Interim report of Hypoport SE first half-year 2023

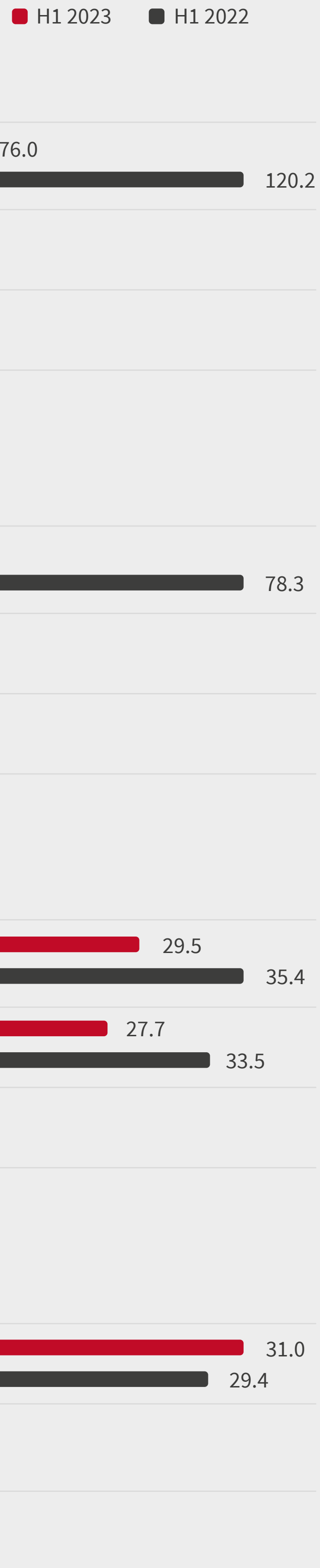
14 August 2023

Key performance indicators

Revenue and earnings (€'000)	H1 2023	H1 2022	Change	Q2 2023	Q1 2023	Change
Revenue	179,001	262,499	– 32%	85,285	93,716	– 9%
thereof Credit Platform	76,010	120,234	– 37%	38,299	37,711	2%
thereof Private Clients	43,147	78,337	– 45%	19,972	23,175	– 14%
thereof Real Estate Platform	29,502	35,375	– 17%	13,100	16,402	– 20%
thereof Insurance Platform	30,984	29,424	5%	14,215	16,769	– 15%
thereof Holding and Reconciliation	– 642	– 871	26%	– 301	– 341	12%
Gross profit	102,200	144,928	– 29%	49,971	52,229	– 4%
thereof Credit Platform	45,228	69,374	– 35%	23,443	21,785	8%
thereof Private Clients	13,710	26,703	– 49%	6,479	7,231	– 10%
thereof Real Estate Platform	27,724	33,461	– 17%	12,157	15,567	– 22%
thereof Insurance Platform	15,063	14,826	2%	7,656	7,407	3%
thereof Holding and Reconciliation	475	564	– 16%	236	239	– 1%
EBITDA	15,588	46,036	– 66%	6,173	9,415	– 34%
EBIT	– 1,723	30,183	– 106%	– 2,533	810	– 413%
thereof Credit Platform	8,166	30,978	– 74%	4,255	3,911	9%
thereof Private Clients	3,992	13,855	– 71%	1,788	2,204	– 19%
thereof Real Estate Platform	– 5,587	– 853	– 555%	– 4,601	– 986	– 367%
thereof Insurance Platform	– 363	– 1,690	79%	90	– 453	120%
thereof Holding and Reconciliation	– 7,931	– 12,107	34%	– 4,065	– 3,866	– 5%
EBIT margin (EBIT as a percentage of Gross profit)	– 1.7	20.8	– 108%	– 5.1	2.0	– 427%
Net profit for the year	– 2,222	22,535	– 110%	– 2,450	228	>– 1000%
attributable to Hypoport SE shareholders	– 2,102	22,802	– 109%	– 2,605	503	– 618%
Earnings per share (€) (undiluted/diluted)	– 0.32	3.62	– 109%	– 0.40	0.08	– 600%

Financial position (€'000)	30.06.2023	31.12.2022	Change
Current assets	139,164	111,690	25%
Non– current assets	473,842	471,926	0%
Equity	322,335	272,738	18%
attributable to Hypoport SE shareholders	318,622	271,105	18%
Equity ratio (%)	52.6	46.7	13%
Total assets	613,006	583,616	5%

Revenue, Gross profit and EBIT (€ million)



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Letter to the shareholders

Dear shareholders,

Following a solid first quarter of 2023, Hypoport SE was unable to maintain this encouraging business performance in the second quarter to the extent that had been anticipated. We recorded the final positive downstream effects from the groupwide cost savings made in the second half of 2022, but the market for the main mortgage finance business models did not continue to recover as expected in the second quarter of this year.

Although the market had turned the corner in the fourth quarter of 2022, followed by increasing optimism among potential property buyers in the first quarter of 2023 thanks to stable interest rates and property prices, the political debate surrounding the proposed amendments to the German Buildings Energy Act (GEG) and the accompanying reporting in the media unfortunately led to renewed reluctance to purchase property. The discussion about GEG also meant that the institutional housing industry held back from measures to improve energy efficiency.

Compared with the record-breaking figures for the first half of 2022, the key financials inevitably deteriorated sharply in the first half of 2023. We described the exceptional circumstances in the private mortgage finance market from late summer 2022 onwards transparently and at length in the 2022 annual report. Against this backdrop, the Management Board of Hypoport SE believes that comparing key figures for the second quarter of 2023 with those of the first quarter of 2023 offers much more insight for investors than an almost meaningless year-on-year comparison.

Based on this, the key performance indicators of the Hypoport Group changed as follows:

- Revenue fell by 9 per cent to €85.3 million (Q1 2023: €94 million).
- Gross profit shrank by 4 per cent to €50 million (Q1 2023: €52 million).
- EBITDA went down by 34 per cent to €6 million (Q1 2023: €9 million).
- EBIT declined to a loss of €2.5 million (Q1 2023: profit of €0.8 million).
- The net loss for the period amounted to €2.5 million (Q1 2023: net profit of €0.2 million).

Although the Credit Platform segment's revenue and earnings rose slightly despite the aforementioned market challenges and the Insurance Platform segment made a positive contribution to earnings for the first time, the very poor performance of the Real Estate Platform segment meant that the Group's revenue and earnings were lower in the reporting period than in the previous quarter. The driving factors in this decline were the sharp fall in the valuation volume and in the mortgage finance volume for the institutional housing industry. For these reasons, we have adjusted our outlook for 2023 and, based on the assumption that the mortgage finance market will pick up a little in the second half of the year, we now anticipate a decrease in revenue of up to 15 per cent and EBIT for the Group of at least €10 million.

In the medium term, we expect a significant improvement in the mortgage finance market. The underlying German housing market will return to a positive growth trajectory, as seen in the ten years leading to up the start of 2022 (see the ‘Housing market in Germany’ section).

1. Sustained net inward migration, rapidly rising rents and an increasingly short supply of attractive rental accommodation are creating an ever-greater incentive for middle-income tenants to purchase their own home.
2. The modernisation needed to make housing stock climate-neutral will require investment in the hundreds of billions of euros in the years ahead.
3. Last but not least, the future volume of remortgaging provides a good basis for further growth. The volume of mortgage finance grew by more than 40 per cent, from €200 billion to €284 billion per year, in the period 2014–2021. The typical term of a mortgage is just over ten years, so this increased volume will soon start to be due for remortgaging.

By investing heavily in our platform-based business models, Hypoport is using the current phase to position itself optimally for this future growth market.

Kind regards,

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), only interest rates and inflation have exerted a degree of influence on the willingness of consumers, the housing industry and SMEs to take out loans in recent years. In addition to the high level of interest rates in absolute terms, pronounced, short-term fluctuations in these rates also have a marked impact on these groups' inclination to take out finance.

See the information in the 2022 annual report, pages 16–20, for further explanation of these fundamental interdependencies.

Sectoral performance

The companies in the Credit Platform, Private Clients and Real Estate Platform segments 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 (see the 'Residential mortgage finance' section), which focuses on the housing market in Germany (see the next section).

For the fourth segment, Insurance Platform, the key target sector is the German insurance industry.

Housing market in Germany

The German housing market has been buoyant for many years. Demand for housing has risen, and continues to rise, due to the following factors:

1. Consistent net inward migration to Germany
2. Higher life expectancy
3. A growing number of one-person households
4. The growing need for space as more people are working from home

See the 'Sectoral performance – Housing market in Germany' section of the 2022 annual report, page 17, for detailed information.

Residential mortgage finance

Residential mortgage lending in Germany is chiefly influenced by the following three factors:

- Developments in the German housing market (see the 'Housing market in Germany' section above)
- Level of interest rates for mortgage finance
- Regulatory requirements for consumers and the housing industry and for brokers and suppliers of residential mortgages

Historically, long-term interest rates have only played a subordinate role for owner-occupiers in Germany when deciding whether to buy property as the rates were slow to change.

Consumers in Germany typically consider buying property for their own use after life events (such as marriage, childbirth, separation, new job), as provision for old age and as a cheaper alternative to renting in the long term. For this group, being able to secure the most suitable property for their new or forthcoming personal circumstances at an affordable price is more important than the current nominal lending rates. The search for the right property has generally taken several quarters in recent years due to a low level of supply, and buyers adjusted their expectations in line with what was affordable in the market.

From the start of 2022 to late summer 2022, the unprecedented jump in long-term interest rates made mortgage finance drastically more expensive for potential buyers within just a few months. At the same time, property prices fell only moderately and construction costs continued to increase. As the year continued, potential buyers or builders found it impossible to obtain finance for a property that they would have been able to afford at the start of 2022. This made it much harder for buyers to quickly adjust their expectations to the reality of what was affordable. The hope that further or sharper falls in property prices would bring their desired property within reach after all became an obstacle to entering into transactions involving finance in the second half of 2022.

Property prices fell gradually up to the end of 2022 and then plateaued at the start of 2023, with interest rates remaining unchanged from late summer 2022 onwards. As a result, the market improved slightly in the first quarter of 2023, and this could well have continued if regulatory requirements had stayed the same.

However, the regulatory requirements for consumers and the housing industry and for brokers and suppliers of residential mortgages were affected by the political debate surrounding proposed amendments to the GEG in the second quarter of 2023. The accompanying reporting in the media spooked consumers and the housing industry, which is why the market did not continue to recover in the second quarter of this year.

See the ‘Sectoral performance – Residential mortgage finance’ section of the 2022 annual report, pages 18–19, for detailed information.

Insurance market

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. The market environment has thus not changed in the year to date.

See the ‘Sectoral performance – Insurance market’ section of the 2022 annual report, page 20, for detailed information.

Business performance

The shared objective of all Hypoport companies is the digitalisation of the credit, housing and insurance industries in Germany. To this end, the decentralised subsidiaries of Hypoport SE, which operate largely independently, are grouped into four segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform.

Credit Platform segment

The segment centres around the online B2B lending marketplace Europace, which is the largest German marketplace for the sale of mortgage finance, building finance products and personal loans. After a very weak final quarter of 2022 and a solid start to the year in the first quarter of 2023, Europace’s transaction volume [1] across all product types declined slightly to around €16 billion in the second quarter of 2023. This small decrease of 5 per cent compared with the first quarter of this year was due to the aforementioned situation in the wider market. The volume of private mortgage finance transactions edged down by 3 per cent to €13 billion. Compared with the first quarter of 2023, the transaction volume in the building finance product group fell by 15 per cent to €1.8 billion in the second quarter of 2023. In the personal loans product group, the volume of transactions was down by 3 per cent on the traditionally strong first quarter to €1.4 billion in the second quarter of 2023. This slight decline was due to banking partners tightening their lending requirements and to seasonal factors.

On FINMAS, the sub-marketplace for institutions in the savings banks sector, the volume of transactions rose by 3 per cent compared with the first quarter of 2023 to reach €1.7 billion, while institutions in the cooperative banking sector used the dedicated GENOPACE sub-marketplace to generate a volume of €2.7 billion (up by 5 per cent).

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

The overall effect of the small drop in Europace's transaction volume in the second quarter and the slight increase in revenue from the brokerage pools for independent loan brokerage advisors was an unchanged level of revenue from private mortgage finance business compared with the first quarter of 2023. This revenue, combined with the rise in revenue from the white-label personal loan business and the slightly higher revenue from the corporate finance business, resulted in overall segment revenue of €38 million in the second quarter of 2023, which was up by 2 per cent compared with the first quarter. Gross profit advanced to €23 million in the second quarter, representing an increase of 8 per cent compared with the first quarter of this year. EBITDA rose by 7 per cent to €6.6 million and EBIT by 9 per cent to €4.3 million. The cost savings that have been made since the third quarter of 2022 should be viewed in isolation from the continued high level of investment in the next generation of Europace and the expansion of key account resources, especially for regional banks and personal loans.

Revenue and EBIT for the first half of 2023 were lower than in the very strong first half of 2022 owing to the sharp downturn in the market for mortgage finance in the second half of 2022 (see the 'Sectoral performance' section and the 2022 annual report) and, to a lesser extent, in the markets for corporate finance and personal loans.

Financial figures Credit Platform	H1 2023	H1 2022	Change	Q2 2023	Q1 2023	Change
Transaction volume (€ billion) *						
Total	32.23	60.23	– 46%	15.7	16.5	– 5%
thereof mortgage finance	25.50	49.35	– 48%	12.6	13.0	– 3%
thereof building finance ("Bausparen")	3.95	7.99	– 51%	1.8	2.1	– 15%
thereof personal loans	2.78	2.89	– 4%	1.4	1.4	– 3%
Revenue and earnings (€ million)						
Revenue	76.0	120.2	– 37%	38.3	37.7	2%
Gross profit	45.2	69.4	– 35%	23.4	21.8	8%
EBITDA	13.8	35.7	– 61%	7.1	6.6	7%
EBIT	8.2	31.0	– 74%	4.3	3.9	9%

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

Private Clients segment

In the Private Clients segment, the web-based, non-captive financial product distributor Dr. Klein Privatkunden AG did not gain any further market share but did largely maintain its existing share with the help of Europace, following a good first quarter of 2023. This shows that consumers preparing to make the milestone decision of buying a property are clearly interested in independent interest-rate comparisons across a broad range of products, combined with professional advice. The volume of new loans brokered by Dr. Klein [2] decreased by 9 per cent compared with the first quarter of 2023 to €1.4 billion amid the contraction of the wider market. As a result, the Private Client segment's total revenue fell by 14 per cent to €20 million. The bigger reduction in revenue than in the transaction volume reflects the seasonal pattern, whereby revenue increases at the start of the year because loan applications submitted near the end of the previous year are not processed until the start of the new year. The gross profit remaining after deduction of selling expenses (lead acquisition fees and commission paid to franchisees) went down by 10 per cent to €6.5 million. EBITDA in the Private Clients segment deteriorated by 18 per cent to €1.9 million and EBIT by 19 per cent to €1.8 million.

Revenue and EBIT for the first half of 2023 were much lower than in the very strong first half of 2022 owing to the sharp downturn in the market for mortgage finance in the second half of 2022 (see the 'Sectoral performance' section and the 2022 annual report).

Financial figures Private Clients	H1 2023	H1 2022	Change	Q2 2023	Q1 2023	Change
Operative figures						
Brokerd volume (€ billion) *	2.9	6.0	– 52%	1.4	1.5	– 9%
Number of franchise advisors (financing)**	566	641	– 12%	566	589	– 4%
Revenue and earnings (€ million)						
Revenue	43.1	78.3	– 45%	20.0	23.2	– 14%
Gross profit	13.7	26.7	– 49%	6.5	7.2	– 10%
EBITDA	4.2	14.1	– 70%	1.9	2.3	– 18%
EBIT	4.0	13.9	– 71%	1.8	2.2	– 19%

** All figures relating to the volume of financial products sold (mortgage finance, building finance and personal loans) are stated before cancellations.*
*** Only those people whose main occupation is mortgage finance advisor now count as Dr. Klein advisors.*

Real Estate Platform segment

The focus for the property sales platform was again on acquiring new clients and expanding the platform offering. The total value of all properties sold via the platform was around €2.5 billion in the second quarter of 2023, a rise of 5 per cent compared with the first three months of 2023.

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

The total value of the properties valued on the property valuation platform slumped by 15 per cent to €7.0 billion, representing a delayed consequence of the downturn in the mortgage finance market.

The volume of new loans brokered on the property financing platform for the housing industry fell by 26 per cent to €0.2 billion in the second quarter. As a result of the rapid rise in interest rates, surging construction costs, unattractive support programmes and the debate surrounding GEG, the social housing industry's inclination to do business continued to diminish.

The focus for the property management platform was once again on acquiring new clients. The success achieved in this respect continued, and a substantial order book was built up. At the end of June 2023, over 200,000 homes were being managed on the platform or were about to be migrated to it.

Compared with the first quarter of 2023, the segment's overall revenue fell by 20 per cent to €13 million in the second quarter. Gross profit went down by 22 per cent to €12 million. EBITDA therefore deteriorated to a loss of €2.5 million and EBIT to a loss of €4.6 million, even though costs held steady.

Revenue and EBIT for the first half of 2023 were lower than in the very strong first half of 2022 owing to the sharp downturn in the market for public-sector housing industry finance and in property valuations for purchases in the private residential market in the second half of 2022 (see the 'Sectoral performance' section and the 2022 annual report).

Financial figures Real Estate Platform	H1 2023	H1 2022	Change	Q2 2023	Q1 2023	Change
Operative figures (€ billion)						
Transaction volume of financing platform	0.50	1.32	– 62%	0.21	0.29	– 26%
Value properties sold via property sales platform	4.81	6.69	– 28%	2.46	2.35	5%
Value properties valued by property	15.12	17.97	– 16%	6.95	8.16	– 15%
Revenue and earnings (€ million)						
Revenue	29.5	35.4	– 17%	13.1	16.4	– 20%
thereof thereof property financing platform	5.8	11.1	– 47%	1.7	4.1	– 58%
thereof property sales platform + property management platform	12.2	10.8	13%	6.1	6.1	0%
thereof property valuation platform	11.5	13.5	– 15%	5.3	6.2	– 14%
Gross profit	27.7	33.5	– 17%	12.2	15.6	– 22%
EBITDA	– 1.4	2.7	– 151%	– 2.5	1.1	– 324%
EBIT	– 5.6	– 0.9	– 555%	– 4.6	– 1.0	– 367%

Insurance Platform segment

In the private insurance business, the volume of portfolios migrated from legacy systems to the SMART INSUR platform was up by 4 per cent quarter on quarter and exceeded the four billion mark for the first time. Given that this 4 per cent increase was achieved in just three months, this represents a slight acceleration of the migration rate. In parallel with the migration, a process to validate the policy portfolios got under way in cooperation with the insurance companies in 2020. This validation is needed in order to be able to provide further added value, e.g. robo-advice. The validation rate of migrated policies remained over 30 per cent and, in fact, increased slightly despite the significant growth in the number of policies.

In the industrial insurance business, development of the Corify marketplace continued. The first product applications are set to go into testing in the second half of 2023.

Major new partners, including the Funk Group and other industrial insurance brokers, were signed up or went live on ePension, the platform for occupational insurance.

The segment's revenue declined by 15 per cent in the second quarter of 2023, whereas gross profit rose by 3 per cent compared with the first quarter of the year. These countervailing trends can be explained by seasonal effects in connection with the low-margin pool business, which traditionally generates significant revenue but also high selling expenses in the first quarter. The steps taken in the second half of 2022 to adjust the cost structures proved effective in the reporting quarter, as they had in the first quarter of 2023 too, and meant that EBITDA and EBIT improved to €1.5 million and €0.1 million respectively.

Revenue and EBIT for the first half of 2023 were higher than in the first half of 2022. Revenue swelled by 5 per cent to €31 million, whereas the start-up losses declined markedly from €1.7 million to €0.4 million thanks to the cost reduction programme implemented in the second half of 2022.

Financial figures Insurance Platform	H1 2023	H1 2022	Change	Q2 2023	Q1 2023	Change
Operative figures						
Migrated volume of premiums (€ billion)	4.00	3.66	9%	4.00	3.83	4%
Validation rate (per cent)	32.0	25.3	26%	32.0	30.4	5%
Revenue and earnings (€ million)						
Revenue	31.0	29.4	5%	14.2	16.8	– 15%
Gross profit	15.1	14.8	2%	7.7	7.4	3%
EBITDA	2.3	0.8	191%	1.5	0.9	67%
EBIT	– 0.4	– 1.7	– 79%	0.1	– 0.5	120%

Earnings

Against the backdrop of the business performance described above, consolidated revenue went down by 9 per cent compared with the first quarter of 2023 to stand at €85 million in the second quarter of 2023. Gross profit fell by 4 per cent to €50 million. This slightly smaller decrease compared with that of revenue was due to the traditional seasonal weakness of the pools and thus lower selling expenses in the second quarter. Although the structural cost reduction in the second half of 2022 softened the impact on EBITDA, the fall in gross profit meant that EBITDA dropped from €9.4 million to €6.2 million. Accordingly, EBIT deteriorated from a profit of €0.8 million to a loss of €2.5 million.

In the first half of 2023, the Hypoport Group's revenue went down by 32 per cent to €179 million (H1 2022: €262 million). Gross profit fell at a similar rate, declining by 29 per cent to €102 million (H1 2022: €145 million).

EBITDA slid by 66 per cent to €16 million (H1 2022: €46 million) and EBIT deteriorated from a profit of €30 million to a loss of €1.7 million. The EBIT margin (EBIT as a percentage of gross profit) therefore declined from 20.8 per cent to minus 1.7 per cent in the first half of 2023.

Revenue and earnings (€ million)	H1 2023	H1 2022	Change	Q2 2023	Q1 2023	Change
Revenue	179.0	262.5	– 32%	85.3	93.7	– 9%
Gross profit	102.2	144.9	– 29%	50.0	52.2	– 4%
EBITDA	15.6	46.0	– 66%	6.2	9.4	– 34%
EBIT	– 1.7	30.2	– 106%	– 2.5	0.8	– 413%
EBIT margin (EBIT as percentage of Gross profit)	– 1.7%	20.8%	– 108%	– 5.1%	1.6%	– 427%

Own work capitalised

Despite the cost reductions implemented in the second half of 2022, the Company continued to attach considerable importance to investing in the further expansion of its platforms in the first six months of 2023. 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 €22.4 million in expansion in the first half of 2023 (H1 2022: €23.9 million) and €10.7 million in the second quarter of the year (Q2 2022: €12.5 million). Of these totals, €11.2 million was capitalised in the first half of 2023 (H1 2022: €12.2 million) and €5.5 million in the second quarter of this year (Q2 2022: €6.3 million), while amounts of €11.2 million for the first half of 2023 (H1 2022: €11.7 million) and €5.2 million for the second quarter of this year (Q2 2022: €6.2 million) were expensed as incurred. These amounts represent the personnel expenses and operating costs attributable to software development.

Other operating income

Other operating income mainly comprised income of €1.2 million from the reversal of provisions (H1 2022: €0.8 million), income of €0.8 million from employee contributions to vehicle purchases (H1 2022: €0.8 million) and income of €0.7 million from insurance compensation (H1 2022: €0.0 million).

Personnel expenses

Personnel expenses went down as a result of the decrease in headcount as part of the necessary reduction of costs in the second half of 2022. As some of the affected employment contracts did not end until during the first quarter of 2023, the number of employees decreased slightly in the second quarter. Personnel expenses therefore stood at €39 million in the second quarter of 2023, compared with €40 million in the first quarter of this year. In the first half of 2023, personnel expenses were down substantially year on year at €79 million (H1 2022: €87 million).

Other operating expenses

Other operating expenses for the first half of 2023 fell sharply by 18 per cent compared with the first six months of 2022. The breakdown of other operating expenses is shown in the table below.

Other operating expenses (€ million)	H1 2023	H1 2022	Q2 2023	Q2 2022	H1 Change
Operating expenses	4.8	4.2	2.5	2.2	14%
Other selling expenses	2.2	4.0	1.5	2.9	– 45%
Administrative expenses	12.6	14.7	7.1	8.3	– 14%
Other personnel expenses	0.5	1.4	0.3	0.8	– 64%
Other expenses	2.2	3.1	1.0	1.2	– 29%
	22.3	**27.4**	**12.4**	**15.4**	**– 19%**

Operating expenses consisted mainly of ancillary rental costs of €1.6 million (H1 2022: €1.5 million) and vehicle-related costs of €1.4 million (H1 2022: €1.5 million). Other selling expenses related to advertising costs and travel expenses. Administrative expenses were reduced significantly and largely comprised IT-related costs of €8.8 million (H1 2022: €9.5 million) and legal and consultancy expenses of €1.3 million (H1 2022: €2.2 million). Other personnel expenses mainly consisted of training costs of €0.4 million (H1 2022: €0.8 million).

Depreciation, amortisation expense and impairment losses

Of the depreciation, amortisation expense and impairment losses of €17.3 million (H1 2022: €15.9 million), €10.4 million (H1 2022: €8.9 million) was attributable to intangible assets and €6.9 million (H1 2022: €7.0 million) to property, plant and equipment. The depreciation and impairment losses on property, plant and equipment largely consisted of a sum of €5.2 million for depreciation and impairment recognised on rental/leasing-related right-of-use assets in accordance with IFRS 16 (H1 2022: €4.9 million).

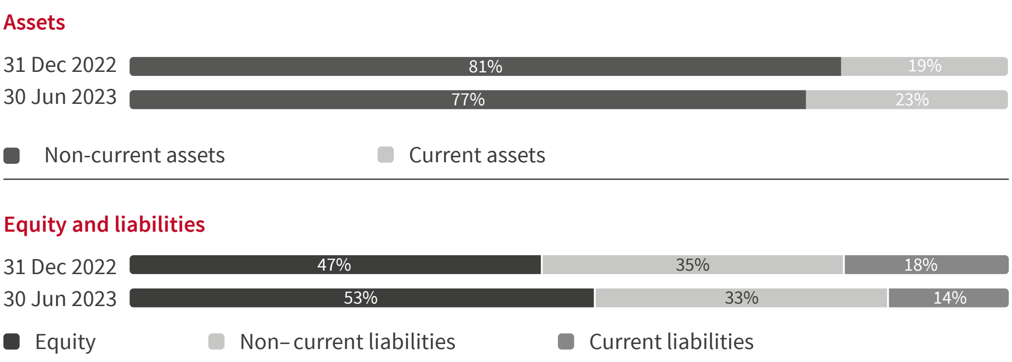
Net financial income/finance costs

The net finance costs mainly comprised interest expense and similar charges of €0.7 million (H1 2022: €0.8 million) stemming from the drawdown of loans and the use of credit lines. Interest income rose to €0.4 million in the first six months of 2023 (H1 2022: €0.0 million) thanks to the improvement in conditions for short-term deposits.

Balance sheet

The Hypoport Group's consolidated total assets as at 30 June 2023 amounted to €613 million, which was a 5.0 per cent increase on the total as at 31 December 2022 (€584 million).

Balance sheet structure



Non-current assets amounted to €474 million (31 December 2022: €472 million). Intangible assets were almost unchanged at €350 million (31 December 2022: €347 million), mainly comprising goodwill of €229 million (31 December 2022: €229 million) and slightly higher development costs for the financial marketplaces of €99 million (31 December 2022: €94 million). Property, plant and equipment, which totalled €92 million (31 December 2022: €96 million) primarily consisted of rental agreements and leasing-related right-of-use assets amounting to €75 million (31 December 2022: €77 million).

Non-current assets increased slightly to €139 million (31 December 2022: €112 million). This rise was attributable to the inflow of cash and cash equivalents of €38 million, which mainly resulted from the capital increase. Within current assets, however, trade receivables went down by €11 million.

The equity attributable to Hypoport SE shareholders increased by €48 million, or 18 per cent, to €319 million as at 30 June 2023, primarily due to the capital increase of €49 million. As a result, the equity ratio rose from 46.7 per cent to 52.6 per cent.

The €2.3 million decrease in non-current liabilities to €203.5 million stemmed from the €2.3 million reduction in rental and lease liabilities. Non-current liabilities to banks remained unchanged at €91 million. Other non-current liabilities, which amounted to €20 million, mainly related to purchase price liabilities resulting from a debtor warrant.

Current liabilities declined sharply by 17 per cent to €87 million owing to lower trade payables. Other current liabilities also went down and mainly comprised purchase price liabilities of €11.8 million resulting from two debtor warrants (31 December 2022: €12.3 million) and tax liabilities of €3.6 million (31 December 2022: €3.7 million).

Total current and non-current liabilities to banks were virtually unchanged at €109 million (31 December 2022: €108 million). This small increase resulted from the difference between a new loan taken out of €10 million and repayments of €9 million as scheduled under existing loan agreements.

Cash flow

The reduction in EBIT in the first half of 2023 caused cash flow to decrease by €24 million compared with the first half of 2022 to €16 million. Including the slight reduction in the level of cash used for working capital (from minus €9.7 million to minus €9.0 million), the net cash generated by operating activities stood at €6.6 million in the first six months of 2023 (H1 2022: €29.8 million).

Despite the cost reductions implemented in the second half of 2022, the Group maintained a high level of capital expenditure. Net cash used for investing activities therefore amounted to €16.0 million (H1 2022: €16.4 million) and predominantly related to capital expenditure of €14.5 million on intangible assets (H1 2022: €16.6 million).

The net cash of €47.6 million provided by financing activities was up sharply on the figure for the prior-year period (H1 2022: € – 12.7 million) and largely consisted of cash of €50.0 million received from the capital increase (less cash of €1.1 million for issuance costs), new borrowing from banks of €10.0 million (H1 2022: €0.0 million) and repayments of €8.6 million as scheduled under existing loan agreements (H1 2022: €8.0 million). Repayments of rental liabilities in accordance with IFRS 16 were almost unchanged at €4.9 million (H1 2022: €4.6 million).

As a result of the changes described above, cash and cash equivalents totalled €68.1 million as at 30 June 2023, which was up by €38.2 million compared with the end of 2022.

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 fell by 9 per cent compared with the end of 2022 to 2,182 (31 December 2022: 2,393 employees). This decrease was the result of the final effects of the cost reductions implemented in the second half of 2022. The average headcount during the first six months of 2023 was 2,200 (H1 2022: 2,457 employees).

Outlook

Our assessment of the sector-specific market environment for 2023 has changed slightly since we presented it in the 2022 annual report.

In the view of the Hypoport Management Board, the volume of mortgage finance will still gradually improve over the course of 2023. This view is underpinned by the belief that the number of properties for sale will progressively increase during the year because rents are rising, there is growing demand for housing and consumers are adjusting their expectations in respect of what constitutes an affordable property for them. However, the recovery of the overall market for mortgage finance stalled in the second quarter despite solid growth in the first quarter of the year. In a market in which property prices and interest rates were holding steady, the main reason for the faltering of the market recovery in the second quarter was the political debate about GEG (see the ‘Residential mortgage finance’ section).

Given the unexpectedly weak performance of the Real Estate Platform segment in the second quarter and the still muted recovery of the market for mortgage finance, Hypoport is adjusting its outlook for 2023 as follows.

Based on the assumption that the mortgage finance market will pick up a little in the second half of the year, Hypoport’s Management Board now expects a fall in revenue of up to 15 per cent and EBIT for the Group of at least €10 million.

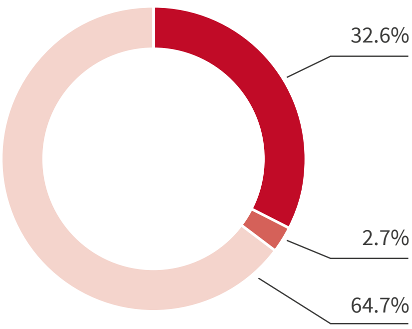
Please note that this interim report contains statements about economic and political developments as well as the future performance of the Hypoport Group. These statements are assessments that we have reached on the basis of the information available to us at the present time. If the assumptions underlying 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

Hypoport SE shareholder structure as at 30 June 2023:

Shareholder structure

Hypoport SE shareholder structure as at 30 June 2023:



Fixed ownership
- Ronald Slabke (Founder, CEO)
- Treasury shares

Fee float
(of which:
more than 5% held by Baillie Gifford,
more than 3% by Allianz Global Investors,
more than 3% by Premier Miton,
more than 3% by Union Investment and
more than 3% by Nicolas Schulmann)

Interim consolidated financial statements

Consolidated income statement for the period 1 January to 30 June 2023

	H1 2023 €'000	H1 2022 €'000	Q2 2023 €'000	Q2 2022 €'000
Revenue	179,001	262,499	85,285	126,136
Commissions and lead costs	– 76,801	– 117,571	– 35,314	– 53,741
Gross profit	102,200	144,928	49,971	72,395
Own work capitalised	11,167	12,242	5,444	6,306
Other operating income	3,632	3,408	2,123	2,298
Personnel expenses	– 78,754	– 87,059	– 38,925	– 44,198
Other operating expenses	– 22,323	– 27,376	– 12,451	– 15,374
Income from companies accounted for using the equity method	– 334	– 107	11	– 84
Earnings before interest, tax, depreciation and amortisation (EBITDA)	15,588	46,036	6,173	21,343
Depreciation, amortisation expense and impairment losses	– 17,311	– 15,853	– 8,706	– 8,035
Earnings before interest and tax (EBIT)	– 1,723	30,183	– 2,533	13,308
Financial income	357	9	242	0
Finance costs	– 1,429	– 1,612	– 773	– 806
Earnings before tax (EBT)	– 2,795	28,580	– 3,064	12,502
Income taxes and deferred taxes	573	– 6,045	614	– 2,806
Net profit for the period	– 2,222	22,535	– 2,450	9,696
attributable to non– controlling interest	– 120	– 267	155	– 576
attributable to Hypoport SE shareholders	– 2,102	22,802	– 2,605	10,272
Earnings per share (€) (undiluted/diluted)	– 0.32	3.62	– 0.40	1.63

Consolidated statement of comprehensive income for the period 1 January to 30 June 2023

	H1 2023 €'000	H1 2022 €'000	Q2 2023 €'000	Q2 2022 €'000
Net profit for the period	– 2,222	22,535	– 2,450	9,696
Total income and expenses recognised in equity*)	0	0	0	0
Total comprehensive income	– 2,222	22,535	– 2,450	9,696
attributable to non– controlling interests	– 120	– 267	155	– 576
attributable to Hypoport SE shareholders	– 2,102	22,802	– 2,605	10,272

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

Consolidated balance sheet as at 30 June 2023

Assets	30 June 2023 €'000	30 Dec 2022 €'000
Non-current assets		
Intangible assets	350,946	347,128
Property, plant and equipment	92,441	95,582
Long-term investments accounted for using the equity method	5,689	5,272
Financial assets	995	961
Trade receivables	5,433	6,844
Other assets	258	320
Deferred tax assets	18,080	15,819
	473,842	**471,926**
Current assets		
Inventories	624	1,065
Trade receivables	58,574	69,962
Other assets	9,693	6,440
Current income tax assets	2,128	4,276
Cash and cash equivalents	68,145	29,947
	139,164	**111,690**
	613,006	**583,616**
Equity and liabilities		
Equity		
Subscribed capital	6,872	6,493
Treasury shares	–185	–189
Reserves	311,935	264,801
	318,622	271,105
Non-controlling interest	3,713	1,633
	322,335	**272,738**
Non-current liabilities		
Bank liabilities	90,707	90,664
Rental charges and operating lease expenses	69,192	71,529
Provisions	47	47
Other liabilities	20,220	20,220
Deferred tax liabilities	23,374	23,331
	203,540	**205,791**
Current liabilities		
Bank liabilities	18,264	16,924
Rental charges and operating lease expenses	9,177	8,545
Provisions	379	533
Trade payables	28,355	44,692
Current income tax liabilities	0	481
Other liabilities	30,956	**33,912**
	87,131	**105,087**
	613,006	**583,616**

Abridged consolidated statement of changes in equity in 2022 and 2023

2022 €'000	Subscribed capital	Treasury shares	Capital reserves	Retained earnings	Equity attributable to Hypoport SE shareholders	Equity attributable to non–controlling interest	Equity
Balance as at 1 January 2022	6,493	– 193	66,925	178,557	251,782	1,650	253,432
Release of treasury shares	0	3	781	34	818	0	818
Changes to the basis of consolidation	0	0	0	0	0	0	0
Total comprehensive income	0	0	0	22,802	22,802	– 267	22,535
Balance as at 30 June 2022	**6,493**	**– 190**	**67,706**	**201,393**	**275,402**	**1,383**	**276,785**

2023 €'000	Subscribed capital	Treasury shares	Capital reserves	Retained earnings	Equity attributable to Hypoport SE shareholders	Equity attributable to non–controlling interest	Equity
Balance as at 1 January 2023	6,493	– 189	67,508	197,293	271,105	1,633	272,738
Release of treasury shares	0	4	331	42	377	0	377
Capital increase	379	0	48,863	0	49,242	0	49,242
Changes to the basis of consolidation	0	0	0	0	0	2,200	2,200
Total comprehensive income	0	0	0	– 2,102	– 2,102	– 120	– 2,222
Balance as at 30 June 2023	**6,872**	**– 185**	**116,702**	**195,233**	**318,622**	**3,713**	**322,335**

Consolidated cash flow statement for the period 1 January to 30 June 2023

	H1 2023 (€ '000)	H1 2022 (€ '000)
Earnings before interest and tax (EBIT)	– 1,723	30,183
Non– cash income / expense	290	– 3,105
Interest received	357	9
Interest paid	– 1,429	– 1,612
Income taxes paid	– 1,770	– 2,221
Change in deferred taxes	2,219	1,014
Profit (loss) from equity– accounted long– term equity investments	334	107
Depreciation on non– current assets	17,311	15,853
Profit / loss from the disposal of non– current assets	– 32	– 730
Cashflow	**15,557**	**39,498**
Increase / decrease in current provisions	– 154	– 17
Increase / decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	10,049	1,970
Increase / decrease in trade payables and other liabilities not attributable to investing or financing activities	– 18,868	– 11,639
Change in working capital	**– 8,973**	**– 9,686**
Cash flows from operating activities	**6,584**	**29,812**
Payments to acquire property, plant and equipment / intangible assets	– 14,887	– 18,053
Proceeds from disposals of property, plant and equipment / intangible assets	82	1,460
Cash outflows for acquisitions less acquired cash Proceeds from the disposal of financial assets	– 1,203	175
Purchase of financial assets	0	5
Cash flows from investing activities	**– 16,008**	**– 16,413**
Repayment of lease liabilities	– 4,862	– 4,619
Proceeds from the drawdown of financial loans	10,000	0
Redemption of loans	– 8,617	– 8,042
Contributions from non-controlling interests	2,200	0
Proceeds from capital increases	50,000	0
Payments for issuing costs	– 1,099	0
Cash flows from financing activities	**47,622**	**– 12,661**
Net change in cash and cash equivalents	38,198	738
Cash and cash equivalents at the beginning of the period	29,947	48,922
Cash and cash equivalents at the end of the period	**68,145**	**49,660**

Abridged segment reporting for the period 1 January to 30 June 2023

€'000	Credit Platform	Private Clients	Real Estate Platform	Insurance Platform	Holding	Reconci-liation	Group
Segment revenue in respect of third parties							
H1 2023	75,658	43,038	29,033	30,797	475	0	179,001
H1 2022	119,404	78,222	35,113	29,196	564	0	262,499
Q2 2023	38,150	19,910	12,876	14,113	236	0	85,285
Q2 2022	60,005	35,521	16,808	13,509	293	0	126,136
Segment revenue in respect of other segments							
H1 2023	352	109	469	187	14,626	– 15,743	0
H1 2022	830	115	262	228	15,675	– 17,110	0
Q2 2023	149	62	224	102	7,021	– 7,558	0
Q2 2022	415	52	160	108	7,987	– 8,722	0
Total segment revenue							
H1 2023	76,010	43,147	29,502	30,984	15,101	– 15,743	179,001
H1 2022	120,234	78,337	35,375	29,424	16,239	– 17,110	262,499
Q2 2023	38,299	19,972	13,100	14,215	7,257	– 7,558	85,285
Q2 2022	60,420	35,573	16,968	13,617	8,280	– 8,722	126,136
Gross profit							
H1 2023	45,228	13,710	27,724	15,063	15,101	– 14,626	102,200
H1 2022	69,374	26,703	33,461	14,826	16,239	– 15,675	144,928
Q2 2023	23,443	6,479	12,157	7,656	7,257	– 7,021	49,971
Q2 2022	36,271	12,381	16,007	7,443	8,280	– 7,987	72,395
Segment earnings before interest, tax, depreciation and amortisation (EBITDA)							
H1 2023	13,750	4,234	– 1,376	2,342	– 3,362	0	15,588
H1 2022	35,650	14,133	2,705	806	– 7,258	0	46,036
Q2 2023	7,103	1,909	– 2,483	1,464	– 1,820	0	6,173
Q2 2022	18,819	5,929	242	130	– 3,777	0	21,343
Segment earnings before interest and tax (EBIT)							
H1 2023	8,166	3,992	– 5,587	– 363	– 7,931	0	– 1,723
H1 2022	30,978	13,855	– 853	– 1,690	– 12,107	0	30,183
Q2 2023	4,255	1,788	– 4,601	90	– 4,065	0	– 2,533
Q2 2022	16,428	5,804	– 1,551	– 1,147	– 6,226	0	13,308
Segment assets							
as at 30 Jun 2023	147,586	30,734	173,433	168,898	352,924	– 260,569	613,006
as at 31 Dec 2022	168,127	36,375	181,223	187,215	342,775	– 332,099	583,616

Notes to the interim consolidated financial statements

Information about the Company

The business models of the Hypoport Group companies drive forward the digitalisation of the German credit, real-estate and insurance industries. In order to pursue this group-level objective, the individual Hypoport companies develop B2B technology platforms for these three sectors (fintech, proptech, insurtech). The companies are grouped into four mutually supporting segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform. The Group's parent company is Hypoport SE.

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.

REM Capital AG, which is assigned to the Credit Platform segment too, provides specialist advice on the arrangement of complex public-sector development loans for companies and financing for small and medium-sized enterprises in Germany.

At FUNDINGPORT GmbH, a corporate finance marketplace is being established in partnership with IKB Deutsche Industriebank.

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 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. 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 (property sales platform). In addition, FIO offers software-as-a-service solutions for housing companies' payments processing and insurance claims management.

Operating across Germany, Value AG provides mortgage valuation services that help banks, insurers and building finance associations to make their lending decisions. These services in combination with FIO's broker software and the Europace platform create a seamless process for purchasing and valuing residential property in Germany and arranging the necessary finance.

Dr. Klein Wowi Finanz AG advises mainly municipal and cooperative housing companies on finance and insurance for their rental housing portfolios. Dr. Klein Wowi Digital AG supports companies in the housing industry with the digitalisation of their business, offering industry-specific advisory services and platform solutions for portfolio management. 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. In 2022, this segment was restructured and now comprises three distinct product groups: private insurance, industrial insurance and occupational insurance.

In the private insurance business, Smart InsurTech AG develops and operates the fully integrated SMART INSUR platform for the sale and administration of insurance products. This modular platform provides comprehensive support for the sales and management processes typical in this sector, including advisory support, comparison tools and management of in-force business for insurance brokers and non-exclusive agents.

In addition, Qualitypool GmbH, AmexPool AG – which has been wholly owned since 2022 – and further distribution service companies provide support services to small and medium-sized financial product distributors in relation to the brokerage of insurance. In the industrial insurance business, the framework for the Corify platform was put in place in 2022. Oasis GmbH offers administration software for industrial and specialist insurance brokers.

In the occupational insurance business, ePension GmbH & Co. KG provides a digital platform for the administration of occupational retirement pension schemes and health insurance policies. Together with its wholly owned subsidiary E & P Pensionsmanagement GmbH, it is also a service provider for employers and their staff in the field of occupational retirement pensions. The parent company is Hypoport SE, which is headquartered in Lübeck, Germany.

Within the Hypoport Group, Hypoport SE performs the role of a strategic and management holding company. Hypoport SE's objectives are the advancement and expansion of its network of subsidiaries along value chains, while making use of synergies. The subsidiary Hypoport hub SE provides shared services. Hypoport SE is entered in the commercial register of the Lübeck local court under HRB 19859 HL. The Company's business address is Heidestrasse 8, 10557 Berlin, Germany.

Basis of presentation

The condensed interim consolidated financial statements for the period ended 30 June 2023 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 2022. These condensed interim consolidated financial statements should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2022 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 2022. 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 system. 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 2022, with the following exceptions:

- Disclosure of Accounting Policies (Amendments to IAS 1)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- IFRS 17: Insurance Contracts
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)

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.

Basis of consolidation

The consolidation as at 30 June 2023 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.

Subsidiary	Holding in %
1blick GmbH, Lübeck	100.00
AMEXPool AG, Buggingen	100.00
Ampr Software GmbH, Berlin	100.00
Baloise Service GmbH, Bayreuth	70.00
Bayreuth Am Pfaffenfleck 15 Objektgesellschaft mbH, Bayreuth	100.00
Bestkredit-Service GmbH, Lübeck	100.00
Corify GmbH, Berlin	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
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
FUNDINGPORT GmbH, Hamburg	70.00
Fundingport Sofia EOOD, Sofia (Bulgaria)	70.00
Future Finance SE, Lübeck	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 (Netherlands)	100.00
Hypoport Fund GmbH & Co. KG, Berlin	100.00
Hypoport Grundstücksmanagement GmbH, Berlin	100.00
Hypoport Holding GmbH, Berlin	100.00
Hypoport hub SE, Berlin	100.00
Hypoport I&P GmbH, Berlin	100.00
Hypoport Pluto Vorratsgesellschaft mbH, Berlin	100.00
Hypoport Mortgage Market Ltd., Westport (Ireland)	100.00
Hypoport Sofia EOOD, Sofia (Bulgaria)	100.00
Maklaro GmbH, Hamburg	100.00
OASIS Software GmbH, Berlin	100.00
Primstal - Alte Eiweiler Straße 38 Objektgesellschaft mbH, Nonnweiler	100.00
Qualitypool GmbH, Lübeck	100.00
REM CAPITAL AG, Stuttgart	100.00
sia digital GmbH, Berlin	100.00

Subsidiary	Holding in %
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	
BAUFINEX Service GmbH, Berlin	50.00
Dutch Residential Mortgage Index B.V., Amsterdam (Netherlands)	50.00
FINMAS GmbH, 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	25.10
GENOFLEX GmbH, Nürnberg	30.00

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.

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 2023	H1 2022	Q2 2023	Q2 2022
Income taxes and deferred taxes	– 573	6,045	– 614	2,806
current income taxes	1,646	7,059	695	4,516
deferred taxes	– 2,219	– 1,014	– 1,309	– 1,710
in respect of tax loss carryforwards	– 2,912	– 1,670	– 1,736	– 1,799
in respect of timing differences	693	656	427	89

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 first half of 2023, there were no share options that would have a dilutive effect on earnings per share.

Earnings Per Share	H1 2023	H1 2022	Q2 2023	Q2 2022
Net incomefor the year (€'000)	– 2,222	22,535	– 2,450	9,696
of which attributable to Hypoport SE stockholders	– 2,102	22,802	– 2,605	10,272
Basic weighted number of outstanding shares (€'000)	6,647	6,302	6,687	6,303
Earnings per share (€) (undiluted/diluted)	– 0.32	3.62	– 0.40	1.63

As a result of the capital increase and the release of treasury shares, the number of shares in issue rose by 382,276, from 6,304,865 as at 31 December 2022 to 6,687,141 as at 30 June 2023.

Intangible assets and property, plant and equipment

Intangible assets primarily comprised goodwill of €229.1 million (31 December 2022: €229.1 million) and development costs for the financial marketplaces of €98.8 million (31 December 2022: €93.9 million).

Property, plant and equipment largely consisted of rental/leasing-related right-of-use assets pursuant to IFRS 16 of €74.8 million (31 December 2022: €76.8 million) and land and buildings amounting to €10.1 million (31 December 2022: €10.2 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 four joint ventures FINMAS GmbH, Berlin (Hypoport's interest: 50 per cent), Dutch Residential Mortgage Index B.V., Amsterdam (Hypoport's interest: 50 per cent), LBL Data Services B.V., Amsterdam (Hypoport's interest: 50 per cent) and BAUFINEX Service GmbH, Berlin (Hypoport's interest: 50 per cent) and the four associates BAUFINEX GmbH, Schwäbisch Hall (Hypoport's interest: 30 per cent), finconomy AG, Munich (Hypoport's interest: 25 per cent), ESG Screen 17 GmbH, Frankfurt am Main (Hypoport's interest: 25.1 per cent) and GENOFLEX GmbH, Nuremberg (Hypoport's interest: 30 per cent). In the first half of 2023, the loss from equity-accounted long-term equity investments amounted to €345 thousand (H1 2022: loss of €107 thousand).

Subscribed capital

On 20 January 2023, the Management Board of Hypoport SE decided – with the consent of the Company's Supervisory Board – to increase the Company's subscribed capital against cash contributions by €378,788.00 from €6,493,376.00 to €6,872,164.00 by issuing 378,788 new, registered no-par-value shares ('New Shares'), partially utilising the authorised capital ('Capital Increase'), so that it can seize growth opportunities in the current phase of upheaval in the home ownership market. Shareholders' statutory pre-emption rights were disapplied. The 378,788 New Shares, with full dividend rights as of 1 January 2022, were placed with qualified investors as part of a private placement by way of an accelerated bookbuilding process.

The Company's subscribed capital as at 30 June 2023 therefore amounted to €6,872,164.00 (31 December 2022: €6,493,376.00) and was divided into 6,872,164 (31 December 2022: 6,493,376) fully paid-up registered no-par-value shares.

Authorised capital

The Annual Shareholders' Meeting held on 2 June 2022 voted to set aside the existing authorisation that had been adopted by the Company's Annual Shareholders' Meeting on 9 June 2020 that had authorised the Management Board – subject to the consent of the Supervisory Board – to increase the Company's subscribed capital by up to a total of €2,420,273.00 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 Annual Shareholders' Meeting held on 2 June 2023 authorised the Management Board – subject to the consent of the Supervisory Board – to increase the Company's subscribed capital by up to a total of €2,748,865.00 by issuing up to 2,748,865 new registered no-par-value shares for cash or non-cash capital contribution on one or more occasions in the period up to 1 June 2028 ('2023/I authorised capital').

Treasury shares

Hypoport held 185,023 treasury shares as at 30 June 2023 (equivalent to €185,023.00, or 2.7 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 2023 are shown in the following table.

Change in the balance of treasury shares in 2023	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 2023	188,511		2,903	9,224,552,07		
Release in January 2023	3,050	3,050,00	0,044	39,568,25	320,636,80	281,068,55
Release in April 2023	438	438,00	0,006	6,000,60	55,626,00	49,625,40
Balance as at 30 June 2023	**185,023**	**3,488,00**	**2,692**	**9,178,983,22**	**376,262,80**	**330,693,95**

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 premiums from the capital increases carried out (2001: €400 thousand; 2018: €46.9 million; 2023: €48.9 million), 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), income from the sale of shares (€14.1 million) and income from the transfer of shares to employees (€4.933 million, of which €331 thousand relates to 2023).

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 Annual Shareholders' Meeting held on 2 June 2023 voted to carry forward Hypoport SE's distributable profit of €130,597,735.91 to the next accounting period.

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 2022: €7 thousand) are also reported under this item.

Non-controlling interests

The net loss for the first half of 2023 attributable to non-controlling interests was €120 thousand (H1 2022: net loss of €267 thousand). Total non-controlling interests amounted to €3.713 million as at 30 June 2023 (31 December 2022: €1.633 million), of which €824 thousand (31 December 2022: €806 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 2022: €110 thousand) to GENOPACE GmbH, Berlin (non-controlling interest of 54.975 per cent), €4 thousand (31 December 2022: €3 thousand) to Baloise Service GmbH, Bayreuth (non-controlling interest of 30.0 per cent), €775 thousand (31 December 2022: €938 thousand) to ePension GmbH & Co. KG, Hamburg (non-controlling interest of 49 per cent), €0 thousand (31 December 2022: €0 thousand) to ePension Verwaltungs-GmbH, Hamburg (non-controlling interest of 49 per cent), €57 thousand (31 December 2022: €60 thousand) to ePension Holding GmbH, Berlin (non-controlling interest of 49 per cent), €556 thousand (31 December 2022: €307 thousand) to E&P Pensionsmanagement GmbH, Hamburg (non-controlling interest of 49 per cent), €2.435 million (31 December 2022: €190 thousand) to FUNDINGPORT GmbH, Hamburg (non-controlling interest of 30 per cent) and minus €1.048 million (31 December 2022: minus €781 thousand) to Fundingport Sofia EOOD, Sofia, Bulgaria (non-controlling interest of 30 per cent).

Share-based payment

No share options were issued in the first half of 2023.

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 2023.

	Shares (number) 30 June 2023	Shares (number) 31 Dec 2022
Group Management Board		
Ronald Slabke	2,240,381	2,240,381
Stephan Gawarecki	101,802	101,802
Supervisory Board		
Dieter Pfeiffenberger	2,000	2,000
Roland Adams	0	0
Martin Krebs	115	115

The companies in the Hypoport Group have not carried out any further reportable 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 €690 thousand in the first half of 2023 (H1 2022: €809 thousand) and €387 thousand in the second quarter of this year (Q2 2022: €446 thousand). As at 30 June 2023, receivables from joint ventures amounted to €2.187 million (31 December 2022: €1.683 million) and liabilities to such companies totalled €1.025 million (31 December 2022: €1.782 million).

Opportunities and risks

Please refer to the opportunities and risks report that forms part of the group management report in our 2022 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.

Seasonal influences on business activities

There were no seasonal effects in the housing market or credit industry during the first half of 2023. 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.

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, 14 August 2023
Hypoport SE – The Management Board

Ronald Slabke – Stephan Gawarecki

Financial calendar:

Date	
Monday, 14 August 2023	Report for the first half of 2023
Monday, 13 November 2023	Publication Quarterly Statement Q3 2023

Note:
This report is available in German and English. The German version is always authoritative. Thereport can be found online at www.hypoport.com.

This report contains forward-looking statements that are based on the current experience, assumptions and forecasts of the Management Board and on currently available information. The forward-looking statements are not a guarantee that any future developments or results mentioned will actually materialise. Future developments and results are dependent on a number of factors, subject to various risks and uncertainties, and based on assumptions that may not prove to be correct. These risk factors include, but are not limited to, the risk factors set forth in the risk report in the most recent annual report. We do not undertake to update the forward-looking statements made in this report.

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