



Interim report of
Hypoport SE
first half–year 2021

Berlin, 9 Aug 2021

The background features a light blue gradient with various geometric shapes. There are several teal-colored L-shaped blocks of varying sizes and orientations. A prominent dark red L-shaped block is located in the lower right quadrant. Other smaller shapes in shades of blue and teal are scattered throughout the page.

Key performance indicators

Interim report of Hypoport SE for the period ended 30 June 2021

Key performance indicators

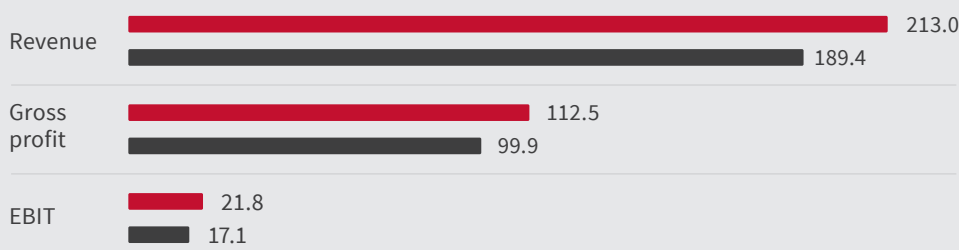
| Revenue and earnings (€'000) | H1 2021 | H1 2020 | Change |
|---|---------|---------|--------|
| Revenue | 213,044 | 189,415 | 12% |
| Gross profit | 112,493 | 99,853 | 13% |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 36,173 | 29,973 | 21% |
| Earnings before interest and tax (EBIT) | 21,838 | 17,094 | 28% |
| EBIT margin (% , EBIT as a percentage of gross profit) | 19.4 | 17.1 | 13% |
| Net profit for the year | 16,717 | 12,350 | 35% |
| attributable to Hypoport SE shareholders | 16,578 | 12,341 | 34% |
| Earnings per share (€) (undiluted/diluted) | 2.63 | 1.91 | 38% |

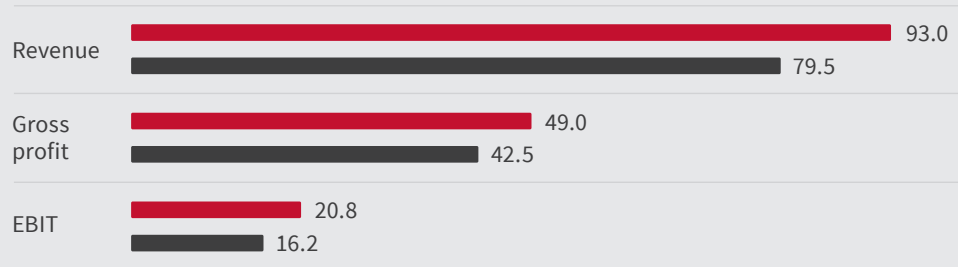
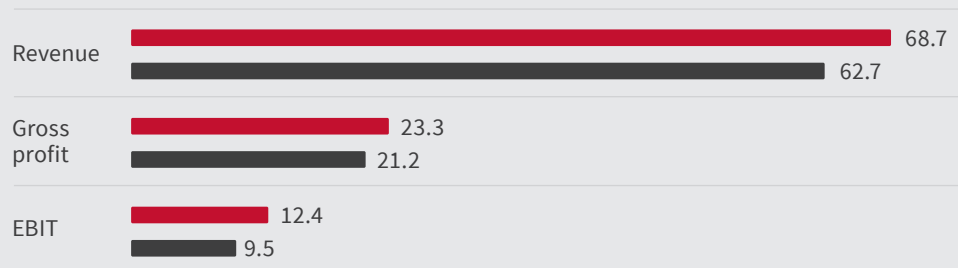
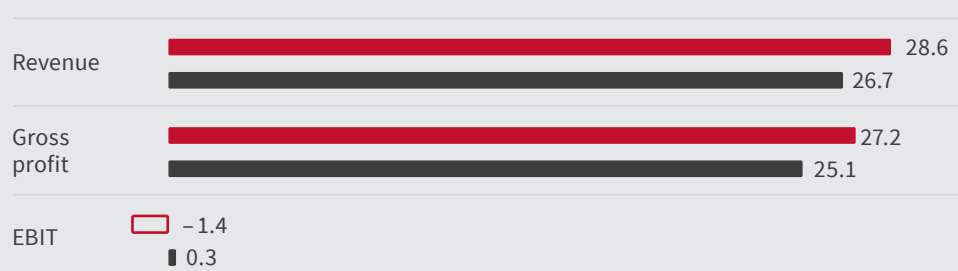
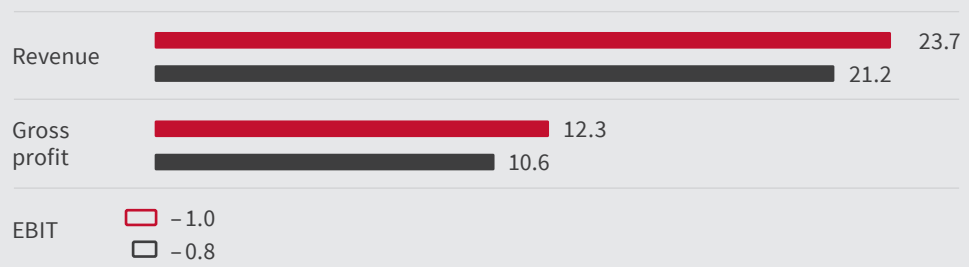
| | Q2 2021 | Q2 2020 | Change |
|---|---------|---------|--------|
| Revenue | 105,162 | 88,777 | 18% |
| Gross profit | 56,901 | 47,313 | 20% |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 17,003 | 13,302 | 28% |
| Earnings before interest and tax (EBIT) | 9,768 | 6,576 | 49% |
| EBIT margin (% , EBIT as a percentage of gross profit) | 17.2 | 13.9 | 24% |
| Net profit for the year | 7,365 | 4,352 | 69% |
| attributable to Hypoport SE shareholders | 7,391 | 4,349 | 70% |
| Earnings per share (€) (undiluted/diluted) | 1.12 | 0.64 | 75% |

| Financial position (€'000) | 30 Jun 2021 | 31 Dec 2020 | Change |
|--|-------------|-------------|--------|
| Current assets | 117,794 | 112,830 | 4% |
| Non-current assets | 460,885 | 439,217 | 5% |
| Equity | 239,129 | 221,392 | 8% |
| attributable to Hypoport SE shareholders | 237,753 | 220,456 | 8% |
| Equity ratio (%) | 41.3 | 40.1 | 3% |
| Total assets | 578,679 | 552,047 | 5% |

Revenue, Gross profit and EBIT (€ million) ■ H1 2021 ■ H1 2020

Hypoport Group



Credit Platform segment**Private Clients segment****Real Estate Platform segment****Insurance Platform segment**

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Letter to shareholders

Dear shareholders,

The dramatic impact of the social distancing measures imposed to contain the spread of coronavirus and the resulting reduction in consumer spending (referred to in this report as the ‘coronavirus crisis’) continued to have a huge effect on the German economy as a whole and on many individual companies, including some household names, in the first half of 2021 (‘third wave of the pandemic’).

Despite these difficult economic conditions, our Hypoport SE can look back on a very encouraging first half of 2021. We were able to achieve double-digit percentage growth in terms of the market share of our operating business and in terms of revenue and earnings for nearly all of the Hypoport business models. All in all, our Hypoport Group increased its revenue by 12 per cent year on year to €213 million in the first half of 2021. The rate of growth more than doubled from the first quarter of 2021 (7 per cent growth yoy) to the second quarter 2021 (18 per cent growth yoy).

For reporting purposes, our network is broken down into our four segments, whose performance in the first half of 2021 was as follows:

The **Credit Platform segment**, which centres around the online B2B lending marketplace Europace, fared very well in the reporting period. The transaction volume on Europace amounted to €52.2 billion, an increase of 25 per cent compared with the first half of 2020. The continued growth of GENOPACE over the past three years led to an 83 per cent rise to €6.3 billion in the volume of transactions from cooperative banks. The sub-marketplace for savings banks, FINMAS, saw its volume of transactions rise by 37 per cent to €5.3 billion, and thus also played a key part in unlocking efficiency improvements and facilitating market share gains for affiliated B2B partners. Against the backdrop of just 5 per cent growth in the overall mortgage finance market, these three growth figures highlight the pioneering character of our platforms in terms of technological innovation. Revenue from the sales-supporting brokerage pools and REM Capital’s corporate finance advice business also increased substantially. Revenue from the white-label personal loans business in H1 2021 remained level with the prior-year figure due to the ongoing impact of the coronavirus crisis on the market environment. The total revenue of the segment rose by 17 per cent to €93 million (H1 2020: €80 million). Despite high levels of investment, the segment’s EBIT increased at a higher rate, climbing by 28 per cent to €21 million (H1 2020: €16 million).

The **Private Clients segment**, with its main consumer brand Dr. Klein, captured further market share as a result of using Europace and deploying modern video conferencing technology for its advisory meetings. The sales volume in the first six months of 2021 increased by 15 per cent to €5.1 billion. Revenue in the Private Clients segment came to €69 million, a rise of 10 per cent (H1 2020: €63 million). The segment’s EBIT increased at a much stronger rate, climbing by 30 per cent to €12 million (H1 2020: €10 million) owing to an improved product mix and the pandemic-related reduction in operating costs.

In the **Real Estate Platform segment**, revenue from the property sales platform and property management platform dipped by 3 per cent due to the decision to forego individual project business in favour of a scalable platform business model. After a marked decline in revenue in the first quarter of 2021, the second quarter already saw revenue picking up again by more than 10 per cent. The property valuation platform, which is closely integrated with the credit platform, increased its revenue by 26 per cent despite its banking partners still feeling minor effects of the third wave of the coronavirus crisis on their day-to-day operations. The volume of new loans brokered on the property financing platform for the housing industry and the revenue generated through this platform were on a par with the prior year. The segment's overall revenue advanced by 7 per cent to €29 million (H1 2020: €27 million). This operating performance should be viewed in the context of the strategic reduction of project business. Excluding the project business, revenue increased by more than 10 per cent. Following the gradual reduction, which continued until early 2020, project business will no longer be relevant to the Real Estate Platform segment in future. The Real Estate Platform segment is the main focal point of the Hypoport Group's investment in 2021, which meant that the segment's EBIT fell from €0.3 million to a loss of €1.4 million.

The **Insurance Platform segment**, which is centred around the fully integrated SMART INSUR platform, signed up additional small and medium-sized enterprises as customers for the platform, resulting in increasing buy-in among the target group of large distribution organisations and brokerage pools. Moreover, the migration of insurance portfolios from the legacy systems to SMART INSUR is progressing well. A volume of €3 billion (annual net premiums) had already been migrated as at 30 June 2021, equating to a migration rate of over 30 per cent. Revenue rose by 12 per cent compared with the prior-year period to reach €24 million (H1 2020: €21 million) despite the reduction in project business and the focus on recurring revenue streams from the platform business. This was partly attributable to the acquisition of ePension. EBIT deteriorated slightly from a loss of €0.8 million to a loss of €1.0 million.

For the Hypoport Group as a whole, EBIT increased by 28 per cent to €22 million in the first six months of 2021 (H1 2020: €17 million). As in the past, Hypoport will maintain its high level of investment in the operating business models of the individual segments along with further investment at Group level, for example in new offices and Hypoport SE's innovation hub.

Letter to shareholders

Interim report of Hypoport SE for the period ended 30 June 2021

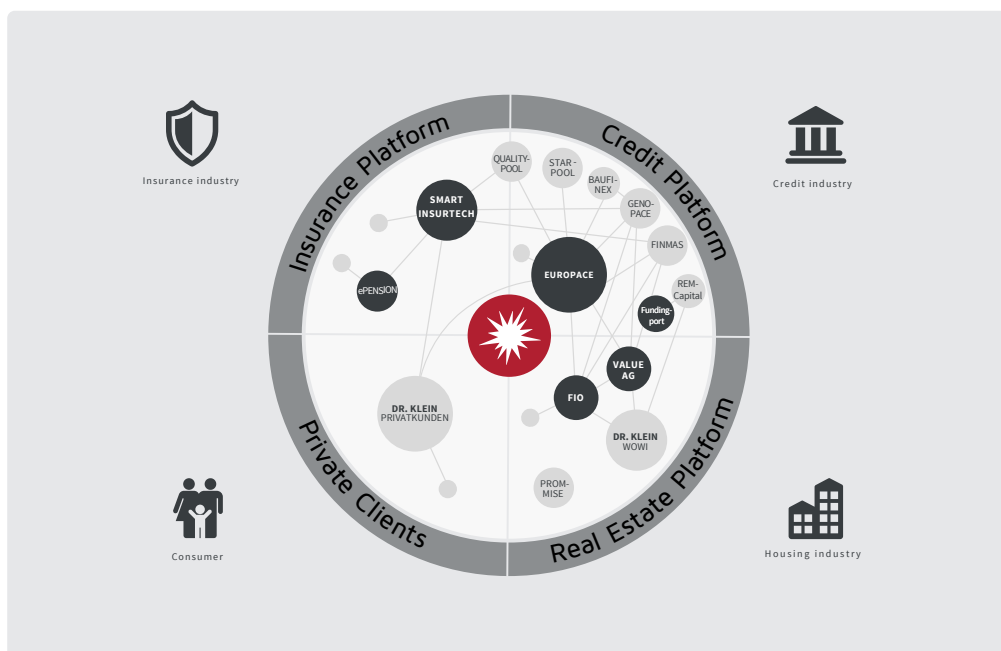
As you can see, our Hypoport Group is continuing to grow during the pandemic. One reason for this is that the markets in which we operate – the German credit, housing and insurance sectors – tend to be fairly immune to short-term economic trends. In addition, the nature of our business as a cutting-edge technology company enables us to capture market share from traditional competitors in the current environment – thanks to our much greater level of efficiency – and to attract and retain talented people.

From a shareholder’s perspective, the coronavirus crisis is what is commonly referred to as a ‘black swan’ – a sudden event that occurs unexpectedly and has huge (typically adverse) implications for the financial markets. In all likelihood, it will not be the last time we see a black swan. But Hypoport has demonstrated in this crisis that our corporate culture, our business model and our markets make us extremely resilient to these major adverse events.

Stay safe and keep well.

Kind regards,
Ronald Slabke

Ronald Slabke



Management report

Business and economic conditions

Macroeconomic environment

The particular market environment in which the Hypoport Group operates – the German credit, housing and insurance industries – traditionally benefits from a high level of immunity to fluctuations in the wider economy. Apart from the industry-specific factors listed below (see the ‘Sectoral performance’ section), the only macroeconomic variables that have exerted a degree of influence on consumers’ and the housing industry’s willingness to take out loans and insurance in recent years have been gross domestic product (GDP), interest rates and inflation.

In the first half of 2021, as had already been the case in 2020, the coronavirus outbreak and the necessary countermeasures taken to contain the pandemic impacted on the macroeconomic environment and sectoral conditions. The nature of the rapidly evolving pandemic means that the precise impact is not yet conclusively quantifiable, although a current assessment of the effects is provided in this ‘Macroeconomic environment’ section and in the ‘Business performance’ and ‘Outlook’ sections.

Until 2019, the German economy enjoyed a ten-year run of expansion, the longest period of growth since German reunification. The effects of the public health measures taken to contain coronavirus caused GDP in 2020 to fall by 4.9 per cent compared with the previous year. Due to the macroeconomic impact of these measures, the forecast for GDP in 2021 cannot be conclusively quantified, although researchers at the leading economic research institutes predict growth of 3.1 per cent in their spring report.

In 2020, consumer prices in Germany went up by 0.5 per cent, which was well under the inflation target of the European Central Bank (ECB) of “below, but close to, 2.0 per cent”. In the period from January to May 2021, inflation gradually rose from 1.0 per cent to 2.5 per cent before shifting to 2.3 per cent in June 2021. This means that from April 2021, inflation was above the established ECB target rate. In July 2021, the ECB announced a slight modification of its inflation target (see ‘Outlook’ section), which – in combination with the prevailing economic conditions – is likely to result in a continuation of the low-interest-rate environment albeit with the possibility of short-term volatility.

Sectoral performance

The subsidiaries of the Hypoport Group that are involved in operating activities are assigned to its four segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform. The companies within the first two segments (Credit Platform and Private Clients) are primarily involved in the brokerage of financial products for private residential mortgage finance, the development of technology platforms for such brokerage, and related services. The key target sector for these segments is therefore the credit industry for residential property in Germany. The Real Estate Platform segment is involved in the sale, valuation, financing and management of residential properties. The volume of housing market transactions in Germany is this segment’s best possible market benchmark, because it has a bearing on the development of the relevant business processes.

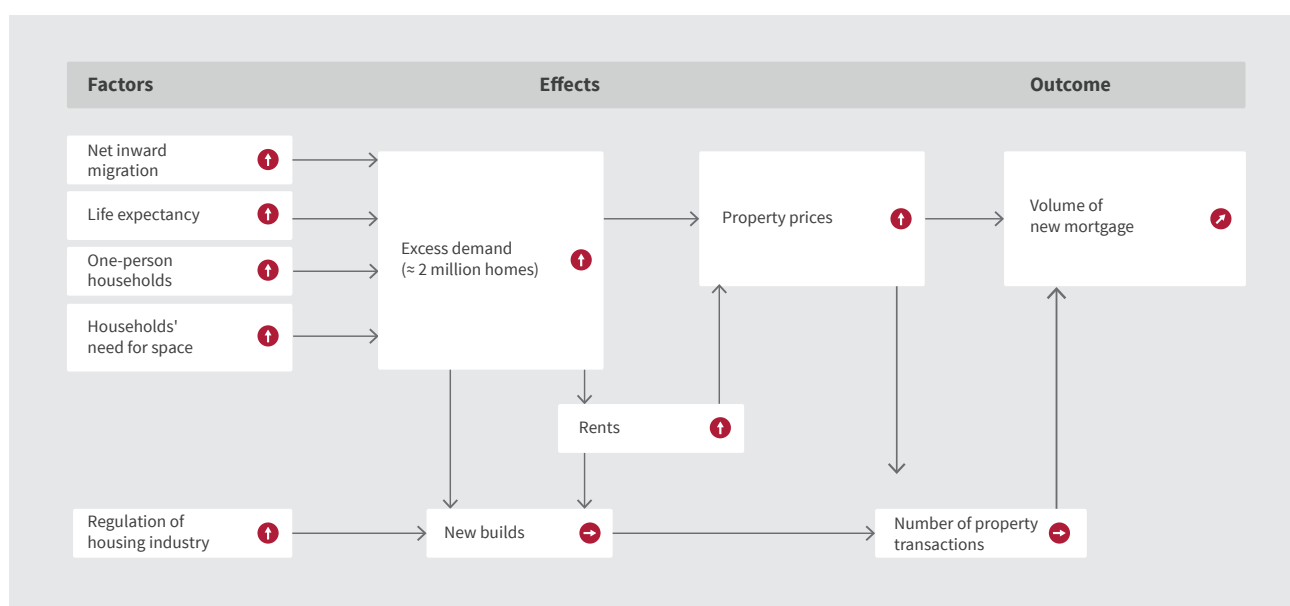
The fourth segment – Insurance Platform – provides software solutions for traditional distribution organisations and B2C insurtech start-ups. The German insurance industry therefore constitutes the key market environment for this segment’s operations.

Housing market in Germany

The German housing market has been buoyant for years. It is influenced by four main long-term factors:

1. Net inward migration to Germany,
2. Higher life expectancy,
3. Growing number of one-person households,
4. Wish to be unaffected by possible rent increases

The first three of these factors have been pushing up consumer demand for residential property in Germany for many years. On the supply side, the regulation of residential construction and a shortage of building resources mean that only a moderate level of new construction is taking place. These changes in the situation for supply and demand are resulting in excess demand, which different experts put at between one and two million homes and which primarily affects metropolitan areas. The surplus demand, combined with a narrow and heavily regulated rental market, is causing an increase in property prices, in the volume of housing market transactions (see the ‘Volume of housing market transactions’ section below) and in the volume of private residential mortgage finance (see the ‘Market for residential mortgage finance’ section on page 12).



**Volume of housing market transactions
(market environment of the Real Estate Platform segment)**

Based on Deutsche Bundesbank's data for the market volume of new mortgage finance business, the data obtained from Europace and a study from GEWOS, a property research institution ¹, the Hypoport Group estimates that the volume of consumer housing market transactions in Germany was around €220 billion in 2020. The small year-on-year increase of approximately 5 per cent was driven by a rise in property prices, as the number of property transactions was down slightly.

Operational developments in the housing market were overshadowed by the ongoing coronavirus outbreak in 2020. Nevertheless, the long-term trend is intact due to the aforementioned excess demand for residential properties.

In spring 2020, housing demand and supply in Germany fell sharply due to the first lockdown (March to May) but soon staged a marked recovery. Having a home of one's own immediately became more important for a significant proportion of the population in 2020 because many people were working from home and/or looking after their children at home. Consequently, demand for higher-value housing bounced back rapidly in the second quarter and remained high for the rest of 2020 and in the first half of 2021.

The supply of housing also began to improve noticeably again in the second quarter of 2020. But as in recent years, low availability of housing is limiting the number of transactions being completed, which – in turn – has driven prices up sharply. This was reflected in Europace's EPX house price index, which rose by 11 per cent from 170 points to 188 points over the course of 2020. This trend continued over the first half of 2021 and, as a result, the EPX had climbed to 202 points by June 2021, an increase of 13 per cent compared with June 2020.

Irrespective of the price increases, the social distancing measures imposed in 2020 and 2021 in order to tackle coronavirus are likely to have resulted in a temporary fall in the number of housing transactions. This adverse effect on the volume of housing market transactions was limited because, as explained above, it was more than offset by the rise in property prices.

**Market for residential mortgage finance
(market environment for the Credit Platform and Private Clients segments)**

The market for residential mortgage finance in Germany is influenced by various industry-specific factors. The following three factors are the most important:

- Developments in the housing market,
- Regulatory requirements for brokers and suppliers of residential mortgages,
- Level of interest rates for mortgage finance.

¹ IMA® information on the German property market in 2020, GEWOS.

See the 'Housing market in Germany' and 'Volume of housing market transactions' sections above for information about the first factor.

As regards the second factor, the German financial services market has, for many years, seen a steady increase in European and national regulation aimed at consumer protection. Banks and insurance companies in particular have been required to use significant resources to implement laws and directives. As these resources could otherwise have been used to strengthen operations, the overall impact of the regulations has been to inhibit market performance.

The third factor, the level of interest rates in the short term, tends to play a subordinate role when consumers are deciding whether to buy property. For this group, being able to secure the right property at the right time for an affordable price is more important than the current mortgage rate. Moreover, it can be assumed that there is an inverse correlation between long-term changes in interest rates and the level of property prices, with the effect that they balance each other out over time.

The interaction of these factors caused the volume of new mortgage finance business, based on Deutsche Bundesbank statistics (Bundesbank time series BBK01.SUD231), to rise to €144.9 billion in the first half of 2021, a year-on-year increase of 5.4 per cent (H1 2020: €137.5 billion).

Insurance market (market environment for the Insurance Platform segment)

Regular income from premiums and the predictable nature of insurance benefit payments as a result of the huge number of individual policies mean that the insurance industry (direct insurance) is not generally subject to rapid or dramatic changes. Nevertheless, sales of life insurance and private health insurance policies have been weak for years owing to the low level of interest rates and regulatory intervention by legislators, and this is holding back the growth of the sector as a whole.

Premiums rose by 1.2 per cent in 2020, which was only marginally lower than the forecast of 1.5 per cent to 2.0 per cent produced by the German Insurance Association (GDV) in January 2020, i.e. before the coronavirus crisis. This increase reaffirms that the German insurance market is resilient to crises in the wider economy. Only consumers' inclination to take out endowment insurance declined temporarily as a result of the coronavirus crisis.

Assuming that the coronavirus-related restrictions are eased and good progress is made with vaccinations in the spring, the GDV anticipates that premiums will rise by around 2 per cent this year.

Business performance

In the first six months of 2021, the Hypoport Group increased its revenue by 12 per cent to €213.0 million (H1 2020: €189.4 million). Excluding selling expenses of €100.6 million (H1 2020: €89.6 million), the full Hypoport network's gross profit amounted to €112.5 million (H1 2020: €99.9 million), an increase of 13 per cent.

The first half of 2021 saw a continuation of the very high levels of investment in the ongoing development of the individual platforms, the leveraging of synergies between the platforms' business models and the expansion of key account manager capacity, particularly for the regional banks. At the same time, operating costs went down due, among other reasons, to a reduction in spending on travel and advertising during the coronavirus pandemic. Overall, earnings before interest and tax (EBIT) therefore rose by 28 per cent to €21.8 million (H1 2020: €17.1 million).

Credit Platform segment

The Credit Platform segment includes the web-based B2B credit platform Europace, which is the largest German marketplace for the sale of mortgage finance, building finance products and personal loans, plus sub-marketplaces and distribution companies that are tailored to individual target groups. Furthermore, Hypoport strengthened the corporate finance advice business and began to establish a corporate finance platform within the Credit Platform segment in 2019.

Europace brings together two groups: distribution organisations (non-captive distribution organisations, private commercial banks, savings banks, cooperative banks) and product suppliers (private commercial banks, insurance companies, savings banks and cooperative banks). In the first half of 2021, Europace significantly increased its transaction volume. The total volume swelled by 25 per cent to €52 billion, while the transaction volume per sales day advanced by 26 per cent to over €420 million. Mortgage finance, which is by far the largest product group, saw its transaction volume grow by 28 per cent to €43 billion. In the second-largest product group, building finance, the transaction volume rose by 8 per cent to around €7 billion even though the market as a whole shrank slightly. The volume in the smallest product group, personal loans, increased by 12 per cent to €2 billion despite the very sharp contraction of the market as a whole.

FINMAS, the sub-marketplace for institutions in the savings banks sector, increased its volume of transactions² by 37 per cent to more than €5.3 billion in the first six months of 2021. In the cooperative banking sector, institutions used the dedicated GENOPACE sub-marketplace to generate a volume of €6.3 billion, an impressive jump of 83 per cent. Alongside these groups of banks, the volume generated by non-captive financial product distributors and, in particular, private commercial banks also expanded at a much faster rate than the market, with increases of over 15 per cent and around 25 per cent respectively.

2 Before cancellations

| Financial figures – Credit Platform | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 | H1 Change |
|--|----------------|----------------|----------------|----------------|------------------|
| Transaction volume (€ billion) | | | | | |
| Total | 52.2 | 41.9 | 25.2 | 21.1 | 25% |
| thereof mortgage finance | 43.4 | 33.8 | 21.0 | 17.1 | 28% |
| thereof building finance (“Bausparen”) | 6.8 | 6.3 | 3.2 | 3.2 | 8% |
| thereof personal loans | 2.0 | 1.8 | 1.0 | 0.8 | 12% |
| Partners (number) | | | | | |
| Europace (incl. GENOPACE and FINMAS) | 790 | 739 | – | – | 7% |
| GENOPACE | 379 | 358 | – | – | 6% |
| FINMAS | 320 | 294 | – | – | 9% |
| Revenue and earnings (€ million) | | | | | |
| Revenue | 93.0 | 79.5 | 47.4 | 38.9 | 17% |
| Gross profit | 49.0 | 42.5 | 25.3 | 21.3 | 15% |
| EBIT | 20.8 | 16.2 | 10.9 | 8.2 | 28% |

The greater volume of transactions on Europace and the growth of revenue from the two brokerage pools for independent loan brokerage advisors, Qualitypool and Starpool, led to an increase in revenue from the mortgage finance business models despite shorter periods of fixed interest rates. In addition, corporate finance advisor REM Capital saw revenue growth in Q2 2021 following a muted start to the year, and it is still expected that the structure of support grants and loans from Germany’s KfW development bank will shift a significant share of revenue generation to the second half of the year. Revenue from the white-label personal loans business in the first six months of 2021 was on a par with the prior-year period. Because demand for consumer loans fell and banks shifted towards more restrictive lending policies from Q2 2020, while the first quarter of 2020 had not yet been affected by the coronavirus crisis, there was a sharp year-on-year decline of 11 per cent in the overall market volume of consumer finance in Germany. The fact that revenue from this product group remained stable is therefore good news and represents crucial gains in market share.

The positive performances of the mortgage finance business models and the corporate finance business produced a 17 per cent increase in revenue to €93.0 million (H1 2020: €79.5 million) in the Credit Platform segment.

After deduction of selling expenses, gross profit went up by 15 per cent to €49.0 million (H1 2020: €42.5 million). The segment’s EBIT rose by 28 per cent to €20.8 million in the first six months of 2021 (H1 2020: €16.2 million) despite high levels of capital expenditure on 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. The segment’s EBIT also benefited from a pandemic-related fall in operating costs.

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




Private Clients segment

The Private Clients segment, made up of the web-based, non-captive financial product distributor Dr. Klein Privatkunden AG and the consumer comparison portal Vergleich.de, brings together all business models aimed at directly advising consumers on mortgage finance, insurance and pension products (B2C business model, or B2B2C including franchisees).

Dr. Klein offers advice on mortgage finance, building finance products and personal loans at approximately 250 locations. At these locations, the advice is mainly provided through a franchise system. Dr. Klein also has eight flagship stores located in large metropolitan areas in Germany. The network of sites has already been optimised in terms of coverage, which means the opening of new locations will not be the main source of growth in future. Instead, further expansion will largely be determined by the number and performance of the advisors at the existing locations. As at 30 June 2021, the number of advisors had grown by 17 per cent year on year, taking the total to 620 (30 June 2020: 531).

In the first half of 2021, the volume of mortgage finance, building finance and personal loan products brokered by Dr. Klein amounted to approximately €5.1 billion (H1 2020: €4.6 billion), which equates to a marked rise of 12 per cent.

Dr. Klein advisors have been offering advice via video as well as in face-to-face meetings for years, which has proved to be a huge competitive advantage over less tech-savvy advisors³ in dealing with the social distancing requirements imposed due to the coronavirus outbreak (lockdown). Consequently, the outbreak of the coronavirus pandemic did not have any tangible negative effect on the segment's business model.

| Financial figures – Private Clients | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 | H1 Change |
|---|---------|---------|---------|---------|---|
| Operative figures | | | | | |
| Transaction volume financing (€ billion) | 5.1 | 4.6 | 2.5 | 2.2 |  12% |
| Number of branch advisors (loan brokerage)* | 620 | 531 | – | – |  17% |
| Revenue and earnings (€ million) | | | | | |
| Revenue | 68.7 | 62.7 | 33.6 | 29.4 |  10% |
| Gross profit | 23.3 | 21.2 | 11.5 | 9.9 |  10% |
| EBIT | 12.4 | 9.5 | 6.2 | 4.5 |  30% |

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

³ Only those people whose main occupation is mortgage finance advisor are recorded in the key figure 'number of Dr. Klein advisors'.

Revenue in the Private Clients segment as a whole advanced by 10 per cent to €68.7 million in the first six months of 2021 (H1 2020: €62.7 million). Commission is paid to franchisees and lead acquisition fees are paid to third parties and recognised as selling expenses. The gross profit remaining after deduction of these selling expenses increased at the same rate (by 10 per cent) to €23.3 million (H1 2020: €21.2 million). The EBIT of the Private Clients segment jumped by 30 per cent, from €9.5 million to €12.4 million. This was due to economies of scale, an improved product mix and lower operating costs as a result of the coronavirus pandemic.

Real Estate Platform segment

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. The target groups are estate agents in the credit industry, mortgage lenders and the housing industry.

The segment includes four platforms that have a lot of potential synergies with each other and with the Credit Platform segment: a property sales platform for the credit industry (FIO Systems), a property valuation platform for the credit industry (Value AG), a property financing platform for the housing industry (Dr. Klein Wowi Finanz) and a property management platform for the housing industry (Dr. Klein Wowi Digital, FIO Systems and Hypoport B.V. with its PRoMMiSe product).

The focus for both the property sales platform and the property management platform was again on acquiring new clients and expanding the platform offerings. As at 30 June 2021, the sales solution was used by 327 savings banks within the Savings Banks Finance Group (30 June 2020: 322). The number of affiliated institutions in the cooperative banking group grew to 90 (30 June 2020: 79). The difference between the growth rates for the savings bank sector (3 per cent) and cooperative bank sector (14 per cent) is attributable to the different degree of market penetration. Whereas almost 90 per cent of the around 370 savings banks work with FIO's property sales platform, only 90 of the approximately 800 cooperative banks use the platform. This huge potential for new clients is being progressively unlocked. The total value of all properties sold via the platform was €9.35 billion in the first six months of 2021, an increase of 41 per cent compared with the prior-year period (H1 2020: €6.64 billion). The marked year-on-year increase in selling activity is attributable to the growing market penetration of FIO's property sales platform and to a very weak market environment in Q2 2020 due to the outbreak of the coronavirus pandemic.

The number of banking partners using the property valuation platform increased by 25 per cent to 476 as at 30 June 2021 (30 June 2020: 380). The value of the properties valued also continued to rise, reaching €15.3 billion in the first half of 2021. This equates to a year-on-year increase of around 31 per cent (H1 2020: €11.7 billion).









The volume of new loans brokered on the property financing platform for the housing industry rose slightly to €1.03 billion in the first six months of 2021 (H1 2020: €0.99 billion). Unfavourable conditions in the medium term caused by political debate at federal and state level about

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intervention in the German rental market as well as rising construction costs were offset by heightened interest-rate volatility, which increased the willingness in the housing industry to do business in the short term.

The focus for the property management platform was once again on acquiring new clients, and some initial successes were achieved in this respect in 2020 and in the first half of 2021. At the end of June 2021, the number of homes being managed on the platform was in the high tens of thousands.

| Financial figures – Real Estate Platform | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 | H1 Change |
|--|----------------|----------------|----------------|----------------|---|
| Operative figures | | | | | |
| Transaction volume of Property financing platform (€ billion) | 1.03 | 0.99 | 0.52 | 0.48 |  5% |
| Value properties valued by property valuation platform (€ billion) | 15.32 | 11.70 | 7.58 | 5.02 |  31% |
| Value properties sold via property sales platform (€ billion) | 9.35 | 6.64 | 5.69 | 2.95 |  41% |
| Revenue and earnings (€ million) | | | | | |
| Revenue | 28.6 | 26.7 | 13.9 | 12.1 |  7% |
| thereof Property financing platform | 7.3 | 7.5 | 3.0 | 3.5 |  -2% |
| thereof Property management platform (ERP) & Property sales platform | 9.6 | 9.9 | 5.0 | 4.5 |  -3% |
| thereof Property valuation platform | 11.7 | 9.2 | 5.9 | 4.2 |  26% |
| Gross profit | 27.2 | 25.1 | 13.0 | 11.4 |  8% |
| EBIT | -1.4 | 0.3 | -1.6 | -0.7 | - |

Revenue from the property sales platform and property management platform amounted to €9.6 million (H1 2020: €9.9 million). The slight decrease of 3 per cent in spite of the good operating performance was due to the decision to forego individual project business, which had still generated a small positive contribution to the figure for Q1 2020. This strategic decision in favour of a scalable platform business model was announced in 2020. Comparing the second quarter of 2021 with the second quarter of 2020, neither of which included any individual project business, revenue from the property sales platform and property management platform increased by more than 10 per cent. Despite banking partners having to battle with the third wave of the coronavirus crisis in their day-to-day operations, the property valuation platform's revenue rose by 26 per cent to €11.7 million (H1 2020: €9.2 million). Revenue from the property financing platform for the housing industry dipped by 2 per cent to €7.3 million (H1 2020: €7.5 million) despite a slight increase in the volume of transactions. This was due to the fact that the prior-year figure was boosted by highly lucrative individual transactions in the first half of 2020, whereas no transactions of a similar scale were concluded in H1 2021.

The overall revenue of the Real Estate Platform segment advanced by 7 per cent to €28.6 million (H1 2020: €26.7 million). This operating performance should be viewed in the context of the strategic reduction of project business and some residual negative effects of the third wave of the coronavirus pandemic. Excluding the project business, revenue increased by around 10 per cent. Following the reduction, which continued until early 2020, project business will no longer be relevant to the Real Estate Platform segment in future. The segment's gross profit climbed by 8 per cent to €27.2 million (H1 2020: €25.1 million). The Real Estate Platform segment is an important focal point of the Hypoport Group's investment in 2021, and the high levels of investment meant that the segment's EBIT fell from €0.3 million to a loss of €1.4 million.

Insurance Platform segment

The Insurance Platform segment brings together all of the Hypoport Group's activities relating to insurance technology. To this end, there is a fully integrated platform, SMART INSUR, for the sale and administration of insurance products. The platform's development began in 2017 and it is based on the legacy systems of the companies providing software solutions for the insurance industry that were acquired between 2016 and 2019. Migrating the portfolios from the legacy systems to SMART INSUR is crucial to the establishment of premiums-based fee models in the sector. As at 30 June 2021, the volume of policies (as measured by annual net premiums) that had been migrated stood at €2.97 billion. In parallel to the migration, a process to validate the policy portfolios got under way 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. As at 30 June 2021, the validation rate of migrated policies had reached 18 per cent.

Alongside the SMART INSUR platform, Qualitypool GmbH's insurance business provides support services to small financial product distributors in relation to the brokerage of insurance. In 2020, the Hypoport Group invested in AMEXPool AG, an insurance pool specialising in insurance for businesses, and acquired a majority stake in ePension GmbH & Co. KG, a digital platform for the administration of occupational pension schemes.

| Financial figures – Insurance Platform | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 | H1 Change |
|---|---------|---------|---------|---------|-----------|
| Operative figures | | | | | |
| Migrated volume of premiums (€ billion) | 2.97 | - | - | - | - |
| Validation rate (per cent) | 17.5 | - | - | - | - |
| Revenue and earnings (€ million) | | | | | |
| Revenue | 23.7 | 21.2 | 10.8 | 8.7 | 12% |
| Gross profit | 12.3 | 10.6 | 6.7 | 4.7 | 16% |
| EBIT | -1.0 | -0.8 | -0.6 | -1.2 | -29% |

Expansion of existing client relationships and the signing up of additional small and medium-sized enterprises as pilot customers for the platform are resulting in increasing buy-in among the target group of large financial product distributors and brokerage pools.

Management report






Interim report of Hypoport SE for the period ended 30 June 2021

As a result of the reduction in project business and the focus on expanding the platform, revenue rose by 10 per cent, to €23.7 million in the first six months of 2021 (H1 2020: €21.2 million). The segment's gross profit climbed by 16 per cent to €12.3 million (H1 2020: €10.6 million). EBIT fell slightly, declining from a loss of €0.8 million in the prior-year period to a loss of €1.0 million owing to the reduction in project business and continued high levels of investment.

Earnings

Against the backdrop of the operating performance described above, EBITDA rose from €30.0 million to €36.2 million and EBIT from €17.1 million to €21.8 million in the first half of 2021. In the second quarter of 2021, the Company generated EBITDA of €17.0 million (Q2 2020: €13.3 million) and EBIT of €9.8 million (Q2 2020: €6.6 million).

The EBIT margin (EBIT as a percentage of gross profit) rose significantly from 17.1 per cent to 19.4 per cent.

| Revenue and earnings (€ million) | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 | H1 Change |
|---|---------|---------|---------|---------|---|
| Revenue | 213.0 | 189.4 | 105.2 | 88.8 |  12% |
| Gross profit | 112.5 | 99.9 | 56.9 | 47.3 |  13% |
| EBITDA | 36.2 | 30.0 | 17.0 | 13.3 |  21% |
| EBIT | 21.8 | 17.1 | 9.8 | 6.6 |  28% |
| EBIT margin (EBIT as percentage of Gross profit) | 19.4% | 17.1% | 17.2% | 13.9% |  13% |

Own work capitalised

In the first six months of 2021, the Company continued to attach considerable importance to investing in the further expansion of its platforms. There was also further investment in new advisory systems for consumers and distributors. This investment underpins the further growth of all of the segments.

The Company invested a total of € 22.9 million in expansion in the first half of 2021 (H1 2020: €19.1 million) and € 11.2 million in the second quarter of the year (Q2 2020: €9.5 million). Of these totals, €11.7 million was capitalised in the first half of 2021 (H1 2020: €10.0 million) and €5.9 million in the second quarter of this year (Q2 2020: €5.0 million), while amounts of € 11.2 million for the first half of 2021 (H1 2020: €9.1 million) and € 5.3 million for the second quarter of this year (Q2 2020: €4.5 million) were expensed as incurred. These amounts represent the personnel expenses and operating costs attributable to software development.

Other operating income







Other operating income was almost identical with the prior-year period and mainly comprised income of €1.7 million from other accounting periods (H1 2020: €1.6 million), income of €1.0 million from the reversal of provisions (H1 2020: €0.8 million) and income of €0.8 million from employee contributions to vehicle purchases (H1 2020: €0.7 million).

Personnel expenses

In the first half of 2021, personnel expenses went up because of salary increases and because the average number of employees in the period rose from 2,004 to 2,184.

Other operating expenses

The breakdown of other operating expenses is shown in the table below.

| Other operating expenses (€ million) | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 | H1 Change |
|--------------------------------------|-------------|-------------|------------|------------|--|
| Operating expenses | 4.9 | 5.4 | 2.5 | 2.7 |  -9% |
| Other selling expenses | 2.0 | 3.2 | 1.3 | 0.7 |  -38% |
| Administrative expenses | 9.1 | 9.1 | 4.8 | 4.2 |  0% |
| Other personnel expenses | 1.0 | 0.8 | 0.5 | 0.3 |  25% |
| Other expenses | 1.8 | 1.5 | 0.6 | 0.4 |  20% |
| | 18.8 | 20.0 | 9.7 | 8.3 |  -6% |

The operating expenses consisted mainly of servicing and IT maintenance costs of €2.3 million (H1 2020: €2.8 million) and vehicle-related costs of €1.2 million (H1 2020: €1.0 million). The other selling expenses related to advertising costs and travel expenses. The administrative expenses largely comprised IT-related costs of €5.0 million (H1 2020: €4.0 million) and legal and consultancy expenses of €2.0 million (H1 2020: €2.3 million). The other personnel expenses mainly consisted of training costs of €0.6 million (H1 2020: €0.6 million).

Depreciation, amortisation expense and impairment losses

Of the depreciation, amortisation expense and impairment losses of €14.3 million (H1 2020: €12.9 million), €7.4 million (H1 2020: €5.3 million) was attributable to intangible assets and €6.9 million (H1 2020: €7.6 million) to property, plant and equipment. The depreciation and impairment losses on property, plant and equipment largely consisted of a sum of €4.9 million for depreciation and impairment recognised on rental/leasing-related right-of-use assets (H1 2020: €5.0 million).

Net financial income/finance costs

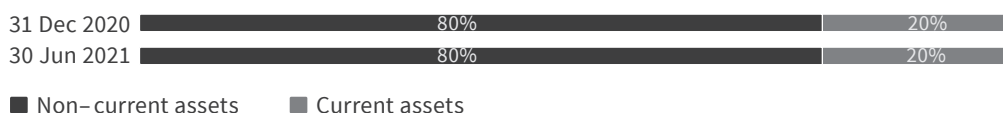
The net finance costs primarily included interest expense and similar charges of €0.9 million incurred by the drawdown of loans and the use of credit lines (H1 2020: €0.9 million).

Balance sheet

The Hypoport Group's consolidated total assets as at 30 June 2021 amounted to €578.7 million, which was a 5 per cent increase on the total as at 31 December 2020 (€552.0 million).

Balance sheet structure

Assets



■ Non-current assets ■ Current assets

Equity and liabilities



■ Equity ■ Non-current liabilities ■ Current liabilities

Non-current assets totalled €460.9 million (31 December 2020: €439.2 million). They largely consisted of goodwill of €222.4 million (31 December 2020: €222.0 million) and development costs for the financial marketplaces of €71.2 million (31 December 2020: €62.2 million). The €8.4 million rise in property, plant and equipment to €106.1 million is mainly attributable to the recognition of rental/leasing-related right-of-use assets amounting to €5.8 million, in particular in connection with office leases.

Other current assets essentially comprised prepaid expenses of €2.4 million (31 December 2020: €2.7 million).

The positive business performance means that the equity attributable to Hypoport SE shareholders as at 30 June 2021 had grown by €17.3 million, or 7.8 per cent, to €237.8 million. The equity ratio improved slightly from 40.1 per cent to 41.3 per cent owing to the Hypoport Group's net profit for the period and the only slightly higher level of total assets.

The €21.0 million increase in non-current liabilities to €249.2 million was primarily attributable to growth of €10.9 million in non-current liabilities to banks and a rise of €6.2 million in non-current rental and lease liabilities.

Other non-current liabilities mainly related to purchase price liabilities resulting from three debtor warrants.

Total liabilities to banks came to €121.7 million (31 December 2020: €109.0 million). Liabilities to banks went up because scheduled repayments of loans amounting to €7.3 million were outweighed by new borrowing of €20.0 million.

The increase in liabilities arising from rentals and leases was largely the result of new office leases being signed.

Other current liabilities mainly comprised tax liabilities of €3.9 million (31 December 2020: €4.6 million), bonus commitments of €3.1 million (31 December 2020: €5.5 million) and deferred income of €2.3 million (31 December 2020: €1.0 million).

Cash flow

Cash flow grew by €5.2 million to €29.4 million during the reporting period. The total net cash generated by operating activities in the first six months of 2021 amounted to €26.2 million (H1 2020: €17.6 million). The cash used for working capital fell by €3.3 million to minus €3.3 million (H1 2020: minus €6.6 million).

The net cash outflow of €22.7 million for investing activities (H1 2020: €44.8 million) consisted primarily of capital expenditure of €15.5 million on non-current intangible assets (H1 2020: €12.5 million) and of €1.5 million for the acquisition of shareholdings in companies.

The net cash of €8.4 million provided by financing activities (H1 2020: €33.1 million) consisted of new borrowing from banks of €20.0 million (H1 2020: €30.0 million), the scheduled repayment of bank loans in an amount of €7.3 million (H1 2020: €6.9 million) and the repayment of rental and lease liabilities in an amount of €4.3 million (H1 2020: €4.5 million).

Cash and cash equivalents as at 30 June 2021 totalled €45.5 million, which was €12.0 million higher than at the beginning of the year.

Investment

Most of the investment was in refinement of the platforms. There was also further investment in new advisory systems for consumers and distributors.

Employees

The number of employees in the Hypoport Group rose by 3 per cent compared with the end of 2020 to 2,195 (31 December 2020: 2,131 employees). The average headcount during the first half of 2021 was 2,184 (H1 2020: 2,004 employees).

Outlook

Our assessment of the sector-specific market environment has not changed since we presented it in the 2020 annual report.

The reduction in consumer spending and in companies' inclination to invest as a result of the impact of the coronavirus crisis led to a substantial decrease in GDP of nearly 5.0 per cent in 2020. The leading economic research institutions and government institutions are predicting significant economic growth of around 3 per cent for 2021. In addition, the ECB announced the adoption of a slightly modified inflation target of 2 per cent rather than "below, but close to, 2 per cent" in early July 2021. Combined with the continued weakness of the economy as a result of the coronavirus crisis and the ECB's bond purchases, this is likely to keep interest rates at low levels in the eurozone in 2021 and beyond.

At the time of preparation of this report, the number of coronavirus cases in Germany was rising again slightly, albeit from a low level, and virologists were warning of a 'fourth wave' of the pandemic in the autumn. The government has not yet decided on fresh measures to contain the spread of the virus and in light of progress with the rollout of vaccinations, it is unclear whether such measures will be taken at all. But based on our experiences during previous lockdowns, we do not currently anticipate any tangible constraints on our business processes over the further course of 2021 even if drastic measures were to be introduced, because the B2B platform business models of the Hypoport Group do not involve direct contact with customers. The only segment with a material number of client meetings is Private Clients, with its brand Dr. Klein Privatkunden. However, it has continued to fully meet consumers' needs by offering advice via video.

Nevertheless, a severe recession in Germany may lead to a temporary dip in consumer demand for housing and for new mortgage finance and insurance policies. On the other hand, Hypoport currently has a significant edge in terms of efficiency over traditional competitors thanks to the use of video in advisory meetings and the digital processing of financing applications on Europace. This has significantly strengthened the Group's position compared with providers that do not use digital technologies to the same extent. It is still too soon to predict whether the Group's gains in market share would partly offset or possibly even outweigh the negative impact of any unexpected fall in consumer demand in 2021.

As a result, there are no material changes for the four segments of the Hypoport Group compared with the forecast in the 2020 annual report.

Assuming that there continues to be no significant turmoil in the credit, property or insurance industries, we still expect the Hypoport Group as a whole to achieve a double-digit growth rate in 2021 with consolidated revenue of between €430 million and €460 million and EBIT of €40 million to €45 million.

Please note that this interim report 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.

Shares and investor relations

Share price performance

Please note that this interim report 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.

Performance of Hypoport's share price (daily closing prices on Frankfurt Stock Exchange, Euro)



Membership of indices

In terms of market capitalisation, Hypoport shares were ranked at 91st place in the SDAX in June 2021 owing to their rise in price over recent quarters. This means that they do not currently meet the criteria for admission to the MDAX, but continue to occupy a top spot in the SDAX index. Having risen progressively over the course of 2020, Hypoport shares are now positioned in the upper third of the SDAX in terms of trading volume with a ranking of 111 in June 2021.

Hypoport expressly welcomed the discussion in the second half of 2020 about expansion of the DAX and changes to the admission rules and has played an active role in Deutsche Börse's ongoing market consultation. Although the outcome is not what Hypoport had hoped for in every regard, it does overall represent a significant improvement to the culture around shares in Germany. As it has in the past, Hypoport SE is also calling for an update of the definitions used to assign individual shares to sectors of industry. In particular, the definition used to assign shares to the technology sector is extremely outdated and, in Hypoport SE's view, does not reflect technological innovation in the 21st century. The almost total focus on manufactu-

ring and technologies that were new in the 20th century (e.g. mobile communications) to the detriment of innovative business models using internet-based technology is damaging to the culture around shares and thus to the strength of innovation in Germany. Hypoport will continue to encourage debate about modernising this definition.

Shareholder structure

There were two notifiable changes necessitating a voting right notification in the reporting period.

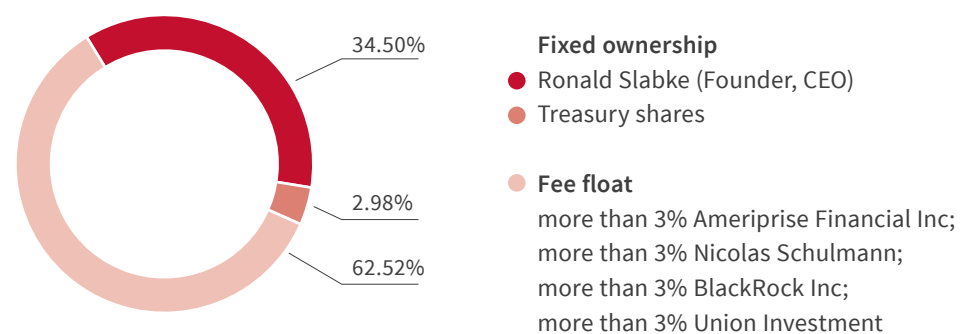
Ameriprise Financial, Inc. informed us that its stake in Hypoport SE had exceeded the 3 per cent threshold on 1 March 2021 and stood at 4.31 per cent on that date.

Ameriprise Financial, Inc. informed us that its stake in Hypoport SE had exceeded the 3 per cent threshold on 18 March 2021 and stood at 4.38 per cent on that date.

BlackRock, Inc. informed us that its stake in Hypoport SE had exceeded the 3 per cent threshold on 24 June 2021 and stood at 3.13 per cent on that date.

BlackRock, Inc. informed us that its stake in Hypoport SE had exceeded the 3 per cent threshold on 25 June 2021 and stood at 3.13 per cent on that date.

Hypoport SE shareholder structure as at 30 June 2021:



Research

Hypoport shares were covered by five professional banking institutions (Bankhaus Metzler, Berenberg, Commerzbank, Pareto Securities and Warburg Research) in the first six months of 2021. The analysts' latest assessments can be found at <https://www.hypoport.com/investor-relations/research>.

Shares and investor relations

Interim report of Hypoport SE for the period ended 30 June 2021

Activities in the capital markets

At the roadshows and conferences listed below, and during meetings at Hypoport SE's offices, more than 400 face-to-face discussions were held with institutional investors in 2020. The intensity of these activities remained high in the first half of 2021, with 205 discussions taking place. Since March 2020, all meetings have been held via digital video chat due to the global coronavirus pandemic.

| Event | Location | Date |
|-------------------|---|-------------|
| Conference (dig.) | Hamburg, London, Paris, USA (2x) | Q2/21 |
| Roadshow (dig.) | Ger/Aus/Swi, London, USA | Q1/21 |
| Conference (dig.) | Amsterdam, Frankfurt, Lyon | Q1/21 |
| Conference (dig.) | Berlin, London, Frankfurt | Q4/20 |
| Roadshows (dig.) | Paris, USA | Q4/20 |
| Conference (dig.) | Frankfurt, Munich | Q3/20 |
| Roadshows (dig.) | Copenhagen, London, Ger/Aus/Swi, Edinburgh, USA | Q3/20 |
| Conference (dig.) | Canada, USA | Q2/20 |
| Roadshows (dig.) | Canada, Ger/Aus/Swi, UK, USA | Q2/20 |
| Conference | London, Lyon | Q1/20 |
| Conference | Berlin (2x), Frankfurt (3x), Hamburg, London, Munich, New York, Paris, Warsaw | 2019 |
| Roadshows | Brüssel, Chicago, Edinburgh, London (2x), Paris, Copenhagen, Helsinki, Zurich | 2019 |

Annual Shareholders' Meeting

In view of the situation created by coronavirus, the Management Board's speech at the Annual Shareholders' Meeting of Hypoport SE was recorded and made permanently available in full on Hypoport SE's YouTube channel.

Designated sponsor

Designated sponsors enhance a share's liquidity by quoting binding prices at which they will buy and sell the share. The designated sponsor for Hypoport SE was ODDO SEYDLER BANK AG, Frankfurt am Main, in the reporting period.

Interim consolidated financial statements

Consolidated income statement for the period 1 January to 30 June 2021

| | H1 2021 €'000 | H1 2020 €'000 | Q2 2021 €'000 | Q2 2020 €'000 |
|--|------------------|------------------|------------------|------------------|
| Revenue | 213,044 | 189,415 | 105,162 | 88,777 |
| Commissions and lead costs | -100,551 | -89,562 | -48,261 | -41,464 |
| Gross profit | 112,493 | 99,853 | 56,901 | 47,313 |
| Own work capitalised | 11,734 | 9,999 | 5,951 | 5,020 |
| Other operating income | 4,029 | 3,382 | 1,402 | 1,405 |
| Personnel expenses | -73,392 | -63,356 | -37,410 | -32,356 |
| Other operating expenses | -18,845 | -19,961 | -9,772 | -8,227 |
| Income from companies accounted for using the equity method | 154 | 56 | -69 | 147 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 36,173 | 29,973 | 17,003 | 13,302 |
| Depreciation, amortisation expense and impairment losses | -14,335 | -12,879 | -7,235 | -6,726 |
| Earnings before interest and tax (EBIT) | 21,838 | 17,094 | 9,768 | 6,576 |
| Financial income | 9 | 26 | 0 | 16 |
| Finance costs | -1,703 | -1,427 | -900 | -752 |
| Earnings before tax (EBT) | 20,144 | 15,693 | 8,868 | 5,840 |
| Income taxes and deferred taxes | -3,427 | -3,343 | -1,503 | -1,488 |
| Net profit for the period | 16,717 | 12,350 | 7,365 | 4,352 |
| attributable to non-controlling interest | 139 | 9 | -26 | 3 |
| attributable to Hypoport SE shareholders | 16,578 | 12,341 | 7,391 | 4,349 |
| Earnings per share (€) (undiluted/diluted) | 2.63 | 1.91 | 1.12 | 0.64 |

Consolidated statement of comprehensive income for the period 1 January to 30 June 2021

| | H1 2021 €'000 | H1 2020 €'000 | Q2 2021 €'000 | Q2 2020 €'000 |
|--|------------------|------------------|------------------|------------------|
| Net profit for the period | 16,717 | 12,350 | 7,365 | 4,352 |
| Total income and expenses recognised in equity*) | 0 | 0 | 0 | 0 |
| Total comprehensive income | 16,717 | 12,350 | 7,365 | 4,352 |
| attributable to non-controlling interests | 139 | 9 | -26 | 3 |
| attributable to Hypoport SE shareholders | 16,578 | 12,341 | 7,391 | 4,349 |

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

Consolidated balance sheet as at 30 June 2021

| Assets | 30 June 2021 €'000 | 31 Dec 2020 €'000 |
|---|-------------------------------|------------------------------|
| Non-current assets | | |
| Intangible assets | 316,821 | 306,423 |
| Property, plant and equipment | 106,098 | 97,655 |
| Long-term investments accounted for using the equity method | 15,580 | 15,413 |
| Financial assets | 258 | 398 |
| Trade receivables | 5,164 | 5,782 |
| Other assets | 403 | 365 |
| Deferred tax assets | 16,561 | 13,181 |
| | 460,885 | 439,217 |
| Current assets | | |
| Inventories | 1,866 | 1,509 |
| Trade receivables | 64,524 | 70,323 |
| Other assets | 4,712 | 6,346 |
| Current income tax assets | 1,255 | 1,230 |
| Cash and cash equivalents | 45,467 | 33,513 |
| | 117,794 | 112,830 |
| | 578,679 | 552,047 |
| Equity and liabilities | | |
| Equity | | |
| Subscribed capital | 6,493 | 6,493 |
| Treasury shares | -193 | -194 |
| Reserves | 231,453 | 214,157 |
| | 237,753 | 220,456 |
| Non-controlling interest | 1,376 | 936 |
| | 239,129 | 221,392 |
| Non-current liabilities | | |
| Bank liabilities* | 105,916 | 94,967 |
| Rental charges and operating lease expenses* | 78,799 | 72,557 |
| Provisions | 34 | 34 |
| Other liabilities | 43,249 | 43,029 |
| Deferred tax liabilities | 21,192 | 17,614 |
| | 249,190 | 228,201 |
| Current liabilities | | |
| Bank liabilities* | 15,785 | 14,016 |
| Rental charges and operating lease expenses* | 8,286 | 8,123 |
| Provisions | 331 | 706 |
| Trade payables | 39,037 | 47,896 |
| Current income tax liabilities | 1,185 | 3,145 |
| Other liabilities | 25,736 | 28,568 |
| | 90,360 | 102,454 |
| | 578,679 | 552,047 |

*) The previous year's figures have been broken down under financial liabilities, see text section "Notes to the interim consolidated financial statements" - "Comparability of prior-year figures"

Interim consolidated financial statements

Interim report of Hypoport SE for the period ended 30 June 2021

Abridged consolidated statement of changes in equity for the six months ended 30 June 2021

| 2020 €'000 | Subscribed capital | Treasury shares | Capital reserves | Retained earnings | Equity attribut- able to Hypoport SE shareholders | Equity attributable to non-con- trolling interest | Equity |
|---------------------------------------|-------------------------------|----------------------------|-----------------------------|------------------------------|--|--|----------------|
| Balance as at 1 January 2020 | 6,493 | -241 | 51,111 | 120,670 | 178,033 | 342 | 178,375 |
| Release of trea- sury shares | 0 | 46 | 14,476 | 442 | 14,964 | 0 | 14,964 |
| Total compre- hensive income | 0 | 0 | 0 | 12,341 | 12,341 | 9 | 12,350 |
| Balance as at 30 June 2020 | 6,493 | -195 | 65,587 | 133,453 | 205,338 | 351 | 205,689 |

| 2021 €'000 | Subscribed capital | Treasury shares | Capital reserves | Retained earnings | Equity attribut- able to Hypoport SE shareholders | Equity attributable to non-con- trolling interest | Equity |
|---|-------------------------------|----------------------------|-----------------------------|------------------------------|--|--|----------------|
| Balance as at 1 January 2020 | 6,493 | -194 | 65,773 | 148,384 | 220,456 | 936 | 221,392 |
| Release of trea- sury shares | 0 | 1 | 712 | 6 | 719 | 0 | 719 |
| Changes to the basis of consolidation | 0 | 0 | 0 | 0 | 0 | 300 | 300 |
| Total compre- hensive income | 0 | 0 | 0 | 16,578 | 16,578 | 140 | 16,718 |
| Balance as at 30 June 2021 | 6,493 | -193 | 66,485 | 164,968 | 237,753 | 1,376 | 239,129 |

Consolidated cash flow statement for the period 1 January to 30 June 2021

| | H1 2021 €'000 | H1 2020 €'000 |
|--|--------------------------------|--------------------------------|
| Earnings before interest and tax (EBIT) | 21,838 | 17,094 |
| Non-cash income / expense | -2,532 | 307 |
| Interest received | 9 | 26 |
| Interest paid | -1,703 | -1,427 |
| Income taxes paid | -2,632 | -4,303 |
| Change in deferred taxes | 248 | -283 |
| Profit (loss) from equity-accounted long-term equity investments | -154 | -56 |
| Income/expense from disposal of intangible assets and property, plant and equipment and financial assets | 14,335 | 12,879 |
| Profit / loss from the disposal of non-current assets | 18 | -26 |
| Cashflow | 29,427 | 24,211 |
| Increase / decrease in current provisions | -375 | -166 |
| Increase / decrease in inventories, trade receivables and other assets not attributable to investing or financing activities | 7,577 | 301 |
| Increase / decrease in trade payables and other liabilities not attributable to investing or financing activities | -10,469 | -6,755 |
| Change in working capital | -3,267 | -6,620 |
| Cash flows from operating activities | 26,160 | 17,591 |
| Payments to acquire property, plant and equipment / intangible assets | -20,136 | -21,391 |
| Cash outflows for acquisitions less acquired cash | -2,945 | -23,410 |
| Proceeds from the disposal of financial assets | 539 | 21 |
| Purchase of financial assets | -112 | 0 |
| Cash flows from investing activities | -22,654 | -44,780 |
| Release of treasury shares | 0 | 14,535 |
| Repayments of lease liabilities | -4,261 | -4,517 |
| Proceeds from the drawdown of financial loans | 20,000 | 30,000 |
| Redemption of financial loans | -7,291 | -6,875 |
| Cash flows from financing activities | 8,448 | 33,143 |
| Net change in cash and cash equivalents | 11,954 | 5,954 |
| Cash and cash equivalents at the beginning of the period | 33,513 | 24,892 |
| Cash and cash equivalents at the end of the period | 45,467 | 30,846 |

Interim consolidated financial statements

Interim report of Hypoport SE for the period ended 30 June 2021

Abridged segment reporting for the period 1 January to 30 June 2021

| €'000 | Credit Platform | Private Clients | Real Estate Platform | Insurance Platform | Holding | Reconci- liation | Group |
|--|--------------------|--------------------|-------------------------|-----------------------|---------|---------------------|---------|
| Segment revenue in respect of third parties | | | | | | | |
| H1 2021 | 92,149 | 68,488 | 28,451 | 23,277 | 679 | 0 | 213,044 |
| H1 2020 | 78,891 | 62,484 | 26,652 | 20,940 | 448 | 0 | 189,415 |
| Q2 2021 | 46,893 | 33,555 | 13,814 | 10,502 | 398 | 0 | 105,162 |
| Q2 2020 | 38,649 | 29,344 | 12,119 | 8,562 | 103 | 0 | 88,777 |
| Segment revenue in respect of other segments | | | | | | | |
| H1 2021 | 847 | 189 | 124 | 374 | 14,719 | -16,253 | 0 |
| H1 2020 | 630 | 181 | 0 | 230 | 12,608 | -13,649 | 0 |
| Q2 2021 | 459 | 52 | 68 | 283 | 7,307 | -8,169 | 0 |
| Q2 2020 | 278 | 96 | 0 | 118 | 6,642 | -7,134 | 0 |
| Total segment revenue | | | | | | | |
| H1 2021 | 92,996 | 68,677 | 28,575 | 23,651 | 15,398 | -16,253 | 213,044 |
| H1 2020 | 79,521 | 62,665 | 26,652 | 21,170 | 13,056 | -13,649 | 189,415 |
| Q2 2021 | 47,352 | 33,607 | 13,882 | 10,785 | 7,705 | -8,169 | 105,162 |
| Q2 2020 | 38,927 | 29,440 | 12,119 | 8,680 | 6,745 | -7,134 | 88,777 |
| Gross profit | | | | | | | |
| H1 2021 | 49,011 | 23,320 | 27,193 | 12,290 | 15,398 | -14,719 | 112,493 |
| H1 2020 | 42,526 | 21,224 | 25,086 | 10,569 | 13,056 | -12,608 | 99,853 |
| Q2 2021 | 25,268 | 11,485 | 13,040 | 6,710 | 7,705 | -7,307 | 56,901 |
| Q2 2020 | 21,251 | 9,860 | 11,388 | 4,711 | 6,745 | -6,642 | 47,313 |
| Segment earnings before interest, tax, depreciation and amortisation (EBITDA) | | | | | | | |
| H1 2021 | 24,662 | 12,631 | 1,782 | 932 | -3,834 | 0 | 36,173 |
| H1 2020 | 19,341 | 9,817 | 2,920 | 690 | -2,795 | 0 | 29,973 |
| Q2 2021 | 12,917 | 6,324 | 45 | 390 | -2,673 | 0 | 17,003 |
| Q2 2020 | 9,797 | 4,687 | 639 | -338 | -1,483 | 0 | 13,302 |
| Segment earnings before interest and tax (EBIT) | | | | | | | |
| H1 2021 | 20,807 | 12,354 | -1,434 | -1,018 | -8,871 | 0 | 21,838 |
| H1 2020 | 16,226 | 9,498 | 250 | -790 | -8,090 | 0 | 17,094 |
| Q2 2021 | 10,934 | 6,191 | -1,586 | -595 | -5,176 | 0 | 9,768 |
| Q2 2020 | 8,209 | 4,503 | -664 | -1,153 | -4,319 | 0 | 6,576 |
| Segment assets | | | | | | | |
| as at 30 Jun 2021 | 131,266 | 28,456 | 160,281 | 142,740 | 115,936 | 0 | 578,679 |
| as at 31 Dec 2020 | 128,681 | 30,577 | 148,323 | 146,111 | 98,355 | 0 | 552,047 |

Notes to the interim consolidated financial statements

Information about the Company

The companies in the Hypoport Group develop technology platforms for the credit, property and insurance industries (fintech, proptech, insurtech). The Hypoport companies are divided into four mutually supporting segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform. The Group's parent company is Hypoport SE, which is headquartered in Lübeck, Germany.

The Credit Platform segment includes the web-based B2B credit platform Europace, which is the largest German marketplace for the sale of mortgage finance, building finance products and personal loans. Sub-marketplaces and distribution companies that are tailored to individual target groups also belong to the Credit Platform segment.

The companies within the Private Clients segment primarily focus on the brokerage of residential mortgage finance products for consumers. The Hypoport Group is represented in this market by its subsidiaries Dr. Klein Privatkunden AG and Vergleich.de Gesellschaft für Verbraucherinformation mbH. As well as selling mortgage finance to consumers, the companies in this segment offer their clients various financial products in the categories of consumer loans, insurance and basic banking products (e.g. instant-access accounts).

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. FIO Systems AG provides a comprehensive platform that enables bank-affiliated estate agents and large independent estate agents in Germany to fully digitalise their business operations. Operating across Germany, Value AG provides mortgage valuation services to help banks, insurers and building finance associations make their lending decisions. Dr. Klein Wowi Finanz AG has been a major financial service partner to the housing industry since 1954. Dr. Klein Wowi Finanz provides its institutional clients in Germany with a fully integrated service comprising expert advice in the business lines of loan brokerage, insurance and portfolio management. Dr. Klein WoWi Digital AG and FIO SYSTEMS AG offer software as a service (SaaS) solutions for the housing industry that focus on enterprise resource planning (ERP), rental management, payments processing and management of insurance claims. Hypoport B.V., the Group's subsidiary based in Amsterdam, helps banks to analyse and report on securitised or collateralised mortgage finance portfolios.

The Insurance Platform segment brings together all of the Hypoport Group's activities relating to insurance technology. To this end, Smart InsurTech AG develops and operates a fully integrated platform for the sale and administration of insurance products. In addition, Qualitypool GmbH (insurance business unit) and further distribution service companies provide support services to small and medium-sized financial product distributors in relation to the brokerage of insurance. ePension Holding GmbH operates a digital platform for the administration of occupational pension schemes.

The parent company is Hypoport SE, which is headquartered in Lübeck. Within the Hypoport Group, Hypoport SE performs the role of a strategic and management holding company, while the shared services have been bundled in a separate company, Hypoport hub SE, with effect from 2021. Hypoport SE's objectives are the advancement and expansion of its network of subsidiaries along value chains, while making use of synergies. Hypoport SE is entered in the commercial register of the Lübeck local court under HRB 19859 HL. The Company's business address is Hansestrasse 14, 23558 Lübeck, Germany.

Basis of presentation

The condensed interim consolidated financial statements for the period ended 30 June 2021 for Hypoport SE have been prepared in accordance with the provisions of IAS 34 (Interim Financial Reporting). They are based on the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the European Union and take into account the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC). The report has been condensed in accordance with IAS 34 compared with the scope of the consolidated financial statements for the year ended 31 December 2020. These condensed interim consolidated financial statements should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2020 and the disclosures contained in the notes thereto. These condensed interim consolidated financial statements and the interim group management report have not been audited or reviewed by an auditor.

These condensed interim consolidated financial statements are based on the accounting policies and the consolidation principles applied to the consolidated financial statements for the year ended 31 December 2020. However, the changes presented below have been introduced due to the adoption of new or revised accounting standards and due to a review of the expected useful life of software.

The interim consolidated financial statements and the separate financial statements for the entities included in the IFRS interim consolidated financial statements are prepared in euros. To improve clarity, all figures in the IFRS interim consolidated financial statements and the interim group management report are presented in thousands or millions of euros unless stated otherwise. We wish to point out that the application and aggregation of rounded amounts and percentages and the use of automated calculation methods may give rise to rounding discrepancies.

All disclosures on the number and volume of financial products processed are calculated at a cut-off point in the product transaction process that is appropriate for the accrual method of accounting used. The growth of the subsidiaries in the Credit Platform and Private Clients segments can be seen from the volume of transactions on the Europace transaction platform. The volume of transactions is the indicator used by the management to measure the current intensity with which the Europace marketplace is being used. Transactions are initiated at the end of the advisory process. They take place after the advisor/consumer has selected a specific product and include a check against all of the product supplier's lending rules stored in the sys-

tem. A query is also sent to the product supplier's external decision-making systems. Transactions are then frequently cancelled, for example because the consumer allows the offering period to expire, the product supplier rejects the transaction following the individual credit check or the consumer exercises his or her right to withdraw. The revenue for a transaction may be recognised up to three months later. This means that it is only possible to draw limited conclusions about revenue for a period from the volume of transactions in that period.

The consolidated income statement is presented under the nature-of-expense method.

Accounting policies

The accounting policies applied are those used in 2020, with the following exceptions:

- Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4: Insurance Contracts)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

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.

Comparability of prior-year figures

In the second quarter of 2021, the Hypoport Group changed the presentation of the balance sheet line item 'financial liabilities' with retroactive effect from 1 January 2021. It will now be broken down into liabilities to banks and liabilities arising from rentals and leases in order to provide a more nuanced and transparent picture.

For the purposes of this breakdown, the presentation of the prior-year figures on the balance sheet was adjusted as follows:

| | 2020 as reported (€ '000) | Break down (€ '000) | 2020 broken down (€ '000) |
|---|---------------------------------|------------------------|---------------------------------|
| Broken down financial liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | 167,524 | -167,524 | 0 |
| Bank liabilities | 0 | 94,967 | 94,967 |
| Rental charges and operating lease expenses | 0 | 72,557 | 72,557 |
| Current liabilities | | | |
| Financial liabilities | 22,139 | -22,139 | 0 |
| Bank liabilities | 0 | 14,016 | 14,016 |
| Rental charges and operating lease expenses | 0 | 8,123 | 8,123 |

Notes to the interim consolidated

Interim report of Hypoport SE for the period ended 30 June 2021

This change in presentation did not affect either the net profit for the year or the earnings per share reported by the Hypoport Group.

Basis of consolidation

The consolidation as at 30 June 2021 included all entities controlled by Hypoport SE in addition to Hypoport SE itself.

The table below shows the entities included in the interim consolidated financial statements in addition to Hypoport SE.

| Parent company | Holding in % |
|---|--------------|
| 1blick GmbH, Heidelberg | 100.00 |
| asseQ GmbH, Lübeck | 100.00 |
| Basler Service GmbH, Bayreuth | 70.00 |
| Bayreuth Am Pfaffenleck 15 Objektgesellschaft mbH, Bayreuth | 100.00 |
| Dr. Klein Finance S.L.U., Santa Ponca (Spain) | 100.00 |
| Dr. Klein Wowi Finanz AG, Lübeck | 100.00 |
| Dr. Klein Privatkunden AG, Lübeck | 100.00 |
| Dr. Klein Ratenkredit GmbH, Lübeck | 100.00 |
| Dr. Klein Wowi Digital AG, Berlin | 100.00 |
| GWB Gesellschaft für wohnungswirtschaftliche Beratung mbH & Co. KG, Dresden | 100.00 |
| ePension GmbH & Co. KG, Hamburg | 51.00 |
| ePension Verwaltungs-GmbH, Hamburg | 51.00 |
| ePension Holding GmbH, Berlin | 51.00 |
| E & P Pensionsmanagement GmbH, Hamburg | 51.00 |
| Europace AG, Berlin | 100.00 |
| FIO SYSTEMS AG, Leipzig | 100.00 |
| FIO SYSTEMS Bulgaria EOOD, Sofia (Bulgaria) | 100.00 |
| FM InsurTech GmbH, Berlin | 100.00 |
| FUNDINGPORT GmbH, Hamburg | 100.00 |
| Fundingport Sofia EOOD, Sofia, Bulgaria | 100.00 |
| GENOPACE GmbH, Berlin | 45.025 |
| Growth Real Estate EOOD, Sofia (Bulgaria) | 100.00 |
| helber innomaxx GmbH, Stuttgart | 100.00 |
| Hypoport B.V., Amsterdam (Niederlande) | 100.00 |
| Hypoport Holding GmbH, Berlin | 100.00 |
| Hypoport hub SE, Berlin | 100.00 |
| Hypoport Grundstücksmanagement GmbH, Berlin | 100.00 |

| Parent company | Holding in % |
|---|---------------------|
| Hypoport Mortgage Market Ltd., Westport (Ireland) | 100.00 |
| Hypoport Sofia EOOD, Sofia (Bulgaria) | 100.00 |
| Kartenhaus Software GmbH, Berlin | 100.00 |
| Maklaro GmbH, Hamburg | 100.00 |
| Primstal – Alte Eiweiler Straße 38 Objektgesellschaft mbH, Nonnweiler | 100.00 |
| Qualitypool GmbH, Lübeck | 100.00 |
| REM CAPITAL AG, Stuttgart | 100.00 |
| Smart InsurTech AG, Berlin | 100.00 |
| source.kitchen GmbH, Leipzig | 100.00 |
| Starpool Finanz GmbH, Berlin | 50.025 |
| Value AG the valuation group, Berlin | 100.00 |
| Vergleich.de Gesellschaft für Verbraucherinformation mbH, Berlin | 100.00 |
| Vergleich.de Versicherungsservice GmbH, Lübeck | 100.00 |
| VS Direkt Versicherungsmakler GmbH, Bayreuth | 100.00 |
| Volz Vertriebsservice GmbH, Ulm | 100.00 |
| Winzer – Kneippstraße 7 Objektgesellschaft mbH, Berlin | 100.00 |
| Joint ventures | |
| AMEXPool AG, Buggingen | 49.997 |
| BAUFINEX Service GmbH, Berlin | 50.00 |
| FINMAS GmbH, Berlin | 50.00 |
| Hypoport on-geo GmbH i. L., Berlin | 50.00 |
| LBL Data Services B.V., Amsterdam (Netherlands) | 50.00 |
| Associated company | |
| BAUFINEX GmbH, Schwäbisch Hall | 30.00 |
| ESG Screen17 GmbH, Frankfurt am Main | 25.10 |
| finconomy AG, Munich | 25.00 |

With the exception of the aforementioned joint ventures and associates (all accounted for under the equity method owing to lack of control), all major Hypoport Group companies are fully consolidated.

Changes to the basis of consolidation; corporate transactions

The Hypoport Group carried out the following significant corporate transactions in 2021. All of the shares in GWB Gesellschaft für wohnungswirtschaftliche Beratung mbH & Co. KG ('GWB'), Dresden, were acquired on 1 January 2021. GWB specialises in insurance for businesses, particularly those in the housing sector. By acquiring GWB, the Hypoport Group is extending its offering in relation to insurance for businesses. The purchase consideration was attributable to an insurance portfolio.

The acquisition was accounted for using the acquisition method. Its activities were allocated to the Real Estate Platform segment. Since the date of acquisition, GWB has contributed €0.1 million to revenue and €0.1 million to net profit for the period.

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

| GWB initial consolidation | Fair value recognises on acquisition €'000 |
|---|---|
| Assets | |
| Intangible assets | 1,932 |
| Property, plant and equipment | 8 |
| Financial assets | 0 |
| Trade receivables | 0 |
| Other current items | 7 |
| Cash and cash equivalents | 0 |
| | 1,947 |
| Liabilities | |
| Financial liabilities | (32) |
| Trade payables | (0) |
| Other liabilities | (431) |
| Deferred tax liabilities | (445) |
| | (908) |
| Total identifiable net assets at fair value | 1,039 |
| Goodwill arising on acquisition | 445 |
| Purchase consideration transferred | 1,484 |
| Analysis of cash flows on acquisition: | |
| Net cash acquired with the subsidiary (included in Cashflow from investing activities) | 0 |
| Cash paid | (1,484) |
| Net cash outflow | 1,484 |

The goodwill recognised arises as a result of taking account of deferred tax liabilities following recognition of the insurance portfolio. The goodwill recognised is non-deductible for tax purposes.

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.

In the reporting period, a payment of €1.5 million was made under a debtor warrant in connection with the acquisition of ASC Assekuranz- Service Center GmbH.

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

Income taxes and deferred taxes

This item includes current and deferred tax income and expense in the following amounts:

| Income taxes and deferred taxes (€'000) | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|--|----------------|----------------|----------------|----------------|
| Income taxes and deferred taxes | 3,427 | 3,343 | 1,503 | 1,488 |
| current income taxes | 3,675 | 3,059 | 2,000 | 1,495 |
| deferred taxes | - 248 | 284 | - 497 | - 7 |
| in respect of timing differences | - 3,223 | - 1,949 | - 1,475 | - 817 |
| in respect of tax loss carryforwards | 2,975 | 2,233 | 978 | 810 |

The average combined income tax rates computed on the basis of current legislation remain unchanged at just under 31 per cent for Hypoport Group companies in Germany and between 10.0 per cent and 25.5 per cent for subsidiaries outside Germany.

Earnings per share

The figure for earnings per share is determined in accordance with IAS 33. Basic earnings (loss) per share is calculated by dividing the net profit (loss) for the period attributable to the shareholders of Hypoport SE by the weighted average number of outstanding shares. In the second quarter of 2021, there were no share options that would have a dilutive effect on earnings per share.

| Earnings Per Share | H1 2021 | H1 2020 | Q2 2021 | Q2 2020 |
|---|----------------|----------------|----------------|----------------|
| Net income for the year (€'000) | 16,717 | 12,350 | 7,365 | 4,352 |
| of which attributable to Hypoport SE stockholders | 16,578 | 12,341 | 7,391 | 4,349 |
| Basic weighted number of outstanding shares (€'000) | 6,300 | 6,290 | 6,300 | 6,299 |
| Earnings per share (€) (undiluted/diluted) | 2.63 | 1.91 | 1.12 | 0.64 |

As a result of the release of treasury shares, the number of shares in issue rose by 631, from 6,299,480 as at 31 December 2020 to 6,300,111 as at 30 June 2021.

Intangible assets and property, plant and equipment

Intangible assets primarily comprised goodwill of €222.4 million (31 December 2020: €222.0 million) and development costs of €71.2 million for the financial marketplaces (31 December 2020: €62.2 million).

Property, plant and equipment largely consisted of rental and leasing-related right-of-use assets of €85.2 million (31 December 2020: €79.4 million) and office furniture and equipment amounting to €9.3 million (31 December 2020: €10.1 million).

Equity-accounted investments

The change in the carrying amounts of equity-accounted investments relates to the pro rata net profit (loss) for the period of the five joint ventures FINMAS GmbH, Berlin (Hypoport's interest: 50 per cent), Hypoport on-geo GmbH i.L., Berlin (Hypoport's interest: 50 per cent), LBL Data Services B.V., Amsterdam (Hypoport's interest: 50 per cent), AMEXPool AG, Buggingen (Hypoport's interest: 49.997 per cent) and BAUFINEX Service GmbH, Berlin (Hypoport's interest: 50 per cent), as well as of the three associates BAUFINEX GmbH, Schwäbisch Hall (Hypoport's interest: 30 per cent), finconomy AG, Munich (Hypoport's interest: 25 per cent) and ESG Screen17 GmbH, Frankfurt/Main (Hypoport's interest: 25.1 per cent). In the first half of 2021, the profit from equity-accounted long-term equity investments amounted to €154 thousand (H1 2020: €56 thousand).

Subscribed capital

The Company's subscribed capital as at 30 June 2021 was unchanged at €6,493,376.00 (31 December 2020: €6,493,376.00) and was divided into 6,493,376 (31 December 2020: 6,493,376) fully paid-up, registered no-par-value shares.

The Annual Shareholders' Meeting held on 21 May 2021 voted to carry forward Hypoport SE's distributable profit of €111,026,857.89 to the next accounting period.

Authorised capital

The Annual Shareholders' Meeting held on 9 June 2020 voted to set aside the unused authorisation granted on 5 May 2017 and to issue a new authorisation. The Management Board was authorised – subject to the consent of the Supervisory Board – to increase the Company's subscribed capital by up to a total of €2,799,061 by issuing new registered no-par-value shares for cash or non-cash capital contribution on one or more occasions on or before 8 June 2025. The Management Board can decide – subject to the consent of the Supervisory Board – to disapply the shareholders' statutory pre-emption rights.

Treasury shares

Hypoport held 193,265 treasury shares as at 30 June 2021 (equivalent to €193,265.00, or 2.98 per cent, of the subscribed capital of Hypoport SE), which are mainly intended to be issued to employees. The change in the balance of treasury shares and the main data relating to transactions in 2021 are shown in the following table:

| Change in the balance of treasury shares in 2021 | Number of shares | Amount of share capital (€) | Proportion of subscribed capital (%) | Cost of purchase (€) | Sale price (€) | Gain or loss on sale (€) |
|---|-------------------------|------------------------------------|---|-----------------------------|-----------------------|---------------------------------|
| Opening balance as at 1 January 2021 | 193,896 | | 2.986 | 9,290,140.52 | | |
| Release in January 2021 | 516 | 516.00 | 0.008 | 6,191.56 | 267,045.48 | 260,853.92 |
| Release in April 2021 | 102 | 102.00 | 0.002 | 1,223.49 | 46,479.00 | 45,255.51 |
| Release in May 2021 | 13 | 13.00 | 0.000 | 155.94 | 5,889.00 | 5,733.07 |
| Balance as at 30 June 2021 | 193,265 | 631.00 | 2.976 | 9,282,569.53 | 319,413.48 | 311,842.50 |

The release of treasury shares was recognised directly in equity and offset against retained earnings.

Reserves

The breakdown of reserves can be found in the above consolidated statement of changes in equity. Capital reserves include the premium from the capital increase carried out in 2001 (€400 thousand), the premium from the issuance of shares under the 2002–2004 employee share ownership programme from 2006 to 2009 (€1.187 million), amounts equivalent to the par value of the treasury shares recalled in 2006 (€99 thousand), an amount equivalent to the imputed share of subscribed capital for the treasury shares recalled in 2007 (€247 thousand), the premium from the issuance of new shares in 2018 (€46.9 million), income from the sale of shares (€14.1 million) and income from the transfer of shares to employees (€3.128 million, of which €712 thousand relates to 2021).

Retained earnings include the profits generated by the entities included in the consolidated financial statements prior to the first-time consolidation on 1 January 2004, the capital gains on the sale of treasury shares, the losses on the recall of treasury shares and three negative goodwill amounts arising from business combinations. These negative goodwill amounts are reported under retained earnings, because profits had been retained after the acquisition but before the date of first-time consolidation.

The cumulative net profits and losses for all periods since the date of first-time consolidation, all the remaining adjustments made under the first-time adoption of IFRS on 1 January 2004 and recognised directly in equity, and a statutory reserve of €7 thousand (31 December 2020: €7 thousand) are also reported under this item.

Non-controlling interests

The net profit for the first half of 2021 attributable to non-controlling interests was €139 thousand (H1 2020: €9 thousand). Total non-controlling interests amounted to €1.376 million as at 30 June 2021 (31 December 2020: €936 thousand), of which €317 thousand (31 December 2020: €288 thousand) related to the non-controlling interest in the equity of Starpool Finanz GmbH, Berlin (non-controlling interest of 49.975 per cent), €110 thousand (31 December 2020: €110 thousand) to GENOPACE GmbH, Berlin (non-controlling interest of 54.975 per cent), €2 thousand (31 December 2020: €1 thousand) to Basler Service GmbH, Bayreuth (non-controlling interest of 30.0 per cent), €149 thousand (31 December 2020: €437 thousand) to ePension GmbH & Co. KG, Hamburg (non-controlling interest of 49 per cent), €0 thousand (31 December 2020: €0 thousand) to ePension Verwaltungs-GmbH, Hamburg (non-controlling interest of 49 per cent), €484 thousand (31 December 2020: €56 thousand) to ePension Holding GmbH, Berlin (non-controlling interest of 49 per cent), €42 thousand (31 December 2020: €44 thousand) to E&P Pensionsmanagement GmbH, Hamburg (non-controlling interest of 49 per cent) and €272 thousand (31 December 2020: €0 thousand) to FUND-INGPORT GmbH, Hamburg (non-controlling interest of 30 per cent).

Share-based payment

No share options were issued in the second quarter of 2021.

Related parties

IAS 24 requires disclosure of the names of persons or entities that control, or are controlled by, Hypoport SE. Transactions between Hypoport SE and its subsidiaries are eliminated during consolidation and therefore do not have to be reported in this note.

IAS 24 also requires disclosure of the names of persons who can exercise significant influence over the Company.

The parties covered by the requirements also include key management personnel, their close family members and other entities via which a named person exercises control or significant influence over Hypoport SE. The parties covered by this requirement during the reporting period were the members of the Group Management Board and Supervisory Board of Hypoport SE and their close family members.

The table below shows the numbers of shares in Hypoport SE directly or indirectly held by the members of the Group Management Board and Supervisory Board as at 30 June 2021.

| | Shares (number) 30 June 2021 | Shares (number) 31 Dec 2020 |
|-------------------------------|---------------------------------|--------------------------------|
| Group Management Board | | |
| Ronald Slabke | 2,240,381 | 2,240,381 |
| Stephan Gawarecki | 101,802 | 101,800 |
| Supervisory Board | | |
| Dieter Pfeiffenberger | 1,000 | 1,000 |
| Roland Adams | 0 | 0 |
| Martin Krebs | 115 | 115 |

The companies in the Hypoport Group have not carried out any further disclosable transactions with members of either the Supervisory Board or the Group Management Board or with companies on whose management or supervisory bodies these persons are represented. This also applies to close family members related to these persons.

Revenue generated from joint ventures totalled €570 thousand in the first half of 2021 (H1 2020: €451 thousand) and €278 thousand in the second quarter of this year (Q2 2020: €106 thousand). As at 30 June 2021, receivables from joint ventures amounted to €2.017 million (31 December 2019: €817 thousand) and liabilities to such companies totalled €352 thousand (31 December 2020: €957 thousand).

Opportunities and risks

Please refer to the opportunities and risks report that forms part of the group management report in our 2020 annual report. It provides a comprehensive presentation of the Hypoport Group's risks and opportunities, which remained largely unchanged in the period currently under review.

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

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

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

Seasonal influences on business activities

There were no seasonal effects in the housing market or credit industry during the first half of 2021. The impact of the coronavirus crisis is explained in the 'Business and economic conditions' section. The Company is assuming that there will be growth in the distribution of insurance products for private and institutional clients during the course of the year, partly as a result of certain industry-wide cancellation deadlines and tax issues.

Events after the reporting period

No material events have occurred since the balance sheet date that are of particular significance to the financial position and financial performance of the Hypoport Group in 2021.

Responsibility statement

"We assure that, to the best of our knowledge and in accordance with the accounting standards applicable to interim financial reporting, the interim consolidated financial statements give a fair presentation of the Hypoport Group's financial position and financial performance, the interim group management report gives a fair presentation of the Hypoport Group's business, profits and position and that the material opportunities and risks of its expected development during the remainder of the financial year are described."

Berlin, 9 August 2021

Hypoport SE – The Management Board



Ronald Slabke



Stephan Gawarecki

Hypoport SE

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