

Interim statement  
of Hypoport SE  
for the period ended  
30 Sep 2022

# Keyperformance indicators

<b>Revenue and earnings (€'000)</b>	<b>9M 2022</b>	<b>9M 2021</b>	<b>Q3 2022</b>	<b>Q3 2021</b>	<b>9M Change</b>
Revenue	367,500	325,324	105,001	112,280	● 13%
thereof Credit Platform	168,834	147,078	48,600	54,082	● 15%
thereof Private Clients	106,309	101,088	27,972	32,411	5%
thereof Real Estate Platform	49,698	42,744	14,323	14,169	● 16%
thereof Insurance Platform	43,993	35,620	14,569	11,969	■ 25%
thereof Holding & Reconciliation	-1,334	-1,206	-463	-351	□ -26%
Gross profit	206,359	175,459	61,431	62,966	● 18%
thereof Credit Platform	100,382	81,180	31,008	32,169	■ 24%
thereof Private Clients	36,225	34,457	9,522	11,137	5%
thereof Real Estate Platform	46,962	40,385	13,501	13,192	● 16%
thereof Insurance Platform	21,977	18,345	7,151	6,055	■ 20%
thereof Holding & Reconciliation	813	1,092	249	413	□ -26%
EBITDA	55,109	55,099	9,073	18,926	0%
EBIT	30,982	33,430	799	11,592	-7%
thereof Credit Platform	41,852	35,408	10,874	14,601	● 18%
thereof Private Clients	17,027	17,733	3,172	5,379	-4%
thereof Real Estate Platform	-6,527	-3,647	-5,674	-2,213	□ -79%
thereof Insurance Platform	-3,166	-2,119	-1,476	-1,101	□ -49%
thereof Holding & Reconciliation	-18,204	-13,945	-6,097	-5,074	□ -31%
EBIT margin (EBIT as a percentage of Gross profit)	15.0	19.1	1.3	18.4	□ -21%
Net profit for the year	24,081	25,362	1,546	8,645	-5%
attributable to Hypoport SE shareholders	24,588	25,277	1,786	8,699	-3%
Earnings per share (€) (undiluted/diluted)	3.90	4.01	0.28	1.38	-3%
<b>Financial position (€'000)</b>	<b>30 Sep 2022</b>	<b>31 Dec 2021</b>			<b>Change</b>
Current assets	117,758	136,168			□ -14%
Non-current assets	471,354	459,601			3%
Equity	278,068	253,432			● 10%
attributable to Hypoport SE shareholders	276,925	251,782			● 10%
Equity ratio (%)	47.2	42.5			● 11%
Total assets	589,112	595,769			-1%

## Overview of business performance

Hypoport SE made a very positive start to the year against a backdrop of extremely buoyant market conditions in the first quarter. The Group also delivered a satisfactory business performance in the second quarter as market momentum declined. As a result, revenue for the first half of the year was up by 23 per cent and, partly thanks to the good scalability of the platform business model, EBIT rose by 38 per cent. In the main area of business, mortgage finance, the start of the summer brought with it a sharp reduction in business activity by Hypoport's partners and platform users, which is fairly typical for the time of year. However, demand for mortgage finance then remained very subdued after the end of the holiday period. There was also a general reticence among partners in the institutional mortgage finance business and in the corporate finance business. These market conditions, combined with very high levels of investment in prior periods, produced the following results for the third quarter:

- Revenue fell by 6 per cent to €105 million (Q3 2021: €112 million).
- Gross profit shrank by 2 per cent to €61 million (Q3 2021: €63 million).
- EBITDA went down by 52 per cent to €9 million (Q3 2021: €19 million).
- EBIT decreased by 93 per cent to €1 million (Q3 2021: €12 million).
- Earnings per share slid by 80 per cent to €0.28 (Q3 2021: €1.38).

The Management Board of Hypoport SE has announced adjustments to the cost structure for the entire Group to reflect the current market situation, with the first steps being taken both in the third quarter and in the current fourth quarter.

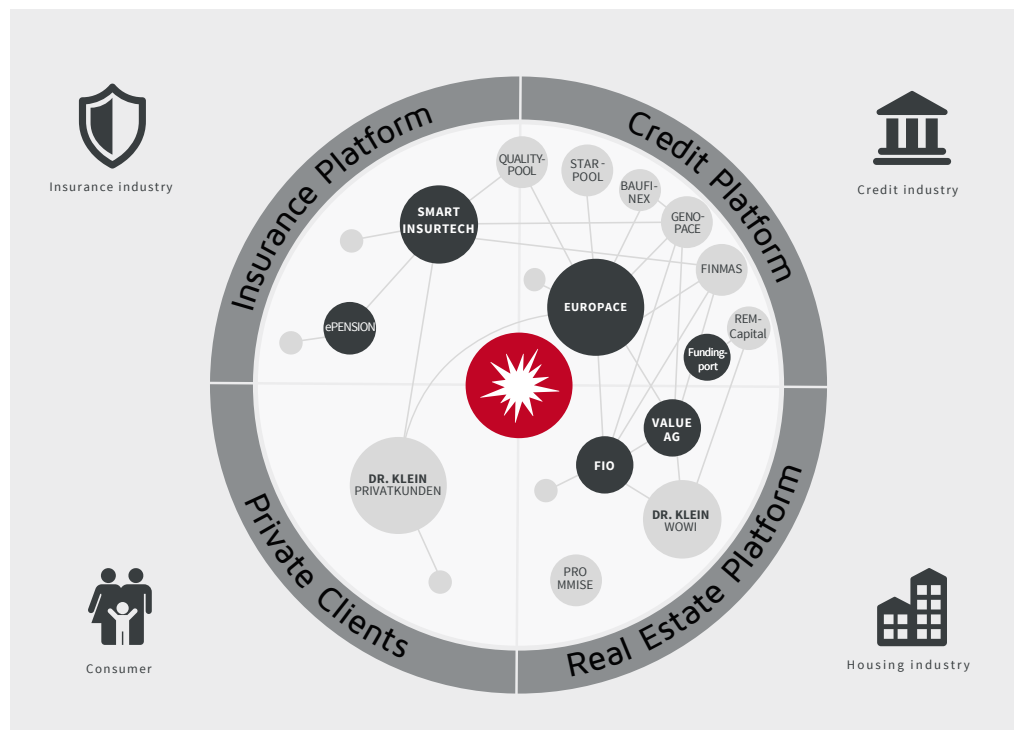
Despite the very weak market environment in the third quarter, the Hypoport Group achieved the following results for the first nine months of 2022 thanks to its good performance in the first and second quarter, as described above:

- Revenue rose by 13 per cent to €368 million (Q1–Q3 2021: €325 million).
- Gross profit advanced by 18 per cent to €206 million (Q1–Q3 2021: €175 million).
- EBITDA held steady at €55 million (Q1–Q3 2021: €55 million).
- EBIT dropped by 7 per cent to €31 million (Q1–Q3 2021: €33 million).
- Earnings per share fell by 3 per cent to €3.90 (Q1–Q3 2021: €4.01).

A detailed explanation of the performance of the individual segments can be found in the 'Business performance in detail' section below. For an explanation of the steps taken in the Hypoport Group in response to the current market situation, please refer to the 'Outlook' section.

## Business performance in detail

The shared objective of all Hypoport companies is the digitalisation of the credit, housing and insurance industries in Germany. To this end, the decentralised subsidiaries of Hypoport SE, which operate largely independently, are grouped into four segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform.



### Credit Platform segment

The segment centres around the online B2B lending marketplace Europace, which is the largest German marketplace for the sale of mortgage finance, building finance products and personal loans. Following an excellent start to the year, business activity on Europace was more subdued in the third quarter because customers were reluctant to take out mortgages. Despite significant growth in the supply of properties and slight price falls, the market for mortgage finance registered fewer transactions due to the combination of rapidly rising interest rates, extremely high inflation, concerns about a recession, surging construction costs and hopes that property prices will fall further.

The volume of transactions<sup>1</sup> processed on Europace increased by 5 per cent to €80 billion in the first nine months of 2022 but, in the third quarter, declined by 18 per cent to €20 billion compared with the corresponding quarter of 2021. The volume of transactions on FINMAS (the sub-marketplace for the savings bank sector) and GENOPACE (the sub-marketplace for the cooperative banking sector) went up by 8 per cent and 16 per cent to €8.4 billion and €10.9 billion respectively in the first three quarters of 2022, thereby outstripping the rate of increase for the marketplace as a whole. However, the sub-marketplaces recorded decreases in the third quarter of the year, of 23 per cent and 9 per cent respectively.

The greater volume of transactions on Europace and the growth of revenue from Qualitypool, a brokerage pool for independent loan brokerage advisors, led to an increase in revenue from the mortgage finance business models in the nine-month period. The revenue of corporate finance advisor REM Capital also jumped in comparison with the first three quarters of 2021. This was due to changes to the support grants and loans offered by Germany's KfW development bank, which led to a noticeable uptick in business activity. There was also a small rise in revenue from the white-label personal loans business.

A look at the third quarter of 2022 reveals a mixed picture. Because customers were reluctant to take out mortgages, resulting in a lower volume of transactions, revenue from this product group declined. The revenue of corporate finance advisor REM Capital was down sharply compared with what had been an exceptionally strong third quarter of 2021, whereas revenue from the white-label personal loans business fell only slightly.

*1 All figures relating to the volume of financial products sold (mortgage finance, building finance and personal loans) are stated before cancellations.*







As a result of these trends within the individual business models, the revenue of the Credit Platform segment swelled by 15 per cent to €169 million in the first nine months of 2022 and decreased by 10 per cent to €49 million in the third quarter. After deduction of selling expenses, gross profit went up by 24 per cent to €100 million in the first three quarters of the year and fell by 4 per cent to €31 million in the third quarter. The segment's EBITDA rose by 19 per cent to €49 million in the nine-month period despite high levels of investment in the next generation of Europace, establishment of the 'fundingport' corporate finance platform and expansion of key account resources, particularly for regional banks and personal loans. EBIT amounted to €42 million, an increase of 18 per cent compared with the first three quarters of 2021. Owing to ongoing high levels of investment, as mentioned above, EBITDA contracted by 20 per cent to €13 million and EBIT by 26 per cent to €11 million in the third quarter.

<b>Financial figures – Credit Platform</b>	<b>9M 2022</b>	<b>9M 2021</b>	<b>Q3 2022</b>	<b>Q3 2021</b>	<b>9M Change</b>
<b>Operative figures (€ billion)</b>					
Transaction volume (€ billion) <sup>1</sup>	80.0	76.3	19.8	24.1	5%
thereof Mortgage finance	65.0	63.4	15.7	20.0	3%
thereof building finance (Bausparen)	10.8	9.9	2.8	3.1	10%
thereof personal loans	4.2	3.1	1.3	1.1	37%
<b>Revenue and earnings (€ million)</b>					
Revenue	168.8	147.1	48.6	54.1	15%
Gross profit	100.4	81.2	31.0	32.2	24%
EBITDA	49.0	41.3	13.4	16.6	19%
EBIT	41.9	35.4	10.9	14.6	18%

### Private Clients segment

In the Private Clients segment, the web-based, non-captive financial product distributor Dr. Klein Privatkunden AG captured further market share during the first nine months of 2022 as a result of using Europace and deploying modern video conferencing technology for its advisory meetings. However, as was also the case in the Credit Platform segment, there were signs of consumers' growing reticence in the mortgage finance business from the summer onwards. As the Dr. Klein brand has a strong focus on this market, the decline in the Private Clients segment in the third quarter was slightly more pronounced than in the Credit Platform segment. The volume of new loans brokered by Dr. Klein advanced by 5 per cent to €7.8 billion in the first three quarters of 2022 but contracted by 23 per cent to €1.8 billion in the third quarter. Consequently, the revenue of the Private Clients segment as a whole rose by 5 per cent year on year in the nine-month period and fell by 14 per cent to €28 million in the third quarter. The gross profit remaining after deduction of selling expenses (lead acquisition fees and commission paid to franchisees) increased at the same rate (by 5 per cent) to €36 million in the first nine months of the year and decreased by 15 per cent to €10 million in the third quarter. The EBITDA of the Private Clients segment fell by 4 per cent to €17 million in the nine-month period and by 40 per cent to €3 million in the third quarter. This sharp drop was attributable to

diseconomies of scale in relation to existing fixed costs for managing the franchise network. EBIT changed in line with EBITDA, amounting to €17 million in the first three quarters of 2022 and €3 million in the third quarter.

<b>Financial figures – Private Clients</b>	<b>9M 2022</b>	<b>9M 2021</b>	<b>Q3 2022</b>	<b>Q3 2021</b>	<b>9M Change</b>
<b>Operative figures (€ billion)</b>					
Transaction volume (€ billion) <sup>1</sup>	7.8	7.4	1.8	2.3	 5%
Number of franchise advisors (financing)*	646	627	-	-	 3%
<b>Revenue and earnings (€ million)</b>					
Revenue	106.3	101.1	28.0	32.4	 5%
Gross profit	36.2	34.5	9.5	11.1	 5%
EBITDA	17.4	18.1	3.3	5.5	 -4%
EBIT	17.0	17.7	3.2	5.4	 -4%

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

### Real Estate Platform segment

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










The focus for the property sales platform was again on acquiring new clients and expanding the platform offering. The total value of all properties sold via the platform in the first nine months of the year amounted to €9.4 billion, a decrease of 26 per cent compared with the prior-year period. In the third quarter of 2022, this figure went down by 19 per cent to €2.7 billion. This was due to the smaller number of properties available for sale in both periods, combined with stagnant prices in the nine-month period and a slight fall in prices in the third quarter.

The value of the properties valued on the property valuation platform continued to rise, reaching record levels of €27 billion in the first three quarters of 2022 (up by 18 per cent) and €9 billion in the third quarter (also up by 18 per cent). The jump in the third quarter despite the declining mortgage finance volume can be explained by the high volume of orders in previous quarters. The decision of the German Federal Financial Supervisory Authority (BaFin) to end its permission for virtual inspections had a negative impact on revenue.

The volume of new loans brokered on the property financing platform for the housing industry rose by 11 per cent to €1.7 billion in the first nine months of 2022. As a result of the rapid rise in interest rates, surging construction and energy costs, and the waning appeal of the support programmes, the willingness to do business in the public-sector housing industry declined markedly in the third quarter, which meant that the volume of new loans brokered contracted by 27 per cent to €0.3 billion.

The focus for the property management platform was once again on acquiring new clients, and the success achieved in 2021 in this respect continued throughout the nine-month reporting period. At the end of September 2022, well over 150,000 homes were being managed on the platform or were being migrated to it.

The segment's overall revenue advanced by 16 per cent to €50 million in the first three quarters of 2022. In the third quarter, revenue increased by just 1 per cent to €14 million owing to the smaller revenue contribution from the property financing platform and due to the fact that lower-margin properties were valued on the property valuation platform. The Real Estate Platform segment continues to be the most important area of investment for the Hypoport Group in 2022. As foreseen in the half-year report, the positive EBITDA figure achieved in the first half of 2022 on the back of a strong willingness to do business on the property financing platform proved impossible to maintain in the third quarter as the market weakened and cost-effective virtual inspections were prohibited. BaFin's decision to end permission for virtual inspections and thus roll back the digitalisation of the inspection process necessitated a massive scaling up of resources that had a significant adverse impact on EBITDA of around €3 million. Consequently, EBITDA deteriorated year on year to stand at a loss of €4 million in the third quarter. Overall, EBITDA declined to a loss of €1 million and EBIT to a loss of €7 million in the nine-month period.

<b>Financial figures – Real Estate Platform</b>	<b>9M 2022</b>	<b>9M 2021</b>	<b>Q3 2022</b>	<b>Q3 2021</b>	<b>9M Change</b>
<b>Operative figures (€ billion)</b>					
Transaction volume of financing platform	1.7	1.5	0.3	0.5	 11%
Value properties sold via property sales platform	9.4	12.7	2.7	3.4	 -26%
Value properties valued by property valuation platform	26.7	22.7	8.7	7.4	 18%
<b>Revenue and earnings (€ million)</b>					
Revenue	49.7	42.7	14.3	14.2	 16%
thereof property financing platform	14.1	10.4	3.0	3.1	 36%
thereof Property management platform (ERP) and Property sales platform	15.9	14.6	5.1	5.0	 8%
thereof Property valuation platform	19.7	17.7	6.2	6.1	 11%
Gross profit	47.0	40.4	13.5	13.2	 16%
EBITDA	-1.1	1.2	-3.8	-0.6	
EBIT	-6.5	-3.6	-5.7	-2.2	 -79%



### Insurance Platform segment







The process initiated in the Insurance Platform segment at the end of 2021/start of 2022 to optimise the strategic focus through the creation of three distinct business units (private insurance, industrial insurance and occupational pension provision) continues to move forwards.

Migrating the private insurance portfolios from the legacy systems to the SMART INSUR platform is crucial to the establishment of a premiums-based fee model in the sector. Progress continues to be made, and a volume of around €3.8 billion in annual net premiums had been migrated by 30 September 2022, an increase of 14 per cent compared with 30 September 2021. The migration rate was thus over 40 per cent. In parallel with the migration, a process to validate the policy portfolios got under way in cooperation with the insurance companies in 2020. This validation is needed to be able to provide further added value for brokers, distribution organisations and insurance companies, e.g. robo-advice. There was a further rise in the validation rate of migrated policies to 25 per cent. The volume of portfolios validated has already surpassed the €1 billion mark in the current fourth quarter. As the performance of the Insurance Platform segment has been unsatisfactory for a number of quarters, the first steps were taken to adjust the cost structures.

In the industry insurance business, an evaluation process was initiated in 2021. It is expected to continue into the first half of 2023. In the occupational pensions business, the ePension platform signed up a number of new clients in the period under review.

As the business model is largely immune to macroeconomic volatility, the results for the Insurance Platform segment in the third quarter were essentially on a par with the first three quarters of the year.

The segment's revenue advanced by 24 per cent to €44 million in the first nine months of 2022, mainly thanks to the acquisition of AMEXPool. EBITDA declined slightly to €1 million and EBIT to a loss of €3 million.

<b>Financial figures – Insurance Platform</b>	<b>9M 2022</b>	<b>9M 2021</b>	<b>Q3 2022</b>	<b>Q3 2021</b>	<b>9M Change</b>
<b>Operative figures</b>					
Migrated volume of premiums (€ billion)	3.8	3.3	-	-	 14%
Validation rate (per cent)	25.4	20.5	-	-	 24%
<b>Revenue and earnings (€ million)</b>					
Revenue	44.0	35.6	14.6	12.0	 24%
Gross profit	22.0	18.3	7.2	6.1	 20%
EBITDA	0.6	0.9	-0.2	0.0	 -30%
EBIT	-3.2	-2.1	-1.5	-1.1	 -49%

## Financial position and financial performance

### Earnings

Against the backdrop of the robust operating performance in the first six months of 2022 and the more subdued market in the third quarter, as described above, the revenue of the Hypoport Group for the first three quarters of 2022 rose by 13 per cent year on year to €368 million (Q1–Q3 2021: €325 million). Net of selling expenses, gross profit went up by 18 per cent to €206 million (Q1–Q3 2021: €175 million). Looking at the third quarter in isolation, revenue fell by 6 per cent to €105 million (Q3 2021: €112 million) and gross profit by 2 per cent to €61 million (Q3 2021: €63 million).

Reflecting the continued expansion of the platforms, the establishment of new areas of operating business and the expansion of existing ones, and the growth of the central innovation teams within the Hypoport holding company, personnel expenses climbed by 17 per cent to €131 million in the first nine months of 2022 (Q1–Q3 2021: €113 million) and by 14 per cent to €44 million in the third quarter (Q3 2021: €39 million). Other operating expenses also increased due to the expansion of business in recent years, jumping by 43 per cent to €43 million in the nine-month period (Q1–Q3 2021: €30 million) and by 39 per cent to €15 million in the third quarter (Q3 2021: €11 million). The disproportionately strong growth of expenses was attributable to higher travel costs following the easing of coronavirus restrictions and, in particular, higher IT expenses. Investment in the ongoing expansion of the platforms continued to rise, advancing by 9 per cent to €37 million in the first three quarters of the year (Q1–Q3 2021: €34 million) and by 18 per cent to €13.3 million in the third quarter (Q3 2021: €11.3 million). Of the total for the nine-month period, €18 million was capitalised (Q1–Q3 2021: €17 million) and €19 million was expensed as incurred (Q1–Q3 2021: €17 million). In the third quarter, a sum of €6 million was capitalised (Q3 2021: €5 million) and a sum of €7 million was expensed as incurred (Q3 2021: €6 million).

The Management Board of the Hypoport Group has taken steps to adjust the level of costs to reflect the weakness that has prevailed since summer 2022 in the market for private and institutional mortgage finance and the market for corporate finance (see the ‘Outlook’ section). These cost reductions did not yet have an impact on the results for the third quarter of 2022 and will take effect from the first quarter of 2023 onwards.

As a result of revenue growth in the first half of the year, combined with a decrease in the third quarter and expenses that are still rising for now, the Hypoport Group’s EBITDA for the first three quarters of 2022 stood at €55 million, which was unchanged on the prior-year period. In the third quarter, EBITDA fell by 52 per cent to €9 million. Depreciation, amortisation expense and impairment losses amounted to €24 million in the first nine months of 2022 (Q1–Q3 2021: €22 million), of which €14 million (Q1–Q3 2021: €12 million) was attributable to intangible assets and €10 million (Q1–Q3 2021: €10 million) to property, plant and equipment. The latter mainly arose in connection with leases recognised in accordance with IFRS 16. The EBIT generated by the Hypoport Group decreased by 7 per cent to €31 million in the first three quarters of 2022 (Q1–Q3 2021: €33 million) and by 93 per cent to €1 million in the third quarter (Q3 2021: €12 million). Net profit for the period declined by 5 per cent to €24 million in the first nine months of the year (Q1–Q3 2021: €25 million) and by 82 per cent to €2 million in the third quarter (Q3 2021: €9 million).

### Balance sheet

As at 30 September 2022, the total assets of the Hypoport Group amounted to €589 million, which was virtually unchanged compared with the figure of €596 million as at 31 December 2021.

Non-current assets edged up to a total of €471 million (31 December 2021: €460 million). This figure included intangible assets of €345 million (31 December 2021: €323 million), mainly comprising goodwill of €229 million (31 December 2021: €222 million) and development costs for the platforms of €91 million (31 December 2021: €78 million). The other major element of non-current assets consisted of property, plant and equipment amounting to €97 million, which was down slightly due to depreciation (31 December 2021: €102 million). At €78 million, right-of-use assets recognised under leases for office buildings in accordance with IFRS 16 remained the largest component of property, plant and equipment. All other non-current assets together amounted to €29 million, a decrease of around €6 million (31 December 2021: €35 million). The main reason for this reduction was the derecognition of equity-accounted investments following the acquisition of the remaining shares in AMEXPool AG. These assets are now included in the consolidated financial statements in full (see the 'AMEXPool AG initial consolidation' table).

Current assets decreased to €118 million (31 December 2021: €136 million) due to a reduction in current receivables and lower cash holdings.

The net profit for the period meant that the equity attributable to the shareholders of Hypoport SE as at 30 September 2022 had grown by 10 per cent to €277 million (31 December 2021: €252 million). The equity ratio continued to improve, rising from 42.5 per cent to 47.2 per cent.

The decrease in non-current liabilities from €227 million as at 31 December 2021 to €212 million as at the reporting date stemmed primarily from the scheduled repayment of liabilities to banks. Total liabilities to banks (non-current and current) came to €102 million (31 December 2021: €114 million). Other non-current liabilities mainly consisted of purchase price liabilities resulting from a debtor warrant.

Current liabilities declined by 14 per cent to €100 million (31 December 2021: €115 million) owing to lower trade payables and a reduction in other current liabilities following the payment of purchase price liabilities resulting from debtor warrants.

### Cash flow

As there was only a slight change in net profit for the period in the first nine months of 2022, the Hypoport Group's cash flow held steady at €46 million (Q1–Q3 2021: €46 million). Including the increased level of cash used for working capital (minus €8 million, compared with €1 million in the first three quarters of 2021), the net cash generated by operating activities declined by 19 per cent to €38 million (Q1–Q3 2021: €47 million).

The net cash outflow for investing activities was virtually unchanged at €34 million (Q1–Q3 2021: €35 million).

Net cash used for financing activities amounted to €19 million (Q1–Q3 2021: net cash provided by financing activities of €2 million) because there were scheduled repayments of bank loans (€12 million) and no new borrowing from banks (Q1–Q3 2021: new borrowing from banks of €20 million).

As a result of these changes, cash and cash equivalents stood at €34 million as at 30 September 2022, which equates to a reduction of €15 million compared with the start of 2022.

### Employees

The number of Hypoport employees rose by 10 per cent compared with the end of 2021 to 2,570 (31 December 2021: 2,332 employees).

### Outlook

Our assessment of the sector-specific market environment has changed markedly since summer 2022 compared with our assessment published in the 2021 annual report.

The start of the summer brought with it a sharp reduction in business activity by Hypoport's partners and platform users, which is fairly typical for the time of year. However, demand for mortgage finance – the main area of business – then remained very subdued after the end of the holiday period. There was also a general reticence among partners in the institutional mortgage finance business and in the corporate finance business. Despite significant growth in the supply of properties and slight price falls, consumers in the market for mortgage finance – Hypoport's main market – are reluctant to go ahead with transactions due to the combination of rapidly rising interest rates, extremely high inflation, surging construction costs and concerns about a recession and hopes that property prices will fall further.

For these reasons, the results for 2022 will fall well short of the full-year forecast issued at the start of 2022 (consolidated revenue of between €500 million and €540 million and EBIT of €51 million to €58 million). As the Hypoport Management Board cannot predict whether consumer reticence in the mortgage finance business will dissipate over the remainder of the year or not, the Management Board withdrew the forecast for 2022 and announced this publicly on 22 September 2022.

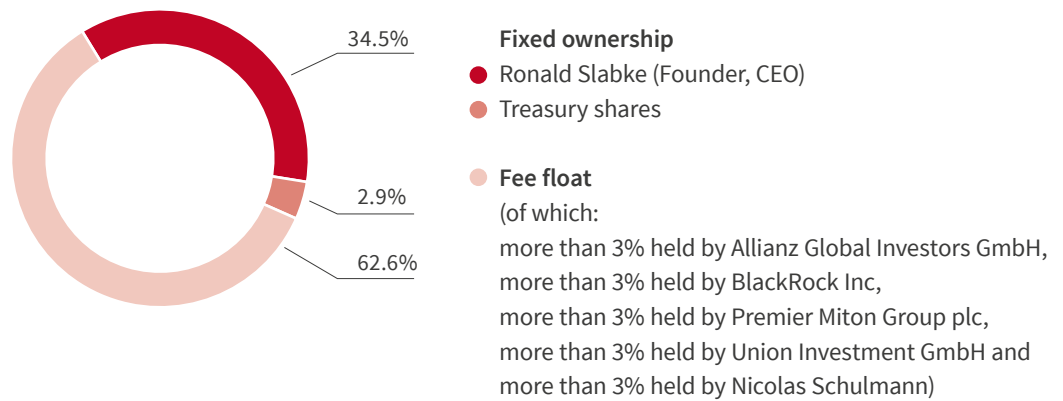
The Management Board of the Hypoport Group has taken steps to adjust the level of costs to reflect the weakness that has prevailed since summer 2022 in the market for private and institutional mortgage finance and the market for corporate finance. These adjustments include extensive reductions in operating costs across the Group and reductions in personnel capacity. The first of these steps were initiated at the end of the third quarter and are being implemented in the current fourth quarter. These cost reductions did not yet have an impact on the results for the third quarter of 2022 and will take effect from the first quarter of 2023 onwards.

Please note that this interim management statement contains statements about economic and political developments as well as the future performance of the Hypoport Group. These statements are assessments that we have reached on the basis of the information available to us at the present time. If the assumptions underlying these assessments do not prove to be correct or if other risks emerge, the actual results could deviate from the outcome we currently expect.

Berlin, 14 November 2022  
Hypoport SE – The Management Board

# Shareholder structure and investor relations

## Hypoport SE shareholder structure as at 30 September 2022:



## Activities in the capital markets

The intensity of investor relations activities remained high in the first nine months of 2022. Around 240 discussions with investors took place. Since March 2020, most meetings have been held via digital video chat due to the global coronavirus pandemic and the resulting restrictions on travel.

Event	Location	Date
Conferences	Lyon, Hamburg, Frankfurt (3x), London, Munich (2x), Paris	Q1–Q3 2022
Roadshows	UK (2x), USA, Ger/Aus/Swi (2x)	Q1–Q3 2022
Conferences	Amsterdam, Berlin, Frankfurt (2x), Hamburg, London, Lyon, Munich (2x), Paris, USA (2x)	2021
Roadshows	Ger/Aus/Swi, London (2x), USA	2021

# Financial information

## Consolidated income statement for the period 1 January to 30 September 2022

	9M 2022 €'000	9M 2021 €'000	Q3 2022 €'000	Q3 2021 €'000
Revenue	367,500	325,324	105,001	112,280
Commissions and lead costs	-161,141	-149,865	-43,570	-49,314
<b>Gross profit</b>	<b>206,359</b>	<b>175,459</b>	<b>61,431</b>	<b>62,966</b>
Own work capitalised	18,408	17,109	6,166	5,375
Other operating income	4,996	4,946	1,588	917
Personnel expenses	-131,488	-112,532	-44,429	-39,140
Other operating expenses	-42,789	-29,907	-15,413	-11,062
Income from companies accounted for using the equity method	-377	24	-270	-130
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>55,109</b>	<b>55,099</b>	<b>9,073</b>	<b>18,926</b>
Depreciation, amortisation expense and impairment losses	-24,127	-21,669	-8,274	-7,334
<b>Earnings before interest and tax (EBIT)</b>	<b>30,982</b>	<b>33,430</b>	<b>799</b>	<b>11,592</b>
Financial income	40	14	31	5
Finance costs	-2,349	-2,641	-737	-938
<b>Earnings before tax (EBT)</b>	<b>28,673</b>	<b>30,803</b>	<b>93</b>	<b>10,659</b>
Income taxes and deferred taxes	-4,592	-5,441	1,453	-2,014
<b>Net profit for the period</b>	<b>24,081</b>	<b>25,362</b>	<b>1,546</b>	<b>8,645</b>
attributable to non-controlling interests	-507	85	-240	-54
attributable to Hypoport SE shareholders	24,588	25,277	1,786	8,699
<b>Earnings per share (€) (undiluted/diluted)</b>	<b>3.90</b>	<b>4.01</b>	<b>0.28</b>	<b>1.38</b>

## Consolidated statement of comprehensive income for the period 1 January 2022 to 30 September 2022

	9M 2022 €'000	9M 2021 €'000	Q3 2022 €'000	Q3 2021 €'000
<b>Net profit for the period</b>	<b>24,081</b>	<b>25,362</b>	<b>1,546</b>	<b>8,645</b>
Total income and expenses recognised in equity*)	0	0	0	0
<b>Total comprehensive income</b>	<b>24,081</b>	<b>25,362</b>	<b>1,546</b>	<b>8,645</b>
attributable to non-controlling interests	-507	85	-240	-54
attributable to Hypoport SE shareholders	24,588	25,277	1,786	8,699

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

## Consolidated balance sheet as at 30 Sept 2022

	30 Sep 2022 €'000	31 Dec 2021 €'000
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	344,698	322,891
Property, plant and equipment	97,157	101,892
Investments accounted for using the equity method	5,870	15,611
Financial assets	824	779
Trade receivables	6,394	5,738
Other assets	353	345
Deferred tax assets	16,058	12,345
	<b>471,354</b>	<b>459,601</b>
<b>Current assets</b>		
Inventory	1,637	1,498
Trade receivables	71,967	77,877
Other assets	9,570	6,200
Income tax assets	555	1,671
Cash and cash equivalents	34,029	48,922
	<b>117,758</b>	<b>136,168</b>
	<b>589,112</b>	<b>595,769</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Subscribed capital	6,493	6,493
Treasury shares	-190	-193
Reserves	270,622	245,482
	<b>276,925</b>	<b>251,782</b>
Non-controlling interests	1,143	1,650
	<b>278,068</b>	<b>253,432</b>
<b>Non-current liabilities</b>		
Bank liabilities	85,504	97,538
Rental charges and operating lease expenses	72,693	75,589
Provisions	88	88
Other liabilities	29,371	32,078
Deferred tax liabilities	23,865	21,632
	<b>211,521</b>	<b>226,925</b>
<b>Current liabilities</b>		
Bank liabilities	16,107	16,106
Rental charges and operating lease expenses	8,412	8,180
Provisions	525	528
Trade payables	44,578	50,725
Current income tax liabilities	1,372	951
Other liabilities	28,529	38,922
	<b>99,523</b>	<b>115,412</b>
	<b>589.112</b>	<b>595.769</b>



## Abridged consolidated statement of changes in equity for the nine months ended 30 September 2022

<b>2021 in €'000</b>	<b>Subscribed capital</b>	<b>Treasury sharese</b>	<b>Capital reserves</b>	<b>Retained earnings</b>	<b>Equity attributable to Hypoport SE shareholders</b>	<b>Equity attributable to non-con- trolling interests</b>	<b>Equity</b>
Balance as at 1 January 2021	6,493	-194	65,773	148,384	220,456	936	221,392
Dissemination of own shares	0	1	1,150	8	1,159	0	1,159
Changes to the basis of consoli- dation	0	0	0	0	0	300	300
Total compre- hensive income	0	0	0	28,673	28,673	85	28,758
<b>Balance as at 30 September 2021</b>	<b>6,493</b>	<b>-193</b>	<b>66,923</b>	<b>177,065</b>	<b>250,288</b>	<b>1,321</b>	<b>251,609</b>
<b>2022 in €'000</b>	<b>Subscribed capital</b>	<b>Treasury sharese</b>	<b>Capital reserves</b>	<b>Retained earnings</b>	<b>Equity attributable to Hypoport SE shareholders</b>	<b>Equity attributable to non-con- trolling interests</b>	<b>Equity</b>
Balance as at 1 January 2022	6,493	-193	66,925	178,557	251,782	1,650	253,432
Dissemination of own shares	0	3	516	36	555	0	555
Total compre- hensive income	0	0	0	24,588	24,588	-507	24,081
<b>Balance as at 30 September 2022</b>	<b>6,493</b>	<b>-190</b>	<b>67,441</b>	<b>203,181</b>	<b>276,925</b>	<b>1,143</b>	<b>278,068</b>

**Consolidated cash flow statement for the period 1 January to 30 September 2022**

	<b>9M 2022</b> <b>€'000</b>	<b>9M 2021</b> <b>€'000</b>
Earnings before interest and tax (EBIT)	30,982	33,430
Non-cash income / expense	-5,627	-1,995
Interest received	40	14
Interest paid	-2,349	-2,641
Income taxes paid	-3,275	-4,997
Change in deferred taxes	2,642	71
Income from companies accounted for using the equity method	377	-24
Depreciation on non-current assets	24,127	21,669
Income from disposal of intangible assets and property, plant and equipment and financial assets	-760	100
<b>Cash flow</b>	<b>46,157</b>	<b>45,627</b>
Increase / decrease in current provisions	-3	-361
Increase / decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	6,506	1,267
Increase / decrease in trade payables and other liabilities not attributable to investing or financing activities	-14,812	350
<b>Change in working capital</b>	<b>-8,309</b>	<b>1,256</b>
<b>Cash flows from operating activities</b>	<b>37,848</b>	<b>46,883</b>
Payments to acquire property, plant and equipment / intangible assets	-27,385	-28,220
Proceeds from disposals of property, plant and equipment / intangible assets	1,498	0
Cash outflows for acquisitions less acquired cash	-7,908	-7,167
Proceeds from the disposal of financial assets	5	541
Purchase of financial assets	-50	-412
<b>Cash flows from investing activities</b>	<b>-33,840</b>	<b>-35,258</b>
Repayments of lease liabilities	-6,834	-6,405
Proceeds from the drawdown of financial loans	0	20,000
Redemption of financial loans	-12,067	-11,320
<b>Cash flows from financing activities</b>	<b>-18,901</b>	<b>2,275</b>
Net change in cash and cash equivalents	-14,893	13,900
Cash and cash equivalents at the beginning of the period	48,922	33,513
<b>Cash and cash equivalents at the end of the period</b>	<b>34,029</b>	<b>47,413</b>

## Abridged segment reporting for the period 1 January to 30 September 2022

€'000	Credit Platform	Private Clients	Real Estate Platform	Insurance Platform	Holding	Reconciliation	Group
<b>Segment revenue in respect of third parties</b>							
9M 2022	167,682	106,150	49,217	43,638	813	0	367,500
9M 2021	145,828	100,870	42,546	34,988	1,092	0	325,324
Q3 2022	48,278	27,928	14,104	14,442	249	0	105,001
Q3 2021	53,679	32,382	14,095	11,711	413	0	112,280
<b>Segment revenue in respect of other segments</b>							
9M 2022	1,152	159	481	355	23,805	-25,952	0
9M 2021	1,250	218	198	632	21,868	-24,166	0
Q3 2022	322	44	219	127	8,130	-8,842	0
Q3 2021	403	29	74	258	7,149	-7,913	0
<b>Total segment revenue</b>							
9M 2022	168,834	106,309	49,698	43,993	24,618	-25,952	367,500
9M 2021	147,078	101,088	42,744	35,620	22,960	-24,166	325,324
Q3 2022	48,600	27,972	14,323	14,569	8,379	-8,842	105,001
Q3 2021	54,082	32,411	14,169	11,969	7,562	-7,913	112,280
<b>Gross profit</b>							
9M 2022	100,382	36,225	46,962	21,977	24,618	-23,805	206,359
9M 2021	81,180	34,457	40,385	18,345	22,960	-21,868	175,459
Q3 2022	31,008	9,522	13,501	7,151	8,379	-8,130	61,431
Q3 2021	32,169	11,137	13,192	6,055	7,562	-7,149	62,966
<b>Segment earnings before interest, tax, depreciation and amortisation (EBITDA)</b>							
9M 2022	49,032	17,436	-1,113	631	-10,877	0	55,109
9M 2021	41,291	18,134	1,212	907	-6,445	0	55,099
Q3 2022	13,382	3,303	-3,818	-175	-3,619	0	9,073
Q3 2021	16,629	5,503	-570	-25	-2,611	0	18,926
<b>Segment earnings before interest and tax (EBIT)</b>							
9M 2022	41,852	17,027	-6,527	-3,166	-18,204	0	30,982
9M 2021	35,408	17,733	-3,647	-2,119	-13,945	0	33,430
Q3 2022	10,874	3,172	-5,674	-1,476	-6,097	0	799
Q3 2021	14,601	5,379	-2,213	-1,101	-5,074	0	11,592
<b>Segment assets</b>							
30 Sep 2022	146,390	29,972	164,026	155,777	92,947	0	589,112
31 Dec 2021	154,048	31,359	160,510	145,321	104,531	0	595,769

# Disclosures regarding the financial information

## **Accounting policies**

The accounting policies applied are those used in 2021, with the following exceptions:

- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Various improvements to IFRS (2018–2020)

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

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

The Hypoport Group carried out the following significant corporate transactions in 2022:

On 26 January 2022, an existing purchase option was exercised to acquire the remaining 50.003 per cent of the shares in AMEXPool AG ('AMEX'), Buggingen. AMEX specialises in insurance for businesses, particularly non-life insurance for businesses and motor vehicle insurance. The acquisition of AMEX expands the Hypoport Group's range of insurance products. The purchase price for all of AMEX's shares is €12.6 million. Of this total, €5.0 million had been paid in 2020. The remaining €7.6 million became due for payment at the end of January 2022 when the option was exercised. The purchase consideration was largely attributable to insurance portfolios, a brand name and goodwill.

Because there was no contingent consideration agreement, under which the payments would automatically be forfeited if the employment contract ended (IFRS 3.B55(a)), and because the purchase consideration (taking account of the fixed element) is not already at the upper end of the range of possible enterprise values, the purchase of AMEX was accounted for as an acquisition under IFRS 3.

AMEX's activities have been allocated to the Insurance Platform segment. Since the date of acquisition, AMEX has contributed €6.9 million to revenue and €0.6 million to net profit for the period. If the business combination had taken place at the start of the year, consolidated revenue would have amounted to €268.4 million and net profit for the period to €24.1 million.

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

<b>AMEXPool AG initial consolidation</b>	<b>Fair value recognises on acquisition €'000</b>
<b>Assets</b>	
Intangible assets	3,818
Property, plant and equipment	335
Trade receivables	1,388
Other current items	2,265
Cash and cash equivalents	8,305
	<b>16,111</b>
<b>Liabilities</b>	
Rental charges and operating lease expenses	(279)
Trade payables	(5,486)
Other liabilities	(3,290)
Deferred tax liabilities	(1,162)
	<b>(10,217)</b>
<b>Total identifiable net assets at fair value</b>	<b>5,894</b>
Fair value of the stake held previously	4,971
Purchase consideration transferred	(7,596)
Goodwill arising on acquisition	<b>6,673</b>
<b>Analysis of cash flows on acquisition:</b>	
Net cash acquired with the subsidiary (included in Cashflow from investing activities)	8,305
Cash paid	(12,596)
Net cash outflow	<b>(4,290)</b>

The purchase price allocation was carried out by an external auditing firm and is to be regarded as completed.

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

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

### **Opportunities and risks**

Business activities always entail the assumption of risk. This often results in opportunities too. The Hypoport Group therefore consciously takes on risks in order to create the right conditions for its continued growth, profitability and efficiency in the future. Making full use of opportunities lies at the heart of the Hypoport Group's success. The Company assesses changes in the general risk situation on an ongoing basis and, where necessary, adjusts its interim and long-term planning accordingly.

The prolongation of the war in Ukraine or the imposition of a gas embargo could continue to have an adverse impact on consumer demand in the short and medium term. Other risks include sharp rises in inflation, construction costs, and/or interest rates and a resurgence of the coronavirus pandemic, which could make consumers even less inclined to take out mortgages. A potential fall in demand, paired with further interest-rate hikes by central banks, could also result in an extended period of recession in Germany. A combination of these factors could continue to lead to reduced growth and productivity for the Hypoport Group.

Please refer to the opportunities and risks report that forms part of the group management report in our 2021 annual report. It provides a comprehensive presentation of our business model's long-term risks and opportunities, which – except as described above – remained largely unchanged in the period currently under review.

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

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

### **Events after the reporting period**

After the balance sheet date, the Management Board of the Hypoport Group initiated steps to adjust the level of costs to reflect the weakness of the market since summer 2022. Some of these steps have already been implemented. The Management Board believes that these cost reductions will take effect from the first quarter of 2023 onwards.

No other material events have occurred that are of particular significance to the financial position and financial performance of the Hypoport Group in 2022.

Berlin, 14 November 2022  
Hypoport SE – The Management Board

**2022/2023 financial calendar:**

<b>Datum</b>	
Monday, 14 November 2022	Publication of interim management statement during second half of 2022
Monday, 13 March 2023	Preliminary financial results for 2022, including conference call ('analysts' meeting')
Monday, 27 March 2023	Publication of 2022 annual report
Monday, 8 May 2023	Publication of interim management statement during first half of 2023
Monday, 14 August 2023	Publication of 2023 half-year report
Monday, 13 November 2023	Publication of interim management statement during second half of 2023

**Note:**

This interim management statement is available in German and English. The German version is always authoritative. The interim management statement can be found online at [www.hypoport.com](http://www.hypoport.com).

This interim management statement contains forward-looking statements that are based on the current experience, assumptions and forecasts of the Management Board and on currently available information. The forward-looking statements are not a guarantee that any future developments or results mentioned will actually materialise. Future developments and results are dependent on a number of factors, subject to various risks and uncertainties, and based on assumptions that may not prove to be correct. These risk factors include, but are not limited to, the risk factors set forth in the risk report in the most recent annual report. We do not undertake to update the forward-looking statements made in this interim management statement.

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