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Engel & Völkers Digital Invest plans IPO in Q2 2022

- **EV Digital Invest AG operating under the brand “Engel & Völkers Digital Invest” is a fast growing and quality leading online platform in the field of digital real estate investing & financing, addressing capital seeking real estate companies and private investors¹**
- **Brand “Engel & Völkers” offers an unique and unprecedented brand awareness as well as a positive image in the market of digital real estate investments¹**
- **Loyal investor base with currently more than 13,000 users²**
- **Record-breaking funding speed and exceptional track record¹ with around EUR 152 million financing volume from 2017 to 2021³**
- **Business model with sustainable growth and high margins enables immediate economies of scale, which has led to early profitability**
- **Clear strategy to accelerate future growth by broadening the product offering, utilizing even more cutting-edge¹ technology and entering new markets**
- **Targeted proceeds from newly issued shares of up to approximately EUR 7 million are intended to be used primarily to accelerate organic growth but also for M&A opportunities**
- **Listing of shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (Scale Segment) is expected to be completed in Q2 2022**

Berlin, 6 April 2022. EV Digital Invest AG (“**Company**” and, together with its subsidiary, “**Engel & Völkers Digital Invest**”), the operator of the online real estate investment platform “Engel & Völkers Digital Invest”, is planning an initial public offering in Germany and private placements outside Germany (“**IPO**”) as well as the listing of its shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (Scale segment). The IPO is expected to consist of

new shares from a capital increase with targeted proceeds of up to approximately EUR 7 million incl. a market-standard greenshoe option. With the proceeds from the IPO, the Company intends to (i) invest into its technology backbone and online investment platform, (ii) accelerate its marketing initiatives and sales activities, (iii) expand its regional footprint in the Spanish market and potentially enter the Austrian market, (iv) invest into recruitment initiatives and to grow its staff capacities and (v) pursue its inorganic growth activities. Until the respective proceeds will be used for the aforementioned purposes they shall be used as pre- and co-financing deposits and thereby to generate interest.

Marc Laubenheimer, Co-CEO of EV Digital Invest AG: “Our well-established online investment platform with the strong brand “Engel & Völkers” is connecting capital seeking real estate companies with investors. We are at an exciting growth stage and are looking forward to this next chapter in the Company’s development. With a loyal investor base, an exceptional track record as quality leader and a high margin business model, we are confident to further strengthen our positioning in an attractive market environment for real estate investments.”

Tobias Barten, Co-CEO of EV Digital Invest AG adds: “We follow a clear strategy to accelerate future growth by broadening the product offering, developing, and utilizing even more cutting-edge technology and entering new markets. We grew our revenue by approximately 40% in 2021 and are confident to maintain sustainable mid-double-digit revenue growth in the mid- to long-term within an enormous addressable market. With a record financing volume of EUR 55 million we reached break-even last year and aim to reach a 75% gross margin⁴ and a 20% EBITDA margin⁵ in the mid- to long-term. This rare combination of strong revenue and earnings growth in an attractive market environment demonstrates the great potential of our business.”

Well-established investment platform and strong brand

Engel & Völkers Digital Invest strives to become the market leader in the field of digital real estate investing with high-quality projects. With its digital online platform www.ev-digitalinvest.de the Company offers retail and institutional investors exclusive access to a wide range of real estate financing opportunities, which are otherwise only accessible for large institutional investors.

The strong “Engel & Völkers” brand gives Engel & Völkers Digital Invest a competitive edge in terms of trust for online investors and in the real estate industry. Via the Company’s digital platform high-volume projects are financed in the shortest possible time, setting records in the German-speaking market (millions of EUR often within minutes)¹. Hence, the framework is in place to affirm and expand its position in the market for online real estate investments.

Engel & Völkers Digital Invest is well established and has a strong track record. Since its foundation until 31 December 2021, the Company has financed a volume of around EUR 152 million in 64 real estate projects. Of these, 32 projects have already been repaid, thereof five even ahead of schedule.

Strong and loyal investor base

The vision of Engel & Völkers Digital Invest is being the quality-leader platform in the field of digital real estate investing. Engel & Völkers Digital Invest has built an loyal and high-value online investment community with currently more than 13,000 users. In recent years Engel & Völkers Digital Invest showed a dynamic growth of its investor base with a high degree of loyalty which is largely attributable to the positive identification with the quality of funded real estate projects and the brand. Engel & Völkers Digital Invest reaches an excellent net promoter score (NPS)⁶ of 52, representing the high rate of the users’ likelihood to recommend the platform. Furthermore, in 2021, the average investments per project increased by 34% among already existing investors, adding further dynamic to the growth story. This makes the platform the preferred point of contact for investors.

Gaining market share in a fast growing market

The market for alternative financing products is currently on the rise and holds promising growth opportunities. In Germany, the real estate crowd investing subniche has proven to be an attractive alternative for private investors and is by far the biggest growth crowd investing segment with a share of 77.8% by the end of 2020.⁷ More than EUR 400 million were financed via crowd investing platforms in 2020.⁸ In Germany the volume financed via crowd investing platforms increased over three years until 2020 by 97.4%. This is in line with the overall market trend. The global digital real estate investing market is expected to with a 58.3% Compound Annual Growth Rate (“CAGR”) to market of USD 869 billion.⁹

Thorough due diligence process and unique offering that provides planning reliability

Since its start in 2017 Engel & Völkers Digital Invest has established a track record with around EUR 152 million financing volume without any default of financings. Each real estate project goes through a detailed internal and external review process before a financing is contractually agreed. In this context the Company cooperates with external industry leading experts, such as auditors, property appraisers and consultancies. The team of Engel & Völkers Digital Invest consists of many skilled experts in their respective areas of expertise who previously have served in industry leading enterprises¹ e.g., in the fields of real estate, financial services, start-ups, consulting, and auditing.

The Company demonstrates that it believes in the success of the financing projects by investing side by side with the online investors. With this approach, interests of the Company and investing parties are always aligned. Additionally, the Company usually offers pre-financing capacities to the real estate companies, whereas part of the financing volume for the realization of the real estate project is received upfront before the online investors have made their investments. This reduces the time required to provide capital to real estate companies, and therefore provides a competitive advantage for real estate companies in the competition to source the best projects by secured funding.

Strong profitability path through growing economies of scale

Engel & Völkers Digital Invest has demonstrated a sustainable growth of its total income¹⁰ with a CAGR of approximately 90% from 2018 to 2021. The Company generated a total income of around EUR 4.5 million in the financial year 2021, resulting in a growth of around 41% to the previous year and reached break-even. Also, the Company experiences a constant growth of the average financing amount per financing since its start, which is expected to continue.¹ As the majority of the Company's costs per financing are independent from the financing volume, the Company benefits with higher financing volumes from significant economies of scale. This again positively impacts the profitability of the business.

Strategy and outlook

Going forward, Engel & Völkers Digital Invest's growth strategy comprises: (i) Further strengthening "Engel & Völkers Digital Invest" as a brand in digital finance market, (ii) expanding the market reach with real estate companies and growing online investment community to scale the business model and (iii) the acceleration of growth via new products to broaden the portfolio, new technology for innovative financial products for early positioning in a market with great growth prospects and new markets for a wider reach. The organic growth strategy is complemented by inorganic growth activities to accelerate the planned measures.

In the mid- to long-term Engel & Völkers Digital Invest targets an annual revenue growth in the mid double-digit area. Furthermore, the Company intends to continue the strong profitability path through growing economy of scale and targets an EBITDA margin of approximately 20%.

Key points of the IPO

In connection with the IPO, the Company is targeting proceeds from the sale of new shares of up to approximately EUR 7 million, which will primarily be used for the organic and inorganic growth strategy.

At the time of publication of this announcement, the members of the Company's management team holds a total of around 6.7% and the main shareholder *Versorgungswerk der Zahnärztekammer Berlin K.d.ö.R.* holds around 93.3% of the Company's shares. A lock-up period of 12 months applies to the Company and the main shareholder.

Hauck Aufhäuser Investment Banking acts as Sole Global Coordinator and Sole Bookrunner for the IPO.

ENGEL & VÖLKERS DIGITAL INVEST

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- 1) Company's opinion.
- 2) Defined as active customers, registered users and newsletter subscribers.
- 3) As of 31 December 2021.
- 4) Gross margin: gross profit divided by the total income.
- 5) EBITDA margin: earnings before interest, taxes, depreciation and amortization divided by the total income.
- 6) Net Promoter Score.
- 7) Source: <https://www.crowdfundinghub.eu/current-state-of-crowdfunding-in-europe-2021-page/>.
- 8) Source: <https://www.bundesverband-crowdfunding.de/2021/04/pressemitteilung-marktdaten-2020/>.
- 9) Source: <https://www.fnfresearch.com/news/real-estate-crowdfunding-market-revenue-projected-around-usd>.
- 10) Total income: sum of the income statement items revenue and other operating income.

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