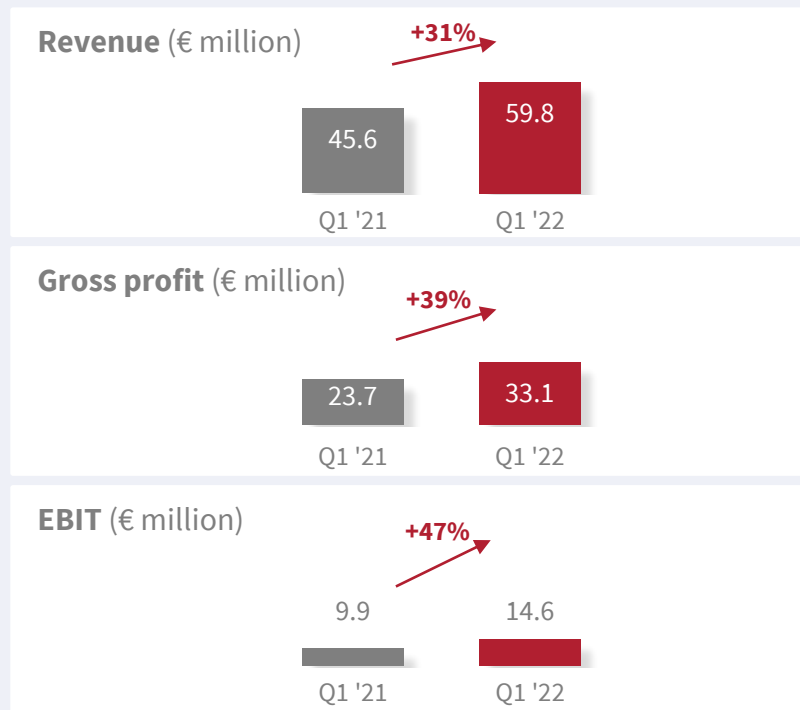
Number of completed corporate finance projects



- Corporate finance business in the Credit Platform segment comprises REM Capital and fundingport
- REM Capital was acquired in mid-2019 in order to establish a client base in the upper strata of Germany's SME sector
- Following organic scaling-up from summer 2021 onward, REM Capital has seen strong growth in connection with KfW support schemes for energy efficiency and innovation initiatives of German SMEs
- Gradual establishment of the 'fundingport' corporate finance platform; operated as a joint venture with IKB since 2021; first transactions via fundingport expected in Q2 2022

Profitable growth thanks to innovation leadership

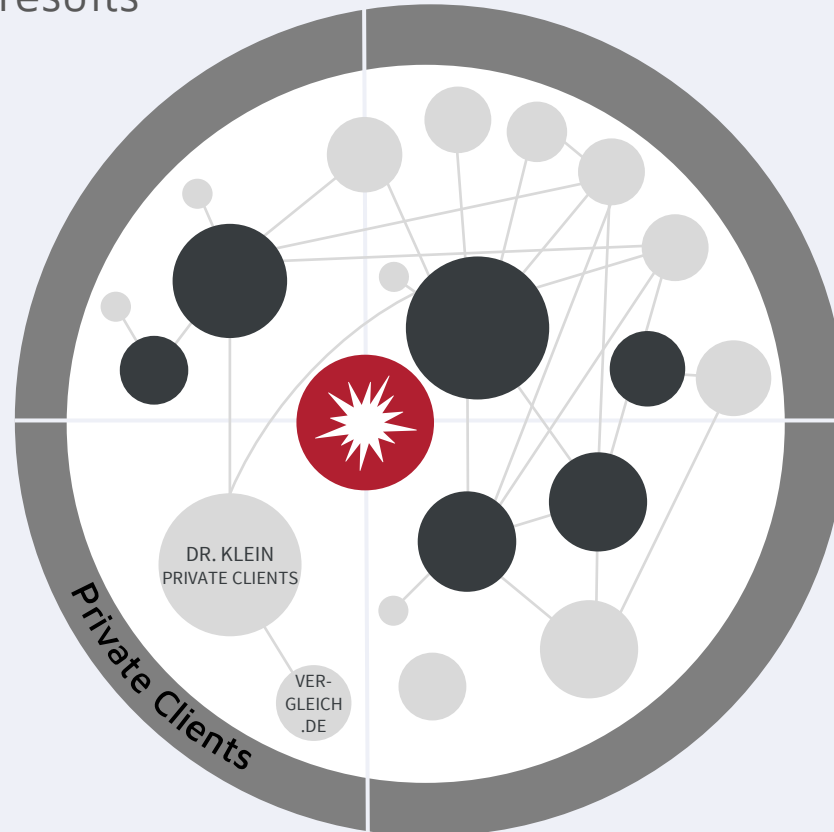
Credit Platform: revenue, gross profit and earnings



- Revenue jumps to €60 million
- Exceptionally successful start to year for corporate finance thanks to changes in KfW funding from summer 2021 onwards
- 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
- Excellent early progress towards achieving the segment's targets for 2022 (increase in revenue of 10–20% / sharp rise in EBIT)
- However, above-average profitability of just under 45% of gross profit can only be repeated if the corporate finance business remains very strong over the course of the year

Private Clients

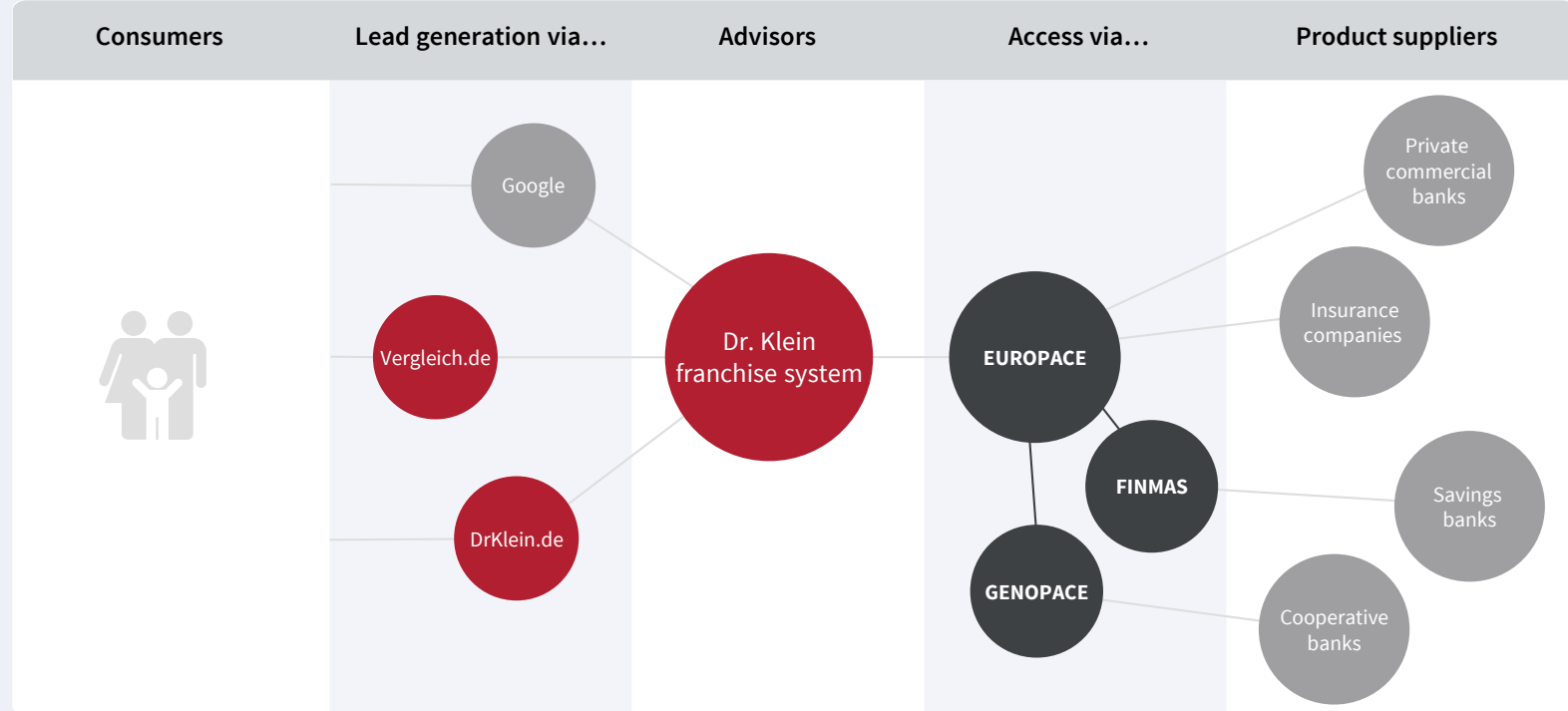
Business model & results



Private clients

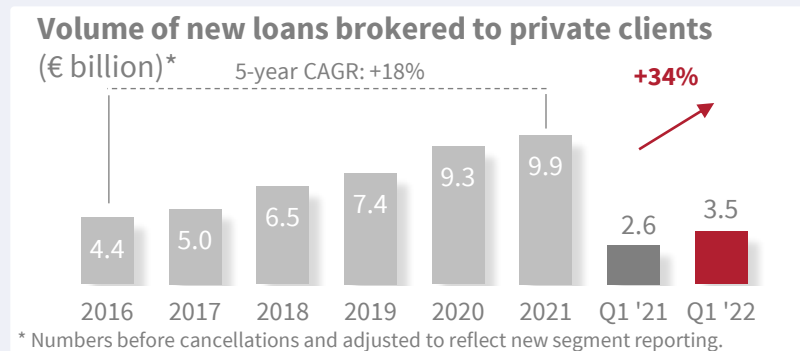
Brokers of mortgage finance products

Private Clients segment business model

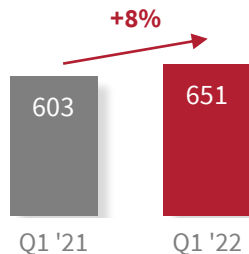


Record quarter for Dr. Klein franchise system

Private Clients operational key figures: volume of loans brokered and number of advisors



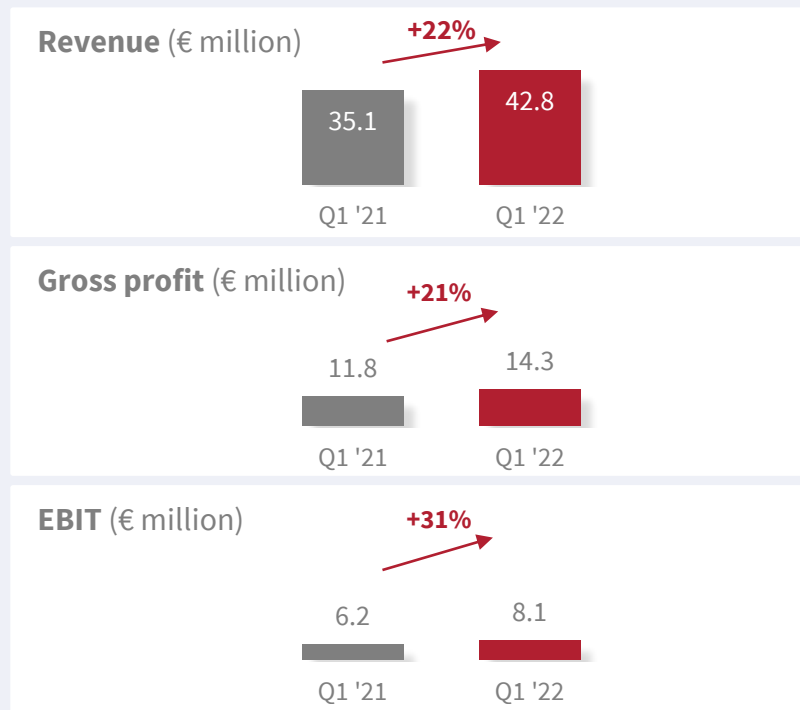
Number of loan brokerage advisors in branch-based sales



- 34% increase in volume of new loans brokered compared with previous record quarter (Q1 2021) reiterates Dr. Klein's strong position in the market as a modern, neutral mortgage finance advisor
- Further expansion of market share (overall market: +15%)
- Ongoing rise in average loan amounts due to increase in house prices
- Lead times for property sales have fallen again and demand for follow-up financing is high, fuelling growth in the volume of new loans brokered in Q1 2022
- Long-term growth of consumer demand for state-of-the-art provision of neutral 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 for Dr. Klein

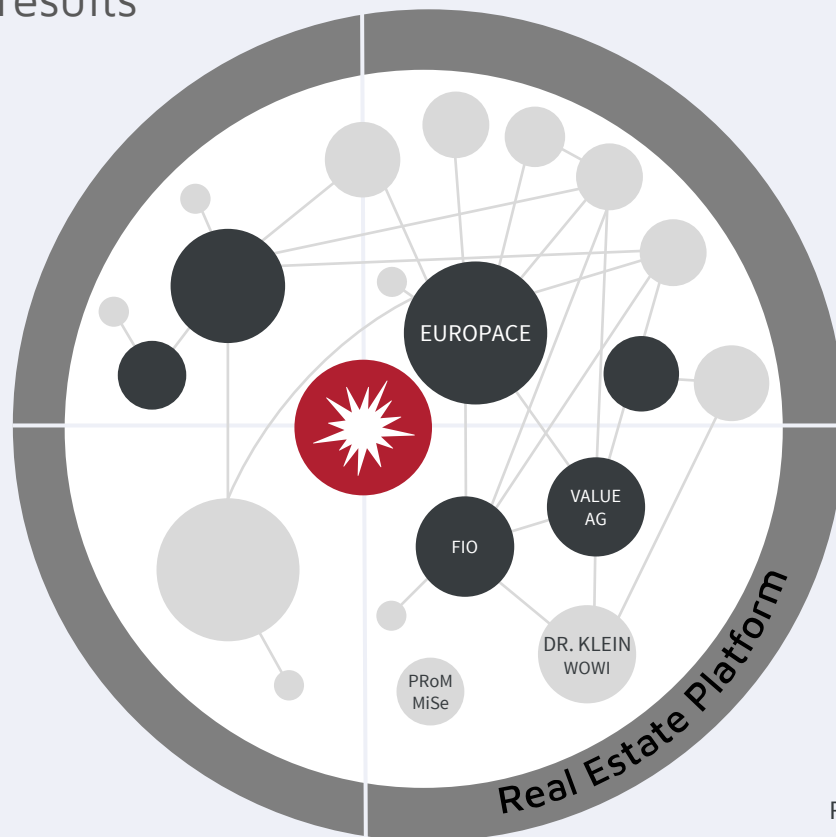
Private Clients: revenue, gross profit and earnings



- Further gains in market share result in record level of revenue
- Revenue increased at a slightly slower rate than the transaction volume owing to a changed product mix
- Disproportionately strong rise in gross profit thanks to economies of scale in purchasing
- Further increase in EBIT from an already high level, due to rapid revenue growth and the coronavirus-related elimination of some operating costs
- EBIT gross profit margin of more than 55% remains above the historical level of 35–40%; expected to return to normal in the medium term

Real Estate Platform

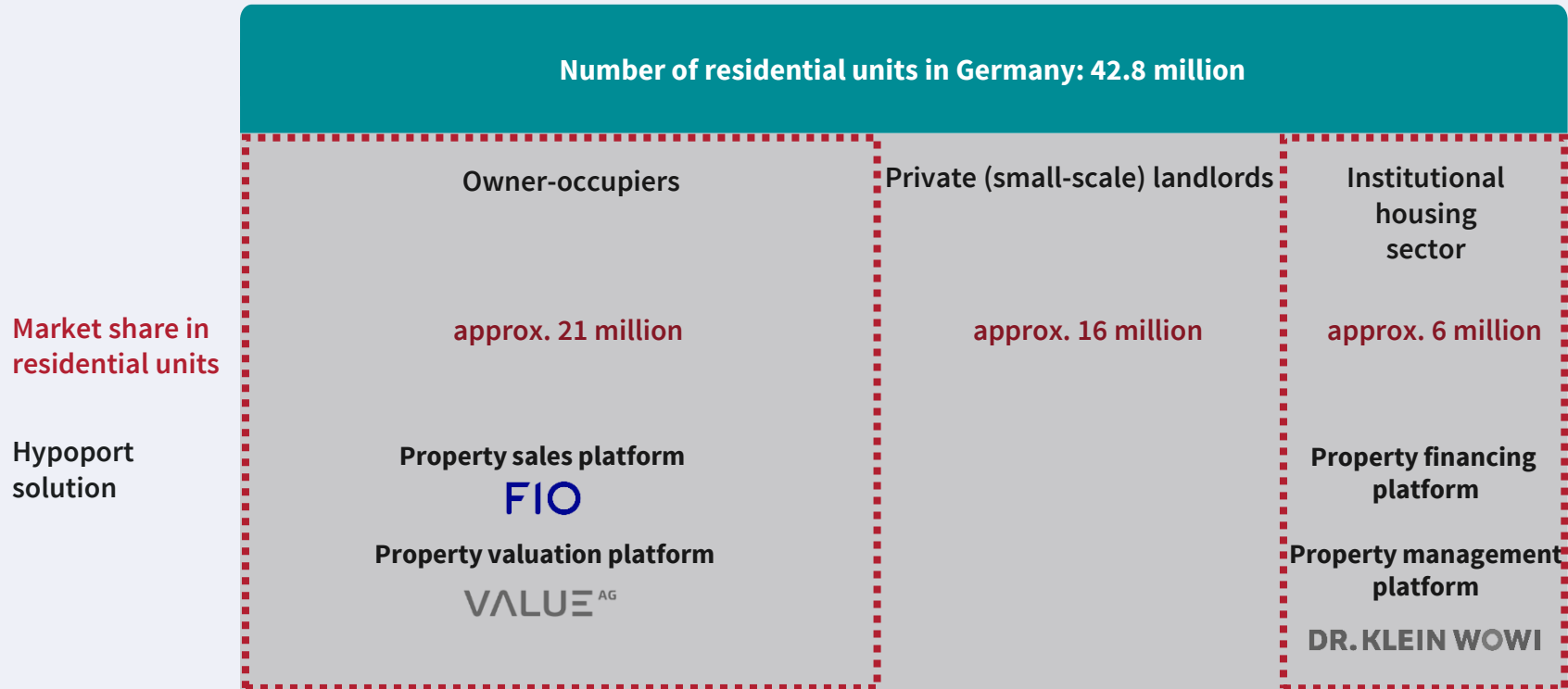
Business model & results



Real-estate industry

Potential in the digitalisation of the housing industry

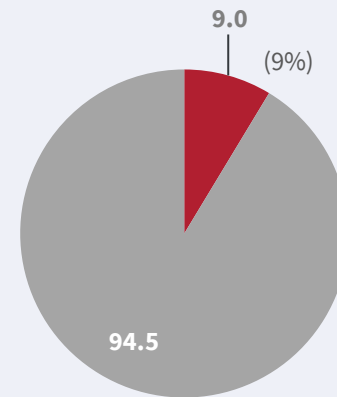
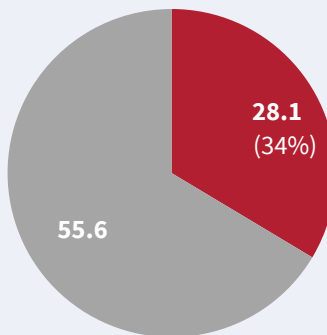
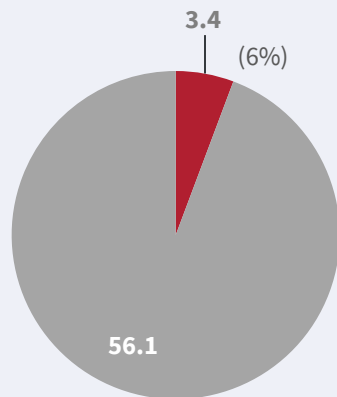
German real-estate industry market



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



● Overall market in Q1 2022
■ Marketing through FIO

■ Funding through EUROPACE*

■ Valuation through VALUE AG

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

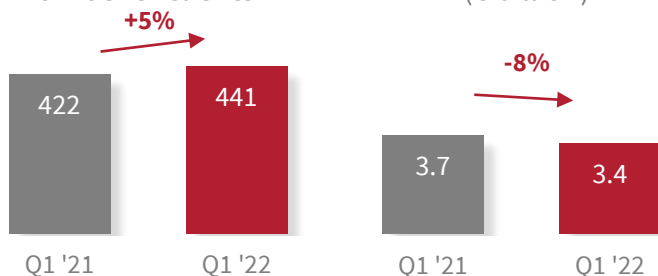
Scaling up gains momentum

Real Estate Platform: property sales platform and property management platform

Marketing through FIO

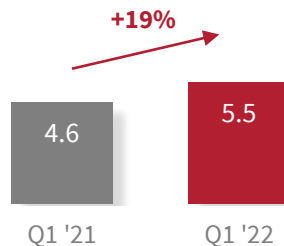
Number of clients

(€ billion)



Revenue from the property sales and property management platforms

(€ million)*

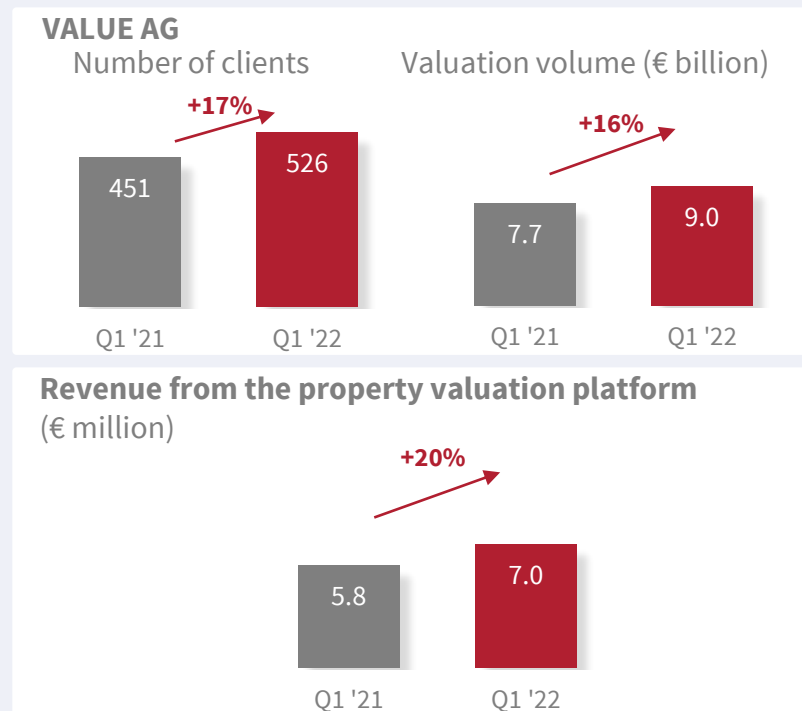


* Revenue of FIO SYSTEMS AG, Maklaro GmbH and Hypoport B.V. (PRoMMiSe).

- Development of software solutions for the sale and management of residential properties in the credit and housing industries
- Retail banks occupy a leading position in Germany when it comes to residential property sales but have a lot of catching up to do in terms of digitalisation
- FIO market share among savings banks already over 90%; huge potential among the cooperative banks is increasingly being unlocked
- Expansion of service portfolio outweighs partners' loss of market share
- Clear growth for the first time (almost 20%) since taking the strategic decision to move away from individual project business

Successful start to 2022 for VALUE AG

Real Estate Platform: property valuation platform

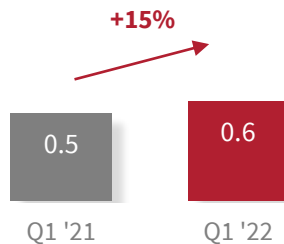


- The business model consists of integrated property valuations for the lending banks and the real-estate industry
- High level of capital expenditure on the digitalisation of business processes and the development of a comprehensive suite of outsourcing services for the credit industry
- Cross-selling 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

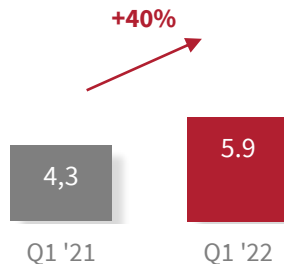
Momentum from volatility and rising interest rates

Real Estate Platform: property financing platform

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



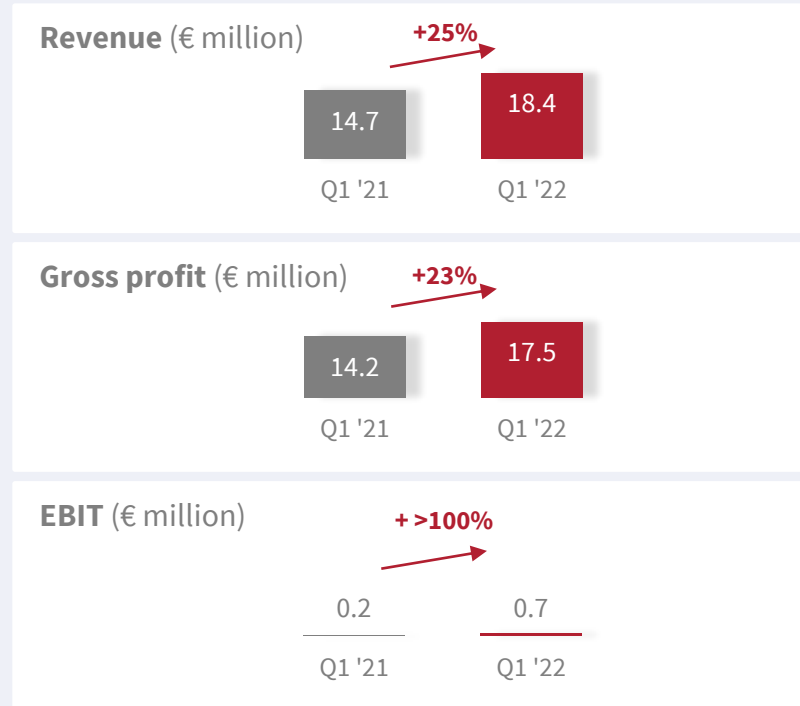
Revenue from the property financing platform (€ million)



- The business model is based on loan and insurance brokerage, mainly for the municipal and cooperative housing sectors
- Despite uncertain conditions (excessive regulation of the rental market, sharp rise in construction prices, uncertainty about government support for housebuilding), the financing business grew rapidly
- This was due to interest-rate rises and interest-rate volatility, which has meant that the housing industry has been more willing to do business since summer 2021
- Moreover, attractive individual transactions with particularly long fixed-interest periods led to a disproportionately strong rise in revenue

Growth segment with high investments for the future

Real Estate Platform: revenue, gross profit and earnings



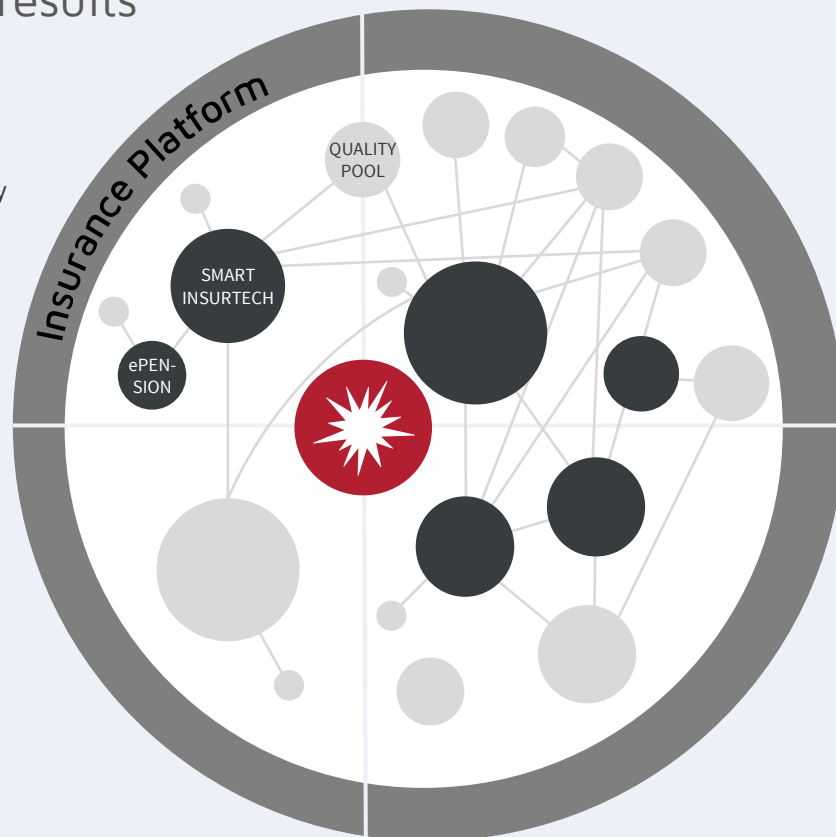
- Healthy to very healthy operating performance of all four platforms (property sales, valuation, financing and management)
- More meaningful prior-year comparison after strategic decision to move away from individual project business
- Cross-selling by the Credit Platform segment (Europace, FINMAS, GENOPACE) also provides a strong basis for further gains in market share
- Capital expenditure in the Hypoport Group is again focused on the 'platform for housing' in 2022
- EBIT was in positive territory in Q1 thanks to the strength of the property financing platform business; unlikely to be the case in the remaining quarters of 2022

Insurance Platform

Business model & results

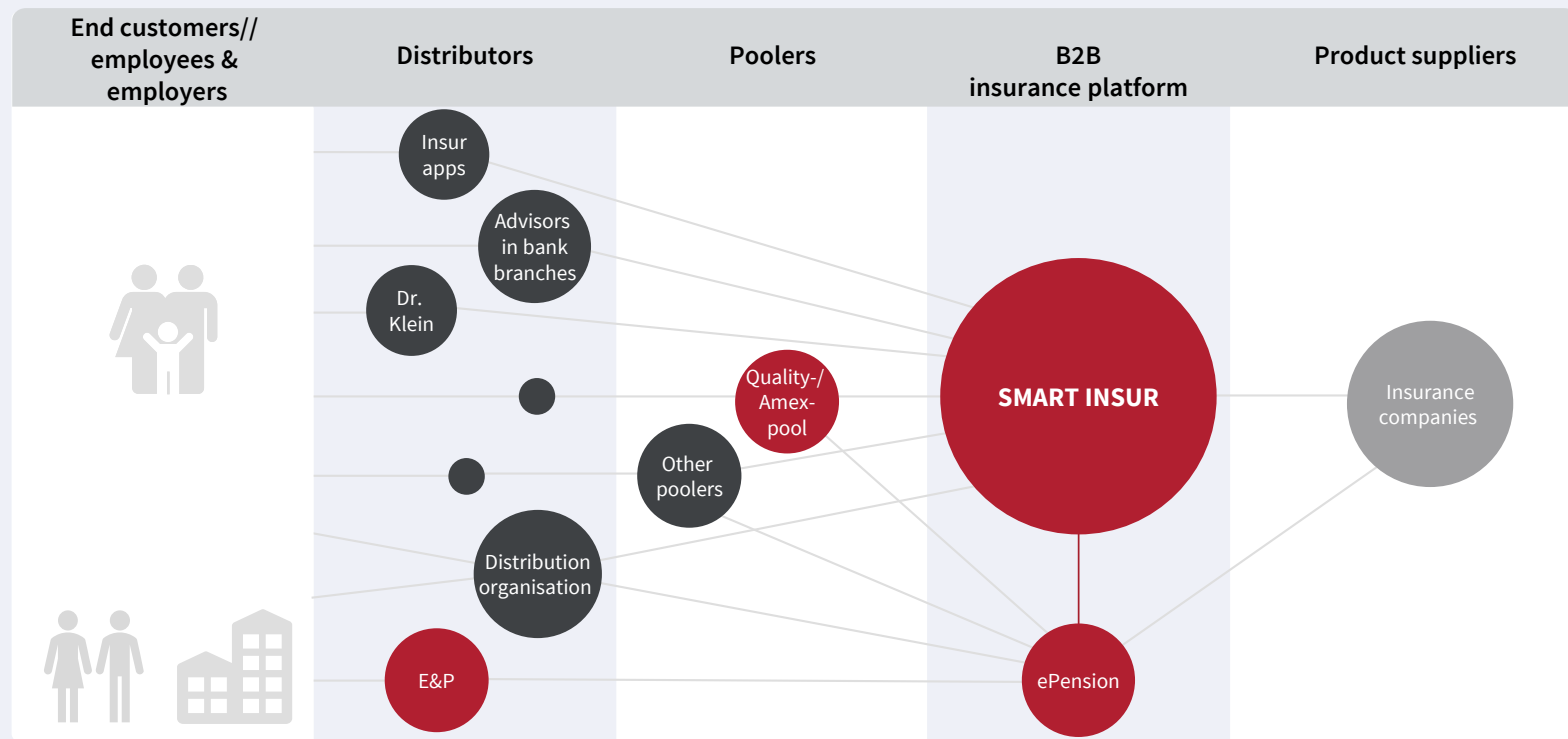


Insurance industry



Digitalisation of the insurance industry

Insurance Platform segment business model



Still significant potential for growth in all groups

Market share in the three product groups

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

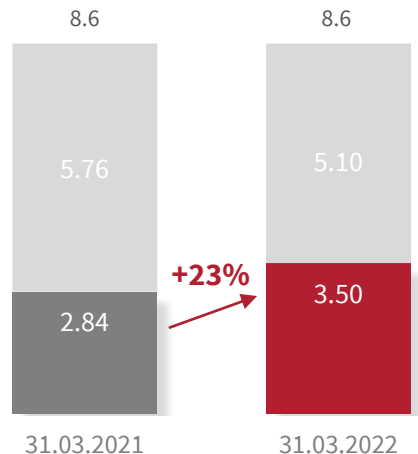


Sources: German Insurance Association (GDV) as at 27 January 2022, own estimates.

Steady increase in the platform volume

Insurance Platform: portfolios migrated to SMART INSUR

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

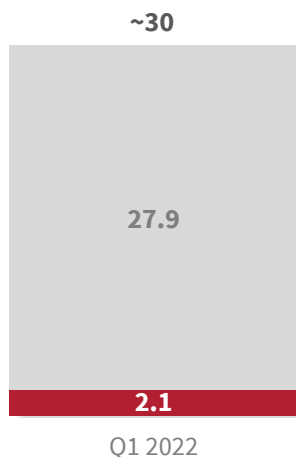


- Annual net premiums of approx. €8.6 billion are managed in the legacy systems of the acquired companies for private insurance policies
- Migrating these portfolios to the SMART INSUR platform is crucial to the establishment of premiums-based fee models in the sector
- SmIT is gradually validating these portfolios; validation rate now at 24%, compared with 16% in Q1 2021
- 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 in 2022

Insurance Platform: industrial insurance portfolios

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

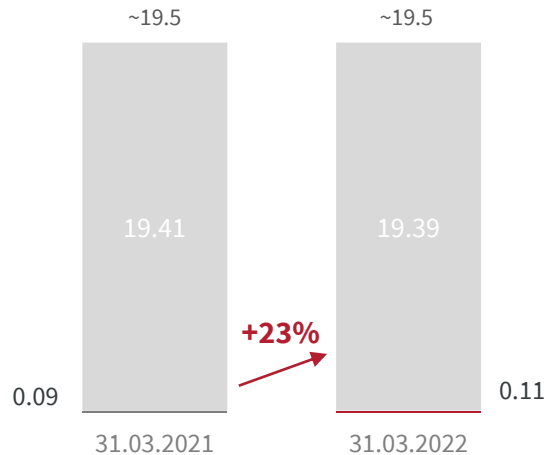


- As a result of acquisitions of several software providers in the period from 2016 to 2019, Hypoport also took over business relationships in the industrial insurance sector
- This segment, which generates premiums of €2.1 billion, does not fall within the strategic focus of the SMART INSUR platform
- 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 pensions

Insurance Platform: occupational pension portfolios

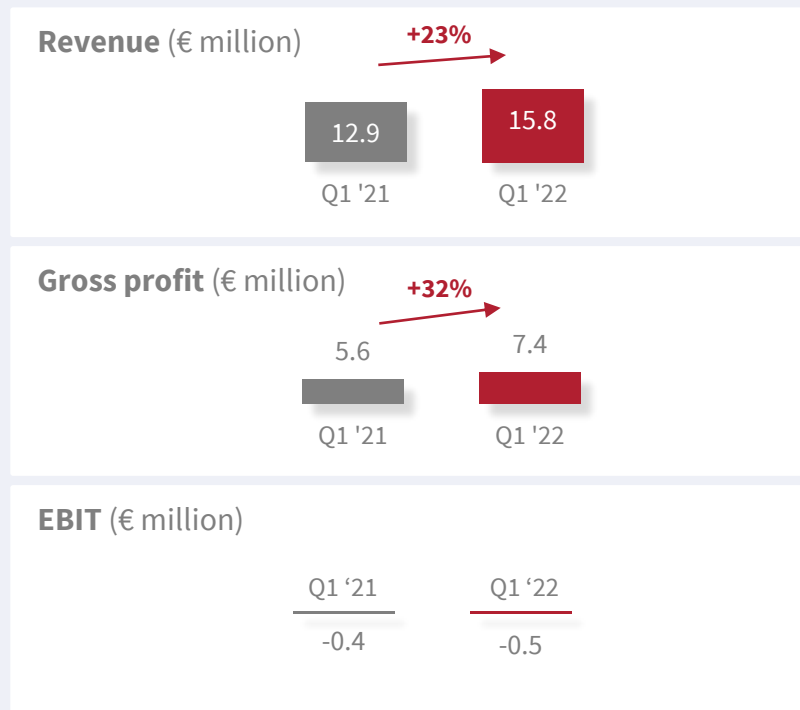
Annual net policy premiums on occupational pension portfolios (€ billion)



- ePension has been 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 of large companies, 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
- 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
- Two new high-profile clients in Q1 2022: Generali Deutschland and Debeka Lebensversicherung

Focus on recurring revenue

Insurance Platform: revenue, gross profit and earnings



- Additional clients were signed up for SMART INSUR and ePension in 2021 and Q1 2022, 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 under way in 2022 through the creation of three distinct business units (private insurance, industrial insurance, occupational pension provision)
- Growth in Q1 2022 partly attributable to acquisition of AMEXPool; organic growth of just under 10%
- The overall target for 2022 is robust double-digit revenue growth

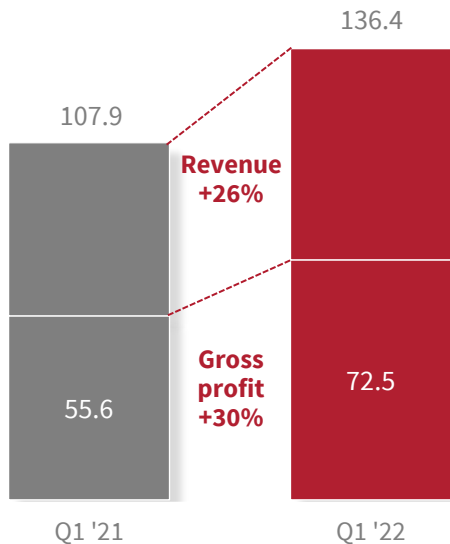
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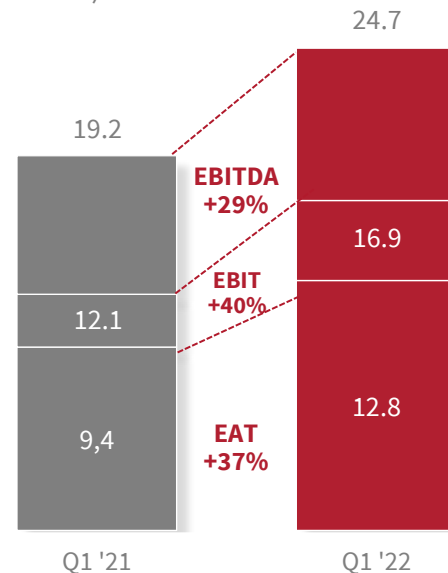
Stronger growth than in good prior-year period

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

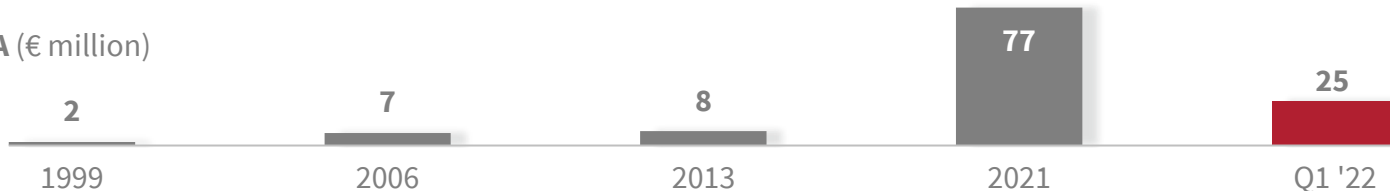
Established
despite fin. crisis

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 likely to be stable in 2022

Anticipated market trends in 2022

Factors	Effects
Net inward migration	<ul style="list-style-type: none">• Net inward migration to Germany declined 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 are resulting 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
SME support	<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
War in Ukraine	<ul style="list-style-type: none">• Geopolitical uncertainties are leading to higher interest rates (see above) and increased willingness to invest in the government-backed energy transition in order to gain independence from Russian fossil fuels

Hypoport steps up its pace of innovation

Key innovations of Hypoport in 2022

Factors	Effects
Europace OneClick	<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

Contact

Jan H. Pahl

Head of Investor Relations

Tel: +49 (0)30 420 86 1942

Email: [ir\(at\)hypoport.de](mailto:ir(at)hypoport.de)

Hypoport SE

Heidestrasse 8

10557 Berlin

Germany

[Click here to subscribe to the IR mailing list \(German only\)](#)

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Annex

Investment highlights

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

1.3 **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 around €2 billion

Shareholder structure and share information

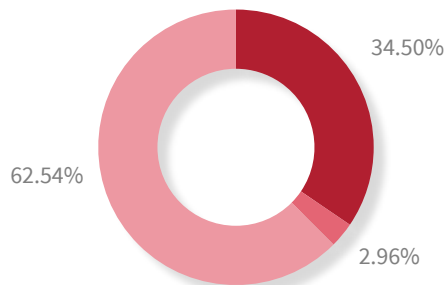
Breakdown of shareholders as at 30 April 2022

■ 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)

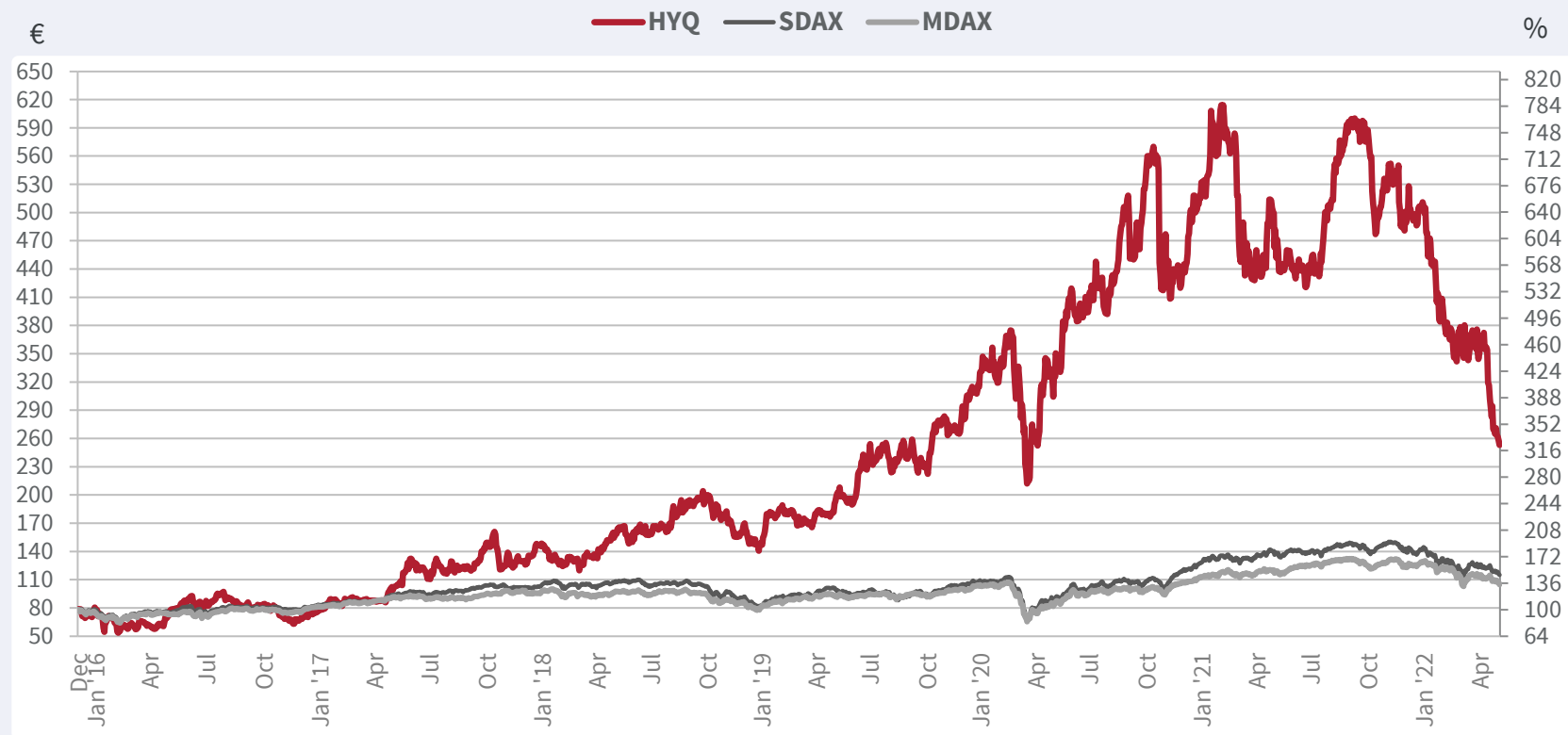


Key performance indicators

KPI	Details	Value
EPS	Earnings per share in Q1 2022	€1.99
Number of shares	Total number of shares	6,493,376
Market cap	Market capitalisation as at 31 March 2022	~€2.3 billion
Trading volume	Average trading volume per day in 2022	~€3.8 million
High	Highest closing price in 2022	€507.00
Low	Lowest closing price in 2022	€253.00
Indices	MDAX, Prime All Share, CDAX, DAXplus Family, GEX	

Clear outperformance of index

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	Hold	€273.00	4 May 2022
Berenberg	Buy	€500.00	15 March 2022
Commerzbank	Buy	€550.00	28 Apr 2021
Pareto Securities	Buy	€550.00	26 April 2022
Warburg	Buy	€595.00	15 March 2022

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 (phy./dig.)	Lyon, Hamburg, Frankfurt	2022
Roadshow (dig.)	UK, USA	2022
Conferences (phy./dig.)	Amsterdam, Berlin, Frankfurt (2x), Hamburg, London, Lyon, Munich (2x), Paris, USA (2x)	2021
Roadshow (dig.)	Ger/Aus/Swi, London (2x), USA	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

Financial calendar

8 Aug 2022	Results for Q2 2022
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Mortgage finance – a high-potential market

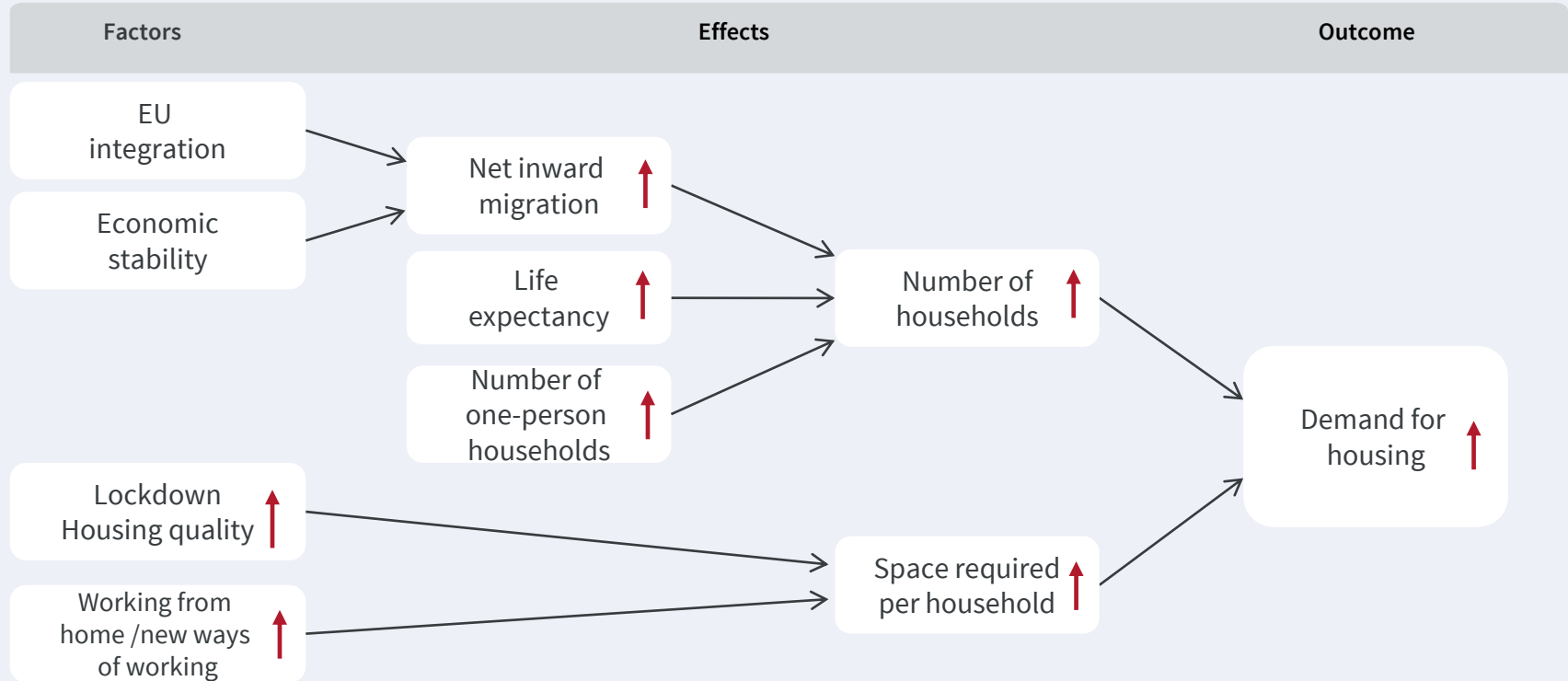
Factors influencing the private and institutional residential mortgage finance markets

	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.

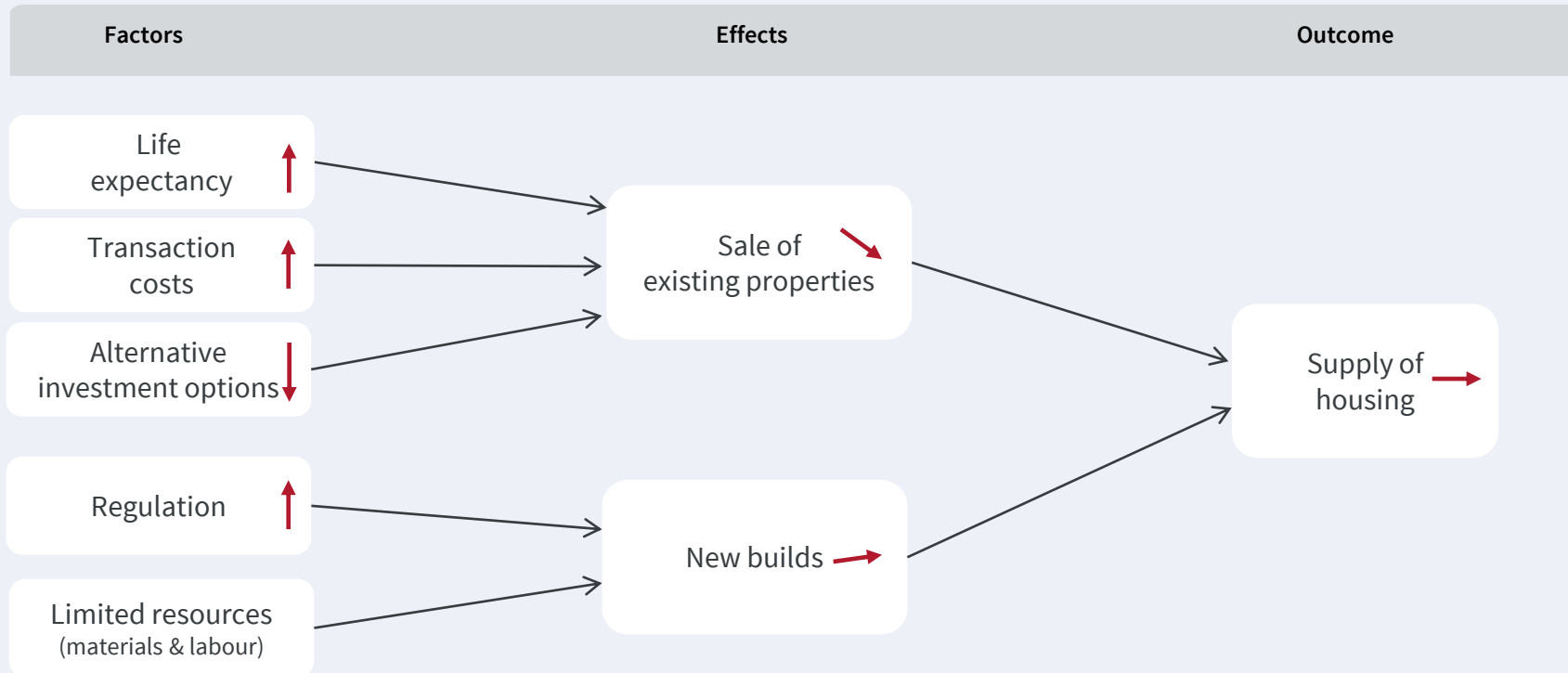
Neither interest rates nor short-term political topics are relevant

Factors influencing demand in the German property market



Scarce supply due to low sales volumes and limited new building

Factors influencing supply in the German property market



Review of short-term trends in 2021

Important changes in key markets

Factors	Effects
Net inward migration	<ul style="list-style-type: none">• Net inward migration to Germany declined in 2020/2021 due to the coronavirus pandemic; effect partly offset by lockdowns and increase in 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">• Rising interest rates have 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• Willingness to do business has increased in the corporate finance and institutional housing sectors
Lockdown fallout	<ul style="list-style-type: none">• Ongoing merger talks and branch closures continued to pose challenges for new client 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

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 technologiesFurther regulation is increasing the complexity of the insurance business and its digital transformation	<ul style="list-style-type: none">Consumers have higher expectations regarding digitalisationInsurtech start-ups and coronavirus are increasing the pressure on traditional market players to adopt digital technologiesPossibilities 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 growthLow 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 communicationsIncreasingly complex occupational pension processes make digitalisation a necessity