

Hypoport SE

Results H1 2022

Our mission

Digitalisation of the credit, real-estate and insurance industries



Credit industry



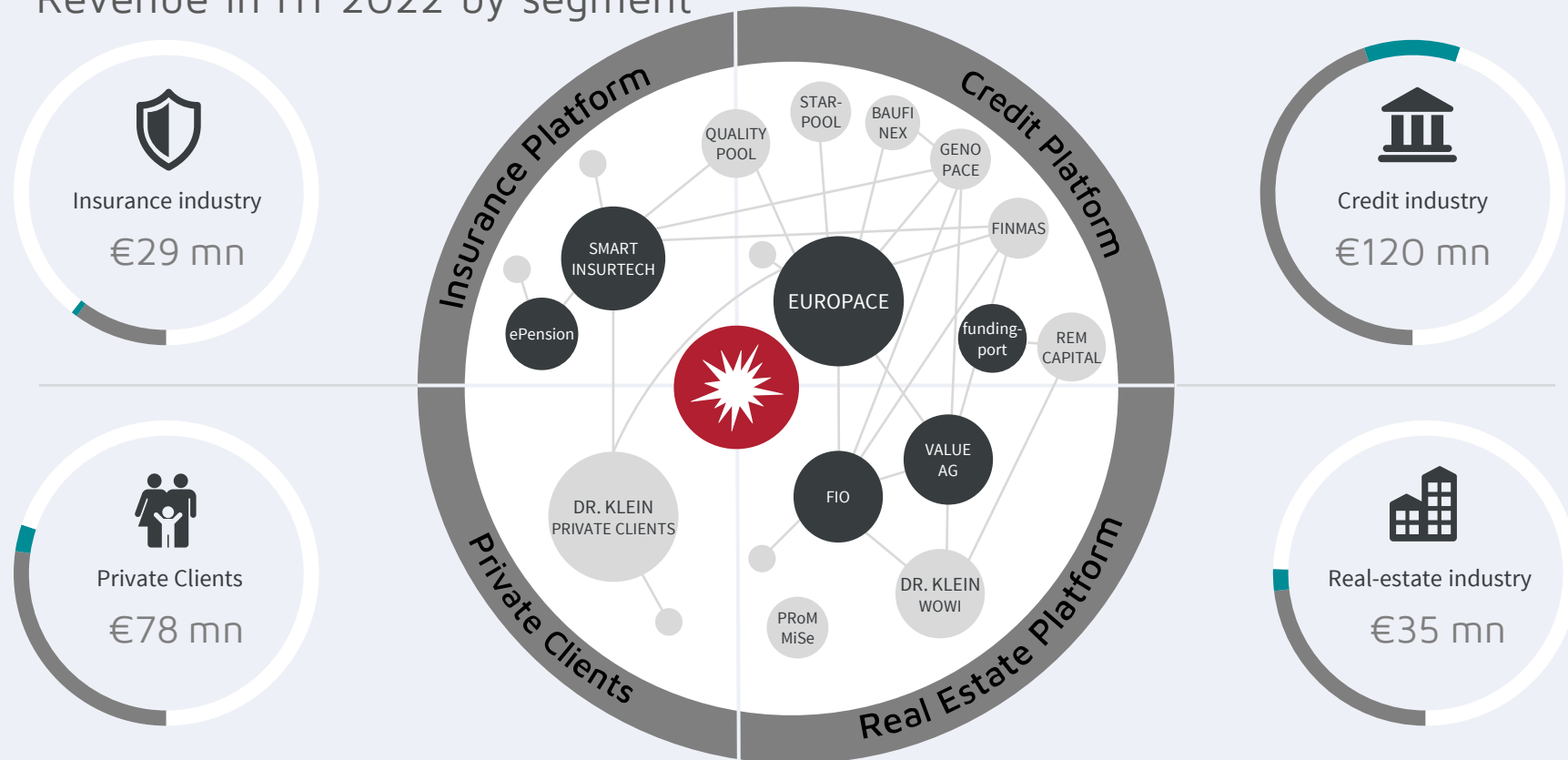
Real-estate industry



Insurance industry

Hypoport – a network of technology companies

Revenue in H1 2022 by segment



Hypoport again grows faster than the overall market

Results H1 2022

Key figures for H1 2022 (yoy change)

- Revenue: €262 million (+23%)
- Gross profit: €145 million (+29%)
- EBIT: €30 million (+38%)
- EPS: €3.62 (+38%)

Hypoport (H1 2022, yoy change)

- Credit Platform revenue: +29%
- Private Clients revenue: +14%
- Real Estate Platform revenue: +24%
- Insurance Platform revenue: +24%

Market volume (H1 2022, yoy change)

- Mortgage finance: +10%*
- Residential property (2021): +8%**
- Insurance premiums: +1%***

Sources: *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

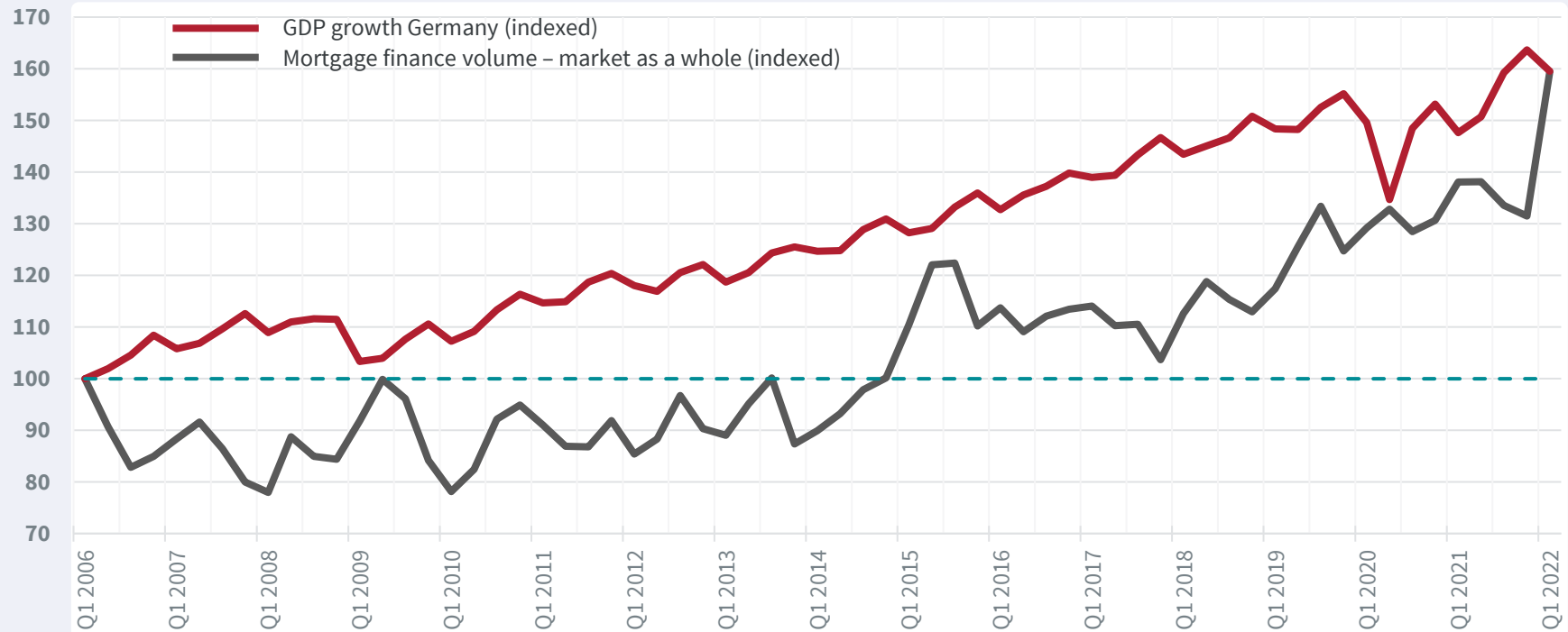
3. Overview of key performance indicators

4. Outlook

Annex (incl. share price info & IR)

Purchase decisions not primary based on economy

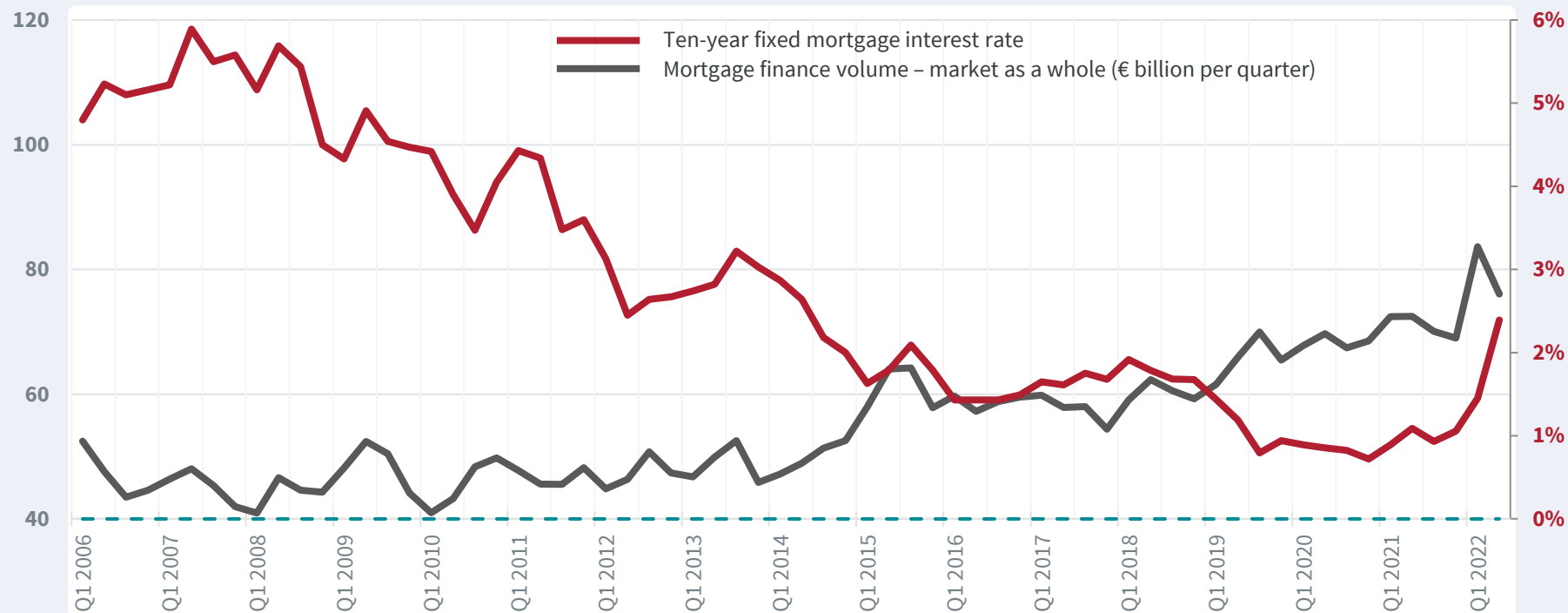
Mortgage finance volume and gross domestic product



Source: Bundesbank, German Federal Statistical Office

No correlation between volume and interest rate

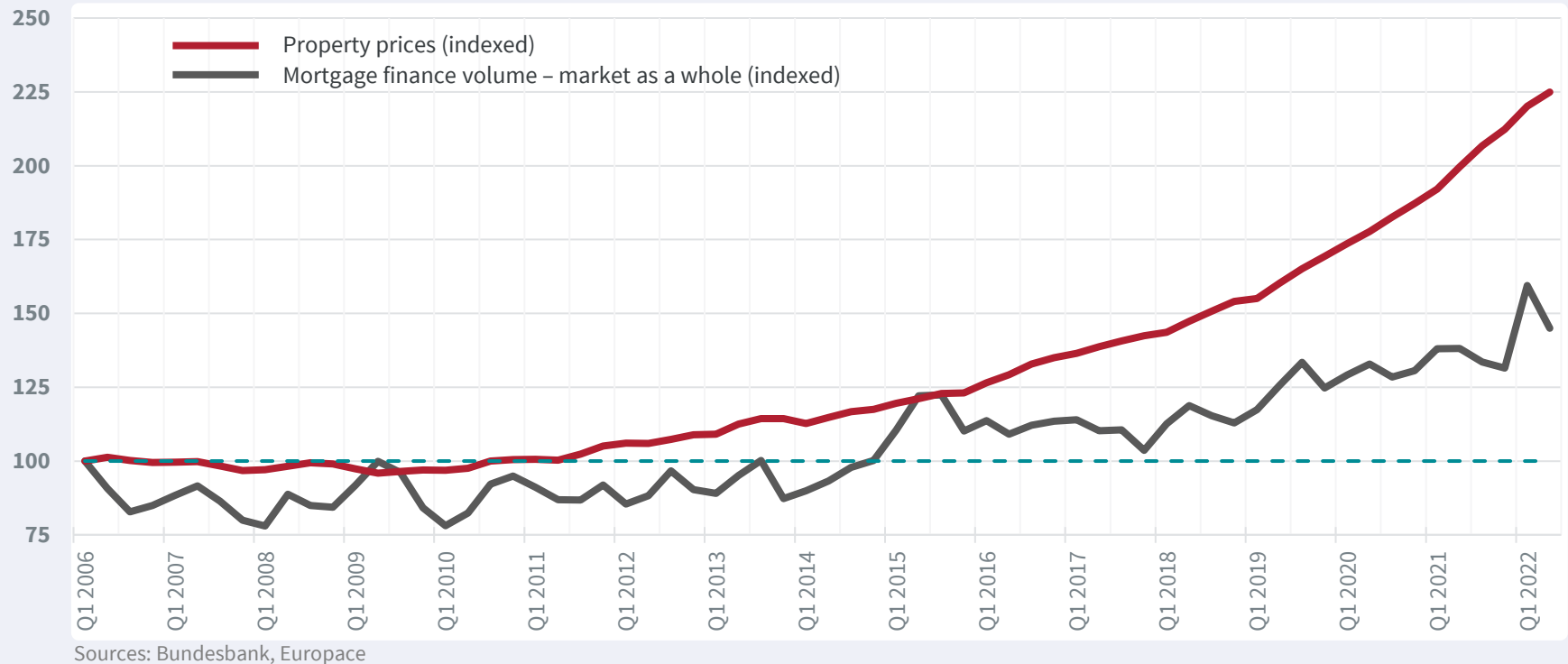
Mortgage finance volume and interest rates



Source: Bundesbank

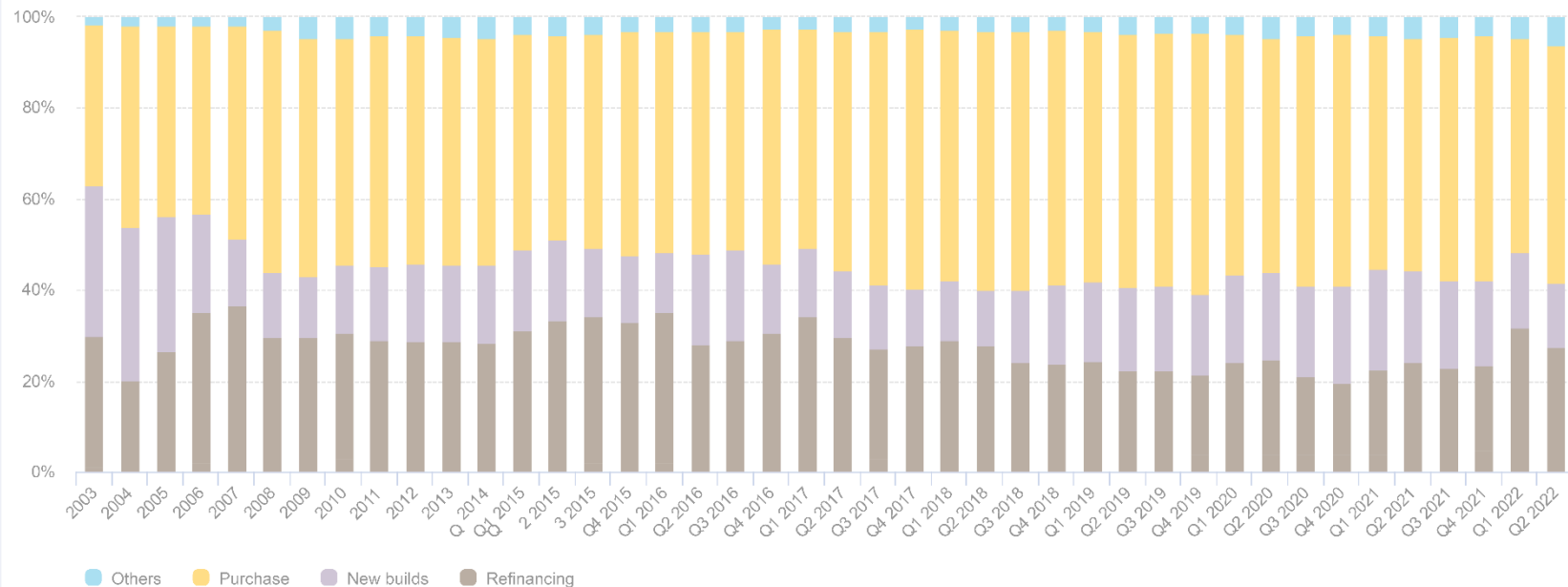
Prices and lending volume not moving in tandem

Mortgage finance volume and residential property prices



Stable mix in demand

























Mortgage finance volume by intended use



Source: Europace

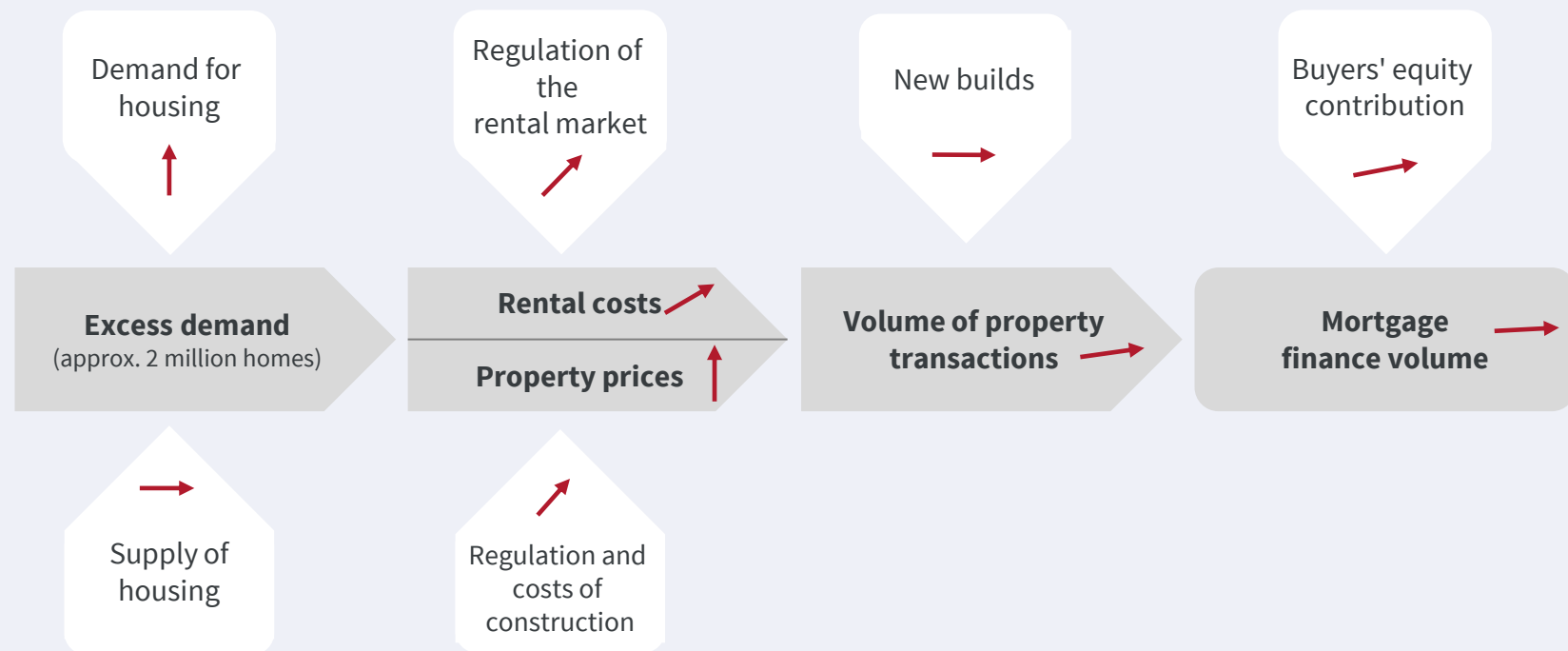
Trigger events cause Germans to turn to financing

Factors of relevance for financing decisions

Reasons \ Type	Property purchase	Remortgaging	New builds	Other (e.g. renovation)
Regulatory and political environment	 High transaction costs and inaccessible rental market		 Lack of development land and excessive building regulations	 Insulation bonus
Personal situation/life events	 Children, divorce, career changes		 Children	
Resources (construction material & labour)			 Main reason: shortage of land for development	 Limited resources
New ways of working	 Larger homes in rural locations		 Trend towards living in leafier areas	
Macroeconomic environment	 Target group: medium to high-income households		 Target group: high-income households	
Interest-rate environment	 Changes in choice of location, size, and fixtures and fittings of the property	 Majority of loans have to be renegotiated after ten years	 Minor change to fixtures and fittings of new builds	 Interest rates of negligible importance due to bonus

A long-term growth market

Structural factors underpinning sustained growth in the finance market



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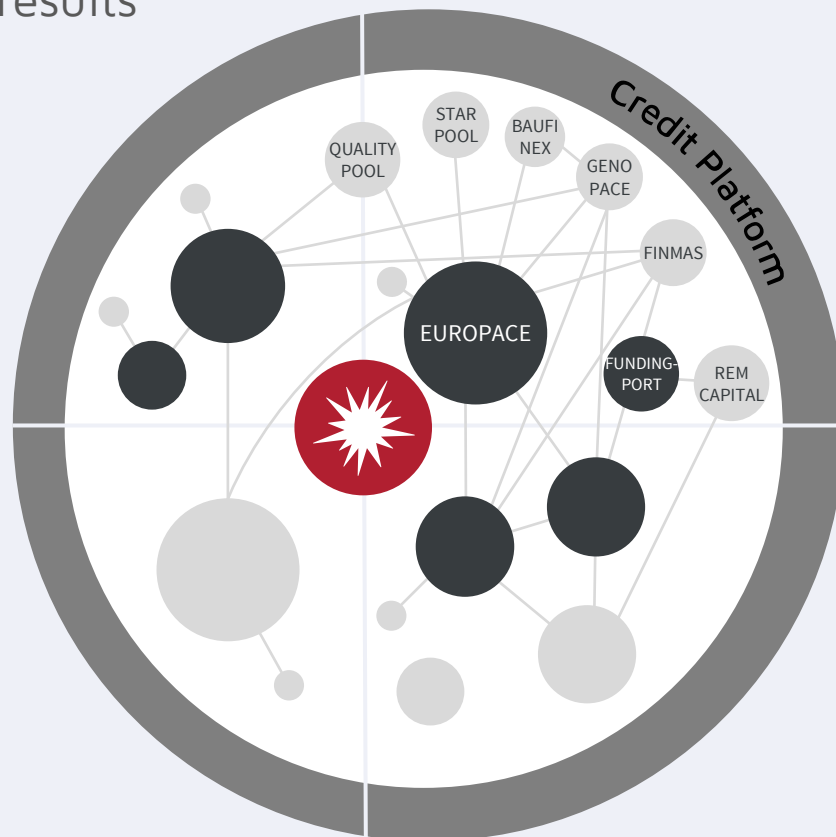
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Credit Platform

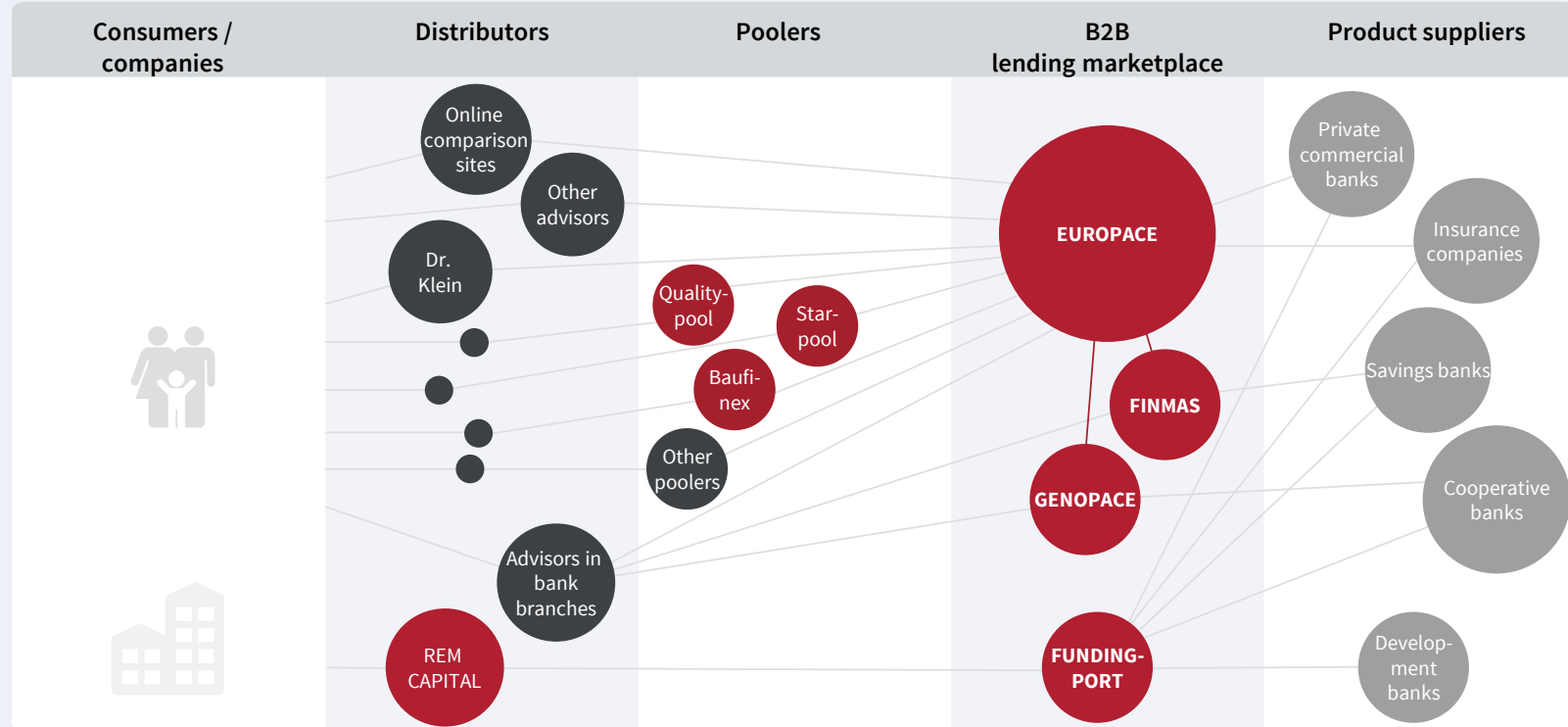
Business model & results



Credit industry

Digitalisation of the credit industry

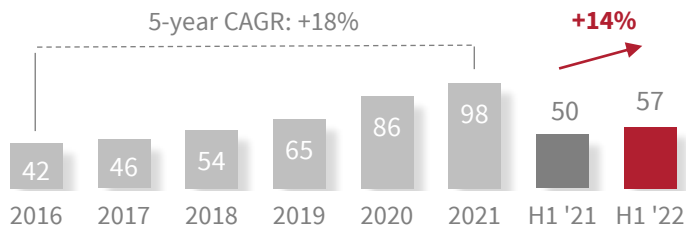
Credit Platform segment business model



Consistent double-digit percentage growth

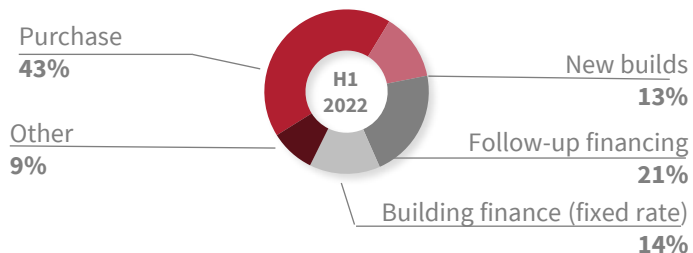
Credit Platform: mortgage finance and building finance product type

Volume of transactions (€ billion)*



* Numbers before cancellations

Mortgage finance & building finance by use (€ billion)

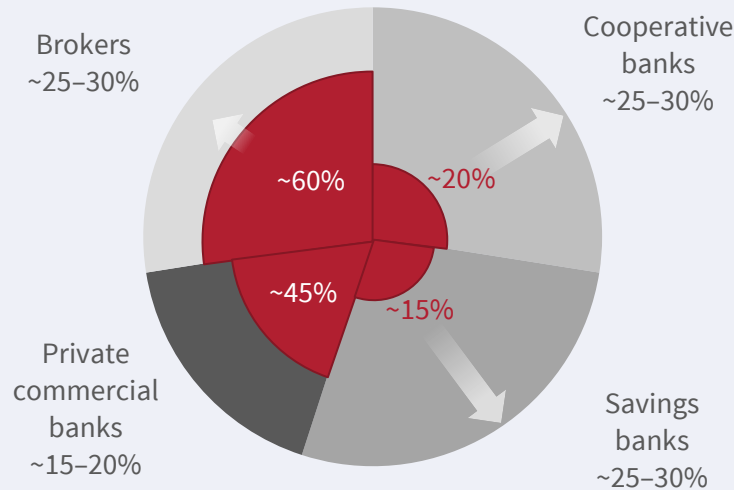


- Further gain in market share for mortgage finance with growth of 14% (overall market growth: +10%)
- Strong growth of 17% for building finance too, despite the overall market reporting only marginal growth of 4%)
- All four distribution channels on Europace (brokers, private commercial banks, cooperative institutions, savings banks) are growing at a faster rate than the market
- 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
- Market downturn is accelerating the need for financial product distributors to go digital

Europace still has good potential for growth

Mortgage finance product type: market share, by distribution channel

Distribution channels and Europace's share

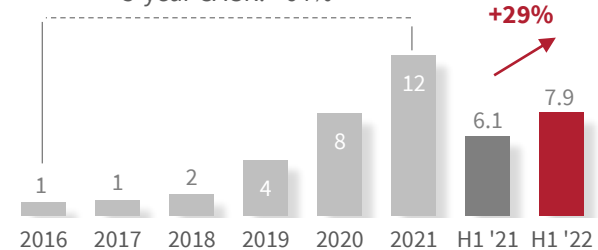


○ Mortgage finance in Germany in H1 2022: €160 billion
■ Mortgage finance on Europace* in H1 2022: €49 billion

* Numbers before cancellations (€ billion). Sources: Bundesbank, Europace, own estimates.

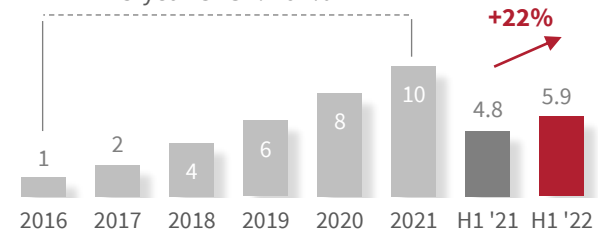
GENOPACE (for cooperative banks)*

5-year CAGR: +64%



FINMAS (for savings banks)*

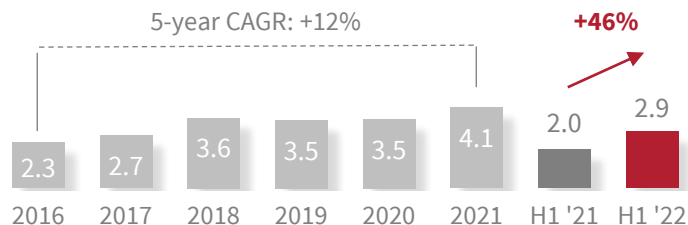
5-year CAGR: +61%



Robust growth in a stagnating market environment

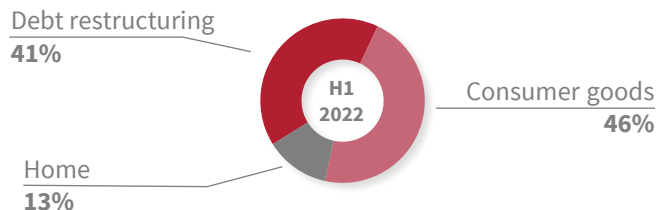
Credit Platform: personal loans product type

Transaction volume in personal loans (€ billion)*



* Numbers before cancellations.

Transaction volume by use (€ billion)

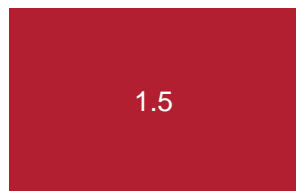


- Since 2016, Europace has gained significant market share in the personal loans business, with a focus on B2B
- This expansion was achieved in a stagnating market (5-year CAGR: +0.3%) that actually contracted during the coronavirus pandemic
- Personal loan optimisation within the mortgage finance sphere offers growth potential for distributors
- On Europace, personal loans are currently brokered almost exclusively by independent distributors and private commercial banks (as a risk and price management tool)
- Some savings banks have started to pilot FINMAS for personal loans
- GENOFLEX, a joint venture with TeamBank (easyCredit), launched as a pilot project in 2022 with the aim of developing business within the cooperative banking sector

Strong first half of 2022 for REM Capital

Credit Platform: corporate finance product type

Volume of new projects at REM Capital (€ billion)

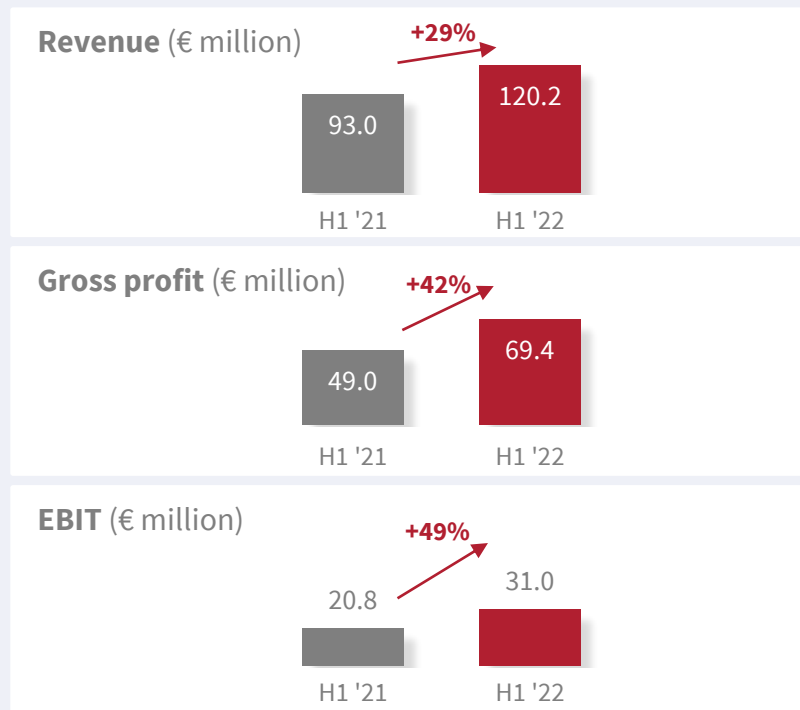


H1 2022

- Corporate finance business in the Credit Platform segment comprises REM Capital and fundingport
- Since summer 2021, REM Capital has seen strong growth in connection with KfW support schemes for German SMEs in relation to energy efficiency and innovation
- First-ever publication of quarterly 'book' figures (new project volume)
- Gradual establishment of the 'fundingport' corporate finance platform; more than 100 product partners have already signed up as lenders
- fundingport has been operated as a joint venture with IKB since 2021; IKB and REM Capital are currently operating fundingport on an exclusive basis during the pilot phase; first transactions via fundingport conducted in H1 2022
- The next step is to open up fundingport to third-party distributors

Profitable growth thanks to innovation leadership

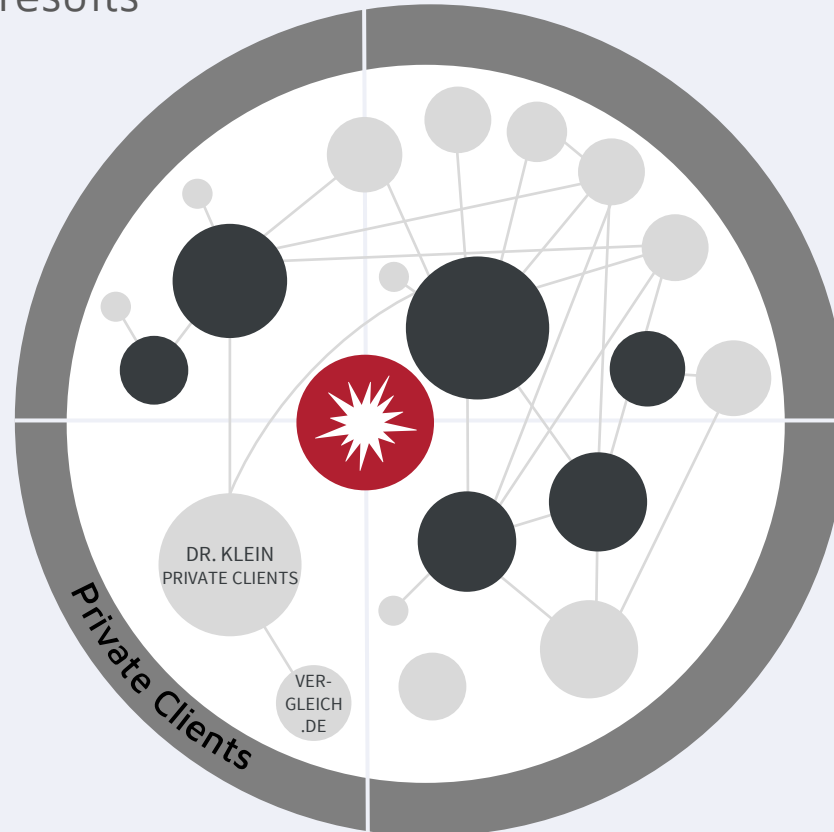
Credit Platform: revenue, gross profit and EBIT



- Revenue jumps to €120 million; as recently as 2018, it still took twelve rather than six months to reach this revenue threshold
- Exceptionally successful first half of 2022 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
- Above-average profitability of around 45% of gross profit will not be sustainable over the further course of the year due to the market environment and conditions in development finance
- Clear focus on achievement of segment targets for 2022 (increase in revenue of 10–20% / sharp rise in EBIT) in spite of macroeconomic challenges

Private Clients

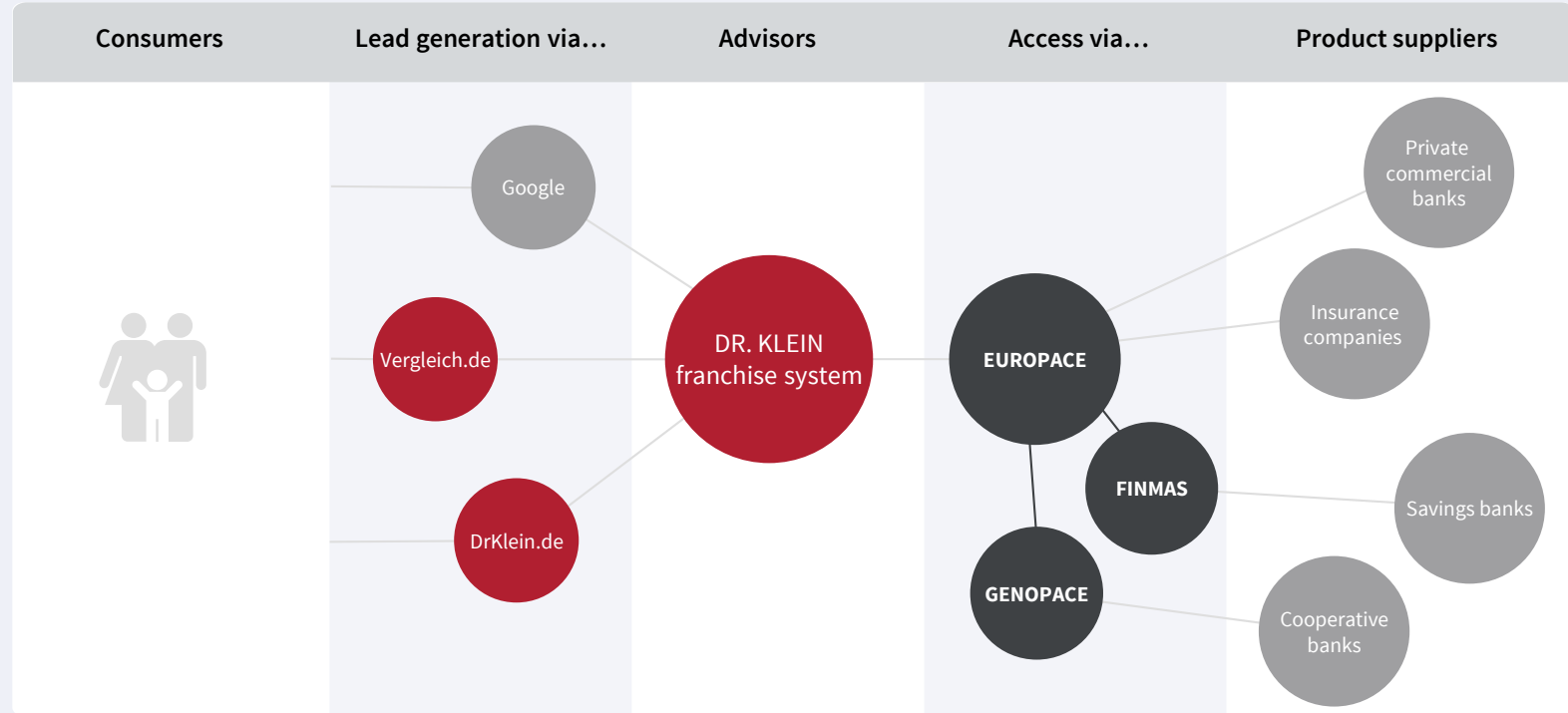
Business model & results



Private Clients

Brokers of mortgage finance products

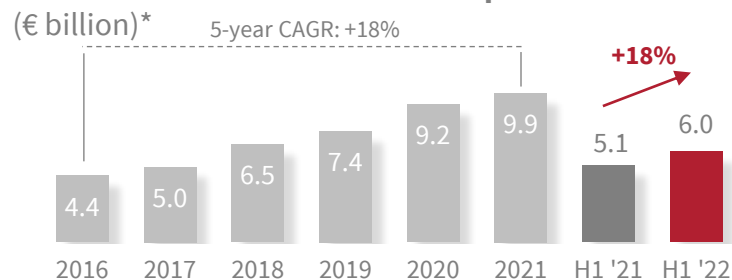
Private Clients segment business model



Record half-year for Dr. Klein franchise system

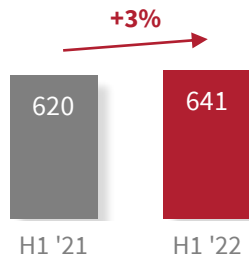
Private Clients operational key figures: volume of loans brokered and number of advisors

Volume of new loans brokered to private clients



* Numbers before cancellations and adjusted to reflect new segment reporting.

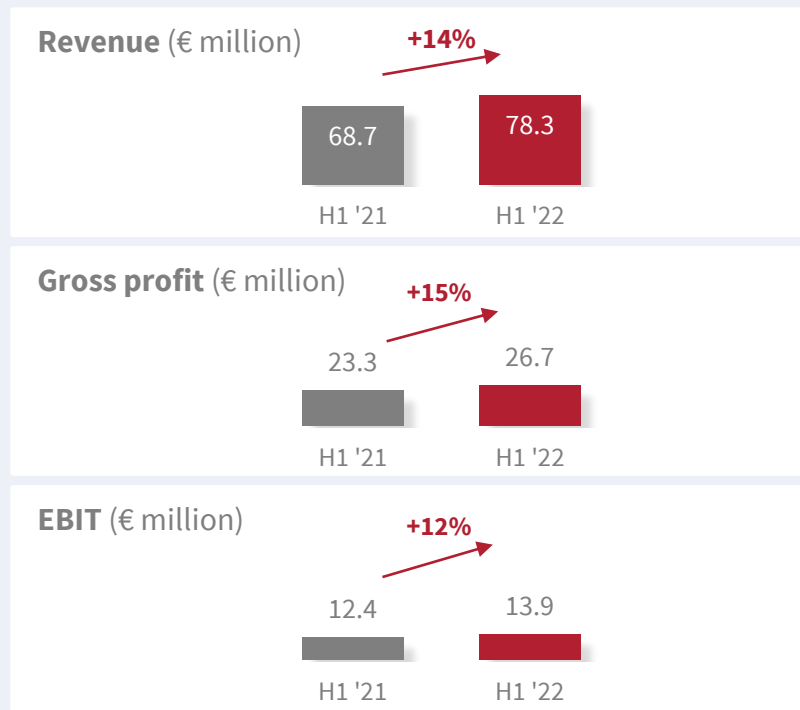
Number of loan brokerage advisors in branch-based sales



- Increase of 18% in the volume of new loans brokered was mainly attributable to the excellent first quarter
- Further expansion of market share (overall market: +10%)
- Growth in Q2 2022 slowed by longer lead times for property sales and a slight dip in demand for follow-up financing compared with the first quarter
- Increasing the number of advisors is proving challenging as few suitable candidates are looking to change jobs
- Long-term trend of growing consumer demand for state-of-the-art provision of independent financial advice remains intact and is likely to keep gaining traction compared with traditional distribution by banks if interest rates rise and property prices remain high
- Increasing demand and the rising number of advisors are laying the foundations for future growth

Dr. Klein continues to grow at double-digit rates

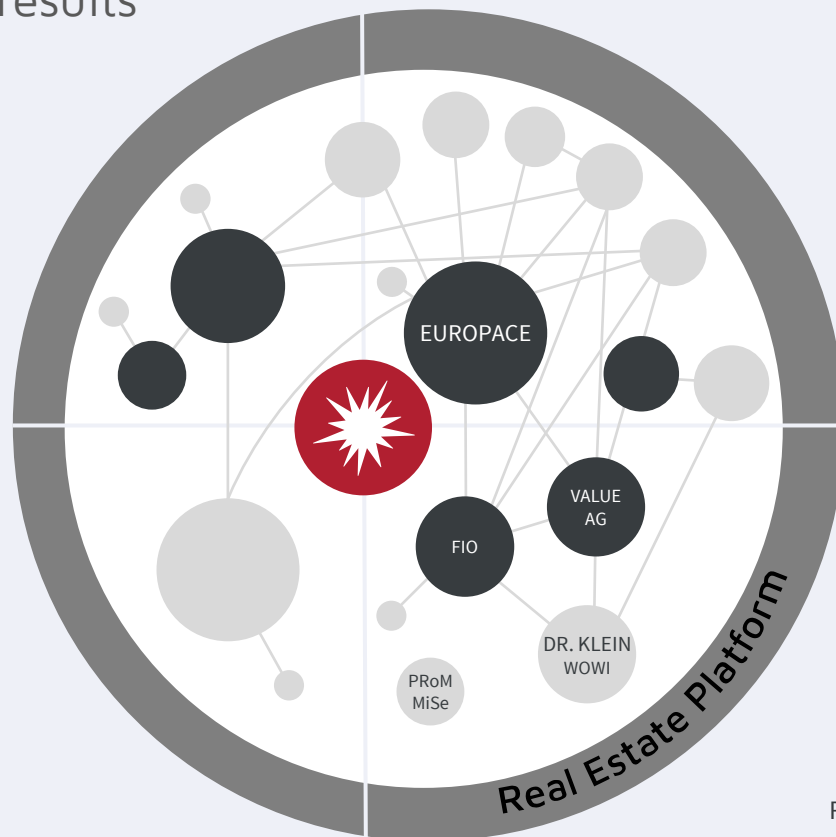
Private Clients: revenue, gross profit and EBIT



- Revenue and EBIT continue to grow thanks to further gains in market share
- 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
- After pandemic-related restrictions were lifted, EBIT grew at a slightly below-average rate as operating costs normalised; this had been forecast for several quarters
- EBIT gross profit margin of around 50% remains above the historical level of 35–40%; expected to continue to normalise over a medium-term horizon

Real Estate Platform

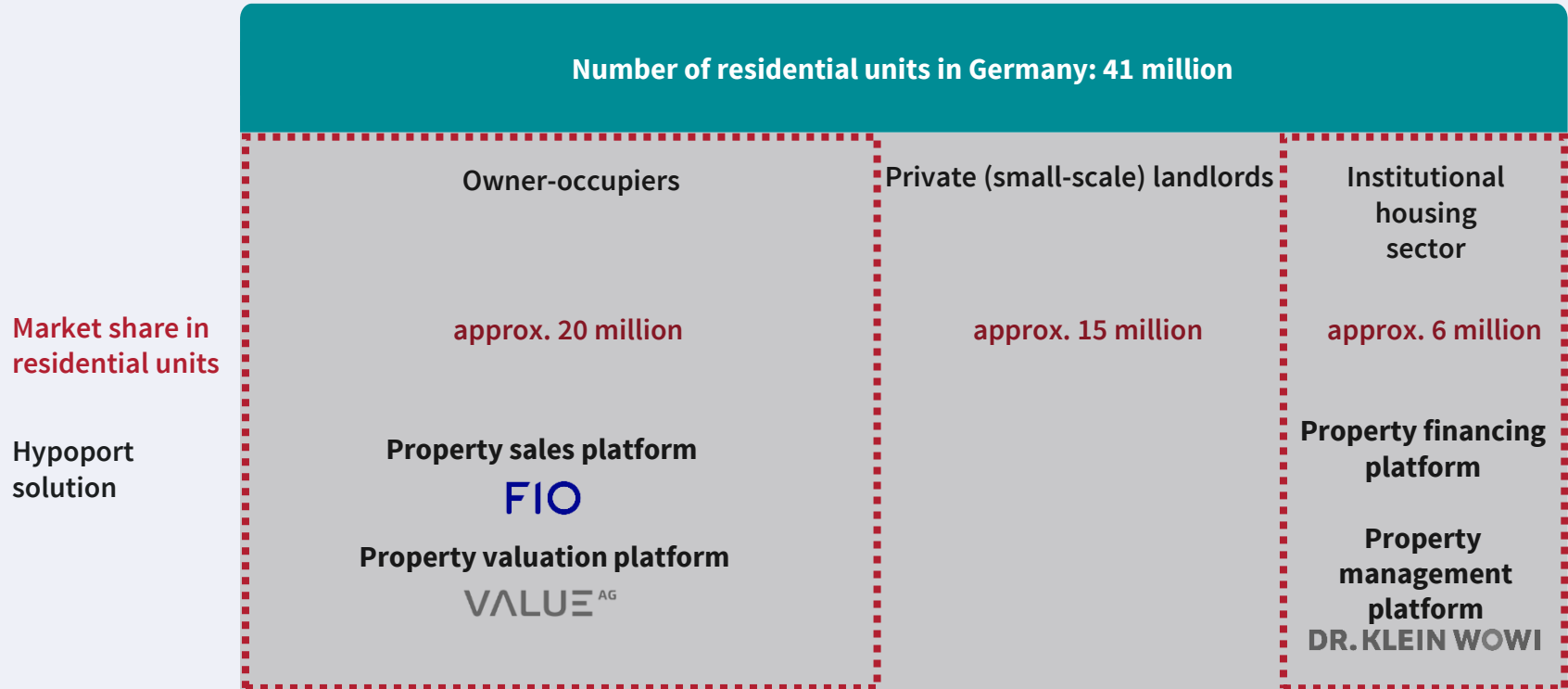
Business model & results



Real-estate industry

Potential in the digitalisation of the housing industry

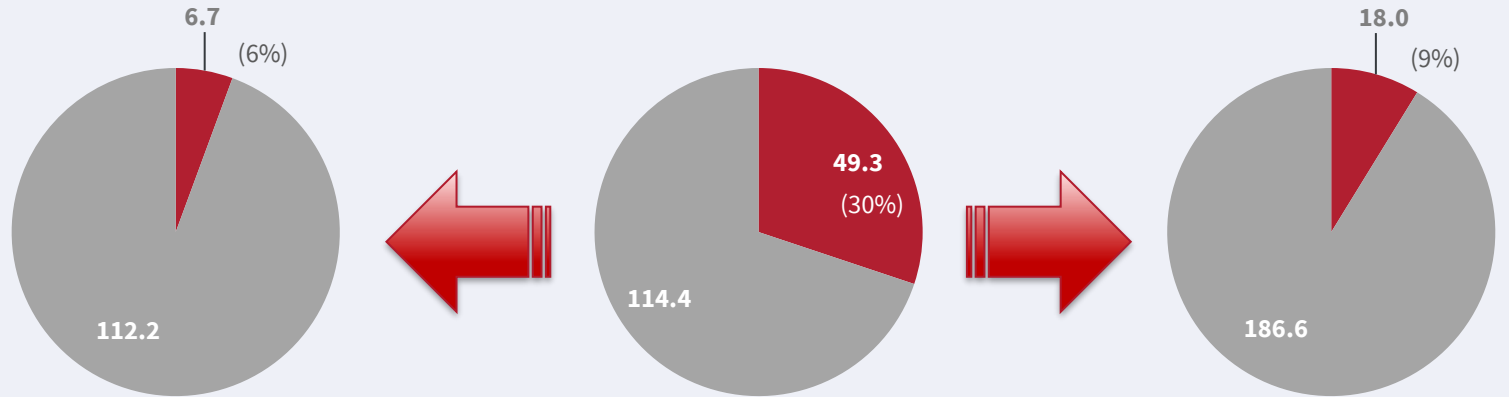
German real-estate industry market



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



● Total market (€ billion) in H1 2022
■ Marketing through FIO

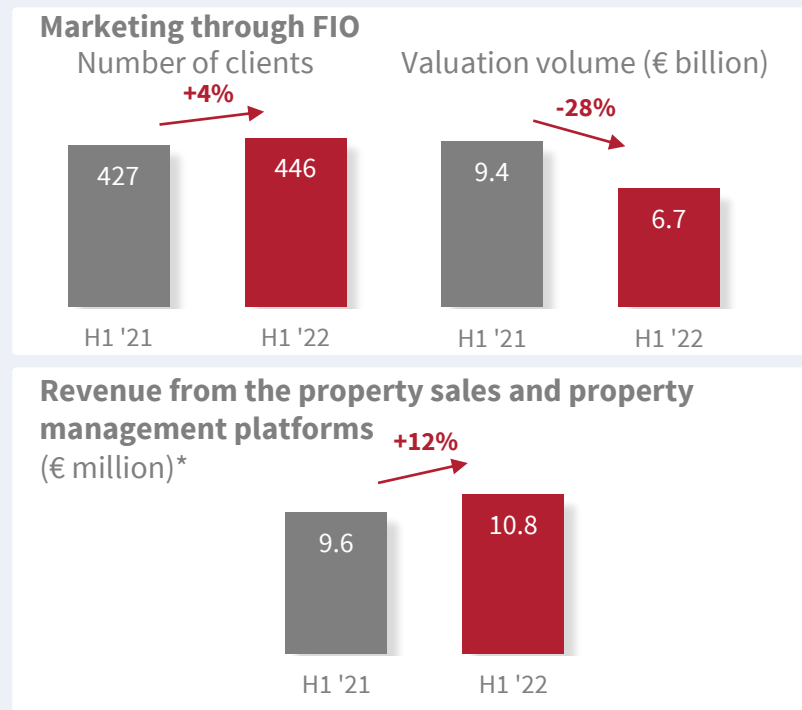
■ Funding through EUROPACE*

■ Valuation through VALUE AG

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

Scaling up of marketing through FIO is slowly gaining momentum

Real Estate Platform: property sales platform and property management platform

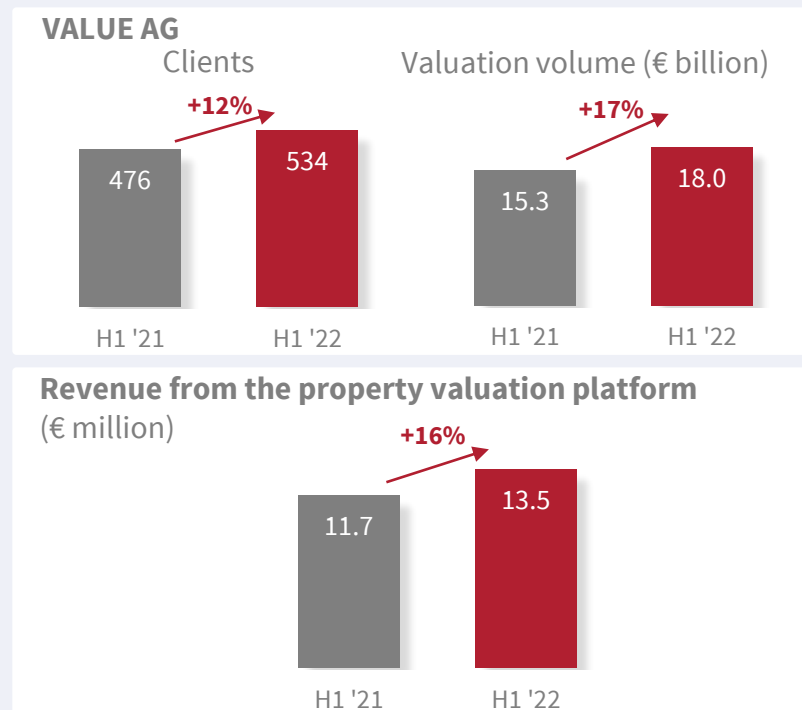


* Revenue of FIO SYSTEMS AG, Maklaro GmbH and Hypoport B.V. (PRoMMiSe).

- 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 the retail banks' loss of market share by a substantial margin

VALUE AG continued to grow dynamically

Real Estate Platform: property valuation platform

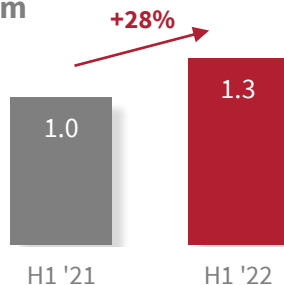


- The business model consists of integrated property valuations for the lending banks and the real-estate industry
- High level of capital expenditure on the digitalisation of business processes and the development of a comprehensive suite of outsourcing services for the credit industry
- Cross-selling 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
- Further start-up losses after huge headcount growth; focus on improving productivity and gaining market share
- Profitability temporarily depressed by BaFin's decision to roll back virtual viewings

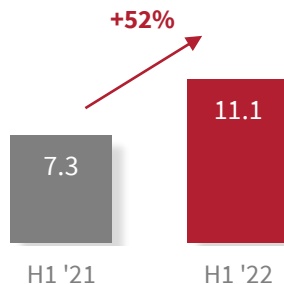
Momentum from volatility and rising interest rates

Real Estate Platform: property financing platform

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



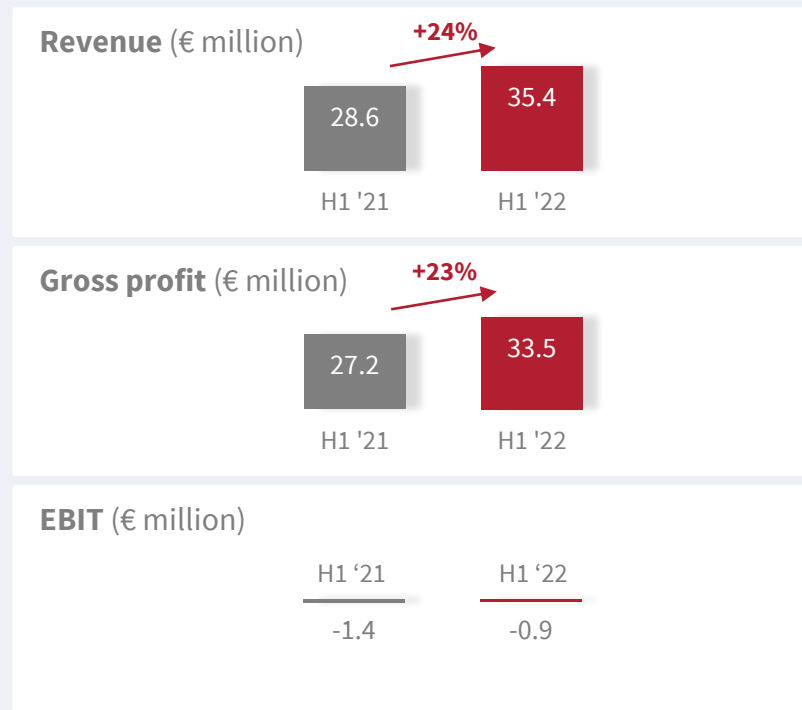
Revenue from the property financing platform
(€ million)



- 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 in the first half of 2022
- Revenue growth partly driven by interest-rate rises and interest-rate volatility, which have made the housing industry 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 capital expenditure for the future

Real Estate Platform: revenue, gross profit and EBIT



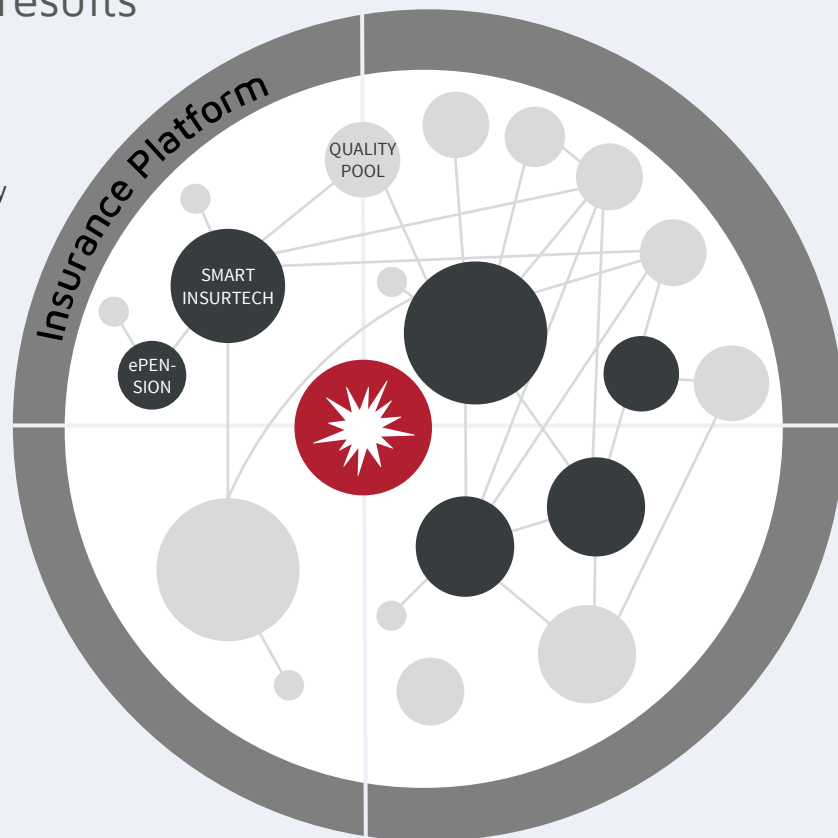
- Healthy to very healthy operating performance of all four platforms (property sales, valuation, financing and management)
- More meaningful prior-year comparison after strategic decision to move away from individual project business
- Cross-selling by the Credit Platform segment (Europace, FINMAS, 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

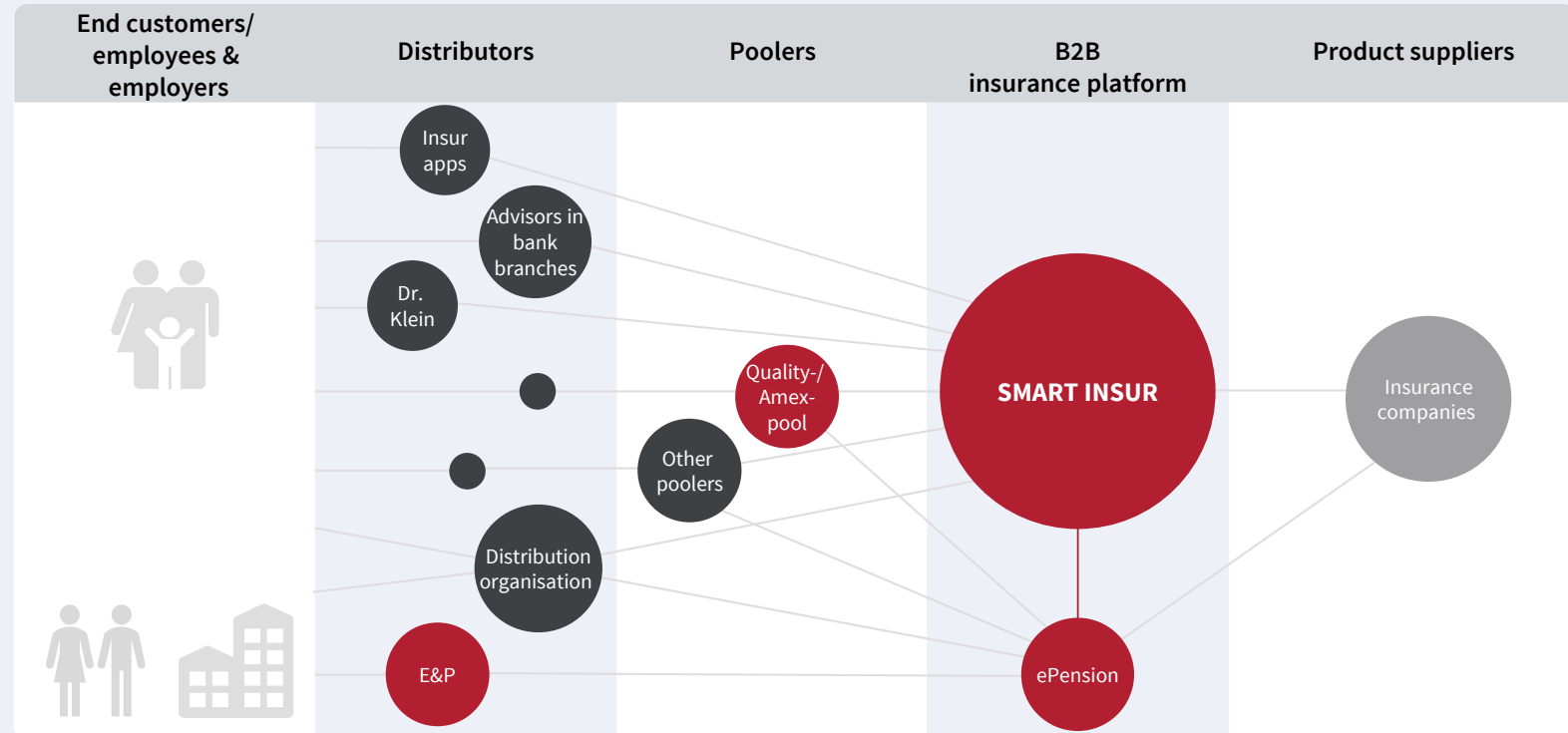


Insurance industry



Digitalisation of the insurance industry

Insurance Platform segment business model



Huge potential for growth in all product groups

Market share in the three product groups

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

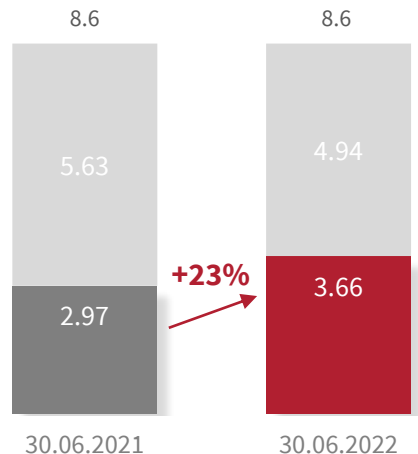


Sources: German Insurance Association (GDV) as at 27 January 2022, own estimates.

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)

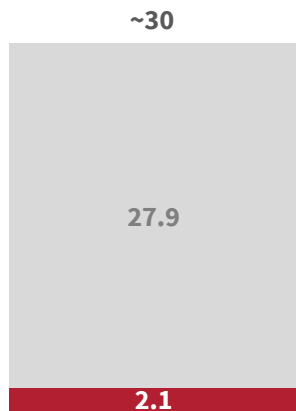


- Annual net premiums of approx. €8.6 billion are managed in the legacy systems of the acquired companies for private insurance policies
- Migrating these portfolios to the SMART INSUR platform is crucial to the establishment of premiums-based fee models in the sector
- SmIT is gradually validating these portfolios; validation rate now at 25%, compared with 18% in Q2 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 strategic options is ongoing

Insurance Platform: industrial insurance portfolios

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



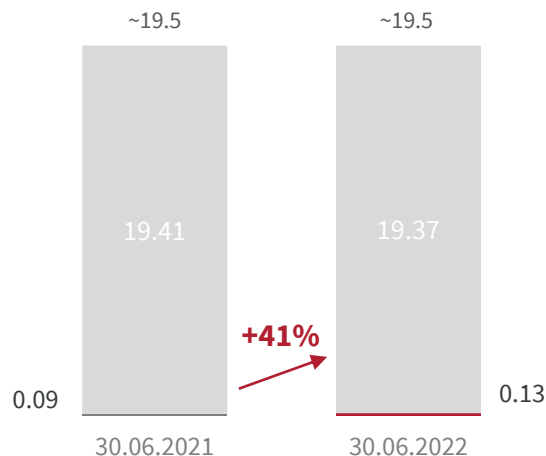
H1 2022

- As a result of acquisitions of software systems 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 is in progress

Huge potential for digitalisation in occupational pension market

Insurance Platform: occupational pension portfolios

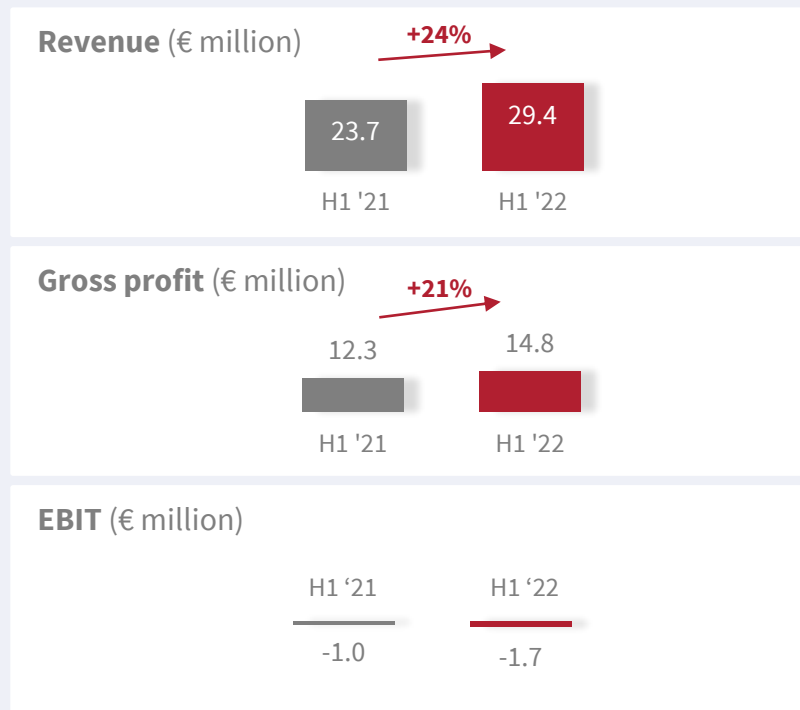
Annual net policy premiums on occupational pension portfolios (€ billion)



- ePension integrates all stakeholders in the occupational pension market, including HR departments of large companies, insurers, specialist distributors of occupational pension schemes / brokerage organisations and employees
- 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 into the up-and-coming product segment of occupational health insurance
- Pilot conducted with two new high-profile customers – Generali Deutschland and Debeka Lebensversicherung – in H1 2022

Focus on recurring revenue

Insurance Platform: revenue, gross profit and EBIT



- Additional clients were signed up for SMART INSUR and ePension in 2021 and H1 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 H1 2022 partly attributable to acquisition of AMEXPool; organic growth of just under 10%
- The overall target for 2022 is robust double-digit revenue growth

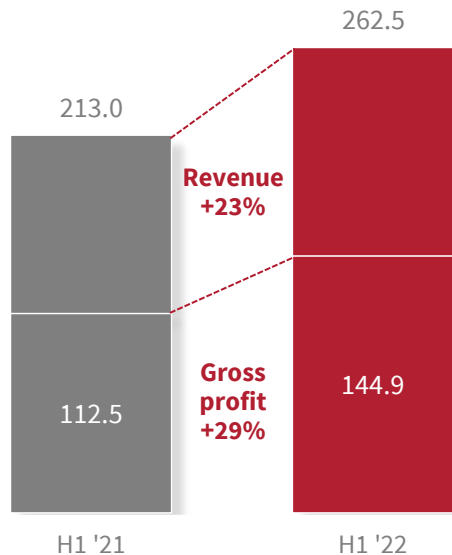
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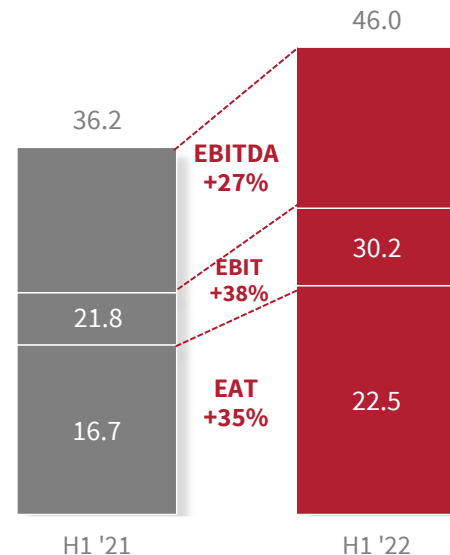
Stronger growth than in good prior-year period

Overview of Hypoport's key performance indicators

Performance (€ 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 very volatile 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 the diminishing impact of the pandemic.
Interest rates	<ul style="list-style-type: none">• Suddenly rising interest rates accelerate sales cycles in the owner-occupier segment, while periods of falling interest rates cause property sales lead times to lengthen again. Higher interest-rate levels tend to drive a shift towards the purchase of smaller/older properties, shorter fixed interest periods and lower repayment rates.• Rising interest rates make it less appealing for investors/private landlords to purchase properties in a regulated rental market, which should push up the proportion of properties purchased by owner-occupiers.
SME support	<ul style="list-style-type: none">• The corporate finance business has been boosted strongly by funding schemes for measures to improve the energy efficiency of buildings (BEG). The degree to which this performance is indicative of the future depends on whether the current government continues to provide equivalent funding schemes.
War in Ukraine	<ul style="list-style-type: none">• Geopolitical uncertainties are leading to higher interest rates (see above), fears of recession 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 in progress 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 and third-party distributors 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, buyers and all service providers
Industrial insurance	<ul style="list-style-type: none">• Validation process ongoing

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

1.2 **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 more than €1 billion

Shareholder structure and share information

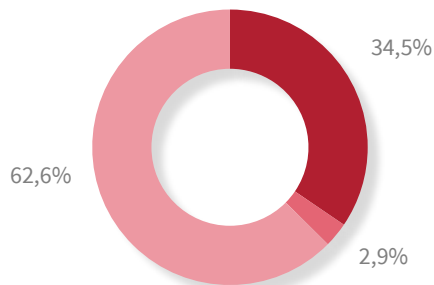
Breakdown of shareholders as at 30 June 2022

■ 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)

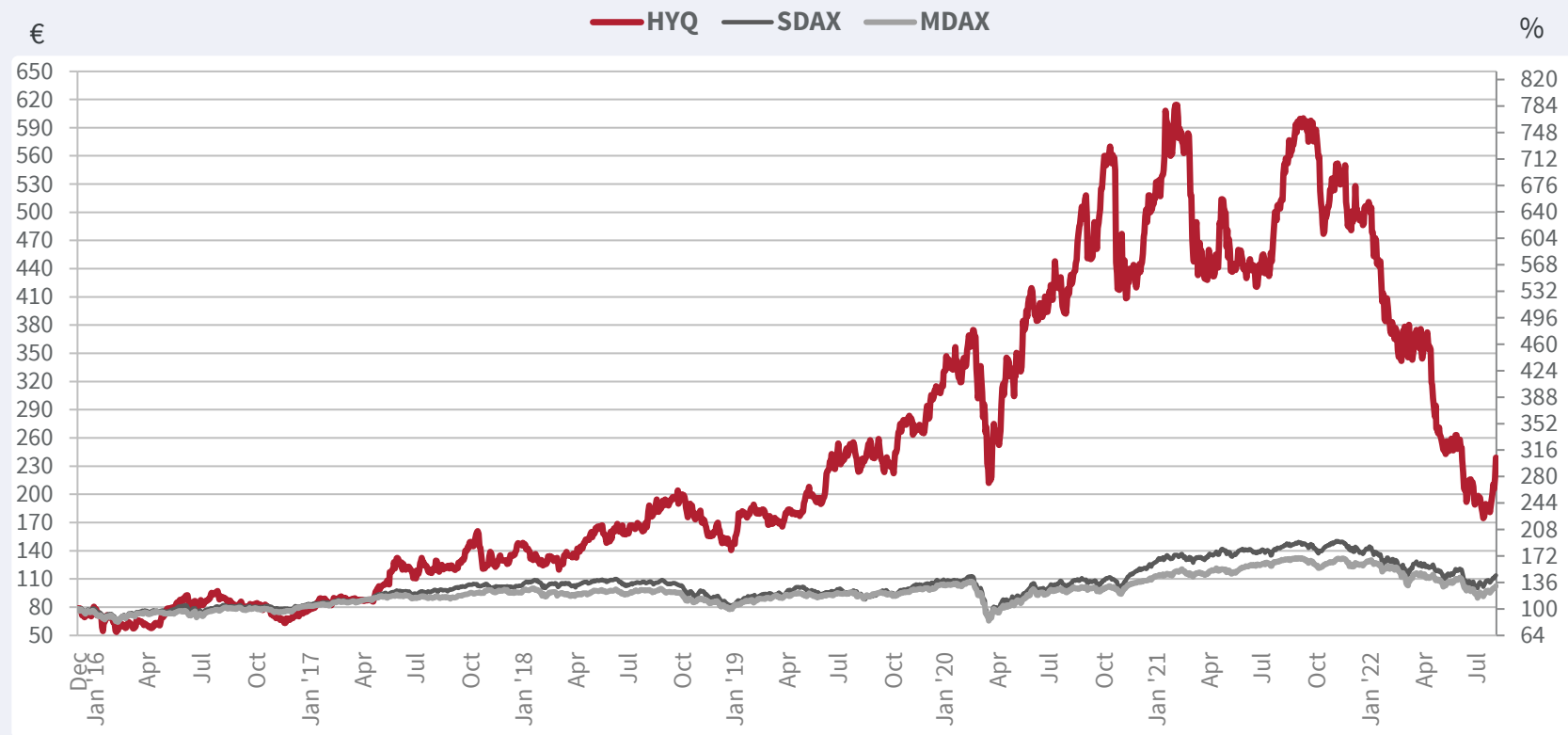


Key performance indicators

KPI	Details	Value
EPS	Earnings per share in H1 2022	€3.62
Number of shares	Total number of shares	6.493.376
Market cap	Market capitalisation as at 30 June 2022	~€1.2 billion
Trading volume	Average trading volume per day in H1 2022	~€3.5 million
High	Highest closing price in 2022	€507.00
Low	Lowest closing price in 2022	€189.10
Indices	SDAX, Prime All Share, CDAX, DAXplus Family, GEX	

Share price performance clearly superior to indices

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	€200.00	26 July 2022
Berenberg	Buy	€500.00	10 May 2022
BNP Paribas Exane	Underperform	€162.00	19 July 2022
Commerzbank	Buy	€550.00	28 April 2021
Pareto Securities	Buy	€500.00	26 July 2022
Warburg	Buy	€526.00	9 May 2022

Index and awards

- SDAX, 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.)	Lyon, Hamburg, Frankfurt	H1 2022
Roadshow (dig.)	UK (2x), USA, Ger/Aus/Swi (2x)	H1 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

14 November 2022

Results for Q3 2022

Mortgage finance – a high-potential market

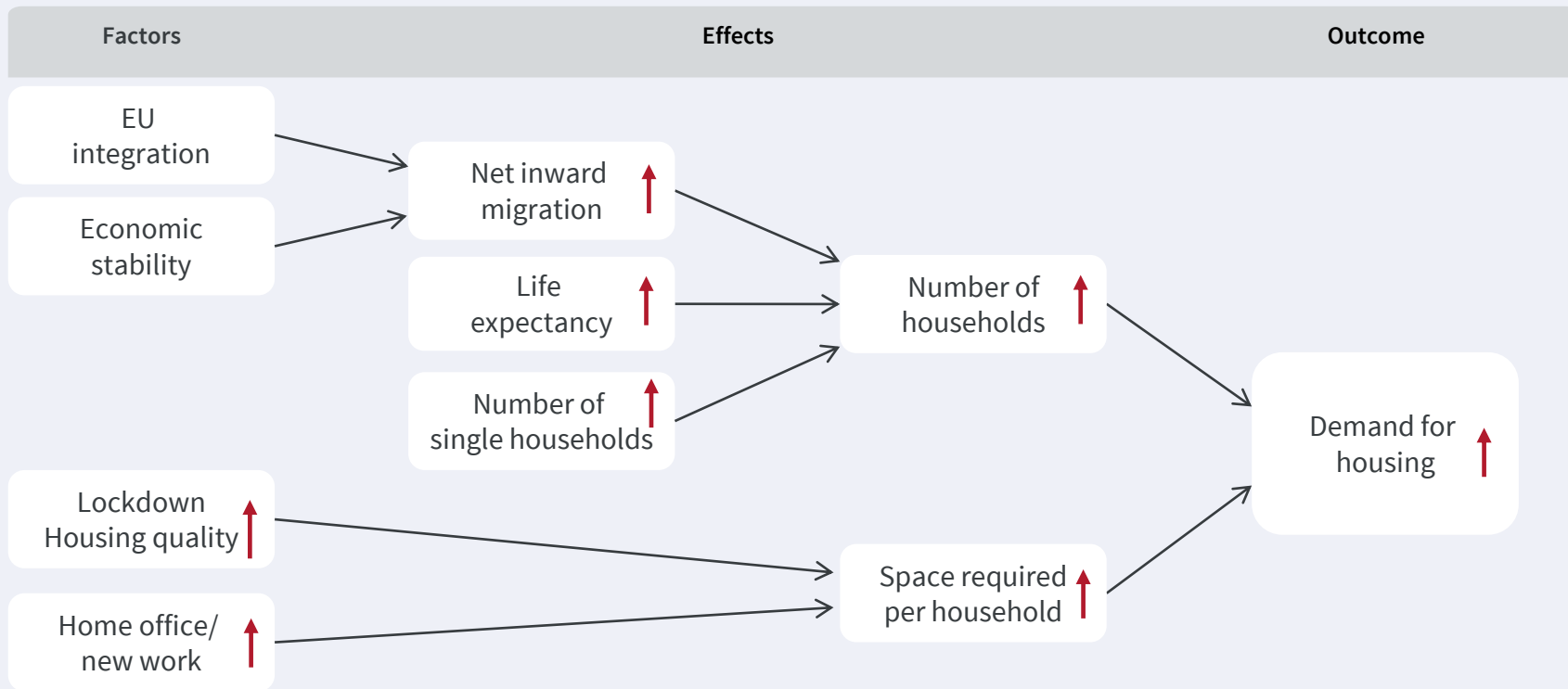
Factors influencing the private and institutional residential mortgage finance markets

	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.

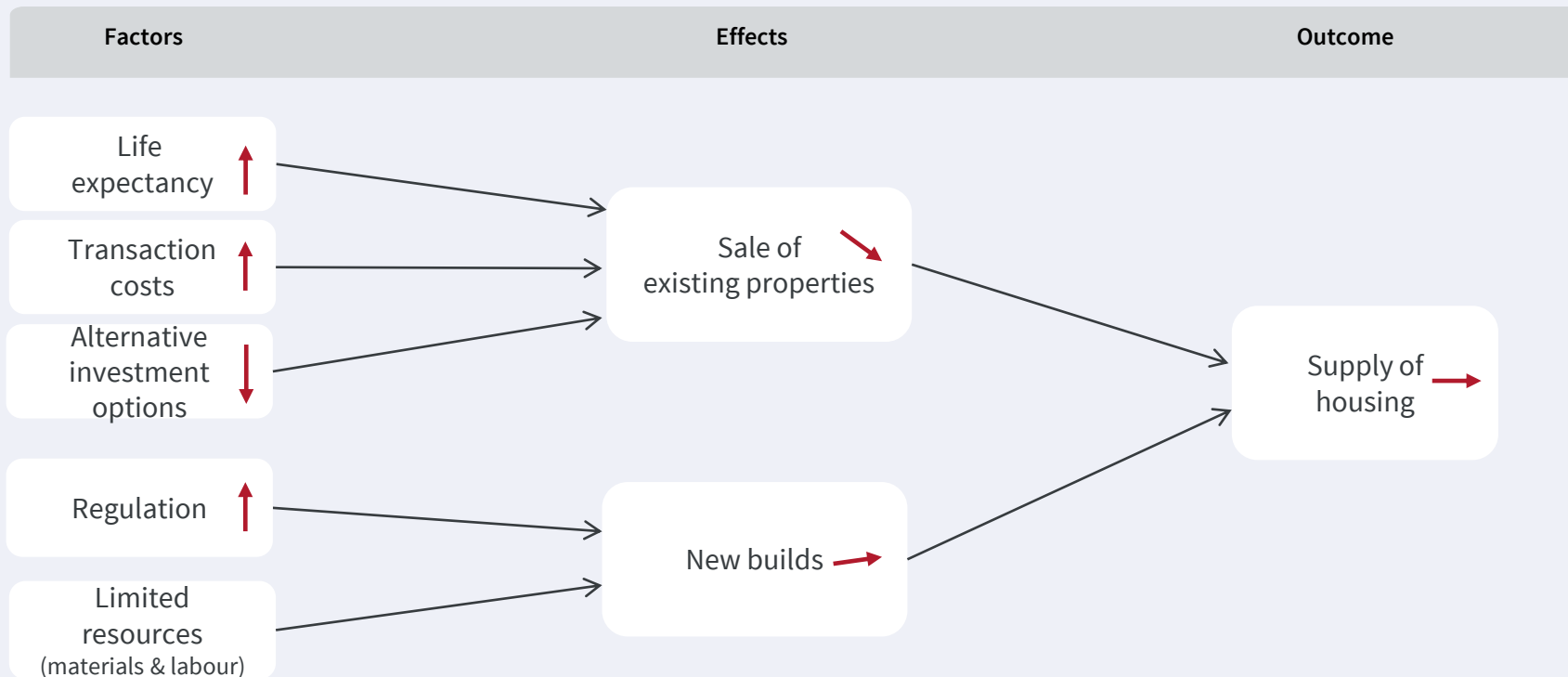
Neither interest rates nor short-term political topics are relevant

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 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