

Hypoport SE

*Preliminary results for
2020*

Our mission

Digitalisation of the credit, real-estate and insurance industries



Credit industry



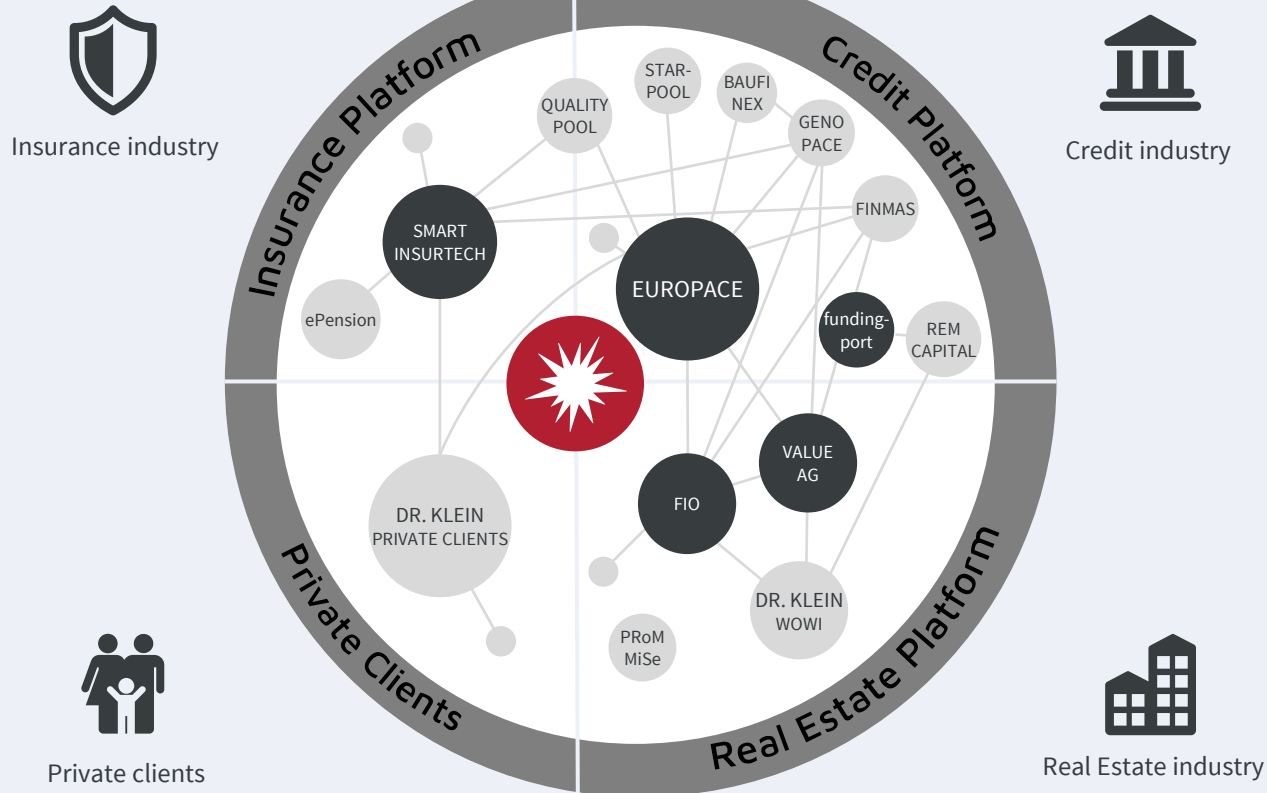
Real-estate industry



Insurance industry

Hypoport – a network of technology companies

The four segments of Hypoport



Hypoport – clearly ahead of the market

Results for 2020 & forecast for 2021

Key figures for 2020 (yoy change)

- Revenue: €387.7 million (+15%)
- Gross profit: €210.5 million (+16%)
- EBIT: €36.2 million (+10%)
- EPS: €4.33 (+11%)

Hypoport and the market (yoy change)

- Credit Platform revenue: +20% → Mortgage finance market: +4%*
- Private Clients revenue: +17%
- Real Estate Platform revenue: +5% → Housing transaction market: +5%**
- Insurance Platform revenue: +6% → Insurance market: +1%***

Forecast for 2021 and beyond

- 2021: revenue of between €430 million and €460 million and EBIT of €40 million to €45 million

Sources: *Deutsche Bundesbank **Estimate by GEWOS Institut für Stadt-, Regional- und Wohnforschung GmbH dated 4 November 2020 ***German Insurance Association (GDV).

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3. Overview of key performance indicators
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5. Investment highlights and outlook

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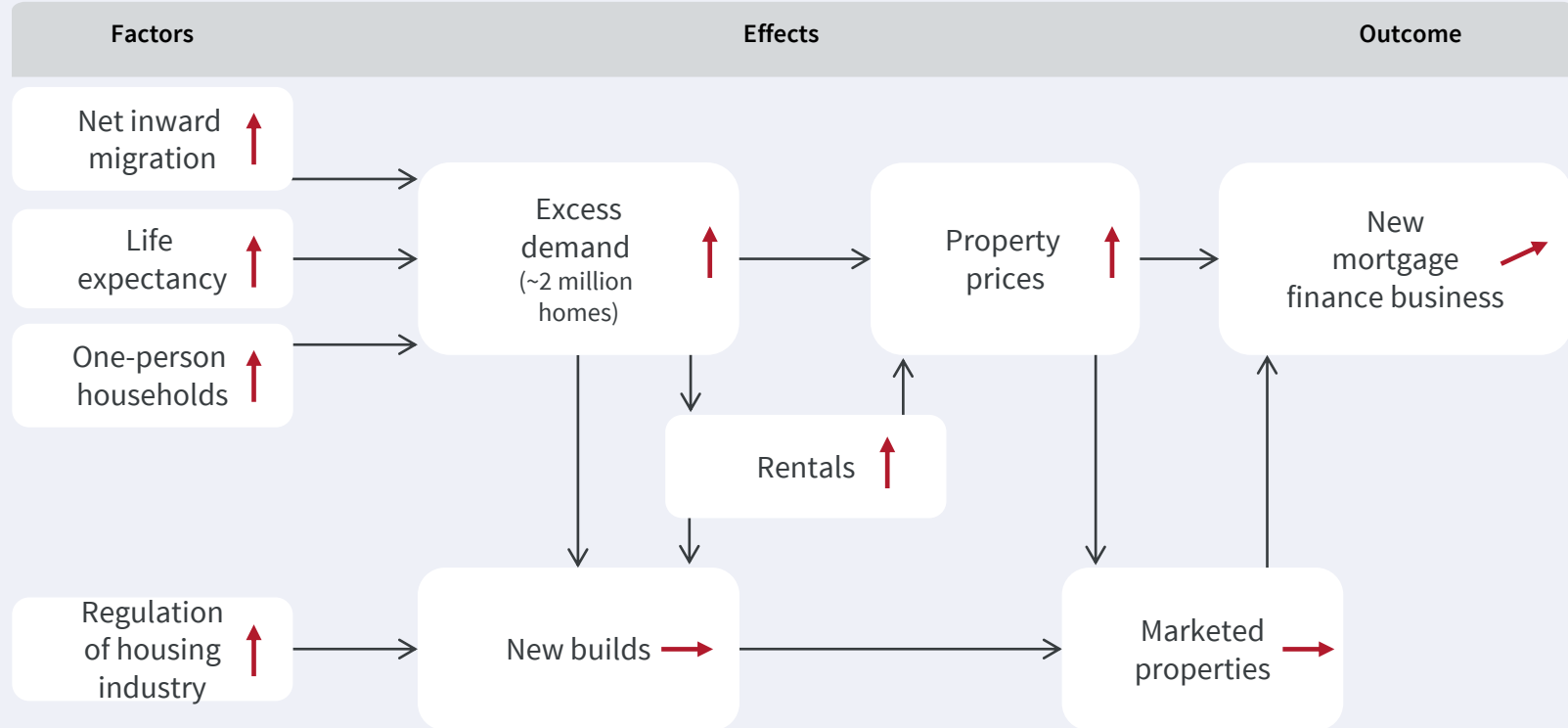
Significant gains in market share during Covid crisis

Impact of the coronavirus crisis on Credit Platform and Private Clients

Segments	Market environment	Target group	Lockdown 1 (Mar–May 2020)	After lockdown 1 (Jun–Sep 2020)	Lockdown 2 (since Oct 2020)	Long term (after coronavirus)
Credit Platform	Mortgage finance	Credit industry	<ul style="list-style-type: none"> Substantial use of the cloud platform for remote transactions 	<ul style="list-style-type: none"> Delays in rollout projects with new bank partners 	<ul style="list-style-type: none"> Strong market share gains for existing clients thanks to platform that can be accessed from anywhere 	<ul style="list-style-type: none"> Even greater need for fully integrated digitalised systems at financial product distributors and banks
	Corporate finance		<ul style="list-style-type: none"> More requests for subsidised finance (KfW loans) 	<ul style="list-style-type: none"> Greater demand for advice and loans vs. more restrictive banks 	<ul style="list-style-type: none"> Greater uptake of subsidised finance (KfW loans, coronavirus support) 	<ul style="list-style-type: none"> Recession may have a dampening effect in the medium term In the long term, more complex CF projects will need advisors and a platform
	Consumer credit		<ul style="list-style-type: none"> More restrictive lending 	<ul style="list-style-type: none"> Slight easing of lending conditions 	<ul style="list-style-type: none"> More restrictive lending again 	<ul style="list-style-type: none"> No change
Private Clients	Mortgage finance	Consumers	<ul style="list-style-type: none"> Extremely high market share gains thanks to spending brought forward and video advice 	<ul style="list-style-type: none"> Market share gains in a weaker overall market, partly thanks to fully digital provision of advice 	<ul style="list-style-type: none"> High market share gains in a market that is picking up again slightly overall 	<ul style="list-style-type: none"> Importance of home ownership increasing; rising property prices and lending volume

Long-term trends not affected by coronavirus

Factors influencing the German housing market



Short-term effects minimal, long-term trends intact

Impact of coronavirus crisis on Real Estate Platform and Insurance Platform

Segments	Market environment	Target group	Lockdown 1 (Mar–May 2020)	After lockdown 1 (Jun–Sep 2020)	Lockdown 2 (since Oct 2020)	Long term (after coronavirus)
Real Estate Platform	Property sales	Credit industry	<ul style="list-style-type: none"> Fewer property sales originated due to lockdown 	<ul style="list-style-type: none"> Property sales are rising again 	<ul style="list-style-type: none"> Property sales continue to pick up a little 	<ul style="list-style-type: none"> Digital platform solutions are the only way forward
	Residential property valuation		<ul style="list-style-type: none"> Property viewings and valuations not possible at times 	<ul style="list-style-type: none"> Valuations possible again; some banks not yet back to full productivity 	<ul style="list-style-type: none"> Valuations still possible; banks' productivity continuing to improve 	<ul style="list-style-type: none"> Regulator will retain digital solutions even after the coronavirus crisis
	Portfolio management Portfolio financing	Housing industry	<ul style="list-style-type: none"> Barely any rent defaults; minor postponements of new building projects and digitalisation projects 	<ul style="list-style-type: none"> No relevant impact 	<ul style="list-style-type: none"> Delays to new building projects and digitalisation projects; rent defaults remain low 	<ul style="list-style-type: none"> Growing importance of being able to work remotely
Insurance Platform	Private insurance companies	Broker organisations, credit industry, insurtechs	<ul style="list-style-type: none"> Little negative impact on in-force business Digital advisory services more successful 	<ul style="list-style-type: none"> Almost a return to normal, although slight fall in new business 	<ul style="list-style-type: none"> Little negative impact on in-force business Digital advisory services more successful 	<ul style="list-style-type: none"> Coronavirus crisis is reducing any remaining doubts about the need for a digital platform

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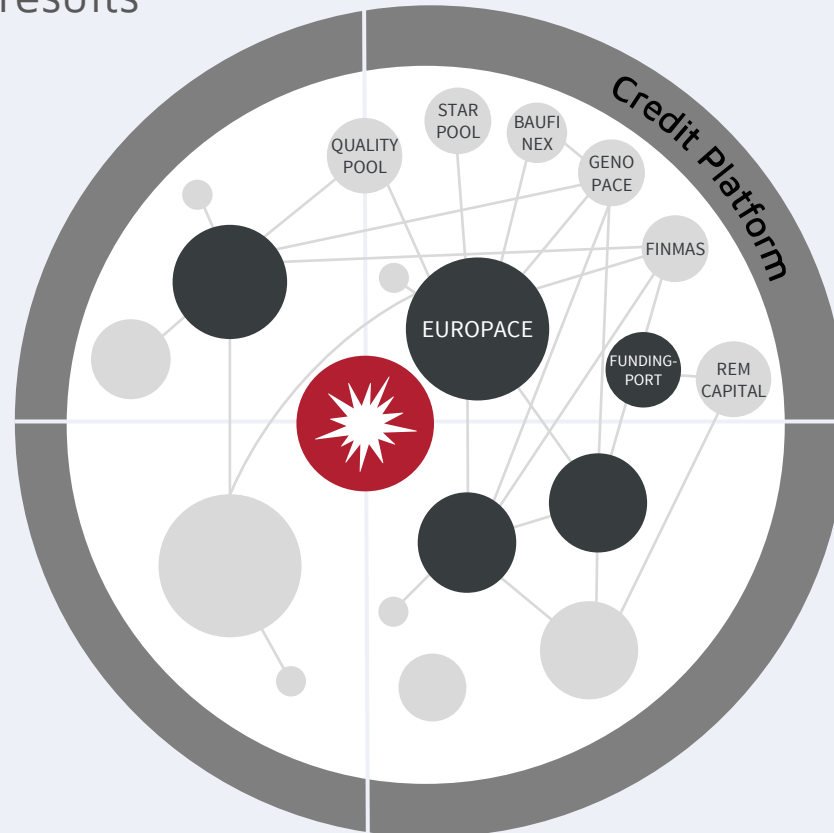
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Credit Platform

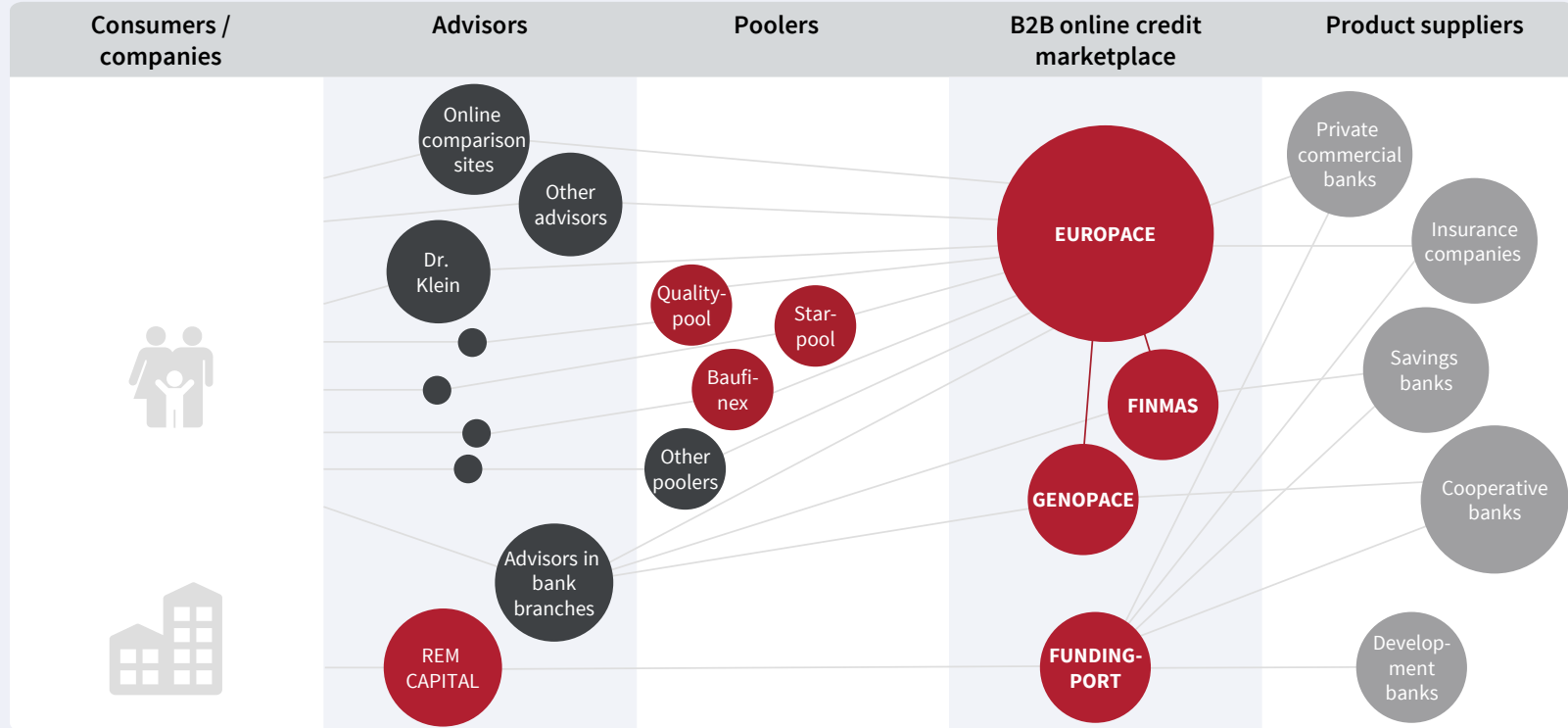
Business model & results



Credit industry

Credit Platform

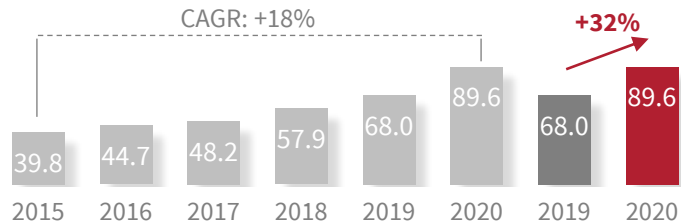
Business model



Substantial gain in market share for Europace in 2020

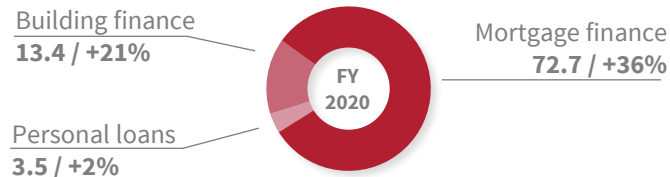
Credit Platform: Europace transaction volume

Volume of transactions (€ billion)**



** Numbers before cancellations.

Transaction volume by product group (€ billion)



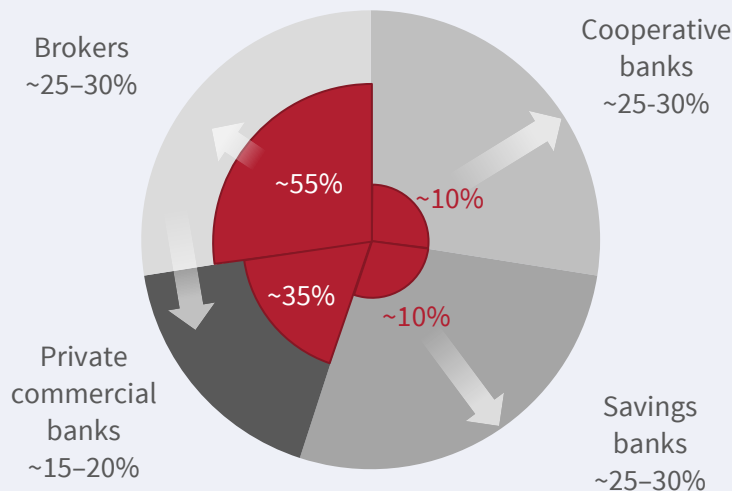
- Transaction volume per sales day* reached a record level of over €350 million (+29% yoy) in 2020
- Strong fourth quarter (+36% yoy) despite lockdown
- Higher market share gains for mortgage finance than in recent years (overall market: +4%)
- Fallout from coronavirus is affecting some regional banks' ability to move forward with their IT implementation projects
- Nonetheless, strong growth in the regional bank sector in 2020; for the first time, the volume of mortgage finance (the biggest product group) on GENOPACE was larger than the volume on FINMAS

* The number of sales days equals the number of bank working days less half of the number of 'bridging days' (days falling between public holidays and weekends).

Europace has huge potential for growth

Mortgage finance in Germany and Europace's share

Distribution channels and Europace's share*

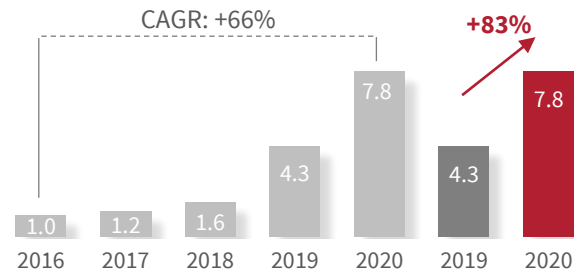


○ Mortgage finance in Germany in 2020: €273 billion

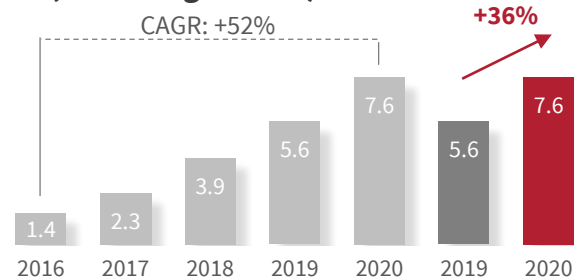
■ Mortgage finance on Europace* in 2020: €73 billion

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

GENOPACE (for cooperative banks)*



FINMAS (for savings banks)*



Significant growth thanks to innovation leadership

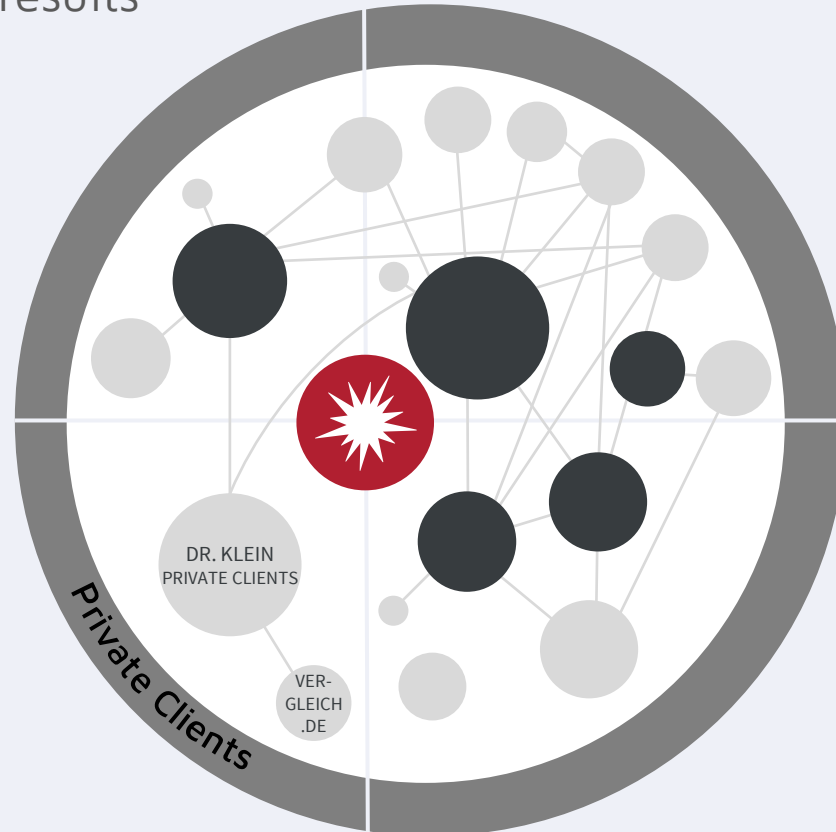
Credit Platform: revenue, gross profit and earnings



- All four distribution channels (financial product distributors, private commercial banks, cooperative institutions, savings banks) are growing at a much faster rate than the market
- Coronavirus crisis is restricting the functioning of banks and accelerating the digital transformation of independent financial product distributors
- Good level of business for REM Capital in Q4, particularly in the area of renewable energies and support for innovation; corporate finance advice becoming increasingly important to German SMEs due to greater complexity of subsidised finance options
- Only the white-label personal loans business saw a slight fall in revenue during the coronavirus crisis
- Disproportionately strong rise in the segment's EBIT despite high levels of capital expenditure on the next generation of Europace, expansion of key account resources for regional banks and establishment of the corporate finance business

Private Clients

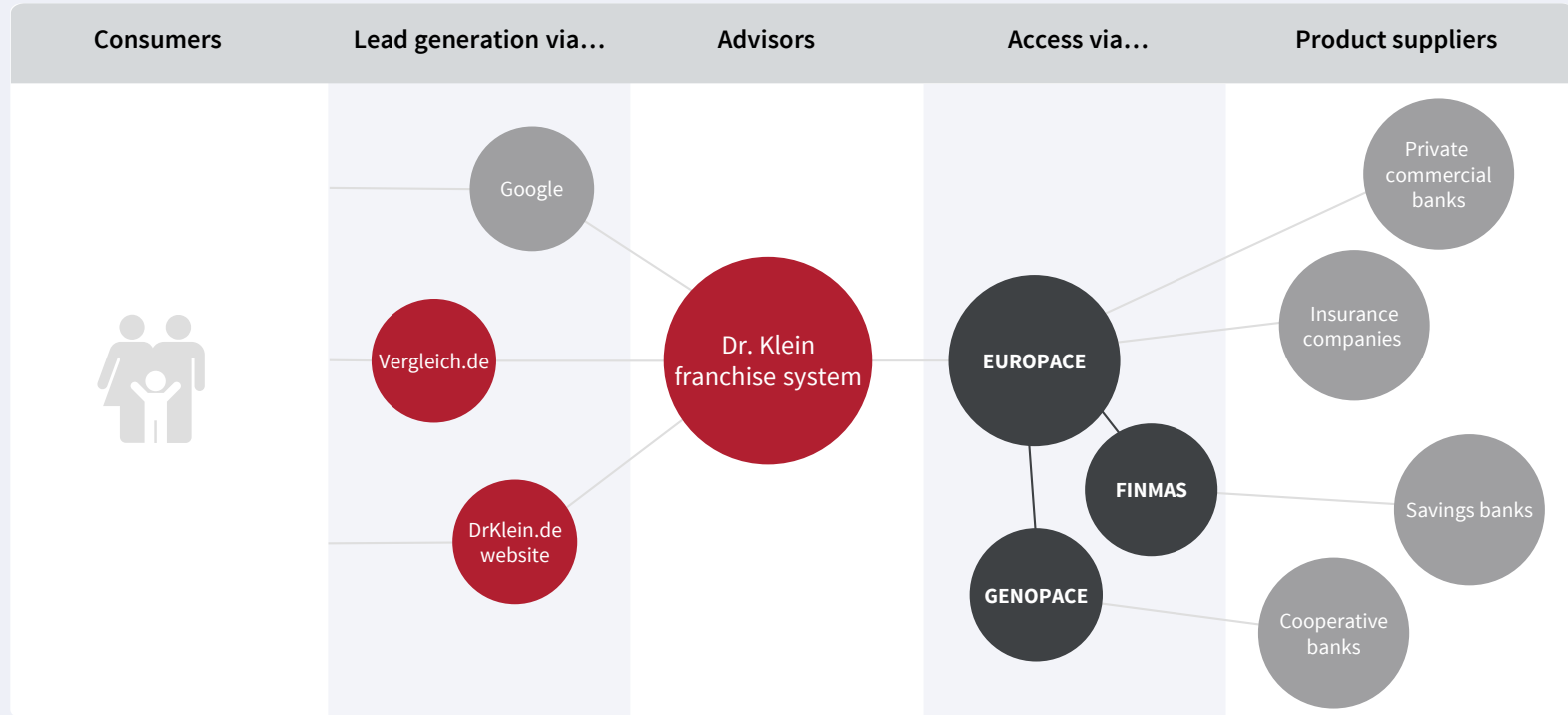
Business model & results



Private clients

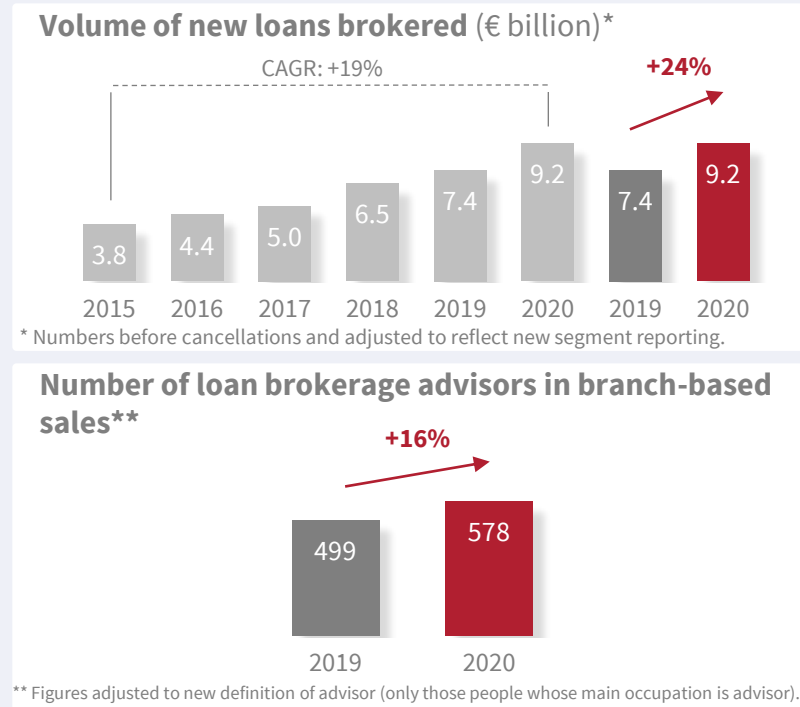
Private Clients

Business model



Strong year for Dr. Klein Privatkunden

Private Clients: volume of loans brokered and number of advisors



- Significant market share gain in 2020 (overall market: +4%)
- Fully digital provision of advice and digital processing via Europace created a clear competitive advantage, particularly during the two lockdowns
- Whereas recruitment of advisors slowed slightly in Q2 owing to coronavirus, there was a significant increase of 79 new advisors in the year as a whole
- Long-term trend of growing consumer demand for state-of-the-art provision of independent financial advice has been strengthened as a result of the two lockdowns during the coronavirus crisis
- The rising number of advisors and increasing demand are strengthening the foundations for Dr. Klein Privatkunden's future growth

Sharp rise in EBIT for the Private Clients segment

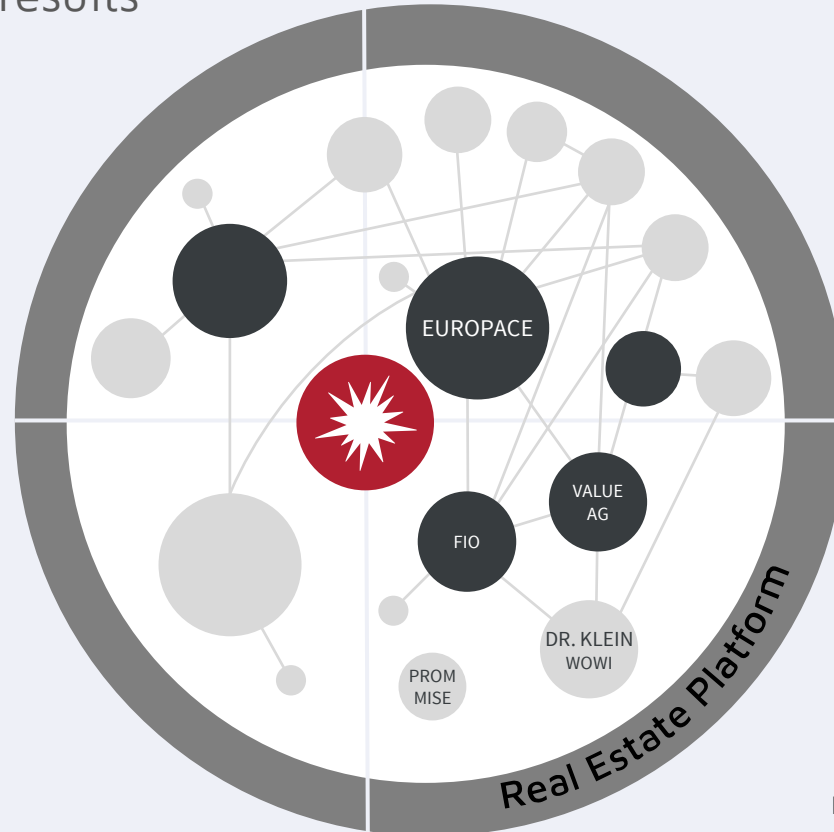
Private Clients: revenue, gross profit and earnings



- Revenue growth was again in double digits (17%) in 2020 thanks to an increased volume of new loans brokered
- Capital expenditure carried out in 2019 to integrate regional product partners and increase efficiency (e.g. digitalisation of processes) is paying off
- As a result, EBIT jumped by an exceptionally strong 61%, which meant that the EBIT margin was even slightly above its long-term level of 35–40% of gross profit

Real Estate Platform

Business model & results



Real-estate industry

Creation of a 'platform for housing'

Business model









Home ownership
(via credit industry)

Rental
(via housing industry)



The €800 billion housing market is going digital

Market participants, structure and market share

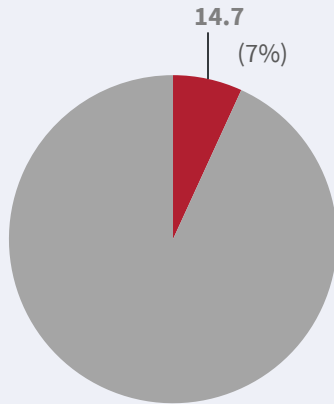
	Property purchases			Mortgage finance		Property valuation		Notaries & land register
Market participants	Sellers	Brokers	Buyers	Advisors	Marketplace	Banks	Appraisers	
								
Market structure	<ul style="list-style-type: none"> Highly fragmented 15 of the top 20 brokers are banks 		<ul style="list-style-type: none"> Complex and fragmented 		<ul style="list-style-type: none"> Highly fragmented 		<ul style="list-style-type: none"> Public authorities 	
Technology	<ul style="list-style-type: none"> Various software providers No platforms 		<ul style="list-style-type: none"> Individual niche software providers One platform 		<ul style="list-style-type: none"> A few software providers No platforms 		<ul style="list-style-type: none"> Public authorities 	
Volume of overall market addressed in 2020	approx. €216 billion			€273 billion		approx. €325 billion		
Hypoport's market share (approx.)	7% FIO Systems		3% Dr. Klein	27% Europace	8% VALUE AG			

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

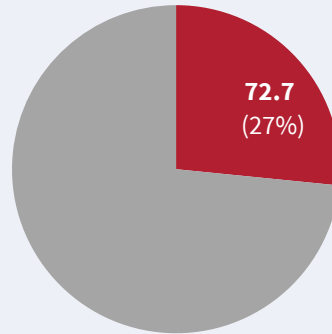
Strong cross-selling potential

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

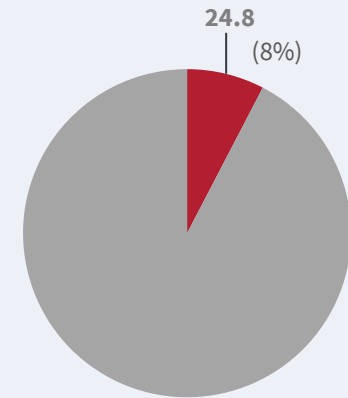
Property sales
approx. €216 billion



Property financing
€273 billion



Property valuation
approx. €325 billion



○ Overall German market: approx. €216 billion
■ Sales via FIO's platform: €15 billion

○ Overall German market: €273 billion
■ Mortgage finance on EUROPACE*: €73 billion

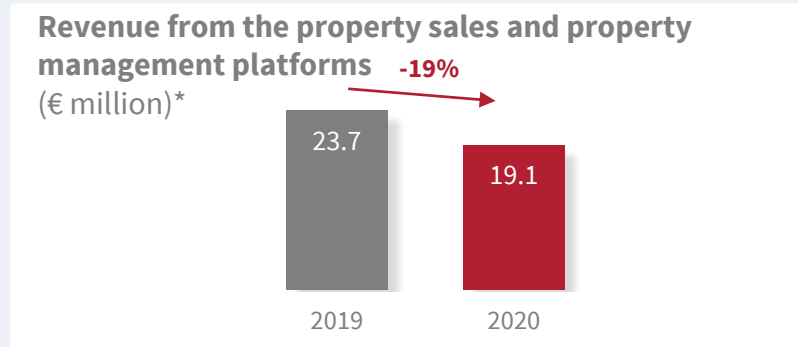
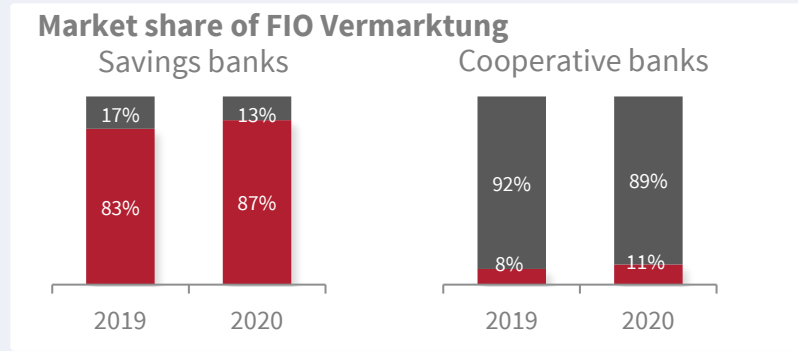
○ Overall German market: approx. €325 billion
■ Valuation through VALUE AG: €25 billion

* Numbers before cancellations.

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

Better scalability and less project business

Real Estate Platform: property sales platform and property management platform



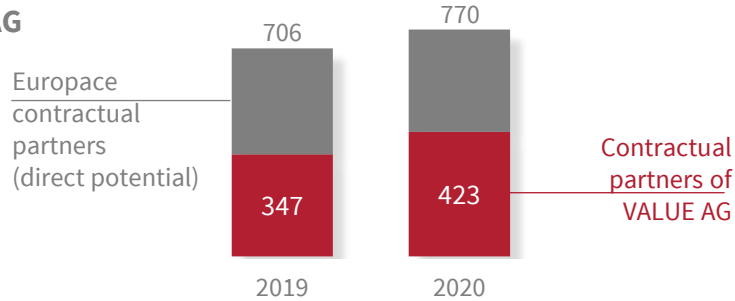
* Revenue of FIO SYSTEMS AG, Maklaro GmbH and Hypoport B.V. (PRoMMiSe).

- Development of software solutions for the sale and management of residential properties in the housing and credit industries
- The credit industry occupies a leading position in Germany when it comes to residential property sales
- FIO market share among savings banks already 87%; huge potential among the cooperative banks
- Fall in revenue due to decision to forego individual project business in favour of a scalable platform business model
- Technical migration to new generation took place in 2020
- Client rollouts delayed during coronavirus crisis

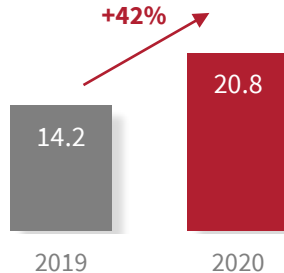
Successful year of growth for VALUE AG

Real Estate Platform: property valuation platform

Potential synergies of Europace partners for VALUE AG



Revenue from the property valuation platform (€ million)



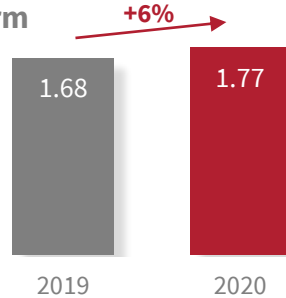
- The business model consists of integrated property valuations for the lending banks, i.e. for Europace product partners
- Restricted valuation activity because of coronavirus led to slower growth in Q2; this trend was still discernible in the second half of 2020, but less pronounced
- Following a huge increase in the number of employees in 2019, there were further start-up losses in 2020; however, significant potential for further efficiency gains in future years
- High level of capital expenditure on the digitalisation of business processes
- Rapid growth and smaller start-up losses expected in 2021
- Cross-selling still offers huge potential thanks to incremental improvements to the technical integration of FIO, Europace and VALUE AG

Slightly better conditions due to volatile interest rates

Real Estate Platform: property financing platform

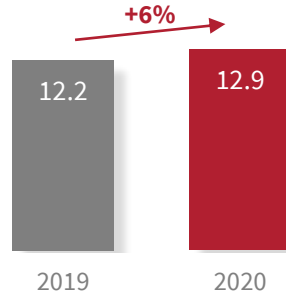
Volume of new loans brokered on the property financing platform

(€ billion)



Revenue from the property financing platform

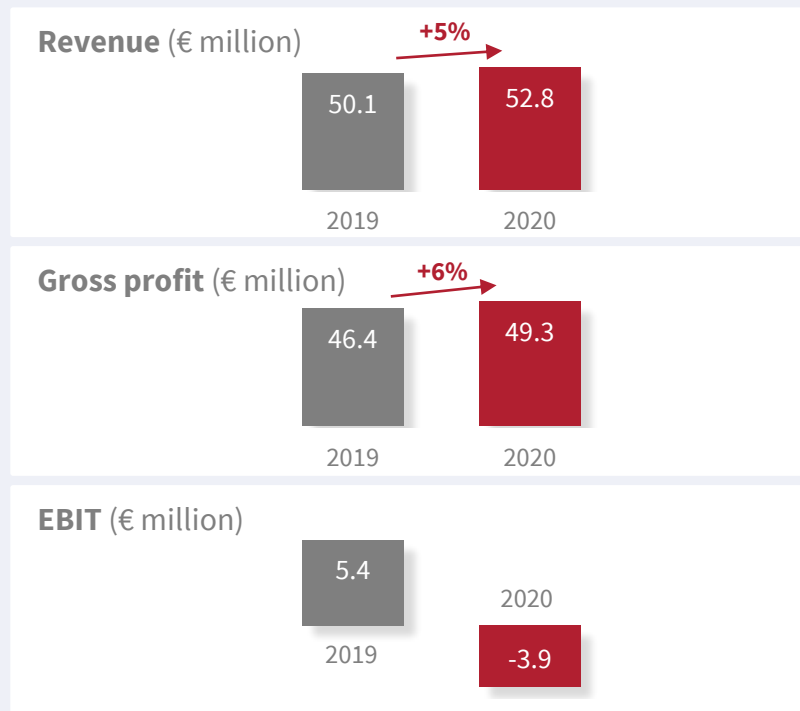
(€ million)



- The business model is based on loan brokerage for the municipal and cooperative housing industries
- Despite unfavourable conditions in the medium term caused by political debate at federal and state level about intervention in the German rental market, the volume of new loans brokered went up slightly
- This was due to volatile interest rates, which meant that the housing industry was slightly more willing to do business again
- The coronavirus crisis continues to have virtually no effect on the housing industry; partners have recorded no significant rent defaults; only a few delays to new projects

Growth segment with high capital expenditure

Real Estate Platform: revenue, gross profit and earnings



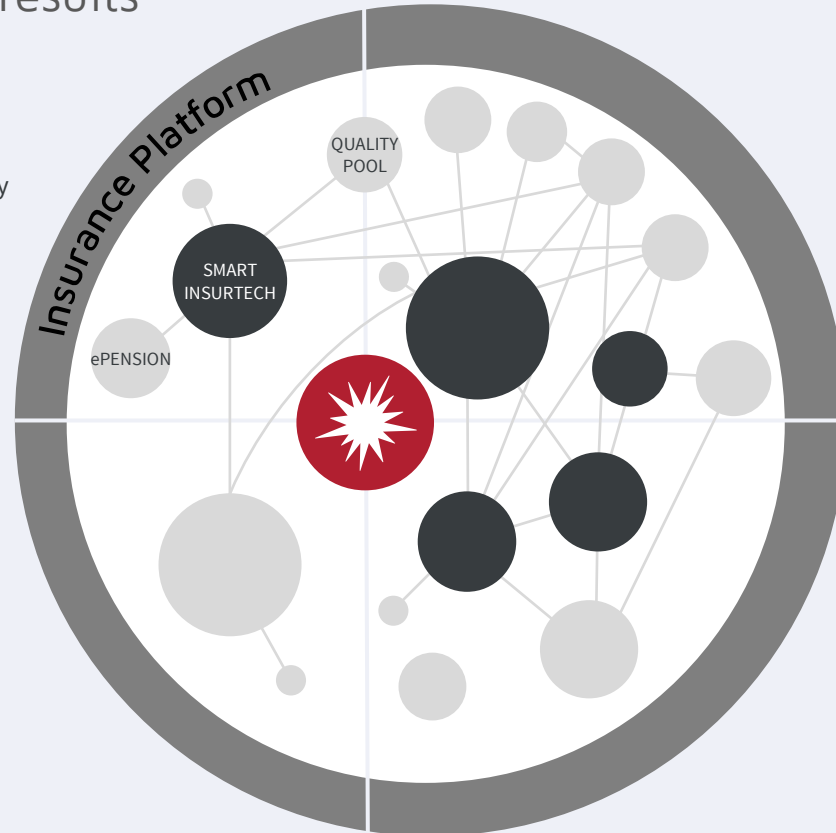
- Healthy operating performance of all four platforms (property sales, valuation, financing and management); a few slight delays to new projects as a result of the coronavirus crisis
- Strategic reduction in project business compared with 2019; excluding project business, operational revenue increased by more than 20%
- Project business will therefore no longer be relevant to the segment in future
- Capital expenditure in the Hypoport Group to be focused on the 'platform for housing' in 2020 and will remain so in 2021
- Cross-selling by the Credit Platform segment (Europace, FINMAS, GENOPACE) and the property financing platform (Dr. Klein WoWi) provides the basis for further gains in market share
- EBIT just into negative territory due to high levels of capital expenditure

Insurance Platform

Business model & results

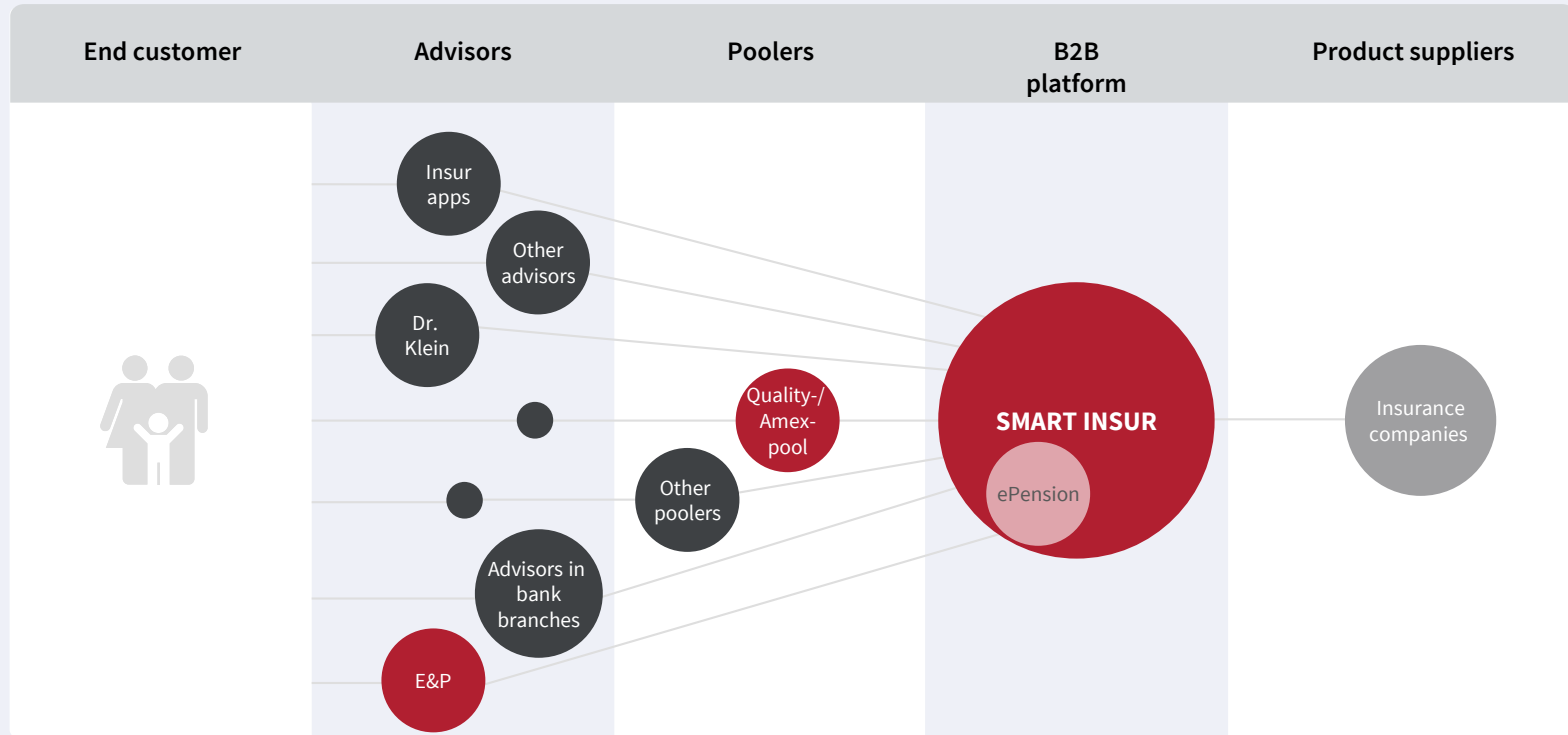


Insurance industry



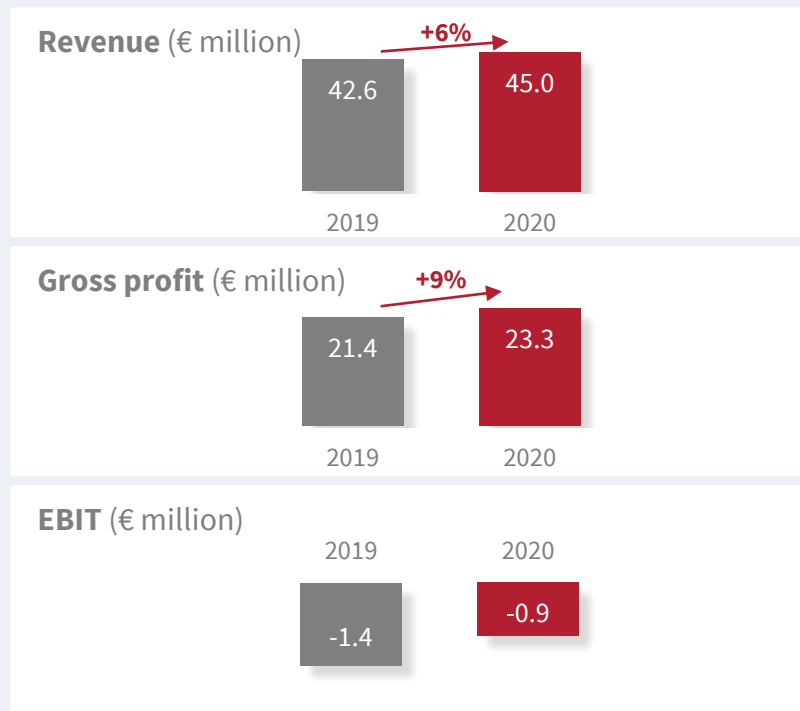
Insurance Platform

Business model



Focus on recurring revenue

Insurance Platform: revenue, gross profit and earnings



- Large broker organisations and broker pools are the primary target groups; insurtechs and banks are also important client groups
- Additional clients were signed up for the platform in 2020, but not as many as expected
- Significant improvement in data quality as a result of migrating from local systems to the SMART INSUR platform in 2020; further improvements planned for 2021
- Revenue increased only slightly due to a reduction in project business and the focus on expanding the platform

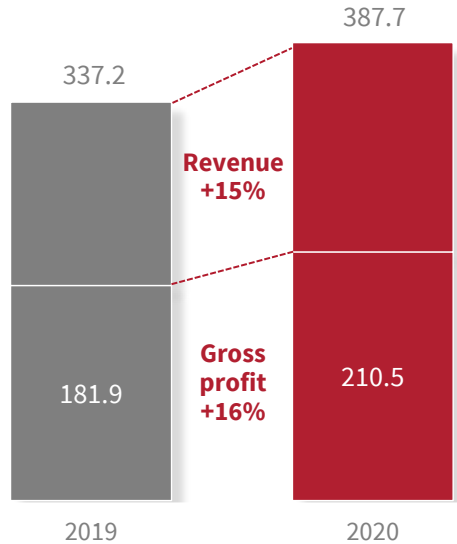
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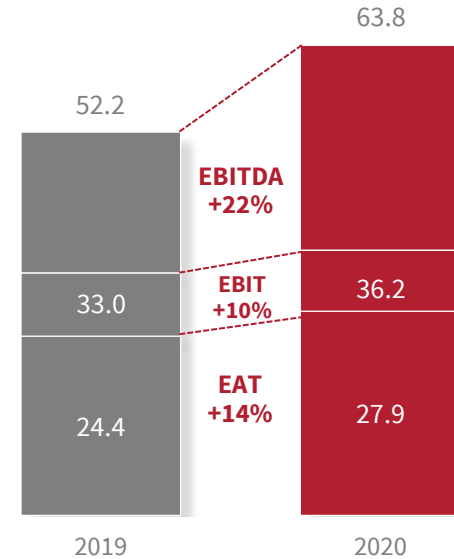
Impressive growth despite coronavirus

Overview of Hypoport's key performance indicators

Growth (€ million)



Earnings (€ million)

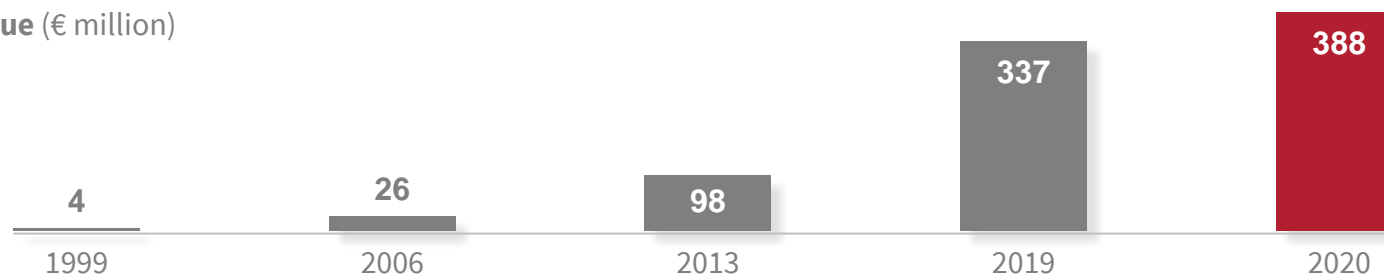


20 years as a growth company

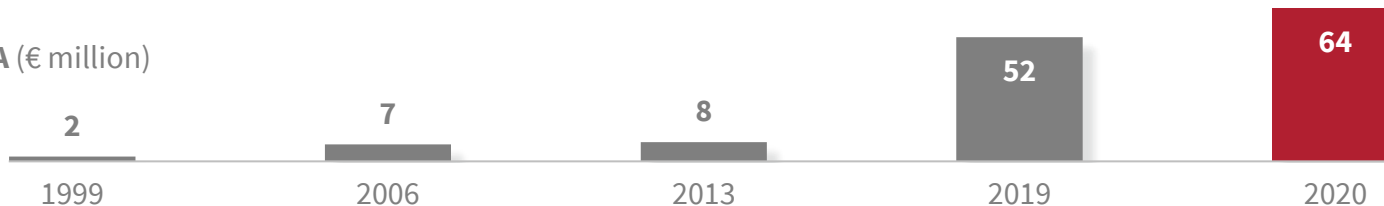
Long-term changes in revenue and EBITDA



Revenue (€ million)



EBITDA (€ million)



Targeted investment in further growth

Areas of capital expenditure with an impact on earnings in 2020

Credit Platform (level of investment: €€€)

- Increase in **key account resources** for regional banks (FINMAS / GENOPACE)
- Expansion of **development resources** for Europace
- **Links** to the Real Estate Platform
- Establishment of the 'fundingport' **corporate finance platform**

Real Estate Platform (level of investment: €€)

- **Adjustment of the pace of growth** of acquired businesses to that of Hypoport
- Expansion of the **IT platforms** for property sales, valuation and management
- **Headcount** expansion in property valuation

Private Clients (level of investment: €)

- Investment in the **digitalisation** of the advisory process to improve lead generation and customer retention

Insurance Platform (level of investment: €€)

- Expansion of sales capacity
- Cultural and technical **integration** of acquired businesses
- Making the acquired businesses scalable
- **Refinement** of the SMART INSUR marketplace

~€40
million

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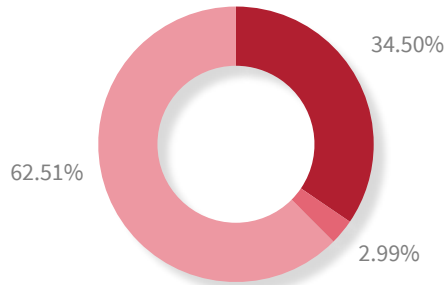
Market capitalisation of more than €3 billion

Shareholder structure and share information

Breakdown of shareholders as at 12 March 2021

- Ronald Slabke (CEO)
- Treasury shares
- Free float

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



Key performance indicators

KPI	Details	Value
EPS	Earnings per share in 2020	€4.33
Number of shares	Total number of shares	6,493,376
Market cap	Market capitalisation as at 31 December 2020	approx. €3.3 billion
Trading volume	Average trading volume per day in 2020	approx. €5.2 million
High	Highest closing price in 2020	€570.00
Low	Lowest closing price in 2020	€212.00
Indices	SDAX, Prime All Share, CDAX, DAXplus Family, GEX	

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Investment highlights

~25% **REVENUE GROWTH**
CAGR 5 years

3.0 **MODERATE DEBT LEVEL**
Financial liabilities /
12M EBITDA

~15% **EBIT INCREASE**
CAGR 5 years

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

10+ **ACQUISITIONS**
in 5 years

86% **OUR EMPLOYEES**
are satisfied or even
extremely satisfied with
Hypoport as an employer

Since years

Double-digit growth in sales and EBIT

Forecast for 2021

For 2021, Hypoport anticipates revenue of between €430 million and €460 million and EBIT of €40 million to €45 million.

Upcoming years

Double-digit growth in sales and EBIT

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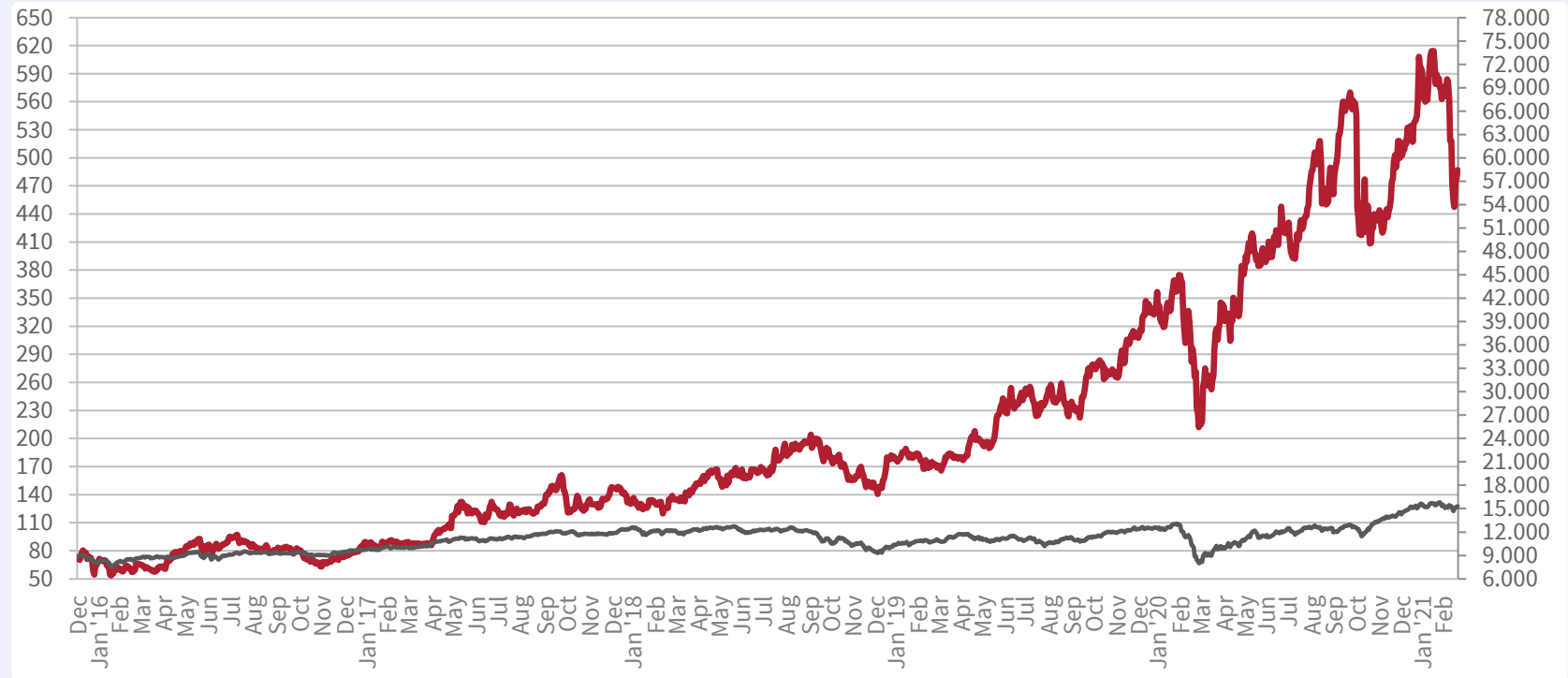
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Annex

Share price rises sharply

Share price since the date of joining the SDAX (daily closing price, Xetra, €)

— HYQ — SDAX



Hypoport's investor relations activity

Investor events, professional analysts' assessments, awards

Analyst	Recommendation	Target price	Date
Bankhaus Metzler	Sell	€425.00	01 March 2021
Berenberg	Buy	€440.00	22 Sep 2020
Commerzbank	Buy	€550.00	01 March 2021
Pareto Securities	Buy	€520.00	01 March 2021
Warburg	Hold	€480.00	12 March 2021

Index and awards

- SDAX
- Commerzbank 'Top ideas 2021'
- Institutional Investor 'The 2020 All-Europe Executive Team'
 - 1st place 'Best IR Program Small & Midcap - Specialty & Other Finance' (Buy side)
 - 1st place 'Best IR Professional Small & Midcap - Specialty & Other Finance' (Buy side)
- SdK 'company of the year 2017'

Recent IR events

Conferences (digital)	Amsterdam, Frankfurt, Lyon	Q1 2021
Conferences (digital)	Berlin, London, Frankfurt	Q4 2020
Roadshows (digital)	Paris, USA	Q4 2020
Conferences (digital)	Frankfurt, Munich	Q3 2020
Roadshows (digital)	Copenhagen, London, Ger/Aus/Swi, Edinburgh, USA	Q3 2020
Conferences (digital)	Canada, USA	Q2 2020
Roadshows (digital)	Canada, Ger/Aus/Swi, UK, USA	Q2 2020
Conferences	London, Lyon	Q1 2020
Conferences	Berlin, London, Frankfurt	Q4 2019
Roadshow	Edinburgh	Q4 2019
Conferences	Frankfurt, Munich	Q3 2019
Roadshows	London, Frankfurt, Paris, Zurich	Q3 2019
Conferences	Berlin, Hamburg, Paris, New York	Q2 2019
Roadshows	Brussels, Scandinavia, Chicago	Q2 2019

Financial calendar

15 March 2021	Preliminary results for 2020
29 March 2021	2020 annual report
10 May 2021	Results for Q1 2021

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.