

Press release

Group results for Q2 2023

Hypoport see a slight fall in revenue amid sluggish market conditions

- Consolidated revenue dips by 9 per cent compared with Q1 2023 to €85 million in Q2 2023
- EBIT consequently reduces from €0.8 million to a loss of €2.5 million despite strict cost discipline

Berlin, 14 August 2023: In the second quarter of 2023, the Hypoport Group's revenue and earnings fell slightly compared with the first quarter of 2023. This was mainly due to the weak performance of the Real Estate Platform segment. Key adverse factors in this segment were the sharp decreases in the valuation volume and in the mortgage finance volume for the social housing industry.

By contrast, the **Credit Platform segment**, which centres around the online B2B lending marketplace Europace, delivered a solid performance in Q2 2023. Europace did record a slight fall in transaction volume* of 5 per cent to €16 billion against the backdrop of a sluggish overall market and discussions in the media about the German Buildings Energy Act (GEG). However, including the increased revenue from the brokerage pools for independent loan brokerage advisors, the white-label personal loan business and the corporate finance business, total segment revenue for the second quarter came to €38 million, a 2 per cent rise compared with the first quarter of 2023. The increase in revenue meant that EBITDA improved by 7 per cent to €7.1 million and EBIT by 9 per cent to €4.3 million.

In the **Private Clients segment**, Dr. Klein B2C brand registered a volume of new loans brokered* of €1.4 billion (down by 9 per cent compared with the first quarter of 2023). The segment's total revenue thus fell to €20 million (down by 14 per cent). EBITDA in the Private Clients segment deteriorated by 18 per cent to €1.9 million and EBIT by 19 per cent to €1.8 million. This quarter-on-quarter decline in the key figures is attributable to the generally bleak market environment and to seasonal patterns. More specifically, loan applications submitted near the end of the previous year are often not processed until the start of the new year, which typically results in strong revenue growth in the first quarter of the new year, followed by normalisation in the second quarter.

The **Real Estate Platform segment** recorded significant falls in volume on its property financing platform and property valuation platform compared with the first quarter of 2023. In the case of the property financing platform, a key reason for the downturn was the further diminishing inclination of the social housing industry to do business as a result of higher interest rates, increased construction costs, unattractive support programmes and the debate surrounding GEG. The fall on the property valuation platform was due to the effects of the earlier slump in the property finance market starting to filter

through, combined with regulatory interventions. Revenue from the property sales platform and property management platform held steady but could not prevent the segment's total revenue from slipping by 20 per cent compared with the first quarter of 2023 to €13 million. Even through costs remained at a constant level, the segment's EBITDA thus deteriorated to a loss of €2.5 million while EBIT fell to a loss of €4.6 million.

The **Insurance Platform segment** delivered a positive performance. The segment's revenue declined by 15 per cent compared with the first quarter of 2023, but this was attributable to seasonal effects in the low-margin pool business, which typically generates significant revenue in the first quarter of the year. The steps taken in the second half of 2022 to adjust the cost structures proved effective in the reporting quarter, as they had in the first quarter of 2023 too, and meant that EBITDA and EBIT improved to €1.5 million and €0.1 million respectively.

Ronald Slabke, Chief Executive Officer of Hypoport SE, provided the following analysis of the second quarter: "Following a solid start to 2023, Hypoport SE was unable to maintain this encouraging business performance in the second quarter to the extent that had been anticipated. The political debate about the reform of the Buildings Energy Act unfortunately undermined the willingness of consumers to purchase properties and made the social housing industry more reluctant to invest in energy efficiency. Against this backdrop, it was extremely important for us to maintain a disciplined approach to costs and to update our partnership arrangements in consideration of the changing environment. We continue to believe that the private mortgage finance market will normalise gradually. Relevant long-term trends – such as home ownership aspirations across large parts of the population, growing demand for housing due to immigration and domestic migration towards urban areas, the dwindling supply of attractive rental properties and the enormous need for investment in urgently required energy efficiency improvements – remain intact."

Detailed information on business performance in the first half of 2023 can be found in the half-year report and in the presentation of results, which have also been published today on Hypoport's website.

(€ million)	Q2 /23	Q1 /23	Change	H1 /23	H1 /22	Change
Revenue	85.3	93.7	-9%	179.0	262.5	-32%
thereof Credit Platform	38.3	37.7	2%	76.0	120.2	-37%
thereof Private Clients	20.0	23.2	-14%	43.1	78.3	-45%
thereof Real Estate Platform	13.1	16.4	-20%	29.5	35.4	-17%
thereof Insurance Platform	14.2	16.8	-15%	31.0	29.4	5%
thereof Holding & Reconciliation	-0.3	-0.3	12%	-0.6	-0.9	26%
Gross profit	50.0	52.2	-4%	102.2	144.9	-29%
EBITDA	6.2	9.4	-34%	15.6	46.0	-66%

EBIT	-2.5	0.8	-413%	-1.7	30.2	-106%
Net profit for the period	-2.5	0.2	-1.175%	-2.2	22.5	-110%

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

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 €6 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:

14 August 2023: Report for the first half of 2023

13 November 2023: Quarterly Statement Q3 2023

Key data on Hypoport's shares

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