HYPOPORT

# Hypoport SE annual report for 2023

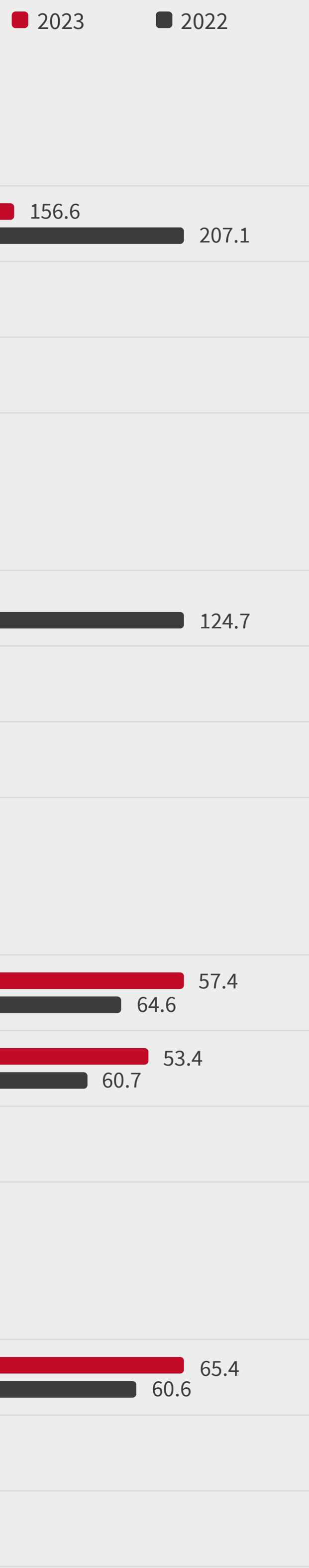
Berlin, 25 March 2024

# Key performance indicators

| Revenue and earnings (€'000) | 1 Jan – 31 Dec 2023 | 1 Jan – 31 Dec 2022 | Change |
|---|---|---|---|
| **Revenue** | 359,893 | 455,453 | – 21% |
| thereof Credit Platform | 156,612 | 207,091 | – 24% |
| thereof Private Clients | 81,915 | 124,654 | –34% |
| thereof Real Estate Platform | 57,425 | 64,621 | – 11% |
| thereof Insurance Platform | 65,370 | 60,646 | 8% |
| thereof Holding and Reconciliation | – 1,429 | – 1,559 | 8% |
| **Gross profit** | 208,176 | 260,988 | – 20% |
| thereof Credit Platform | 93,610 | 125,142 | –25% |
| thereof Private Clients | 26,995 | 42,949 | –37% |
| thereof Real Estate Platform | 53,428 | 60,669 | –12% |
| thereof Insurance Platform | 33,141 | 31,140 | 6% |
| thereof Holding & Reconciliation | 1,002 | 1,088 | – 8% |
| **EBITDA** | 51,184 | 57,713 | – 11% |
| **EBIT** | 13,298 | 24,675 | – 46% |
| thereof Credit Platform | 18,609 | 44,186 | –58% |
| thereof Private Clients | 7,349 | 18,951 | – 61% |
| thereof Real Estate Platform | – 17,794 | – 11,872 | – 50% |
| thereof Insurance Platform | 1,457 | – 4,807 | 130% |
| thereof Holding and Reconciliation | 3,677 | – 21,783 | – % |
| EBIT margin (EBIT as a percentage of Gross profit) | 6.4 % | 9.5 % | – 32% |
| Net profit for the year | 20,493 | 18,669 | 10% |
| attributable to Hypoport SE shareholders | 20,138 | 18,686 | 8% |
| Earnings per share (€) (undiluted/diluted) | 3.02 | 2.96 | 2% |

| Financial position (€'000) | 31 Dec 2023 | 31 Dec 2022 | Change |
|---|---|---|---|
| Current assets | 174,264 | 111,690 | 56% |
| Non– current assets | 451,510 | 471,926 | – 17% |
| Equity | 340,643 | 272,738 | 25% |
| attributable to Hypoport SE shareholders | 338,604 | 271,105 | 25% |
| Equity ratio (%) | 54.5 | 46.7 | 16% |
| Total assets | 625,774 | 583,616 | 7% |

## Revenue, gross profit and EBIT (million €)



# Content

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# Letter to the shareholders

Dear shareholder, dear Hypoport employee,

2022 was a very challenging year for Hypoport and 2023 was equally eventful. Following an unprecedentedly rapid rise in long-term interest rates in the mortgage finance market, which is our most important market, our lending volume had dropped substantially by the end of 2022/start of 2023. The tide began to turn in 2023 as lending volumes gradually increased, but the nascent upturn still lacked sufficient momentum – especially in the second and third quarters – to climb rapidly from the depths. Fresh political debate about – ultimately – insufficiently ambitious support programmes and unclear energy-efficiency requirements for housing held consumers back from completing purchases in the market for existing properties. In addition, there was a disproportionately large fall in the total lending volume for new builds due to high construction costs as a result of building regulations and the increased cost of building materials and wages. (see 'Sectoral performance' for more information).

The action plan we agreed at the end of 2022 and implemented in 2023 to strengthen the Group in light of these market developments were therefore the right course of action. We have adjusted the Hypoport Group's running costs to reflect this abrupt change in the market environment and have reduced our cost base by around €35 million annually. At the start of 2023, we carried out a capital increase with a volume of €50 million in order to seize the opportunities for growth in the current phase of upheaval for the mortgage finance market and send a clear signal to our customers. We are drawing on these funds to continue investing heavily in innovative projects for the years ahead. In 2023, we also mitigated the adverse impact of the market slump on our revenue by increasing the prices of our products and services. The combination of these three initiatives – cost-cutting, capital increase and price adjustments – with the effects spread out between all stakeholders including employees, shareholders and clients, allowed us to successfully counter the extraordinary slump in the market.

Besides implementing our action plan, we also used 2023 to establish a new segment structure. We have replaced the previous structure of four segments with a new structure comprising three segments: Real Estate & Mortgage Platforms, Financing Platforms, and Insurance Platforms. The aim of this reorganisation is to reduce complexity in the Group and boost the efficiency of business development. Each of the three operating segments will be led by a dedicated management team staffed with experienced employees from the Hypoport network (see 'Forecast' for more information).

The action plan was the right response to the market conditions in 2023 and was crucial in laying the groundwork for accelerated growth in the years ahead. However, it was unable to fully cushion the severe impact of a 40 per cent slump in the overall mortgage finance market and consolidated revenue therefore fell by 21 per cent to €360 million in 2023. EBIT declined to €13 million. Within this figure, various positive and negative one-off items combined to produce an overall net positive effect on earnings.

Dear shareholder, dear Hypoport employee,

At the start of 2023, we predicted that we would likely see a marked upswing in the mortgage finance market over the course of the year with a progressive increase in the number of properties for sale, but this only came to pass towards the end of 2023 for the aforementioned reasons. It was not until long-term interest rates began to fall in the eurozone in the fourth quarter of 2023 that the more upbeat mood among consumers and experts in the German housing market – helped along by media coverage – began to translate into rising transaction volumes. Ultimately, the last quarter of 2023 saw a year-on-year increase in the volume of mortgage finance transactions on Europace for the first time in around one and a half years. This growth continued in the first two months of 2024.

For 2024, we anticipate a continuation of the uptrend in the volume of new mortgage finance business in the overall market. This is because the long-term factors – such as the expected rise in household incomes and net inward migration to Germany – remain intact. On the basis of this anticipated market trend, combined with further gains in market share and ongoing cost discipline, we are making the following forecast: we expect a double-digit percentage increase in consolidated revenue to at least €400 million and consolidated EBIT of between €10 million and €20 million in 2024. But in terms of the recovery in the mortgage finance market and Hypoport's growth in this and the other two segments, this only scratches the surface of what is possible going forward.

I hope you enjoy reading this informative report.
Kind regards,

Ronald Slabke

# Group Management Report
# Business report

## 1. Business and economic conditions

### Business model and strategy

The companies in the Hypoport Group ('Hypoport', 'the Hypoport Group' or 'Hypoport companies') are engaged in the development and marketing of technology platforms for the financial services, property and insurance industries (fintech, proptech, insurtech). In 2023, the Hypoport companies were grouped into four segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform.

As of 31 December 2023 and with effect from January 2024, the Hypoport Group companies will be reorganised into three new segments: Real Estate & Mortgage Platforms, Financing Platforms and Insurance Platforms. The previous segment structure has been reshaped into this new grouping in order to boost efficiency in business development and reduce complexity within the Group. Hypoport SE is the parent company of the Group and focuses on its role as a strategic and management holding company. Its objective in this role is to advance and expand its network of subsidiaries along value chains, while making use of synergies. In addition, all subsidiaries of the Group are supported by the separate subsidiary Hypoport Hub SE, which provides them with shared services for cross-cutting functions such as financial accounting and payroll administration.

The Group is managed on the basis of an annual strategy process in which the Group's focus in terms of target markets, positioning, technologies and key financials is decided upon. This strategy process feeds into a qualitative and quantitative five-year plan. Revenue and the earnings generated by operational business activities at Group level (EBIT), which represent the aggregate business performance of the operating segments, are the key performance indicators (KPIs) for the Hypoport Group.

The KPIs are reviewed monthly and discussed by senior management. This enables any variances from the targets to be identified at an early stage so that appropriate corrective action can be taken if needed.

### Credit Platform segment

The companies in the Credit Platform segment are primarily involved in the development of technology platforms for private residential mortgage finance and personal loans and in the provision of financial advisory services for German small and medium-sized enterprises (SMEs).

The Hypoport Group, through its subsidiaries Hypoport Mortgage Market Ltd. (mortgage loans, building finance) and Europace AG (personal loans, credit insurance), operates Europace, the largest credit platform for the sale of financial products for private clients in Germany. A fully integrated system links roughly 800 partners – banks, insurers and financial product distributors. In 2023, several thousand users executed more than 400,000 transactions via Europace. The volume generated during the year came to €64 billion.

In addition to Europace, the Credit Platform segment includes various companies specialising in individual user groups that contribute to the further growth of Europace and benefit from the integration with Europace.

The segment also includes Genopace GmbH, a joint venture aimed at digitalising the cooperative financial network. In addition to the credit cooperatives (Volksbanken) from Düsseldorf/Neuss and Münster, which were its initial partners, all the major Cooperative Financial Network partners are now shareholders: Bausparkasse Schwäbisch Hall AG, Münchener Hypothekenbank eG, R+V Lebensversicherung AG and DZ Hyp AG.

Baufinex GmbH, a joint venture with Bausparkasse Schwäbisch Hall, provides a marketplace that is focused on mortgage finance brokers from the Cooperative Financial Network.

Finmas GmbH is a joint venture with Finanz Informatik GmbH & Co. KG that signs up partners for the financial marketplace within the Savings Banks Finance Group.

Qualitypool GmbH provides small and medium-sized financial product distributors with support services in relation to the brokerage of financial products via Europace.

Starpool Finanz GmbH – a joint venture with Deutsche Bank AG – makes the Europace marketplace available to financial product distributors that are closely linked to the group brands DSL Bank, Postbank and BHW, and offers a range of supplementary services.

Dr. Klein Ratenkredit GmbH is a specialist personal loans company that supports its affiliated banking partners in the distribution of white-label consumer loans.

GENOFLEX GmbH is a platform for personal loan products offered by Hypoport for the cooperative banking sector in partnership with TeamBank, which is part of the Cooperative Financial Network.

REM Capital AG 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.

## Private Clients segment

Dr. Klein Privatkunden AG and Vergleich.de Gesellschaft für Verbraucherinformation mbH focus on the brokerage of financial products for consumers, primarily residential mortgage finance in Germany. Prospective clients are acquired via the internet, while subsequent advice is provided by means of online advisory systems, video calls or, more often, through the Dr. Klein franchise system of highly qualified financial advisors in face-to-face meetings at branches across Germany. In each case, the advisor uses the Europace platform (Credit Platform segment) to choose the best financial products for the client from a broad selection of all appropriate banks, savings banks and insurance companies. This comprehensive advice is independent of product suppliers and provides consumers with benefits in terms of the breadth and quality of the product range and the efficiency of the advisory process.

## Real Estate Platform segment

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 in the field of residential property brokerage in Germany.

Value AG provides property valuation services for mortgage lenders. 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 municipal and cooperative housing companies on finance and insurance for their rental housing portfolios and digitalises the associated processes. Its sister company Dr. Klein Wowi Digital AG digitalises the portfolio management and the finance and accounting functions of these companies with the help of Wowiport, an industry-specific software-as-a-service (SaaS) platform.

The subsidiary Hypoport B.V. provides the SaaS platform PRoMMiSe, which helps banks to analyse and report on their credit portfolios.

## Insurance Platform segment

The Insurance Platform segment develops integrated software solutions for insurance product distributors and B2C insurance companies in the market for insurance products with variable pricing for private individuals and (small) businesses, in the industrial insurance market and in the occupational insurance market.

In the insurance business with private individuals and (small) businesses, Smart Insurance AG develops and operates the fully integrated Smart Insur platform for the sale and administration of insurance products with variable prices. 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 (for private insurance) and AmexPool AG (for small business insurance) provide support services for small and medium-sized financial product distributors in relation to the brokerage of insurance and the use of Smart Insur. Sia Digital GmbH develops, brokers and administers variable-price insurance products as an underwriting agent.

In the industrial insurance business, Corify GmbH launched a platform in 2023 that supports analyses, tender processes and fixed-price industrial insurance transactions. Oasis GmbH offers a sector-specific brokerage administration software for large companies and specialist industrial insurance brokers.

In the occupational pension provision business, ePension GmbH & Co. KG provides a digital platform for the administration of occupational retirement pension schemes and health insurance policies. Rounding off the platform offering, E & P Pensionsmanagement GmbH acts as a service provider for employers and their staff in the field of occupational retirement pensions.

### Holding segment

The Hypoport Group companies that do not operate directly in the market are assigned to the Holding segment and reported separately. This segment mainly comprises the activities of the Group's parent company Hypoport SE as a strategic and management holding company and the activities of Hypoport Hub SE, which provides all Group companies with shared services for generic functions such as financial accounting and payroll administration.

There are other subsidiaries and second-tier subsidiaries of Hypoport SE that do not have any operating business or only a minimal level of operating business and are not mentioned for that reason.

## Macroeconomic environment

Historical data shows the particular market environment in which the Hypoport Group operates – the German credit, housing and insurance industries – to be relatively immune to fluctuations in the wider economy. Apart from the industry-specific factors listed below (see the 'Sectoral performance' section), moderate changes in gross domestic product (GDP), inflation and interest rates have typically had limited influence on the willingness of consumers and businesses in Germany to take out loans and insurance. In the past, only a massive macroeconomic shock (a so-called 'black swan' event) prompting the capital markets to respond with a rapid short-term change in interest rates ever had the power to adversely affect our markets by unsettling consumers and forcing market participants to adopt a more restrictive approach.

The dramatic rise in consumer prices that unfolded in Germany from summer 2021, reaching around 9 per cent in October 2022, was an unprecedented experience for many in the sector. Although inflation began to slow from autumn 2022, the annual inflation rates for 2022 and 2023 of 7 per cent and 6 per cent respectively marked the highest levels recorded in Germany since its reunification.
In light of the soaring inflation, the ECB departed from the policy of low interest rates to which it had been adhering for over a decade. It also systematically reeled in its bond-buying programme and, from summer 2022, belatedly but progressively hiked its key interest rates from 0.0 per cent to 4.5 per cent by September 2023.

At the same time, the economy began to deteriorate from 2022 due to a surge in energy prices (partly fuelled by Russia's war of aggression against Ukraine), supply chain disruptions and the tightening of monetary policy by the ECB. Against this backdrop, Germany's GDP contracted by 0.3 per cent in 2023 according to preliminary calculations.
Towards the end of 2023, long-term interest rates in the eurozone began to trend downwards noticeably amid easing inflationary pressures (rate of inflation in December 2023: 3.7 per cent). For further details concerning the outlook for the macroeconomic environment and the industry in 2024, please refer to the 'Outlook'.

## Sectoral performance

The companies in the Credit Platform and Private Clients segments (most of which fall under the new Real Estate & Mortgage Platforms segment) 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).

The sector environment for business models for the housing sector (Real Estate Platform segment), corporate finance (Credit Platform segment) and personal loans (Credit Platform segment) is described in the section 'Market environment in the other finance markets'. Going forward, the activities in these markets will be grouped together in the Financing Platforms segment.

The German insurance industry is the key sector for the Insurance Platform segment (in future: Insurance Platforms).

## 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, for example due to more people working from home

### Residential construction

On the supply side, a combination of the mounting regulation of residential construction as a result of political goals – such as the promotion of energy efficiency and the construction of low-rent social housing – and a shortage of building resources between 2017 and 2022 mean that new construction rose only slightly, resulting in an insufficient number of completions of residential units. The number of building permits, which had already declined in 2022 (down by 7 per cent compared with 2021) continued on a steep downward trajectory in 2023, plunging by more than 25 per cent year on year. Orders on hand in the residential construction sector [1], as an indicator of actually commenced construction projects, also deteriorated in 2022 and 2023, suggesting that supply is unlikely to improve in the coming years.

These changes in the situation for supply and demand are resulting in excess demand that, according to different experts, amounts to a shortfall of between one and two million homes and primarily affects metropolitan areas.

This excess demand comes on top of the fact that the rental market is being ever more heavily regulated in order to contain rent increases. Rental prices under existing and new contracts are drifting ever further apart, thereby restricting movement in the market. This is resulting in an increase in the average amount of space being used by individuals and further exacerbating the housing shortage.

### Market for existing properties

The market for residential property ownership (houses and apartments suitable for owner occupation) saw a significant increase in real estate prices until spring 2022. Up to that point, supply had been held back by insufficient new construction, which had limited the number of transactions.

*1 German Federal Statistical Office – New orders in the primary construction industry in 2022 and 2023*

However, from summer 2022 and over the whole of 2023, the number of residential properties on the market rose sharply, causing property prices to fall slightly on average. From the second half of 2022 and throughout 2023, buyers became a lot more reluctant to make purchases for the following reasons:

1. Sharp increase in long-term interest rates
2. Decline in household budgets as a result of inflation
3. Fears of a recession
4. Hopes that property prices will fall further

The number of completed transactions dropped sharply due to buyers holding back. One reason for this was that potential sellers were unwilling to reduce their prices much, despite their properties being on the market for longer and failing to sell.

In addition, a series of poorly handled debates and decisions by the German government sent contradictory signals to consumers looking to buy property. Examples include the lack of clearly structured support for housebuilding, the lack of compensation for mounting energy efficiency requirements and, above all, the discussion about the revision of the Buildings Energy Act (GEG) that dragged on for two quarters in 2023.

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[2], Hypoport estimates that the volume of consumer housing market transactions in Germany was around €150 billion in 2023. The year-on-year contraction of approximately 30 per cent is attributable to the marked reduction in the number of transactions as described above, paired with only a small decline in property prices and a shift towards smaller, older and therefore less costly properties.
Residential mortgage lending in Germany has chiefly been influenced by the following three factors in recent years:

- Housing starts and transactions in existing properties (see the 'Housing market in Germany' section above),
- Level of interest rates for mortgage finance
- Regulatory requirements 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

*2 IMA® information on the German property market in 2023, GEWOS.*

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.

The unprecedented jump in long-term interest rates that started in 2022 and kept rates at very high levels until the autumn of 2023 made mortgage finance drastically more expensive for potential buyers within a matter of months. At the same time, property prices fell only slightly and construction costs continued to increase. The fast pace of interest-rate changes made it much harder for buyers to adjust their expectations to the reality of what was affordable, and even when interest rates stabilised in 2023, it was a very slow process. 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 addition, there was a marked drop in the inclination to buy among consumers with existing mortgages for which a statutory right to early termination applies in Germany after a minimum fixed term of ten years. Due to the spike in interest rates in 2022, it was not financially beneficial for many clients with fixed interest-rate periods of more than ten years to exercise their right to exit their mortgage early and remortgage at new terms in 2023, as their existing locked-in rate was lower than any new offer available in the market.

The regulatory requirements for mortgage brokers and lenders have been systematically expanded in Germany and at European level in recent years. In the last two years, the German Federal Financial Supervisory Authority (BaFin) has taken several steps to tighten the lending requirements for banks. In combination with the banks' own increased caution given that property prices were trending downward slightly and household budgets being squeezed, these requirements have become something of a stumbling block for the financing of residential property.

The interaction of these factors caused the volume of new business in private mortgage finance, based on Deutsche Bundesbank statistics [3], to diminish substantially in 2023 to €161 billion, which represents a 37 per cent decline compared with the prior-year figure of €257 billion.

This sharp year-on-year fall resulted from the contrast between the extremely upbeat market environment in the first half of 2022 and the subsequent slump that set in from late summer 2022. Around the end of 2022 and the start of 2023, conditions for private mortgage finance in the housing market stabilised again and trended sideways or slightly upward over the course of 2023.

3 *Deutsche Bundesbank time series SUD231 at https://www.bundesbank.de/dynamic/action/de/statistiken/zeitreihen-datenbanken/zeitreihen-datenbank/723452/723452?tsId=BBIM1.M.DE.B.A2C.A.B.A.2250.EUR.N&statisticType=BBK_ITS&tsTab=0&dateSelect=2023*

## Market environment in the other finance markets

**Housing sector**
In terms of their investment activities and, by extension, their funding needs, the players in the German housing sector, most of which are organised in municipal and cooperative structures, are dependent on the wider conditions in the rental housing market in Germany. For information on the broader housing market environment, please see above.

The lack of funding support for new residential construction clearly put a damper on demand for credit in the housing sector in 2023. Under the given regulation for construction of rented housing, combined with high construction costs and limited scope for rental price increases, building new rented housing has become uneconomical even for the social housing industry.

In addition, the long drawn-out debate about the revision of the German Buildings Energy Act in 2023 became a drag on urgently required, large-scale investment in modernisation measures to improve the energy efficiency of the existing social housing stock, because significant uncertainty about future statutory requirements made the necessary planning more difficult. The volume of restructuring transactions for existing long-term financing arrangements was affected by the same external factors as described above in relation to the private mortgage finance market.

**Corporate finance**
In 2023, demand for credit by small and medium-sized businesses in Germany was influenced strongly by massive changes in energy and wholesale prices, short-term and long-term interest rates and the poor outlook for growth.

According to the national accounts, capital spending on plant and equipment in Germany increased by 6 per cent in the reporting year to €904 billion. This represents an increase in line with inflation and thus reflects the fact that businesses and banks remained reluctant to invest due to fears of a recession and rising interest rates, even though there is huge need for investment in the face of challenges such as climate change and digitalisation. Funding support programmes at national and EU level also failed to provide any significant stimulus for the market as their scope and design has not yet been adjusted to the changed interest-rate environment.

**Personal loans**
According to figures published by Deutsche Bundesbank[4], the volume of new consumer loans extended to private households by German banks fell by 6 per cent to €97 billion in 2023. This decline was mainly attributable to the banks' shift towards more restrictive lending policies. The shrinking business volume in a market that has not seen positive growth in years is resulting in an increasing level of specialisation of banks based on different risk profiles. This trend is driving Hypoport's gains in market share with business models focusing on personal loans.

4 *Deutsche Bundesbank – https://www.bundesbank.de/dynamic/action/de/statistiken/zeitreihen-datenbanken/zeitreihen-datenbank/723452/723452?listId=www_szista_ph2_neu&tsId=BBIM1.M.DE.B.A2B.A.B.A.2250.EUR.N&tsTab=0&statisticType=BBK_ITS&id=0&dateSelect=2023*

### 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.

In 2023, gross premium income rose slightly by 1 per cent to €225 billion. This reaffirms that the German insurance market is resilient to crises in the wider economy such as the coronavirus pandemic and the war in Ukraine. But it also proves that this industry is not growing in real terms. The modest rise in premium volumes coupled with increases in wage costs and operating costs due to high inflation adversely affects insurers and distributors alike. They can counter this pressure by improving their efficiency and cutting costs by retiring legacy IT systems and migrating to the Hypoport Group's centralised insurance platforms.

## Business performance

The Hypoport Group's revenue went down by 21 per cent to €360 million (2022: €455 million) in 2023 due to the challenging conditions in mortgage finance, one of its core markets (see the 'Sectoral performance' section).

Gross profit in the Hypoport Group diminished at a similar rate to revenue, falling by 20 per cent from €261 million in 2022 to €208 million in the reporting year. The cost-cutting measures that had already been brought in around the end of 2022 and early 2023 in response to an unexpected and surprisingly sharp decline in the volume of mortgage finance in the second half of 2022 mitigated the adverse impact on net profit for 2023.

The aforementioned factors resulted in a decline in EBITDA to €51 million (2022: €58 million), while the Hypoport Group's EBIT (earnings before interest and tax) fell by 46 per cent to €13 million (2022: €25 million).

**Explanation of the changes to the segments**

In 2023, the Hypoport subsidiaries were grouped into four segments – Credit Platform, Private Clients, Real Estate Platform and Insurance Platform – and the explanations in this section are provided in line with this structure.

Other minor changes, such as the founding of new subsidiaries and second-tier subsidiaries, equity investments and acquisitions on a small scale, were not of relevance for the performance of the segments in 2023 and are therefore not detailed here. The revenue and selling expenses stated below for the individual segments include revenue with other segments of the Hypoport Group and associated selling expenses. For further information, see 'Segment reporting' in the notes to the consolidated financial statements.

## Segment Credit Platform

The Credit Platform segment includes the web-based B2B credit platform Europace – 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.

Europace brings together two groups: distribution organisations (non-captive financial product distributors, private commercial banks, savings banks, cooperative banks) and product suppliers (private commercial banks and insurance companies, savings banks and cooperative banks). The volume of transactions processed on Europace in 2023 fell by around 32 per cent, from €95 billion in 2022 to €64 billion in the reporting year, due to the weak market environment.

Although the platforms' revenue is supplemented by that of the Qualitypool and Starpool brokerage pools, this revenue decreased as well. Revenue from white-label personal loan business held steady in spite of a 6 per cent downturn in the wider market (see the 'Sectoral performance' section).

The corporate finance consultancy REM CAPITAL reported a substantial 40 per cent fall in revenue due to the continued absence of attractive funding support schemes for German SMEs in 2023. The previous year had been very strong thanks to the expansion of the BEG funding programme that had been brought in by the previous German government.

### Revenue and earnings in the Credit Platform segment

Against the backdrop of the aforementioned challenges in the markets for mortgage finance, personal loans and corporate finance for SMEs, segment revenue diminished by 24 per cent to €157 million (2022: €207 million). Gross profit minus selling expenses – which are incurred almost exclusively in connection with the brokerage pools and the white-label sales of personal loans due to the business model – fell at a similar rate (down by 25 per cent) to €94 million in the reporting year (2022: €125 million).

| Financial figures Credit Platform | 2023 | 2022 | Change |
|---|---|---|---|
| **Operative figures** | | | |
| Transcation volume (billion €) * | 64.5 | 95.5 | – 32% |
| thereof Mortgage finance | 51.9 | 76.8 | – 32% |
| thereof Building finance | 7.2 | 13.3 | – 46% |
| thereof Personal loan | 5.4 | 5.3 | 2% |
| **Revenue and earnings (million €)** | | | |
| Revenue | 156.6 | 207.1 | – 24% |
| Gross profit | 93.6 | 125.1 | – 25% |
| EBITDA | 29.2 | 54.0 | – 46% |
| EBIT | 18.6 | 44.2 | – 58% |

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

Although the cost-cutting measures implemented around the end of 2022 and early 2023 helped to limit the adverse impact on gross profit somewhat, EBITDA dropped to €29 million (2022: €54 million) while EBIT declined to €19 million (2022: €44 million). Consequently, the EBIT margin contracted from 35 per cent in 2022 to 20 per cent in 2023. Despite the cost reductions, which also extended to the business models in the Credit Platform segment, the Hypoport Group made further investments in promising innovative products in 2023, and will do so again in 2024, and will capitalise on any resulting opportunities for growth over the coming years.

## Private Clients segment

Activities in the Private Clients segment, with the web-based, non-captive financial product distributor Dr. Klein Privatkunden AG at its centre, mainly revolve around providing advisory and brokerage services for financial products (above all residential mortgage finance) to consumers in Germany (B2C business model, or B2B2C including franchisees).

Dr. Klein's core business is the provision of advice on mortgage finance at approximately 230 locations. At these locations, the advice is mainly provided through a franchise system. Dr. Klein also has seven flagship stores located in large metropolitan areas in Germany.

In 2023, the volume of mortgage finance, building finance and personal loan products brokered by Dr. Klein ('volume of new loans brokered') amounted to approximately €5.8 billion (2022: €9.2 billion). This equates to a decrease of 37 per cent, which is roughly in line with the downturn in the wider mortgage finance market.

### Revenue and earnings in the Private Clients segment

In 2023, revenue in the Private Clients segment came to €82 million, which was a decline of 34 per cent (2022: €125 million). Commission paid to distribution partners (mainly franchisees) and lead acquisition fees paid to third parties are deducted from the segment's revenue to give the figure for gross profit. This decreased by 37 per cent to €27 million (2022: €43 million). The segment's EBITDA fell by 60 per cent to €8 million (2022: €20 million) and its EBIT by 61 per cent to €7 million (2022: €19 million). This shows that, although substantial cost reductions were achieved, these

could not offset the decline in gross profit.
The operating performance of the Private Clients segment can be seen from the EBIT margin, which is based on gross profit and saw a marked contraction from 44 per cent in 2022 to 27 per cent in 2023, meaning that it fell below the long-term average range of 35–40 per cent in the reporting year.

| Financial figures Private Clients | 2023 | 2022 | Change |
|---|---|---|---|
| **Operative figures** | | | |
| Brokered volume (billion €)* | 5.78 | 9.21 | – 37% |
| Number of franchise advisors (financing)** | 514 | 585 | – 12% |
| **Revenue and earnings (million €)** | | | |
| Revenue | 81.9 | 124.7 | – 34% |
| Gross profit | 27.0 | 42.9 | – 37% |
| EBITDA | 7.8 | 19.5 | – 60% |
| EBIT | 7.3 | 19.0 | – 61% |

* 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

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.

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 AG), a property valuation platform for the credit industry (Value AG), a property financing platform for the housing industry (Dr. Klein Wowi Finanz AG) and a property management platform for the housing industry (Dr. Klein Wowi Digital AG, FIO Systems AG and Hypoport B.V. with its PRoMMiSe product).

The focus for the FIO Systems property sales platform in 2023 was on expanding and marketing the new platform offering as well as continuing to acquire new clients. Revenue increased slightly, even though the conditions for attracting new clients remained challenging.

The performance of Value AG's property valuation platform was affected by the marked downturn in mortgage finance, which went hand in hand with a fall in the number of properties to be valued, as well as by the decision from BaFin to allow virtual property inspections only subject to certain requirements going forward, and by the small-volume loan limit being raised. These circumstances triggered dramatic product shifts in the market that resulted in a mismatch with Value AG's offering. In autumn 2023, Value AG embarked on a strategic realignment in order to

address this issue.
Its focus now is on boosting productivity through digitalisation of further sub-processes and offsetting slumps in the market through the acquisition of new clients.

In a weak market environment (see the 'Sectoral performance' section), the property financing platform for the housing industry could not match the level of revenue it had achieved in 2022. The focus for the property management platform of Dr. Klein Wowi Digital was once again on acquiring new clients. At the end of 2023, contracts were in place to manage more than 300,000 homes through the platform, which represents a year-on-year increase of 60 per cent.

**Revenue and earnings in the Real Estate Platform segment**
The segment's overall revenue diminished by 11 per cent to €57 million (2022: €65 million). Gross profit in the segment declined at a similar rate to revenue, falling to €53 million (2022: €61 million). The biggest adverse factor impacting the EBIT of the Real Estate Platform segment was the performance of Value AG. Including one-off items relating to restructuring measures, the segment's EBIT amounted to a net expense of €18 million in the reporting year (2022: net expense of €12 million).

| Financial figures Real Estate Platform | 2023 | 2022 | Change |
|---|---|---|---|
| **Operative figures (billion €)** | | | |
| Transaction volume of financing platform | 1.20 | 2.12 | – 43% |
| Value properties sold via property sales platform | 10.20 | 11.99 | – 15% |
| Value properties valued by property valuation platform | 30.60 | 34.98 | – 13% |
| **Revenue and earnings (million €)** | | | |
| Revenue | 57.4 | 64.6 | – 11% |
| thereof thereof property financing platform | 11.0 | 17.4 | – 37% |
| thereof property sales platform + property management platform | 24.5 | 21.2 | 16% |
| thereof property valuation platform | 21.9 | 26.0 | – 16% |
| Gross profit | 53.4 | 60.7 | – 12% |
| EBITDA | – 5.4 | – 4.5 | – 20% |
| EBIT | – 17.8 | – 11.9 | – 50% |

## Insurance Platform segment
The Insurance Platform segment develops integrated software solutions for insurance product distributors and B2C insurance companies in the market for insurance products with variable pricing for private individuals and (small) businesses, in the industrial insurance market and in the occupational insurance market.

In the private insurance product group, migrating the portfolios from the legacy systems to the Smart Insur platform is crucial to the establishment of a premiums-based fee model in the sector. Progress continues to be made, and a volume of around €4.1 billion in annual net premiums had been migrated by 31 December 2023, an increase of 9 per cent compared with 31 December 2022. 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 to be able to provide further added value for brokers, distribution organisations and insurance companies, e.g. robo-advice.

In the industrial insurance business, Corify was launched as the first marketplace for insurance risks that are typical for the industrial sector. Meanwhile, in the occupational pensions business, the ePension platform signed up a number of major new clients in the period under review and further increased its volume on the platform.

**Revenue and earnings in the Insurance Platform segment**
The migration of premium volumes and the acquisition of a number of new clients caused the segment's revenue to grow by 8 per cent to €65 million in 2023 (2022: €61 million). The segment's gross profit climbed by 6 per cent to €33 million (2022: €31 million). Its EBIT improved substantially, reaching €1.5 million (2022: loss of €4.8 million).

| Financial figures Insurance Platform | 2023 | 2022 | Change |
|---|---|---|---|
| **Operative figures** | | | |
| Migrated volume of premiums (€ billion) | 4.13 | 3.80 | 9% |
| Validation rate (per cent) | 35.0 | 30.7 | 14% |
| **Revenue and earnings (million €)** | | | |
| Revenue | 65.4 | 60.6 | 8% |
| Gross profit | 33.2 | 31.1 | 6% |
| EBITDA | 6.9 | 0.8 | 721% |
| EBIT | 1.5 | – 4.8 | |

# 2. Financial performance

| Financial performance | 2023 €'000 | 2022 €'000 | Change €'000 |
|---|---|---|---|
| **Revenue** | **359,893** | **455,453** | **– 95,560** |
| Commissions and lead costs | – 151,717 | – 194,465 | 42,748 |
| **Gross Profit** | **208,176** | **260,988** | **– 52,812** |
| Own work capitalised | 23,156 | 23,985 | – 829 |
| Other income | 28,098 | 8,985 | 19,113 |
| Personnel expenses | – 159,570 | – 176,448 | 16,878 |
| Other expenses | – 48,127 | – 59,455 | 11,328 |
| Income from companies accounted for using the equity method | – 549 | – 342 | – 207 |
| **Earnings before interest, tax, depreciation and amortisation (EBITDA)** | **51,184** | **57,713** | **– 6,529** |
| Depreciation, amortisation expense and impairment losses | – 37,886 | – 33,038 | – 4,848 |
| **Earnings before interest and tax (EBIT)** | **13,298** | **24,675** | **– 11,377** |
| Net finance costs | – 1,268 | – 3,065 | 1,797 |
| **Earnings before tax (EBT)** | **12,030** | **21,610** | **– 9,580** |
| Current income taxes | – 3,842 | – 5,878 | 2,036 |
| Deferred taxes | 12,305 | 2,937 | 9,368 |
| **Net profit for the year** | **20,493** | **18,669** | **1,824** |

Against the backdrop of the business performance described above, consolidated revenue fell by 21 per cent to €359.9 million (2022: €455.5 million). Gross profit after deduction of expenses for commissions and lead generation, which were mainly incurred in connection with the Dr. Klein franchise system and the broker pool companies in the Credit Platform and Insurance Platform segments, declined by 20 per cent to €208.2 million in the reporting year (2022: €261.0 million).

Own work capitalised, which largely relates to the pro rata personnel expenses and operating costs incurred in the development and refinement of internally generated platforms, saw a slight decrease of 3 per cent. In the reporting year, 50 per cent of total development costs were therefore capitalised (2022: 50 per cent).

The increase in other income mainly comprised income of €20.0 million from the reversal of a debtor warrant relating to a variable-rate purchase price liability (2022: €2.3 million) and income of €2.5 million from the reversal of provisions (2022: €3.2 million).

Personnel expenses fell by 10 per cent to €159.6 million (2022: €176.4 million) as a result of an 11 per cent reduction in average headcount in the reporting period from 2,469 employees to 2,199 employees.

Other expenses essentially consisted of administrative expenses that decreased from €32.0 million in 2022 to €26.5 million in 2023 in connection with the downturn in business, slightly lower operating expenses of €9.8 million compared with €10.1 million in 2022 and selling expenses that went down from €8.3 million in 2022 to €5.5 million in 2023 due to lower advertising and representation expenses.

EBITDA fell by 11 per cent to €51.2 million (2022: €57.7 million).

Depreciation, amortisation expense and impairment losses rose to €37.9 million (2022: €33.0 million). The bulk of this item was made up of €19.8 million (2022: €13.9 million) on capitalised development costs for our platforms and internally generated software solutions as well as €10.1 million (2022: €9.8 million) on rental-related right-of-use assets.

EBIT consequently declined by a substantial 46 per cent to €13.3 million (2022: €24.7 million).

Net finance costs improved to €1.3 million (2022: net costs of €3.1 million) as a result of interest expense staying almost unchanged year on year at €1.8 million (2022: €1.7 million) while interest income from investments went up.

The 44 per cent decrease in EBT to €12.0 million (2022: €21.6 million) combined with a low level of income taxes and higher deferred tax assets resulted in a 10 per cent increase in net profit for the year to €20.5 million (2022: €18.7 million).

For 2023, the Management Board of Hypoport SE had anticipated that revenue would decline by up to 10 per cent and EBIT by up to 30 per cent at Group level, assuming that the mortgage finance market would start to return to normal over the course of the year. However, as the market environment for mortgage finance failed to improve, these targets were not met in 2023. The Management Board takes the view that the Group’s earnings performance cannot be deemed satisfactory.

## 3. Net assets

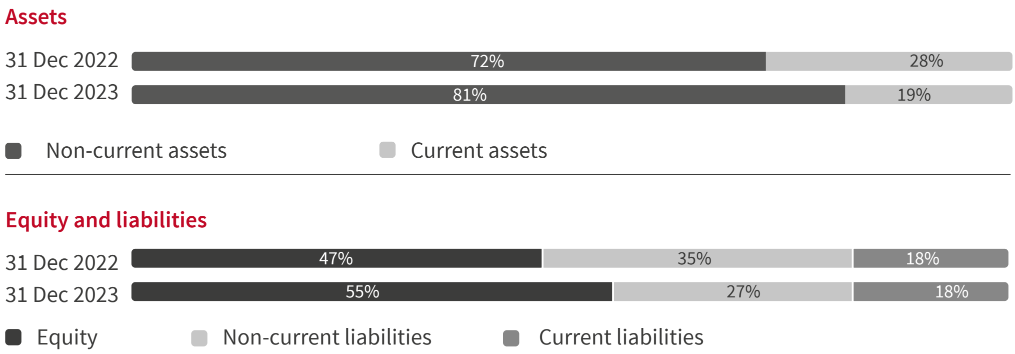
The following information on the structure of the Hypoport Group’s assets, equity and liabilities as at 31 December 2023 is based on the balance sheet figures aggregated according to liquidity. Receivables and liabilities falling due less than twelve months after the balance sheet date are reported as ‘current’, while all others – unless shown separately – are reported as ‘non-current’.

**Net Assets**

| | 31 Dec 2023 | | 31 Dec 2022 | | Change |
|---|---|---|---|---|---|
| **Assets** | €'000 | % | €'000 | % | €'000 |
| Intangible assets | 351,094 | 56.0 | 347,128 | 59.5 | 3,966 |
| Property plant and equipment | 67,272 | 10.8 | 95,582 | 16.4 | – 28,310 |
| Financial assets | 1,207 | 0.2 | 961 | 0.2 | 246 |
| Investments accounted for using the equity method | 5,474 | 0.9 | 5,272 | 0.9 | 202 |
| Trade receivables | 4,254 | 0.7 | 6,844 | 1.2 | – 2,590 |
| Other assets | 213 | 0.0 | 320 | 0.1 | – 107 |
| Deferred tax assets | 21,996 | 3.5 | 15,819 | 2.7 | 6,177 |
| **Non-current assets** | **451,510** | **72.2** | **471,926** | **80.9** | **– 20,416** |
| Inventories | 935 | 0.1 | 1,065 | 0.2 | – 130 |
| Trade receivables | 65,588 | 10.5 | 69,962 | 12.0 | – 4,374 |
| Other current items | 7,179 | 1.1 | 6,440 | 1.1 | 739 |
| Income tax assets | 3,904 | 0.6 | 4,276 | 0.7 | – 372 |
| Cash and cash equivalents | 96,658 | 15.4 | 29,947 | 5.1 | 66,711 |
| **Current assets** | **174,264** | **27.8** | **111,690** | **19.1** | **62,574** |
| **Total assets** | **625,774** | **100.0** | **583,616** | **100.0** | **42,158** |
| **Equity and Liabilities** | | | | | |
| Subscribed capital | 6,872 | 1.1 | 6,493 | 1.1 | 379 |
| Treasury shares | – 184 | 0.0 | – 189 | 0.0 | 5 |
| Reserves | 331,916 | 53.0 | 264,801 | 45.4 | 67,115 |
| | **338,604** | **54.1** | **271,105** | **46.5** | **67,499** |
| Non-controlling interest | 2,039 | 0.3 | 1,633 | 0.3 | 406 |
| **Equity** | **340,643** | **54.5** | **272,738** | **46.7** | **67,905** |
| Financial liabilities | 108,805 | 17.4 | 90,664 | 15.5 | 18,141 |
| Rental charges and operating lease expenses | 44,686 | 7.0 | 71,529 | 12.3 | – 26,843 |
| Provisions | 0 | 0.0 | 47 | 0.0 | – 47 |
| Other liabilities | 220 | 0.0 | 20,220 | 3.5 | – 20,000 |
| Deferred tax liabilities | 17,203 | 2.7 | 23,331 | 4.0 | – 6,128 |
| **Non-current liabilities** | **170,914** | **27.2** | **205,791** | **35.3** | **– 34,877** |
| Provisions | 497 | 0.1 | 533 | 0.1 | – 36 |
| Financial liabilities | 20,748 | 3.3 | 16,924 | 2.9 | 3,824 |
| Rental charges and operating lease expenses | 9,333 | 1.5 | 8,545 | 1.5 | 788 |
| Trade payables | 47,927 | 7.6 | 44,692 | 7.7 | 3,235 |
| Current income tax liabilities | 2,825 | 0.5 | 481 | 0.1 | 2,344 |
| Other liabilities | 32,887 | 5.3 | 33,912 | 5.8 | – 1,025 |
| **Current liabilities** | **114,217** | **18.3** | **105,087** | **18.0** | **9,130** |
| **Total equity and liabilities** | **625,774** | **100.0** | **583,616** | **100.0** | **42,158** |

The Hypoport Group’s consolidated total assets as at 31 December 2023 amounted to €625.8 million, which was a 7 per cent increase on the total as at 31 December 2022 (€583.6 million).

**Balance sheet structure**




Non-current assets amounted to €451.5 million (31 December 2022: €471.9 million). Of this total, €351.1 million was attributable to intangible assets (31 December 2022: €347.1 million). They largely consisted of goodwill of €229.1 million (31 December 2022: €229.1 million) and development costs for the platforms of €100.4 million (31 December 2022: €93.9 million).

The bulk (€26.4 million) of the €28.3 million decline in property, plant and equipment to €67.3 million is attributable to right-of-use assets relating to office leases and motor vehicles in accordance with IFRS 16.

The marked growth in current assets of €62.6 million to €174.3 million was mainly driven by a rise in cash and cash equivalents (€66.7 million) as a result of the €50 million capital increase and net inflows of €22.0 million from bank loans. For further details, please refer to the consolidated cash flow statement. The most pronounced countervailing trend was a decline in trade receivables of €4.4 million.

The equity attributable to Hypoport SE shareholders increased by €67.5 million, or 24.9 per cent, to €338.6 million as at 31 December 2023, primarily due to the capital increase and the net profit for the year. As a result, the equity ratio (excluding non-controlling interests) rose from 46.5 per cent to 54.1 per cent.

The decrease in non-current liabilities to €170.9 million stemmed primarily from a €26.8 million reduction in financial commitments in respect of rentals and leases and a €20.0 million reduction in other non-current liabilities relating to expired purchase price liabilities in connection with debtor warrants. By contrast, non-current liabilities to banks rose by €18.1 million.

Other current liabilities mainly comprised purchase price liabilities of €13.1 million resulting from two acquisitions (31 December 2022: €12.3 million), bonus commitments of €4.6 million (31 December 2022: €4.2 million) and tax liabilities of €3.6 million (31 December 2022: €3.7 million).

Total current and non-current liabilities to banks came to €129.6 million (31 December 2022: €107.6 million). Liabilities to banks went up because scheduled repayments of loans amounting to €18.0 million were more than offset by the raising of four new loans totalling €40.0 million.

## 4. Financial position

The changes in the Company's liquidity position at the balance sheet date are shown in the table below.

| Liquidity position at the balance sheet date | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 | Change €'000 |
|---|---|---|---|
| Cash and cash equivalents | 96,658 | 29,947 | 66,711 |
| Other current assets | 77,606 | 81,743 | – 4,137 |
| Current Assets | 174,264 | 111,690 | 62,574 |
| Current liabilities | 114,217 | 105,087 | 9,130 |
| **Surplus cover** | **60,047** | **6,603** | **53,444** |

The cover ratio of non-current assets to non-current equity and liabilities is shown in the table below.

| Cover ratio | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 | Change €'000 |
|---|---|---|---|
| Non-current assets | 451,510 | 471,926 | – 20,416 |
| Equity | 340,643 | 272,738 | 67,905 |
| | 110,867 | 199,188 | – 88,321 |
| Non-current liabilities | 170,914 | 205,791 | – 34,877 |
| **Surplus cover** | **60,047** | **6,603** | **53,444** |

153 per cent (31 December 2022: 106 per cent) of the current liabilities of €114.2 million (31 December 2022: €105.1 million) are covered by the Company's current assets of €174.3 million. This means that the Hypoport Group was able to meet its financial obligations at all times.

75 per cent (31 December 2022: 58 per cent) of non-current assets are funded by equity.

The year-on-year changes in the key figures from the Company's balance sheet, income statement and cash flow statement are shown below.

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Return on investment = EBIT / (equity + non-current liabilities) | 2.6% | 5.2% |
| Cash flow (CF) return on equity = CF from operating activities / equity | 10.8 % | 14.1% |
| EBIT margin = EBIT / gross profit | 6.4% | 9.5% |
| Tier– 1 liquidity = cash and cash equivalents / current liabilities | 84.6% | 28.5% |
| Equity ratio = equity / total equity and liabilities | 54.5% | 46.7% |
| Gearing = liabilities / total equity and liabilities | 45.6% | 53.3% |
| Tier– 1 capital ratio = equity / (Intangible assets + Property, plant and equipment) | 81.4% | 61.6% |

We have used the consolidated cash flow statement to show the sources and application of funds and to disclose the changes in the Company's financial position during the year under review. It presents the net cash inflows and outflows broken down by type of activity (operating activities, investing activities and financing activities). Positive amounts denote a net cash inflow, while negative amounts stand for a net cash outflow.

Due to the Group's weaker operating performance, cash flow from operating activities during the reporting period decreased by 30 per cent, or €12.7 million, to €29.2 million (2022: €41.9 million). The cash used for working capital fell by €10.9 million to €7.6 million (2022: minus €3.3 million). Total net cash generated by operating activities in 2023 thus amounted to €36.8 million (2022: €38.6 million).

The net cash outflow of €31.2 million for investing activities (2022: €42.5 million) stemmed primarily from capital expenditure of €29.2 million on non-current intangible assets (2022: €33.4 million).

Net cash provided by financing activities jumped to €61.1 million (2022: net cash used of €15.1 million) and largely consisted of cash of €50.0 million received from the capital increase less issue costs of €1.1 million, new borrowing from banks of €40.0 million (2022: €10.0 million), the scheduled repayment of bank loans in an amount of €18.0 million (2022: €16.1 million) and scheduled repayments of rental and lease liabilities of €10.0 million (2022: €9.0 million).

Cash and cash equivalents as at 31 December 2023 totalled €96.7 million – up by a substantial €66.7 million compared with the beginning of the year – and consisted mainly of credit balances with banks. In addition, the parent company had unutilised credit lines of €12.6 million as at the balance sheet date.

At the balance sheet date, there were other financial commitments totalling €59.4 million (31 December 2022: €59.5 million) in respect of rentals, leases and maintenance agreements with terms of more than one year. Included in these other financial commitments were commitments of €10.3 million (31 December 2022: €9.9 million) due within one year, €29.9 million (31 December 2022: €26.9 million) due in one to five years and €19.2 million (31 December 2022: €22.7 million) due in more than five years.

**Overall statement on the Hypoport Group's economic position**
The business performance of the Hypoport Group was impacted by the negative market environment in 2023, causing the Group to fall short of its EBIT expectations. The Management Board takes the view that the Group's financial performance is not satisfactory due to the decline in EBIT. The financial position can be considered solid and stable.

## 5. Capital expenditure and finance

Capital expenditure in 2023 largely related to investment in software and in office furniture and equipment.

Capital expenditure was financed by both operating cash flow and new borrowing.

## 6. Unrecognised assets

As at 31 December 2023, Hypoport SE held 183,955 treasury shares that, on that date, had a total market value of around €32.5 million. These shares can be used to service employee share ownership programmes or to fund acquisitions. Alternatively they can be sold or recalled.

One asset that is only partially recognised in our subsidiaries is internally generated software, e.g. for the processing of loan brokerage transactions, the administration of insurance portfolios, or the sale, management and valuation of properties. The Company will generate income in the future by giving clients the right to use the software.

In the course of their brokerage activities, some subsidiaries obtain information on their clients' assets and income and on the financial products sold to them. This client base and transaction portfolio constitute an unrecognised asset because this information can be used to sell further suitable financial products and follow-up financing to the same client in future. This means that Dr. Klein Privatkunden AG in particular can also offer advice on the renewal or refinancing of existing mortgage deals well in advance of the end of the original fixed-interest period, for which it may receive another commission from the product supplier. This also gives rise to further potential for fee and commission income.

Across all segments, the subsidiaries provide several thousand financial advisors with platforms through which they can operate their business in mortgages, building finance, personal loans and insurance. These platforms together provide distribution capability, which in turn exerts an appeal for further product suppliers that offer either the same or similar products. This potential future extension of the product range enables additional transactions to be processed on the marketplaces and constitutes a significant unrecognised asset. It also makes it easy for affiliated loan brokerage advisors and insurance advisors to participate in renewals, increases in premiums, refinancing or cover changes relating to financial products that have already been brokered on the marketplaces, and allows them to benefit financially in the form of additional agency commission.

The Dr. Klein Privatkunden AG subsidiary possesses a well-known brand with a positive reputation. Dr. Klein regularly comes top in the product tests and reviews conducted by independent consumer organisations, and the large number of regional franchisees and advisors is also raising its profile beyond the internet. Many new clients are increasing the brand's recognition by recommending Dr. Klein to others after having received good advice from it. This constitutes a significant unrecognised asset, because a trusted brand provides a valuable competitive advantage in the sale of financial products.

## 7. Employees

The average number of employees in the Hypoport Group fell by 11 per cent to 2,199 employees (2022: 2,469 employees). As at 31 December 2023, 2,209 people were employed by the Hypoport Group (31 December 2022: 2,393). Headcount fell year on year as a result of adjustments to the Group's cost levels in line with the prevailing market situation.

The regrettable need to reduce the number of employees in late 2022 / early 2023 did not change the Hypoport Group's general HR strategy. In today's business environment, which is dominated by myriad social and economic changes, a company's workforce is the key competitive factor. The lasting success and ongoing evolution of a company's business are essentially guaranteed by a suitably qualified and highly motivated workforce. The expertise, interdisciplinary skills, creativity and motivation of these employees determine the ability of the entire Hypoport Group to compete and adapt for the future. In order to achieve these goals, Hypoport is constantly taking steps to ensure that it provides all members of staff with the necessary training and development opportunities and to enhance its corporate culture.

To this end, Hypoport has defined six groupwide principles to be applied by the Hypoport companies:

- Network
- Team spirit
- Diversity
- Leadership
- Self-management
- Learning

A functioning network (1) depends on good team spirit (2); a deep-seated sense of group identity that promotes and maintains diversity (3). In order for our Company to operate successfully in all of it markets, it needs to reflect the diversity of our potential clients. A successful network requires conscientious leadership (4) that defines decision-making processes and determines the degree of self-management (5) in order to facilitate sound and swift decision-making. And because embracing the principles is a continually evolving work in progress when they are put into practice in daily working life, the Hypoport principles are rounded off by the principle of learning (6).

Particularly against the backdrop of a sometimes turbulent market environment, the activities of the Hypoport Group placed exceptional demands on our workforce in the reporting year in the form of numerous projects and a disciplined approach to costs. We would like to take this opportunity to thank all members of staff wholeheartedly for their valuable contribution, their loyalty and their commitment.

## 8. Disclosures under German takeover law

**Composition of subscribed capital**
The Company's subscribed capital amounted to €6,872,164 at the end of 2023. It is divided into 6,872,164 no-par-value registered shares.

All shares confer the same rights and obligations. Each share confers one vote at the Annual Shareholders' Meeting and determines shareholders' entitlement to the Company's profits. Shareholders' rights and obligations are defined in detail by the provisions of the German Stock Corporation Act, in particular by sections 12, 53a et seq., 118 et seq. and 186 AktG.

**Restrictions on voting rights and the transfer of shares**
The Management Board is not aware of any restrictions on voting rights or the transfer of shares.

**Shareholdings exceeding 10 per cent of the Company's voting rights**
The following shareholding in Hypoport SE was known to us at the time this management report was prepared:

Ronald Slabke, Berlin, holds 32.6 per cent of Hypoport's shares. Of these, the 31.2 per cent of the voting shares held by Revenia GmbH, Berlin, are attributable to him pursuant to section 34 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

There are no further direct or indirect shareholdings exceeding 10 per cent of the Company's voting rights.

**Shares with special rights conferring powers of control**
There are no shares with special rights conferring powers of control. In particular, there are no powers to appoint Supervisory Board members pursuant to section 101 (2) AktG.

**Type of control over voting rights in cases where employees are shareholders in the Company but do not directly exercise their control rights**
In cases where employees of Hypoport SE are shareholders in the Company, they directly exercise their control over voting rights.

**Statutory regulations and provisions of the statutes concerning the appointment and dismissal of Management Board members and amendments to the statutes**
The members of the Management Board are appointed by the Supervisory Board pursuant to sections 84 and 85 AktG and section 5 (2) of the Company's statutes. The Management Board comprises at least two persons pursuant to section 5 (1) of the Company's statutes; the number of Management Board members is determined by the Supervisory Board. If the Management Board is short of a member, this member is appointed by the courts in urgent cases at the request of an interested party pursuant to section 85 AktG.

Section 179 AktG states that amendments to the Company's statutes require a resolution to be passed by the Annual Shareholders' Meeting; section 16 of the statutes states that, unless mandatory legal provisions specify otherwise, amendments to the statutes are adopted by a simple majority of votes cast. The Supervisory Board has the authority to make amendments concerning the wording only pursuant to section 19 of the Company's statutes.

**Powers of the Management Board to issue and repurchase shares**
By way of a resolution adopted at the Annual Shareholders' Meeting on 9 June 2020, the existing authorisation of the Management Board to increase the Company's subscribed capital – subject to the consent of the Supervisory Board – was set aside. By way of a further resolution adopted at the same Annual Shareholders' Meeting held on 9 June 2020, the Management Board was authorised to increase the subscribed capital of the Company through one or more issues of no-par-value registered shares for cash and/or non-cash contribution by up to a maximum of €2,799,061.00 (authorised capital 2020/I) at any time up to 8 June 2025, subject to the consent of the Supervisory Board. The Management Board can decide – subject to the consent of the Supervisory Board – to potentially disapply the shareholders' statutory pre-emption rights.

In January 2023, the authorisation was utilised and the Company's subscribed capital was increased against cash contributions by €378,788 from €6,493,376 to €6,872,164 by issuing 378,788 new, registered no-par-value shares ('New Shares'), partially utilising the authorised capital.

The Annual Shareholders' Meeting held on 9 June 2020 adopted a resolution authorising the Management Board to purchase treasury shares amounting to a total of up to 10 per cent of the subscribed capital in existence at the time the resolution was adopted. The shares thus purchased, together with other treasury shares that are in the possession of Hypoport SE or are attributable to it pursuant to sections 71d and 71e AktG, must at no time account for more than 10 per cent of the Company's subscribed capital in existence at that time. The authorisation may be utilised either in full or partially, on one or more occasions, in pursuit of one or more objectives by Hypoport SE or by its Group companies or for its or their account by third parties. The authorisation is valid until 8 June 2025. The Management Board may determine whether the shares are purchased through the stock market or by means of a public purchase offer or by means of a public invitation to submit such an offer.

**Material agreements by the Company that are conditional upon a change of control resulting from a takeover bid**
Hypoport SE has entered into a loan agreement with a bank that gives the lender a right of termination in the event that one or more persons obtain control over Hypoport SE or hold more than 30 per cent of the Company's issued capital, and agreement cannot be reached on continuing the loan, on the same or amended terms and conditions.

The agreement of such a right is customary in the market. If this right under the aforementioned agreement were exercised in the event of a change of control that meets the above criteria, there could be a very small impact on the Company's financial position or financial performance.

**Compensation agreements between the Company and Management Board members or employees in the event of a takeover bid**
There are no compensation agreements between Hypoport SE and Management Board members or employees in the event of a takeover bid.

## 9. Corporate governance declaration and non-financial Group report

Hypoport SE has issued the declaration required by sections 289f (1) and 315d HGB and has made it permanently available to the public on the Company's website at www.hypoport.com/investor-relations/corporate-governance/. The Company has also prepared the non-financial Group report required by section 315b (3) HGB and has published it on its website at www.hypoport.com/investor-relations/corporate-governance/.

# Opportunities and risks report

Business activities always entail the assumption of risk and exploitation of opportunities. Consequently, risks and opportunities can have both a negative and a positive impact on the Hypoport Group's financial position and financial performance. For Hypoport, risk means the threat of potential losses or opportunity costs. Opportunities are possibilities for increasing total revenue and the Group's earnings from its operating activities (EBIT). Internal or external factors can give rise to risks and opportunities. Hypoport SE's risk and opportunity policy is focused on three primary objectives:

- Continuously and enduringly increasing the value of the Company
- Achieving the medium-term financial targets, i.e. the forecast for the year (see the 'Outlook' section)
- Safeguarding the Company as a long-term going concern

Consequently, we see risk and opportunity management first and foremost as an entrepreneurial function that consists of exploiting opportunities in good time, identifying risks as quickly as possible and weighing up both sides in a responsible manner and with shareholder value in mind in order to achieve the three primary objectives of the risk and opportunity policy. The task of the Management Board, managers and all employees is to use continuous processes to optimise the likelihood of either of these factors occurring in order to safeguard the Company's interests.

Hypoport has a structured risk management and early-warning system as required by section 91 (2) and (3) AktG. The Group's individual organisational units identify and assess risks locally by compiling a risk inventory at least once a year. In this context, experts from all departments analyse and assess material risks using self-assessments, which are divided into a risk potential assessment, for identifying and assessing material risks, and the resulting proposed actions. In order to assess a risk that has been identified, the probability of the risk scenario arising and the potential loss level are determined. Risks that have been identified are managed using appropriate risk control strategies. All risks are also registered, measured and monitored on a quarterly basis. The Hypoport Group's early-warning system for risk is adjusted as soon as possible to reflect changes in the market environment.

## 1. Integrated opportunity and risk management system

### Internal monitoring system

The central feature of the internal monitoring system at Hypoport is the separation of functions. This is ensured by our organisational structures, job specifications, and processes, which are laid down in the Company's electronic manual and are reviewed for compliance. In addition to these provisions and as part of its monitoring role, Group internal audit carries out audits to ensure that the system is effective and functions properly.

The internal audit department carries out audit activities and produces audit reports in consultation with Hypoport SE's Supervisory Board and at its request. Should risks arise, Hypoport SE's internal auditors can also conduct special audits at short notice. As service providers to their clients, Group subsidiaries are required to take precautions to ensure the continuity and quality of the processes outsourced by banks and insurance companies. This also means that the Hypoport Group has to comply with the regulatory requirements that apply to its partners and uphold their rights of inspection, examination and access and their right to receive information.

Data protection is a particularly high priority for Hypoport, whose business depends on trust. In addition to the appointment of external data protection officers, data protection is assured internally by data protection training for employees and by the deployment of employees in the data protection department who have been certified by German product standards regulator TÜV. Other data protection tasks include establishing and monitoring processes that comply with data protection legislation and dealing with requests made by clients, partners and employees.

### Financial planning and reporting and control system

With the aid of strategic planning and an internal reporting system, a financial planning and reporting process helps with the early detection of relevant risks and opportunities.

As part of its strategic planning process, Hypoport assesses potential risks and opportunities in advance of key business decisions. This results in the systematic formulation of long-term and short-term business targets and objectives right down to each segment and cost centre.

Alongside the management of risks and opportunities, the market and competitive environment is continually monitored from the different perspectives relevant to Hypoport. The achievement of targets and objectives (plan/actual comparison) is analysed at all managerial levels during regular meetings at which control measures are agreed and their effectiveness is reviewed. The reporting system enables such risks to be monitored in the context of business activities.

### Early-warning systems

Information on future developments and trends is exchanged across all levels in the Company in regular meetings, reports and protocols and is assessed by the appropriate unit. This ensures that internal and external information can be analysed on a timely basis for its relevance to risk and that the findings are implemented throughout the Hypoport Group.

From the full range of risks to which the Hypoport Group is exposed, the types of risk considered to be material at present are described below.

## 2. Types of risk

**Macroeconomic risk**

Hypoport's business environment is affected by changes in economic and political conditions, so we continuously monitor political, economic, regulatory and business developments in the markets in which we operate (see the 'Sectoral performance' section). When assessing their target markets, management and product distributors constantly use the internal and external information sources available so that they can identify imminent changes in these markets as early as possible and adjust their strategic and operational focus in line with these developments.

**Sectoral and industry risks**

Sectoral risks to the Hypoport Group largely arise in connection with changes in the markets for housing, loans and insurance. Fiscal and socio-political parameters, the influence of the capital markets and regulatory requirements for intermediaries play a key role.

If several major product suppliers were to simultaneously withdraw competitive terms and conditions or products from the Hypoport Group, terminate collaborative arrangements or reduce remuneration, or if one or more relevant distribution partners were to restrict or end their relationship with Hypoport, this could result in a contraction in revenue. Given the large number and diversity of its product suppliers and distribution partners, the Hypoport Group's reliance on individual partners is limited and so is the risk to which it is exposed. Overall, the Hypoport Group has a broad range of strong partners. The Group companies broker financial products supplied by more than 800 banks, insurance companies and building finance associations.

The risks associated with the product range are mitigated by working with respected product suppliers with whom we maintain long-lasting relationships. The Hypoport Group carries out extensive market research to identify market trends and client preferences, which it meets by working with its product partners to provide competitive products tailored to clients' requirements. By doing so, we may even face lower margins due to the stiff competition in our markets. Hypoport maintains a constant dialogue with its partners to ensure that its products are competitive and high quality. In spite of the diverse range of product partners, if the majority of them were to tighten their lending criteria in view of macroeconomic or regulatory influences, the number of loans might decline and thereby adversely affect consolidated revenue.

A weakening of demand for mortgage finance is an important sectoral risk, because this product group accounts for a significant proportion of the Hypoport Group's activities. The main triggers for such a downturn could be the housing market or long-term interest rates.

In terms of demand, the mortgage finance market in Germany has been experiencing a growth phase for many years because of ongoing net inward migration, higher life expectancy and an increase in the number of one-person households (see the 'Sectoral performance' section). Against the backdrop of the negative factors described in the 'Sectoral performance' section, consumers and institutional housing companies remained temporarily hesitant about entering into transactions in 2023. In view of the steadily reducing supply of rental properties combined with rising rental prices, growing construction costs and the gradual diminishing of the negative factors that had affected the last two years, Hypoport is expecting its mortgage finance volume to pick up again in Germany. Hypoport has mitigated the risk by diversifying its business model, for example by establishing the Real Estate Platform and Insurance Platform segments. In future, these segments will be known as Financing Platforms and Insurance Platforms.

The yields on long-dated bonds, which serve as the benchmark rate for mortgage finance, could also have a significant impact on the demand for finance and, consequently, on the performance of several Group companies. As described above, the willingness to do business on the part of consumers and the social housing industry declined as a result of the rapid rise in interest rates in 2022. Given the persistently challenging economic and sovereign debt situation in the eurozone and the gradual easing of inflationary pressures, we currently do not expect a further rise in long-term interest rates. The trend in 2024 to date confirms this assumption.

Furthermore, competition could become fiercer because there are more mortgage finance providers with comparable business models. Hypoport is mitigating this risk by maintaining close dialogue with its clients, product suppliers and franchisees in order to highlight the advantages and added value of its business model.

Because the internet is used intensively by financial product distributors to acquire new business and by financial marketplaces to communicate and execute transactions, the Hypoport Group is especially reliant on the fact that the internet continues to be available to and accepted by its clients and partners. Any impairment of its acceptance or technical availability could have serious consequences for the financial performance of several subsidiaries. The occasional recurrence of critical debate about the security of the internet and the data it transmits has not curbed its growing use in recent years. The internet's increasing importance for the entire economy and the high level of capital spending by the telecommunications industry in network infrastructure mean that we are unlikely to see global technical disruptions to the internet's availability.

Competition for highly qualified financial advisors also remains stiff. Transparent contractual conditions, competitive pay, the quality of our advisors and our non-captive status mean that we have had the edge on the market for years.

Increasingly restrictive legal requirements in respect of financial advisory services, financial products and technological innovations demand that companies operate on an efficient scale. The financial services market is in the process of consolidating and becoming more concentrated. The need to achieve critical mass is currently driving the market in mergers and acquisitions. Given its current shareholder structure, a hostile takeover of the Company would be impossible. Nonetheless, its shareholder structure is constantly and carefully reviewed to detect any changes.

## Operational risk

The availability of existing and new expertise is particularly important in a growth company. With this in mind, a loss of personnel would potentially pose an operational risk for the Hypoport Group. Hypoport regularly conducts HR planning to ensure that the necessary resources are available either inhouse or from external partners. In addition, it conducts regular staff development and performance appraisal reviews at all levels as a means of staff retention. Staff training and development, career prospects, employee benefits and remuneration models encourage staff loyalty. Together, these measures mitigate the risk of losing personnel.

Information technology (IT) is key to all the Hypoport Group's business models. If the platforms were to fail, this would reduce the revenue generated by the transaction-based and management-based business models of our subsidiaries and impair the work of entities such as our financial product distributor Dr. Klein Privatkunden AG – as well as that of product partners and distribution partners – and could damage Hypoport SE's general reputation as a technology partner.

The Company therefore pursues a groupwide IT strategy to mitigate its IT risks. When selecting our IT systems and IT service providers we usually opt for standard software packages from reputable suppliers and service providers. Proprietary software developed specifically for Hypoport to supplement standard software solutions undergoes continuous quality control. To ensure that they work properly, we subject all IT systems to rigorous testing before they go live. State-of-the-art data centres with off-site contingency premises, back-up systems and mirror databases are used to protect the data held by the Hypoport Group. Special access and authorisation systems monitored by data protection officers protect the Hypoport Group's IT systems against unauthorised access. Its IT systems are also protected by comprehensive virus protection and effective IT security.

Every year, substantial amounts are spent on upgrading the IT infrastructure and IT application systems to ensure that our IT systems are efficient.

Building and enhancing a brand image forms an integral part of any successful product strategy. The names and logos used by Hypoport SE and its subsidiaries are registered trademarks and, as such, are protected against unauthorised use.

Changes to regulatory parameters are accompanied by new requirements and, perhaps, new risks. The Hypoport Group constantly monitors all efforts to introduce far-reaching regulation of the financial services market in Germany, particularly those with the aim of increased consumer protection, and it promptly analyses their impact on its business model and strategic positioning in the markets. To comply with more stringent requirements, combined with increasing supervision by the regulatory authorities, Hypoport will take measures such as the systematic expansion of its staff training and development and the enhancement of its risk and compliance management.

Hypoport has taken out insurance policies covering potential liability risks and compensation claims in order to limit and provide cover for the Group's operational risk. The insurance cover is reviewed regularly and amended if general parameters change.

### Financial risk

Hypoport SE is exposed to a number of financial risks. Because of its growth, the Company's need for capital is constantly increasing. It meets this demand for capital by working closely with its lenders and investors. Its shareholders help to increase the Company's financial strength and mitigate its financial risks by retaining its profits.

To ensure that it can secure sufficient borrowing, Hypoport SE maintains business relationships with several banks. It discusses its future borrowing requirements with these institutions in a timely fashion. We subject our banking partners to rigorous selection criteria, assessments and ongoing reviews to ensure that they are reliable lenders and suitable partners. In doing so, we reduce the risk that such banks – which are subject to frequent strategic changes – call in their loans at short notice.

The loan agreements with banks include covenants linked to defined financial KPIs. There is a fundamental risk of non-compliance with these covenants, which would entitle the banks to immediately call in the disbursed loan amounts. The financial planning and reporting and treasury units monitor compliance with the covenants and provide evidence to the banks as agreed. All covenants were complied with at all relevant reference dates in 2023.

Liquidity management is one of the core functions of the Treasury business unit. Liquidity is managed and surplus liquidity is invested by the Hypoport Group's central cash management unit with the involvement of all of its major Group companies. In addition, the Hypoport Group can draw on credit lines from several partner banks.

Commission is the Hypoport Group's most important source of income and cash flow. Its financial planning and reporting units constantly analyse the impact that potential changes to existing commission models and to regulatory and fiscal parameters would have on the products that are sold.

A further aspect of the Company's financial risk is the credit risk attaching to its receivables. The Management Board centrally approves the credit terms it allows as part of its operating activities and these terms are documented in the Company's electronic manual. Most of the Hypoport Group's receivables are owed by medium-sized and large financial service providers, banks and insurance companies. Credit risk stems primarily from commissions receivable from product partners and, in a small number of cases, from distribution partners and clients. In brokerage business, product partners can sometimes take several weeks to pay commission, resulting in commission that has been earned but not received occasionally being paid to distribution partners in advance. The Hypoport Group mitigates these risks by means of thorough receivables management and by imposing strict criteria on its selection of counterparties. Appropriate provisions are recognised for receivables when they appear at risk, taking account of the latest information about the credit standing of the debtor, anticipated commission income and the age structure of the receivables.

The Hypoport Group provides for cancellation risk in its insurance business by retaining appropriate amounts of the commission due to agents and by recognising cancellation provisions. The provisioning level is based on the commission income received during the liability period and the claims for reimbursement of commission anticipated on the basis of past experience.

The Group's interest-rate risk stems from non-current interest-bearing liabilities. Floating-rate liabilities expose the Group to interest-related cash flow risks. Under its financial risk policy, the vast majority of liabilities it assumes have to be subject to fixed interest rates.

The Company's transparent financial reporting system and the healthy structure of its balance sheet also help to minimise its financial risks. They are supported by an early-warning system in the form of Group planning across all segments. This enables the Company to discuss its financial requirements with its lenders in a timely manner.

### Strategic risk

Strategic risks can arise if the Company's management misjudges significant developments and trends in the financial services sector or fails to identify them at a sufficiently early stage. This can result in key decisions being made which, in terms of the achievement of the Company's long-term objectives and targets, prove with hindsight to be disadvantageous and may be difficult to reverse. Strategic risks also result from unexpected changes in individual market and macroeconomic conditions that have an adverse impact on financial performance. The Group's business activities are distributed across a large number of client groups and a wide range of products, which tends to mitigate risk.

The management of strategic risk forms part of the overall coordination of the Company and is the responsibility of the Management Board.

The Group Management Board regularly reviews the strategy adopted for the Hypoport Group as part of the long-term planning process. Corporate and segment strategies form the basis on which the five-year plan and the budget for the following year are compiled. To this end, we continuously monitor the political, economic and legal/regulatory environment and keep our strategic market position under constant review. All of the key value drivers for the Hypoport business model are analysed and managed on an ongoing basis by means of comprehensive financial planning and reporting activities at head office and in the segments. This enables us, where necessary, to respond to changing market conditions by adjusting our business model or processes. When formulating such strategic initiatives, the Management Board liaises closely with the Supervisory Board.

This system enables strategic risk to be identified on a timely basis and preventive action to be taken at a sufficiently early stage.

Impartial advice and financial optimisation for retail and corporate clients are the cornerstones of the Hypoport Group business model. A wide range of products is essential to supplying advice that is tailored to clients' needs. The Hypoport Group constantly reviews the distribution of its product groups across suppliers in order to monitor the risk of losing its operational independence as a result of one product supplier dominating its revenue streams.

## Other risks

Reputational risk is the risk arising from damage to the image of the entire sector, the Hypoport Group or one or more of its operational units as perceived by clients, employees, business partners or the general public. We are particularly exposed to the risk that media reporting of a transaction or business practice involving one of our clients could damage public confidence in our Group. We minimise potential advisory risk by ensuring that we provide high-quality advice at all times. The use of IT-based advisory tools is one of the ways in which we ensure that this is the case. Full documentation of client meetings and strict criteria for selecting new product suppliers and products help us to achieve this goal.

The Hypoport Group mitigates legal risk by making use of inhouse legal counsel, but also uses external advisors when required. The Group's legal departments constantly track and assess ongoing legal cases and help the Managing Board and company managers with corporate policy decisions.

Hypoport constantly monitors changes in tax law and analyses any impact they may have on the Group. Internal and external experts review compliance with fiscal legislation in accordance with tax regulations and the administrative instructions issued by the tax authorities.

The types of business carried out by service providers such as the Hypoport Group have little adverse impact on the environment. No material environmental risks arise from the Hypoport Group's operational activities.

In addition to the risks described above, general risks exist which cannot be foreseen and are consequently difficult to manage. They include political changes and risk factors such as natural disasters and terrorist attacks. Such factors may have a negative impact on the economic situation and may indirectly impair the future financial performance of the Hypoport Group.

## Aggregate risk

Hypoport maintains a risk management system that enables it to address the risks relevant to our Company in an appropriate manner. We review the structure of the risk management system on an annual basis to ensure we can react promptly to changes in risk positions and to new legislation. All risks currently identified and weighted according to the likelihood of their occurrence have been compensated for by preventive measures and do not present any evident threat to the continued existence of the Company. The most significant risks are restriction of the product range due to product partners' risk aversion when applying approval criteria in light of the high level of inflation and fears of a recession, sustained disruption to property markets as a result of economic factors and political intervention and the loss of major distribution partners or clients. The cumulative expected value of the ten material risks is €11.3 million, while risk-bearing capacity has been calculated at €29.2 million. At present, we have not identified any additional risks that might jeopardise the Company as a going concern. The risks described, and those of which we are not yet aware or have currently assessed as immaterial, could have a negative impact on the forecasts we expressed in the outlook. Despite the use of a proven risk management system, the possibility cannot be entirely ruled out that risks that are as yet unidentified or classed as immaterial could arise in the future and have a material impact on the Company's financial position and financial performance. The overall assessment of the risk position has not changed significantly compared with 2022, i.e. it is still considered to be low. No significant risks that could have a material effect on the continued existence of Hypoport SE as a going concern have arisen since the balance sheet date.

## 3. Disclosures pursuant to section 289 (4) HGB

The following description of the material features of the internal control and risk management systems used for the financial reporting process is required by section 289 (4) HGB.

**Material features of the internal control and risk management systems used by Hypoport SE and the Hypoport Group for the financial reporting process**
The material features of Hypoport SE's existing internal control system applicable to the (consolidated) financial reporting process are described below.

The internal control system used in the Hypoport Group incorporates all the principles, procedures and measures needed to ensure that its financial reporting is effective, efficient and carried out correctly and to ensure that it complies with the relevant legislation.

The Company and the Group have a clear management and organisational structure in which key interdepartmental functions are managed centrally by the Company while individual companies within the Group enjoy a high degree of independence.

Accounting, financial control and financial reporting – the areas primarily involved in the financial reporting process – have clearly segregated roles in order to prevent fraudulent acts and abuse. Their areas of responsibility have been clearly allocated.

By employing specialists, offering training and continuing professional development and adhering strictly to the double-checking principle in accounting and finance, Hypoport makes it possible to comply with local (HGB and national tax law) and international financial reporting standards (IFRS) in both the separate and the consolidated financial statements.

Centralised key functions that report directly to the Management Board are designed to ensure that there is integrity and accountability in respect of the finance function and financial reporting. A system of standards and policies (e.g. accounting standards, payment guidelines, travel policy) is in place and constantly updated. Various checklists and descriptions of procedures are also available.

The areas involved in the financial reporting process are equipped with the necessary resources in terms of both quality and quantity.

Specific training and professional development courses generate a high degree of quality awareness among all those involved in the process throughout the Group network.

Incoming and outgoing accounting data is subject to regular random checks to ensure that it is complete and accurate. Software is used to carry out in-built validation checks, for example as part of payment runs.

Controls have been integrated into the important processes relevant to financial reporting (e.g. checking by a second member of staff, analytical checks).

The Company's clearly defined work processes and the way in which it documents and follows up on all matters that have to be posted make it possible for all items to be entered in the bookkeeping system and properly checked in terms of calculation and content.

The Group reporting system is updated and continually enhanced centrally at holding company level, where ongoing contact with the finance directors or chief financial officers at the Group subsidiaries is also maintained. Interim Group reporting in accordance with IFRS, including the reconciliation of intercompany charges in accordance with HGB, AktG and WpHG, is consolidated on a quarterly basis.

The finance function, which acts as a direct point of contact for financial reporting and Group financial statements for the Management Board and the directors/managing directors of the subsidiaries, prepares and compiles the consolidated financial statements in accordance with IFRS. The finance function also acts as a central contact point at Group level for special issues in the Group, such as specific accounting questions. Ad hoc analysis requested by the Management Board during the year is also carried out by the finance function.

Because all Group companies are required to report their financial results to the Group parent company in a standard format every month of the year, deviations of actual figures from the budget during the year are identified quickly and it is possible to take appropriate swift action.

Processes connected with financial reporting are regularly reviewed for efficiency and effectiveness.

As far as possible, standard software is used for the Company's financial systems.

The IT systems used for financial reporting purposes are protected by special security devices against unauthorised access in order to ensure that accounting-related data cannot be accessed, used or altered by non-approved persons. Access authorisations are issued for specific functions. Only those areas that are responsible for recording the transactions concerned are given write access. Functions that process information use read-only access.

We centrally manage and monitor the relevant IT systems used in our financial reporting process, and we carry out regular system back-ups to prevent any data loss and system malfunctions as far as possible.

The material features of Hypoport SE's existing internal risk management system applicable to the (consolidated) financial reporting process are described below.

The objective of the risk management system is to identify potential risks at an early stage and, where possible, to take appropriate action to counter them as quickly as possible. The Management Board is responsible for setting up and monitoring the system. The risk management system is part of the Group's planning, control and reporting process.

The principles on which the risk management system is based include the responsibility of each employee to prevent losses to the Company, and they lay down certain procedures and aids for fulfilling this responsibility. This applies in particular to financial reporting.

Risk is assessed by comparing the likelihood of risks occurring with the potential losses they may cause, and outcomes of individual risks are collated to form a risk portfolio.

The risk management system includes quarterly reports that all departments, including financial reporting, are required to submit and a procedure for reacting quickly to sudden negative developments. Actions to avert or minimise risk are defined and categorised.

**Notes on the material features of the internal control and risk management systems used by Hypoport SE and the Hypoport Group for the financial reporting process**

Clearly defined areas of responsibility, in both financial reporting itself and in risk management and internal audit, as well as ensuring that the accounting function is adequately equipped with the necessary human and material resources, enable all areas involved in the financial reporting process to work efficiently. Precise statutory and corporate rules and guidelines ensure that the financial reporting process is conducted consistently and properly. Clearly defined checking mechanisms (particularly checking by a second person) within the areas involved in the financial reporting process and the early identification of risk by the risk management function are designed to ensure that financial reports are error free and coherent. In particular, this ensures that financial reporting at Hypoport SE and across the Hypoport Group is carried out uniformly and in line with statutory requirements, generally accepted accounting principles, international accounting standards and Group policy. It also ensures that transactions are recorded, recognised and evaluated uniformly and accurately in all the Group financial reports that are published, so that the public is provided with complete, accurate information that is reliable and timely.

## 4. Limitations

The internal control and risk management system makes it possible for the organisational, control and monitoring structures built into the Hypoport Group to record, process and assess all company-related information and for the information to be presented appropriately in the consolidated financial statements.

However, due to the nature of the business, it is not possible to rule out discretionary personal decisions, criminal acts and other circumstances that could impair the effectiveness and reliability of the internal control and risk management systems in use. As a result, even though the system is applied across the Group it is not possible to guarantee with absolute certainty that information in the consolidated financial statements has been recognised correctly, promptly or in full.

The statements made relate only to the subsidiaries included in Hypoport SE's consolidated financial statements whose financial and operating policies Hypoport SE is able to influence directly or indirectly in order to benefit from the activities undertaken by these companies.

## 5. Opportunities

We assess and exploit the opportunities that arise for us and our business activities at all levels of the Group. We monitor trends and developments in our subsidiaries' markets, which enables us to identify operational opportunities. Our decentralised structures shorten our decision-making channels and, thanks to the individual subsidiaries' high level of autonomy, allow us to respond quickly to client preferences and market trends.

The level of excess demand in the German housing market has been rising for a number of years. Higher life expectancy, the trend for small (one-person) households and the now structural net inward migration to Germany over a number of years mean that there will be no let-up in the high level of demand in the years ahead. The low proportion of home ownership (under 50 per cent) compared with other countries also creates a large group of prospective clients among current tenants who wish to escape the steadily narrowing rental market. Still moderate property prices in large parts of Germany compared with other European countries and rising rental prices could also encourage many tenants to become owners. Given the situation in the mortgage finance market in 2023, the business models of the Hypoport Group offer growth opportunities for 2024, provided that this key market picks up sooner or more strongly than anticipated by management. Moreover, supply remains too inelastic, both in the rental accommodation market and in terms of the homes available to buy. This is a result of the lack of land for development, lengthy approval processes and capacity shortfalls in the construction industry.

Different experts put the housing shortfall at between one and two million homes, above all in large metropolitan areas. Demand exceeds supply in all categories, from public housing to luxury apartments. This has caused property prices nationwide, but particularly in metropolitan areas, to rise for many years. The (sometimes very pronounced) downward trend in prices that set in from summer 2022 and persisted throughout the reporting year has made conditions for residential property purchases more attractive again over the medium term. Completions lag so far behind actual demand – particularly in metropolitan areas – that, all other things being equal, satisfying the pent-up demand would take several more years even in the unlikely event of a rise in construction activity. Property prices are therefore likely to continue going up in the years ahead. Measures to improve the energy efficiency of the existing housing stock on the journey to climate-neutrality by 2045 in Germany also offer Hypoport companies significant potential for growth. Based on a study by the German Housing and Property Companies Association (GdW) [5], industry estimates put the need for investment in Germany's existing housing stock at around €3,000 billion.

In all the individual markets, the Group occupies a promising position from which to benefit from the expected market growth.

Further opportunities for the distribution of mortgage finance products will arise if we manage to increase the number of our advisors and/or enhance their productivity to a greater extent than planned. In recent years, we have made significant improvements in our sales support, particularly with regard to IT systems. We are constantly increasing the digitalisation of our distribution processes using new algorithms (artificial intelligence) and our wealth of data. End-to-end electronic processes along our entire value chain should allow us to continue making our advisors more productive, cut unit costs and enhance our attractiveness as a partner company.

The importance of innovative, professional financial product distributors who offer impartial advice and allow clients to select the best product for them will continue to grow. The successful sale of financial products and services will involve growing levels of complexity for all market participants, which will make it increasingly necessary for them to have automated, technologically advanced platforms like the ones that we offer to financial product distributors.

The highly fragmented market for financial advisors in Germany will continue to consolidate as a result of the minimum standards introduced for training, transparency and record keeping. Small independent brokers, in particular, are finding it increasingly difficult to implement the new requirements in a manner that is commercially viable for them, and are looking for bigger, more efficient and more powerful partners. Thanks to our high-quality platforms and our non-captive status, we remain in a good position in the market.

While continuously monitoring the market and competitive environment from the Company's various perspectives, Hypoport examines the market for potential acquisition targets, including among fintech, insurance and proptech companies. An acquisition could create opportunities for enhanced revenue potential.

The opportunities described, and those of which we are not yet aware or have currently assessed as immaterial, could result in a positive deviation from the figures provided in our forecast.

*5 GdW / Arbeitsgemeinschaft für zeitgemäßes Bauen e.V. – Wohnungsbau: Die Zukunft des Bestandes (Residential Construction – The Future of the Housing Stock) https://www.gdw.de/media/2022/02/studie-wohnungsbau-tag–2022-zukunft-des-bestandes.pdf*

# Outlook

As described in the 'Business model and strategy' section, the subsidiaries of Hypoport SE will be grouped into **three reorganised segments** with effect from January 2024:

The companies within the new **Real Estate & Mortgage Platforms segment** are primarily involved in the development of technology platforms for brokering, financing and valuing private residential properties.

This segment comprises the marketing activities of FIO Systems AG, Dr. Klein Privatkunden AG and Vergleich.de Gesellschaft für Verbraucherinformation mbH, the property finance activities of Europace AG, Genopace GmbH, Baufinex GmbH, Finmas GmbH and the finance activities of Qualitypool GmbH, Starpool Finanz GmbH and Value AG.

Thanks to steady progress with the technical integration of the business models of the FIO brokerage software, the Europace platform and Value AG, we are establishing one overall digital process within the Real Estate & Mortgage Platforms segment for purchasing, valuing and financing private residential properties in Germany.

The **Financing Platforms segment** comprises all technology and distribution companies of the Hypoport Group that cover finance products outside the mortgage finance sector, with a particular focus on finance for the housing industry, corporate finance and personal loans.

This segment comprises Dr. Klein Wowi Finanz AG, Dr. Klein Wowi Digital AG, the activities of FIO Systems AG relating to the management of accounts holding tenants' security deposits, REM Capital AG, Fundingport GmbH, Hypoport B.V., Dr. Klein Ratenkredit GmbH, Genoflex GmbH and the personal loans business unit of Europace AG.

The **Insurance Platforms segment** develops integrated software solutions for insurance product distributors and B2C insurance companies in the market for insurance products with variable pricing for private individuals and (small) businesses, in the industrial insurance market and in the occupational insurance market.

This segment comprises Smart Insurance AG, the insurance activities of Qualitypool GmbH and AmexPool AG, Sia Digital GmbH, Corify GmbH, Oasis GmbH, ePension GmbH & Co. KG and E & P Pensionsmanagement GmbH.

Following the reorganisation of the segments, the management of the Group will continue to be guided by the two financial key performance indicators revenue and EBIT (see the 'Business model' section) .

As explained in the 'Macroeconomic environment' section, trends in the broad macroeconomic environment generally have only a subordinate and indirect influence on the performance of the Hypoport Group.

With regard to the outlook for the **market environments of the individual segments,** we anticipate the following:

The sector-specific environment for the new **Real Estate & Mortgage Platforms segment** in the housing market started to improve in the fourth quarter of 2023 and this continued in the first few weeks of 2024 compared with the corresponding prior-year period. Because it is an online marketplace, the transaction volume on Europace acts as a natural leading indicator of changes in the mortgage finance market. A financial transaction is recognised by the product supplier and reported for statistical purposes (e.g. to Deutsche Bundesbank or the banking associations) only after it has been included in the transaction volume. Following a prolonged period of stable, low numbers of transactions, this upturn is the first sign of a recovery in the market.

Besides this short-term development, the long-term drivers of growth in the residential mortgage lending market in Germany remain intact despite the exceptional conditions in the last six quarters. The outlook for demand in the housing market thus remains positive (see the ‘Sectoral performance – Housing market in Germany’ section). Current interest rates, the second factor of relevance for the residential mortgage lending market, stabilised in 2023, as expected, and started to come down noticeably towards the end of the reporting year. Lower interest rates immediately make residential properties more affordable. Hypoport believes that this trend should persist in 2024, not least because inflationary pressures are easing (inflation in January 2024: 2.9 per cent), meaning that the rate of inflation may swiftly return to levels nearer the ECB target of “just over 2 per cent”.

As described in the ‘Sectoral performance – Housing market in Germany’ section, demand for housing in Germany has exceeded supply in recent years. Given the upward trajectory of rents and a lack of rental properties being built, Hypoport therefore believes that demand will only be able to be met in the market for residential property ownership due to a lack of alternatives. In addition, factors such as the anticipated rises in household incomes and net inward migration to Germany, both driven by the shortage of skilled workers, remain intact (see the ‘Sectoral performance’ section). These factors will help prices in the property market to pick up again over the medium term, leading to a higher lending volume.

Against this backdrop, the Hypoport Group expects the total lending volume for transactions in owner-occupied residential properties in Germany to increase considerably in 2024 compared with the reporting year.

For the three markets of relevance to the **Financing Platforms segment** (the social housing sector, corporate finance and personal loans), Hypoport anticipates a sidewards trend following the weakness seen in 2023. The current German government has yet to offer attractive incentives for tackling the housing shortage, climate change and other geopolitical headwinds. In the prevailing environment of weak economic growth, consumers’ demand for credit is likely to meet with limited risk appetite in the credit industry. Consequently, we do not expect this market to grow either.

The insurance market, which is of relevance for the **Insurance Platforms segment,** is expected to hold steady. In light of higher insurance premiums due to an inflation-induced rise in the cost of settling claims, the German Insurance Association (GDV) anticipates that premiums will go up by 3.8 per cent in 2024, compared with 0.6 per cent in 2023 [6].
Based on these sector-specific expectations for the relevant markets, the o**utlook** for the three segments of the Hypoport Group and for the entire Group **in 2024** is as follows:

The focus in the **Real Estate & Mortgage Platforms segment** will be on gaining further market share. Especially in the mortgage finance business, this expansion will be both qualitative in nature, i.e. centred around the further development of existing partnerships, and quantitative with an increase in the number of partners. Its transaction-based fee model makes the Europace platform very attractive in the current market environment compared with the high fixed IT costs of banks. The use of an external platform and the added flexibility associated with this also enables banks to tackle their more urgent problem of maturity transformation amid volatile interest rates and an inverted yield curve. Moreover, we expect growth in the volume of transactions attributable to non-captive brokers using Europace to outstrip that of the market in 2024. This is because, particularly in a market characterised by tight household budgets and only modest drops in property prices, it is very beneficial for consumers to be able to have a non-captive advisor compare various finance options.

For 2024, we therefore expect the overall Europace marketplace and the FINMAS (savings banks) and GENOPACE (cooperative banks) sub-marketplaces to make further gains in market share.

Furthermore, as a result of the leveraging of potential synergies with the property marketing (FIO) and property valuation (Value AG) business models and with the help of new products and additional services such as OneClick, #passt and FINN, partner retention and the depth of integration with partners should be strengthened and revenue per transaction should go up.

All in all, the Real Estate & Mortgage Platforms segment is expected to achieve a low double-digit percentage rate of revenue growth thanks to the upturn in the mortgage finance business. Moreover, the scalability of the platform business model and the reduction of costs in the property valuation business of Value AG are expected to unlock EBIT growth at a higher rate than revenue.

The **Financing Platforms segment** should benefit from acquisitions of new clients and the further development of relationships with existing clients, even though the market environment is not expected to provide any significant stimulus. Revenue for the segment as a whole is expected to grow at a low double-digit percentage rate. The housing sector subsegment is expected to achieve the strongest growth in revenue, whereas revenue from business with personal loans will likely increase only moderately. EBIT in the segment is projected to rise at a faster rate than revenue.

*6 GDV at https://www.gdv.de/gdv/medien/medieninformationen/versicherer–2023-mit-leichtem-beitragsplus-verhaltener-optimismus-fuer–2024–165654*

Following the strategic realignment in 2023, the focus in the **Insurance Platforms segment** will be on acquiring additional new clients and migrating premium volumes to the platforms. This should result in slight improvements to both revenue and EBIT.

For the **Hypoport Group as a whole,** we project a double-digit percentage increase in consolidated revenue to at least €400 million and EBIT of between €10 million and €20 million, assuming that the mortgage finance market continues to return to normal over the course of the year.

This management report contains statements about economic and political developments as well as the future performance of Hypoport SE and its subsidiaries. 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.

Berlin, 1 March 2024

Hypoport SE – The Management Board

Ronald Slabke – Stephan Gawarecki

# Responsibility statement

“We assure that, to the best of our knowledge and in accordance with the accounting standards applied, the consolidated financial statements give a fair presentation of the Company’s financial position and financial performance, the 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 are described.”

Berlin, 1 March 2024

Hypoport SE – The Management Board

Ronald Slabke – Stephan Gawarecki

# Shares and investor relations

## Share price performance

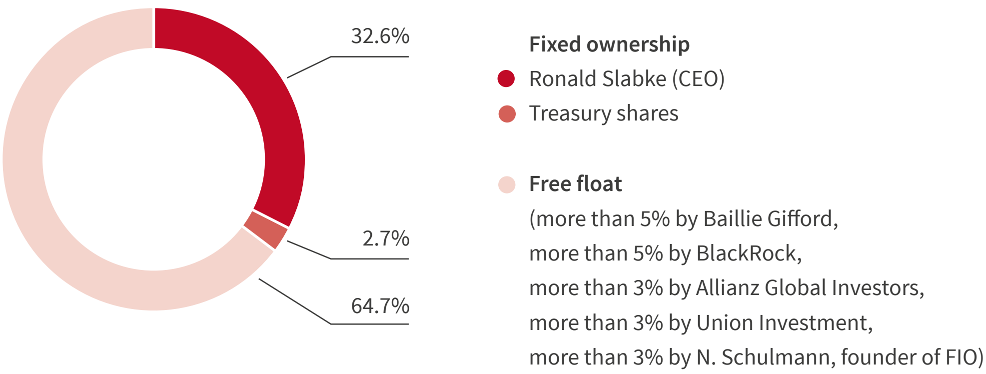
In 2023, Hypoport shares gained 82 per cent on Xetra. This was a much better performance than the capital markets in general, which were very upbeat (DAX up by 20 per cent, MDAX up by 17 per cent, SDAX up by 8 per cent, TecDAX up by 14 per cent). The Management Board views the rise in the share price, despite a significant deterioration in business performance, as a clear endorsement of the three-pronged action plan that it initiated (see 'Letter to the shareholders'). The daily volume of Hypoport shares traded on all German stock exchanges averaged €2.7 million in 2023, which was somewhat lower than the volume of €3.3 million achieved in 2022.

**Performance of Hypoport shares (daily closing prices, Xetra, €) in 2023**


## Membership of indices

Hypoport SE (previously as Hypoport AG) had been in the SDAX continually between December 2015 and September 2021. Following the modernisation of the index rules of Deutsche Börse, whereby the ranking based on market capitalisation is now the sole criterion for inclusion in an index, Hypoport was promoted to the MDAX between September 2021 and June 2022 . In terms of market capitalisation, Hypoport was ranked 108th out of the 160 largest exchange-listed companies in the DAX, MDAX and SDAX as at the end of 2023.

**Hypoport SE shareholder structure as at 29 February 2024:**




## Research

Hypoport shares were covered by five professional banking institutions (Bankhaus Metzler, Berenberg, BNP Paribas Exane, Pareto Securities and Warburg Research) in 2023. The analysts' latest assessments can be found at https://www.hypoport.com/investor-relations/research.

## Activities in the capital markets

In 2023, face-to-face discussions were held with institutional investors at the roadshows and conferences listed below, as well as during meetings at Hypoport SE's offices.

| Type of event | Location | Year |
|---|---|---|
| Conference | Frankfurt (3x), Hamburg, London, Lyon, Munich (2x), New York, Paris | 2023 |
| Roadshow | Boston, Ger/Aus/Swi, USA, UK | 2023 |
| Conference | Frankfurt (3x), Hamburg, London, Lyon, Munich (2x), Paris (2x) | 2022 |
| Roadshow | Ger/Aus/Swi, UK, USA | 2022 |
| Conference | Amsterdam, Berlin, Frankfurt (2x), Hamburg, London, Lyon, Munich (2x), Paris, USA (2x) | 2021 |
| Roadshow | Ger/Aus/Swi, London (2x), USA | 2021 |

## Designated Sponsoring

Designated sponsors enhance a share's liquidity by quoting binding prices at which they will buy and sell the share. As at 31 December 2023, the designated sponsor for Hypoport SE was ODDO SEYDLER BANK AG, Frankfurt am Main.

## Key data on Hypoport's shares

| | |
|---|---|
| ISIN | DE 000 549 3365 |
| Stock exchange symbol | HYQ |
| Type | No-par-value shares |
| Number of shares | 6,493,376 (as at 31 Dec 2022),<br>6,872,164 (as at 31 Dec 2023) |
| Subscribed capital | 6,493,376.00 Euro (as at 31 Dec 2022),<br>6,872,164.00 Euro (as at 31 Dec 2023) |
| Stock exchanges | XETRA |
| Market segment | Regulated Market |
| Transparency level | Prime Standard |

# Consolidated financial

**IFRS consolidated income statement for the year ended 31 December 2023**

| | Notes | 2023 €'000 | 2022 €'000 |
|---|---|---|---|
| Revenue | (3.1) | 359,893 | 455,453 |
| Commissions and lead costs | (3.2) | – 151,717 | – 194,465 |
| **Gross profit** | | 208,176 | 260,988 |
| Own work capitalised | (3.3) | 23,156 | 23,985 |
| Other operating income | (3.4) | 28,098 | 8,985 |
| Personnel expenses | (3.5) | – 159,570 | – 176,448 |
| Other operating expenses | (3.6) | – 48,127 | – 59,455 |
| Income from companies accounted for using the equity method | (3.7) | – 549 | – 342 |
| **Earnings before interest, tax, depreciation and amortisation (EBITDA)** | | 51,184 | 57,713 |
| Depreciation, amortisation expense and impairment losses | (3.8) | – 37,886 | – 33,038 |
| **Earnings before interest and tax (EBIT)** | | 13,298 | 24,675 |
| Financial income | (3.9) | 1,763 | 218 |
| Finance costs | (3.9) | – 3,031 | – 3,283 |
| **Earnings before tax (EBT)** | | 12,030 | **21,610** |
| Income taxes and deferred taxes | (3.10) | 8,463 | – 2,941 |
| **Net profit for the year** | | 20,493 | 18,669 |
| attributable to non–controlling interest | (4.13) | 355 | – 17 |
| **attributable to Hypoport SE shareholders** | (3.11) | 20,138 | 18,686 |
| **Earnings per share (€) (basic / diluted)** | (3.11) | 3.02 | 2.96 |

**Consilidated statement of comprehensive income for the period 1 January to 31 December 2023**

| | 2023 €'000 | 2022 €'000 |
|---|---|---|
| **Net profit (loss) for the year** | 20,493 | 18,669 |
| **Total income and expenses recognized in equity*)** | 0 | 0 |
| **Total comprehensive income** | 20,493 | 18,669 |
| attributable to non-controlling interest | 355 | – 17 |
| **attributable to Hypoport SE shareholders** | **20,138** | 18,686 |

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

## IFRS consolidated balance sheet as at 31 December 2023

| Assets | Notes | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | (4.1) | 351,094 | 347,128 |
| Property, plant and equipment | (4.1) | 67,272 | 95,582 |
| Financial assets | (4.2) | 1,207 | 961 |
| Investments accounted for using the equity method | (4.3) | 5,474 | 5,272 |
| Trade receivables | (4.5) | 4,254 | 6,844 |
| Other assets | (4.6) | 213 | 320 |
| Deferred tax assets | (4.7) | 21,996 | 15,819 |
| | | **451,510** | **471,926** |
| **Current assets** | | | |
| Inventories | (4.4) | 935 | 1,065 |
| Trade receivables | (4.5) | 64,288 | 68,279 |
| Trade receivables from joint ventures | (4.5) | 1,300 | 1,683 |
| Other assets | (4.6) | 7,179 | 6,440 |
| Current income tax assets | (4.6) | 3,904 | 4,276 |
| Cash and cash equivalents | (4.8) | 96,658 | 29,947 |
| | | **174,264** | **111,690** |
| | | **625,774** | **583,616** |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Subscribed capital | (4.9) | 6,872 | 6,493 |
| Treasury shares | (4.11) | – 184 | – 189 |
| Reserves | (4.12) | 331,916 | 264,801 |
| Equity attributable to non-controlling interests | (4.13) | 2,039 | 1,633 |
| | | **340,643** | **272,738** |
| **Non-current liabilities** | | | |
| Financial liabilities | (4.14) | 108,805 | 90,664 |
| Rental charges and operating lease expenses | (4.14) | 44,686 | 71,529 |
| Provisions | (4.16) | 0 | 47 |
| Other liabilities | (4.15) | 220 | 20,220 |
| Deferred tax liabilities | (4.7) | 17,203 | 23,331 |
| | | **170,914** | **205,791** |
| **Current liabilities** | | | |
| Provisions | (4.16) | 497 | 533 |
| Financial liabilities | (4.14) | 20,748 | 16,924 |
| Rental charges and operating lease expenses | (4.14) | 9,333 | 8,545 |
| Trade payables | | 44,690 | 42,910 |
| Trade payables from joint ventures | | 3,237 | 1,782 |
| Current income tax liabilities | | 2,825 | 481 |
| Other liabilities | (4.15) | 32,887 | 33,912 |
| | | **114,217** | **105,087** |
| | | **625,774** | **583,616** |

### Consolidated statement of changes in equity for 2022 and 2023

| 2022<br>€'000 | Subscribed capital | Treasury shares | Capital reserves | Retained earnings | Equity attributable to Hypoport SE shareholders | Equity attributable to non-controlling interest | Equity |
|---|---|---|---|---|---|---|---|
| | (4,9) | (4,11) | (4,12) | (4,12) | | (4,13) | |
| Equity as at 1 Jan 2022 | 6,493 | – 193 | 66,925 | 178,557 | 251,782 | 1,650 | 253,432 |
| **Sale of own shares** | 0 | 4 | 583 | 50 | 637 | 0 | 637 |
| Total comprehensive income | 0 | 0 | 0 | 18,686 | 18,686 | – 17 | 18,669 |
| **Equity as at 31 Dec 2022** | **6,493** | **– 189** | **67,508** | **197,293** | **271,105** | **1,633** | **272,738** |

| 2023<br>€'000 | Subscribed capital | Treasury shares | Capital reserves | Retained earnings | Equity attributable to Hypoport SE shareholders | Equity attributable to non-controlling interest | Equity |
|---|---|---|---|---|---|---|---|
| | (4,9) | (4,11) | (4,12) | (4,12) | | (4,13) | |
| Equity as at 1 Jan 2023 | 6,493 | – 189 | 67,508 | 197,293 | 271,105 | 1,633 | 272,738 |
| **Capital increase** | 379 | 0 | 48,863 | 0 | 49,242 | 0 | 49,242 |
| **Sale of own shares** | 0 | 5 | 472 | 55 | 532 | 0 | 532 |
| Capital contributions | 0 | 0 | 0 | 0 | 0 | 2,200 | 2,200 |
| Change in scope of consilidation | 0 | 0 | 0 | – 2,413 | – 2,413 | 2,413 | 0 |
| Payouts | 0 | 0 | 0 | 0 | 0 | – 4,562 | – 4,562 |
| Total comprehensive income | 0 | 0 | 0 | 20,138 | 20,138 | 355 | 20,493 |
| **Equity as at 31 Dec 2023** | **6,872** | **– 184** | **116,843** | **215,073** | **338,604** | **2,039** | **340,643** |

**Consolidated cash flow statement for the period 1 January 2023 to 31 December 2023**

| | 2023<br>€'000 | 2022<br>€'000 |
|---|---|---|
| Earnings before interest and tax (EBIT) | 13,298 | 24,675 |
| Non– cash income / expense | – 31,281 | – 7,643 |
| Interest received | 1,762 | 218 |
| Interest paid | – 1,936 | – 3,283 |
| Income taxes paid | – 3,495 | – 7,696 |
| Change in deferred taxes | 12,305 | 2,937 |
| Income from companies accounted for using the equity method | 548 | 342 |
| Depreciation and amortisation on non– current assets | 37,886 | 33,038 |
| Profit / loss from the disposal of non– current assets | 125 | – 703 |
| **Cash flow** | **29,212** | **41,885** |
| Increase / decrease in current provisions | – 36 | 5 |
| Increase / decrease in inventories, trade receivables and other assets not attributable to investing or financing activities | 6,295 | 11,308 |
| **Change in working capital** | **7,600** | **– 3,323** |
| **Cash flows from operating activities** | **36,812** | **38,562** |
| Payments to acquire property, plant and equipment / intangible assets | – 30,815 | – 35,978 |
| Proceeds from disposals of property, plant and equipment / intangible assets | 261 | 1,638 |
| Cash outflows for acquisitions less acquired cash | – 1,169 | – 7,908 |
| Proceeds from the disposal of financial assets | 0 | 5 |
| Purchase of financial assets | – 80 | – 237 |
| **Cash flows from investing activities** | **– 31,173** | **– 42,480** |
| Repayment of lease liabilities | – 9,956 | – 8,966 |
| Proceeds from the drawdown of financial loans | 40,000 | 10,000 |
| Redemption of bonds and loans | – 18,046 | – 16,092 |
| Payments to non-controlling shareholders | – 2,027 | 0 |
| Payments received from non-controlling shareholders | 2,200 | 0 |
| Proceeds from capital increases | 50,000 | 0 |
| Payments for issue costs | – 1,099 | 0 |
| **Cash flows from financing activities** | **61,072** | **– 15,058** |
| Net change in cash and cash equivalents | 66,711 | – 18,976 |
| Cash and cash equivalents at the beginning of the period | 29,947 | 48,922 |
| **Cash and cash equivalents at the end of the period** | **96,658** | **29,947** |

# Notes to the IFRS consolidated Financial Statements

## 1. Basis of presentation

**1.1 Business background and company-law information**
Hypoport SE (referred to below as 'Hypoport'), whose registered office is located in Lübeck, Germany, 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.

As the parent company of the Hypoport Group, Hypoport SE is required by section 290 of the German Commercial Code (HGB) to prepare consolidated financial statements and a group management report. Because the Company's shares are listed in the Prime Standard segment of the Frankfurt Stock Exchange (WKN 549336), this obligation applies irrespective of whether certain minimum size criteria are met. As a parent entity that is listed on a stock exchange, the Company is obliged to prepare its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). It is required by section 315a (1) HGB to comply with supplementary provisions of the German Commercial Code.

The consolidated financial statements for 2023 have been prepared in accordance with International Financial Reporting Standards, as adopted by the EU. Furthermore, a group management report has been added to the IFRS consolidated financial statements to meet the HGB requirements. The IFRS consolidated financial statements comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the consolidated financial statements. The disclosures required by section 315e (1) HGB are presented in the notes to the consolidated financial statements. The consolidated financial statements were completed on 1 March 2024 and are expected to be submitted to the Supervisory Board on 19 March 2024 to be approved for publication.

The consolidated balance sheet is broken down into current and non-current items in accordance with IAS 1.51 et seq.

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

The consolidated financial statements and the separate financial statements for the entities included in the IFRS consolidated financial statements have been prepared in euros.

To improve clarity, all figures in the IFRS consolidated financial statements and the group management report are presented in thousands or millions of euros. 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.

The financial year for all consolidated Group companies, including the joint ventures and associates, and the parent company is the same as the calendar year.

The Hypoport Group's presence in the market is based on various business models involving the development and marketing of technology platforms for the credit, property and insurance industries as well as advice on and brokerage of loans, insurance policies and investment products that do not constitute financial instruments pursuant to section 1 (11) of the German Banking Act (KWG).

These consolidated financial statements have been prepared on a going-concern basis.

### 1.2 Application of IFRS

All pronouncements by the International Accounting Standards Board (IASB) that were required to be applied as at 31 December 2023 have been adopted. All the principles of the Framework, the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) and the earlier interpretations of the Standing Interpretations Committee (SIC) applicable at the balance sheet date have been applied.

The following revised or new standards issued by the IASB were required to be applied for annual periods beginning on or after 1 January 2023:

- 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)
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)
- IFRS 17: Insurance Contracts
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)

Disclosure of Accounting Policies (Amendments to IAS 1)
The amendments to IAS 1 and IFRS Practice Statement 2 are intended to help preparers to decide which accounting policies to disclose in their financial statements. Entities are now required to disclose their material accounting policies rather than their significant accounting policies. These amendments have no impact on Hypoport's consolidated financial statements.

Definition of Accounting Estimates (Amendments to IAS 8)
The amendments to IAS 8 are designed to help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a new definition of accounting estimates. The amendments clarify that a change in accounting estimate that results from new information or new developments does not constitute the correction of an error. These amendments have no impact on Hypoport's consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction
(Amendments to IAS 12)
The amendments clarify that deferred tax assets and liabilities have to be recognised when a transaction gives rise to equal amounts of deductible and taxable temporary differences at the same time. The initial recognition exemption, according to which no deferred tax assets or liabilities are

to be recognised upon initial recognition of an asset or liability, does not apply to such transactions. These amendments have no impact on Hypoport's consolidated financial statements.

International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)
The amendment comprises a mandatory temporary exception regarding accounting for deferred taxes arising from the introduction of global minimum tax. The amendment has no impact on Hypoport's consolidated financial statements.

IFRS 17: Insurance Contracts
IFRS 17 relates to accounting for insurance contracts and supersedes IFRS 4. On 25 June 2020, the IASB published amendments to IFRS 17 and deferred the date of mandatory first-time adoption of the standard to 1 January 2023. Amendments were also made to address challenges relating to implementation of IFRS 17 that were identified after it was published. IFRS 17 is not relevant to Hypoport.

Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)
The amendment relates to the transitional requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time. It affects financial assets for which comparative information is presented upon first-time adoption of IFRS 17 and IFRS 9, but where this information has not been restated for IFRS 9. Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9. The amendment only affects the presentation of comparative information. IFRS 17 is not relevant to Hypoport.

The initial application of the above IFRS requirement did not give rise to any material impact on the presentation of financial position and financial performance or on the notes to these consolidated financial statements.

Furthermore, the IASB has issued the following standards, interpretations and amendments to existing standards that the Hypoport Group is not yet required to apply to these financial statements:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) (effective for annual periods beginning on or after 1 January 2024, endorsed by the European Commission on 19 December 2023)
- Non-current Liabilities with Covenants (Amendments to IAS 1) (1 January 2024, not endorsed by the European Commission)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) (1 January 2024, not endorsed by the European Commission)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (1 January 2024, endorsed by the European Commission on 20 November 2023)
- Lack of Exchangeability (Amendments to IAS 21) (1 January 2025, not endorsed by the European Commission)

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
The amendments to IAS 1 are designed to clarify the criteria for classifying liabilities as current or non-current. In future, only rights that exist at the end of the reporting period will be relevant to the classification of a liability. Guidance has also been added with regard to the interpretation of the criterion 'right to defer settlement of the liability by at least twelve months'. An explanation of 'settlement' has been added too. On 15 July 2020, the IASB deferred the date of mandatory initial application to 1 January 2023. When the IASB adopted Non-current Liabilities with Covenants (Amendments to IAS 1) on 31 October 2022, it deferred the date of mandatory initial application again to 1 January 2024. Hypoport will examine the impact of these amendments in due course. We currently do not expect any material impact.

Non-current Liabilities with Covenants (Amendments to IAS 1)
With regard to the classification of liabilities as current or non-current, these amendments to IAS 1 clarify that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. Hypoport will examine the impact of these amendments in due course. We currently do not expect any material impact.

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
The amendments are intended to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. Companies must provide qualitative and quantitative information about supplier finance arrangements in addition to meeting the existing disclosure requirements. Hypoport will examine the impact of these amendments in due course. We currently do not expect any impact.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. We currently do not expect any material impact.

Lack of Exchangeability (Amendments to IAS 21)
The amendments require an entity to apply a consistent approach in assessing whether a currency can be exchanged, and, if it cannot, in determining the exchange rate and the information to be disclosed in the notes to the financial statements. We currently do not expect any material impact.
Hypoport does not intend to adopt these standards and interpretations, or the amendments resulting from them, on a voluntary basis before their effective dates.

### 1.3 Basis of consolidation
In addition to the parent company, Hypoport SE, the IFRS consolidated financial statements include 51 (2022: 49) domestic and international subsidiaries in which the Company directly or indirectly holds the majority of voting rights, four (2022: five) joint ventures and four (2022: four) associates.

The following table shows the entities included in the 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 | 100.00 |
| ePension Verwaltungs-GmbH, Hamburg | 100.00 |
| ePension Holding GmbH, Berlin | 100.00 |
| E&P Pensionsmanagement GmbH, Hamburg | 100.00 |
| 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 |
| 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 InsurTech AG, Berlin (ehemals: Smart InsurTech AG, Berlin) | 100.00 |

| Subsidiary | Holding in % |
|---|---|
| Hypoport I&P GmbH, Berlin | 100.00 |
| Qualitypool GmbH, Lübeck | 100.00 |
| Hypoport Pluto Vorratsgesellschaft mbH, Berlin | 100.00 |
| Hypoport Mortgage Market Ltd., Westport (Ireland) | 100.00 |
| Hypoport Real Estate & Mortgage Bündelungs GmbH, Berlin | 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 |
| Smart InsurTech AG, Berlin (ehemals: Smart InsurTech NewCo AG, Berlin) | 100.00 |
| source.kitchen GmbH, Leipzig | 100.00 |
| Starpool Finanz GmbH, Berlin | 50.025 |
| trinance GmbH, Lübeck | 100.00 |
| 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 | Holding in % |
|---|---|
| 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 | Holding in % |
|---|---|
| BAUFINEX GmbH, Schwäbisch Hall | 30.00 |
| ESG Screen17 GmbH, Frankfurt am Main | 25.10 |
| finconomy AG, Munich | 25.10 |
| GENOFLEX GmbH, Nuremberg | 30.00 |

Despite a shareholding of less than 50 per cent, GENOPACE GmbH remains fully consolidated because it continues to have a profit-and-loss transfer agreement with Hypoport SE and is entirely dependent on the technology of the latter.

With the exception of the aforementioned joint ventures and associates (all accounted for under the equity method owing to lack of control), two subsidiaries that are not consolidated on grounds of immateriality and one equity investment, all major Hypoport Group companies are fully consolidated. The three entities that are not consolidated on grounds of immateriality or due to being an equity investment are measured at cost.

### 1.4 Principles of consolidation

The separate financial statements for the entities included in the Hypoport IFRS consolidated financial statements and the separate financial statements for the parent are prepared to the same balance sheet date using uniform accounting policies.

The consolidated financial statements include Hypoport SE and the subsidiaries over which it exerts direct or indirect control. Control is generally deemed to be exerted by the entity that holds a majority of voting rights. Subsidiaries are fully consolidated from the date of acquisition, i.e. the date on which the Group acquires control. They are deconsolidated as soon as control by the parent comes to an end.

Subsidiaries are consolidated in accordance with IFRS 3. This involves recognising all of the subsidiaries' assets and liabilities at fair value at the acquisition date. The pro rata equity calculated in this way is compared with the carrying amount of the investment concerned. Any positive differences that are attributable to separately identifiable intangible assets acquired as part of the business combination are shown separately from goodwill. If a useful life can be determined for these assets, they are amortised over their estimated useful life. Intangible assets with an indefinite useful life are tested for impairment annually and, where necessary, an impairment loss is recognised. Any remaining positive differences are recognised as goodwill and tested for impairment annually in accordance with IAS 36. The option of recognising any non-controlling interests at fair value (full-goodwill method) has not been utilised. As required by IFRS 3.19, these interests are recognised at their proportionate share of the identifiable net assets. When the acquisition costs incurred in business combinations are being determined, conditional purchase price components are recognised at their fair value at the date of first-time consolidation. Subsequent deviations from this value are recognised in profit or loss. Transaction costs are expensed as incurred in accordance with IFRS 3. Any negative differences or a bargain purchase gain arising on consolidation are immediately recognised in profit or loss.

The Hypoport Group consolidates its investments in joint ventures using the equity method. The carrying amount for long-term equity investments accounted for under the equity method in the consolidated financial statements will be increased or decreased annually to reflect any changes in the proportion of equity held by Hypoport. When equity-accounted investments are included for the first time, differences arising from first-time consolidation are treated in accordance with the principles of full consolidation. Changes in the proportion of equity, including write-downs on goodwill, are recognised in profit (loss) from equity-accounted long-term equity investments. If the Group's share in a loss relating to a joint venture is equivalent to or exceeds its original interest in the entity (including other unsecured receivables), no further losses are reported. Further losses are only reported if obligations have been assumed for the joint venture or payments have been made on its behalf.

Long-term equity investments that have a minor impact on the Group's financial position and financial performance individually and whose impact is immaterial overall, are included in the consolidated financial statements at acquisition cost minus impairment losses.

The basis rollover method is used to recognise common control transactions.

The assets and liabilities in step acquisitions are recognised at their fair value at the acquisition date. Existing investments are measured at fair value through profit or loss. Goodwill is determined at the acquisition date. Differences arising from the acquisition or sale of investments in affiliated companies without any acquisition or loss of control are recognised in other comprehensive income.

Trade receivables, loans and other receivables are fully offset against the corresponding liabilities and provisions as part of the elimination of intercompany balances between the subsidiaries included in consolidation.

Income and expenses resulting from goods supplied or services rendered within the Hypoport Group are eliminated. Material intercompany profits and losses resulting from goods supplied or services rendered within the Hypoport Group are fully eliminated; such profits and losses are eliminated on a pro rata basis in cases where the equity method of consolidation is used.

Non-controlling interests in the equity and profit or loss of companies controlled by the parent company are shown separately in the consolidated financial statements.

The necessary deferred taxes are recognised on consolidation.

### 1.5 Currency translation

In the separate financial statements for the companies in the Group, monetary positions – such as receivables and payables – that are denominated in a currency other than the Group's functional currency are measured using the mid rate on the balance sheet date. Where, in the case of receivables, the closing rate is lower or, in the case of payables, the closing rate is higher, the foreign currency value translated at the closing rate is reported. Any exchange differences arising as a result are recognised in consolidated income.

### 1.6 Use of assumptions and estimates

The preparation of the consolidated financial statements in accordance with IFRS requires that the Company make some assumptions and estimates with regard to the recognition and measurement of assets and liabilities, income and expense, and contingent liabilities. The assumptions and estimates relate for the most part to the definition of useful lives, the recognition and measurement of intangible assets, receivables and provisions, and the realisation of future tax relief. In individual cases, the actual values may differ from the assumptions and estimates. Any changes as a result of new information, more experience or subsequent developments are recognised immediately in income in accordance with IAS 8.

Other relevant assumptions and estimates relate to the calculation of the recoverable amounts in the context of the impairment test.

Material judgements largely relate to the capitalisation of development costs and the determination of their useful life as well as to the assumptions underlying the impairment test for goodwill.

### 1.7 Changes to the basis of consolidation; corporate transactions

The Hypoport Group carried out the following material corporate transactions in 2023.

As at 31 December 2023, the remaining 49 per cent of the shares in ePension GmbH & Co. KG (‘ePension’), Hamburg, were acquired. During the overall assessment of the contractual arrangements for the acquisition of the initial 51 per cent of the shares it acquired in 2020, Hypoport decided to apply the acquisition method at the acquisition date for the remaining 49 per cent of the shares to be acquired in 2023. Full consolidation will therefore take place without recognising non-controlling interests. The purchase price for all of ePension’s shares is approximately €22 million, including €12.8 million that was paid in 2020 and €9.2 million that was due for payment at the end of 31 December 2023. In addition, variable consideration was also agreed that was dependent on ePension’s earnings performance in 2023. The total amount payable was capped at €20.0 million. Due to the earn-out target not being reached, the variable purchase price liability that was recognised as a provision of €20 million was reversed to income.

In the reporting period, a payment of €0.4 million was made under a debtor warrant in connection with the acquisition in prior years 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.

# 2 Accounting policies

## 2.1 Intangible assets

Goodwill arising on the consolidation of subsidiaries, capitalised development costs in connection with the development and refinement of transaction platforms, patents, software, licences and similar rights are reported under intangible assets. Any intangible assets acquired are reported at cost at the date of acquisition.

All intangible assets, with the exception of goodwill, have a finite useful life. They are amortised on a straight-line basis over the period of their use. The useful lives applied to these assets vary between three and 15 years. If there are any indications of impairment, amortisable intangible assets are subjected to an impairment test and, where required, an impairment loss is recognised to ensure that the carrying amount of the asset is reduced to the recoverable amount in accordance with IAS 36.

All amortisation expense and impairment losses on intangible assets are reported in the income statement under depreciation, amortisation expense and impairment losses.

Goodwill is not amortised. Instead, an impairment test is carried out in accordance with IAS 36 once a year (or in the intervening period if there are indications of impairment) and, where required, an impairment loss is recognised to ensure that the carrying amount of the asset is reduced to its recoverable amount (impairment-only approach).

An impairment loss is recognised in income if the recoverable amount for the asset is below the carrying amount. The recoverable amount is based on the value in use. The discounted cash flow method is used to calculate the value in use. The cash flows are derived from the Company's five-year strategic plan. This plan is based on expertise gained in the past, the latest financial results, and the strategic plan adopted. It takes appropriate account of sectoral and macroeconomic trends (such as developments in the housing market, movements in interest rates, regulation of the financial markets, changes in state pension and healthcare systems, etc.) as well as historical developments. The annual plans are based on certain bottom-up assumptions for the entire Hypoport Group. Certain cash flow parameters (such as depreciation, amortisation, impairment and taxes) are determined on the basis of defined criteria. Cash flows for post-planning periods are calculated using the annuity method; a growth rate of 1 per cent was applied under this method in 2023 (2022: 0.0 per cent). The cash flows are then discounted back to the balance sheet date using a discount rate that reflects the risks specific to the asset. The discount rate is based on the weighted average cost of capital (WACC). This interest rate reflects current market assessments of the effect of the time value of money as well as the risks specific to the cash-generating unit (CGU). As required by IAS 36, the Company determines the applicable WACC by using market information that is based on a peer group of Hypoport. This market information consists of beta factors, gearing levels, and market interest rates on loans.

In order to calculate the WACC, the Company also performs sensitivity analysis in which it makes assumptions that differ from its original estimates; Hypoport considers these assumptions to be improbable but still possible. In doing so, the Company factors in uncertainty in the form of estimates and carries out additional impairment tests for scenarios that are less favourable than estimated. These scenarios verified the recoverability of goodwill in particular in each case. The continued validity of the parameters used was monitored by the Management Board between the end of the reporting year and the date on which the consolidated financial statements were prepared.

If impairment is identified, an impairment loss is first recognised for any available goodwill in the cash-generating unit concerned. Any residual amount is then allocated pro rata to the other assets in the cash-generating unit concerned on the basis of the residual carrying amount of each individual asset at the balance sheet date. If the reasons for a previously recognised impairment loss no longer exist, the impairment loss is reversed (except in the case of goodwill), but the reversal cannot result in a carrying amount that is higher than the amortised carrying amount that would have applied if the impairment loss had never been recognised.

Provided they meet the preconditions of IAS 38, development costs are capitalised at cost if the costs can be clearly attributed and it is certain that the product is technically feasible and can be brought to market. Furthermore, there must be a sufficient probability that the development activity will generate future economic benefits. If the criteria for capitalisation are not satisfied, the costs are expensed as incurred.

The capitalised development costs comprise all costs directly attributable to the development process plus an appropriate portion of development-related overheads. Finance costs are capitalised. Software platforms are amortised on a straight-line basis from the point at which they come into operation over an estimated useful life of ten years if they are being used for the first time or five years in the case of enhancements. Capitalised development costs that are not yet amortised are tested for impairment annually in accordance with IAS 36.

At the beginning of the year, the Group conducted a review of the useful life of the EUROPACE software in the Credit Platform segment. In the past, 31 December 2025 was assumed to be the end of the normal useful life. Based on experience with previous versions, it is now expected that the software will be used until 31 December 2031 and 2033. The resulting lower amortisation in the 2023 financial year amounts to € 752 thousand. The effect of this change on the actual and expected amortisation expense in future years is as follows:

| in €'000 | 2023 | 2024 | 2025 | 2026 | 2027 | Later |
|---|---|---|---|---|---|---|
| (Reduction) increase in depreciation and amortisation | (752) | (752) | (752) | 294 | 294 | 1,668 |

At the end of the year, the Group carried out a review of the valuation platform software due to a far-reaching reorganisation of Value AG in the property platform segment. In this context, some applications of the valuation platform were completely discontinued. The resulting necessary impairment losses totalled € 3,033 thousand.

### 2.2 Property, plant and equipment

Property, plant and equipment is recognised at cost and reduced by depreciation and any impairment losses. Property, plant and equipment is depreciated on a straight-line basis over its estimated useful life. Useful lives of between three and 15 years are applied to these assets.

If there are any indications of impairment, an impairment test is carried out. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognised to reduce the carrying amount to the recoverable amount in accordance with IAS 36. If the reason for a previously recognised impairment loss no longer exists, the impairment loss is reversed such that the carrying amount of the asset is restored to the amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

### 2.3 Inventories

Inventories are measured at the lower of cost and net realisable value. In the case of manufactured goods, their cost includes the directly attributable production costs and an appropriate share of the production overheads at normal operating capacity.

### 2.4 Borrowing costs

Borrowing costs that are directly allocable to the acquisition, construction or manufacture of a qualifying asset are capitalised as part of acquisition and manufacturing costs. All other borrowing costs are expensed as incurred.

### 2.5 Financial assets

Financial assets include receivables from financial services, trade receivables, receivables from banks, cash on hand, marketable securities, financial investments and other long-term equity investments.

Financial assets, such as equities or interest-bearing securities, are classified as held-for-trading if they are acquired with the intention of selling them in the short term. Gains and losses on held-for-trading financial assets are recognised in income.

Loans and receivables are non-derivative financial assets with fixed or determinable payments, such as trade receivables. In accordance with IFRS 9, once they have been initially recognised, loans and receivables are measured at amortised cost under the effective interest method, net of any impairment losses. Gains and losses are recognised in the net profit (loss) for the year if the loans and receivables are derecognised or impaired. The interest rate effects of using the effective interest method are also taken to income.

Dividends are taken to income as soon as a legal entitlement to payment arises.

Other long-term equity investments comprise investments in associates unless they are recognised under the equity method. These investments are carried at their fair value on the consolidated balance sheet. Where possible, the fair value is determined on the basis of market prices. If the fair value cannot be derived from comparable transactions during the period concerned and it has been decided not to base the investments' measurement on discounted future cash flows because these cash flows cannot be reliably determined, the carrying amount used is the acquisition cost minus impairment losses.

### 2.6 Impairment of financial assets

At each balance sheet date, the carrying amounts of financial assets are tested to see whether there is objective evidence of any impairment; such evidence could be serious financial difficulties on the part of the borrower or significant changes in the technological, economic, legal or market environment of the borrower.

The amount of impairment on loans and receivables is the difference between the asset's carrying amount and the present value of its anticipated future cash flows, which are discounted using the financial asset's original effective interest rate. The impairment is recognised in income.

If the amount of the impairment loss decreases in a subsequent reporting period and if this decrease can be objectively attributed to an event that occurred after the impairment was recognised, the previously recognised impairment loss is reversed and taken to income.

Most impairment losses on loans and receivables (e.g. trade receivables) are charged to impairment accounts. The decision as to whether a credit risk is recognised through an impairment account or by a direct impairment loss on the receivable depends on how high the probability of default is estimated to be. If receivables are classified as irrecoverable, the respective impaired asset is derecognised.

### 2.7 Impairment of deferred tax assets

The Company reviews its deferred tax assets at each reporting date to identify any impairment. This assessment requires the senior management team to make assumptions about the level of future taxable profit as well as further positive and negative influencing factors. The actual utilisation of deferred tax assets depends on the Company's ability to generate the necessary taxable profit in future so that it can take advantage of tax loss carryforwards and tax allowances before they expire. Although loss carryforwards can still be carried forward indefinitely in Germany, annual utilisation in Germany is restricted by minimum taxation requirements.

In the year under review, the existing limit on offsetting losses imposed by the minimum taxation requirement meant that capitalisation restrictions for deferred taxes relating to losses were taken into account when offsetting deferred tax assets against deferred tax liabilities.

Having conducted this review, the Group recognised deferred tax assets worth €21.996 million as at 31 December 2023 (31 December 2022: €15.819 million). Because of the minimum taxation stipulations in Germany, no reduction in deferred tax assets was recognised in 2023 or 2022.

The total amount of deferred tax assets recognised might be reduced if future taxable profit or income turns out to be lower than expected or if amendments to tax legislation limit the utilisation of tax loss carryforwards or tax allowances in terms of their timing or amount. Conversely, the total amount of deferred tax assets recognised would have to be increased if future taxable profit or income turned out to be higher than expected.

### 2.8 Leases

The IFRS 16 standard on leases includes a uniform lease accounting model for lessees, in which assets for the right to use an underlying asset and the corresponding lease liabilities have to be recognised. Lessees do not have to distinguish between operating leases, for which assets and liabilities are not recognised, and finance leases. IFRS 16 gives the option of an exemption from the requirement to recognise short-term leases and leases for low-value leased assets. For short-term leases (defined as leases that have a term of twelve months or less) and leases for low-value leased assets (such as tablets and PCs, small items of office equipment and telephones), Hypoport recognises the lease payments under other expenses on a straight-line basis over the lease term. Lessors have to distinguish between operating leases and finance leases. The Hypoport Group acts as lessor in subleases, which are classified as operating leases.

Lease liabilities are recognised at the present value of the remaining payment obligation. They are subsequently recognised using the effective interest method. To determine their present value, the lease payments are discounted using an incremental borrowing rate of interest with similar risk and a similar term if it is not possible to determine the implicit interest rate. The short-term component of the lease liability, which has to be recognised separately on the balance sheet, is determined at the amount of the repayment portion for the next twelve months contained in the lease payments.

The initial value of the liability is also the basis for determining the cost of the right-of-use asset, which is shown under property, plant and equipment on the Hypoport Group's balance sheet. The cost of the right-of-use asset also takes account of any initial direct costs and costs expected in connection with restoration obligations, provided the costs do not relate to property, plant and equipment. Prepayments increase the initial value, while any lease incentives received reduce it. The Hypoport Group measures all right-of-use assets at amortised cost. The assets are depreciated under the straight-line method over the shorter of the lease term and the useful life of the identified asset. If events or changes in circumstances suggest that the assets might be impaired, they are tested for impairment in accordance with IAS 36.

When entering into leasing arrangements, the Hypoport Group draws on extension and termination options to ensure the necessary flexibility for its business. The accounting treatment of a lease largely depends on the estimated lease term. Lease terms are determined using all facts and circumstances that create an economic incentive to exercise existing options. The estimated term therefore also includes periods covered by extension options, provided the exercise of these options is reasonably certain. A change to the term is taken into account if there is a change in whether it is reasonably certain that an existing option will be exercised or not.

| Nature of amount (€ million) | 2023 | 2022 |
|---|---|---|
| Depreciation for the right-of-use asset, according to the class of the underlying asset | 10.1 | 9.8 |
| Thereof properties | 7.4 | 7.7 |
| Thereof vehicles | 2.3 | 1.8 |
| Thereof IT | 0.4 | 0.3 |
| Interest expenses for lease liabilities | 1.1 | 1.4 |
| Expense for short-term lease liabilities | 10.0 | 9.0 |
| Expense for lease liabilities involving low-value assets (contained in operating expences) | 1.6 | 1.0 |
| Income from sub-leases | 1.8 | 1.0 |
| Total cash outflows for leases | 11.7 | 10.9 |
| Additions to right-of-use assets | – 16.3 | 5.3 |
| Carrying amount after depreciation, impairment, and any reversals of impairment losses and after remeasurements and modifications | 50.4 | 76.8 |
| Thereof properties | 45.9 | 73.4 |
| Thereof vehicles | 3.8 | 2.4 |
| Thereof IT | 0.7 | 1.0 |

The Hypoport Group regularly enters into property leases and vehicle leases as a lessee. To ensure it has the necessary flexibility for its business, it agrees extension and termination options, particularly in the case of property leases. If the exercise of these options is reasonably certain, their exercise is factored into the determination of the lease term. Prescribed end dates for lease terms are taken into account in the case of vehicle leases. All material cash outflows are therefore taken into account in the measurement of the lease liability, corresponding to the right-of-use assets. Variable lease payments occur, and only on a small scale, in connection with property leases and take the form of index-linked lease instalments; the Hypoport Group does not provide any residual value guarantees. There were no material leasing arrangements that had been contractually agreed but where the lease had not yet commenced. The existing financial liabilities include covenants linked to financial key figures. The accounting treatment of leasing arrangements under the right-of-use asset model therefore affects the covenants, which are adjusted for the relevant effects resulting from IFRS 16.

The following amounts were incurred in connection with the Hypoport Group’s leasing activities in 2023:

As at 31 December 2023, there were right-of-use assets amounting to €50.4 million (31 December 2022: €76.8 million) and, on the other side of the balance sheet, lease liabilities with a present value of €53.9 million (31 December 2022: €80.0 million). The short-term component of the lease liability stood at €9.3 million (31 December 2022: €8.6 million). The payment obligations were structured as follows as at the reporting date:

| | Minimum lease payments (without discounting) | | Included interest component | | Present values | |
|---|---|---|---|---|---|---|
| **€ million** | **2023** | **2022** | **2023** | **2022** | **2023** | **20222** |
| Due in <= 1 year | 10.3 | 10.0 | 1.0 | 1.4 | 9.3 | 8.6 |
| Due in > 1 year and <= 5 years | 30.0 | 28.8 | 2.1 | 4.3 | 27.9 | 24.5 |
| Due in > 5 years | 18.2 | 56.1 | 1.5 | 9.2 | 16.7 | 46.9 |
| **Total** | **58.5** | **94.9** | **4.6** | **14.9** | **53.9** | **80.0** |

### 2.9 Trade receivables and other assets

Trade receivables and other assets are recognised at the lower of amortised cost and market value. Appropriate impairment losses are recognised to account for any identifiable risks. These impairment losses are reversed if the reasons for previously recognised write-downs no longer apply. Irrecoverable receivables are derecognised. Expenses for impairment losses recognised and for the derecognition of irrecoverable receivables are recognised in the other operating expenses line item in the consolidated income statement.

Payments subsequently received for amounts that have already been derecognised are taken to income and offset against the impairment losses on trade receivables reported in the income statement.

All receivables due for payment in more than one year are classified in the Group as non-current.

### 2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash, demand deposits and overdraft facilities. Utilised overdraft facilities are shown on the balance sheet as liabilities to banks under current financial liabilities.

Cash is measured at nominal value.

### 2.11 Treasury shares

Treasury shares in the parent purchased within the Group are deducted from equity at cost. Income or expense related to the purchase, sale, issue or recall of treasury shares is recognised directly in equity under reserves.

### 2.12 Provisions

A provision is recognised when an entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at their expected settlement value in accordance with IAS 37 or, where appropriate, in accordance with IAS 19. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation. Estimates of the outcome and financial impact of the obligation depend on management’s assessment as well as empirical values obtained from similar transactions and, where necessary, appraisals provided by independent experts (such as lawyers). The underlying information includes information obtained as a result of events that occur between the end of the reporting period and the date on which the consolidated financial statements are prepared. Where the provision being measured involves a large population of events, the obligation is estimated by weighting all possible outcomes by their associated probabilities. Where there is a continuous range of possible outcomes, and each point in that range is as likely as any other, the mid-point of the range is used.

In cases where an obligation is expected to result in an outflow of resources after more than one year and if the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When estimating the future outflow of economic benefits, the Company factors in inflation assumptions where appropriate. Provisions for onerous contracts are measured at the lower of the expected cost of performing the contract and the expected cost of terminating it. Additions to provisions are recognised in profit or loss.

Accruals are reported under other liabilities.

Claims for reimbursements from third parties are recognised separately from provisions if their recovery is virtually certain.

If the amount of the obligation is reduced as a result of a change in assessments, the provision is reversed pro rata and recognised as income.

### 2.13 Financial liabilities

Financial liabilities include trade payables, liabilities to banks and other liabilities.

Once they have been initially recognised, financial liabilities are measured at amortised cost under the effective interest method or at fair value through profit or loss.

### 2.14 Trade payables and other liabilities

Liabilities are recognised if it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and this amount can be reliably determined.

Other current liabilities are recognised at their repayment or settlement value. Non-current liabilities are generally recognised at amortised cost using the effective interest method. Liabilities are classified as non-current if the agreement concerned does not require repayment within twelve months.

### 2.15 Contingent liabilities

In accordance with IAS 37.27, contingent liabilities are not recognised on the balance sheet. However, contingent liabilities are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote.

### 2.16 Employee benefits

The employees in the Group are for the most part insured under the mandatory statutory pension insurance scheme and therefore pay into a government defined-contribution plan. The Group does not have any legal or constructive obligation under this pension entitlement to make any contributions over and above those required by the scheme. Contributions to defined-contribution plans are made in the year in which employees perform the work with which the contributions are earned. The Company also pays contributions to private pension insurance providers in line with statutory or contractual requirements or on a voluntary basis under a defined-contribution pension plan. Once the Company has paid these contributions it is not obliged to provide any further benefits. The regular contribution payments are recognised as an expense for the respective year within EBIT.

### 2.17 Recognition of revenue and expense

Provided that persuasive evidence of an arrangement exists, revenue is recognised to the extent that it is sufficiently probable that future economic benefits will flow to Hypoport and the amount of revenue can be measured reliably. This is the procedure irrespective of when payment is received. If the inflow of economic benefits is deemed to be improbable owing to customer-related credit risks, revenue is recognised to the extent that the customer has already made irrevocable payments. Revenue is measured at the fair value of the consideration received or receivable minus any rebates or discounts granted and excluding any taxes or levies payable.

Hypoport recognises revenue (commissions) from the brokerage of loans when the relevant loan agreement is signed, irrespective of when payment is received. Special volume-related commissions are generally recognised when the relevant target figure is achieved.

Hypoport recognises revenue (commissions) from the brokerage of insurance contracts when the policy is issued. The Company recognises adequate provisions to cover its obligation to repay part of the commissions it has received in the event that brokered insurance contracts are terminated before they mature; these provisions for such cancellation risks are based on empirical values. Regular chargebacks arising from the cancellation of commissions are recognised as selling expenses.

Hypoport recognises revenue (commissions) from the brokerage of support grants and loans when the relevant support agreement is signed, irrespective of when payment is received. Advisory fees from the brokerage of support grants and loans are also recognised.

Revenue arising on service transactions is recognised in proportion to the transaction's percentage of completion at the balance sheet date, provided that the amount of income, the percentage of completion at the balance sheet date, the costs already incurred in the transaction and the expected costs to complete can be reliably measured and it is sufficiently probable that the transaction will lead to an inflow of resources embodying economic benefits. In the case of fixed-price contracts, revenue is recognised pro rata according to the proportion of the total services that have actually been rendered by the end of the reporting period. This is determined on the basis of the actual number of hours worked relative to the total number of hours expected to be worked. If the contract provides for a fixed hourly rate, the revenue is recognised in the amount that Hypoport is entitled to invoice. Customers are invoiced monthly, and the invoices are payable on receipt.

We recognise software revenue over the period of time during which the services are rendered. If our performance obligations include the granting of a right to continual access to our software and to the use of such software over a particular period, we recognise the revenue pro rata according to the time that has elapsed, i.e. in instalments over this period. As a rule, software support revenue is recognised pro rata according to the time that has elapsed and in instalments over the term of the support agreement. Hypoport recognises software service revenue over a particular period of time. In the case of services that are available at all times, Hypoport recognises the revenue pro rata according to the time that has elapsed, i.e. in instalments over the period of service provision.

Operating expenses are recognised when a service is used or at the point the expense is incurred. Interest income and expense are recognised under the effective interest method.

Dividends on long-term equity investments are recognised in profit or loss as soon as a legal entitlement arises.

Income taxes are recognised by the company concerned in accordance with local legislation.

All figures on the quantities and volumes of financial products sold (e.g. volume of loans brokered, life insurance premiums, or volume of transactions processed on Europace) include cancellations and, consequently, cannot be compared directly with the revenue figures shown, which exclude cancellations. The relevant figures shown in each case 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 loans on the transaction platform. A transaction is included in the volume as soon as the advisor has set its status to 'customer has accepted the offer'. The volume is the volume before cancellations. Cancellations that occur later in this process – e.g. as a result of additional credit checks or health checks performed by product suppliers or the exercise of cancellation rights by consumers – are not taken into account in the relevant figures shown.

### 2.18 Income taxes and deferred taxes

Current income taxes are calculated on the basis of the taxable income determined by the Company using the tax rates applicable at the balance sheet date.

Deferred taxes are determined using the liability method in accordance with IAS 12. Deferred income taxes represent the net tax expense/income in respect of temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base. Deferred taxes are recognised to account for timing differences between the carrying amount of assets and liabilities on the IFRS consolidated balance sheet and the corresponding balance sheet for tax purposes as a result of consolidation processes (with the exception of goodwill) and for recoverable loss carryforwards.

The accounting treatment of deferred tax assets on loss carryforwards still takes account of the minimum taxation requirement in circumstances where, in the absence of the expectation of future taxable earnings, deferred tax assets are only recognised in the amount of any excess of deferred tax liabilities over deferred tax assets.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. At each balance sheet date, the Group reviews the carrying amount of deferred tax assets and reassesses unrecognised deferred tax assets; the amounts are remeasured, where required.

Hitherto unrecognised deferred tax assets are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered. On the other hand, the carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the deductible temporary difference can be utilised, either as a whole or in part.

In accordance with IAS 12, deferred taxes are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. The impact on deferred taxes of changes to tax legislation is recognised in income in the period in which the relevant tax law comes into force. Currently, the German companies in the Group are subject to an overall tax rate of 31 per cent, comprising the corporation tax rate, solidarity surcharge and an average trade tax rate. Non-German subsidiaries are currently subject to tax rates of between 10.0 per cent and 25.5 per cent.

Where there is any uncertainty concerning the tax circumstances of individual companies in the Group, deferred taxes on as yet unused tax loss carryforwards are determined on the basis of a limited planning horizon of five years. Tax provisions that limit the use of loss carryforwards in individual companies are also taken into account.

# 3 Disclosures for individual items in the consolidated income Statement

### 3.1 Revenue

Revenue for the most part comprises commissions received, special commissions and fees in respect of services. The breakdown by segment is as follows:

| Revenue by segment | 2023<br>€ million | 2022<br>€ million |
|---|---|---|
| Credit Platform | 155.8 | 205.7 |
| Private Clients | 81.7 | 124.5 |
| Real Estate Platform | 56.4 | 64.0 |
| Insurance Platform | 65.0 | 60.2 |
| Holding | 1.0 | 1.1 |
| | **359.9** | **455.5** |

The breakdown of revenue is the same as the breakdown used in the segment reporting.

### 3.2 Commissions and lead costs

The table below shows the breakdown of commissions and lead costs.

| Commissions and lead costs | 2023 €'000 | 2022 €'000 |
|---|---|---|
| Commissions | 140,875 | 180,780 |
| Lead costs | 10,842 | 13,684 |
| | **151,717** | **194,464** |

Commission expenses include write-offs of €331 thousand relating to insurance commission receivable (2022: €497 thousand).

### 3.3 Own work capitalised

Own work capitalised of €23.156 million (2022: €23.985 million) comprises work on the development and enhancement of internally generated financial marketplaces. Of the total development costs of €46.428 million reported for 2023 (2022: €47.783 million), €23.272 million was expensed as incurred (2022: €23.798 million).

### 3.4 Other income

Other income mainly comprised income of €20.000 million (2022: €2.288 million) from the adjustment of variable purchase price liabilities due to the end of the earn-out period, income of €2.478 million from the reversal of liabilities (2022: €3.165 million) and rental income of €1.754 million (2022: €958 thousand).

### 3.5 Personnel expenses

Personnel expenses are broken down as follows:

| Personnel expenses | 2023 €'000 | 2022 €'000 |
|---|---|---|
| Wages and salaries | 135,502 | 150,223 |
| Social security contributions | 23,344 | 25,445 |
| Post-employment and other employee benefits | 724 | 780 |
| | **159,570** | **176,448** |

The cost of defined contribution pension plans amounted to €10.284 million (2022: €11.108 million).

### 3.6 Other expenses
The breakdown of other expenses is shown in the table below

| Other expenses | 2023 €'000 | 2022 €'000 |
|---|---|---|
| Operating expenses | 9,839 | 10,054 |
| Other selling expenses | 5,480 | 8,298 |
| Administrative expenses | 26,525 | 31,990 |
| Other personnel expenses | 1,628 | 2,604 |
| Other expenses | 4,655 | 6,509 |
| | **48,127** | **59,455** |

The operating expenses consisted mainly of ancillary rental costs of €3.002 million (2022: €3.294 million) and vehicle-related costs of €2.894 million (2022: €3.742 million). Selling expenses related to advertising costs and travel expenses of €5.480 million (2022: €8.298 million). The administrative expenses largely comprised IT-related costs of €18.092 million (2022: €20.007 million) and legal and consultancy expenses of €3.247 million (2022: €4.876 million). The other personnel expenses mainly consisted of training costs of €1.089 million (2022: €1.893 million).

### 3.7 Profit (loss) from equity-accounted long-term equity investments
Profit (loss) from equity-accounted long-term equity investments relates to the pro rata net profit (loss) for the year of the four joint ventures FINMAS GmbH, LBL Data Services B.V., Dutch Residential Mortgage Index B.V. and BAUFINEX Service GmbH as well as the four associates BAUFINEX GmbH, finconomy AG, ESG Screen 17 GmbH and GENOFLEX GmbH. As had also been the case in 2022, no impairment losses were recognised in the share of profit (loss) of equity-accounted investments.

Further disclosures regarding equity-accounted long-term equity investments can be found in note 4.3 'Equity-accounted long-term investments'.

### 3.8 Depreciation, amortisation expense and impairment losses
Of the depreciation, amortisation expense and impairment losses of €37.886 million (2022: €33.038 million), €25.005 million (2022: €19.583 million) was attributable to intangible assets and €12.881 million (2022: €13.455 million) to property, plant and equipment.

## 3.9 Net finance costs

The breakdown of net finance costs is as follows:

| Net finance costs | 2023 €'000 | 2022 €'000 | Change €'000 |
|---|---|---|---|
| **Financial income** | | | |
| Other interest and similar income | 1,739 | 141 | 1,598 |
| Income from other securities and lending of financial assets | 23 | 77 | – 54 |
| | **1,762** | **218** | **1,544** |
| **Finance costs** | | | |
| Interest expense and similar charges | 3,030 | 3,227 | – 197 |
| Loss from investments | 0 | 56 | – 56 |
| | **3,030** | **3,283** | **– 253** |
| | **– 1,268** | **– 3,065** | **1,797** |

The finance costs mainly comprise interest expense and similar charges of €1.769 million (2022: €1.656 million) incurred by the drawdown of loans and use of credit lines, and interest expense and similar charges of €1.095 million (2022: €1.404 million) from the unwinding of the discount on lease liabilities under IFRS 16. Other interest and similar income largely consists of interest income from investments totalling €1.518 million (2022: €0 million).

## 3.10 Income taxes and deferred taxes

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

| Income taxes and deferred taxes | 2023 €'000 | 2022 €'000 |
|---|---|---|
| Income taxes and deferred taxes | – 8.463 | 2.941 |
| current income taxes | 3.842 | 5.878 |
| deferred taxes | – 12.305 | – 2.937 |
| in respect of timing differences | – 4.584 | 286 |
| in respect of tax loss carryforwards | – 7.721 | – 3.223 |

Current income tax income of €1.141 million (2022: income tax expense of €660 thousand) relates to previous years. Taxes are determined on the basis of the relevant tax legislation for the individual companies.

The total losses carried forward for corporation tax and trade tax purposes at the reporting date amounted to €104.470 million (2022: €80.072 million) and €108.590 million (2022: €78.825 million) respectively. The loss carryforwards can be carried forward indefinitely in Germany and will be utilised within the Group during the forecast period. In 2023, no deferred tax assets were recognised on the losses carried forward for corporation tax and trade tax purposes. These losses amounted to €30.446 million (2022: €30.282 million) and €29.521 million (2022: €29.873 million) respectively.

The tax rates computed on the basis of current legislation were unchanged year on year at 31.0 per cent for companies in Germany and between 10.0 per cent and 25.5 per cent for subsidiaries outside Germany.

Any payment of dividends to the parent companies' shareholders has no impact on income taxes. The table below reconciles the tax expense anticipated for 2022 and 2023 to the tax expense actually reported for those years.

| Reconciliation of Expected to Actual Income Tax Expense | 2023<br>€'000 | 2022<br>€'000 |
|---|---|---|
| Earnings before tax | 12,030 | 21,610 |
| Tax rate to be applied | 31.0% | 31.0% |
| Expected tax expense | – 3,729 | – 6,699 |
| Effect of non-deductible expenses | 2,624 | 845 |
| Effect of differing tax rates | 808 | 4,754 |
| Effect of using the equity method | – 165 | – 103 |
| Tax expense / income for previous years | 1,141 | – 660 |
| Tax effect of non-effective business transactions | 6,200 | 0 |
| Tax-related effect of loss carryforwards not previously recognised | 1,624 | – 1,000 |
| Other tax-related effects | – 40 | – 78 |
| Current tax expense | 8,463 | – 2,941 |
| Tax rate for the Group | – 70.3% | 13.6% |

### 3.11 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 year attributable to the shareholders of Hypoport SE by the weighted average number of outstanding shares. Diluted earnings (loss) per share is calculated by dividing the net profit (loss) for the year by the total weighted average number of outstanding shares, adjusted for the dilutive effect of potential new shares. The figure for the earnings (loss) per share becomes diluted if the average number of shares is increased as a result of adding in the issue of potential shares in connection with options.

There was no dilutive effect in the current reporting period or in the previous year. The weighted number of outstanding shares is calculated on the basis of a daily balance.

| Earnings Per Share | 2023 | 2022 |
|---|---|---|
| Net income for the year (€'000) | 20,493 | 18,669 |
| of which attributable to Hypoport SE stockholders (€'000) | 20,138 | 18,686 |
| Basic weighted number of outstanding shares ('000) | 6,668 | 6,303 |
| Earnings per share (€) diluted / non diluted | 3.02 | 2.96 |

As a result of the issue of new shares and the release of treasury shares to employees, the number of shares in issue rose by 383,344, from 6,304,865 as at 31 December 2022 to 6,688,209 as at 31 December 2023.

# 4 Disclosures for individual items on the consolidated Balance sheet

## 4.1 Intangible assets and property, plant and equipment

For information on the change in intangible assets and property, plant and equipment in the year under review, please see the consolidated statement of changes in non-current assets in the appendix to these notes.

The additions to internally generated financial marketplaces include €38 thousand (31 December 2022: €32 thousand) in borrowing costs at an average funding rate of 1.40 per cent (31 December 2022: 1.49 per cent). Most of the intangible assets – with a carrying amount of €100.4 million (31 December 2022: €93.9 million) – related to internally generated financial marketplaces (development costs) such as the Europace, SmartInsur and Corify marketplaces, including the advances paid. Own work capitalised in 2023 predominantly related to the further development of existing products and software. Their remaining useful lives amounted to between one and ten years.

The carrying amounts for goodwill as at 31 December 2023 related to goodwill arising on the first-time consolidation of subsidiaries. As at 31 December 2023 and effective from January 2024, the previous segmentation was adjusted (further details on the adjusted segment reporting can be found in Note 6. 'Segment reporting') and the goodwill was reallocated between the new segments. For the purposes of impairment testing, the goodwill has been assigned to the following cash-generating units, which reflect the segments in the Group:

| Acquired goodwill €'000 | Kredit plattform | Privatkunden | Immobilien-plattform | Versicherungs-plattform | Holding | Summe |
|---|---|---|---|---|---|---|
| Cost of acquisitions as at 1 January 2023 | 42,073 | 7,305 | 91,327 | 88,378 | 0 | 229,083 |
| Additions | 0 | 0 | 0 | 0 | 0 | 0 |
| Cost of acquisitions as at 31 December 2023 | 42,073 | 7,305 | 91,327 | 88,378 | 0 | 229,083 |

| Reallocation<br>Reallocation Acquired goodwill | Real Estate und Mortgage | Financing | Insurance | Holding | Total |
|---|---|---|---|---|---|
| Cost of acquisitions as at 1 January 2023 | 32,520 | 108,185 | 88,378 | 0 | 229,083 |
| Additions | 0 | 0 | 0 | 0 | 0 |
| Cost of acquisitions as at 31 December 2023 | 32,520 | 108,185 | 88,378 | 0 | 229,083 |

In accordance with level two of the measurement hierarchy specified by IFRS 13, the value in use of the segments is calculated as the present value of future cash inflows and outflows. These cash flows are discounted using an interest rate prevailing at the balance sheet date.

The external revenue growth rates for the detailed planning period 2024 to 2028 used in the discounted cash flow calculations were between 10.3 per cent and 17.7 per cent for the new Real Estate & Mortgage Platforms segment, between 13.3 per cent and 16.8 per cent for the new Financing Platforms segment and between 7.0 per cent and 17.6 per cent (2022: 6.2 per cent and 16.5 per cent) for the new Insurance Platforms segment (formerly Insurance Platform segment). The growth rates for segment earnings before interest and tax (EBIT) for the detailed planning period 2024 to 2028 used in the discounted cash flow calculations were between 10.2 per cent and 459.1 per cent for the Real Estate & Mortgage Platforms segment, between 17.8 per cent and 70.1 per cent (2022: between 5.3 per cent and 20.2 per cent) for the Financing Platforms segment and between 21.8 per cent and 187.0 per cent (2022: between 54.6 per cent and 202.2 per cent) for the Insurance Platforms segment (formerly Insurance Platform segment). A growth rate of 1.0 per cent was used for cash flows beyond the planning period (2022: 0.0 per cent). The discount rates used to reflect the risks specific to the asset in 2023 were 8.57 per cent for the Real Estate & Mortgage Platforms segment, 9.27 per cent for the Financing Platforms segment and 8.84 per cent (2022: 7.64 per cent) for the Insurance Platforms segment (formerly Insurance Platform segment). When the expected cash flows in the detailed planning period were determined, it was assumed that there would be no tangible constraints on the business models of the CGUs in the Hypoport Group over the course of 2024.

The sensitivity analysis we conducted revealed that there was no need for any impairment charges on goodwill even if our key underlying assumptions varied within a realistic range. This sensitivity analysis assumed a 10 per cent reduction in future segment EBIT and a 1 percentage point increase in the weighted cost of capital, as variances of this magnitude are realistically possible. In our experience, greater variances than this are unlikely.

The impairment tests carried out gave no indication of any impairment.

An impairment test was also performed before goodwill was reallocated in connection with the reorganisation of the Group's segments. The impairment tests carried out gave no indication of any impairment.

### 4.2 Financial assets

The table below gives a breakdown of non-current financial assets.

| Financial Assets | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| Other shareholdings | 857 | 793 |
| Loans to third parties | 345 | 163 |
| Loan to employees | 5 | 5 |
| | **1,207** | **961** |

Because the above parties have been granted the option of making unscheduled repayments on the loans at any time, the carrying amounts of these loans at the balance sheet date do not differ significantly from their fair values.

No specific write-downs have been recognised. There are no material overdue receivables.

### 4.3 Equity-accounted investments

In the consolidated financial statements, four joint ventures (2022: five) and four associates (2022: four) are accounted for under the equity method. They are FINMAS GmbH, Berlin (Hypoport's interest: 50 per cent), LBL Data Services B.V., Amsterdam, Netherlands (Hypoport's interest: 50 per cent), Dutch Residential Mortgage Index B.V., Amsterdam, Netherlands (Hypoport's interest: 50 per cent), BAUFINEX Service GmbH, Berlin (Hypoport's interest: 50 per cent), BAUFINEX GmbH, Schwäbisch Hall (Hypoport's interest: 30 per cent), finconomy AG, Munich (Hypoport's interest: 25 per cent), ESG Sreen17 GmbH, Frankfurt am Main (Hypoport's interest: 25.1 per cent) and Genoflex GmbH, Nuremberg (Hypoport's interest: 30 per cent). All of these interests are held directly by the Group.

| Investments accounted for using the equity method | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| Investments accounted for using the equity method as of the beginning of the year | 5,272 | 15,611 |
| Additions | 750 | 50 |
| Disposals | 0 | –683 |
| Reclassification | 0 | –9,364 |
| Proportional net income | –548 | –342 |
| **Investments accounted for using the equity method as of the end of the year** | **5,474** | **5,272** |

The additions relate to capital increases at Baufinex GmbH and Genoflex GmbH. There are no obligations or contingent liabilities relating to the investments in joint ventures.

The following table shows the aggregate income statement data and balance sheet data for the equity-accounted investments.

| Financial information on companies for using the equity method (Hypoport stake) | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| **Income statement information** | | |
| Revenue | 10.741 | 10.654 |
| Selling expenses | – 3.482 | – 2.414 |
| Personnel expenses | – 4.737 | – 4.368 |
| Other operating expenses | – 3.165 | – 3.160 |
| Net income | – 549 | – 342 |
| | | |
| **Balance sheet information** | | |
| Noncurrent assets | 5.772 | 4.822 |
| There of property, plant and equipment | 3 | 4 |
| Current assets | 5.446 | 5.430 |
| Thereof cash and cash equivalents | 1.334 | 1.605 |
| **Total assets** | **11.218** | **10.251** |
| Equity | 4.316 | 3.460 |
| Noncurrent liabilities | 1.386 | 250 |
| Current liabilities | 5.516 | 6.540 |
| Thereof financial liabilities | 0 | 0 |
| **Total equity and liabilities** | **11.218** | **10.251** |

## 4.4 Inventories

| Inventories | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| Unfinished products | 935 | 1,065 |
| | 935 | 1,065 |

Work in progress primarily consisted of property valuations in an amount of €749 thousand (2022: €921 thousand).

## 4.5 Trade receivables and receivables from affiliated companies

| Current trade receivables | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| Trade receivables from | | |
| third parties | 64,288 | 68,279 |
| joint ventures | 1,300 | 1,683 |
| | 65,588 | 69,962 |

Due to the short-term nature of the trade receivables, their carrying amount represents an appropriate approximation of their fair value.

The table below shows impairment losses on receivables.

| Impairments of Trade Receivables | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| **Balance as at 1 January** | 1,484 | 460 |
| Addition to impairment of receivables | 589 | 1,279 |
| Irrecoverable receivables written off | 345 | 255 |
| **Balance as at 31 December** | **1,728** | **1,484** |

Impairment charges of €618 thousand (31 December 2022: €414 thousand) were directly recognised.

The Hypoport Group usually grants its clients a credit period of 30 days, although some Group companies grant up to 90 days. The table below gives a breakdown of the Group's overdue, but not impaired, receivables by age.

| Past-Due Trade Receivables | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| 1 to 90 days | 2,657 | 1,912 |
| 90 to 180 days | 669 | 2,804 |
| 180 to 360 days | 1,254 | 3,748 |
| More than 360 days | 469 | 796 |
| **Total** | **5,049** | **9,260** |

## 4.6 Current income tax assets and other assets

The breakdown of current income tax assets and other assets is as follows:

| Current other assets | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| **Financial assets** | | |
| Securities | 37 | 94 |
| | **37** | **94** |
| **Non-financial assets** | | |
| Prepaid expenses | 5,193 | 4,528 |
| Current income tax assets | 3,904 | 4,276 |
| Advance payment of commissions | 456 | 431 |
| Advances | 105 | 278 |
| Claims on employees | 71 | 92 |
| VAT credits | 314 | 0 |
| Other | 1,003 | 1,017 |
| | 11,046 | 10,622 |
| | **11,083** | **10,716** |

The following asset amounts are only recoverable after one year and are therefore reported as non-current assets:

| non-current assets | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| Rent deposits | 213 | 273 |
| Purchase price liabilities | 0 | 47 |
| | **213** | **320** |

Specific write-downs on other receivables of €331 thousand (2022: €1,000 thousand) were recognised. There are no material overdue receivables.

## 4.7 Deferred tax assets and deferred tax liabilities

The breakdown of deferred tax assets and deferred tax liabilities (including comparison with prior-year figures) is as follows:

| Deferred tax assets | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| **Deferred tax assets** | | |
| In respect of tax loss carryforwards | 21,868 | 14,147 |
| Rental and lease obligations | 235 | 176 |
| other temporary differences | 5,659 | 1,045 |
| Consolidation | 1,752 | 1,672 |
| Offsetting | 7,518 | 1,221 |
| | 21,996 | 15,819 |

| Deferred tax liabilities | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| **Deferred tax liabilities** | | |
| Intangible assets | 21,952 | 21,122 |
| Receivables | 2,211 | 2,553 |
| Other temporary differences | 558 | 877 |
| Offsetting | 7,518 | 1,221 |
| | **17,203** | **23,331** |

## 4.8 Cash and cash equivalents

The breakdown of cash and cash equivalents (including comparison with prior-year figures) is as follows:

| Cash and cash equivalents | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| **Cash at banks** | 96,654 | 29,941 |
| Cash on hand | 4 | 6 |
| **Balance sheet = Financial resources according to cash flow statement** | **96,658** | **29,947** |

### 4.9 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 31 December 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, each with a notional value of €1.

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.

### 4.10 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 €2,799,061.00 (authorised capital 2020/I) 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 potentially disapply the shareholders' statutory pre-emption rights.

In January 2023, the authorisation was utilised and the Company's subscribed capital was increased against cash contributions by €378,788 from €6,493,376 to €6,872,164 by issuing 378,788 new, registered no-par-value shares ('New Shares'), partially utilising the authorised capital. Since then, authorised capital has amounted to €2,420,273.00.

## 4.11 Treasury shares

Hypoport held 183,955 treasury shares as at 31 December 2023 (equivalent to €183,955.00, or 2.7 per cent, of the subscribed capital of Hypoport SE), which are intended to be issued to employees or used to purchase companies. 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 | | |
| Dissemination in January 2023 | 3,050 | 3,050.00 | 0,044 | 39,568.25 | 320,636.80 | 281,068.55 |
| Dissemination in April 2023 | 438 | 438.00 | 0,006 | 6,000.60 | 55,626.00 | 49,625.40 |
| Dissemination in July 2023 | 305 | 305.00 | 0,004 | 4,176.65 | 51,026.50 | 46,849.85 |
| Dissemination in October 2023 | 495 | 495.00 | 0,007 | 6,755.25 | 62,164.50 | 55,409.25 |
| Dissemination in December 2023 | 268 | 268.00 | 0,004 | 3,618.00 | 41,995.60 | 38,377.60 |
| **Balance as at 31 Dec 2023** | **183,955** | **4,556.00** | **2,677** | **9,164,433.32** | **531,449.40** | **471,330.65** |

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

The table below shows the transactions in 2023 and previous years.

| Date | Number of shares | Reason |
|---|---:|---:|
| Q4 2010 | 12,920 | Share buy back |
| Q1 2011 | – 10,250 | Share baesed payment to employees |
| Q2 2011 | – 1,027 | Share baesed payment to employees |
| Q3 2011 | – 248 | Share baesed payment to employees |
| Q4 2011 | – 349 | Share baesed payment to employees |
| Q1 2012 | – 5 | Share baesed payment to employees |
| Q2 2012 | 37,490 | Share buy back |
| Q3 2012 | 22,510 | Share buy back |
| Q4 2012 | – 385 | Share baesed payment to employees |
| Q1 2013 | – 20 | Share baesed payment to employees |
| Q2 2013 | – 3,378 | Share baesed payment to employees |
| Q3 2013 | – 258 | Share baesed payment to employees |
| Q4 2013 | – 425 | Share baesed payment to employees |
| Q1 2014 | – 10 | Share baesed payment to employees |
| Q2 2014 | – 3,302 | Share baesed payment to employees |
| Q3 2014 | 13,009 | Share buy back |
| Q4 2014 | – 225 | Share baesed payment to employees |
| Q4 2014 | 13,036 | Share buy back |
| Q1 2015 | – 7,648 | Share baesed payment to employees |
| Q1 2015 | 33,655 | Share buy back |
| Q2 2015 | – 722 | Share baesed payment to employees |
| Q3 2015 | – 190 | Share baesed payment to employees |
| Q3 2015 | 44,019 | Share buy back |
| Q4 2015 | – 845 | Share baesed payment to employees |
| Q4 2015 | 8,448 | Share buy back |
| Q1 2016 | – 350 | Share baesed payment to employees |
| Q1 2016 | 16,626 | Share buy back |
| Q2 2016 | – 2,697 | Share baesed payment to employees |
| Q2 2016 | 15,736 | Share buy back |
| Q3 2016 | – 178 | Share baesed payment to employees |
| Q4 2016 | – 770 | Share baesed payment to employees |
| Q4 2016 | 68,948 | Share buy back |
| Q1 2017 | – 147 | Share baesed payment to employees |
| Q2 2017 | – 1,976 | Share baesed payment to employees |
| Q3 2017 | – 38 | Share baesed payment to employees |
| Q4 2017 | – 2,382 | Share baesed payment to employees |
| Q1 2018 | – 1,723 | Share baesed payment to employees |
| Q2 2018 | – 94 | Share baesed payment to employees |
| Q3 2018 | – 458 | Share baesed payment to employees |

| Date | Number of shares | Reason |
|---|---|---|
| Q4 2018 | – 891 | Share baesed payment to employees |
| **31 Dec 2018** | **245,406** | |
| Q1 2019 | – 1,766 | Share baesed payment to employees |
| Q2 2019 | – 2,419 | Share baesed payment to employees |
| Q3 2019 | – 263 | Share baesed payment to employees |
| Q4 2019 | – 267 | Share baesed payment to employees |
| **31 Dec 2019** | **240,691** | |
| Q1 2020 | – 849 | Share baesed payment to employees |
| Q1 2020 | – 45,000 | Sale of own shares |
| Q2 2020 | – 498 | Share baesed payment to employees |
| Q3 2020 | – 114 | Share baesed payment to employees |
| Q4 2020 | – 334 | Share baesed payment to employees |
| **31 Dec 2020** | **193,896** | |
| Q1 2021 | – 516 | Share baesed payment to employees |
| Q2 2021 | – 115 | Share baesed payment to employees |
| Q3 2021 | – 91 | Share baesed payment to employees |
| Q4 2021 | – 213 | Share baesed payment to employees |
| **31 Dec 2021** | **192,961** | |
| Q1 2022 | – 565 | Share baesed payment to employees |
| Q2 2022 | – 2,432 | Share baesed payment to employees |
| Q3 2022 | – 203 | Share baesed payment to employees |
| Q4 2022 | – 1,250 | Share baesed payment to employees |
| **31 Dec 2022** | **188,511** | |
| Q1 2023 | – 3,050 | Share baesed payment to employees |
| Q2 2023 | – 438 | Share baesed payment to employees |
| Q3 2023 | – 305 | Share baesed payment to employees |
| Q4 2023 | – 763 | Share baesed payment to employees |
| **31 Dec 2023** | **183,955** | |

### 4.12 Reserves

The breakdown of reserves can be found in the attached 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), the premium from the issuance of new shares in 2018 (€46.9 million), income from the sale of shares (€14.062 million) and income from the transfer of shares to employees (€5.074 million, of which €471 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 bargain purchase gains arising from business combinations. These bargain purchase gains are reported under retained earnings, because profits had been retained after the acquisition but before 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, together with a statutory reserve of €7 thousand (31 December 2022: €7 thousand), are also reported under this item.

The transaction costs of €1.099 million incurred in connection with the capital increase of €50.000 million carried out in the year under review were deducted from capital reserves.

### 4.13 Non-controlling interests and financial information for non-controlling interests in subsidiaries

Total non-controlling interests amounted to €2.039 million as at 31 December 2023 (31 December 2022: €1.633 million), of which €900 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), €5 thousand (31 December 2022: €3 thousand) to Baloise Service GmbH, Bayreuth (non-controlling interest of 30.0 per cent), €2.340 million (31 December 2022: €190 thousand) to FUNDINGPORT GmbH, Hamburg (non-controlling interest of 30 per cent), minus €1.317 million (31 December 2022: €781 thousand) to Fundingport Sofia EOOD, Sofia, Bulgaria (non-controlling interest of 30 per cent), €0 thousand (31 December 2022: €938 thousand) to ePension GmbH & Co. KG, Hamburg (non-controlling interest of 0 per cent), €0 thousand (31 December 2022: €0 thousand) to ePension Verwaltungs-GmbH, Hamburg (non-controlling interest of 0 per cent), €0 thousand (31 December 2022: €60 thousand) to ePension Holding GmbH, Berlin (non-controlling interest of 0 per cent) and €0 thousand (31 December 2022: €307 thousand) to E&P Pensionsmanagement GmbH, Hamburg (non-controlling interest of 0 per cent).

There is a profit-and-loss transfer agreement between Hypoport SE and GENOPACE GmbH, as a result of which the entire net loss for 2023 of GENOPACE GmbH amounting to €101 thousand (2022: loss of €116 thousand) remained within the Group.

The aggregate financial information for Starpool Finanz GmbH, the main packager providing sales support for the Group's platform partners on an earnings-neutral basis, is presented below.

| Summarised statement of comprehensive income Starpool Finanz GmbH | 2023 €'000 | 2022 €'000 |
|---|---|---|
| Revenue | 32,871 | 50,363 |
| Pre-tax profit | 401 | 979 |
| Income tax expense | (213) | (437) |
| Post-tax profit | 188 | 542 |
| Other comprehensive income | 0 | 0 |
| Total comprehensive income | 188 | 542 |
| Total comprehensive income attributable to non-controlling interest | 94 | 271 |
| Dividends received attributable to non-controlling interest | 0 | 0 |

| Summarides cash flow statement Starpool Finanz GmbH | 2023 €'000 | 2022 €'000 |
|---|---|---|
| Cash flow | 218 | 585 |
| Change in working capital | (7,440) | (1,909) |
| Cash flows from operating activities | (7,222) | (1,325) |
| Cash flows from investing activities | 3,942 | (8,007) |
| Cash flows from financing activities | 0 | 0 |
| Net change in cash and cash equivalents | (3,280) | (9,331) |
| Cash and cash equivalents at the beginning of the period | 3,896 | 13,227 |
| Cash and cash equivalents at the end of the period | 616 | 3,896 |

| Summarised balance sheet Starpool Finanz GmbH | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| **Current** | | |
| Assets | 12,997 | 21,960 |
| Liabilities | (11,202) | (20,354) |
| Total current assets | 1,795 | 1,606 |
| | | |
| **Non-current** | | |
| Assets | 18 | 45 |
| Liabilities | (11) | (37) |
| Total non-current liabilities | 7 | 8 |
| | | |
| **Net assets** | 1,802 | 1,614 |

The information listed above relates to amounts before the elimination of intercompany profits and losses.

## 4.14 Financial liabilities

The table below gives a breakdown of financial liabilities.

| Financial liabilities | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| **Non-current** | | |
| Liabilities to banks | | |
| Loans | 108,287 | 90,099 |
| Mortgage | 518 | 565 |
| Rental and lease obligations | 44,686 | 71,529 |
| | 153,491 | 162,193 |
| **Current** | | |
| Liabilities to banks | | |
| Loans | 20,690 | 16,877 |
| Mortgage | 58 | 47 |
| Rental and lease obligations | 9,333 | 8,545 |
| | 30,081 | 25,469 |
| | 183,572 | 187,662 |

Some of the financial liabilities are subject to fixed interest rates. Others are subject to variable interest linked to the Euribor rate plus a bank margin. The interest rates varied between 0.59 per cent and 5.04 per cent (2022: between 0.59 per cent and 2.30 per cent). These interest rates are the normal market rates for the financial liabilities and the companies concerned.

The table below shows the cash changes to financial liabilities at the balance sheet date.

| Reconciliation of financial liabilities (€'000) | 31 Dec 22 | Cash changes | Non-cash-changes | | | 31 Dec 2023 |
|---|---|---|---|---|---|---|
| | | | Acquisitions | Changes in fair value | Reclassification maturities | |
| Non-current loans | 90,098 | 40,000 | 0 | 0 | – 21,811 | 108,287 |
| non-current mortgage | 565 | 0 | 0 | 0 | – 47 | 518 |
| Other non-current financial liabilities | 71,528 | 0 | 0 | – 16,098 | – 10,744 | 44,686 |
| Current loans | 16,877 | – 17,998 | 0 | 0 | 21,811 | 20,690 |
| current mortgage | 47 | – 36 | 0 | 0 | 47 | 58 |
| Other current financial liabilities | 8,545 | – 9,956 | 0 | 0 | 10,744 | 9,333 |
| | 187,660 | 12,010 | 0 | – 16,098 | 0 | 183,572 |

The Hypoport Group has various credit lines with German banks. The table below shows all overdraft facilities and the amounts utilised at the relevant balance sheet dates.

| Credit line | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| **Credit line** | 15,000 | 15,000 |
| Amount utilised | 1,973 | 0 |
| **Credit line available** | **13,027** | **15,000** |

The table below shows the interest-rate risk and agreed interest refix dates associated with financial liabilities at the balance sheet date.

| Maturities of contractual cash flows from financial liabilities | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| 6 months or less | 10,374 | 8,471 |
| 6 to 12 months | 10,374 | 8,458 |
| 1 to 5 years | 83,891 | 67,262 |
| More than 5 years | 24,914 | 23,397 |
| | **129,553** | **107,588** |

The table below gives a breakdown of the residual maturities of non-current financial liabilities.

| Maturities of non-current financial liabilities | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| Between 1 and 2 years | 27,484 | 23,299 |
| Between 2 and 5 years | 84,392 | 68,547 |
| More than 5 years | 41,615 | 70,347 |
| | **153,491** | **162,193** |

The carrying amounts and fair values of non-current financial liabilities are shown below.

| Carrying amounts and fair values of non-current financial liabilities | Carrying amount | | Fair value | |
|---|---|---|---|---|
| | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
| Liabilities to banks | 108,805 | 90,664 | 113,477 | 91,453 |
| Rental and lease obligations | 44,686 | 71,529 | 44,686 | 71,529 |
| | **153,491** | **162,193** | **158,163** | **162,982** |

The fair values of non-current financial liabilities are based on discounted cash flows, which were calculated using interbank swap rates plus a risk and liquidity margin.

The stated carrying amounts of current financial liabilities are roughly the same as their fair values.

## 4.15 Other liabilities

The breakdown of other liabilities is as follows:

| Current other liabilities | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| **Tax liabilities** | | |
| Wage tax and church tax | 1,971 | 2,700 |
| Value-added tax | 1,605 | 989 |
| | **3,576** | **3,689** |
| **Personnel** | | |
| Financial assets | | |
| Outstanding holiday entitlements | 2,142 | 1,964 |
| Wages and salaries | 1,418 | 2,195 |
| Compensations | 1,003 | 2,409 |
| Royalties | 4,570 | 4,209 |
| Non-financial assets | | |
| Partial retirement | 114 | 726 |
| Disabled persons levy | 49 | 217 |
| Social security contributions | 387 | 172 |
| Employers' liability insurance association | 16 | 43 |
| | **9,699** | **11,935** |
| **Other** | | |
| Financial assets | | |
| Commissions to be passed on | 473 | 102 |
| Year-end costs | 615 | 344 |
| Outstanding invoices | 1,665 | 949 |
| Purchase price liabilities | 13,144 | 12,264 |
| Non-financial assets | | |
| Deferred income | 1,166 | 1,382 |
| Advance payment received | 874 | 954 |
| Other | 1,675 | **2,293** |
| | **19,612** | **18,288** |
| | **32,887** | **33,912** |

The following liability amounts are only recoverable after one year and are therefore reported as non-current liabilities:

| Non current other Liabilities | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| Rent deposits | 220 | 220 |
| Purchase Price Liabilities | 0 | 20.000 |
| | **220** | **20.220** |

The non-current purchase price liabilities in 2022 related to an earn-out liability.

## 4.16 Provisions

The changes in provisions in the year under review were as follows:

| Provisions | 01 Jan 2023 €'000 | Utilisation €'000 | Additions €'000 | 31 Dec 2023 €'000 |
|---|---|---|---|---|
| Non-current provisions | | | | |
| Cancellations | 47 | 47 | 0 | 0 |
| | 88 | 47 | 0 | 0 |
| Current provisions | | | | |
| Cancellations | 159 | 7 | 88 | 240 |
| Value credits | 196 | 40 | 40 | 196 |
| Guarantee | 178 | 178 | 61 | 61 |
| | **533** | **225** | **189** | **497** |

The provisions for guarantees relate to software development. The provisions for cancellations relate to the probable repayment of commissions to insurers owing to policyholders' withdrawal.

# 5 Consolidated cash flow statement disclosures

Cash flows from investing and financing activities are determined directly on the basis of the cash inflows and outflows. In contrast, cash flows from operating activities are determined indirectly from the Group's EBIT. This indirect method of determining the cash flows takes into account changes in the balance sheet items in connection with operating activities and adjusts them for the effect of currency translation and changes to the entities included in the consolidation.

Apart from income tax payments, interest receipts and payments are also assigned to the cash flows from operating activities because they are primarily used to finance operating activities.

Investing activities include additions to property, plant and equipment, financial assets and intangible assets, as well as additions in respect of the capitalisation of development costs.

Cash and cash equivalents, as reported in the cash flow statement, comprises all liquid funds recognised on the balance sheet, i.e. cash on hand and at banks.

The composition and reconciliation of cash and cash equivalents with the balance sheet is explained in note 4.8.

# 6 Segment reporting for the Group

The Hypoport Group prepares its segment reporting by segment in line with its internal organisational and reporting structure. Until the end of 2023, this organisational structure broke the Group down into four target-group-oriented segments (Credit Platform, Private Clients, Real Estate Platform and Insurance Platform) and one function-oriented segment (Administration). The segments bring together different business lines with similar opportunities and risks.

The Credit Platform segment focuses on financial product distributors and product suppliers. The core product in this segment is the Europace marketplace, which was originally introduced in 1999. Independent distributors use Europace to process their financing transactions with the product suppliers they represent.

The Private Clients segment offers mortgage finance, personal loans, insurance, current accounts and deposit accounts through two distribution channels (online and site-based sales).

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 and management of properties. This segment also supports issuers with the provision of information technology and a range of services.

The Insurance Platform segment brings together all of the Hypoport Group's activities relating to insurance technology. It includes firms whose technology provides solutions for certain aspects of the insurance platform or that, as providers of processing services, promote business on the insurance platform.

The holding company's expenses for management, administration, accounting and human resources are aggregated in the Holding segment.

Consolidation effects are shown under Reconciliation.

The disclosures for the individual segments are all based on the same standard accounting policies applicable to the consolidated amounts in the consolidated financial statements.

Earnings at segment level (EBIT) and total revenue, which represent the aggregate business performance of the individual operating segments, are the key performance indicators.

Where a segment comprises several companies, the effects of intercompany transactions are eliminated in the course of consolidation. The supply of goods and services between segments is always invoiced at market prices. In cost transfers within the Group, the direct costs actually incurred are transferred between the relevant entities.

The segment disclosures are derived directly from the internal reporting used by the top level of operating decision-makers in the Company for management purposes. Financial liabilities and the corresponding interest expense and similar charges are not determined for individual segments for internal control purposes. Financial liabilities and the corresponding interest expense and similar charges are shown in the reconciliation table.

Segment assets are deemed to comprise direct operating receivables and non-current assets used for the relevant segment's operating activities.

Segment liabilities comprise the trade payables and provisions attributable to the operating activities concerned.

The following table shows revenue from contracts with customers, broken down by the timing of revenue recognition.

| Time reference of revenue recognition (€'000) | Credit platform 2023 | Credit platform 2022 | Private Clients 2023 | Private Clients 2022 | Real Estate platform 2023 | Real Estate platform 2022 | Insurance platform 2023 | Insurance platform 2022 |
|---|---|---|---|---|---|---|---|---|
| Goods and services transferred at a given time | 155,807 | 205,747 | 81,706 | 124,461 | 40,659 | 51,031 | 48,934 | 45,267 |
| Goods and services transferred over a period of time | 0 | 0 | 0 | 0 | 15,760 | 12,899 | 16,025 | 14,960 |
| **Total** | 155,807 | 205,747 | 81,706 | 124,461 | 56,419 | 63,930 | 64,959 | 60,227 |

| Time reference of revenue recognition (€'000) | Holding 2023 | Holding 2022 | Reconciliation 2023 | Reconciliation 2022 | Group 2023 | Group 2022 |
|---|---|---|---|---|---|---|
| Goods and services transferred at a given time | 1,002 | 1,088 | 0 | 0 | 328,108 | 427,594 |
| Goods and services transferred over a period of time | 0 | 0 | 0 | 0 | 31,785 | 27,859 |
| **Total** | 1,002 | 1,088 | 0 | 0 | 359,893 | 455,453 |

The reported revenue of €359.9 million (2022: €455.5 million) included €8.3 million (2022: €7.8 million) generated by customers domiciled in European countries other than Germany, and the remaining revenue was generated by customers in Germany.

In the Group, one product partner had generated revenue of €61.8 million in 2022.

In the Credit Platform operating segment, one product partner generated revenue of €17.6 million (2022: one product partner generated €42.2 million). In the Private Clients operating segment, one product partner generated revenue of €10.2 million (2022: two product partners generated €17.3 million and €17.2 million respectively). The external revenue in the Holding segment mainly related to rental income and income from services provided for joint ventures and associates.

The segment breakdown of business performance in 2023 was as follows:

| 2023 (€'000) | Credit Platform | Clients Platform | Real Estate Platform | Insurance-platform | Holding | Recon-cilidation | Group |
|---|---|---|---|---|---|---|---|
| **Segment revenue in respect of third parties** | **155,807** | **81,706** | **56,419** | **64,959** | **1,002** | **0** | **359,893** |
| Previous year | 205,747 | 124,461 | 63,930 | 60,227 | 1,088 | 0 | 455,453 |
| **Segment revenue in respect of other segments** | **805** | **209** | **1,006** | **411** | **27,089** | **– 29,520** | **0** |
| Previous year | 1,344 | 193 | 691 | 419 | 31,899 | – 34,546 | 0 |
| **Total segment revenue** | **156,612** | **81,915** | **57,425** | **65,370** | **28,091** | **– 29,520** | **359,893** |
| Previous year | 207,091 | 124,654 | 64,621 | 60,646 | 32,987 | – 34,546 | 455,453 |
| **Gross profit** | **93,610** | **26,995** | **53,428** | **33,141** | **28,091** | **– 27,089** | **208,176** |
| Previous year | 125,142 | 42,949 | 60,669 | 31,140 | 32,987 | – 31,899 | 260,988 |
| **Segment earnings before interest, tax, depreciation and amortisation (EBITDA)** | **29,212** | **7,838** | **– 5,400** | **6,923** | **12,611** | **0** | **51,184** |
| Previous year | 53,986 | 19,503 | – 4,507 | 843 | – 12,112 | 0 | 57,713 |
| **Segment earnings before interest and tax (EBIT)** | **18,609** | **7,349** | **– 17,794** | **1,457** | **3,677** | **0** | **13,298** |
| Previous year | 44,186 | 18,951 | – 11,872 | – 4,807 | – 21,783 | 0 | 24,675 |
| **Segment assets** | **168,055** | **26,359** | **162,300** | **164,046** | **343,448** | **– 238,434** | **625,774** |
| Previous year | 168,127 | 36,375 | 181,223 | 179,984 | 350,006 | – 332,099 | 583,616 |
| **Segment liabilities** | **76,414** | **17,578** | **54,230** | **166,006** | **209,337** | **– 238,434** | **285,131** |
| Previous year | 90,687 | 27,341 | 75,343 | 200,346 | 249,260 | – 332,099 | 310,878 |
| **Segment capital expenditure** | **13,978** | **809** | **8,360** | **6,465** | **573** | **0** | **30,185** |
| Previous year | 16,609 | 1,474 | 8,897 | 7,285 | 1,713 | 0 | 35,978 |
| **Segment depreciation/amortisation expense, impairment losses** | **10,603** | **489** | **12,394** | **5,466** | **8,934** | **0** | **37,886** |
| Previous year | 9,800 | 552 | 7,365 | 5,650 | 9,671 | 0 | 33,038 |
| **Significant non– cash expenses** | **4,108** | **961** | **3,676** | **1,634** | **2,063** | **0** | **12,442** |
| Previous year | 4,419 | 926 | 4,374 | 2,483 | 1,428 | 0 | 13,630 |

Of the total non-current assets of €451.510 million (31 December 2022: €471.926 million), €59.260 million (31 December 2022: €53.177 million) was located in European countries other than Germany, €49.268 million (31 December 2022: €42.935 million) of which was located in Ireland. Non-current assets located in Germany totalled €392.250 million (31 December 2022: €418.749 million).

The carrying amounts of equity-accounted joint ventures in the Credit Platform segment totalled €1.024 million (31 December 2022: €832 thousand) and their contribution to profits amounted to a loss of €407 thousand (2022: loss of €277 thousand). In the Real Estate Platform segment, equity-accounted joint ventures had a carrying amount of €344 thousand (31 December 2022: €410 thousand) and contributed a loss of €65 thousand (2022: loss of €12 thousand) to profits. In the Insurance Platform segment, the carrying amounts of equity-accounted joint ventures stood at €4.105 million (31 December 2022: €4.031 million) and they contributed a loss of €76 thousand (2022: loss of €53 thousand) to profits.

As at 31 December 2023 and effective from January 2024, the Group's segmentation was adjusted. Hypoport subsidiaries will in future be organised in three segments: Real Estate & Mortgage Platforms, Insurance Platforms and Financing Platforms.

The companies within the new Real Estate & Mortgage Platforms segment are primarily involved in the development of technology platforms for brokering, financing and valuing private residential properties.

The new Financing Platforms segment comprises all technology and distribution companies of the Hypoport Group that cover finance products outside the mortgage finance sector, with a particular focus on finance for the housing industry, corporate finance and personal loans.

The Insurance Platforms segment (formerly the Insurance Platform segment) develops integrated software solutions for insurance product distributors and B2C insurtech companies in the market for insurance products with variable pricing for private individuals and (small) businesses, in the industrial insurance market and in the occupational insurance market.

Through this reorganisation, Hypoport aims to boost the efficiency of business development while reducing the complexity of the Group's structure.

For comparative purposes, the segment breakdown of business performance in 2023 would have been as follows:

| 2023 in €'000 | Real Estate & Mortgage Platforms | Financing Platforms | Insurance Platforms | Holding | Überleitung | Konzern |
|---|---|---|---|---|---|---|
| Segment revenue in respect of third parties | **223,337** | **70,595** | **64,959** | **1,002** | **0** | **359,893** |
| Segment revenue in respect of other segments | 1,462 | 513 | 411 | 27,089 | – 29,475 | 0 |
| Total segment revenue | **224,799** | **71,108** | **65,370** | **28,091** | **– 29,475** | **359,893** |
| Gross profit | 114,572 | 59,435 | 33,167 | 28,091 | – 27,089 | 208,176 |
| Segment earnings before interest, tax, depreciation and amortisation (EBITDA) | | | | | | |
| depreciation and amortisation | 19,693 | 11,758 | 7,053 | 12,680 | 0 | 51,184 |
| Segment earnings before interest and tax (EBIT) | **5,877** | **2,218** | **1,457** | **3,746** | **0** | **13,298** |
| Segment assets | 165,639 | 186,833 | 164,036 | 347,700 | – 238,434 | 625,774 |
| Segment liabilities | **97,397** | **48,862** | **166,006** | **211,300** | **– 238,434** | **285,131** |
| Segment capital expenditure | 17,207 | 5,924 | 6,465 | 589 | 0 | 30,185 |
| Segment depreciation/amortisation expense, impairment losses | **17,475** | **5,881** | **5,596** | **8,934** | **0** | **37,886** |
| Significant non– cash expenses | 4,355 | 4,390 | 1,634 | 2,063 | 0 | 12,442 |

# 7 Other Disclosures

## 7.1 Other financial commitments

At the balance sheet date, there were other financial commitments totalling €59.4 million (31 December 2022: €59.5 million) in respect of rentals, leases and maintenance agreements with terms of more than one year. Included in these other financial commitments were commitments of €10.3 million (31 December 2022: €9.9 million) due within one year, €29.9 million (31 December 2022: €26.9 million) due in one to five years and €19.2 million (31 December 2022: €22.7 million) due in more than five years. The cost of rentals and leases (minimum leases) amounted to €13.252 million in 2023 (2022: €11.884 million). Rental income of €1.754 million (2022: €958 thousand) was generated by subleases. Rental income of around €1.800 million is expected to be generated by subleases in 2024.

The Group has options to extend its main office leases for five years.

### 7.2 Legal disputes

Neither Hypoport SE nor its subsidiaries are involved in, or were involved in, any legal or arbitration proceedings that could have had a significant impact on the Group's financial position as at 31 December 2023 and no proceedings of this type are foreseen.

As in previous years, appropriate provisions were recognised by each Group company for all potential financial charges arising from legal or arbitration proceedings. Overall, charges of this type are not expected to have any material impact on the Group's future financial position.

### 7.3 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.

Related party transactions are conducted on an arm's-length basis.

The total remuneration of the members of the Group Management Board for 2023 amounted to €1.3 million (2022: €1.3 million). The total remuneration of the members of the Supervisory Board came to €300 thousand (2022: €300 thousand). In all cases, all the benefits were due for payment within one year.

The table below shows the number of shares in Hypoport SE directly or indirectly held by the members of the Group Management Board and Supervisory Board as at 31 December 2023.

| | Shares (number) 31 Dec 202 | 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 |

Ronald Slabke, Berlin, holds 32.6 per cent of Hypoport's shares. Of these, the 31.2 per cent of the voting shares held by Revenia GmbH, Berlin, are attributable to him pursuant to section 34 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG). All the shares in Revenia GmbH are held by Ronald Slabke, the Chief Executive Officer of Hypoport SE.

Stephan Gawarecki, Preetz, holds 1.5 per cent of Hypoport's shares. Of these, the 1.5 per cent of the voting shares held by Gawarecki GmbH, Schlesen, are attributable to him pursuant to section 34 (1) sentence 1 no. 1 WpHG.

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 of €1.262 million was generated by joint ventures in 2023 (2022: €1.360 million). As at 31 December 2023, receivables from joint ventures amounted to €1.300 million (31 December 2022: €1.683 million) and liabilities to such companies amounted to €3.237 million (31 December 2022: €1.782 million).

### 7.4 Management Board

The members of the Management Board were as follows:

- Ronald Slabke (Chief Executive Officer), graduate in business administration
- Responsible for the Credit Platform and Real Estate Platform segments and for capital, IT, new markets and strategic investments, member of the supervisory boards of Dr. Klein Privatkunden AG, Dr. Klein Wowi Finanz AG, Europace AG, FIO SYSTEMS AG, Future Finance SE, Hypoport InsurTech AG, REM CAPITAL AG and Value AG and member of the University Council of Dresden University of Technology
- Stephan Gawarecki, graduate in business administration
- Responsible for the Private Clients and Insurance Platform segments and for human resources and administration, member of the supervisory boards of Dr. Klein Privatkunden AG, Dr. Klein Wowi Finanz AG, Dr. Klein Wowi Digital AG and Smart InsurTech AG

The total remuneration of the members of the Management Board for 2023 amounted to €1.3 million (2022: €1.3 million).

### 7.5 Supervisory Board

The following persons were members of the Company's Supervisory Board in 2023:

- Dieter Pfeiffenberger (chairman of the Supervisory Board) Freelance management consultant
- Roland Adams (vice-chairman of the Supervisory Board)
- Management consultant, company: Roland Adams Top Management Consulting, member of the supervisory board of Kretschmar Familienstiftung, deputy chairman of the board of directors of Mind Institute SE
- Martin Krebs (chairman of the Audit Committee) Chief Financial Officer at Scalable GmbH and Scalable Capital GmbH

The total remuneration of the members of the Supervisory Board for 2023 amounted to €300 thousand (2022: €300 thousand).

### 7.6 Investments pursuant to section 33 (1) WpHG (until 2 January 2018: section 21 (1) WpHG)

Pursuant to section 21 (1a) WpHG, Mr Ronald Slabke, Lübeck, Germany, informed us on 1 November 2007 that his voting share in our Company stood at 36.03 per cent on 26 October 2007 (2,177,433 voting rights). Of these, 35.17 per cent of the voting shares held by Revenia GmbH (2,125,825 voting rights) are attributable to him pursuant to section 22 (1) sentence 1 no. 1 WpHG. Pursuant to section 21 (1) WpHG, Mr Stephan Gawarecki, Preetz, Germany, informed us on 4 August 2016 that his voting share in our Company had fallen below the 3 per cent threshold on 2 August 2016 and that he had a total of 2.31 per cent (142,800 voting rights) at his disposal. These voting rights are fully attributable to him via Gawarecki GmbH pursuant to section 22 (1) sentence 1 no. 1 WpHG.

Pursuant to section 33 (1) WpHG, Mr Nicolas Schulmann, Leipzig, Germany, informed us on 28 May 2018 that his voting share in our Company stood at 4.595 per cent on 22 May 2018 (298,418 voting rights). Of these, 4.299 per cent of the voting shares held by Exformer GmbH (279,203 voting rights) are attributable to him pursuant to section 34 (1) sentence 1 no. 1 WpHG.

Pursuant to section 33 (1) WpHG, Allianz Global Investors GmbH, Frankfurt am Main, Germany, informed us on 27 October 2021 that its voting share in Hypoport SE, Berlin, Germany, stood at 3.002 per cent on 25 October 2021 (194,899 voting rights).

Pursuant to section 33 (1) WpHG, Joh. Berenberg, Gossler & Co. KG, Hamburg, Germany, informed us on 27 January 2023 that its voting share in Hypoport SE, Berlin, Germany, stood at 0.0 per cent on 27 January 2023 (0 voting rights).

Pursuant to section 33 (1) WpHG, Ameriprise Financial, Inc., Wilmington, Delaware, United States of America, informed us on 30 January 2023 that its voting share in Hypoport SE, Berlin, Germany, stood at 2.73 per cent on 24 January 2023 (187,516 voting rights).

Pursuant to section 33 (1) WpHG, Union Investment Privatfonds GmbH, Frankfurt am Main, Germany, informed us on 11 May 2023 that its voting share in Hypoport SE, Lübeck, Germany, stood at 3.13 per cent on 10 May 2023 (214,871 voting rights).

Pursuant to section 33 (1) WpHG, Virtus Investment Partners, Inc., Wilmington, Delaware, United States of America, informed us on 25 May 2023 that its voting share in Hypoport SE, Berlin, Germany, stood at 2.90 per cent on 23 May 2023 (199,071 voting rights).

Pursuant to section 33 (1) WpHG, Premier Milton Group plc, Guildford, UK, informed us on 7 September 2023 that its voting share in Hypoport SE, Berlin, Germany, stood at 2.96 per cent on 6 September 2023 (203,154 voting rights).
Pursuant to section 33 (1) WpHG, Baillie Gifford & Co, Edinburgh, UK, informed us on 25 September 2023 that its voting share in Hypoport SE, Berlin, Germany, stood at 7.80 per cent on 21 September 2023 (535,770 voting rights).

Pursuant to section 33 (1) WpHG, BlackRock, Inc., Wilmington, Delaware, United States of America, informed us on 3 January 2024 that its voting share in Hypoport SE, Berlin, Germany, stood at 4.50 per cent on 29 December 2023 (309,131 voting rights). This information was taken from the most recent notification received by the Company from each party subject to disclosure requirements. All published notifications from investors in the reporting year and other years are available on the Hypoport Group's website at https://www.hypoport.com/investor-relations/corporate-governance/. It should be noted that the details of shareholding percentages and number of voting rights may now be out of date.

### 7.7 Share-based payment

The Company's employees receive a certain number of shares in Hypoport SE that is determined by their period of service as well as shares amounting to €360.00 if the Company achieves certain targets. The total related expense recognised in 2023 and 2022 was €0 thousand. Total liabilities in relation to share-based remuneration amounted to €427 thousand (2022: €731 thousand).

### 7.8 Auditors' fees and services

The total fee incurred for services rendered by the auditors BDO AG Wirtschaftsprüfungsgesellschaft in 2023 amounted to €248 thousand (2022: €189 thousand) and comprised €248 thousand for audit services (2022: €177 thousand) and €0 thousand for audit-related services (2022: €12 thousand).

### 7.9 Average number of persons employed during the financial year

In 2023, the Company employed an average of 2,199 (2022: 2,469) people in addition to the members of the Management Board.
The table below gives a breakdown of the average numbers of employees by segment.

| Average number of persons employed during the financial year | 2023 Number | % | 2022 Number | % | Change Number | % |
|---|---|---|---|---|---|---|
| Credit Platform | 584 | 27 | 591 | 24 | – 7 | – 1 |
| Private Clients | 242 | 11 | 275 | 11 | – 33 | – 12 |
| Real Estate Platform | 824 | 37 | 909 | 37 | – 85 | – 9 |
| Insurance Platform | 348 | 16 | 431 | 17 | – 83 | – 19 |
| Holding | 201 | 9 | 263 | 11 | – 62 | – 24 |
| | **2,199** | | **2,469** | | **– 270** | – 11 |

### 7.10 Financial risk management

As a result of its business activities, the Hypoport Group is exposed to various financial risks; these include market risk, credit risk, liquidity risk and interest-related cash flow risk. It does not use any derivative financial instruments to hedge against specific risks.

The Hypoport Group is exposed to only a very limited currency risk because only very small amounts of its assets and liabilities are denominated in currencies other than the Company's functional currency.

If the exchange rate of the euro to the US dollar had been 10 per cent higher or lower on 31 December 2023, and assuming that all other variables had remained constant, the Hypoport Group's net profit (loss) for the year would have been €0 thousand (31 December 2022: €0 thousand) higher or lower.

If the exchange rate of the euro to the pound sterling had been 10 per cent higher or lower on 31 December 2023, and assuming that all other variables had remained constant, the Hypoport Group's net profit (loss) for the year would have been €0 thousand (31 December 2022: €0 thousand) higher or lower.

The Hypoport Group's credit risk stems primarily from its trade receivables, advance commissions, and other financial assets. In 2023, it recognised impairment losses of €1.686 million (2022: €2.733 million) to cover the probability of irrecoverable receivables. Such receivables are estimated by the management of the Hypoport Group on the basis of past experience and current economic conditions.

The credit risk relating to cash and cash equivalents is limited because these are all held at investment-grade banks.

There is no significant concentration of credit risk in the Group because this risk is spread across a large number of counterparties and clients.

The maximum credit risk is shown by the carrying amount of each financial asset reported on the balance sheet.

The main source of liquidity risk lies in the rapid expansion of the Group. The risks associated with the expansion of the Group are monitored by the Management Board and currently are not significant given the high level of liquidity and excellent equity ratio in the Group.

The table below gives a breakdown of the contractual residual maturities of the Hypoport Group's financial liabilities. It shows the non-discounted cash flows of financial liabilities based on the earliest date on which the Hypoport Group can be obliged to pay. The table contains payments of both interest and principal.

| | Maturities | | | | | |
|---|---|---|---|---|---|---|
| €'000 | Less than 1 month | 1 to 3 months | 3 months to 1 year | 1 to 5 years | more than 5 years | Total |
| Fixed-rate financial liabilities | 213 | 5,520 | 17,073 | 88,799 | 25,951 | **137,556** |
| previous year | 133 | 4,265 | 13,918 | 70,312 | 23,541 | **112,169** |
| Rental and lease obligations | 778 | 1,556 | 6,999 | 28,032 | 16,654 | **54,019** |
| previous year | 712 | 1,424 | 6,409 | 24,648 | 46,881 | **80,074** |
| 2023 total | 991 | 7,076 | 24,072 | 116,831 | 42,605 | **191,575** |
| 2022 total | 845 | 5,689 | 20,327 | 94,960 | 70,422 | **192,243** |

Because the Hypoport Group does not hold any material interest-bearing assets, its net profit (loss) for the year and its operating cash flows are largely immune to changes in market interest rates.

The Group's interest-rate risk stems from non-current, interest-bearing liabilities. Floating-rate liabilities expose the Group to interest-related cash flow risks. Its financial risk policy requires that the vast majority of liabilities it assumes be subject to fixed interest rates. In 2023 and 2022, only its unutilised credit lines carried floating interest rates.

## 7.11 Additional information on financial instruments

In the Hypoport Group, financial instruments are assigned to the following IFRS 9 categories: amortised cost, other financial commitments and fair value through profit or loss (FVTPL). The OCI option is not exercised.

The Hypoport Group has interests in three immaterial subsidiaries and one long-term equity investment; all other long-term equity investments are fully consolidated or accounted for under the equity method.

The table below shows the carrying amounts and fair values of individual financial assets and liabilities for each category of financial instrument and reconciles these amounts to the corresponding balance sheet items. Because the balance sheet items 'Other receivables' and 'Other liabilities' contain financial instruments as well as non-financial assets and non-financial liabilities, these amounts are reconciled in the column 'Non-financial assets/liabilities'.

| Financial instruments 2023<br>€'000 | Measured at amortised cost | | Measured at fair value | Non-financial assets/liabilities | |
|---|---|---|---|---|---|
| | Carrying amount on balance sheet at 31 Dec 2023 | Pro forma: fair value | Carrying amount | Carrying amount | Carrying amount on balance sheet |
| Trade receivables | 65,588 | - | - | - | 65,588 |
| Loans and receivables | 65,588 | 65,588 | - | - | 65,588 |
| Financial assets | 1,207 | - | - | - | 1,207 |
| Loans and receivables | 1,207 | 1,207 | - | - | 1,207 |
| Other assets | 37 | - | - | 11,259 | 11,296 |
| Loans and receivables | 37 | 37 | - | | 37 |
| Non-financial assets | | | | 11,259 | 11,259 |
| Cash and cash equivalents | 96,658 | - | - | - | 96,658 |
| Loans and receivables | 96,658 | 96,658 | - | - | 96,658 |
| **Total financial assets** | **-** | **-** | **-** | **-** | **163,490** |
| Thereof: loans and receivables | - | - | - | - | 163,490 |
| Financial liabilities | 183,572 | - | - | - | 183,572 |
| Measured at amortised cost | 183,572 | 188,244 | - | - | 183,572 |
| Trade payables | 44,690 | - | - | - | 44,690 |
| Measured at amortised cost | 44,690 | 44,690 | - | - | 44,690 |
| Other liabilities | 12,106 | - | 13,144 | 7,857 | 33,107 |
| Measured at amortised cost | 12,106 | 12,106 | - | - | 12,106 |
| Measured at fair value | - | - | 13,144 | | 13,144 |
| Non-financial liabilities | - | - | - | 7,857 | 7,857 |
| **Total financial liabilities** | **-** | **-** | **-** | **-** | **253,512** |
| Measured at amortised cost | - | - | - | - | 240,368 |
| Measured at fair value | | | | | 13,144 |

| **Financial instruments 2022**<br>**€'000** | **Measured at amortised cost** | | **Measured at fair value** | **Non-financial assets/liabilities** | |
|---|---|---|---|---|---|
| | **Carrying amount on balance sheet at 31 Dec 2023** | **Pro forma: fair value** | **Carrying amount** | **Carrying amount** | **Carrying amount on balance sheet** |
| Trade receivables | 69,962 | - | - | - | 69,962 |
| Loans and receivables | 69,962 | 69,962 | - | - | 69,962 |
| Financial assets | 961 | - | - | - | 961 |
| Loans and receivables | 961 | 961 | - | - | 961 |
| Other assets | 94 | - | - | 10,942 | 11,036 |
| Loans and receivables | 94 | 94 | - | | 94 |
| Non-financial assets | | | | 10,942 | 10,942 |
| Cash and cash equivalents | 29,947 | - | - | - | 29,947 |
| Loans and receivables | 29,947 | 29,947 | - | - | 29,947 |
| **Total financial assets** | **-** | **-** | **-** | **-** | **100,964** |
| Thereof: loans and receivables | - | - | - | - | 100,964 |
| Financial liabilities | 187,662 | - | - | - | 187,662 |
| Measured at amortised cost | 187,662 | 188,451 | - | - | 187,662 |
| Trade payables | 42,910 | - | - | - | 42,910 |
| Measured at amortised cost | 42,910 | 42,910 | - | - | 42,910 |
| Other liabilities | 12,106 | - | 13,144 | 7,857 | 33,107 |
| Measured at amortised cost | 12,106 | 12,106 | - | - | 12,106 |
| Measured at fair value | - | - | 13,144 | | 13,144 |
| Non-financial liabilities | - | - | - | 7,857 | 7,857 |
| **Total financial liabilities** | **-** | **-** | **-** | **-** | **253,512** |
| Measured at amortised cost | - | - | - | - | 240,368 |
| Measured at fair value | | | | | 13,144 |

In accordance with level two of the measurement hierarchy specified by IFRS 13, the fair value of financial liabilities is calculated as the present value of future cash inflows and outflows. These cash flows are discounted using an interest rate prevailing at the balance sheet date and factor in the respective maturities of the liabilities as well as the credit rating of Hypoport SE. In accordance with level three of the measurement hierarchy specified by IFRS 13, the fair value of receivables, loans and primary liabilities (with the exception of financial liabilities) is assumed to be the same as their carrying amount; the fair value of cash and cash equivalents is assumed to be the same as their nominal value. If a market value or market price is available, this is recognised as the fair value.

Because most trade receivables, trade payables, other receivables, other liabilities, and cash and cash equivalents have short maturities, their carrying amounts at the balance sheet date do not differ significantly from their fair values.

The table below breaks down the income, expenses, gains and losses resulting from financial instruments into the following categories:

| Financial instruments 2023 €'000 | Loans and receivables | Held-to-maturity investments | Fair value/ held for trading | Liabilities measured at amortised cost | 2023 |
|---|---|---|---|---|---|
| Interest and similar income | 1,739 | - | - | - | 1,739 |
| Interest expense and similar charges | - | - | - | – 3,030 | – 3,030 |
| Impairment losses | – 1,686 | - | - | - | – 1,686 |
| **Net result** | **53** | **0** | **0** | **– 3,030** | **– 2,977** |

| Financial instruments 2022 €'000 | Loans and receivables | Held-to-maturity investments | Fair value/ held for trading | Liabilities measured at amortised cost | 2022 |
|---|---|---|---|---|---|
| Interest and similar income | 141 | - | - | - | 141 |
| Interest expense and similar charges | - | - | - | – 3,227 | – 3,227 |
| Impairment losses | – 2,733 | - | - | - | – 2,733 |
| **Net result** | **– 2,592** | **0** | **0** | **– 3,227** | **– 5,819** |

### 7.12 Capital risk management

Hypoport SE's statutes do not specify any capital requirements. The Hypoport Group pursues two main objectives in terms of its capital management: firstly, to ensure that the Company continues to operate as a going concern so that it can continue to generate returns for its shareholders and provide its other stakeholders with the services they require; and secondly, to maintain the optimum capital structure so that it can lower its cost of capital and meet the minimum capital requirements resulting from its borrowings. The financial covenants agreed for all loans were complied with.

The Hypoport Group monitors its capital in terms of its level of gearing, which is the ratio of net debt to equity. Net debt consists of total financial liabilities less cash and cash equivalents. Equity comprises the total shares in issue plus reserves.

The table below shows the Company's gearing as at 31 December 2023 and 31 December 2022:

| Company's gearing | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| Financial liabilities | 183,572 | 187,662 |
| Minus cash and cash equivalents | 96,658 | 29,947 |
| Net debt | 86,914 | 157,715 |
| Equity | 340,643 | 272,738 |
| Gearing | 26% | 58% |

### 7.13 Exemption from disclosure requirements under section 264 (3) HGB

The fully consolidated German subsidiaries listed below have met the conditions specified by section 264 (3) HGB and are therefore exempted from the requirements to disclose their separate financial statements documentation, undergo an audit and prepare a management report:

- 1blick GmbH, Lübeck, Germany
- AMEXPool AG, Buggingen, Germany
- Ampr Software GmbH, Berlin, Germany
- Bayreuth Am Pfaffenfleck 15 Objektgesellschaft mbH, Bayreuth, Germany
- Bestkredit-Service GmbH, Lübeck, Germany
- Corify GmbH, Berlin, Germany
- Dr. Klein Privatkunden AG, Lübeck, Germany
- Dr. Klein Ratenkredit GmbH, Lübeck, Germany
- Dr. Klein Wowi Digital AG, Berlin, Germany
- Dr. Klein Wowi Finanz AG, Lübeck, Germany
- Europace AG, Berlin, Germany
- FIO SYSTEMS AG, Leipzig, Germany
- Future Finance SE, Lübeck, Germany
- GENOPACE GmbH, Berlin, Germany
- Hypoport Grundstücksmanagement GmbH, Berlin, Germany
- Hypoport Holding GmbH, Berlin, Germany
- Hypoport hub SE, Berlin, Germany
- Hypoport InsurTech AG, Berlin (formerly Smart InsurTech AG, Berlin), Germany
- Hypoport I&P GmbH, Berlin, Germany
- Hypoport Pluto Vorratsgesellschaft mbH, Berlin, Germany
- Maklaro GmbH, Hamburg, Germany
- OASIS Software GmbH, Berlin, Germany
- Primstal - Alte Eiweiler Strasse 38 Objektgesellschaft mbH, Nonnweiler, Germany
- Profit NewCo AG, Berlin, Germany
- Qualitypool GmbH, Lübeck, Germany
- Real Estate & Mortgage Bündelungs GmbH, Berlin, Germany
- REM CAPITAL AG, Stuttgart, Germany
- sia digital GmbH, Berlin, Germany
- Smart InsurTech AG, Berlin (formerly Smart InsurTech NewCo AG, Berlin), Germany
- source.kitchen GmbH, Leipzig, Germany
- trinance GmbH, Lübeck, Germany
- Value AG the valuation group, Berlin, Germany
- Vergleich.de Gesellschaft für Verbraucherinformation mbH, Berlin, Germany
- Vergleich.de Versicherungsservice GmbH, Lübeck, Germany
- Volz Vertriebsservice GmbH, Ulm, Germany
- Winzer - Kneippstrasse 7 Objektgesellschaft mbH, Berlin, Germany

### 7.14 Corporate governance declaration

Hypoport SE has issued its corporate governance declaration, including the declaration of conformity required by section 161 of the German Stock Corporation Act (AktG). The declaration can be viewed online at www.hypoport.com/investor-relations/corporate-governance/.

### 7.15 Events after the reporting period

Since the balance sheet date, no significant events have occurred in the Group's market environment compared with the reporting year.

Lübeck, 1 March 2024

Hypoport SE – The Management Board

Ronald Slabke – Stephan Gawarecki

## Consolidated statement of changes in non-current assets 2023

| | Cost | | | | |
|---|---|---|---|---|---|
| | Balance 2023 €'000 | Additions €'000 | Disposals €'000 | Reclassification €'000 | Reassessment €'000 |
| **I. Intangible assets** | | | | | |
| 1. Licences, trademarks and similar rights and assets, including licences for such rights and assets | 49,140 | 1,849 | 181 | 1,016 | 0 |
| 2. Development costs | 167,613 | 23,284 | 0 | 8,433 | 0 |
| 3. Goodwill | 229,083 | 0 | 0 | 0 | 0 |
| 4. Advance payments and development costs in progress | 9,126 | 4,020 | 0 | – 9,449 | 0 |
| | **454,962** | **29,153** | **181** | **0** | **0** |
| **II. Property, plant and equipment** | | | | | |
| 1. Land, leasehold improvements and buildings, including buildings on land owned by others | 11,755 | 1 | 0 | 0 | 0 |
| 2. Other facilities, office furniture and equipment | 29,401 | 1,001 | 202 | 98 | 0 |
| 3. Use rights | 111,695 | 3,373 | 11,892 | 0 | – 19,633 |
| 4. Advanced payments and constructions in progress | 708 | 30 | 0 | – 98 | 0 |
| | **153,559** | **4,405** | **12,094** | **0** | **– 19,633** |
| | **608,521** | **33,558** | **12,275** | **0** | **– 19,633** |

| | Cumulative depreciation, amortisation and impairment | | | | Carrying amount | |
|---|---|---|---|---|---|---|
| Balance 2023 €'000 | Balance 2023 €'000 | Additions €'000 | Disposals €'000 | Balance 2023 €'000 | Balance 2023 €'000 | 2022 €'000 |
| | | | | | | |
| 51,824 | 24,969 | 5,238 | 0 | 30,207 | 21,617 | 24,171 |
| 199,330 | 82,865 | 19,767 | 0 | 102,632 | 96,698 | 84,748 |
| 229,083 | 0 | 0 | 0 | 0 | 229,083 | 229,083 |
| 3,697 | 0 | 0 | 0 | 0 | 3,697 | 9,126 |
| **483,934** | **107,834** | **25,005** | **0** | **132,839** | **351,095** | **347,128** |
| | | | | | | |
| 11,756 | 1,527 | 301 | 0 | 1,828 | 9,928 | 10,228 |
| 30,298 | 21,541 | 2,487 | 0 | 24,028 | 6,270 | 7,860 |
| 83,543 | 34,909 | 10,093 | 11,892 | 33,110 | 50,433 | 76,786 |
| 640 | 0 | 0 | 0 | 0 | 640 | 708 |
| **126,237** | **57,977** | **12,881** | **11,892** | **58,966** | **67,271** | **95,582** |
| **610,171** | **165,811** | **37,886** | **11,892** | **191,805** | **418,366** | **442,710** |

## Consolidated statement of changes in non-current assets 2022

| | Cost | | | | |
|---|---|---|---|---|---|
| | Balance 2022 €'000 | Additions €'000 | Disposals €'000 | Reclassification €'000 | Changes in consolidation €'000 |
| **I. Intangible assets** | | | | | |
| 1. Licences, trademarks and similar rights and assets, including licences for such rights and assets | 41,974 | 2,954 | 31 | 425 | 3,818 |
| 2. Development costs | 141,722 | 23,702 | 0 | 2,189 | 0 |
| 3. Goodwill | 222,409 | 0 | 0 | 0 | 6,674 |
| 4. Advance payments and development costs in progress | 6,041 | 6,703 | 1,004 | – 2,614 | 0 |
| | **412,146** | **33,359** | **1,035** | **0** | **10,492** |
| **II. Property. plant and equipment** | | | | | |
| 1. Land, leasehold improvements and buildings, including buildings on land owned by others | 12,425 | 9 | 679 | 0 | 0 |
| 2. Other facilities, office furniture and equipment | 27,465 | 2,079 | 224 | 25 | 56 |
| 3. Use rights | 106,377 | 5,318 | 0 | 0 | 0 |
| 4. Advanced payments and constructions in progress | 202 | 531 | 0 | – 25 | 0 |
| | **146,469** | **7,937** | **903** | **0** | **56** |
| | **558,615** | **41,296** | **1,938** | **0** | **10,548** |

| | Cumulative depreciation, amortisation and impairment | | | | Carrying amount | |
|---|---|---|---|---|---|---|
| Balance 2022 €'000 | Balance 2022 €'000 | Additions €'000 | Disposals €'000 | Balance 2022 €'000 | Balance 2022 €'000 | 31 Dec 2022 '000 |
| | | | | | | |
| 49,140 | 19,779 | 5,190 | 0 | 24,969 | 24,171 | 22,195 |
| 167,613 | 68,976 | 13,889 | 0 | 82,865 | 84,748 | 72,746 |
| 229,083 | 0 | 0 | 0 | 0 | 229,083 | 222,409 |
| 9,126 | 500 | 504 | 1,004 | 0 | 9,126 | 5,541 |
| **454,962** | **89,255** | **19,583** | **1,004** | **107,834** | **347,128** | **322,891** |
| | | | | | | |
| 11,755 | 949 | 578 | 0 | 1,527 | 10,228 | 11,476 |
| 29,401 | 18,532 | 3,064 | 55 | 21,541 | 7,860 | 8,933 |
| 111,695 | 25,096 | 9,813 | 0 | 34,909 | 76,786 | 81,281 |
| 708 | 0 | 0 | 0 | 0 | 708 | 202 |
| **153,559** | **44,577** | **13,455** | **55** | **57,977** | **95,582** | **101,892** |
| **608,521** | **133,832** | **33,038** | **1,059** | **165,811** | **442,710** | **424,783** |

# Report of the Supervisory Board

The Supervisory Board hereby reports on the discharge of its responsibilities at Hypoport SE ('Company') in the 2023 financial year.

In 2023, the Supervisory Board continued to apply due care and diligence in discharging the re-sponsibilities incumbent upon it under the law, the Company's statutes, its rules of procedure and the German Corporate Governance Code. The Supervisory Board monitored the Management Board in its running of the Company and supported it in an advisory capacity. It consistently found the work of the Management Board to be lawful, proper and expedient. This support function was based on the detailed written and oral reports submitted by the Management Board, which informed the Supervisory Board in a regular, comprehensive and timely fashion about the Company's strategic planning and budgeting, changes in its business performance and financial position, its strategic development, the risk situation, risk management and relevant compliance matters, other important transactions and the current position of the Company and the Hypoport Group. The Supervisory Board was informed at regular intervals either during or in advance of Supervisory Board meetings. The members of the Supervisory Board had sufficient opportunity to thoroughly review the reports and proposed resolutions of the Management Board and to make their own suggestions. The Management Board and the Supervisory Board were also in regular contact outside the meetings, so the Supervisory Board was kept abreast of particularly important events at all times. The Supervisory Board also obtained information about key developments for itself. All decisions and actions of fundamental importance that required approval were discussed with the Supervisory Board at an early stage and submitted to the Supervisory Board for approval.

The Supervisory Board held five scheduled meetings and three extraordinary meetings in 2023. Seven meetings were held as video conferences and one meeting was held in person. Further-more, resolutions were adopted in writing (by email) on 20 April 2023, 9 October 2023 and 19 October 2023 at the request of the Supervisory Board chairman following detailed preparation and dissemination of information in each case. All members of the Supervisory Board, who are also members of the Audit Committee in accordance with section 107 (4) sentence 2 of the German Stock Corporation Act (AktG), attended every meeting and took part in the resolutions adopted in writing. As the agendas of the scheduled meetings of the Supervisory Board included some items that also related to the work of the Audit Committee, the latter also convened – with all members in attendance – at the five scheduled meetings and one extraordinary meeting in 2023.

In 2023, no members of the Management Board or Supervisory Board were subject to conflicts of interest that would have had to be disclosed to the Supervisory Board without undue delay and also reported to the Annual Shareholders' Meeting.

## Key points of the Supervisory Board's deliberations

The deliberations of the Supervisory Board and the Audit Committee centred primarily on matters concerning changing market conditions, the restructuring of the Hypoport Group, the future development and business activities of the Company, the individual segments and the Hypoport Group as a whole, important transactions, such as the capital increase in 2023, the effectiveness of the internal control and risk management system, and decisions and action taken by the Management Board that required approval.

At the extraordinary Supervisory Board meetings held on 19 January 2023 and 20 January 2023, the Supervisory Board discussed the planned capital increase – partially utilising existing authorised capital – and the international private placement of the Company's new shares by way of an accelerated bookbuilding process, and concurred in full with the resolutions adopted by the Management Board in this connection and therefore approved the planned capital increase without reservation. Consequently, the Supervisory Board resolved to amend the Company's statutes – as it is authorised to do – in line with the scope of the capital increase.

At the meeting held on 24 January 2023, the Management Board reported first of all on developments in the fourth quarter of 2022, particularly on the overall financial performance of the Hypoport Group and cost-cutting measures.

The Management Board also set out the operating policy and the strategic planning. One focal topic in this context was the realignment of the Hypoport Group's costs and structures to reflect the changed market environment and to boost profitability in all segments. The Management Board answered the Supervisory Board's questions.

After the Management Board had answered the Supervisory Board's questions, the Supervisory Board noted the updated multi-year plans in aggregate and for each segment with approval.

The Management Board also presented the risk-bearing capacity of the Hypoport Group as at 30 September 2022 at this meeting and discussed this with the Audit Committee.

At the meeting on 21 March 2023, the Management Board reported on the fourth quarter of 2022, which had seen a substantial reduction in mortgage finance volume in the market as a whole. The Management Board also presented developments in the individual segments, reported on the risk management system, the risk-bearing capacity of the Hypoport Group and its most material risks as at 31 December 2022. The Management Board answered questions from the Supervisory Board and the Audit Committee.

Furthermore, the Management Board gave a progress report on the restructuring of the Hypoport Group for each segment and as a whole for January and February 2023, as well as a forecast for the first quarter of 2023. The Management Board described key market trends, business performance in 2023 to date and deviations from the planning. It also answered the Supervisory Board's questions.

The individual components of the Management Board's updated remuneration were also presented and their compliance with the current rules on management board remuneration was confirmed.

In addition, the Management Board presented a provisional proposal for the agenda of the 2023 Annual Shareholders' Meeting, which the Supervisory Board acknowledged. The Supervisory Board adopted the corporate governance declaration for 2022.

At this meeting, the Audit Committee examined the report that was presented on the non-audit services that were actually performed by the auditor and noted the report with approval. It also reviewed the declaration regarding the audit of the 2022 non-financial report. The Audit Committee discussed the internal audit function's compliance management summary report on events in 2022 and noted that the Hypoport Group had not had to investigate any compliance incidents in 2022. In addition, the Audit Committee noted with approval the internal audit function's report on corporate benefits (progress in identified areas of action) with respect to the current processes and potential risks involved.

A representative of the Company's auditor, BDO AG Wirtschaftsprüfungsgesellschaft, attended another meeting held on 24 March 2023 and presented a comprehensive report on BDO's audit of the separate financial statements for 2022 and the consolidated financial statements for 2022. The representative also answered the Audit Committee's questions. As required by section 171 AktG – and in line with the recommendation of the Audit Committee – the Supervisory Board reviewed and approved the separate and consolidated financial statements for 2022 as well as both management reports. The Supervisory Board also agreed to the Management Board proposing to the Annual Shareholders' Meeting that the Company's full distributable profit be carried forward to the next accounting period.

Having approved the separate financial statements for 2022, the Supervisory Board unanimously approved as proposed the variable annual bonus for the Management Board for 2022 and the adjustment to the basic remuneration for the Management Board for 2023.

The Supervisory Board adopted the report of the Supervisory Board for 2022.

On 20 April 2023, after making appropriate preparations and discussing the draft agenda for the 2023 Annual Shareholders' Meeting, the Supervisory Board adopted a written resolution on convening the Annual Shareholders' Meeting on 2 June 2023 and on the motions for this meeting, with the exception of the motion on the appropriation of profit, which had been approved at the meeting on 24 March 2023. Furthermore, the Supervisory Board resolved to present to the Annual Shareholders' Meeting the Company's remuneration report for 2022 pursuant to section 162 AktG, together with the independent auditor's report.

At the Supervisory Board meeting held on 2 June 2023 immediately after the Annual Shareholders' Meeting, the Management Board gave a progress report on the restructuring of the Hypoport Group for each segment and as a whole for January to April 2023, as well as a forecast for the second quarter of 2023. The Management Board described key market trends and expectations, the Hypoport Group's performance thus far and significant developments and deviations from the planning. This was followed by a report from the Management Board on the first quarter. The risk management system and the risk-bearing capacity of the Hypoport Group as at 31 March 2023 were also discussed on the basis of an up-to-date presentation. The Management Board answered questions in this regard from the Supervisory Board and the Audit Committee.

At the Supervisory Board meeting held on 29 August 2023, the Management Board reported on key market trends and business performance. It also gave a progress report on the restructuring of the Hypoport Group for each segment and as a whole for the second quarter of 2023, as well as for the third quarter of 2023 thus far. The two members of the Management Board of Value AG the valuation group reported on past and current developments at Value AG the valuation group, which is undergoing restructuring, and also presented a financial outlook.

The Management Board also reported on significant developments against the backdrop of the current market environment in the first half of 2023 and, in particular, in the second quarter of 2023, as well as on specific developments in the individual segments. It presented an outlook for the second half of 2023 and answered questions from the Supervisory Board and the Audit Committee.

At this meeting, the Management Board presented the plans for the Hypoport Group's new segmentation. The current four segments – Credit Platform, Real Estate Platform, Private Clients and Insurance Platform – were to be reorganised as three segments. The Management Board answered questions from the Supervisory Board, which noted the plans with approval.

At this meeting, the Management Board also presented the risk management report for the second quarter of 2023 and explained fundamental aspects of the risk-bearing capacity. It provided an update on the Hypoport Group's risk-bearing capacity as at 30 June 2023, particularly the risk index, risk capital, covenant thresholds, EBITDA buffer and risk threshold. The Management Board answered the Audit Committee's questions.

The meeting on 9 October 2023 saw the Supervisory Board adopt a written resolution to amend the schedule for 2024.

By way of a resolution adopted in writing on 19 October 2023, the Supervisory Board approved the conclusion of a loan agreement with IKB Deutsche Industriebank AG (IKB) for a loan of €10 million.

In a further written resolution on 19 October 2023, the Supervisory Board approved the conclusion of a loan agreement with Commerzbank AG for a loan of €10 million.

At the Supervisory Board meeting on 7 December 2023, the Management Board of Dr. Klein Wowi Digital AG presented the Real Estate Platform segment, with a particular focus on Dr. Klein Wowi Digital AG. It looked at the company's growth and outlook, main financial KPIs and the transformational steps it is taking to take the company forward and position it in the market. Questions of the Supervisory Board on this subject were answered.

Furthermore, the Management Board gave a progress report on the restructuring of the Hypoport Group for each segment and as a whole, focusing on the Group's performance in the third quarter of 2023 and in the fourth quarter of 2023 thus far, deviations from the planning and its expectations for the remainder of 2023 and for 2024. The Management Board answered the Supervisory Board's questions about the progress of restructuring.

Finally, the Management Board provided an update on the restructuring of Value AG the valuation group. It presented the main restructuring measures and a current financial outlook, looking at the situation as a whole and answering questions of the Supervisory Board on the progress with restructuring Value AG the valuation group.

The Management Board then reported on overall business performance in the third quarter of 2023 and for each of the four segments individually, provided an outlook for 2023 as a whole and answered the Audit Committee's questions.

There was also a presentation by the Management Board on the newly established Capital team at Hypoport SE, the effects of the capital increase on 20 January 2023 and an update on the Hypoport Group's investment principles for the third quarter. It also reported on the current debt finance situation and the resulting funding policy and answered the Supervisory Board's questions.

Another agenda item was the Management Board's presentation of the risk management and monitoring system and the internal control system. It also provided an overview of the Hypoport Group's risk-bearing capacity as at 30 September 2023 and an outlook until the end of the year. In particular, the principles behind the risk inventory and the risk-bearing capacity – including a revised assessment of risk and risk-bearing capacity – were explained and the Audit Committee's questions in this regard answered.

The Supervisory Board also approved the submission of the declaration of conformity, which was published in December 2023.

In addition, the Supervisory Board reviewed the effectiveness of its own work and that of the Audit Committee over the past year.

The Audit Committee then examined the internal audit function's report on the integration of new entities and noted it with approval.

## Committees

With the exception of the mandatory formation of an Audit Committee, the Supervisory Board of the Company has not set up any committees because it consists of only three members. More information can be found in the declaration of conformity pursuant to section 161 AktG.

## German Corporate Governance Code

In 2023, the Supervisory Board once again discussed the content of the German Corporate Governance Code and adopted the necessary resolutions on compliance with its recommendations and on exceptions where individual recommendations are not followed. More information about corporate governance at the Company can be found in the corporate governance declaration pursuant to sections 289f and 315d of the German Commercial Code (HGB). Detailed information on the level and structure of remuneration for the Supervisory Board and Management Board can be found in the remuneration report pursuant to section 162 AktG, in the remuneration system for the Supervisory Board that was adopted by the Annual Shareholders' Meeting on 3 June 2022 in accordance with section 113 (3) AktG and in the remuneration system for the Management Board that was adopted by the Annual Shareholders' Meeting on 21 May 2021 in accordance with section 120a (1) AktG. Information on the remuneration systems can be accessed on the Company's website. The Management Board and Supervisory Board voted to issue the declaration of conformity required by section 161 AktG and have made it permanently available on the Company's website.

The Supervisory Board and Management Board are aware that good corporate governance that safeguards the interests of shareholders and the capital markets is essential for the Company's success. The Management Board and Supervisory Board regard the recommendations and suggestions of the German Corporate Governance Code and the pertinent statutory legislation as an integral part of the function that they perform for the Company. They examine compliance with these standards at regular intervals, thereby ensuring that the Company's shareholders and employees and, not least, the Company itself take due account of the standards.

In 2023, no additional training and development activities were required to enable the existing members of the Supervisory Board to carry out their duties. However, the Supervisory Board will review on an ongoing basis whether such activities are required in future in relation to their work for the Company. The Supervisory Board is supported by the Company's Management Board in this regard.

## Separate and consolidated financial statements

The Management Board submitted to the Supervisory Board the 2023 separate financial statements that it had prepared in accordance with HGB, the 2023 consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS), both management reports including the separate non-financial Group report, the proposal for the appropriation of profit and the corresponding independent auditor's reports. The Management Board and the Supervisory Board jointly prepared the remuneration report pursuant to section 162 AktG and presented it to the independent auditor for audit.

BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, the auditor appointed by the Company, audited the separate financial statements, the consolidated financial statements and both management reports for the year ended 31 December 2023 and issued an unqualified opinion in each case. The independent auditor also audited the remuneration report pursuant to section 162 AktG and issued an opinion on the audit of the remuneration report. As required by section 171 AktG, the Supervisory Board reviewed and discussed the separate and consolidated financial statements for 2023 and both management reports. At the Supervisory Board meeting held on 19 March 2024 to discuss the Company's financial statements, the auditor reported in person to the Supervisory Board and provided exhaustive answers to the questions put to them by the Supervisory Board. The Supervisory Board also examined the Management Board's proposal for the appropriation of profit.

The Supervisory Board agreed with the auditor's findings. Having completed its own examination, it had no objections to raise. The Supervisory Board reviewed and approved the separate and consolidated financial statements for 2023 prepared by the Management Board. The financial statements for 2023 have thus been adopted. In addition, the Supervisory Board reviewed and approved the separate non-financial Group report for 2023. After itself examining the Management Board's explanation of its proposed appropriation of profit, and after considering all the arguments, the Supervisory Board approved the proposal.

The Supervisory Board discussed this report of the Supervisory Board for 2023 at the meeting held to discuss the Company's financial statements on 19 March 2024 and unanimously voted to adopt it.

Last but not least, the Supervisory Board would like to thank the Management Board, the Group's senior managers and all employees for their hard work and valuable support in 2023, which has been another challenging year.

Barsbüttel, 19 March 2024

Dieter Pfeiffenberger
Chairman of the Supervisory Board

# Corporate Governance

## Corporate governance declaration pursuant to sections 289f and 315d HGB

The Management Board and Supervisory Board of Hypoport SE (the Company) are committed to the principles of responsible corporate governance. Hypoport SE firmly believes that transparent corporate governance adds value to the Company over the long term. It is also essential if Hypoport SE is to honour the trust placed in it by investors, financial markets, business partners, clients, employees and the public at large. The Management Board and Supervisory Board therefore regard the recommendations and suggestions of the German Corporate Governance Code and the pertinent statutory legislation as an integral part of the function that they perform for the Company. They examine the implementation of these standards at regular intervals in order to ensure full compliance with them for the benefit of shareholders, employees and, not least, Hypoport SE itself.

## Declaration of conformity with the German Corporate Governance Code

The Management Board and Supervisory Board have carefully examined the German Corporate Governance Code as amended on 28 April 2022, which was published in the German Federal Gazette on 27 June 2022. The declaration of conformity was submitted by the Management Board and Supervisory Board of Hypoport SE on 7 December 2023 and has been made permanently available to the public at www.hypoport.com/investor-relations/corporate-governance/.

## Declaration of conformity with the recommendations of the German Corporate Governance Code pursuant to section 161 of the German Stock Corporation Act (AktG)

The Management Board and Supervisory Board of Hypoport SE, Berlin, hereby declare the following:

“Since the most recent regular declaration of conformity was submitted in December 2022, Hypoport SE has complied – with the exception of the recommendations listed below – with all the recommendations made by the German government commission on the German Corporate Governance Code in the version as amended on 28 April 2022, which were publicly announced by the German Federal Ministry of Justice in the official section of the German Federal Gazette and became effective upon their publication in the German Federal Gazette on 27 June 2022 (‘2022 Code’). In future, Hypoport SE will continue to comply with the recommendations, with the exception of those listed below:

1. Paragraph A.5 of the 2022 Code recommends that the management report contain a description of the material features of the entire internal control system and risk management system along with a statement on the appropriateness and effectiveness of these systems.

   By contrast, section 289 (4) of the German Commercial Code (HGB) requires limited companies, as defined by section 264d HGB, to include in the management report a description of the material features of the internal control and risk management systems solely with regard to how they are used for the financial reporting process. These disclosures relating solely to the financial reporting process gave rise (also in implementation of German accounting standards 20.K177 and 20.K178) to established practice in terms of the content, scope and depth of the reporting required in the management report. As similarly established reporting practice in connection with the more extensive reporting recommended in paragraph A.5 of the 2022 Code does not yet exist, Hypoport SE believes that the more extensive reporting does not provide much of a comparison and is thus ultimately less informative and less useful in the decision-making process. The Management Board considers the entire internal control and risk management system to be effective and appropriate. A decision has therefore again been made to not include these additional disclosures in the management report at the present time. The Management Board will continue to monitor developments in reporting and auditing practice in this context and will examine whether the recommendation in paragraph A.5 of the 2022 Code can be properly complied with in future.

2. Paragraph B.5 of the 2022 Code recommends that an upper age limit be specified for management board members and that it be disclosed in the corporate governance declaration. Paragraph C.2 of the 2022 Code makes the same recommendation for supervisory board members.

   To date, no upper age limit has been specified for members of the Management Board or the Supervisory Board of Hypoport SE. Hypoport SE believes that setting such an age limit would be an inappropriate general restriction on the Supervisory Board’s selection of suitable members of the Management Board and would restrict shareholders in their selection of members of the Supervisory Board. This is because a director’s experience and personal and professional skills, rather than his or her age, are the relevant factors for recruiting members of the Management Board or Supervisory Board. The next corporate governance declaration will therefore not include any disclosures on age limits for members of the Management Board and Supervisory Board.

3. Paragraph C.1 of the 2022 Code recommends that the supervisory board set specific targets for its composition and draw up a profile of skills and expertise for the supervisory board as a whole, including expertise on sustainability issues relevant to the company, whereby due regard should be given to diversity. The supervisory board should take these targets into account in its proposals to the annual shareholders’ meeting and, at the same time, aim to fulfil the requirements of the profile of skills and expertise for the supervisory board as a whole. Progress towards implementation should be published in the form of a qualification matrix in the corporate governance declaration.

The Supervisory Board has not set such targets for its composition and has not drawn up a profile of skills and expertise or a qualification matrix. The current members of the Supervisory Board were re-elected at the Annual Shareholders' Meeting on 21 May 2021 until the end of the Annual Shareholders' Meeting that votes on the formal approval of their actions for the 2025 financial year. The Supervisory Board is of the opinion that its current composition continues to take full and proper account of the Company's particular situation and believes that this is corroborated by the re-election of the Supervisory Board candidates that it had proposed. In view of the skills and expertise of its members, the Supervisory Board as a whole also completely fulfils the professional requirements that arise from the business activities of Hypoport SE and its specific requirements. The Supervisory Board is therefore of the opinion that specific written targets for its composition and the development of a separate profile of skills and expertise and a qualification matrix are inappropriate at the present time and offer no additional benefit. In particular, such binding targets risk unduly restricting its flexibility to elect suitable candidates. Due to the size of the Supervisory Board, the Supervisory Board also believes that each vacant position should be filled first and foremost on the basis of candidates' professional suitability and skills, taking due account of the Company's particular situation. Consequently, the Supervisory Board is of the view that, at this time, there is still no need to set specific targets for its composition or to draw up a separate profile of skills and expertise as recommended by paragraph C.1 of the 2022 Code. The Supervisory Board will continuously and properly examine whether to comply with the recommendation in paragraph C.1 of the 2022 Code in future or whether to retain the current model. For the time being, the corporate governance declaration will therefore not include any disclosures on a profile of skills and expertise or a qualification matrix. It does, however, include disclosures on the number of shareholder representatives on the Supervisory Board, their independence and their skills and expertise in accounting and auditing.

4. Paragraph D.4 of the 2022 Code recommends that the supervisory board form a nominations committee that consists exclusively of shareholder representatives and that nominates suitable candidates whom the supervisory board then recommends to the annual shareholders' meeting for election as supervisory board members.

   To date, the Supervisory Board has not formed a nominations committee as described in paragraph D.4 of the 2022 Code. Because the Supervisory Board consists of only three members, as specified in the Company's statutes, all aspects of its work will for now continue to be carried out by the entire Supervisory Board, with the exception of those matters pertaining to the remit of the Audit Committee as described in principle 14 of the 2022 Code. Consequently, the Supervisory Board does not consider it necessary to form further committees, including a nominations committee, at this point in time. The Supervisory Board in particular believes that the formation of committees would unnecessarily impede its work because it has such a small number of members. However, the Supervisory Board will review on an ongoing basis whether the formation of a nominations committee may be helpful in the future.

5. Paragraph G.1, bullet point 1, first half-sentence of the 2022 Code recommends that the remuneration system specify the method by which the target total remuneration is determined for each individual management board member, while paragraph G. 1, bullet point 2 recommends that it also specify the proportions of fixed remuneration and short-term and long-term variable remuneration components relative to the target total remuneration. Moreover, paragraph G.2 of the 2022 Code recommends that the supervisory board initially set specific target total remuneration for each management board member, such remuneration being commensurate with the duties and performance of that member and the overall position of the company. Such remuneration should not exceed the usual level of remuneration without specific reasons.

   Because of the particular design of the remuneration system for the Management Board as an abstract system of coordinates, in which all remuneration components (including the fixed salary component) can be adjusted either upwards or downwards on the basis of a multi-year assessment base in line with the business performance, specific target total remuneration has not been set at the Company. The Supervisory Board is of the opinion that this design helps to ensure that remuneration is commensurate with the duties and performance of the members of the Management Board and the overall position of the Company, and that the remuneration does not exceed the usual level of remuneration without specific reasons, more so than would be the case if target total remuneration were set.

6. Paragraph G.3 of the 2022 Code recommends that the supervisory board determine and disclose an appropriate peer group of other companies in order to assess whether the specific total remuneration of management board members is in line with usual levels at other companies. The peer group comparison should be used with care in order to prevent a ratcheting up of remuneration.

   The remuneration system for the Management Board features a mechanism to adjust all remuneration components (including the fixed salary component), which allows both positive and negative business performance to be taken into account and, consequently, ensures that the remuneration of the members of the Management Board does not exceed the usual level of remuneration without specific reasons. The Supervisory Board is of the opinion that, even if used with caution, a peer group comparison, by contrast, could encourage a ratcheting up of Management Board remuneration and the effort required to carry out such a comparison would outweigh any benefits.

7. Paragraph G.6 of the 2022 Code recommends that the variable remuneration resulting from achievement of long-term targets exceed the variable remuneration resulting from achievement of short-term targets.

   The remuneration system for the Management Board and the provisions of the employment contracts of current members of the Management Board specify a multi-year assessment base for all remuneration components (including the fixed salary component). The Company does not therefore consider it necessary to make a distinction between short-term and long-term variable remuneration components.

8. Paragraph G.7 of the 2022 Code recommends that, for each management board member, the supervisory board set performance criteria for the upcoming financial year in respect of all variable remuneration components. These criteria should contain operational targets and, in particular, strategic targets. The supervisory board should define the extent to which individual targets for the individual management board members and targets for all management board members together are relevant.

   The remuneration system for the Management Board and the employment contracts of the current members of the Management Board are geared towards the achievement of short-term and multi-year financial KPIs because the Supervisory Board believes that this is better suited to the needs of Hypoport SE as a growth company. The specific way in which this remuneration system is designed should ensure that no incentives are created that are contrary to or incompatible with the strategic objectives of Hypoport SE or encourage inappropriate risk-taking.

9. Paragraph G.10 of the 2022 Code recommends that, taking account of management board members' individual tax expense, the variable remuneration granted to them be predominantly invested in the company's shares or be granted as share-based remuneration. Management board members should receive their long-term variable remuneration only after four years.

   The remuneration system for the Management Board and the employment contracts of the current members of the Management Board do not require members of the Management Board to invest in the Company's stock and do not specify share-based variable remuneration as the Supervisory Board believes that this would not be a meaningful incentive given the existing personal shareholdings of the members of the Management Board. For as long as members of the Management Board have personal shareholdings, the Supervisory Board considers such remuneration unnecessary.

   The remuneration system for the Management Board and the employment contracts of the current members of the Management Board do not specify a vesting period for any long-term variable remuneration components. Neither is a distinction made between short-term and long-term variable remuneration components. Under the current remuneration system and the employment contracts of the current members of the Management Board, all remuneration components (including the fixed salary component) are variable. Remuneration components are adjusted on the basis of financial KPIs for the three financial years prior to the most recently ended financial year. The Supervisory Board believes it would not be appropriate to enter into an additional agreement concerning a vesting period for variable annual remuneration."

# Management Board remuneration

In line with the resolution adopted as required by section 120a (4) sentence 1 AktG, the remuneration report pursuant to section 162 AktG for 2023 and the independent auditors' report are available at www.hypoport.com/investor-relations/publications/. Information about the remuneration system and the most recent resolution on remuneration are also available at www.hypoport.com/investor-relations/corporate-governance/.

# Disclosures of corporate governance practices

## Hypoport Group Compliance Code of Conduct and compliance framework

The Hypoport Group Compliance Code of Conduct sets out basic rules and principles for the conduct of the Hypoport Group's senior management, managers and employees towards each other and towards clients, business partners and other third parties. It provides a frame of reference, including standards regarding compliance with legal requirements (in particular relating to data protection, insider trading and money laundering), and expectations regarding business relationships and conduct towards employees (in particular relating to equal treatment and prevention of discrimination). The Hypoport Group Compliance Code of Conduct is available on Hypoport SE's website at www.hypoport.com/investor-relations/corporate-governance/.

## The modus operandi and composition of the Management Board and Supervisory Board

### Composition and modus operandi of the Management Board

The Management Board is responsible for running the Company. Its remit includes formulating the Company's targets, objectives and strategy; managing and monitoring its business activities; and establishing and monitoring an effective risk management system. The statutes of Hypoport SE lay down rules on the composition of the Management Board. Hypoport SE's current statutes can be accessed online at www.hypoport.com/investor-relations/corporate-governance/. They specify that the Management Board of Hypoport SE should comprise a minimum of two persons. Apart from this stipulation, the Supervisory Board can specify a higher number of Management Board members. It currently consists of two members. The Management Board informs the Supervisory Board in a regular, comprehensive and timely fashion about the Company's strategic planning and budgeting, changes in its business performance and financial position, its strategic development, its risk management, important transactions, and the current position of the Company and the Hypoport Group.

The Supervisory Board has appointed a chairman of the Management Board. The Supervisory Board approved the latest version of the rules of procedure for the Management Board on 15 January 2020 and they came into force on 24 March 2020 when the change of legal form became effective. These rules of procedure govern the internal workings of the Management Board, the allocation of its responsibilities and its cooperation with the Supervisory Board. As specified by the Management Board's rules of procedure and schedule of responsibilities, each member of the Management Board has their own area of responsibility. However, the members of the Management Board are collectively responsible for the overall day-to-day management of the Hypoport Group. Moreover, certain material acts can only be carried out on the basis of a decision taken by the Management Board as a whole. As it currently consists of only two members, the Management Board is quorate if all members of the Management Board participate in voting. Decisions are taken by a simple majority of the votes cast. In practice, the Management Board often takes decisions by reaching a consensus. The Management Board does not have any separate committees.

In accordance with its statutes, Hypoport SE is represented in court and out of court either by two Management Board members jointly or by one Management Board member in conjunction with one person with full commercial power of attorney (Prokurist). If the appointment of one Management Board member is terminated prematurely for cause or if one Management Board member dies, leaving only one member of the Management Board, this remaining member is authorised to represent the Company on their own until another Management Board member is appointed. If two or more persons have been appointed to the Management Board, the Supervisory Board can authorise one or more Management Board members to represent the Company on their own. The Supervisory Board can exempt members of the Management Board from the restrictions under section 181 of the German Civil Code (BGB) within the limits specified by section 112 AktG. To date, the Supervisory Board has not given individual power of representation to any member of the Management Board.

### Composition and modus operandi of the Supervisory Board

The Supervisory Board discharges the responsibilities incumbent upon it under the law, the Company's statutes, its rules of procedure and the German Corporate Governance Code. It regularly advises the Management Board on the running of the Company and monitors its actions. This advisory and monitoring function is based on detailed written and oral reports submitted by the Management Board, which inform the Supervisory Board in a regular, comprehensive and timely manner about the Company's planning and budgeting, its business performance, its strategic development, its risk management, important transactions, and the current position of the Company and the Hypoport Group. Decisions of fundamental importance are discussed with and submitted to the Supervisory Board for approval. Material decisions taken by the Management Board – as defined in the Company's statutes and the rules of procedure for the Company's Management Board – must be approved by the Supervisory Board, as must the decisions for which approval by the Supervisory Board is specified in law.

The Supervisory Board appoints the members of the Management Board. It reviews and approves the separate and consolidated financial statements prepared by the Management Board, thereby adopting the separate financial statements.

Once a year, the Supervisory Board reviews the efficiency of its work and the proper fulfilment of the duties incumbent upon it under the law, the Company's statutes and the rules of procedure. It uses a recommended, standardised questionnaire for this purpose. The efficiency review examines qualitative criteria and, in particular, the Supervisory Board's procedures and whether the Supervisory Board is supplied with sufficient information. At least once a year, the Supervisory Board and Management Board jointly evaluate the structure, size, composition and performance of the Management Board and Supervisory Board and, if necessary, make related recommendations. The Audit Committee also conducts a self-assessment using a questionnaire developed specifically for its activities. The questionnaire covers the composition and modus operandi of the Audit Committee and its cooperation with the independent auditor.

The Supervisory Board holds at least two meetings per calendar half-year, preferably with one meeting in each quarter. If necessary, it meets without the Management Board or individual members of the Management Board being present. The Supervisory Board held five scheduled meetings in 2023. One extraordinary Supervisory Board meeting also took place and four resolutions were adopted in writing.

The provisions of section 12 (3) of the statutes state that the Supervisory Board is quorate if all its members participate in voting. The Supervisory Board provides itself with rules of procedure pursuant to section 10 (3) of the statutes. The currently applicable rules of procedure were issued on the basis of a resolution adopted by the Supervisory Board on 31 August 2021. They can be accessed online at www.hypoport.com/investor-relations/corporate-governance/ and contain additional information on the modus operandi of the Supervisory Board.

The Supervisory Board of Hypoport SE consists of three members, all of whom are shareholder representatives. The current members of the Supervisory Board were re-elected by the Annual Shareholders' Meeting on 21 May 2021 as members of the Supervisory Board of Hypoport SE. The chairman of the Supervisory Board, Mr Dieter Pfeiffenberger, was elected from among the members of this body. The Supervisory Board believes that all of its members, namely Mr Dieter Pfeiffenberger, Mr Roland Adams and Mr Martin Krebs, can be considered independent under the definition provided in paragraphs C.6 to C.12 of the 2022 Code).

To date, the Supervisory Board of Hypoport SE has not set any targets for its composition and has not drawn up a profile of skills and expertise (see the declaration of conformity).

As the Supervisory Board consists of only three members, its current members – Mr Martin Krebs, Mr Dieter Pfeiffenberger and Mr Roland Adams – also form the Audit Committee pursuant to section 107 (4) sentence 2 AktG. Mr Martin Krebs is the chairman of the Audit Committee.

Mr Martin Krebs has special knowledge of the auditing of financial statements, as well as knowledge of sustainability reporting and the auditing thereof, within the meaning of section 100 (5) AktG and paragraph D.3 of the 2022 Code. He is also familiar with the sector in which Hypoport SE operates. His knowledge in these areas stems from his roles as Chief Financial Officer at Scalable GmbH and Scalable Capital GmbH, as a member of the Management Board of ING-DiBa AG and as an advisor at Goldman Sachs Group, Inc.

Mr Dieter Pfeiffenberger has the required expertise in accounting within the meaning of section 100 (5) AktG, including special knowledge and experience in the application of accounting principles and internal control and risk management systems, as well as knowledge of sustainability reporting and the auditing thereof within the meaning of paragraph D.3 of the 2022 Code. He is also familiar with the sector in which Hypoport SE operates. His knowledge in these areas stems from the many roles he has held in the past as a supervisory board or management board member at various banks.

To date, the Supervisory Board has not set up any committees, with the exception of the mandatory formation of an Audit Committee (see the declaration of conformity).

As a rule, the members of the Supervisory Board are elected for the period up to the end of the Annual Shareholders' Meeting that votes on the formal approval of the acts of management for the fourth financial year after the term of appointment commences. The Annual Shareholders' Meeting may stipulate a shorter term of appointment. The current members of the Supervisory Board were elected at the Annual Shareholders' Meeting on 21 May 2021 for the period up to the end of the Annual Shareholders' Meeting that votes on the formal approval of the actions of the Supervisory Board members for the 2025 financial year. The next elections to the Supervisory Board are therefore scheduled to be held at the 2026 Annual Shareholders' Meeting.

Long-term succession planning, as recommended by the German Corporate Governance Code, is carried out during regular meetings between the Supervisory Board and Management Board. They discuss the term of, and options for extending, the contracts of the current Management Board members and, if necessary, deliberate on the need for potential successors.

### Management Board and Supervisory Board shareholdings and directors' dealings

The members of the Management Board and Supervisory Board hold a considerable number of shares in Hypoport SE. The table below shows the numbers of shares in Hypoport SE directly or indirectly held by the members of the Management Board and Supervisory Board as at 31 December 2023.

| | Shares (number) |
|---|---:|
| **Group Management Board** | |
| Ronald Slabke | 2,240,381 |
| Stephan Gawarecki | 101,802 |
| | |
| **Supervisory Board** | |
| Dieter Pfeiffenberger | 2,000 |
| Roland Adams | 0 |
| Martin Krebs | 115 |

In accordance with article 19 (3) MAR, notifications of managers' transactions are published at www.hypoport.com/investor-relations/corporate-governance/ as soon as notification has been received. Notification of one managers' transaction as defined in article 19 MAR was received in 2023. This notification can be accessed online at www.hypoport.com/investor-relations/corporate-governance/.

### Financial reporting and auditing of financial statements

Since 2005 the Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Once the consolidated financial statements have been prepared by the Management Board, they are audited by the independent auditors and then reviewed and approved by the Supervisory Board. Following their audit by the independent auditors, the Supervisory Board also reviews and approves the separate financial statements prepared by the Management Board, which are thus adopted. The consolidated financial statements are published within 90 days after the end of the financial year and made permanently available in the German Federal Gazette and Company Register.

The Audit Committee discusses the assessment of audit risk, the audit strategy, the audit planning and the audit findings with the independent auditors. Where necessary, these discussions take place without the Management Board being present. The independent auditors notify the Audit Committee immediately of any findings or events of material importance to the Supervisory Board's or Audit Committee's work that arise during the course of the audit. The chairman of the Audit Committee regularly discusses the progress of the audit with the independent auditors and reports on these discussions to the Audit Committee. Furthermore, it has been agreed with the Company's independent auditors that the Supervisory Board, or the Audit Committee, be notified immediately of any reasons for exclusions or exemptions or of any misrepresentations in the declaration of conformity that are identified during the course of the audit and that any such incident be noted in the auditors' report. The Audit Committee periodically reviews the quality of the audit of the financial statements.

## Setting targets for the proportion of women on the Management Board and Supervisory Board and in managerial positions

The Company's Supervisory Board is not bound by the gender quotas in section 17 (2) of the German SE Implementation Act (SEAG), nor is the Company's Management Board bound by the requirements of section 16 (2) SEAG. Against this backdrop, the Supervisory Board, in accordance with section 111 (5) AktG, and the Management Board, in accordance with section 76 (4) AktG, have decided on the following targets for the proportion of women and men on the Supervisory Board and Management Board and at the two management levels below the Management Board:

### Targets for the Management Board and Supervisory Board

In a resolution dated 3 June 2022, the Supervisory Board set targets of 0 per cent for the proportion of women and men on both the Supervisory Board and the Board of Management. The new deadline for achieving the targets is 30 June 2027.

The Supervisory Board's justification for these targets is as follows:
The Supervisory Board is of the opinion that setting a target of more than 0 per cent for the proportion of women or men on the Supervisory Board would not be helpful, because the selection of any member of the Supervisory Board should focus purely on the independence and the professional and personal suitability of the candidate. The definition of specific gender targets would undermine the appropriate consideration of these essential criteria when it comes to proposing candidates.
Furthermore, the Supervisory Board is also of the opinion that setting a target of more than 0

per cent for the proportion of women or men on the Management Board would also not be helpful, because the selection of any member of the Management Board should focus purely on the professional and personal suitability of the candidate. The definition of specific gender targets would undermine the appropriate consideration of these criteria when it comes to selecting and appointing members of the Management Board. In any case, there is currently no intention to expand the Management Board or to make any personnel changes as the current membership has proved to be successful.

**Targets for senior management levels**
In a resolution dated 27/28 June 2022, the Management Board redefined the first level below the Management Board. It now comprises the management roles (known as 'lead links') of the circles below the Hypoport anchor circle (organisational circle encompassing the entire Hypoport SE organisation). There is no second level of management below the Management Board. The Management Board set targets of 20 per cent for the proportion of women and men at the first level of management below the Management Board. No targets were set for the proportion of women and men at the second level of management below the Management Board because there is no second level of management. The deadline for achieving the targets for the first level of management below the Management Board is 30 June 2027.

The Management Board's justification for these targets is as follows:
Within the Hypoport Group, Hypoport SE solely performs the role of a strategic and management holding company and only has an average of around 60 employees. The Company promotes the concept of self-management on the basis of a holacratic organisational structure that does not rely on conventional hierarchies and instead uses so-called 'circles' that are not led by traditional managers. The aforementioned target for the first level of management below the Management Board was set – and a second level of management was not defined – for this reason and in order to ensure that it remains possible for vacancies to be filled exclusively based on aspects of professional and personal suitability while also ensuring that staffing at the first level of management below the Management Board complies with the provision under section 76 (4) sentence 5 AktG, which prohibits companies from dropping below a target quota once it has been reached. The Management Board firmly believes that management vacancies should be filled on the basis of professional and personal suitability alone, irrespective of gender. In addition, the Management Board remains committed to promoting an equal opportunities culture. It prohibits and will not tolerate discrimination on the grounds of personal characteristics such as age, disability, ethnic origin, family status, race, religion, gender, sexual orientation or social origin, particularly in connection with recruitment practices, promotion, pay and access to further training and development.

### Diversity concept for the composition of the Management Board and Supervisory Board

Hypoport SE's strategy for the composition of the Management Board and Supervisory Board is that the most suitable person for the particular position should be selected for posts on the Management Board and Supervisory Board. The Company does not seek to comply with strict age limits or fixed quotas. The professional and personal suitability of the candidate are the decisive criteria. More information about how members of the two boards are chosen can be found in the declaration of conformity pursuant to section 161 AktG, which is reproduced above, and in the information on the setting of targets for the proportion of women on the Management Board and Supervisory Board and in managerial positions.

### Informative corporate communications

Open and informative corporate communications form an integral part of good corporate governance. This requires all content to be clearly expressed and readily understandable and, in particular, all target groups to have equal access to the information provided by the Company. Hypoport SE therefore attaches great importance to the dissemination of uniform, comprehensive and timely information. Information on the Company's business situation and financial results is published in its annual report, quarterly statements and half-year report. Information is also published in the form of ad hoc announcements and press releases. In addition, these announcements – which include notifications of voting rights, notifications of managers' transactions in accordance with article 19 (3) MAR and presentations of results – are made permanently available in the Press and Investor Relations sections of the Company's website. The scheduled dates of major recurring events – i.e. the dates on which the annual report, quarterly statements and half-year report are published and the date on which the Annual Shareholders' Meeting is held – are disclosed in a financial calendar, which is published sufficiently far in advance of these dates and is made available on the Company's website.

Where necessary, Hypoport SE maintains an insider list in the manner prescribed by article 18 of Regulation (EU) No. 596/2014 (Market Abuse Regulation, MAR). The persons concerned have been, and are, informed about their legal obligations and the potential sanctions in this connection.

### Shareholders and the Annual Shareholders' Meeting

The shareholders of Hypoport SE exercise their rights at the Company's Annual Shareholders' Meeting. This meeting provides the Company's shareholders with a forum in which to exercise their voting rights, obtain information and conduct a dialogue with the Management Board and Supervisory Board. The Annual Shareholders' Meeting is held within the first six months of each financial year. The Annual Shareholders' Meeting is usually chaired by the chairman of the Supervisory Board or by another member of the Supervisory Board appointed by this chairman. The Annual Shareholders' Meeting decides on all matters assigned to it by law.

The Company organises and runs its Annual Shareholders' Meetings in such a way that all shareholders are informed in a timely, comprehensive and effective manner both prior to and during the meeting. The aim is to make it as easy as possible for shareholders to participate in the meeting. All documentation to be made available is published on the Company's website as required by law. Shareholders who are unable to attend an in-person Annual Shareholders' Meeting have the option of appointing in writing or by email an intermediary, a shareholder association or another person as a proxy – or of having a proxy appointed by the Company – to exercise their voting rights in accordance with their instructions. Furthermore, the Management Board is authorised to enable shareholders to cast their vote in writing or by email (postal vote) without attending the Annual Shareholders' Meeting.

The Annual Shareholders' Meeting on 2 June 2023 voted to authorise the Management Board until 30 June 2025 to be able to hold Annual Shareholders' Meetings without shareholders or their proxies being physically present at the place at which the meeting is being held (virtual Annual Shareholders' Meeting pursuant to section 118a AktG). Members of the Supervisory Board – with the exception of the person chairing the meeting if that person is a member of the Supervisory Board – may participate in the Annual Shareholders' Meeting via remote video or audio connection in certain exceptional cases, e.g. if an Annual Shareholders' Meeting is being held as a virtual event.

Berlin and Barsbüttel, January 2024

Hypoport SE

The Management Board The Supervisory Board

# Independent auditors' report

## Report on the audit of the consolidated financial statements and group management report

### Audit opinions

We have audited the consolidated financial statements of Hypoport SE, Lübeck/Germany, and its subsidiaries (the Group) – comprising the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January 2023 to 31 December 2023, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the group management report of Hypoport SE for the financial year from 1 January 2023 to 31 December 2023. In accordance with the German statutory provisions, we have not audited the content of the parts of the group management report stated in the 'OTHER INFORMATION' section of our auditors' report.

In our opinion, based on the findings of our audit,

- the enclosed consolidated financial statements comply, in all material respects, with IFRS, as adopted by the EU, and the additional German statutory provisions pursuant to section 315e (1) HGB and give a fair presentation of the Group's financial position as at 31 December 2023 and its financial performance in the financial year from 1 January 2023 to 31 December 2023 in accordance with these requirements and

- the enclosed group management report as a whole provides a suitable view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with the German statutory provisions and suitably presents the opportunities and risks of future development. Our audit opinion on the group management report does not encompass the content of the parts of the group management report stated in the 'OTHER INFORMATION' section.

In accordance with section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations about the propriety of the consolidated financial statements and group management report.

### Basis for audit opinions

We conducted our audit of the consolidated financial statements and group management report in accordance with section 317 HGB, Regulation (EU) No 537/2014 ('EU Audit Regulation') and the German generally accepted standards for the auditing of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibility according to these provisions and standards is described in more detail in the 'AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND GROUP MANAGEMENT REPORT' section of our auditors' report. We are independent of the Group companies pursuant to the provisions of

European law and German commercial law and the rules governing our profession and we have fulfilled our other German professional obligations in accordance with these requirements.
In accordance with article 10 (2) letter f) of the EU Audit Regulation, we also declare that we have not performed any prohibited non-audit services pursuant to article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence that we have gathered is sufficient and suitable to serve as a basis for our audit opinions on the consolidated financial statements and group management report.

**Key audit matters in the audit of the consolidated financial statements**
Key audit matters are those matters that, in our professional judgement, were the most significant in our audit of the consolidated financial statements for the financial year from 1 January 2023 to 31 December 2023. These matters were taken into consideration in connection with our audit of the consolidated financial statements as a whole and in the formation of our audit opinion on the consolidated financial statements; we do not provide a separate opinion on these matters.

We have identified the following as key audit matters that are required to be disclosed in our independent auditors' report:

1. Revenue recognition
2. Impairment of goodwill

## 1. Revenue recognition

**A. Issue**
The Hypoport Group is a technology-based financial service provider with business units that are engaged in the distribution of financial services supported by information technology (IT). Total revenue of €359.9 million was reported for the financial year from 1 January 2023 to 31 December 2023 (2022: €455.5 million). This revenue relates to a large number of individual transactions and types of work performed.

A material proportion of the revenue is attributable to revenue from the brokerage of loans (commission). Revenue is also generated from the brokerage of insurance contracts, from service transactions, and from software. Revenue recognition is complex because the different types of work performed involve a variety of revenue streams and IT systems. Moreover, large volumes of data are handled in connection with the brokerage of loan agreements and insurance contracts owing to the small amounts of revenue generated.

Hypoport SE's disclosures on revenue can be found in note '2.17 Recognition of revenue and expense' in the notes to the consolidated financial statements.

**B. Audit response**
We conducted a risk assessment in which we initially obtained an understanding of the different types of work performed and assessed whether the Group's rules on revenue recognition for the different types of work performed are in line with IFRS 15.

We obtained an understanding of the controls in place for the revenue processes and assessed their appropriateness and implementation. In addition, we carried out random checks on the revenue recognition controls in place in the Group companies for the different types of work performed in order to assess whether these controls were effective during the reporting year and whether they are suitable for properly recording transactions in accordance with the Group's rules on revenue recognition.

We assessed whether the IT control system is appropriately designed in respect of the IT systems used for invoicing and their interfaces to the relevant general ledger.

Furthermore, we carried out random checks on the manual and automatic controls implemented for the collection of commission fees.

Our audit approach comprised not only structural and functional audits of relevant controls but also substantive audit procedures (tests of detail and analytical procedures).

In tests of detail, we carried out random checks to ascertain whether revenue is recognised correctly in the right amount and in the right period using suitable documentation at the detailed level – such as fee agreements, loan agreements, commission and broker's fee calculations, invoices, receipts – and third-party confirmations.

We also carried out analytical procedures, such as variance analysis.

## 2. Impairment of goodwill

**C. Issue**
The Company reported goodwill totalling €229 million under the 'Intangible assets' line item on the balance sheet as at 31 December 2023 in its consolidated financial statements (37 per cent of total assets). This goodwill must be tested for impairment annually and on an ad hoc basis. Assessing impairment requires the Company's officers to make many judgements. The assessment is based on the present values of the future cash flows of the cash-generating unit to which the goodwill has been allocated. Future cash flows are derived from the budget accounts prepared by the Company's officers. In this process, expectations about future market developments, increases in revenue and changes in costs are taken into consideration. The present values are determined using discounted cash flow models. They are heavily influenced by the Company's officers' estimates of future cash inflows and by the discount rate used. The impairment of goodwill was a key audit matter for us during our audit because of the uncertainty attaching to judgements and estimates and due to the substantial amount of goodwill reported on the balance sheet. Hy-

poport SE’s disclosures on goodwill can be found in note 4.1 of the notes to the consolidated financial statements.

**D. Audit response**

We reviewed the Company’s officers’ estimates regarding the impairment of goodwill. Firstly, we assessed the appropriateness of the measurement method used for the impairment test. We then critically examined the assumptions on which the planning was based and checked whether they were plausible. To this end, we examined the planning process, assessed actual performance relative to plan and checked the available planning for consistency, taking account of economic conditions in the market. As even minor changes to the discount rate used can have a material impact on the recoverable amount calculated for a cash-generating unit, we consulted our measurement specialists for an assessment of the discount rate. They used market data to verify the appropriateness of the inputs used, e.g. market risk premiums and beta factors. We also used checklists to verify the completeness of the disclosures required by IAS 36, including the sensitivity analyses.

## Other information

The Company’s officers and the Supervisory Board are responsible for the other information. The other information consists of

- the corporate governance declaration, which is published separately and is referred to in section I.9 of the group management report;
- the non-financial Group report, which is published separately and is referred to in section I.9 of the group management report;
- mthe other parts of the annual report, with the exception of the audited consolidated financial statements and group management report and our auditors’ report

Our audit opinions on the consolidated financial statements and group management report do not encompass the other information. We do not therefore provide an audit opinion or draw any other auditing-related conclusion on this information.
In connection with our audit of the consolidated financial statements, it is our responsibility to read the other information and to acknowledge whether the other information

- has any material inconsistencies with the consolidated financial statements, the group management report or the knowledge that we acquire during the audit or
- otherwise appears to be materially misstated.

## Responsibility of the company's officers and the supervisory board for the consolidated financial statements and group management report

The Company's officers are responsible for preparing the consolidated financial statements, which have to comply, in all material respects, with IFRS, as adopted by the EU, and the additional German statutory provisions pursuant to section 315e (1) HGB and give a fair presentation of the Group's financial position and financial performance in accordance with these requirements. The Company's officers are also responsible for the internal controls that they consider necessary for the preparation of consolidated financial statements that are free of material misstatements, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

When preparing the consolidated financial statements, the Company's officers are responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing matters relating to the Group's continuation as a going concern, where pertinent. In addition, they are responsible for accounting on the basis of the accounting principles for continuation as a going concern, unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Company's officers are responsible for preparing the group management report, which must, as a whole, provide a suitable view of the Group's position, be consistent in all material respects with the consolidated financial statements, comply with the German statutory provisions and suitably present the opportunities and risks of future development. The Company's officers are also responsible for putting in place what they consider to be the necessary arrangements and systems to be able to prepare a group management report that complies with the applicable German statutory provisions and to provide sufficient suitable documentary evidence to substantiate statements made in the group management report.

The Supervisory Board is responsible for monitoring the accounting process used by the Group to prepare the consolidated financial statements and group management report.

## Responsibility of the auditors for the audit of the consolidated financial statements and group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatements, whether due to fraud or error, and whether the group management report as a whole provides a suitable view of the Group's position and is consistent in all material respects with the consolidated financial statements and the audit findings, complies with the German statutory provisions and suitably presents the opportunities and risks of future development, and to issue an auditors' report containing our opinions on the consolidated financial statements and group management report.

Reasonable assurance is a high level of assurance but not a guarantee that an audit conducted in accordance with section 317 HGB, the EU Audit Regulation and the German generally accepted standards for the auditing of financial statements promulgated by IDW will always uncover material misstatements. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

During the audit, we exercise our professional judgement and maintain a sceptical attitude. Furthermore:

- We identify and assess the risks of material misstatements, whether due to fraud or error, in the consolidated financial statements and group management report, design and perform audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the overriding of internal controls.

- We gain an understanding of the internal control system that is relevant to the audit of the consolidated financial statements and of the necessary arrangements and systems relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- We evaluate the appropriateness of the accounting policies used by the Company's officers and the reasonableness of the estimates and related disclosures made by the Company's officers.

- We draw conclusions about the Company's officers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is material uncertainty surrounding events or circumstances that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in the auditors' report to the relevant disclosures in the consolidated financial statements and group management report or, if such disclosures are not appropriate, to qualify our opinion. We draw our conclusions based on the audit evidence obtained up to the date of our auditors' report. However, future events or circumstances may lead to the Group no longer being able to continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in such a way that they, in accordance with IFRS, as adopted by the EU, and the additional German statutory provisions pursuant to section 315e (1) HGB, give a fair presentation of the Group's financial position and financial performance.

- We collect sufficient suitable audit evidence regarding the accounting information of the companies or activities within the Group to express an opinion on the consolidated financial statements and group management report. We are responsible for directing, supervising and performing the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.

- We assess whether the group management report is consistent with the consolidated financial statements and complies with the law and we assess the view that it provides of the Group's position.

- We conduct audit procedures in respect of forward-looking statements made by the Company's officers in the group management report. Based on sufficient suitable audit evidence, we examine, in particular, the significant assumptions underlying the Company's officers' forward-looking statements and assess whether these statements have been correctly derived from the assumptions. We do not provide a specific opinion on the forward-looking statements or on the underlying assumptions. There is a considerable unavoidable risk of material discrepancies between future events and the forward-looking statements.

We communicate with those charged with governance regarding, among other things, the planned scope and timing of the audit as well as significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant requirements regarding independence, and communicate to them all relationships and other matters that may be reasonably assumed to have an effect on our independence and, where applicable, the steps taken or safeguards implemented to eliminate threats to independence. We determine which of the matters that we discussed with those charged with governance were of most significance in the audit of the consolidated financial statements for the current reporting period and are therefore the key audit matters. We describe these matters in the auditors' report, unless legislation or other regulations preclude their public disclosure.

## Other statutory and regulatory requirements

### Report on the audit of the electronic reproduction of the consolidated financial statements and group management report prepared for publication purposes in accordance with section 317 (3a) HGB

#### Audit opinion

In accordance with section 317 (3a) HGB, we have conducted an audit with reasonable assurance on whether the reproduction of the consolidated financial statements and group management report contained in the file 'hypoport-2023-12-31-de.zip' and prepared for publication purposes ('ESEF documents') complies, in all material respects, with the requirements in section 328 (1) HGB concerning the electronic reporting format ('ESEF format'). In accordance with German legal requirements, this audit only covers the conversion of the information in the consolidated financial statements and group management report into the ESEF format and therefore does not cover the information included in the reproduction or any other information included in the aforementioned file.

In our opinion, the reproduction of the consolidated financial statements and group management report contained in the aforementioned file and prepared for publication purposes complies, in all material respects, with the requirements in section 328 (1) HGB concerning the electronic reporting format. Beyond this opinion and our opinions contained in the above 'REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND GROUP MANAGEMENT REPORT' concerning the attached consolidated financial statements and the attached group management report for the financial year from 1 January 2023 to 31 December 2023, we do not provide any further opinion on the information contained in the reproduction or on the other information contained in the aforementioned file.

#### Basis for the audit opinion

We conducted our audit of the reproduction of the consolidated financial statements and group management report contained in the aforementioned file in accordance with section 317 (3a) HGB and taking account of the IDW PS 410 (06.2022) audit standard (audit of electronic reproductions of financial statements and management reports prepared for publication purposes in accordance with section 317 (3a) HGB). Our responsibility in this context is described in more detail in the 'Auditors' responsibility for the audit of the ESEF documents' section. Our audit firm applied the requirements in IDW's quality management standards, which implement the international standards on quality management of the International Auditing and Assurance Standards Board (IAASB).

### Responsibility of the Company's officers and the Supervisory Board for the ESEF documents

The Company's officers are responsible for preparing the ESEF documents containing the electronic reproduction of the consolidated financial statements and group management report in accordance with section 328 (1) sentence 4 no. 1 HGB and for tagging the consolidated financial statements in accordance with section 328 (1) sentence 4 no. 2 HGB.

The Company's officers are also responsible for the internal controls that they consider necessary for the preparation of ESEF documents that are free of material infringements – whether due to fraud or error – of the requirements concerning the electronic reporting format in section 328 (1) HGB.

The Supervisory Board is responsible for monitoring the process of preparing the ESEF documents as part of the financial reporting process.

### Auditors' responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free of material infringements – whether due to fraud or error – of the requirements in section 328 (1) HGB. During the audit, we exercise our professional judgement and maintain a sceptical attitude. Furthermore:

- We identify and assess the risks of material infringements, whether due to fraud or error, of the requirements in section 328 (1) HGB, design and perform audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

- We gain an understanding of the internal controls that are relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls.

- We evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, in the version valid as at the reporting date, concerning the technical specifications for this file.

- We evaluate whether the ESEF documents enable an XHTML reproduction of the audited consolidated financial statements and audited group management report that has identical content.

- We evaluate whether the tagging of the ESEF documents using inline XBRL technology (iXBRL) enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction in accordance with articles 4 and 6 of Delegated Regulation (EU) 2019/815 in the version valid as at the reporting date.

## Other disclosures pursuant to article 10 of the EU audit regulation

We were elected by the Annual General Meeting on 2 June 2023 to audit the financial statements. The Supervisory Board engaged us on 23 October 2023. We have been the auditors of the consolidated financial statements of Hypoport SE on an uninterrupted basis since the 2008 financial year.

We declare that the audit opinions contained in this auditors' report are consistent with the additional report to the Audit Committee pursuant to article 11 of the EU Audit Regulation.

## Other matter – use of the auditors' report

Our auditors' report should always be read in conjunction with the audited consolidated financial statements and audited group management report and in conjunction with the audited ESEF documents. The consolidated financial statements and group management report converted into the ESEF format – including the versions to be entered in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and audited group management report and do not replace them. In particular, the ESEF report and our audit opinion contained therein may only be used in conjunction with the audited ESEF documents provided electronically.

## responsible auditor

The auditor responsible for the audit is Mr Philipp Jahn.

Lübeck, 22 March 2024

BDO AG
Wirtschaftsprüfungsgesellschaft

**Dr Faßhauer**
**Wirtschaftsprüfer**
(German Public Auditor)

**Jahn**
**Wirtschaftsprüfer**
(German Public Auditor)

# Single-entity financial statements
## of Hypoport SE 2023 (abridget version)

The single-entity financial statements and the management report of Hypoport SE have been prepared in accordance with German generally accepted accounting principles (German Commercial Code [HGB]) and the provisions of the German Stock Corporation Act (AktG).

The balance sheet and the income statement meet the classification criteria prescribed in sections 266 and 275 HGB. The income statement is presented under the nature-of-expense method pursuant to section 275 (2) HGB.

The full version of the single-entity financial statements, which have received the unqualified opinion of Hypoport SE's auditors, is published in the electronic Federal Gazette under no. HRB 19859 HL.

**Income statement for the year ended 31 December 2023**

| | 2023<br>€'000 | 2022<br>€'000 |
|---|---:|---:|
| Revenue | 7,647 | 7,842 |
| Other operating income | 530 | 509 |
| Personnel expenses | – 9,546 | – 12,680 |
| Depreciation, amortisation and write-downs on intangible fixed assets and on property, plant and equipment | – 466 | – 578 |
| Other operating expenses | – 16,418 | – 19,118 |
| Income from long-term equity investments | 2,002 | 4,345 |
| Income from profit transfer agreements | 15,331 | 46,007 |
| Income from loans from financial assets | 2,011 | 2,270 |
| Other interest and similar income | 2,372 | 347 |
| Expense in respect of loss transfers | – 26,154 | – 20,844 |
| Interest expense and similar charges | – 2,058 | – 1,637 |
| **Profit from ordinary activities** | **– 24,749** | **6,463** |
| Income taxes | 1,142 | – 1,482 |
| Other taxes | – 6 | – 52 |
| Deferred taxes | 2,578 | – 4,115 |
| **Net profit for the year** | **– 21,035** | **814** |
| Profit brought forward | 130,598 | 129,734 |
| Settlement purchase of treasury shares | 55 | 50 |
| **Distributable profit** | **109,618** | **130,598** |

**Balance sheet as at 31 December 2023**

| Assets | 31 Dec 2023 €'000 | 31 Dec 2022 €'000 |
|---|---|---|
| **Fixed assets** | | |
| Intangible assets | 2 | 4 |
| Property, plant and equipment | 3,215 | 3,665 |
| Financial assets | 268,028 | 280,910 |
| | **271,245** | **284,579** |
| **Current assets** | | |
| Trade receivables | 10 | 0 |
| Receivables from affiliated companies | 44,118 | 55,589 |
| Receivables from other long-term investees and investors | 508 | 1,970 |
| Other assets | 3,462 | 3,944 |
| Cash and cash equivalents | 63,068 | 1,008 |
| | **111,166** | **62,511** |
| **Prepaid expenses** | 67 | 59 |
| | **382,478** | **347,149** |
| **Equity and liabilities** | | |
| **Equity** | | |
| Issued capital | 6,872 | 6,493 |
| Thereof treasury shares | – 184 | – 188 |
| Thereof subscribed capital | 6,688 | 6,305 |
| Capital reserves | 117,601 | 67,508 |
| Retained earnings | 7 | 7 |
| Distributable profit | 109,618 | 130,598 |
| | **233,914** | **204,418** |
| **Provisions** | **2,438** | **2,183** |
| **Liabilities** | | |
| Liabilities to banks | 128,139 | 106,233 |
| Liabilities to affiliated companies | 278 | 209 |
| Liabilities to companies | 10,750 | 25,582 |
| with which an investment relationship exists | 500 | 0 |
| Other liabilities | 1,176 | 663 |
| | **140,843** | **132,687** |
| **Deferred tax liabilities** | 5,283 | 7,861 |
| | **382,478** | **347,149** |

**Note:**

This report is available in German and English. The German version is always authoritative. There-port 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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PRIME STANDARD