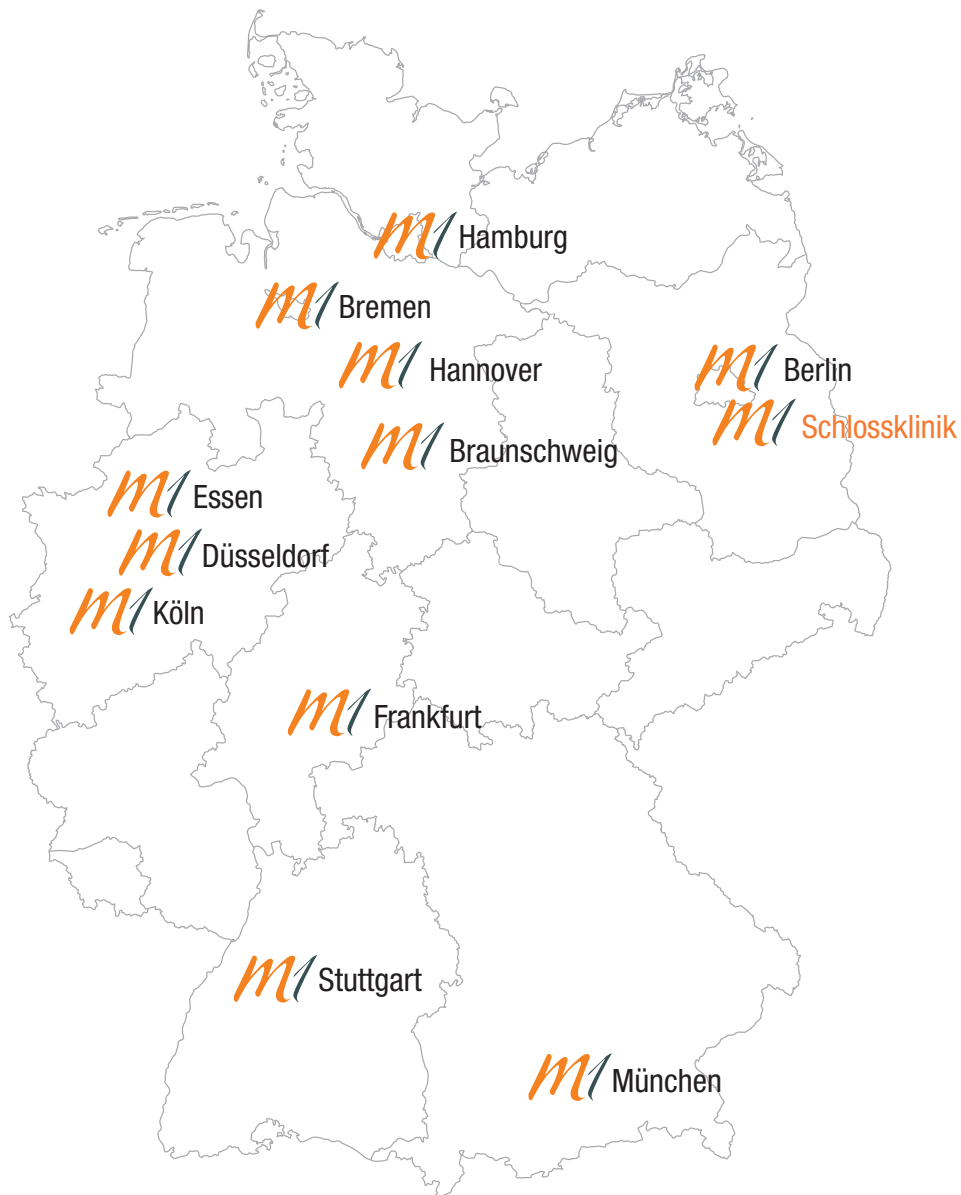






# Kliniken



M1 KLINIKEN AG is one of the leading providers of healthcare services in the beauty sector. With its “Made in Germany” products, the company group offers customers all over Germany a wide range of aesthetic and surgical treatments. Minimally-invasive and surgical operations are carried out by our highly-experienced and specialised team of surgeons, using high quality products and state of the art medical technology, to the highest quality standards.

## Key figures of M1 KLINIKEN AG

### KEY GROUP PERFORMANCE INDICATORS

in kEUR

Group profit and loss summary account	01.01. - 30.06.2016	01.01. - 31.12.2015
Sales	18,498	34,926
EBIT	3,046	7,016
Net profit	2.893	6,631
Group balance sheet	30.06.2016	31.12.2015
Short-term assets	16,844	19,605
Long-term assets	14,025	13,582
Equity	28,143	29,750
Short-term liabilities	2,726	3,425
Long-term liabilities	1	13
Balance sheet sum	30,869	33,187
Equity ratio	91,1 %	89.6 %
Dividend (30 Cents / share)	4,500,000.00	-

### KEY DATA OF THE M1 KLINIKEN SHARE

Class of shares	Bearer shares
Number of shares in circulation	15,000,000
WKN / ISIN	A0STSQ / DE000A0STSQ8
Stock symbol	M12
Trading places	Xetra, Frankfurt
Stock market segment	Entry Standard (Open Market)
Designated Sponsor, Listing Partner	Dero Bank AG
Coverage	First Berlin Equity Research GmbH

## Share price of M1 KLINIKEN AG



# With Security

# HAEMATO pharm



HAEMATO AG is a listed pharmaceutical company. Our business activities are focused on growth market for non-patented and patented medicines.

The main focus of business is in the areas of oncology, neurology, and the treatment of HIV/AIDS, cardio-vascular disease and other chronic diseases. The high-margin market for self-pay clients forms a further segment. In this segment, HAEMATO AG focuses on the market for high-growth aesthetic medicine with its hyaluronic acid and botulinum toxin products.

The demand for reasonably-priced medicines, delivered in the highest quality, and constantly matching the requirements of reliable and comprehensive medical care, is set to increase in the years to come, with the population's increasing life expectancy. With our product portfolio of non-patented and patented medicines, we contribute to the optimisation of efficient medicinal care, and thereby to lowering costs both for health insurance funds and companies and for patients.

## KEY GROUP PERFORMANCE INDICATORS (IFRS) IN KEUR

<b>Group profit and loss summary account</b>	<b>01.01. - 30.06.2016</b>	<b>01.01. - 30.06.2015</b>
Sales	142,275	101,477
EBIT	5,931	4,211
Net profit	4,490	2,768
<b>Group balance sheet</b>	<b>30.06.2016</b>	<b>30.06.2015</b>
Short-term assets	63,944	52,712
Long-term assets	56,090	51,946
Equity	56,544	55,517
Liabilities	63,490	49,141
Balance sheet sum	120,034	104,658
Equity ratio	47.1 %	53.0 %
Dividend (30 Cents / share)	6,234	6,234

## KEY DATA OF THE HAEMATO SHARE

Class of shares	Bearer shares
Number of shares in circulation	20,778,898
WKN / ISIN	619070 / DE0006190705
Stock symbol	HAE
Trading places	Xetra, Frankfurt
Stock market segment	Entry Standard (Open Market)
Designated Sponsor, Listing Partner	ODDO SEYDLER BANK AG
Coverage	GBC AG, First Berlin Equity Research GmbH

# CR

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CAPITAL REAL ESTATE AG

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## Mission Statement

MPH is an investment company. The strategic focus of our activities lies on companies in fast-growing segments of the healthcare market.

Considering the demographic development, a still ageing population as well as a thereby resulting increasing health- and body awareness, the healthcare sector grows in the next years. This includes insurance-based as well as privately financed segments. These potentials we would like to use.

We work partner-like with our portfolio companies. It is our aim to generate a profitable growth of the companies through active further development and thereby increase the value of the portfolio companies and the company value of MPH AG.

MPH AG is not limited only to the healthcare market. Apart from the healthcare sector investment opportunities are to be found from fast-growing industries, whose potential we use and would like to expand.

# MPH Mittelständische Pharma Holding AG

## Intrinsic Value 153.0 Mil. Euro - 3.58 Euro/share

### as of 30.06.2016

in Euro	Number of Shares	Price	Market value in EUR	Fair value in EUR
M1 Kliniken AG	12,857,195	7.049	90,630,367.56	
HAEMATO AG	10,417,673	4.746	49,442,276.06	
CR Capital Real Estate AG	11,625,503	1.170	13,601,838.51	
<b>TOTAL Valued shares</b>			<b>153,674,482.12</b>	
Unlisted investments				5,870,000.01
Liquid Funds				702,558.79
Other assets				5,071,639.69
<b>Use of funds</b>				<b>165,318,680.61</b>
Equity				153,498,365.70   3.58 Euro/Share
Interest-bearing borrowed capital				7,019,303.74
Other borrowed capital				4,801,011.17
<b>Source of funds</b>				<b>165,318,680.61</b>
XETRA CLOSING PRICE 30.06.2016				2.56 Euro/Share Discount -28.5%

## The share

Classes of shares	Ordinary bearer shares
Number of shares	42,813,842
WKN / ISIN	A0L1H3 / DE000A0L1H32
Stock symbol	93M
Trading floor	Xetra, Frankfurt
Market segment	Entry Standard (Open Market)
Designated Sponsor, Listing Partner	ODDO SEYDLER BANK AG
Coverage	GBC AG, First Berlin Equity Research GmbH

### Methology:

Financial assets are valued at market price/ fair value. Other assets and liabilities were recognised at nominal value.

## MPH Mittelständische Pharma Holding AG on the capital market

The growing mistrust of investors on the stock market was fuelled further at the beginning of the year, especially by the uncertainties in world politics such as the British referendum vote against remaining in the EU, the fall in oil prices, worries about China's economic development or its waning economic growth. This resulted in highly volatile fluctuation in share values on the German stock market. The DAX, which registers the development of the 30 largest and best-performing companies in Germany, had to struggle with the weakest start in trading since 1988, and in February with a drop to a low of 8,752 points. This year the leading German index was unable to follow up the successful stock market year 2015, which showed growth of 9.56 % and a peak at 11,606 points in August.

After a value of € 2.16 at the start of trading, the MPH shares were initially put under pressure and only a slight increase in share value was achieved in the first months of the new year. This had already changed significantly by the middle of March, however, and in May a highest Xetra closing price of € 2.70 was registered. The company's positive development and its continuing excellent prospects for the future strengthened the confidence of

shareholders in MPH shares, which was rewarded by a closing price of € 2.56 at the end of the first half year, denoting an increase of 18.5% compared with the price at the start of trading.

The continuing very high growth potential of MPH shares reflected the rating given by several financial analysts: In June 2016 First Berlin Equity Research recommended buying shares with a target price of € 4.90. In July 2016 the analysts at GBC AG predicted a target price of € 4.62 Euro and also put shares in the "buy" category.

MPH Mittelständische Pharma Holding AG held their AGM on 29th June 2016 in Berlin. All resolutions were passed with 99.9% of those entitled voting in favour. Shareholders agreed on a dividend pay-out of € 0.12 per no-par value share.

### Share price of the MPH AG 2016







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## Dear shareholders, Ladies and gentlemen

The investments of MPH brought highly satisfactory results in the first half of 2016.

In the first half year of 2016 HAEMATO generated a turnover of € 142.27 million, thereby representing an increase of 40% compared with € 101.48 million in the first half of the previous year. The operative results (EBIT) were also increased compared with the previous year in this period by around 40% from € 4.2 million to € 5.93 million.

In the first half year of 2016 M1 generated a turnover of € 18.49 million, increasing the previous year's turnover of € 10.16 million for this period by about 82%. The operative results (EBIT) for this period were increased from - € 0.19 million in the previous year to € 3.05 million.

Both investments paid out a dividend of 30 cents per share to their shareholders in June 2016. Share values for HAEMATO and M1 developed positively. The net asset value for MPH shares had already risen considerably to € 3.25 per share (as of 31.12.2015).

In the first half of 2016 MPH share value continued to rise, to a value of € 3.58 Euro per share as of 30.06.2016.

We would like to thank all our employees for their dedicated hard work during the first half of 2016. We would also like to thank the supervisory board. We were able to continue working together constructively during the first half of 2016.

We are confident of continued positive development in the second half year.

A handwritten signature in black ink, appearing to be 'PB'.

Patrick Brenske  
Vorstand

A handwritten signature in black ink, appearing to be 'CP'.

Dr. Christian Pahl  
Vorstand

## Group interim management report

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# Group interim management report

## I. Basis of the Group

MPH Mittelständische Pharma Holding AG is an investment company listed at the Frankfurt Stock Exchange, and based in Berlin. Its business activities consist of investing in companies with the aim of capital growth.

The strategic focus of these activities is on the purchase and development of companies and company shares, particularly in the growth segments of the healthcare market. These include both insurance-based and privately financed segments. However, MPH also makes use of potential in high-growth sectors. The aim is to achieve profitable

growth for the company by means of active further development, and to promote the enterprise value of MPH.

## II. Economic Environment

The main investments of MPH, HAEMATO (€ 142.27 million; +40%) and M1 (€ 18.49 million; +82%), achieved strong growth compared to the previous year, and paid a dividend of 30 cents per share in June 2016.

In the first half of 2016, MPH generated earnings from investments of € 7.48 million. In June 2016 MPH paid out dividends totalling € 5.14 million.

### 1. Overall economic sector-related environment

#### a. Global economic environment

Following modest growth of 3.0% last year in the world economy together with weaknesses which showed especially in the second half of the year, the global economy picked up speed again early in 2016. Growth in global GDP of 0.6% in the first quarter was again lower than in the final quarter of 2015, but there were growing signs of stabilisation in the global economy, for example due to the increase in raw material prices, the recovery of share prices and an increase in the volatility of the financial markets.<sup>1</sup>

In the advanced economies, there was a continued underlying tendency towards slow growth. While the rate of expansion decreased in comparison with the previous quarter in the USA and in the UK, in the Euro zone and Japan it increased. In the United States the already very slight increase in production during the first quarter of 2015 slowed to a growth rate of just 0.2 percent. A decisive factor in this weakening was the decrease in corporate investments, which can once again be traced back to the expenditure cuts in the oil industry.<sup>2</sup>

In Brazil and in Russia, currently undergoing a particularly severe depression, the GDP also continued to decrease after the turn of the year, but at a

much slower rate. The increased optimism in these countries was also reflected on the financial markets, where share prices and the external currency values have increased markedly since January.<sup>3</sup> There are also increasing signs in China that economic expansion has speeded up thanks to strong financial and fiscal stimuli.<sup>4</sup>

The monthly indicators for the global economic situation continue to point to moderate growth. While the Institute for the World Economy predicted an increase of 3.1% in world production for the whole year in June, together with 3.5% for 2017,<sup>5</sup> the IMF lowered its forecast for global economic performance in June from 3.4% to 3.2% for 2016, and from 3.6% to 3.5% for 2017.<sup>6</sup> This was based on the expected weakening of the UK economy, which would in turn affect the Euro zone. Nevertheless, the economic effect of the Brexit is currently difficult to ascertain.<sup>7</sup>

## b. The Economic Climate in Germany

The German economy made a strong start into the new year. GDP for the first quarter increased by 0.7% compared with the previous quarter. During the summer months of the previous year, economic development slowed somewhat as a result of a lack of stimuli from foreign trade and decreasing corporate investments, but towards the end of 2015 industrial demand increased slightly, together with companies' willingness to invest.<sup>8</sup>

On the production side of GDP, the price-adjusted gross value added was higher than the previous year in all economic segments, an overall increase of 1%. The economic performance was achieved by a workforce of 43.1 million, 1.3% more workers than in the previous year. Driven by the favourable trend in income development as a result of the continuing upwards trend on the job market, it was especially the increased consumption of private households (+4%) and the state (+0.5%) compared with the previous quarter, for example for the accommodation and integration measures for hundreds of thousands of refugees, which provi-

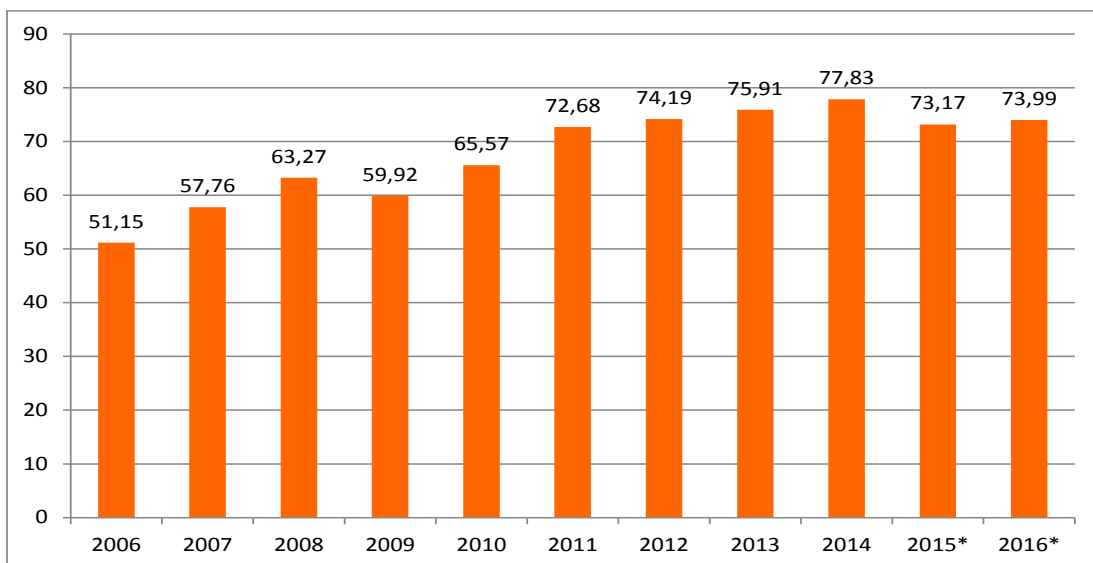
ded positive stimuli. Increased equipment investment with a growth of 1.9%, and construction investments which benefitted from the mild weather (+2.3%) also contributed to the positive development in the first part of the year.<sup>9</sup>

Exports were a further driving factor for the German economy, which increased by 1.0% compared with the previous quarter. However, stimulated by the strong domestic economy, imports increased somewhat more during the same period, by +1.4%, so that only a mathematical economic growth of -0.1% could be achieved.<sup>10</sup>

Also based on a background of turbulence in the world economy, the German Institute for Economic Research predicted growth of 1.9% for the German economy this year, and 2.1% in 2017. The forecast is also based on the continuing positive development on the job market, wage increases and an expected increase in industrial production.<sup>11</sup>

### Gross domestic product at current prices until 2016

in bn. US-Dollar



Source: IMF

\*Estimate

### c. Global Healthcare Market

The worldwide increase in income together with increased life expectancy are key factors leading to the increase in health expenditure, which in turn increases the healthcare industry's contribution to GDP. At the same time the growth of the healthcare markets is not only caused by individual consumer choices, but in the end also by the development of social security systems, which can be observed particularly in countries with a medium income.<sup>12</sup>

The global pharmaceutical market, as part of the healthcare market, showed stronger growth over the last few years than the economy as a whole. Worldwide sales of pharmaceutical products increased by 1.08% to 954.1 billion US dollars in 2015.<sup>13</sup> At the same time the trend indicates a continued increase. According to the latest study carried out by the IMS Institute for Healthcare Informatics, global expenditure on pharmaceutical products is set to increase by up to 30% from 2015 until 2020. A key factor in this development is the growth of pharmaceutical production volumes in several emerging economies such as Brazil, China, Russia and India, together with an increase in the volume of special medicines and original products in the industrial countries.<sup>14</sup>

Along with demographic development, progress in medicinal technology, and in the end also the understanding of health issues in the population, increased incomes in private households in the advanced economies result in an increasing demand for products and services which improve life ex-

pectancy and the quality of life. For this reason the medical-aesthetic market is seeing strong growth, especially in the industrial countries, but also in some emerging economies.<sup>15</sup>

Around 12 million surgical and 9 million non-surgical cosmetic operations were performed worldwide in 2015.<sup>16</sup> The number of treatments is predicted to rise annually by 5.2% until 2019. Sales of aesthetic products are predicted to increase even more, with an annual increase of 11.8%, to a total of € 11.9 billion.<sup>17</sup>

The demographic trend, better access to medical treatment in the emerging economies and technical innovations will also stimulate strong growth in the global healthcare industry in the future. Increasing incomes combined with changed perceptions of health and body especially in the industrial nations are leading to an increase in the importance of the second healthcare market (self-pay clients). According to the latest forecasts, total healthcare expenditure is predicted to increase by 6% p.a. over the next ten years.<sup>18</sup>

## d. The German Healthcare Market

The German healthcare market is of considerable economic significance for the German nation and it is expanding constantly. The gross value added of the healthcare industry increased in the period from 2007 to 2013 by an average of 3.5% p.a. – considerably more quickly than the economy as a whole, which showed 2.4% growth.<sup>19</sup> Along with demographic development and the associated increase in demand for health services, technological advance and an increasing health awareness in the population are also factors driving economic growth.<sup>20</sup>

During the whole period of the first five months of 2016, turnover in the total pharmaceutical market as part of the healthcare market increased by 4%. Turnover volumes of the pharmacy market during this period totalled € 13.3 billion, around 3% more than the previous year. 85% of turnover was for prescription medicines, for which turnover also increased by 3%.<sup>21</sup>

Increased interest in the population in eating a healthy diet, the general attitude to dealing with foodstuffs, but also an increasing awareness of body and health issues resulted in an increase in the demand for conventional professional services in the health, care and nursing sectors, but also to the increased consumption of products and services from the second healthcare market (self-pay clients). With an average annual growth of 5.5% since 2010, the second healthcare market was able to grow to a volume of around € 86 billion.<sup>22</sup>

In the course of these developments, the perception and expectations of health are changing: the

population whose life expectancy is constantly increasing and which is staying fit for longer also wishes to reflect the age they feel in the way they look. Due to this aspect as well as the increased social acceptance of cosmetic treatment, the market for this branch of medicine is also one of the growing sectors in the healthcare industry.<sup>23</sup> In Europe, Germany is the leading market for medical-aesthetic treatments. Around 617,408 medical cosmetic treatments were carried out in 2015.<sup>24</sup> In the area of surgical treatments, eyelid corrections (54,907 operations), breast enlargements (53,376) and liposuction (40,065) were popular.<sup>25</sup> In the area of non-surgical treatments, botulinum toxin and hyaluronic acid treatments continually increased in number.<sup>26</sup>

As a whole, Germany has one of the best medical healthcare systems with a comprehensive range of services, open access to treatment and low personal contributions. Not least because of the continuing demographic development, medical-technical advances and the growing health awareness in the population, the healthcare market offers a wide range of opportunities for growth, employment and innovations, both now and in the future.



## 2. Business Development

MPH Mittelständische Pharma Holding AG acquired the status of an investment company, in accordance with IFRS 10, and has taken this change in its status into account prospectively for 31.12.2015. In the scope of this change, all investments were deconsolidated, valued and recognised at their fair value according to IFRS 9.

As an investment company, the strategic focus of our activities is on companies in the high-growth segments of the healthcare market. This includes both insurance-based and privately-financed segments.

The main investments of MPH, Haemato and M1 achieved high growth during the first half of 2016, and paid out a dividend of 30 cents per share. In the first half of the year, MPH achieved earnings from investments of € 7.48 million. MPH made dividend payments in June 2016 totalling € 5.14 million.

### 3. Economic Report

#### a. Earnings Position of the MPH Group (IFRS)

The MPH Mittelständische Pharma Holding AG acquired the status of investment company in the financial year 2015. An investment company must value and recognise its investments in a subsidiary at the fair value. According to the valuation of the financial investments as of 30.06.2016, the earnings contribution was kEUR 21,973 for the period

01.01. - 30.06.2016. Net income for the first half of 2016 was kEUR 19,616.

#### b. Financial Position of the MPH Group

Our financial position is very stable. Our financial management is designed to ensure the settlement of accounts payable within the payment deadline, and to collect accounts receivable within payment targets.

Our capital structure is good. Equity increased from k€ 139,020 as of 31.12.2015 to kEUR 153,498 as of 30.06.2016. The equity quota rose from 92.0 % in 2015 to 92.8 % at the end of the first half of 2016.

Liabilities to financial institutions comprise 4.2 % of the balance sheet total. MPH and its holdings make use of the agreed credit limits of various banks in order to promote commercial success. Our holdings have a credit limit which is higher than the amount they make use of on average. As of the balance sheet date, our holdings did not make use of kEUR 2,899 of the agreed credit limits. In the first half of 2016, the MPH Mittelständische Pharma Holding paid back a loan of kEUR 2,880. The liquidity position is satisfactory.

In the first half of 2016 MPH invested kEUR 1,989 in the acquirement of holdings. Income from the sale of holdings totals kEUR 6,164.

The financial development of the MPH Group during the report period according to the cash flow statement from indirect determination of the cash flow from current business activities is as follows:

	01.01. - 30.06. 2016	01.01. - 30.06. 2015
	kEUR	kEUR
Cash flow from		
operating activities	1,219	288
investment activities	4,175	-1,959
financing activities	-5,220	4,652
change in the basis of consolidation	0,00	2,966
Cash flow	175	5,947

### c. Assets Situation of the MPH Group (IFRS)

The assets situation of the MPH Group is good. The assets situation of the MPH Group is characterised by the increase in value of its financial investments (from kEUR 150,360 in 2015 to kEUR 159,544 as of 30.06.2016).

### 4. Financial Performance Indicators of the MPH Group (IFRS)

For our corporate controlling, we use the indicator annual results/period results, together with the development of equity. Equity rose by kEUR 14,478 from kEUR 139,020 (31.12.2015) to kEUR 153,498 (30.06.2016). The period result totalled kEUR 19,616 (previous year kEUR 84,101). The MPH Group is altogether working profitably, and the overall business situation can be defined as good.

### III. Subsequent Report

No events of particular significance after the end of the financial year.

We evaluate the business development prospects for the near future for MPH as positive.

### IV. Outlook

The healthcare market offers a large potential for growth in the supply of non-patented and patented medicines and the manufacture of medicines for the treatment of cancer, HIV and other chronic diseases, together with medicinal beauty-lifestyle services for self-pay patients.

The main holdings HAEMATO (+40%) and M1 (+82%) achieved an increase in turnover volume in the first half of 2016 compared with the period in the previous year. For the second half of 2016, we can look forward to a positive continuation of business development. We believe that the further expansion of the holding companies will have a positive influence on the market prices of the investments, and thereby have a positive effect on the earnings situation of MPH. We will also always be able to fulfil our payment obligations on schedule in the future.



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## Group balance sheet - Assets

Accounting under IFRS

	<b>◀ 30.06.2016</b>	<b>◀ 31.12.2015</b>
	EUR	kEUR
Liquid funds	702,558.79	528
Trade receivables	1,037.70	8
Other short-term financial assets	4,975,248.48	0
Other short-term assets	21,567.77	68
Income tax receivables	22,255.06	81
<b>Short-term assets</b>	<b>5,722,667.80</b>	<b>685</b>
Intangible assets	21,193.50	24
Fixed assets	8,488.00	14
Financial assets	159,544,482.13	150,360
Other non-current assets	21,849.18	22
<b>Long-term assets</b>	<b>159,596,012.81</b>	<b>150,420</b>
<b>▶ TOTAL ASSETS</b>	<b>165,318,680.61</b>	<b>151,105</b>

## Group balance sheet - Liabilities

Accounting under IFRS

	<b>◀ 30.06.2016</b>	<b>◀ 31.12.2015</b>
	EUR	kEUR
Accruals	276,283.00	54
Bank loans	0.00	61
Trade payables	7,799.48	638
Other financial short-term liabilities	3,103,179.71	205
Other short-term liabilities	22,072.49	10
<b>Short-term liabilities</b>	<b>3,409,334.68</b>	<b>968</b>
Bank loans	7,019,303.74	9,989
Deferred tax	1,391,676.49	1,127
<b>Long-term liabilities</b>	<b>8,410,980.23</b>	<b>11,116</b>
Subscribed capital	42,813,842.00	42,814
Capital reserve	2,688,175.47	2,688
Retained earnings	107,996,348.23	93,518
<b>Equity</b>	<b>153,498,365.70</b>	<b>139,020</b>
<b>▶ TOTAL EQUITY AND LIABILITIES</b>	<b>165,318,680.61</b>	<b>151,105</b>

## Group profit and loss summary account

Accounting under IFRS

	◀01.01.- 30.06.2016 EUR	◀01.01.- 31.12.2015* kEUR
<b>Sales</b>	6,042,372.28	262,887
Increase in inventories of finished goods and work in progress	0.00	-3,720
Other operating income	9,408.36	9,978
<b>Cost of materials</b>		
Expenses	-6,875,779.00	-231,704
<b>Labour cost</b>		
Wages and salaries	-408,086.48	-7,011
Social insurance contribution	-7,575.14	-1,315
	-415,661.62	-8,326
Depreciation / Amortisation	-9,881.50	-4,490
Depreciation inventories and trade receivables	0.00	-704
Other operational expenses	-243,736.01	-10,771
<b>EBIT (earnings before interest and tax)</b>	-1,493,277.49	13,151
Interest income	182,760.91	223
Income from investments	7,482,460.40	0.00
Financial investment depreciations	-7,746,742.42	-6,417
Interest and other expenses	-517,610.95	-2,223
Result from deconsolidation	0.00	7,860
Result from fair value evaluation	21,972,956.91	74,707
<b>Financial result</b>	21,373,824.85	74,151
<b>EBT (earnings before tax)</b>	19,880,547.36	87,302
Income tax	-264,531.11	-3,177
Other tax	-212.50	-23
<b>Net income</b>	19,615,803.75	84,101
<b>Earnings per share</b>	0.46	1.96

\*Since DRS No. 21 was applied for the first time on 31st December 2015, the non-comparable figures for the first half of the prior year were discarded.



## Consolidated cash flow statement

Accounting under IFRS

	◀01.01.- 30.06.2016 EUR	◀01.01.- 31.12.2015 kEUR
<b>Operating activities</b>		
1. Earnings before taxes on income and profit minus other taxes	19,880,334.86	87,278
2. Depreciation / Amortisation	7,756,623.92	10,896
3. Change in long-term accruals	0.00	32
4. Other non-payable expenses / earnings	0.00	-7,860
5. Change in financial asset valuation	-21,972,956.91	-81,551
6. Profit / loss from the disposal of fixed assets and from the purchase or sale of shares in subsidiaries	865,500.00	-7,480
7. Interest and investment income	-182,760.91	-223
8. Interest expense	517,610.95	2,223
9. Change in trade receivables and other assets	-4,863,489.37	-21
10. Change in inventory	0.00	-5,138
11. Change in trade payables, other liabilities and accruals	-446,696.47	4,594
<b>12. Cash flow from activities</b>	<b>1,554,166.07</b>	<b>2,749</b>
12. Interest income and dividends received	182,760.91	223
13. Interest expense paid	-517,610.95	-2,223
14. Income tax paid	0.00	-406
<b>15. Cash flow from operating activities</b>	<b>1,219,316.03</b>	<b>343</b>
<b>Investment activities</b>		
1. Proceeds from the disposal of fixed assets and the sale of shares of subsidiaries	6,164,000.00	18,624
2. Payments for the acquisition of fixed assets and acquisition	-1,988,930.14	-26,814
<b>3. Cash flow from investment activities</b>	<b>4,175,069.86</b>	<b>-8,190</b>
<b>Financing activities</b>		
1. Incoming and outgoing payments from the purchase and sale of own shares	0.00	3,652
2. Dividends paid	-2,189,348.88	-8,223
3. Change in bank loans	-3,030,519.83	6,741
<b>4. Cash flow from financing activities</b>	<b>-5,219,868.71</b>	<b>2,171</b>
<b>Consolidation-related changes in financial resources</b>	0.00	-3,912
<b>Cash flow</b>	<b>174,517.18</b>	<b>-9,589</b>
<b>Liquid funds</b>		
1. 30 June 2016 / 31 December 2015	702,558.79	528
2. 31 December 2015 / 31 December 2014	528,041.61	10,117
	<b>174,517.18</b>	<b>-9,589</b>

## Consolidated equity change account

as of 30.06.2016\*

	Share capital		Acquired own		Capital reserve		Capital reserve		Other revenue		Revenue reserve		Sub-total		Equity of		Non-controlling		Total equity		
	EUR	EUR	shares	EUR	share	EUR	reserves	EUR	reserves	EUR	EUR	EUR	EUR	EUR	EUR	shareholders	EUR	shareholders	EUR	EUR	
1. As of 31. December 2014	42,813,842.00	0.00	-8,190.00	2,686,476.99	0.00	-10,422.27	2,567,738.07	20,721,345.24	0.00	0.00	68,770,790.03	68,770,790.03	25,959,190.73	94,729,980.76							
2. Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-5,137,661.04	0.00	0.00	-5,137,661.04	-5,137,661.04	-3,085,355.10	-8,223,016.14							
3. Net profit / Period income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	82,588,498.00	0.00	0.00	82,588,498.00	82,588,498.00	1,512,592.62	84,101,090.62							
4. Reclassification / Initial consolidation	0.00	0.00	8,190.00	1,698.48	10,422.27	-2,567,738.07	-4,653,976.68	-7,201,404.00	-7,201,404.00	-24,386,428.25	-31,587,832.25										
5. As of 31 December 2015	42,813,842.00	0.00	0.00	2,688,175.47	0.00	0.00	0.00	93,518,205.52	0.00	0.00	139,020,222.99	139,020,222.99	0.00	139,020,222.99							
6. Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-5,137,661.04	0.00	0.00	-5,137,661.04	-5,137,661.04	0.00	-5,137,661.04							
7. Net profit / Period income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,615,803.75	0.00	0.00	19,615,803.75	19,615,803.75	0.00	19,615,803.75							
8. Reclassification / Initial consolidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							
9. As of 30.06.2016	42,813,842.00	0.00	0.00	2,688,175.47	0.00	0.00	0.00	107,996,348.23	0.00	0.00	153,498,365.70	153,498,365.70	0.00	153,498,365.70							

\* Accounting under IFRS

# Consolidated assets development

as of 30.06.2016\*

	As of 01.01.2016		As of 30.06.2016		Disposal/ reclassification.		Addition/ reclassification		As of 30.06.2016		As of 01.01.2016		Depreciation/ addition		Appreciation		As of 30.06.2016		As of 31.12.2015	
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>I. Intangible assets</b>	29,061.50	1,290.00	0.00	30,351.50	0.00	0.00	1,290.00	0.00	4,384.50	0.00	9,158.00	4,773.50	4,384.50	0.00	21,193.50	24,288.00				
<b>II. Fixed assets</b>	73,582.43	0.00	0.00	73,582.43	0.00	0.00	0.00	5,497.00	5,497.00	65,094.43	59,597.43	5,497.00	8,488.00	0.00	13,985.00					
<b>III. Financial assets</b>	81,859,412.09	1,987,640.14	4,191,852.95	79,655,199.28	4,191,852.95	79,655,199.28	1,987,640.14	7,746,742.42	19,135,309.86	-79,889,282.85	-68,500,715.41	7,746,742.42	19,135,309.86	159,544,482.13	150,360,127.50					
<b>TOTAL</b>	81,962,056.02	1,988,930.14	4,191,852.95	79,759,133.21	4,191,852.95	79,759,133.21	1,988,930.14	7,765,623.92	19,135,309.86	-79,815,030.42	-68,436,344.48	7,765,623.92	19,135,309.86	159,574,163.63	150,398,400.50					

\* Accounting under IFRS

# Condensed Notes

as of 30.06.2016 (unaudited)

## 1. Summarised Notes

MPH Mittelständische Pharma Holding AG was founded in the financial year 2008. The company is registered in the commercial register of the Berlin-Charlottenburg District Court as HRB 116425, and its offices are at Grünauer Strasse 5, 12557 Berlin. MPH Mittelständische Pharma Holding AG is an investment company in accordance with IFRS 10.27. Its business activities consist of investing in companies with the aim of capital growth.

The consolidated interim financial statements for the period from 1st January until 30th June 2016 of MPH Mittelständische Pharma Holding AG were compiled in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and according to IAS 34 "Interim Reporting", as this is to be applied in the European Union, on a voluntary basis. The figures are unaudited.

With regard to the methods of accounting, valuation and consolidation applied, together with exercising of the options contained in the IFRS, we would like to refer to the appendix to the consolidated annual financial statement of 31st December 2015.

## 2. Scope of Consolidation

The MPH consolidated annual financial statement is compiled for MPH Mittelständische Pharma Holding as parent company.

MPH Mittelständische Pharma Holding AG fulfilled the criteria for an investment company in accordance with IFRS 10.27 for the first time as of the previous balance sheet date, so that as of 31.12.2015 the previously fully consolidated subsidiaries were deconsolidated.

No changes took place in the period covered by this report. We refer to our presentation in the consolidated annual financial statement of 31.12.2015.

## 3. Selected information from the consolidated balance sheet and earnings statement

The **liquid funds**, which amount in total to kEUR 703 (31.12.2015: kEUR 528), are mostly bank deposits and documented with their nominal value.

The remaining **short-term financial assets**, which amount in total to kEUR 4,975 (31.12.2015: EUR 0), consist of loans issued to affiliated companies on customary market terms.

Among the **financial assets**, which amount in total to kEUR 159,544 (31.12.2015: kEUR 150,360), shares in listed companies together with further investments are shown. These financial assets are assessed with their fair value both at the time of initial documentation and in the course of subsequent valuation.

Other **operating expenses**, which amount in total to kEUR 244 (01.01.-31.12.2015: kEUR 10,771), comprise a large number of individual expenditure items such as rent, advertising and travel costs, legal and consulting costs etc.

The **write-downs on financial assets concern expenses** deriving from the valuation of the financial assets at fair value. They amount in total to kEUR 7,747 (previous year: kEUR 6,417).

The **results of the valuation of assets** contain earnings from the financial assets valued at fair value. These amount in total to kEUR 21,973 (previous year: kEUR 74,707).

#### 4. Dividends

For the financial year 2015, a dividend of EUR 0.12 per no-par value share was paid out in 2016.

#### 5. Contingent Liabilities and Other Financial Obligations

The company assumed liability towards the Investitionsbank of the State of Brandenburg on 30.07.2010 in the form of a directly enforceable maximum liability guarantee (kEUR 1,478) as security for claims arising from the subsidisation relationship between the bank and the second-tier subsidiary company HAEMATO PHARM GmbH.

The company is liable towards the UniCredit Bank jointly and severally with the subsidiary HAEMATO AG and the second-tier subsidiary HAEMATO PHARM GmbH as borrower for the amount of the loan issued and current account credit lines up to a maximum of EUR 12 million.

The company is liable towards the apoBank jointly and severally with the subsidiary HAEMATO AG and with the second-tier subsidiary HAEMATO PHARM GmbH as borrower for the amount of the loan issued and current account credit lines up to a maximum of EUR 8 million.

The company is liable towards the Landesbank Baden-Wuerttemberg jointly and severally with the subsidiary HAEMATO AG and the second-tier subsidiary HAEMATO PHARM GmbH as borrower for the amount of the loan issued and current account credit lines up to a maximum of EUR 5 million.

The MPH Mittelständische Pharma Holding AG is liable towards the HYPO NOE Group Bank as joint borrower with HAEMATO AG with regard to a bonded loan of € 7 million.

The MPH Mittelständische Pharma Holding AG is liable towards the HYPO NOE Group Bank as joint borrower with HAEMATO AG with regard to further bonded loans totalling € 3 million.

The MPH Mittelständische Pharma Holding AG is liable towards the Raiffeisenlandesbank Lower Aust-

ria-Vienna as joint borrower with HAEMATO AG with regard to a bonded loan of EUR 4 million.

We estimate the utilisation of these contingent liabilities to be minimal, due to the current creditworthiness and payment history of the beneficiary. We have no recognisable evidence which would necessitate an alternative evaluation.

#### 6. Events of particular significance after 30.06.2016

After the balance sheet date 30.06.2016, until the date of publishing of this report, no events of particular significance took place.

Schönefeld, August 30 2016



Patrick Brenske  
Management Board



Dr. Christian Pahl  
Management Board



## Excerpt from company interim report

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## Company balance sheet - Assets

Accounting under HGB (German GAAP)

	◀ 30.06.2016	◀ 31.12.2015
	EUR	EUR
<b>A. Non-current assets</b>		
I. Intangible Assets		
> Concessions, trade and similar rights	21,193,50	24,288.00
II. Fixed Assets		
> andere Anlagen, Betriebs- und Geschäftsausstattung	8,488.00	13,985.00
III. Financial assets		
> Investments in affiliated companies	67,304,118.57	75,652,894.36
<b>B. Current assets</b>		
I. Inventory		
> Unfinished products and unfinished services	8,721.00	0.00
II. Receivables and other assets		
> Receivables due from affiliated companies	4,689,557.09	8,025.43
> Other assets	331,064.30	165,221.63
III. Cash and bank deposits		
	702,558.79	528.041,61
<b>C. Deferred expenses</b>		
	21,336.80	5,221.76
<b>▶ TOTAL ASSETS</b>	<b>73,087,038.05</b>	<b>76,397,677.79</b>



## Company balance sheet - Liabilities

Accounting under HGB (German GAAP)

	◀ 30.06.2016	◀ 31.12.2015
	EUR	EUR
<b>A. Equity</b>	62,649,678.63	65,440,135.23
I. Subscribed capital	42,813,842.00	42,813,842.00
II. Capital reserve	2,688,175.47	2,688,175.47
III. Retained earnings		
> Legal reserve	1,761,622.14	1,761,622.14
> Other reserves	582,143.81	582,143.81
IV. Retained earnings	14,803,895.21	17,594,351.81
<b>B. Accruals</b>		
> Other accruals	276,283.00	54,185.00
<b>C. Liabilities</b>		
> Bank Loans	7,019,303.74	10,049,823.57
> Trade payables	7,799.48	37,222.99
> Liabilities towards affiliated companies	0.00	600,933.92
> Other liabilities	3,133,973.20	215,377.08
<b>▶ TOTAL EQUITY AND LIABILITIES</b>	<b>73,087,038.05</b>	<b>76,397,677.79</b>

## Company profit and loss

Accounting under HGB (German GAAP)

	<b>◀01.01.- 30.06.2016</b>	<b>◀01.01.- 31.12.2015</b>
	EUR	EUR
<b>Revenue</b>	6,042,372.28	0.00
Increase in finished and unfinished Products	8,721.00	0.00
Other operating income	9,408.36	5,293,006.87
<b>Cost of materials</b>		
> Costs	4,046,852.95	0.00
<b>Personnel expenses</b>		
> Wages and salaries	408,086.48	245,380.91
> Social contributions and insurance	7,575.14	3,993.14
	415,661.62	249,374.05
<b>Depreciation</b>		
> Depreciation on intangible assets	9,881.50	14,551.95
Other operating expenses	243,736.01	2,121,202.93
Income from participations	7,482,460.40	7,288,273.16
Other interest and similar income	182,760.91	456,508.29
Depreciation of financial assets and of securities held as current assets	6,144,562.98	6,206,517.73
Interest and similar expenses	517,610.95	463,351.28
<b>EBT (earnings before tax)</b>	2,347,416.94	3,982,790.38
Taxes on income and profit	0.00	-28,045.06
Other taxes	212.50	486.29
<b>Net profit</b>	2,347,204.44	4,010,349.15
Profit carryforward from previous year	12,456,690.77	13,584,002.66
<b>▶ Retained earnings</b>	<b>14,803,895.21</b>	<b>17,594,351.81</b>

## Further information

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## Information about the members of the company bodies

### Management Board

Name	Position / authority to act	Profession
Patrick Brenske (since 23.01.2009)	Board member Authorised to act solely	Master of Banking & Finance
Dr. Christian Pahl (since 17.05.2010)	Board member Authorised to act together with another board member	Master of Business Administration

### Supervisory Board

Name	Position / authority to act	Profession
Andrea Grosse	Chairwoman	Lawyer
Prof. Dr. Dr. Sabine Meck	Deputy Chairwoman	University Professor and Science Journalist
Dr. Marion Braun	Member	Doctor

## Glossary

### AMNOG

German law for the restructuring of the pharmaceuticals market, which came into force on January 1, 2011.

### Approval

An official authorisation which is required to be able to offer, distribute or provide an industrially produced, ready-to-use drug.

### Balance sheet profit

Balance of net profit of the financial year, profit or loss carried forward and appropriation of profits.

### Cash Flow

An economic indicator informing on the liquidity of a company. It represents the increase of liquid funds during a period.

### DAX

DAX is the most important German share price index. It reflects the development of the 30 largest companies in Germany with the highest turnover.

### Dividend

This is the part of distributed profit of a stock corporation attributed to an individual share.

### EBIT

It means earnings before interest and taxes and is an indicator of the operating profit of a company in a given period.

### Earnings per share

The earnings per share result from dividing the group result by the weighted average of the number of shares. The calculation is made according to IAS 33.

### EBITDA

It means earnings before interest, taxes, depreciation and amortisation and corresponds to the EBIT plus depreciation and amortisation of tangible and intangible assets.

### Oncology

Oncology is the science dealing with cancer.

### Patent

In application to drugs: for a newly developed pharmaceutical agent, an industrial property right is granted. In the EU, this market exclusivity limited in time can last up to 20 years.

### Patent-free agents

Patent-free agents are also called generic drugs. A generic drug is a drug that is a copy of another drug already on the market under a brand name with the same active agent. Generic drugs are therapeutic equivalents to the original preparation.

### Patent-protected agents

Branded drugs that on the one hand are marketed by the patent owner and on the other hand are purchased for a lower price within the EU member states as EU imported drugs on the basis of the legal base of the import.

## Sources

- 1** cf. IfW Institut für Weltwirtschaft: Kieler Konjunkturberichte Nr. 7 (2016/Q2). Weltkonjunktur im Sommer 2016, 15.06.2016, S. 2 ff.
- 2** cf. *ibid.*
- 3** cf. *ibid.*
- 4** cf. *ibid.*
- 5** cf. *ibid.*
- 6** cf. International Monetary Fund: World Economic Outlook Update: Uncertainty in the Aftermath of the U.K. Referendum. 19.07.2016, S. 9.
- 7** cf. Bundesministerium für Wirtschaft und Energie: Schlaglichter der Wirtschaftspolitik. Monatsbericht August 2016, S. 33.
- 8** cf. Statistisches Bundesamt. Pressemitteilung vom 24. Mai 2016 - 171/16, S. 1 ff.
- 9** cf. *ibid.*
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- 12** cf. Kartte, Dr. Joachim; Neumann, Dr. Karsten: Weltweite Gesundheitswirtschaft- Chancen für Deutschland. Studie im Auftrag des Bundesministeriums für Wirtschaft und Technologie. S. 9 ff.
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- 17** cf. Medical Insight, Inc.: THE Global Aesthetic Market Study: Version XIII, May 2015, S. 28.
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- 21** cf. IMS Health Marktbericht. Entwicklung des deutschen Pharmamarktes im Mai 2016. S. 3 ff.
- 22** cf. Dr. Neumann, Karsten: The cross-industry significance of the secondary healthcare market. Keynote presentation. Roland Berger Strategy Consultants, ISPO, Januar 2012, S. 4.
- 23** cf. Deutsche Gesellschaft für Ästhetisch-Plastische Chirurgie: DGÄPC-MAGAZIN: Zahlen, Fakten und Trends in der Ästhetisch-Plastischen Chirurgie 2015, S. 8.
- 24** cf. ISAPS International Survey on Aesthetic/Cosmetic: Procedures Performed in 2015. Juli 2016, New York, S. 3 ff.
- 25** Deutsche Gesellschaft für Ästhetisch-Plastische Chirurgie: DGÄPC-MAGAZIN: Zahlen, Fakten und Trends in der Ästhetisch-Plastischen Chirurgie 2015, S. 4f.
- 26** cf. ISAPS: ISAPS International Survey on Aesthetic/Cosmetic. Procedures Performed in 2014. 2015, S.12; Deutsche Gesellschaft für Ästhetisch-Plastische Chirurgie: DGÄPC-MAGAZIN: Zahlen, Fakten und Trends in der Ästhetisch-Plastischen Chirurgie 2015, S. 5.

## Imprint

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### **Supervisory Board:**

Chairwoman of the supervisory board: Andrea Grosse

Deputy chairwoman of the supervisory board: Prof. Dr. Dr. Sabine Meck

Member of the supervisory board: Dr. Marion Braun

### **Management board:**

Patrick Brenske

Dr. Christian Pahl

Register court: district court Charlottenburg

Register number: HRB 116425 B

Conception, design and realisation:

**MPH** Mittelständische Pharma Holding AG

Investor Relations

Photos:

**MPH** Mittelständische Pharma Holding AG

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