

Hypoport SE

*Preliminary results
for FY 2022*

Our mission

Digitalisation of the credit, real-estate and insurance industries



Credit industry



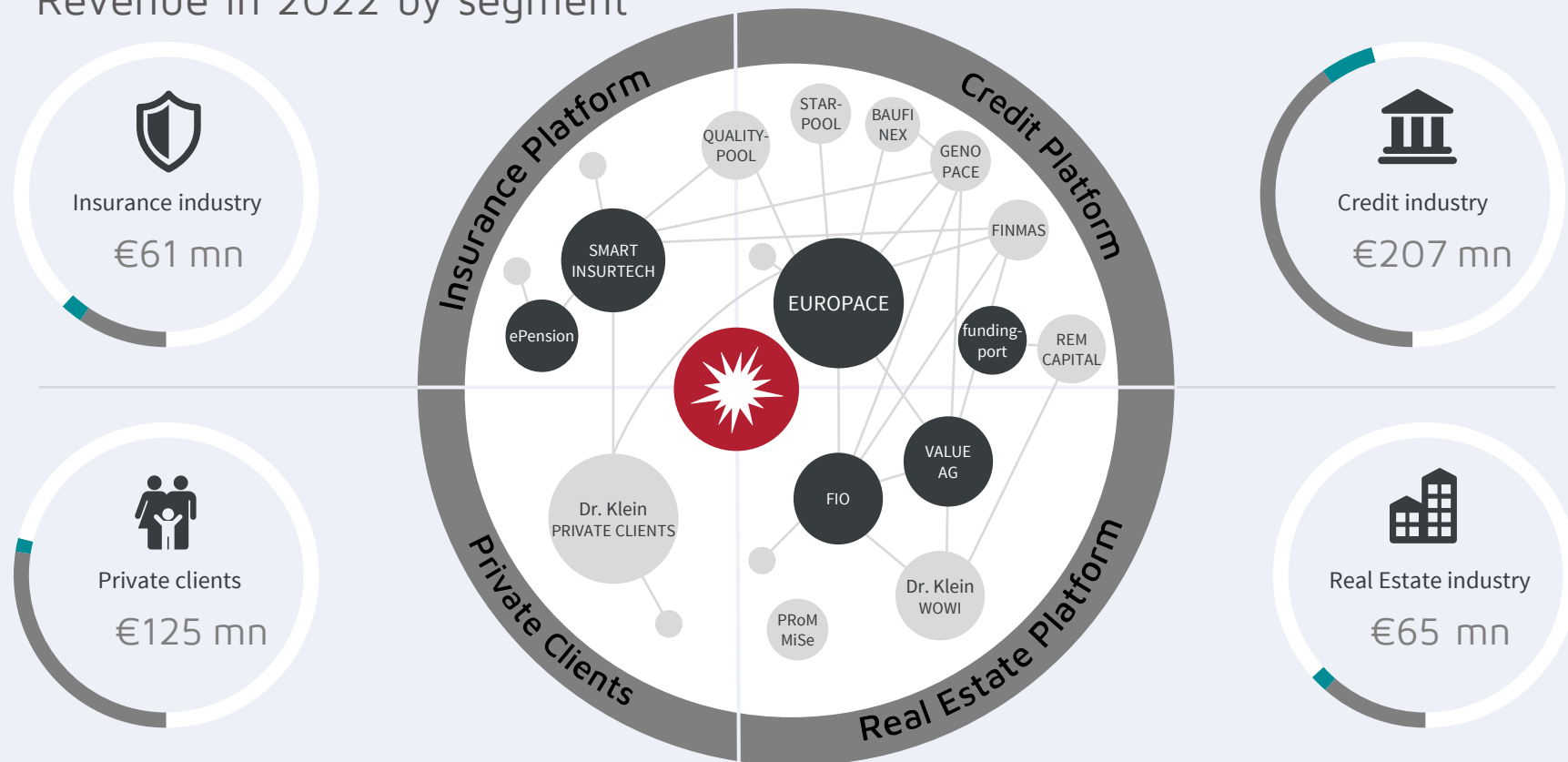
Real-estate industry



Insurance industry

Hypoport – a network of technology companies

Revenue in 2022 by segment



Above-average growth, even in a weak market environment

Results for FY 2022

Key figures for 2022 (yoy change)

- Revenue: €455 million (+2%)
- Gross profit: €261 million (+5%)
- EBITDA: €58 million (-25%) (incl. a negative one-off item of €4 million)
- EBIT: €25 million (-48%) (incl. a negative one-off item of €4 million)
- EPS: €2.96 (-38%)

Hypoport (FY 2022, yoy change)

- Credit Platform revenue: -0%
- Private Clients revenue: -8%
- Real Estate Platform revenue: +12%
- Insurance Platform revenue: +26%

Market volume (FY 2022, yoy change, trailing)

- Mortgage finance: -9%*
- Residential property (2022): -6%**
- Insurance premiums: -1%***

Sources: *Deutsche Bundesbank **Estimate by GEWOS Institut für Stadt-, Regional- und Wohnforschung GmbH dated 10 October 2022 ***German Insurance Association (GDV), 26 January 2023.

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2. Key performance indicators for the segments

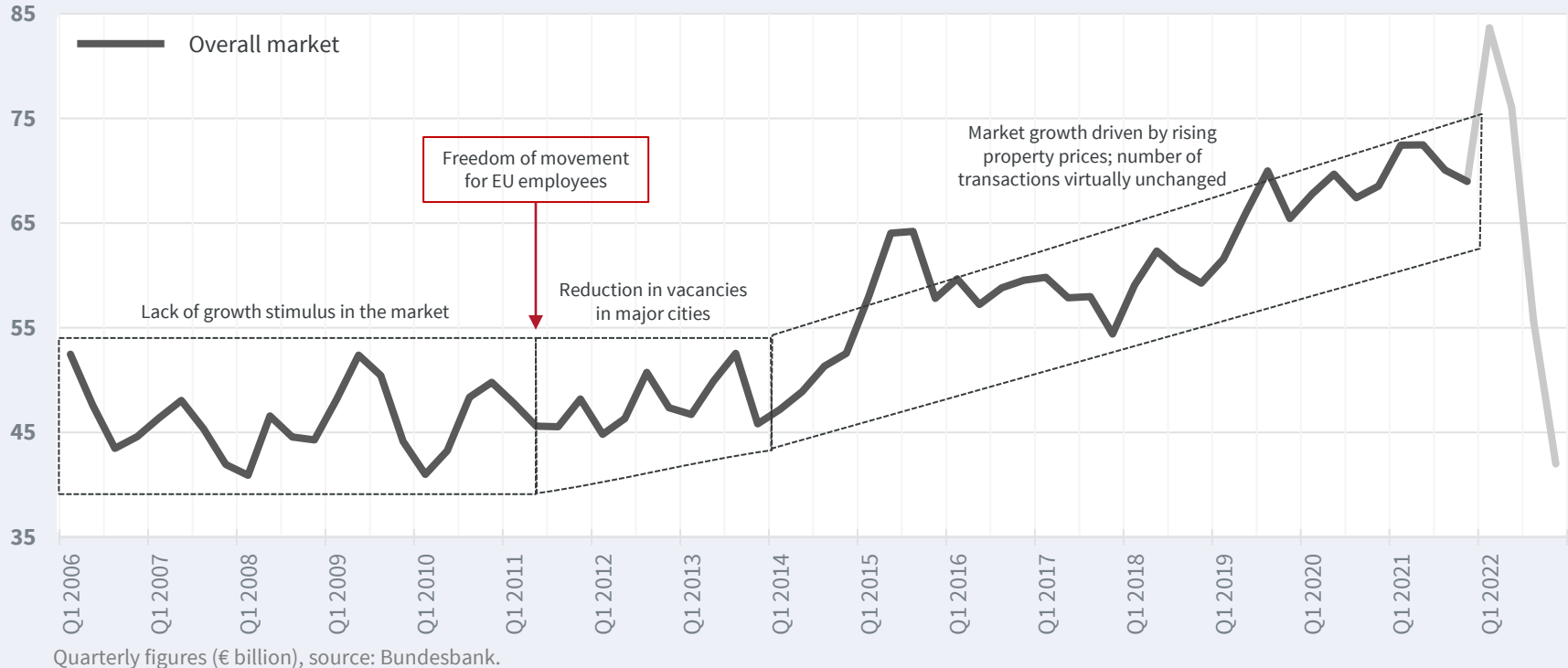
3. Overview of key performance indicators

4. Outlook

Annex (incl. share price info & IR)

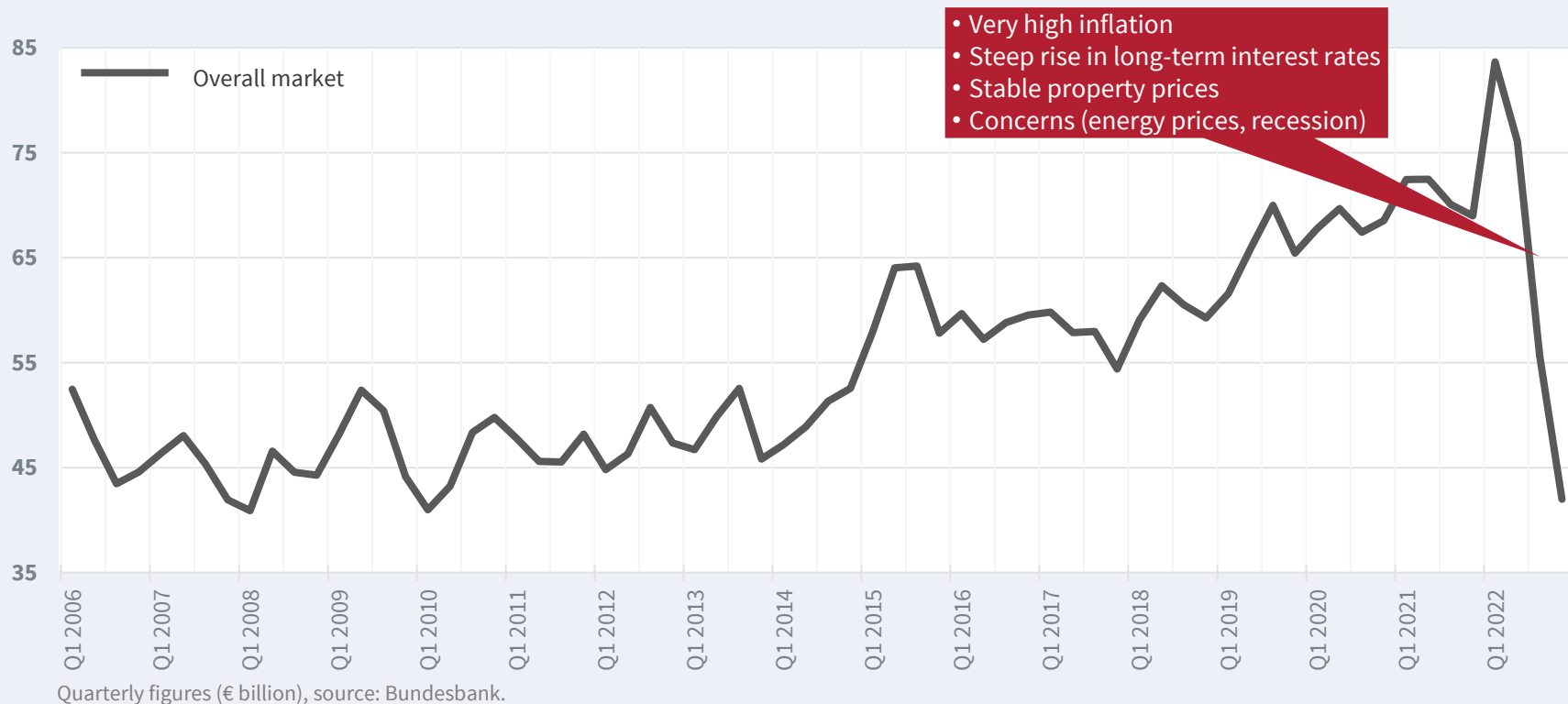
Lending volume boosted by EU integration

Volume of private mortgage finance in Germany



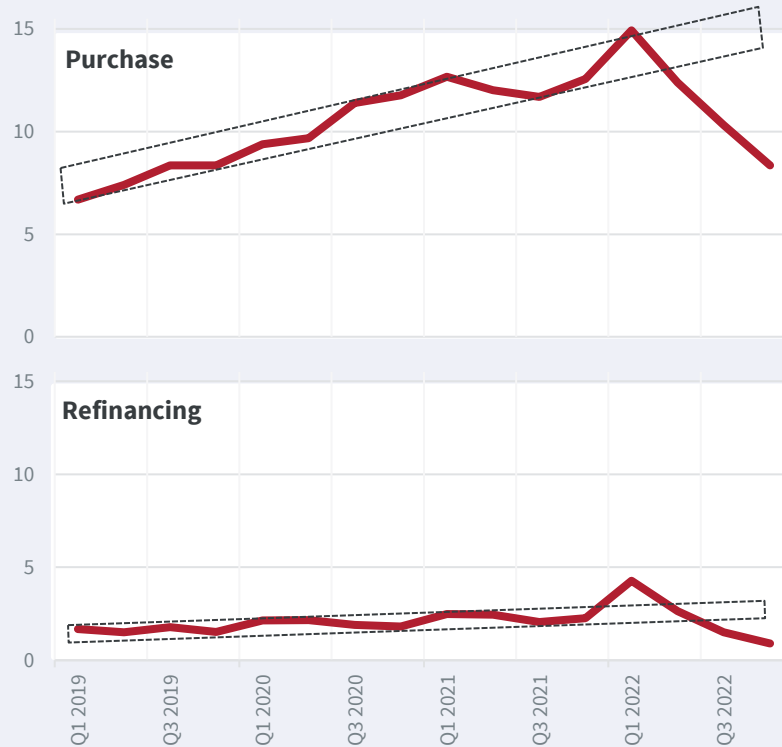
Sharp decline in volume due to multiple factors

Volume of private mortgage finance in Germany



New construction slumps particularly sharply

Mortgage finance volume by intended use



Quarterly figures (€ billion)

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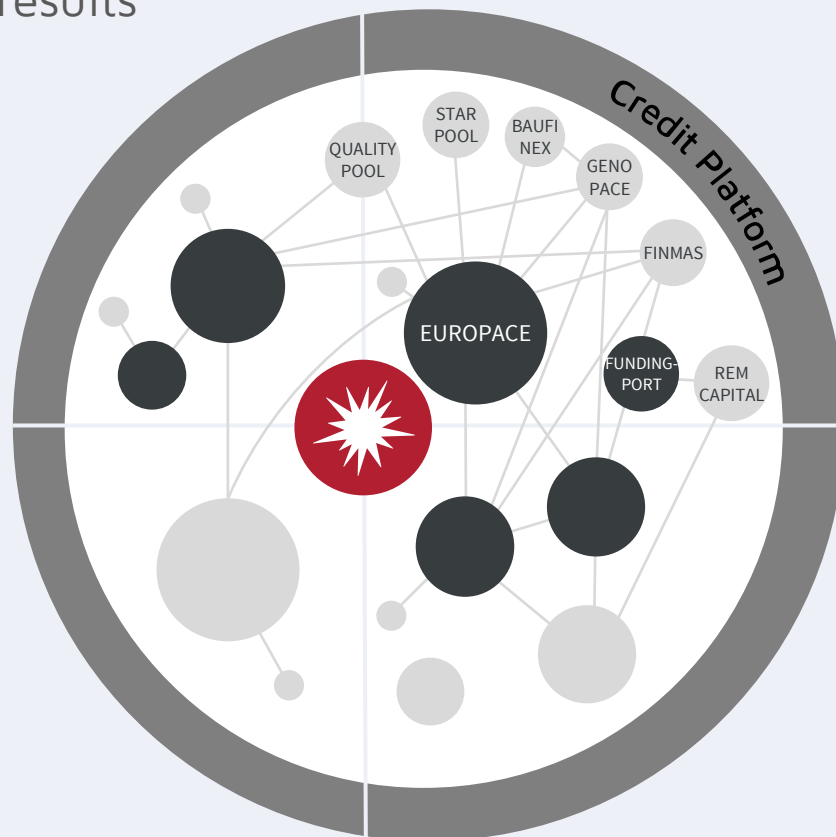
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Credit Platform

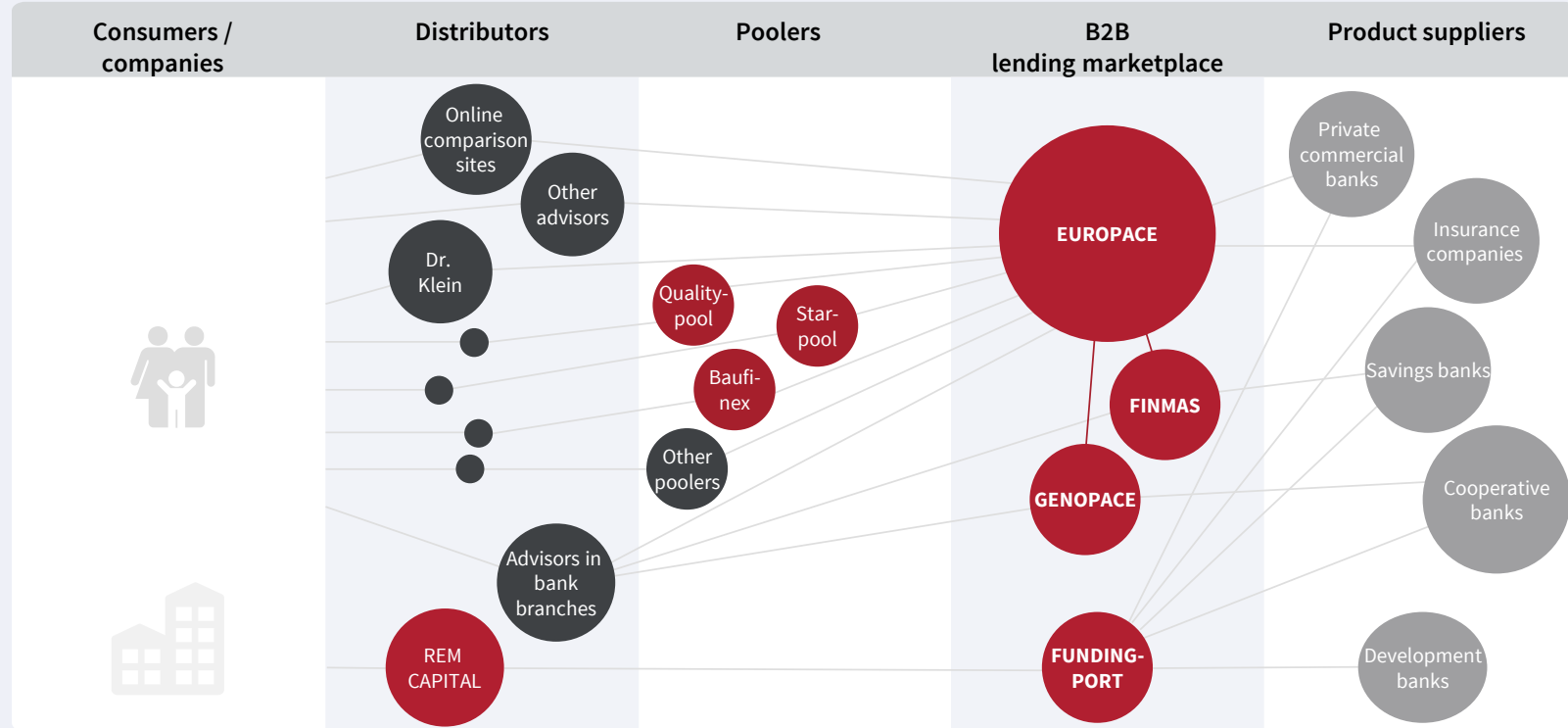
Business model & results



Credit industry

Digitalisation of the credit industry

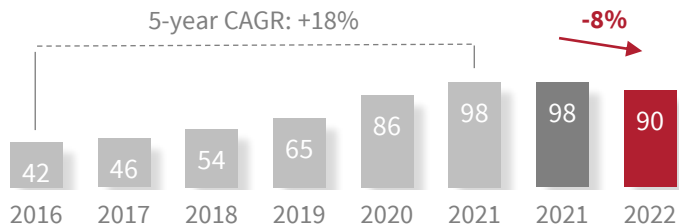
Credit Platform segment business model



Robust performance in a weak market environment

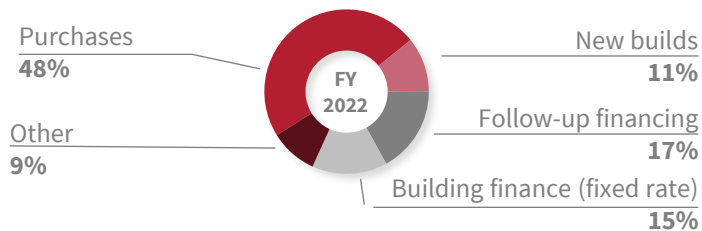
Credit Platform: mortgage finance and building finance product type

Volume of transactions (€ billion)*



* Numbers before cancellations.

Mortgage finance & building finance by use (€ billion)

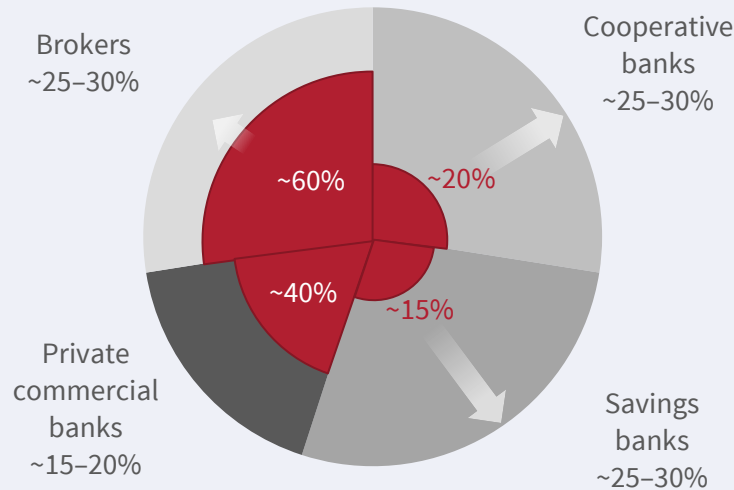


- Further gains in market share in a strongly deteriorating overall market
- Building finance (as a way of locking in interest rates) recorded a small uptick (+1%) in a wider market environment that benefited from brisk interest in retirement savings plans (+28%)
- Regional associations of savings banks and cooperative banks are recording the fastest growth rates
- Rising interest rates provided a particular boost to follow-up financing and building finance as a way of locking in interest rates, especially in the first half of 2022
- Weak momentum in the market and high internal IT fixed costs at banks are intensifying the need to go digital and accelerating the switch to the transaction-based Europace platform

Europace still has huge potential for growth

Mortgage finance product type: market share, by distribution channel

Distribution channels and Europace's share



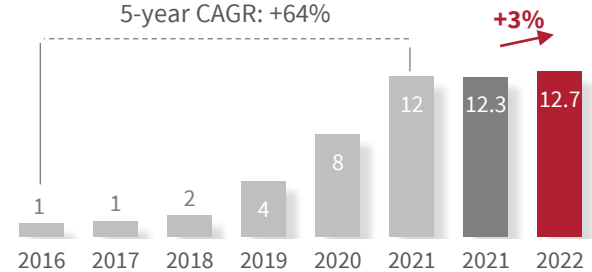
○ Mortgage finance in Germany in 2022: €257 billion

■ Mortgage finance on Europace* in 2022: €77 billion

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

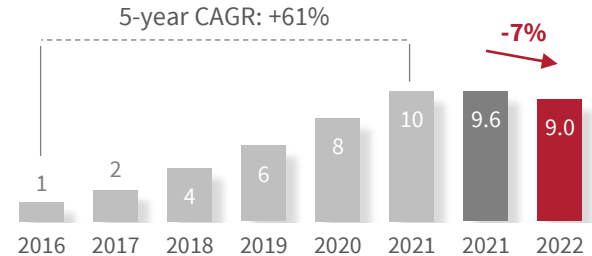
GENOPACE (for cooperative banks)*

5-year CAGR: +64%



FINMAS (for savings banks)*

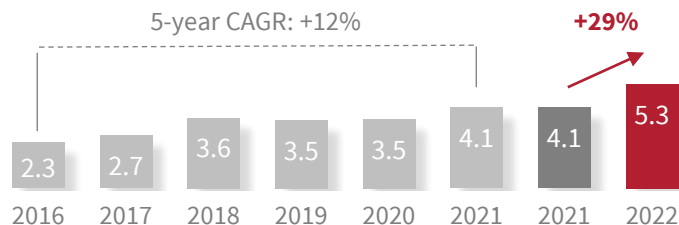
5-year CAGR: +61%



Robust growth in a stagnating market environment

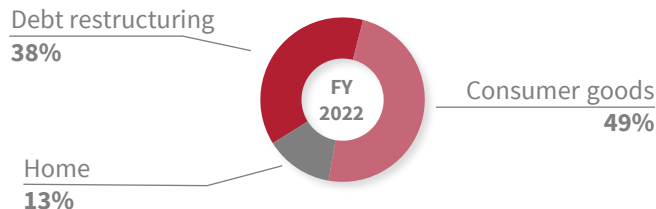
Credit Platform: personal loans product type

Transaction volume in personal loans (€ billion)*



* Numbers before cancellations.

Transaction volume by use (€ billion)

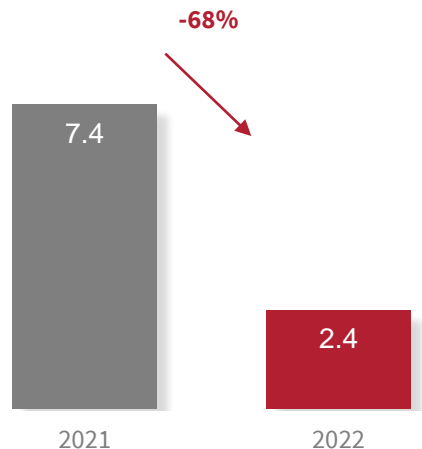


- Since 2016, Europace has gained significant market share in the personal loans business, with a focus on B2B
- 2022 was a successful year overall, although momentum slowed slightly towards the end
- The expansion in this segment was achieved in a stagnating market (5-year CAGR: +0.3%)
- ‘Sofortkredit’ instant credit product rolled out to all distributors following a successful pilot phase
- Personal loan optimisation as part of mortgage finance transactions offers growth potential for distributors
- Rollout of GENOFLEX – a system that serves as a price and risk management tool and is aimed at developing business jointly within the cooperative banking sector – initiated at the start of 2023 after a successful pilot project

Subsidy advice strong in H1 but weaker in H2

Credit Platform: corporate finance product type

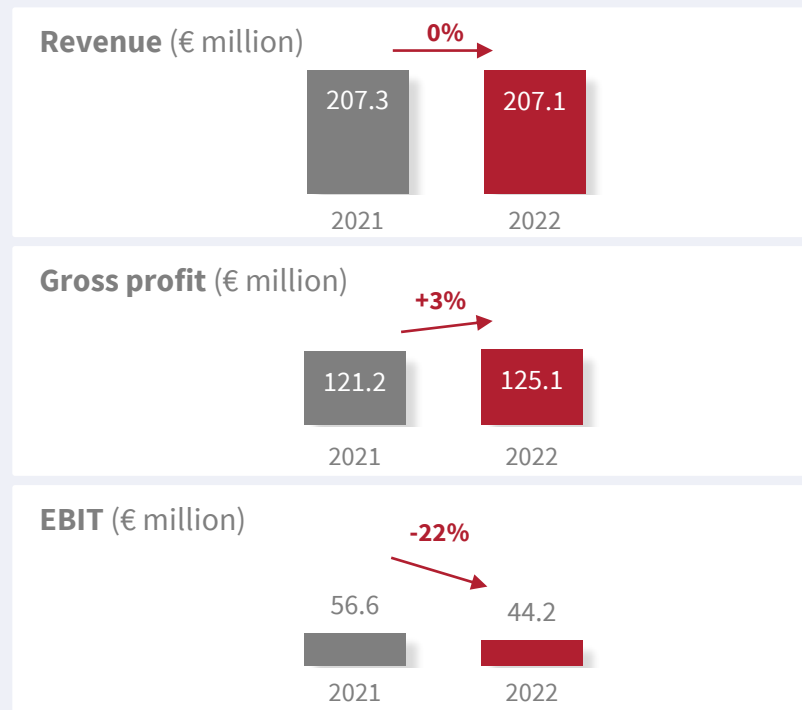
Volume of new projects at REM Capital (€ billion)



- From summer 2021 until summer 2022, REM Capital saw strong growth in connection with KfW support schemes for German SMEs in relation to energy efficiency improvements for buildings (initiated by the previous German government) and innovation
- Current external factors (climate change mitigation, energy crisis, disrupted supply chains, inflation) are posing challenges for German SMEs and sparking strong demand for advice, with substantial associated potential for transactions
- Current government support programmes have not yet been adapted to the latest climate goals and the trajectory of the current crisis; the market consequently weakened in H2 2022 and the volume of new projects declined substantially year on year
- In this challenging environment, banks are becoming increasingly reluctant to lend

Stable business volume despite turbulent market conditions

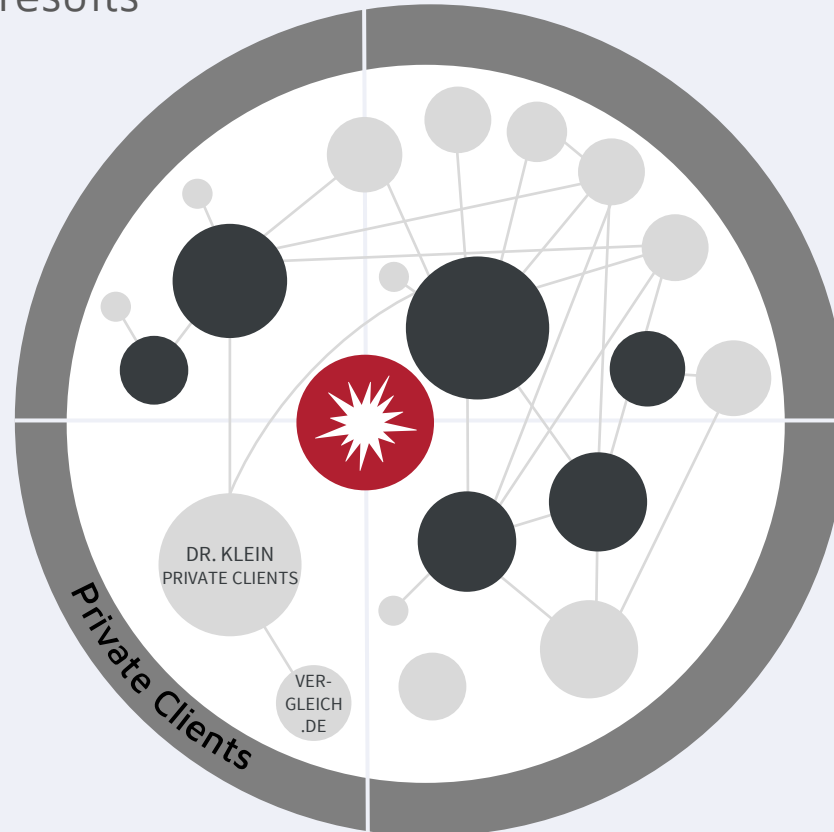
Credit Platform: revenue, gross profit and EBIT



- Stable revenue generation in spite of the slump in the mortgage finance market in H2 2022
- Revenue contracted significantly in Q3 2022 due to challenging market conditions for private mortgage finance and weaker finance for SMEs
- At around 35% of gross profit, profitability was only slightly below the five-year average of 40-45% thanks to a very strong performance in the first half of 2022
- Segment outlook for 2023: a slight drop in revenue and a pronounced fall in EBIT
- Strong potential as soon as the mortgage finance market starts to normalise and the German government introduces effective funding support schemes for consumers and SMEs

Private clients

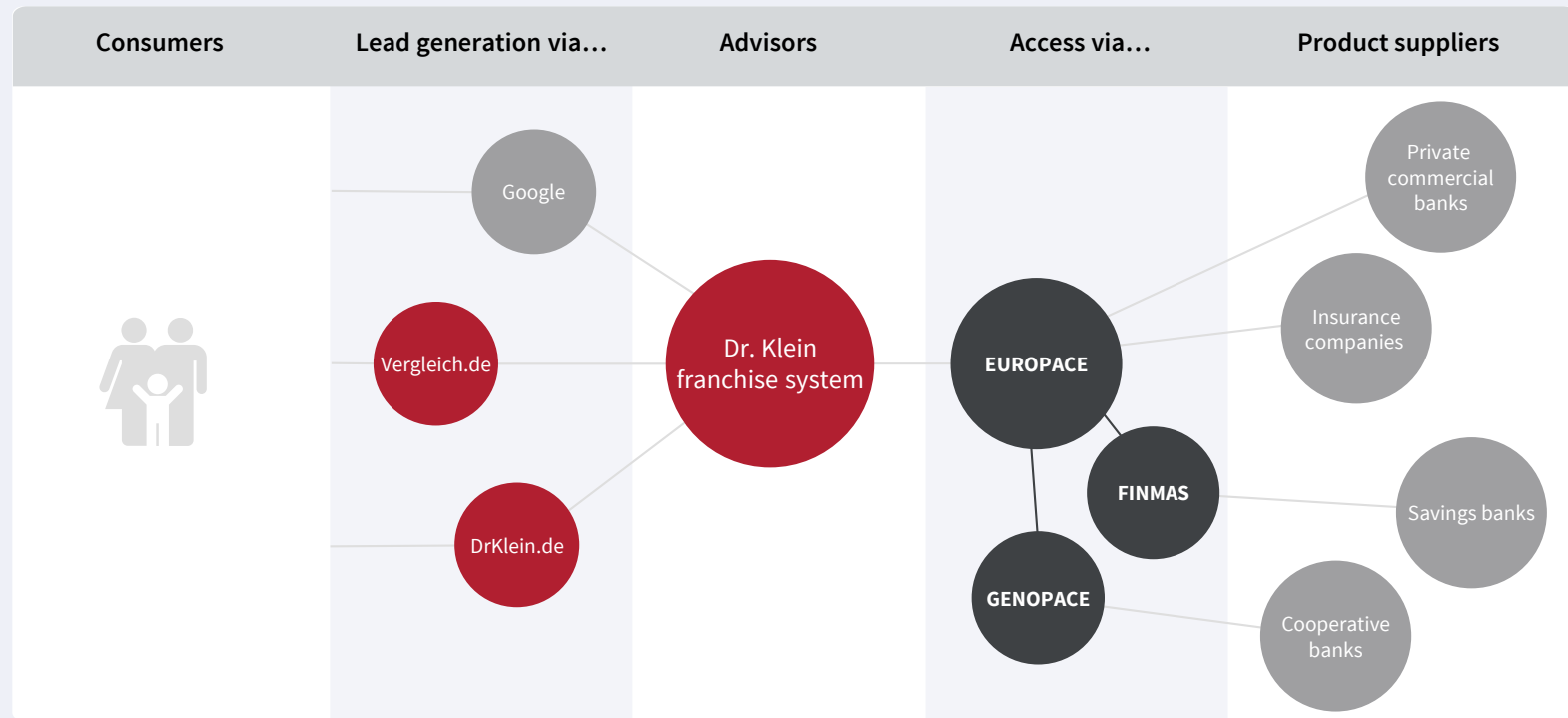
Business model & results



Private clients

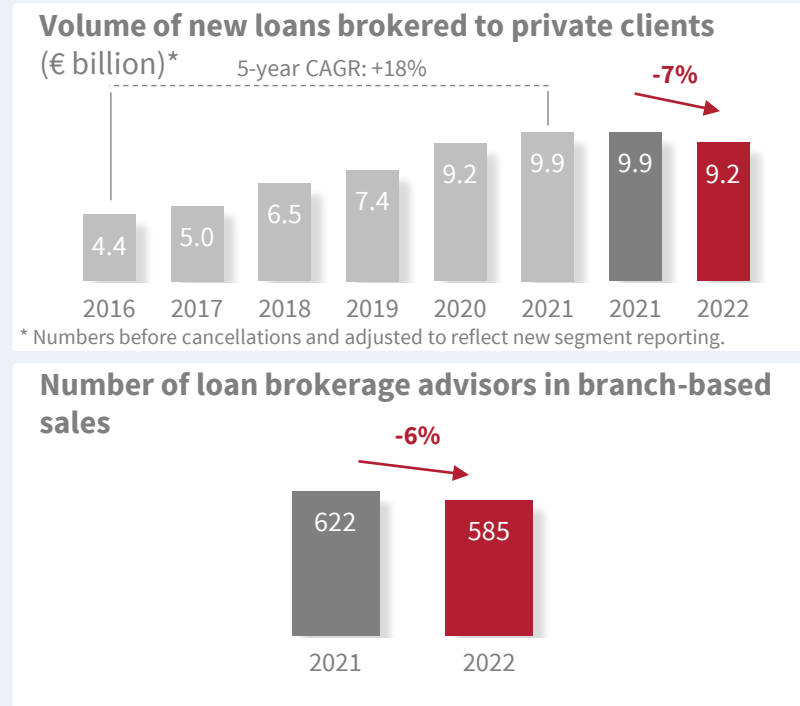
Strong brand for independent advice

Private Clients segment business model



Further gains in market share for Dr. Klein in a weak market

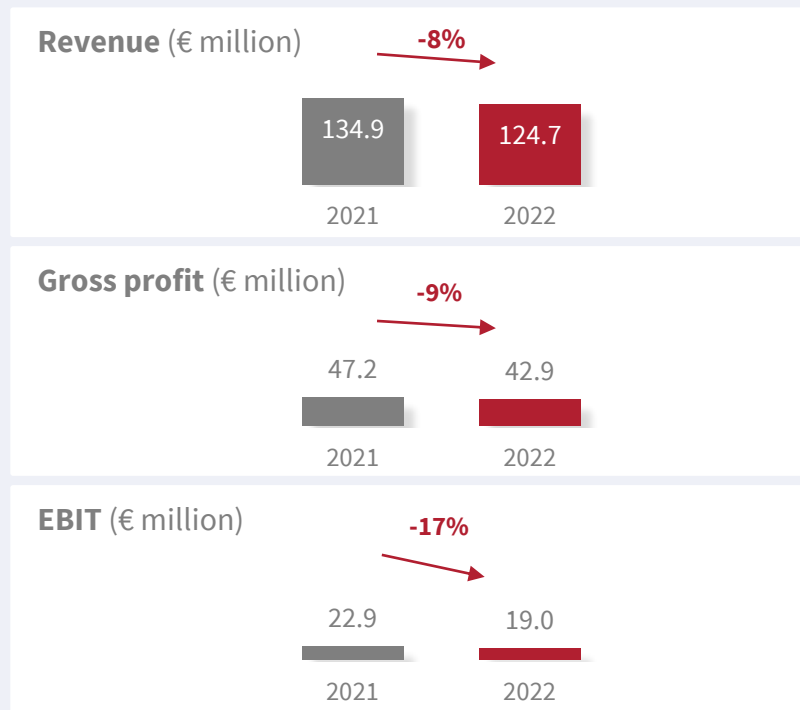
Private Clients: operational key figures



- Further expansion of market share (overall market: -9%; long delay before market downturn is reflected in the figures) despite a 7% drop in the volume of new loans brokered
- Dr. Klein brokerage volume strongly affected by high market volatility in 2022; outstanding performance in Q1 (+34%), but very weak in Q4 (-50%)
- Drive to attract additional advisors successful up to autumn 2022; capacity reductions (-60 advisors) by franchisees in Q4 in light of external conditions
- As a result of rising interest rates, consumer demand for state-of-the-art provision of neutral advice (and the resulting interest-rate savings) continues to gain traction compared with traditional distribution by banks

Dr. Klein held back by difficult market conditions

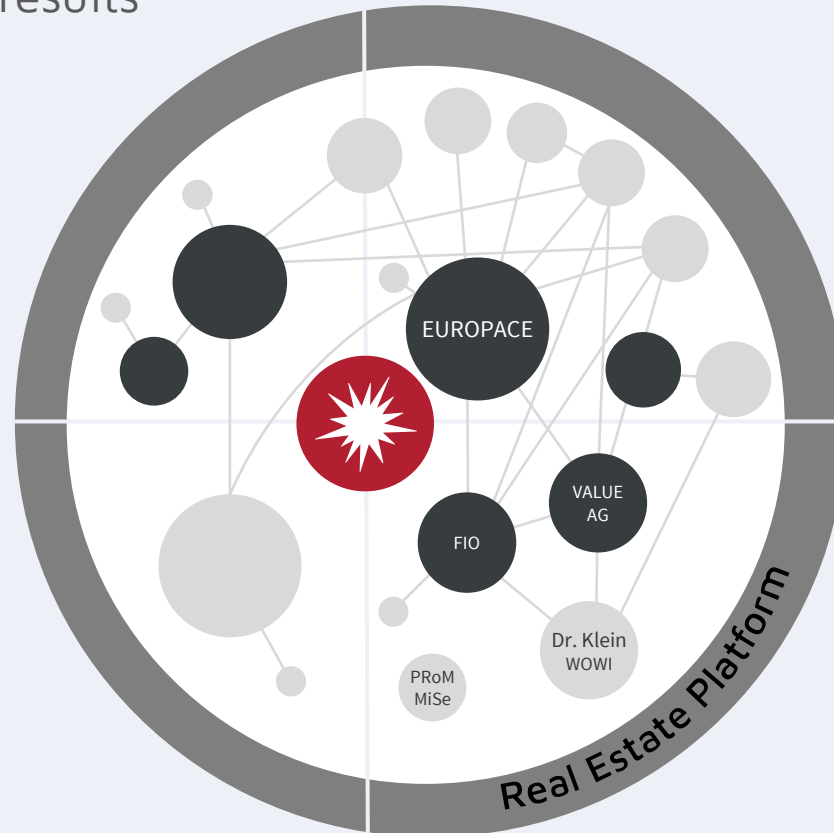
Private Clients: revenue, gross profit and EBIT



- Further slight gains in market share despite the challenging market environment
- Performance reflects the difficult conditions in the market for mortgage finance, Dr. Klein's anchor product
- If the lack of stimulus in the market persists, smaller independent advisors will likely join larger purchasing networks; this anticipated market consolidation should strengthen Dr. Klein's position as the second-biggest independent advisory brand in Germany
- Much like revenue, EBIT also declined as operating costs normalised after the lifting of pandemic-related restrictions; this had been forecast for several quarters
- Expectations for 2023 are that revenue will fall significantly and EBIT even more sharply, but there is substantial upside potential as soon as the market starts to normalise

Real Estate Platform

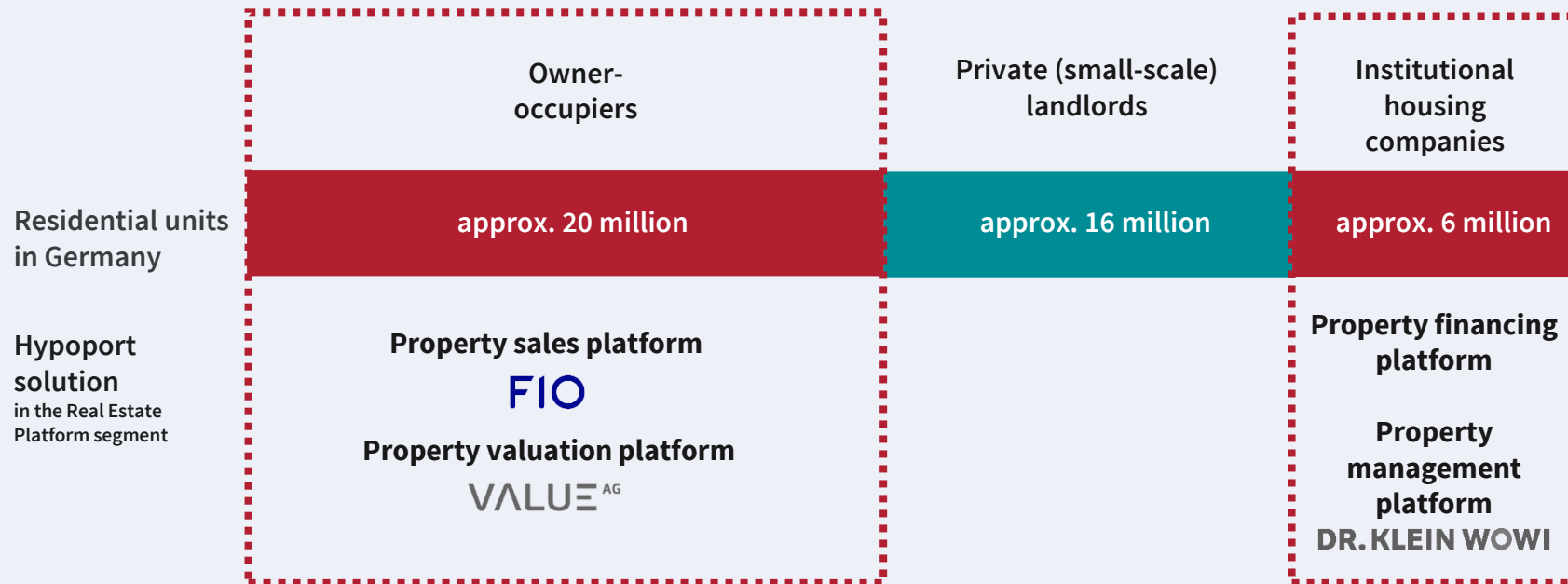
Business model & results



Real Estate industry

Areas of potential in the digitalisation of the housing industry

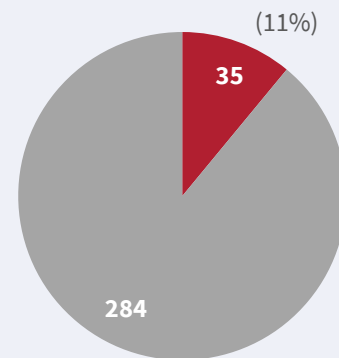
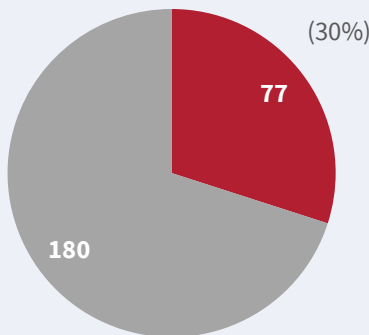
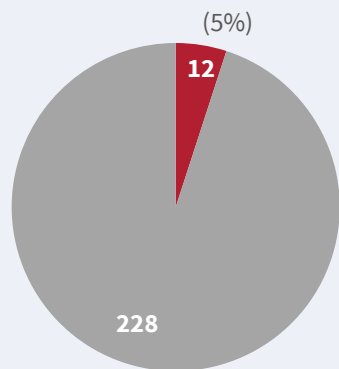
Market segments and solutions



Sources: German Housing and Property Companies Association (GdW), German Federal Statistical Office (series 31231-0001)

Strong cross-selling potential

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



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

■ Funding through EUROPACE*

■ Valuation through VALUE AG

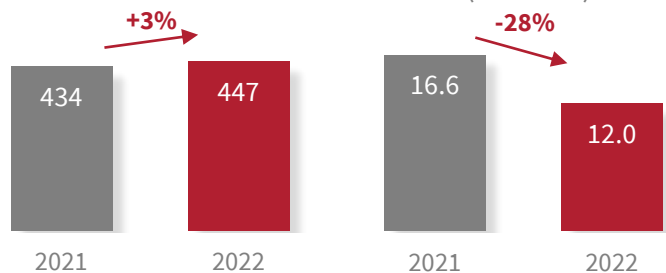
Sources: Bundesbank, GEWOS, Europace, FIO SYSTEMS, VALUE AG, own estimate. * Before cancellations.

Scaling up of marketing through FIO is slowly gaining momentum

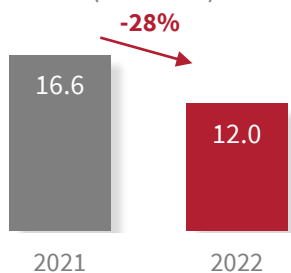
Real Estate Platform: property sales platform and property management platform

Marketing through FIO

Number of clients

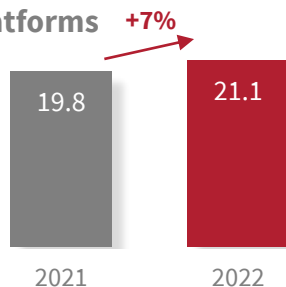


(€ billion)



Revenue from the property sales and property management platforms

(€ million)*

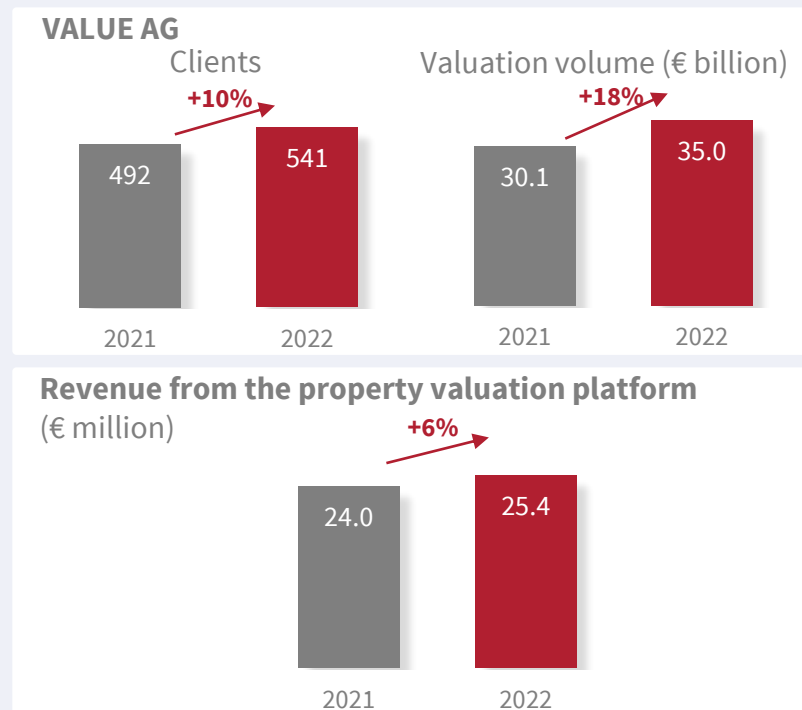


* Revenue of FIO SYSTEMS AG, Maklaro GmbH and Hypoport B.V. (PRoMMiSe).

- 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
- Expansion of service portfolio is comfortably making up for the retail banks' loss of market share and the difficult market conditions, leading to slight revenue growth in spite of a fall in volume
- FIO market share among savings banks already over 90%
- Huge potential among the cooperative banks is increasingly being unlocked through integration via Genospace

VALUE AG achieves growth in spite of regulatory drag

Real Estate Platform: property valuation platform

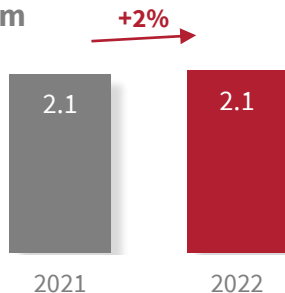


- The business model consists of integrated property valuations for the lending banks
- Revenue grew at a lower rate than the valuation volume due to a growth-oriented product mix
- High level of capital expenditure on the digitalisation of business processes and the development of a comprehensive suite of outsourcing services for the credit industry
- The fact that the Federal Financial Supervisory Authority (BaFin) repeatedly changed its stance on the subject of virtual inspections weighed on profitability from Q3 onwards
- Marked reductions in costs achieved in H2 2022
- 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 home ownership platform

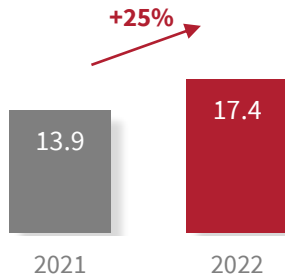
Gains in market share in a turbulent environment

Real Estate Platform: property financing platform for the institutional housing sector

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



Revenue from the property financing platform
(€ million)



- In the first half of 2022, rising interest rates and interest-rate volatility increased the housing industry's willingness to do business in spite of uncertain conditions (excessive regulation of the rental market, sharp rise in construction prices, uncertainty about government support for housebuilding)
- From summer 2022, construction of social housing and modernisation for energy efficiency fell off a cliff-edge; gains in market share offset this only to a limited extent
- Huge potential if the federal and regional governments put in place the right frameworks for much needed construction of social housing
- Measures to improve the energy efficiency of the existing property stock, which requires investment of at least €500 billion over the period until 2045, have only been funded to a small extent so far
- The anticipated withdrawal of private landlords poses both an opportunity and a challenge for local housing companies

Growth segment with high capital expenditure for the future

Real Estate Platform: revenue, gross profit and EBIT



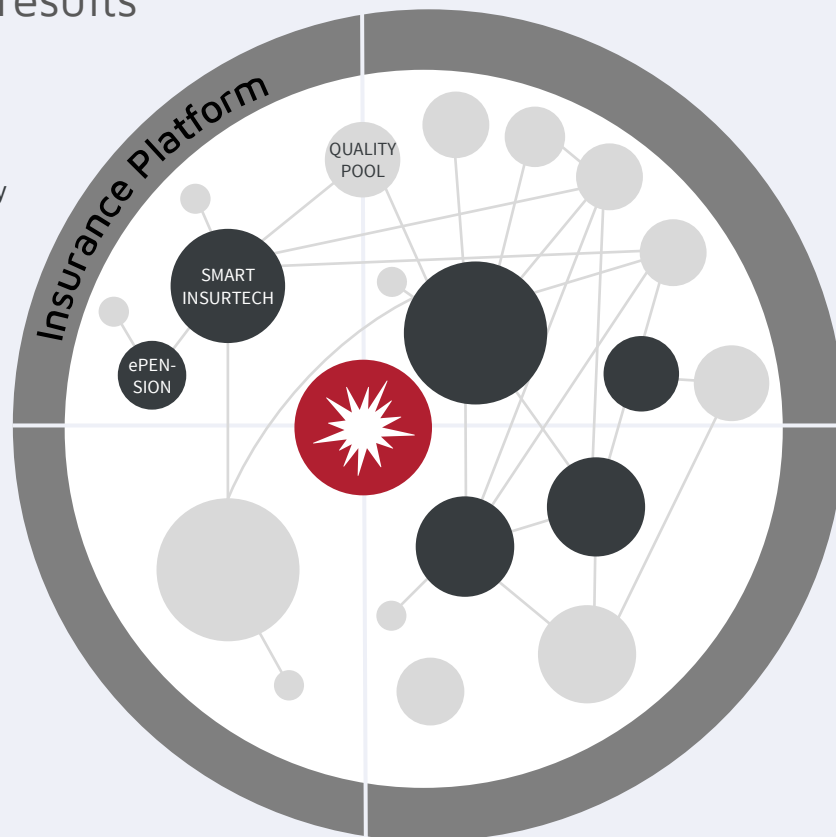
- Healthy to very healthy operating performance of all four platforms (property sales, valuation, financing and management) until summer 2022
- Mixed picture from Q3: the licence-based business models of the property sales and property management platforms continued to grow, while the revenue of the property valuation and property financing platforms contracted for market-related reasons
- Extraordinary expenses and BaFin regulation against virtual inspections had an adverse impact of nearly €4 million on EBIT in H2
- Cross-selling by the Credit Platform segment (Europace, FINMAS, GENOPACE) provides a strong basis for further gains in market share
- In 2023 revenue should remain stable as start-up losses should continue to reduce

Insurance Platform

Business model & results

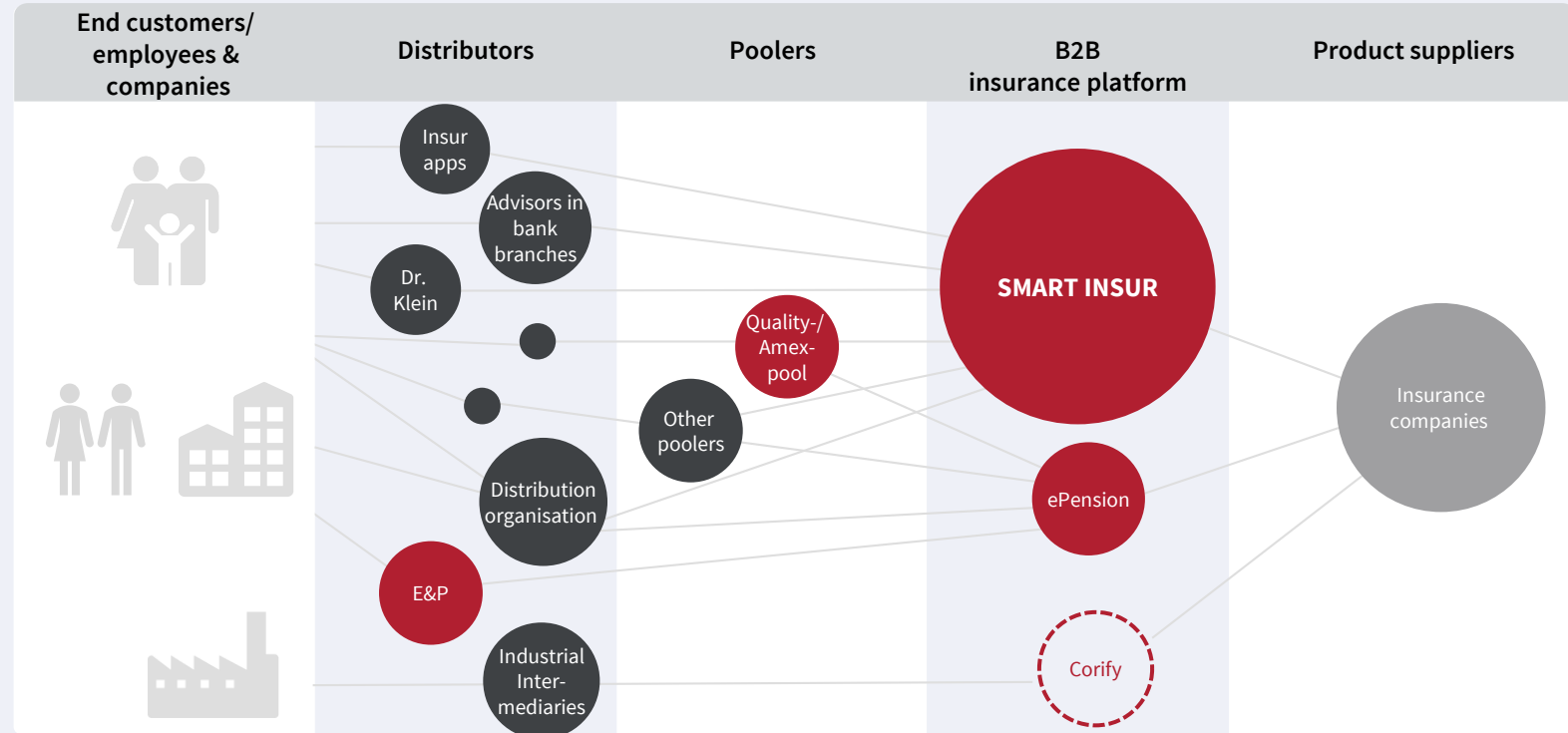


Insurance industry



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 2022: €224 billion in annual net premiums written



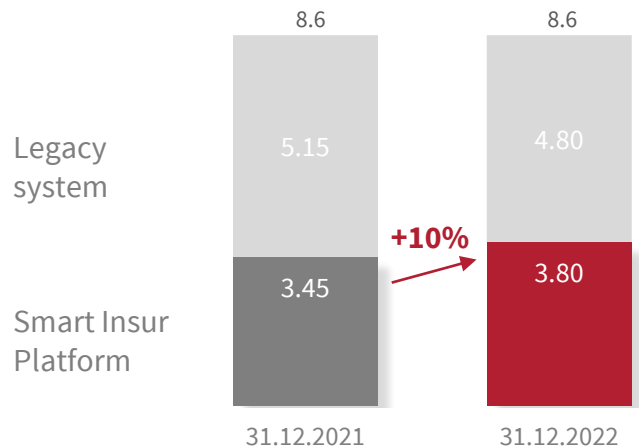
Sources: German Insurance Association (GDV) as at 26 January 2023, own estimates.

Steady increase in the platform volume

Insurance Platform: progress with the migration strategy

Private insurance portfolios

(annual net premiums, € billion)

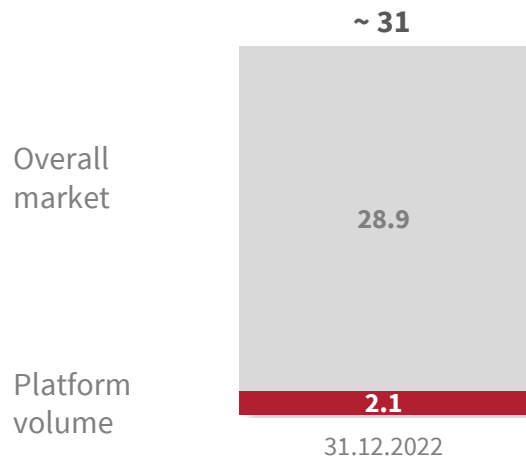


- Annual net premiums of approx. €9 billion are managed in the legacy systems of the acquired companies for private insurance policies
- Migrating these portfolios to the SMART INSUR platform is crucial to the establishment of premiums-based fee models in the sector
- SmIT is gradually validating these portfolios; the validation rate currently stands at 30%
- 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

Successful validation of strategic options

Insurance Platform: industrial insurance strategy

Industrial insurance
(annual net premiums, € billion)

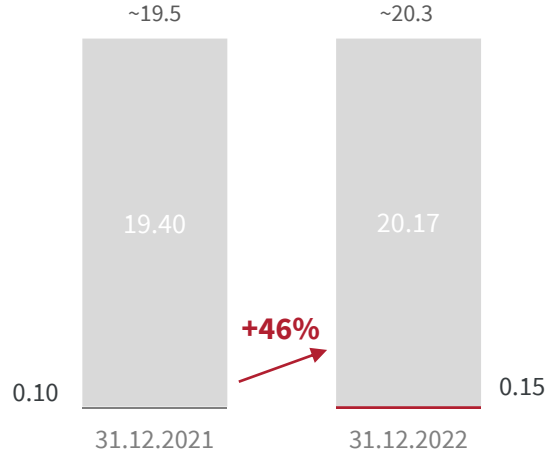


- As a result of acquisitions of software systems in the period from 2016 to 2019, Hypoport also took over business relationships in the industrial insurance sector
- This segment, which generates premiums of €2.1 billion, does not fall within the strategic focus of the SMART INSUR platform
- The aim of the differentiation process is to give SMART INSUR a clear focus on the management of insurance products with variable pricing for consumers, freelancers and small business owners
- Work to develop the Corify platform for the industrial insurance business began in 2022
- First product applications set to go into testing from H2 2023
- However, looking ahead to 2023 and beyond, there is attractive potential for development in terms of market share in the industrial insurance business

Huge potential for digitalisation in occupational pension market

Insurance Platform: occupational pension portfolios

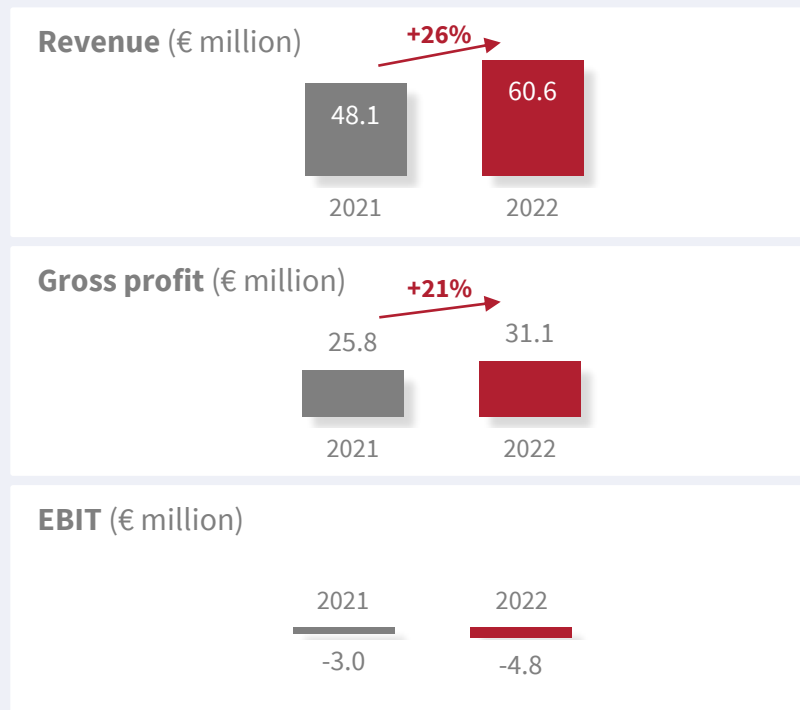
Annual net policy premiums on occupational pension portfolios (€ billion)



- 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
- Regulation regarding occupational pension provision is forcing employers to implement complex processes and manage a broad range of choices
- The expansion into the up-and-coming product segment of occupational health insurance is currently at the pilot stage
- Pilot conducted with two new high-profile customers – Generali Deutschland and Debeka Lebensversicherung – in 2022

Progress with the strategic realignment

Insurance Platform: revenue, gross profit and EBIT



- Additional clients were signed up for SMART INSUR and ePension in 2022, but the acquisition of new clients continues to progress much more slowly than expected
- Growth in 2022 partly attributable to the acquisition of AMEXPool; organic growth of around 6%
- Successful strategic realignment in 2022 through the creation of three distinct business units (private insurance, industrial insurance, occupational pension provision)
- A one-off item in the private insurance business had an adverse impact of €1.5 million
- The plan for 2023 is to generate modest revenue growth and reach EBIT breakeven through optimisation of the cost base

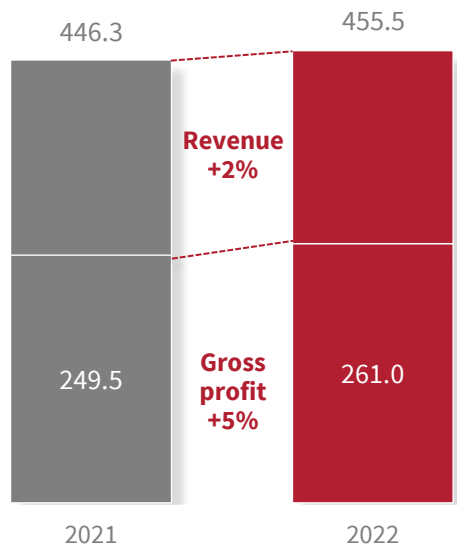
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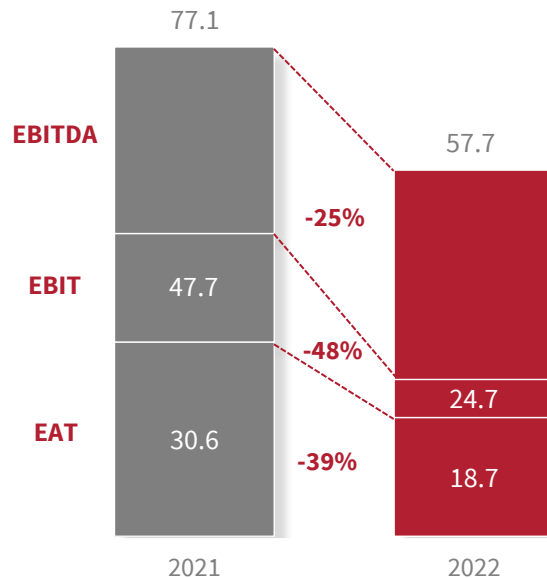
Slight growth in 2022 and substantial investment in H1

Overview of Hypoport's key performance indicators

Performance (€ million)



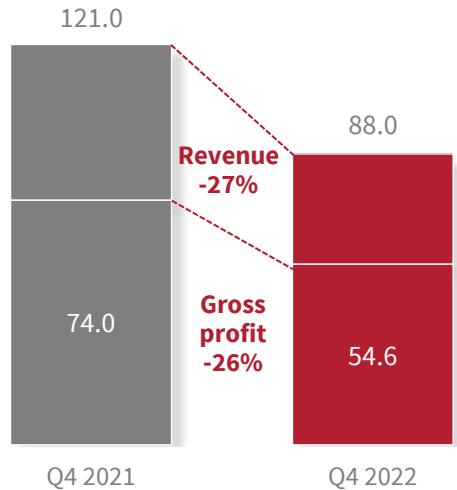
Earnings (€ million)



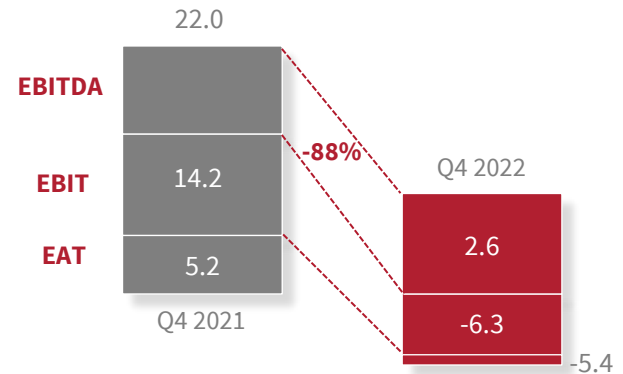
Market slump became evident in Q4 2022

Overview of Hypoport's key performance indicators

Performance (€ million)

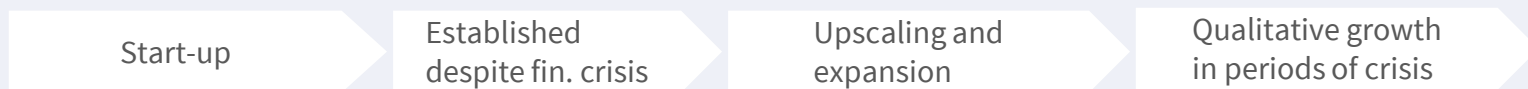


Earnings (€ million)

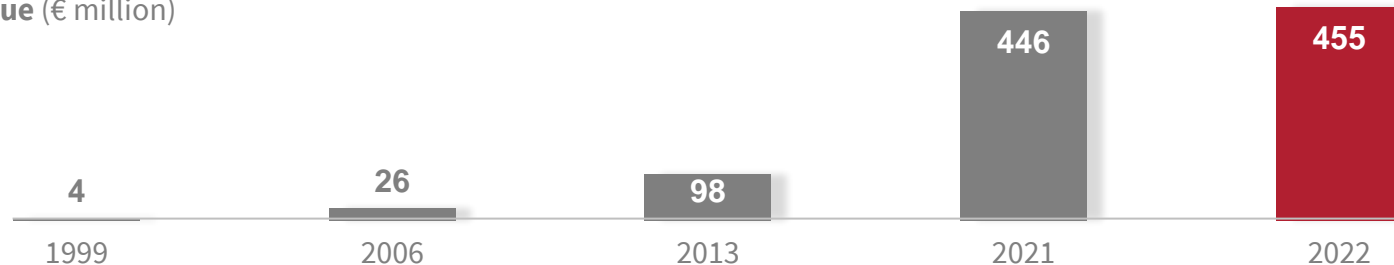


22-year track record as a profitable growth company

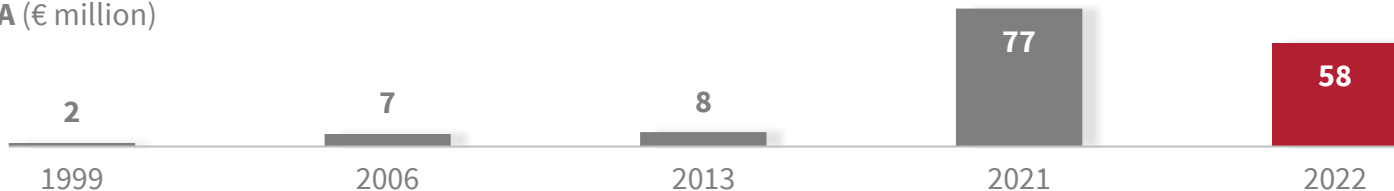
Long-term changes in revenue and EBITDA



Revenue (€ million)



EBITDA (€ million)



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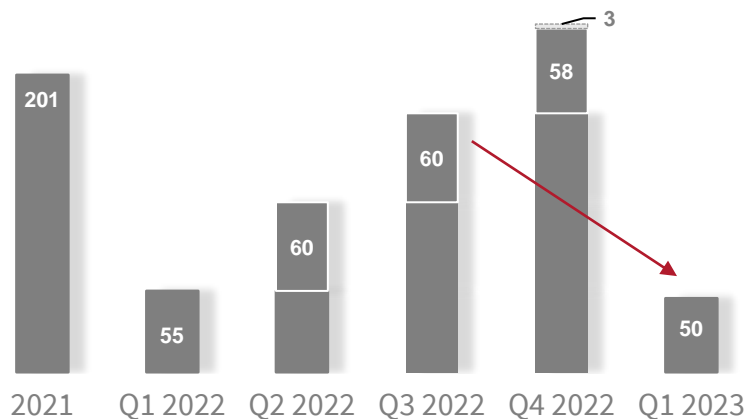
4. Outlook

Annex (incl. share price info & IR)

Costs reduced. Capital base strengthened. Successful course set

Key activities from the last six months put into context





















Costs (€ million)



- The reduction of costs since Q3 will lower expenditure by €35–40 million per year
- Costs reduced by approx. €10 million between Q3 2022 and Q1 2023, with **savings** achieved in all segments
- Reduction in headcount from 2,600 to 2,300 by focusing on value creation
- All promising **innovation projects** will continue; opportunities for the future will still be seized, but a hiring freeze has been implemented for the time being
- Prices and distribution of risk have been adjusted to the changing market conditions
- **Capital increase** of €50 million ensures that the Company retains its ability to seize opportunities for growth amid the market changes currently taking place

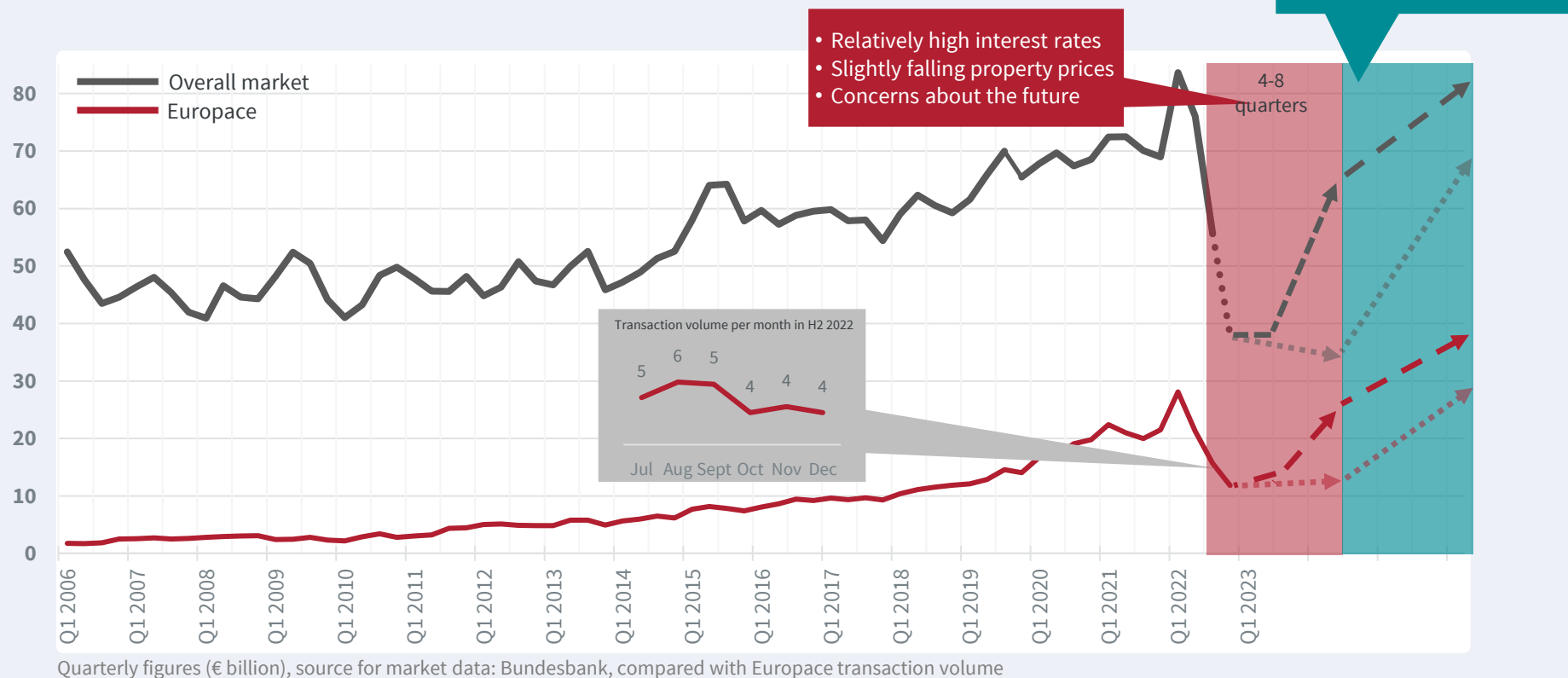
Trigger events cause Germans to turn to financing

Factors of relevance for financing decisions

Type Reasons	Property purchase	Remortgaging	New builds	Modernisation
Life events	 Children, divorce, career changes		 Children	
Interest rates	 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	
Resources			 Shortage of land for development, construction costs	 Shortages of skilled labour
Regulatory and political environment	 High transaction costs and inaccessible rental market		 Excessive building regulations, lack of funding support schemes	 Insulation bonus
Macroeconomic environment	 Target group: medium to high-income households		 Target group: high-income households	

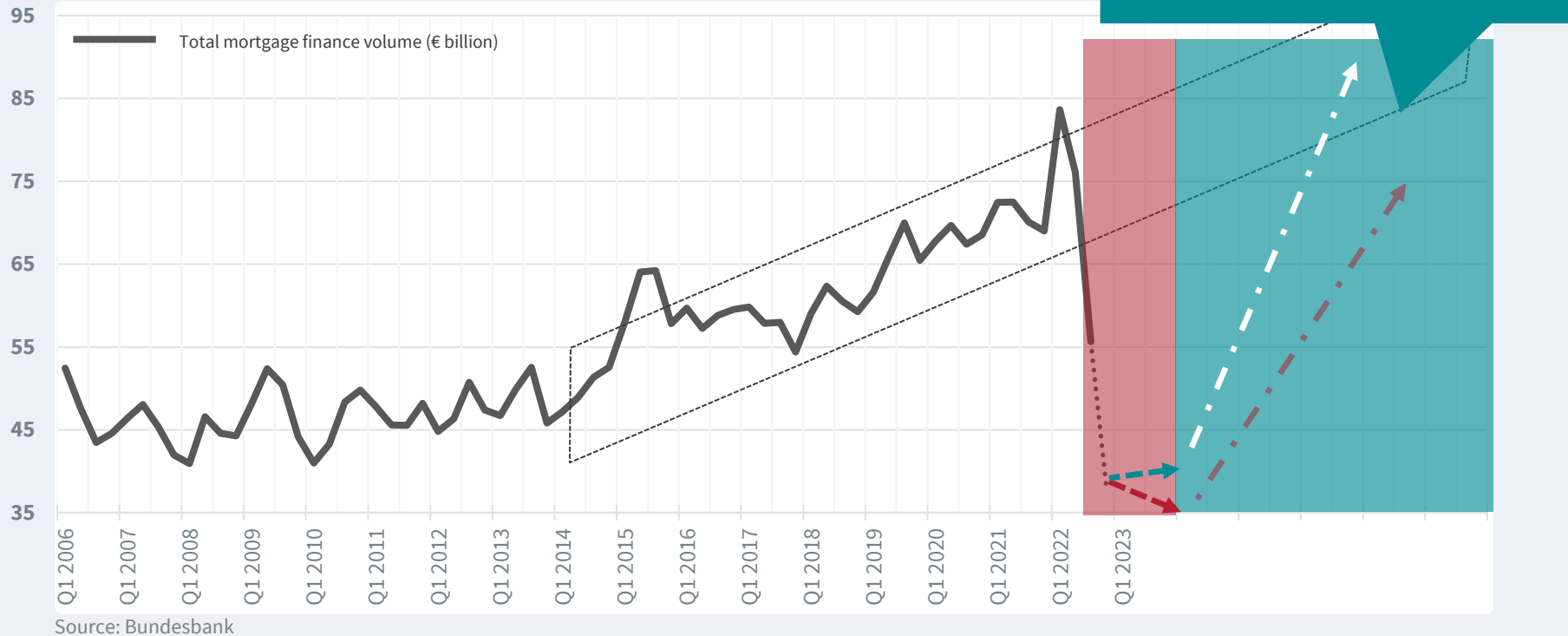
Outperformance – then, now and in future

Possible future trajectory of mortgage finance



Market holds huge opportunities for growth

Expected long-term market trend



For years

Hypoport has been generating double-digit increases in revenue and EBIT

Forecast for 2023

Assuming a partial normalisation of the real estate financing market in the course of the year, decline in turnover of up to 10 per cent and EBIT decline of up to 30 per cent

For many more years

Hypoport will generate double-digit increases in market share and thus, in normal market phases, also in revenue and EBIT

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Annex

Investment highlights

~20% **REVENUE GROWTH**
10-year CAGR

1.9 **MODERATE DEBT LEVEL**
Liabilities to banks /
/ EBITDA 2022

~20% **EBIT INCREASE**
10-year CAGR

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

15+ **ACQUISITIONS**
in 10 years

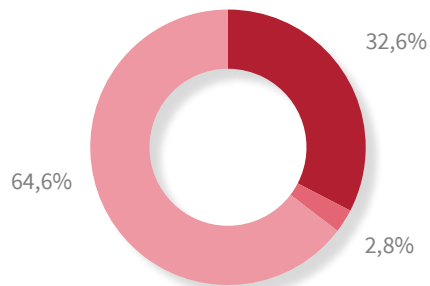
93% **OUR EMPLOYEES**
are satisfied or even
extremely satisfied with
Hypoport as an employer

Market capitalisation of just under €1 billion

Shareholder structure and share information

Breakdown of shareholders as at 28 February 2023

- Ronald Slabke (CEO)
 - Treasury shares
 - Free float
- (of which more than 5% Baillie Gifford, more than 3% Allianz Global Investors, more than 3% BlackRock, more than 3% Premier Miton, more than 3% Nicolas Schulmann)

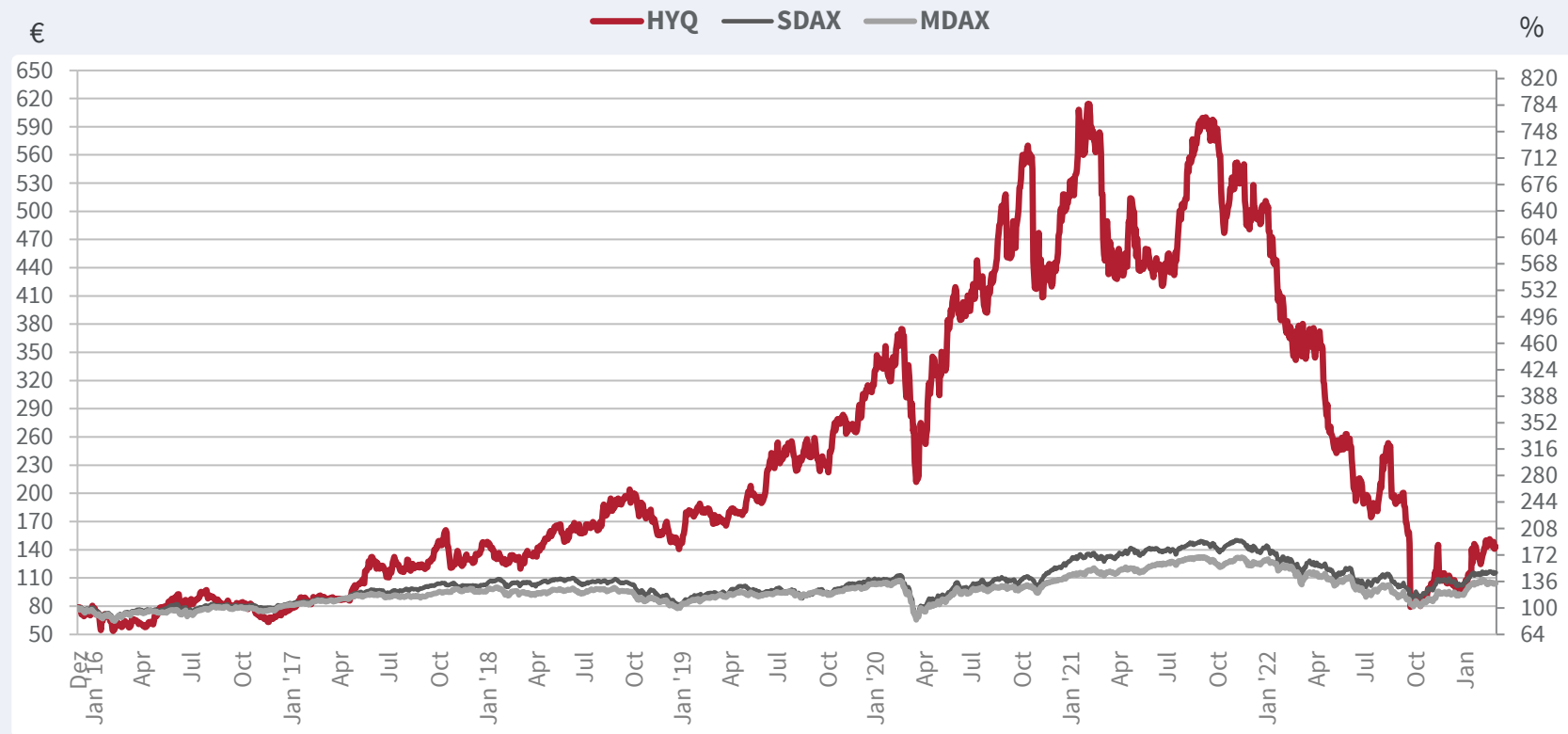


Key performance indicators

KPI	Details	Value
EPS	Earnings per share in 2022	€2.96
Number of Number of	Total number of shares	6.872.164
Market cap	Market capitalisation as at 28 February 2023	~€0.9 bn
Trading volume	Average trading volume per day in 2022	~€3.3 mn
High	Highest closing price in 2022	€507.00
Low	Lowest closing price in 2022	€79.25
Indices	SDAX, Prime All Share, CDAX, DAXplus Family, GEX	

Share price performance 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	Sell	€90.00	18 Jan 2023
Berenberg	Buy	€230.00	1 Feb 2023
BNP Paribas Exane	Underperform	€84.00	17 Jan 2023
Pareto Securities	Buy	€215.00	10 Mar 2023
Warburg	Buy	€265.00	16 Jan 2023

Index and awards

- SDAX, HDAX, DAX PLUS FAMILY
- Warburg 'Best Ideas 2023'
- 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	Lyon, Hamburg, Frankfurt (3x), London, Munich (2x), Paris	2022
Roadshows	USA, UK, Germany/Austria/Switzerland	2022
Conferences	Amsterdam, Berlin, Frankfurt (2x), Hamburg, London, Lyon, Munich (2x), Paris, USA (2x)	2021
Roadshows	Ger/Aus/Swi, London (2x), USA	2021
Conferences	Berlin, Canada, Frankfurt (2x), London (2x), Lyon, Munich, USA	2020
Roadshows	Canada, Copenhagen, Ger/Aus/Swi (2x), Paris, UK (3x), USA (3x)	2020

Financial calendar

8 May 2023	Results for Q1 2023
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Mortgage finance – a high-potential market

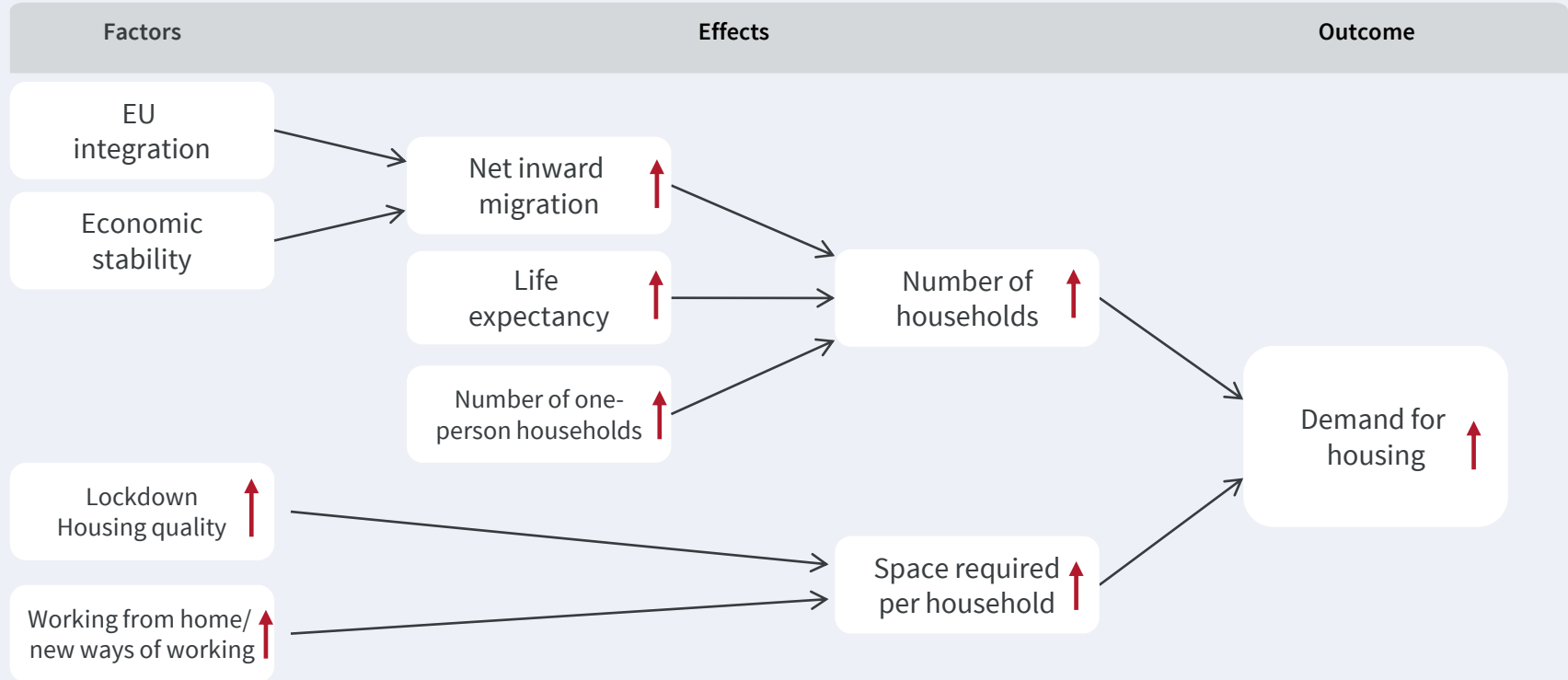
Long-term factors influencing private and institutional residential mortgage finance

	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 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.

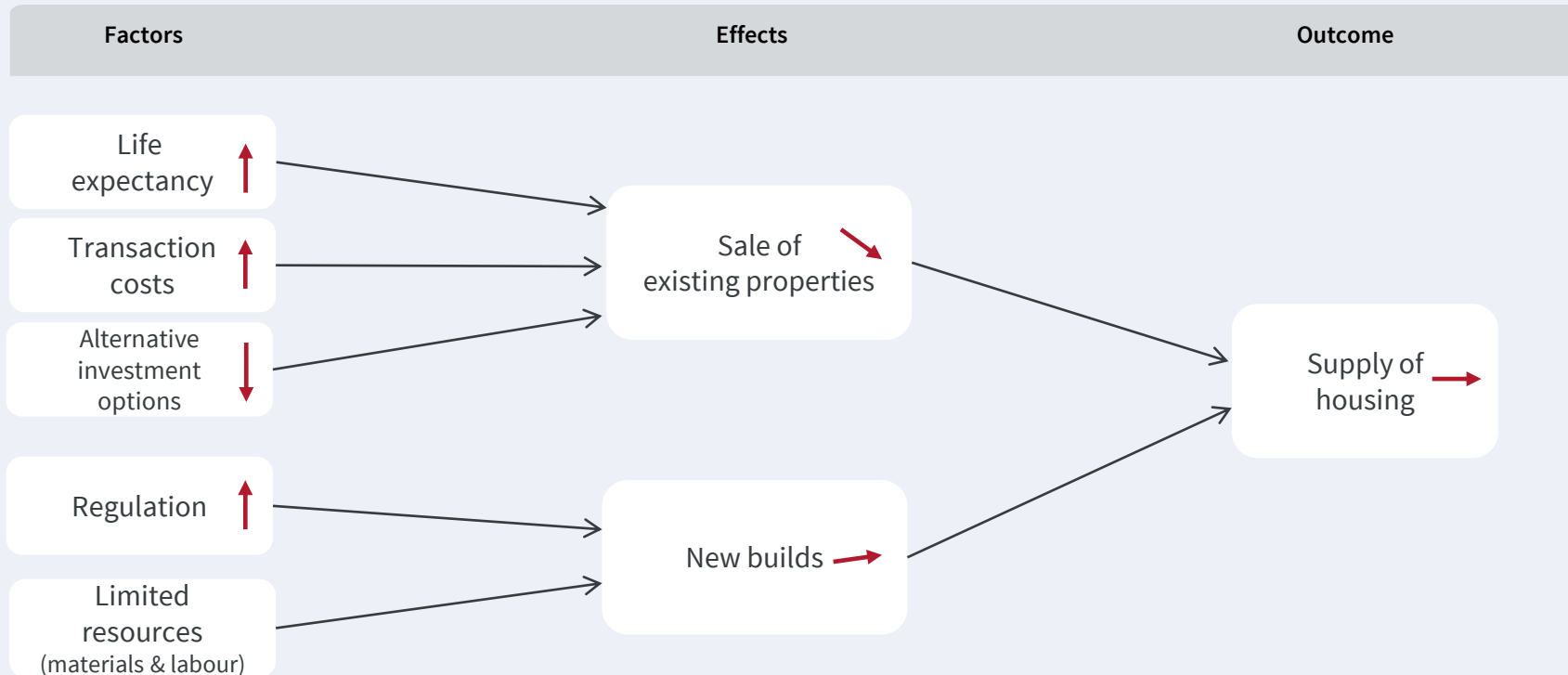
Neither interest rates nor short-term political topics are relevant

Factors influencing demand in the German property market



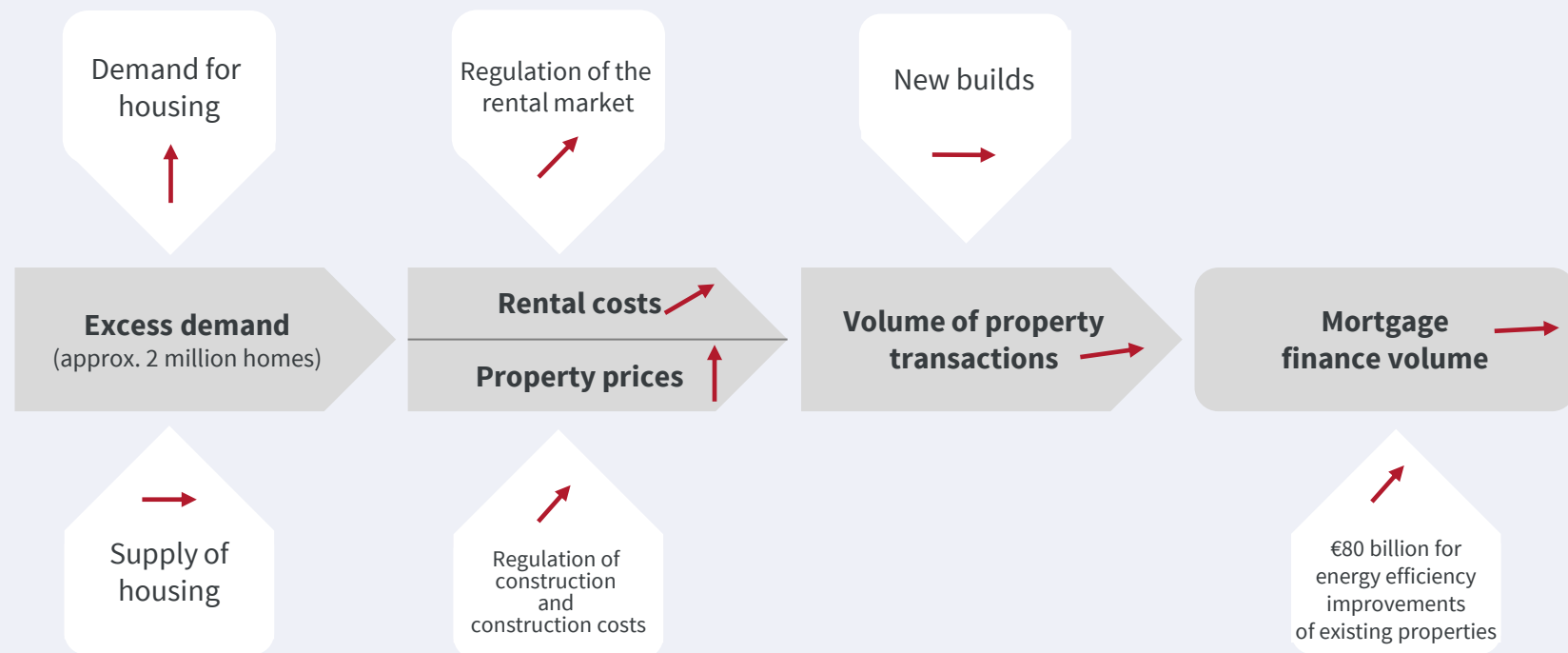
Scarce supply due to low sales volumes and limited new building

Factors influencing supply in the German property market



A long-term growth market

Structural factors underpinning sustained growth in the finance market



Potential for digitalisation in the insurance market

Long-term 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 technologiesFurther regulation is increasing the complexity of the insurance business and its digital transformation	<ul style="list-style-type: none">Consumers have higher expectations regarding digitalisationInsurtech start-ups and coronavirus are increasing the pressure on traditional market players to adopt digital technologiesPossibilities 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 growthLow 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 communicationsIncreasingly complex occupational pension processes make digitalisation a necessity