

Press release

Preliminary results of the Group for 2022

Hypoport copes with turbulent year 2022

- Consolidated revenue edges up by 2 per cent to €455 million in 2022
- Market-driven fall in EBIT of 48 per cent to €25 million

Berlin, 13 March 2023: According to preliminary figures, the Hypoport Group's revenue rose slightly to €455 million in the past 2022 financial year. Due to the negativ development of the mortgage finance market in the second half of the year, EBIT for the full year fell to €25 million.

Triggered by strained supply chains in the wake of Corona and - as a result of the Russian war of aggression on Ukraine - extremely high and volatile energy prices, galloping inflation over the course of the year caused long-term interest rates to rise to unprecedented levels, with a massive impact on Hypoport's most important market, mortgage finance.

In the first half of 2022, this interest-rate trend led to an even greater consumers' propensity to take initial or follow-up mortgage finance and even resulted in the most successful quarter in Hypoport's history in Q1 2022.

The significant rise in the cost of mortgage finance led to a sharp decline in market volume from the summer months of 2022 onwards, as only slowly falling property prices and rising construction costs made it much more difficult for very many consumers to find affordable properties.

The **Credit Platform segment**, with the internet-based B2B credit marketplace Europace at its core, developed sideways on a full-year basis due to the market development described in 2022, despite high growth in the first half of the year. The transaction volume on the Europace platform decreased slightly by 7% to €96 billion on a full-year basis compared to 2021, despite gaining market share. The supporting broker pools recorded a similar development. The white-label loan business remained stable. The corporate finance advisory REM CAPITAL recorded growth in 2022 as a whole, but the worsening macroeconomic conditions also led to a noticeable slowdown in momentum in the second half of the year. Total segment turnover remained stable at € 207 million. EBIT fell to € 44 million.

The **Private Clients segment** with the central B2C brand Dr. Klein gained further market share in the extremely declining overall market despite a 7% reduction in brokerage volume to €9.2 billion. Revenue in the Private Clients segment fell by 8% to €125 million. EBIT fell to € 19 million.

Relative to its revenue, the **Real Estate Platform segment** has been the biggest area of investment within the Hypoport Group since 2020. Here, 2021 and 2022 were characterised by high levels of investment in the transformation of the acquired companies and the residential platform. As a result, investments were again made in holistic, digital processes for both the residential property market and the rental housing industry in the past financial year despite cost savings. Overall, the segment revenue of the real estate platform increased by 12% to € 65 million. EBIT fell from € -1 million to € -12 million in 2022 due to the high investments in the future, unplanned expenses of around € 3 million in the third quarter as a result of regulatory confusion regarding video viewing, and special effects due to the cost reductions in the fourth quarter.

In the **Insurance Platform segment**, the process launched at the turn of the year 2021/2022 to improve strategic alignment by separating into the three areas of private insurance, industrial insurance and occupational pension provision continues to make progress. Including the revenues of the now integrated company AMEXPool, segment revenues increased by 26% to € 61 million. Due to the continued high investments and special effects in the course of the cost adjustment amounting to more than € 1 million, the EBIT was € -5 million.

Ronald Slabke, CEO of Hypoport SE, assesses the turbulent 2022 financial year as follows: 'The rise in the cost of mortgage finance, combined with an initial slight fall in property prices and even a further increase in construction costs, has made it rather difficult to finance the dream property. We have reacted to this market development also with regard to our very high future investments built up in the past. We have adjusted our cost base to this market environment, which has changed significantly in the short term. The adjustments were almost fully implemented in the fourth quarter of 2022, so that the cost reduction planned for 2023 amounts to € 35 to 40 million.

In view of a blocked rental market and sharply rising rents, the desire for home ownership is currently greater than ever among many consumers. Consumers' perceptions are already becoming more realistic again, also thanks to slowly falling property prices and rising incomes. Interest rates have been moving sideways since October 2022. In this respect, after a phase of stabilisation of the market at a low level since October 2022, we expect a partial normalisation in the course of 2023. This will lead to a positive development of our turnover and earnings compared to the second half of 2022. Due to the base effect from the strong first half of 2022 within the comparative year 2022, we still expect a decline in turnover of up to 10 percent and a decline in EBIT of up to 30 percent for the full year 2023. Decisive for the improvement of our turnover and earnings development will be the further momentum towards normalisation. After this phase, and additionally spurred by the high investments in the decarbonisation of the housing stock, we expect double-digit percentage growth in turnover and EBIT again from 2024 onwards."

The preliminary financial results still need to be verified by the auditor and adopted by the Supervisory Board. The annual report will be published as planned on 27 March 2023.

(€ million)	Q1-Q4 2022	Q1-Q4 2021	Q1-Q4 Change	Q4 2022	Q4 2021	Q4 Change
Revenue	455.5	446.3	2%	88.0	121.0	-27%
thereof Credit Platform	207.1	207.3	0%	38.3	60.2	-36%
thereof Private Clients	124.7	134.9	-8%	18.3	33.8	-46%
thereof Real Estate Platform	64.6	57.7	12%	14.9	15.0	0%
thereof Insurance Platform	60.6	48.1	26%	16.7	12.5	33%
thereof Holding & Reconciliation	-1.6	-1.7	-	-0.2	-0.5	-
Gross profit	249.5	249.5	5%	54.6	74.0	-26%
EBITDA	57.7	77.1	-25%	2.6	22.0	-88%
EBIT	24.7	47.7	-48%	-6.3	14.2	-
Net profit for the period	18.7	30.6	-39%	-5.4	5.2	-
Earnings per share (in €) (non-diluted / diluted)	2.96	4.79	-38%	-0.94	0.78	-

About Hypoport SE

Hypoport SE is headquartered in Lübeck (Germany) and is the parent company of the Hypoport Group. The Group is a network of technology companies for the credit, real-estate and insurance industries with a workforce of more than 2,000 employees. It is grouped into four segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform.

The Credit Platform segment operates Europace which is an online B2B financial marketplace and the largest German platform offering mortgages, building finance products and personal loans. A fully integrated system links approx. 800 partners – banks, insurers and financial product distributors. Several thousand loan brokerage advisors execute more than 35,000 transactions per month on Europace, generating a volume of nearly €8 billion. Besides Europace, the FINMAS and GENOPACE sub-marketplaces and the B2B distribution companies Qualitypool and Starpool support the growth of the credit platform. REM CAPITAL AG provides specialist advice on the arrangement of complex public-sector development loans for companies and financing for SMEs in Germany. At fundingport GmbH a corporate finance marketplace is being established.

The Private Clients segment, made up of the web-based, non-captive financial product distributor Dr. Klein Privatkunden and the consumer comparison portal Vergleich.de, brings together all business models aimed at directly advising consumers on mortgages, insurance or pension products.

All property-related activities of the Hypoport Group, with the exception of loan brokerage for private clients, are grouped together in the Real Estate Platform segment with the aim of digitalising the sale, valuation, financing and management of properties and, in the long term, creating a digital platform for housing.

There are three business units in the Insurance Platform segment: private insurance (SMART INSUR), industrial insurance and occupational pension provision (ePension). The insurance business of the B2B distributor Qualitypool is also assigned to this segment.

The shares of Hypoport SE are listed in the Prime Standard segment of the Frankfurt Stock Exchange (Deutsche Börse) and have been included in the SDAX or MDAX since 2015.

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Financial calendar:

27 March 2023: Annual report 2022

08 May 2023: Quarterly Statement Q1 2023

14 August 2023: Report for the first half of 2023

13 November 2023: Quarterly Statement Q3 2023

Key data on Hypoport's shares

ISIN DE 0005493365
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