



MPH Health Care AG

Interim report 2019

Mission statement

As an investment company, the strategic focus of our activities is on companies in high-growth segments of the health care market. This includes services covered by health insurances as well as privately financed services (so-called "second health care market").

Based on the current demographic development, an aging society and the associated increase in health and body awareness, the health care market is expected to continue growing strongly in the coming years. We want to exploit this potential.

We work in partnership with our portfolio companies. The aim is to generate the growth of the subsidiaries portfolio company itself, and subsequently increase the corporate value of MPH Health Care AG.

However, MPH Health Care AG does not focus exclusively on the health care market; other industries also offer opportunities for investments into fast-growing sectors, whose opportunities we would like to exploit and expand.

Key areas of MPH Health Care AG



Content

Letter to the shareholders.....	4
Net Asset Value of MPH Health Care AG.....	6
MPH on the capital market.....	7
Short profile HAEMATO AG.....	8
Short profile M1 Kliniken AG.....	9
Short profile CR Capital Real Estate AG.....	11
Interim management report.....	12
1. Business model of the company.....	12
2. Economic report.....	12
2.1. Global economic environment.....	12
2.2. Economic forecast Germany.....	12
2.3. Healthcare market Germany.....	14
3. Business development and position of the company.....	14
3.1. Business development.....	14
3.2. Earnings position of the MPH Group (IFRS).....	14
3.3. Financial position of the MPH Group (IFRS).....	15
3.4. Asset position of the MPH Group (IFRS).....	16
4. Forecast report.....	16
IFRS Interim financial statements.....	19
IFRS Shortened annex (notes).....	27
Further information.....	31



Dear Shareholders, Ladies and Gentlemen

The **MPH share** performed positively in the first half of 2019. The price rose from EUR 3.76 on December 28, 2018 to EUR 4.22 on 30 June 2019, an increase of 12.2%. In July 2019, we were again able to distribute a **dividend** of EUR 0.20 per share due to the sustained results of our investments.

The **net asset value (NAV)** of MPH Health Care AG at **EUR 5.86 per share** was below the previous year's figure of EUR 6.93, but nevertheless significantly higher than the share price. **IFRS equity** fell accordingly from EUR 269.1 million to **EUR 250.9 million as of 30 June 2019**.

The investment income (distributions) from our three listed investments will not be received until the second half of 2019:

- At its Annual General Meeting on July 10, 2019, HAEMATO AG resolved to distribute a dividend of EUR 0.10 per share. The product portfolio is currently being realigned and internal processes are being optimized and digitalized.
- At its Annual General Meeting on August 23, 2019, M1 Kliniken AG resolved to distribute a dividend of EUR 0.30 per share.
- At its Annual General Meeting on August 12, 2019 CR Capital Real Estate AG resolved to distribute a 50% increased dividend of EUR 1.50 per share and additionally resolved to issue new no-par value shares (bonus shares) at a ratio of 1:1, which are entitled to participate in profits as of January 1, 2019.

HAEMATO AG

Our subsidiary HAEMATO AG is a pharmaceutical company with focus on the growth markets of high-priced special pharmaceuticals for oncology, HIV, rheumatism, neurology and cardiovascular diseases. New personnel and digital structures are currently being established in product management, procurement and sales in order to exploit the existing market potential to a much greater extent in the future.

As expected, the company's operating performance in the first half of the year was significantly lower than in the previous year. HAEMATO AG generated sales revenues of EUR 94.0 million (previous year EUR 143.7 million) and earnings before interest and taxes (EBIT) of EUR 0.7 million (previous year EUR 3.4 million) in the first half of 2019.

On the one hand, the decline is due to the fact that HAEMATO AG's business has been strongly influenced by the implementation of the new EU anti-counterfeiting directive. Since February 9, 2019, every prescription drug must be subjected to an authenticity check before it is given to the patient. HAEMATO AG itself has already successfully established the guideline in 2018. However, there were considerable problems with the national and European IT service providers as of on 9 February, which was obligatory throughout Europe. At HAEMATO AG, this led to significant delays in the procurement and production process as well as in sales. In addition, some high-revenue products were subject to patent expirations, which meant that, compared to same period of the previous year, sales decreased. This among other things, lead to changes in doctors' prescribing behaviour which was difficult to predict.

After HAEMATO AG adjusted its product portfolio for low-margin products last year, capacities are now available for the introduction of new products. This includes the trade in narcotics drugs (including medical cannabis) and the development of medical products. This will broaden the product range into above-average growth segments. In June 2019, HAEMATO AG began selling a pharmacy-exclusive cosmetic series (based on hyaluronic acid) in Austria. The cosmetic products will also be offered in German pharmacies at a later stage.

M1 Kliniken AG

The demand for the medical aesthetic services of M1 Kliniken AG also developed positively in the first half of 2019. Group sales rose from EUR 28.9 million to EUR 32.9 million in the first half of this year. The growth driver was the core segment „Beauty“, whose sales increased by more than 40% to EUR 20.3 million. The beauty segment of M1 achieves a higher margin than in the trade sector. As a result, earnings before taxes (EBT) for the reporting period rose disproportionately to revenues by 20% to EUR 5.2 million (previous year EUR 4.3 million).

After operating a total of 24 specialist centres (besides running four surgical locations) at the end of 2018, M1 opened two new specialist centres in the first half of 2019. In addition to a further M1 Beauty specialist centre in Germany (Dortmund) a second international location has opened in Melbourne (Australia). At the same time, M1 has already established cosmetic laser treatments in ten beauty centres and currently operates dental aesthetic treatments under the brand of M1 Dental at four locations. M1 lasers will be available at almost all German beauty locations by the end of the year. M1 will thus increase sales per location and take advantage of cross-selling effects.

The second half of 2019 also promises further exciting developments for M1. The first specialist centre in the Netherlands, Amsterdam, opened in mid-July 2019. Further locations are shortly to follow. In addition to further specialist centres in Germany, M1 is also planning to open locations in Switzerland and Great Britain in the coming months, as well as further centres in Australia.

CR Capital Real Estate AG

CR Capital Real Estate AG continued its positive business development in the first half of 2019. In the first six months of the current year, sales amounted to EUR 6.3 million (HY 2018: EUR 12.8 million). The half-year net profit increased from EUR 2.1 million to EUR 3.5 million. Currently, two projects are in the building phase and others are in planning stages. For 2019 as a whole, the company expects earnings to grow by around 30%. CR is thus developing according to plan at all levels.

In addition to its positive operating performance, CR has expanded its business model in recent months. In the future, social housing construction will be a further area of focus. The aim is to create affordable housing at socially acceptable rents. Thanks to its proven price-conscious design, CR is well placed to enter the field of social housing and create added value for both tenants and shareholders.

I would like to thank the employees of the MPH Group for their commitment in the first half of 2019. Our investments are constantly developing and I am convinced that this will again have a positive effect on MPH's share price. My thanks also go to the Supervisory Board for its constructive cooperation during the reporting period.

Berlin, August 2019



Patrick Brenske
(Management board)

Net Asset Value of MPH Health Care AG

Inner value (NAV) EUR 250.89 Mio. - EUR 5.86/ share as of 30.06.2019 (previous year EUR 6.93)

Net Asset Value	30.06.2019 in EUR	30.06.2018 in EUR
Equity	250,890,819.76	296,573,423.42
Equity per share	5.86	6.93

	Number of stocks / shares	Share price ¹⁾ 30.06.2019 in EUR	Market value in EUR	Fair value in EUR
M1 Kliniken AG	11,569,748	12.65	146,357,312.20	
HAEMATO AG	11,011,977	4.90	53,958,687.30	
CR Capital Real Estate AG	1,074,733	39.20	42,129,533.60	
TOTAL				
Market price of shares			242,445,533.10	242,445,533.10
Nicht börsennotierte Beteiligungen				23,661,906.53
TOTAL Fair Value valued shares				266,107,439.63
Liquid assets				7,955,838.88
Other assets				1,959,610.29
Use of funds (assets)				276,022,888.80
Equity				250,890,819.76
Interest-bearing liabilities				14,000,000.00
Other liabilities				11,132,069.04
Source of funds				276,022,888.80

Overview of the main portfolio companies

Accounting according to IFRS	01.01. - 30.06.2019 in kEUR		01.01. - 30.06.2018 in kEUR	
	Turnover	EBIT / Earnings	Turnover	EBIT / Earnings
M1 Kliniken AG	32,932	4,646 ²⁾	28,927	3,475 ²⁾
HAEMATO AG	94,009	708 ²⁾	143,745	3,379 ²⁾
CR Capital Real Estate AG	6,325	3,467 ³⁾	12,830	2,104 ³⁾

1) Xetra closing price; 2) EBIT; 3) result

MPH on the capital market

Class of shares	Bearer share
Number of shares	42,813,842
WKN / ISIN	A0L1H3 / DE000A0L1H32
Ticker symbol	93M
Market places	Xetra, Frankfurt, Stuttgart, Dusseldorf, Berlin, Munich, Tradegate
Market segment	Open Market
Designated Sponsor, Listing Partner	Oddo Seydler Bank AG
Market capitalization	EUR 180.67 Mio. (as of 30.06.2019 - Xetra)
Coverage	GBC AG, First Berlin Equity Research GmbH

Despite an increase in world production in the first half of 2019, global uncertainty remains high and sentiment indicators continue to point downwards, with the result that a weaker rise in production is expected again in the coming months. The Kiel Institute for Economic Research has therefore lowered its forecast for the increase in global production by 0.1 percentage points to 3.2%; a growth rate of 3.3% is expected for 2020. Uncertainties about future economic policy conditions are likely to remain high, e.g. due to a further intensification of the trade conflict between the USA and China or an expansion to trade relations with the European Union. ¹⁾

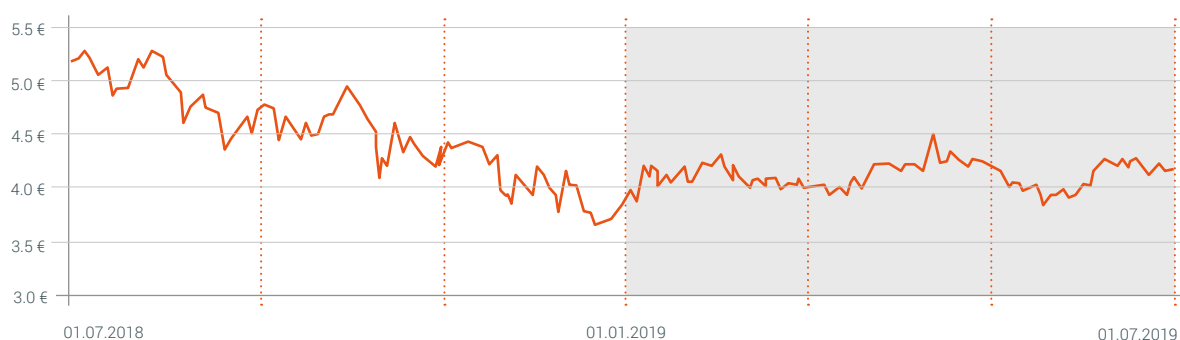
In Germany and the euro zone, economic momentum in the first quarter was also positive with GDP growth of 0.4% each, with economic development in Germany being supported in particular by a busy labour market (and therefore consumption). However, the mood in the German industry remains clouded by repeated threats by the US government of possible penalties for European car exports. The German government has therefore revised its growth forecast for 2019 as a whole downwards to only 0.5%. ²⁾

The Xetra closing price of the MPH share rose from EUR 3.76 on December 28, 2018 to EUR 4.22 on June 30, 2019; this corresponds to an increase of 12.2%. Over the same period, Germany's leading index, the DAX 30, rose from 10,558.96 points to 12,398.80 points, an increase of around 17.4% since the beginning of the year.

The net asset value (NAV) of MPH Health Care AG amounted to EUR 5.86 per share on June 30, 2019 (previous year EUR 6.93 per share), which corresponds to a reduction of 15.4% resulting from the fair value measurement of the share prices of the listed investments on June 30, 2019.

MPH's future prospects continue to be regarded as very good despite the short-term decline in the share price, which is also reflected in the current ratings of several analysts. In August 2019, the analysts of First Berlin Equity Research GmbH raised the price target for MPH to EUR 7.50 (previously EUR 7.10). The bank-independent investment house GBC AG also raised its price target again in August 2019 to EUR 8.96 (previously EUR 8.35 and EUR 8.00) as a result of the higher valuation of the investments in M1 Kliniken AG and CR Capital Real Estate AG.

Share price development of MPH HEALTH CARE AG





HAEMATO AG is a listed pharmaceutical company (holding distribution and manufacturing certificates) with a focus on the growth markets of high-priced special pharmaceuticals such as oncology and HIV as well as rheumatism, neurology and cardiovascular diseases. The company makes an active contribution to reducing costs in the German healthcare system. With direct access to 4,800 pharmacies in Germany and 1,300 pharmacies in Austria, the company contributes to ensuring that every patient benefits from the latest innovative therapies.

In addition, HAEMATO AG will in future offer pharmaceutical, medical and medical-technical products for aesthetic surgery and cosmetic dermatology under the „HAEMATO Med“ brand.

In the reporting period, the company generated sales of EUR 94.0 millions and earnings before interest and taxes (EBIT) amounted to EUR 0.7 million. The share price of the HAEMATO AG as of June 30, 2019 was around 17% lower than in the first half of 2018. In July 2019, a distribution of EUR 0.10 per share was made for the 2018 financial year.

Share key figures

Class of shares	Bearer share
Number of shares	22,867,154
WKN / ISIN	619070 / DE0006190705
Ticker symbol	HAE
Market places	Xetra, Frankfurt, Stuttgart, Dusseldorf, Berlin, Hamburg, Tradegate
Market segment	Open Market
Designated Sponsor, Listing Partner	ICF Bank AG
Market capitalization	EUR 112.05 Mio. (as of 30.06.2019 - Xetra)
Coverage	GBC AG, First Berlin Equity Research GmbH

Share price development of HAEMATO AG





M1 Kliniken AG is one of the fastest growing and leading private providers of health services in the beauty sector. With its products and services, the group of companies offers a customer-oriented spectrum of aesthetic and surgical treatments throughout Germany. The experienced and highly specialized team of employees performs minimally invasive and surgical procedures to the highest quality standards using high-quality products and state-of-the-art medical technology.



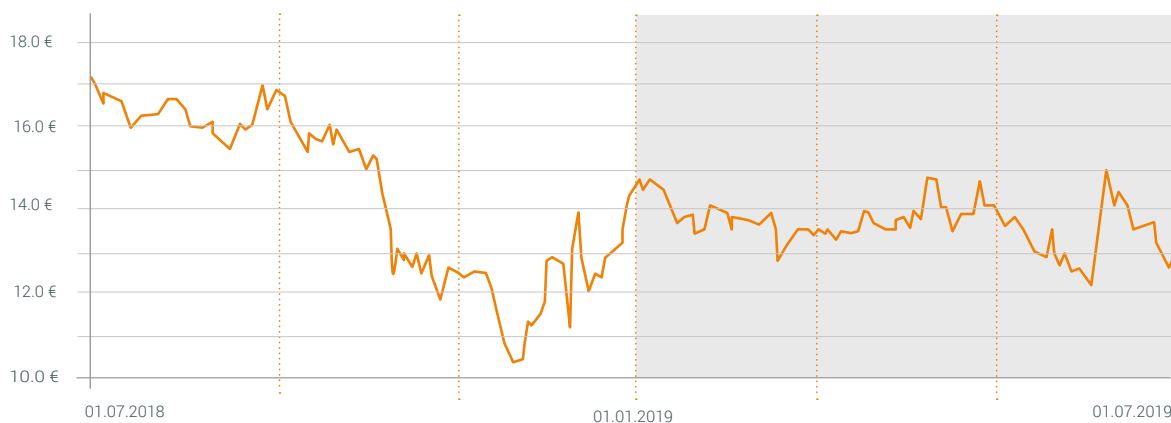


M1 Kliniken AG was again able to confirm its growth course in the first half of 2019. In addition to the 24 specialist centres (besides four surgical locations) already existing at the end of 2018, two new specialist centres were opened in the first half of 2019, including the Melbourne (Australia) location. For the second half of 2019 and the following year, further specialist centres are planned in Germany, Austria, Switzerland and other European countries. In addition, further locations are to be opened in Australia and significant sales growth is expected to continue in the coming years. Due to growth-related economies of scale and synergies in the value chain, price leadership can be ensured. The basic strategic concept is also to be transferred to other attractive, comparable segments of the health care market in the future.

Share key figures

Class of shares	Bearer share
Number of shares	17,500,000 pieces
WKN / ISIN	A0STSQ / DE000A0STSQ8
Ticker symbol	M12
Market places	Xetra, Frankfurt, Tradegate, Dusseldorf, Stuttgart, Berlin
Market segment	Open Market
Designated Sponsor, Listing Partner	Oddo Seydler Bank AG, Kepler Cheuvreux
Market capitalization	EUR 221.38 Mio. (as of 30.06.2019 - Xetra)
Coverage	GBC AG, First Berlin Equity Research GmbH, Metzler Capital Markets

Share price development of M1 KLINIKEN AG



CR CAPITAL

REAL ESTATE AG

CR Capital Real Estate AG („CR Capital“) is a real estate developer and manager operating in Germany. The focus of its business activities is on the creation of high-quality residential real estate in solid construction at affordable prices. It focuses on ecological construction methods and benefits from just-in-time production, efficient construction costs, short property holding periods and the scalability of its business model. The closed value chain also ensures a high degree of market independence.

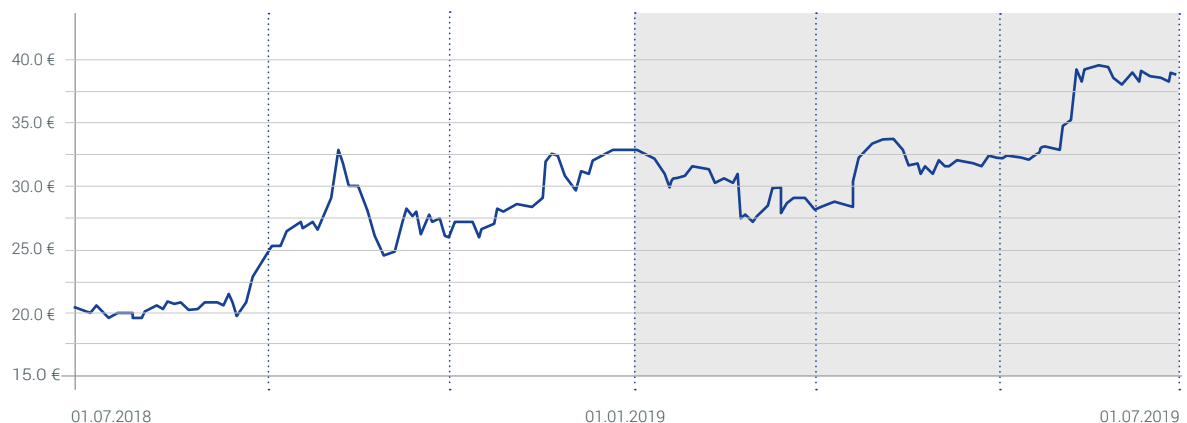
CR Capital will expand its business model to include subsidized housing in order to make socially acceptable rents possible. The addition of the social housing segment will also give the Group access to inner-city properties. CR Capital thus stands for the sustainable acquisition, maintenance and development of socially acceptable housing.

CR Capital sees itself as a high-dividend, shareholder-oriented growth stock and intends to enable its shareholders to participate in the company's growing success through an active and sustainable dividend policy with attractive dividend yields.

Share key figures

Class of shares	Bearer share
Number of shares	1,878,377 pieces
WKN / ISIN	A2GS62 / DE000A2GS625
Ticker symbol	CRZK
Market places	Xetra, Frankfurt, Tradegate, Dusseldorf, Stuttgart, Berlin
Market segment	Open Market
Designated Sponsor, Listing Partner	Oddo Seydler Bank AG
Market capitalization	EUR 73.63 Mio. (as of 30.06.2019 - Xetra)
Coverage	GBC AG, First Berlin Equity Research GmbH

Share price development of CR Capital Real Estate AG



Interim Group Management Report

1. Business model of the company

MPH Health Care AG is a Berlin-based investment company listed on the Frankfurt Stock Exchange. Its business activity consists of investing in companies with the aim of capital growth. The strategic focus of its activities is on the acquisition and development of companies and company shares, particularly in growth segments of the healthcare market. This includes both insurance-financed and privately financed segments. But MPH AG also exploits the potential of high-growth sectors outside the healthcare market. The aim is to generate profitable growth in the investments through active further development and to promote the enterprise value of MPH AG.

2. Economic report

MPH Health Care AG continued to invest in three major investments in the first half of 2019. Compared to the previous year, the market value of these investments as of June 30, 2019 decreased by EUR 53.5 million to EUR 242.4 million due to the fair value measurement of the share prices of these investments at the reporting date.

The profit distributions from the investments HAEMATO AG (EUR 0.10 per share), M1 Kliniken AG (EUR 0.30 per share) and CR Capital Real Estate AG (EUR 1.50 per share) were made in July and August 2019 and will therefore only be recognised in income in the second half of 2019 (income from investments). MPH Health Care AG itself distributed an unchanged dividend of EUR 0.20 per share in July 2019, which is EUR 8.56 million (previous year also EUR 8.56 million).

In addition to distributing a dividend of EUR 1.50 per share, CR Capital Real Estate AG doubled its share capital from company funds (share dividend) by issuing new shares at a ratio of 1:1. The company's share capital will be increased by EUR 1,878,377 from EUR 1,878,377 to EUR 3,756,754 after entry in the commercial register. The new no-par value shares are entitled to participate in profits as of January 1, 2019.

2.1. Global economic environment

Although global production increased quite strongly at the beginning of 2019, the pace of expansion is probably exaggerating the underlying dynamics of the global economy. Global uncertainty remains high and sentiment indicators continue to point downwards, with the result that a weaker rise in production can be expected again in the coming months. For 2019, the Kiel Institute for the World Economy (IfW) has lowered its forecast for global production growth by 0.1 percentage points to 3.2%, while a growth rate of 3.3% is still expected for 2020. In view of inflation rates that fall short of the central bank's targets or will at best slightly exceed them, a tightening of monetary policy is no longer to be expected, and even a loosening of monetary policy in 2020.

Foreign trade did not recover in the first months of the new year from the slump recorded in autumn 2018 and is likely to be largely attributable to the slump in trade between the USA and China, which is also having an impact on trade in the rest of Asia due to close economic ties.

Uncertainty about future economic policy conditions is likely to remain high and an expansion into trade relations with the European Union represents a significant downside risk for the global economy. The increased uncertainty surrounding economic policy is having a negative impact above all on the industrial economy and is now apparently having a noticeable impact on investment activity. The slowdown in the global economy is particularly pronounced in the industrial sector; global industrial production growth fell from just over 4% at the beginning of 2018 to less than 1.5% year-on-year. The increase in global production, calculated on the basis of purchasing power parities, will decline this year from 3.7% to 3.2%. Next year, the growth rate is likely to be similarly moderate at 3.3%. ³⁾

The trade dispute between the United States and China remains unresolved and threatens to escalate into a trade war that could severely slow down the economies of both countries and spread to the rest of the world. The EU continues to be threatened with the introduction of car tariffs, although their introduction has been postponed for the time being and a re-examination announced in the autumn. Additional risks in Europe arise from the fact that an unregulated Brexit can still not be ruled out. Uncertainties are also associated with the dispute between the EU Commission and the Italian government over the orientation of fiscal policy and compliance with European fiscal rules. Last but not least, there are financial risks, as debt has increased considerably in recent years both in the advanced economies and in a number of emerging markets. ³⁾

2.2. Economic forecast for Germany

In recent months, economic momentum in Germany has slowed further. The German economy is in a downturn and companies are much more pessimistic about the future, which is also due to the high level of economic uncertainty worldwide. For the second quarter, there are even signs of a decline in gross domestic product (GDP). Against this background, the Kiel Institute for Economic Research now expects lower GDP growth rates of 0.6% in the current year (previously 1%) and 1.6% in the coming year (previously 1.8%) compared with the spring forecast. In the second half of 2019, overall economic production should be on the up again, albeit at a moderate pace. ⁴⁾

Exports, which have recently lagged significantly behind the quite robust expansion of the global economy, are also likely to gradually rise again. Finally, construction investments are likely to remain on a clearly upward trend, with the continuing capacity bottlenecks leading to a further sharp rise in construction prices. By contrast, in view of the gloomy sales and earnings outlook, corporate investments are not expected to generate any further major impetus. The slower economic development will also leave its mark on the labour market. In the manufacturing sector in particular, more and more companies are planning to reduce the number of employees. In addition, many companies that are still looking for skilled personnel still have difficulties filling vacancies. Against this backdrop, public budget surpluses are likely to decline markedly, as the lower economic momentum will have a negative impact on revenues in particular, while expenditure will expand significantly as planned. ⁴⁾

Against the backdrop of a slowdown in the pace of expansion of the German economy, a slowdown in the basic pace of growth of the German economy, as well as capacity limits reached in many sectors on the supply side and existing labour bottlenecks, the German Council of Economic Experts has also revised its growth forecast for 2019 downwards and expects average real GDP growth rates of 0.8% and 1.7% for 2019 and 2020. ⁵⁾

2.3. Health care market in Germany

The healthcare industry continues to have considerable economic significance for Germany as a business location. The gross value added in the core area of the health industry in 2018 was around EUR 370 bn, which corresponds to more than 12% of the gross domestic product. The healthcare industry thus continues to be a growth industry on an expansion course. With annual growth of 4.1%, the sector has grown significantly faster than the gross domestic product over the past ten years, ensuring demand that is independent of economic cycles and thus economically stabilising. In addition, the healthcare industry is an employment engine for the German economy as a whole and is characterized above all by the development of innovative high-tech products in medical technology and pharmaceuticals as well as new treatment and examination methods. ⁶⁾

In 2018, exports by the German healthcare industry amounted to more than EUR 131 bn - or 8.4% of total exports. Their value has almost doubled since 2009. Human pharmaceuticals, medical technology and medical devices account for more than three quarters of the exports of the health industry. The demographic development in Germany, the medical-technical progress and the growing health awareness in the population lead to an additional demand for conventional professional services in the fields of health, care and support, but also for products and services of the secondary health market. The healthcare industry is a high-tech sector and therefore plays an important role in technical progress. No other industry in the world apart from the data processing and electronics industry invests as much in research and development as the healthcare sector. This applies in particular to biotechnology, medical technology and telemedicine. ⁷⁾

3. Business development and situation of the company

3.1. Business performance

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

In accordance with IFRS 10.27, MPH Health Care AG has the status of an investment company which does not have to consolidate its subsidiaries (investments). All investments were measured at fair value through profit or loss in accordance with IFRS 9.

No investment income was generated in the first half of 2019. The significant investment income from the investments of Haemato AG, CR Capital Real Estate AG and M1 Kliniken AG is not expected until after the respective Annual General Meetings in the second half of 2019.

3.2. Earnings situation of the MPH Group (IFRS)

In general, an investment company need not consolidate its subsidiaries or apply IFRS 3 if it obtains control of another entity. Instead, an investment company must measure its interest in a subsidiary at fair value through profit or loss in accordance with IFRS 9.

Operating income of kEUR 9.459 (previous year kEUR 57,727) was generated in the first half of 2019. Operating expenses amounted to kEUR -27,865 (previous year kEUR -1,033) in the reporting period. As of June 30, 2019, the total result amounted to kEUR -18,237 (previous year kEUR 55,907). This essentially includes the results from the valuation of investments as well as the income from the purchase and sale of investments. The operating result (EBIT) amounts to kEUR -18,409 (previous year kEUR 56,683).

3.3. Financial position of the MPH Group (IFRS)

Our financial position can be described as very stable. Our financial management is geared to always settling liabilities within the payment period and collecting receivables within the payment period.

Our capital structure continues to be good. Equity fell from kEUR 269,128 as of December 31, 2018 to kEUR 250,891 as of June 30, 2019; the equity ratio fell accordingly to 90.9% (December 31, 2018: 94.0%).

Cash and cash equivalents amount to kEUR 7,956 (31.12.2018: kEUR 1,018). Together with other current assets of kEUR 1,852 (31.12.2018: kEUR 64), other current financial liabilities of kEUR 8,634 (31.12.2018: kEUR 87) can be settled.

Long-term liabilities account for 5.9% of the balance sheet total (31.12.2018: also 5.9%). MPH makes use of the credit lines granted by various banks in order to promote business success. Our participations have higher credit lines than average.

Trade payables can always be settled within the payment terms.

Long-term investments are covered by 94.3% of our equity.

The liquidity situation is satisfactory.

In the first half of 2019, MPH invested an amount of kEUR 10,140 in the acquisition of investments. Proceeds from the sale of investments for this period amount to kEUR 17,198. There were no significant investments in property, plant and equipment and no short-term investments are planned.

The financial development of MPH Health AG in the reporting period on the basis of the cash flow statement with indirect determination of the cash flows from operating activities is as follows:

Cashflows from:	01.01. - 30.06.2019	01.01. - 30.06.2018
	kEUR	kEUR
Operating activities	-2.328	2.171
Investment	7.016	1.115
Financing activity	-252	-217
Total cash flow	4.436	3.069

3.4. Net assets of the MPH Group (IFRS)

The asset situation of MPH Health Care AG as of June 30, 2019 is good. It is characterised by lower financial assets amounting to kEUR 266,107 (31.12.2018: kEUR 285,097), increased other current financial assets amounting to kEUR 1,852 (31.12.2018: kEUR 64) and increased cash and cash equivalents from kEUR 1,018 to kEUR 7,956.

Overall, our economic situation can be described as good.

4. Forecast report

We continue to evaluate the expected development of MPH Health Care AG as positive.

The market segments in which our affiliated companies operate continue to offer great growth potential.

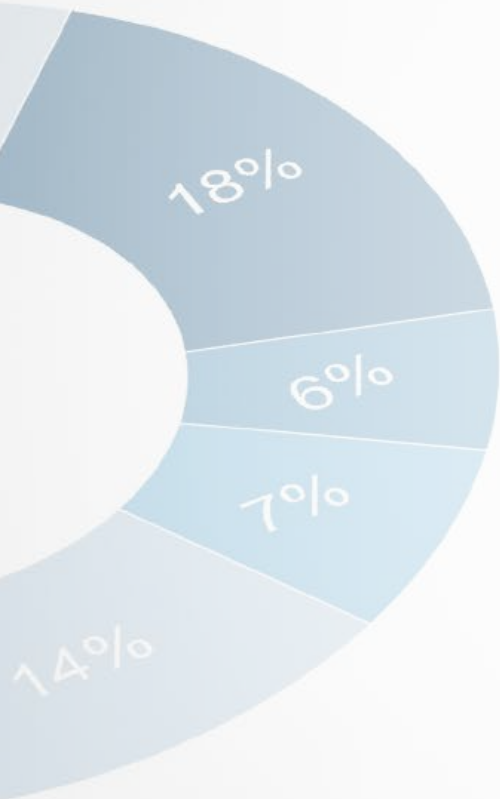
- The demand for patent-free and patent-protected drugs and the production of medications for cancer therapies, HIV and other chronic diseases is rising steadily, this is not just due to the increasing age structure of the population (market segment HAEMATO AG).
- Beauty lifestyle services for private payers continue to be popular and continue to attract growing interest (market segment M1 Klinken AG).
- The demand for reasonably priced living space has exceeded supply for years. The creation of affordable living space through efficient and ecological construction is experiencing increasing demand (market segment CR Capital Real Estate AG).

We expect the following business developments for our investments in the 2019:

- HAEMATO AG: The adjustment of the product portfolio for low-margin products and the expiration of patents for some high-revenue original preparations led to a decline in sales revenues and earnings. Investments in drug safety (keyword: serialisation), IT infrastructure and production and logistics processes have created the foundation for profitable growth in the future.
- M1 Kliniken: Internationalization through the planned opening of new specialist centers in other European countries and in Australia, as well as the expansion of the range of services through further medical-aesthetic treatments, will lead to rising sales.
- CR Capital Real Estate AG: The expansion of the business model to include social housing may lead to further business volume.

These business developments can have a positive effect on the valuation of companies on the capital market; which may also result in a positive effect on the earnings situation of MPH Health Care AG.

We will always be able to meet our payment obligations on time in the future.



IFRS Interim financial statement

IFRS Balance sheet - Assets	20
IFRS Balance sheet - Liabilities.....	21
IFRS Profit and loss statement.....	22
IFRS Cash flow statement.....	23
IFRS Statement of changes in equity	24

IFRS Balance sheet - Assets

as of June, 30 2019*

	30.06.2019	31.12.2018
	EUR	EUR
Cash and cash equivalents	7.955.838,88	1.017.550,19
Inventories	8.934,75	7.267,50
Trade accounts receivable	2.800,07	2.800,07
Other short-term financial assets	1,852,493.15	64,234.85
Other short-term assets	9,085.65	19,792.34
Income tax receivables	40,864.98	40,864.98
Short-term assets	9,870,017.48	1,152,509.93
Intangible assets	808.50	1,093.00
Fixed assets	44,623.19	2,321.00
Financial assets	266,107,439.63	285,097,115.38
Long-term assets	266,152,871.32	285,100,529.38
TOTAL ASSETS	276,022,888.80	286.253.039,31

* Accounting according to IFRS

IFRS Balance sheet - Liabilities

as of June, 30 2019*

	30.06.2019	31.12.2018
	EUR	EUR
Accruals	65,414.38	99,186.05
Trade accounts payable	16,504.14	28,247.16
Other short-term financial liabilities	8,634,079.05	86,722.68
Other short-term liabilities	38,129.91	112,603.28
Short-term liabilities	8,754,127.48	326,759.17
Bank loans	14,000,000.00	14,000,000.00
Deferred tax liabilities	2,377,941.56	2,798,278.99
Long-term liabilities	16,377,941.56	16,798,278.99
Subscribed capital	42,813,842.00	42,813,842.00
Capital reserves	2,688,175.47	2,688,175.47
Legal reserve	205,388,802.29	223,625,983.68
Equity	250,890,819.76	269,128,001.15
TOTAL LIABILITIES	276,022,888.80	286,253,039.31

* Accounting according to IFRS

IFRS Profit and loss statement

as of June, 30 2019*

	01.01.- 30.06.2019 EUR	01.01.- 30.06.2018 EUR
1. Operating income	9,458,709.30	57,726,818.06
1.1. Fair value Income from the valuation of financial assets	9,450,232.05	56,696,091.00
1.2. Profit from the sale of financial assets	0.00	757,473.89
1.3. Income from investments	0.00	250,000.00
1.4. Other operating income	8,477.25	23,253.17
2. Operating expenses	-27,865,100.79	-1,032,960.78
2.1. Fair value expense from the valuation of financial assets	-27,188,907.80	0.00
2.2. Financial expenses	-66,000.00	-653,406.77
2.3. Loss from the disposal of investments	-169,500.00	0.00
2.4. Administrative expenses	-440,692.99	-379,554.01
3. Result from ordinary activities (EBITDA)	-18,406,391.49	56,693,857.28
4. Depreciation	-2,678.34	-10,653.05
5. Operating income (EBIT)	-18,409,069.83	56,683,204.23
6. Financial result	-248,448.93	-51,986.19
6.1. Other interest and similar income	3,250.23	164,550.90
6.2. Interest and similar expenses	-251,699.16	-216,537.09
7. Total earnings before taxes (EBT)	-18,657,518.76	56,631,218.04
7.1. Taxes on income and earnings	420,337.37	-723,735.00
8. Result of the reporting period	-18,237,181.39	55,907,483.04
9. Earnings per share (in EUR)	-0.43	1.31

* Accounting according to IFRS

IFRS Cash flow statement

as of June, 30 2019*

	01.01.- 30.06.2019	01.01.- 30.06.2018
	EUR	EUR
Result of the reporting period	-18,237,181.39	55,907,483.04
Depreciation and amortization	2,678.34	10,653.05
Change in current accruals	-33,771.67	-10,603.62
Increase / decrease due to fair value measurement	17,738,675.75	-56,696,091.00
Change in inventories	-1,667.25	-5,557.50
Change in trade receivables and other assets	-7,753,551.61	3,193,477.50
Change in trade payables and other liabilities	5,958,639.98	3,562.80
Profit / loss from the disposal of fixed assets	169,500.00	-757,473.89
Interest expense / income	248,448.93	51,986.19
Other investment income	0.00	-250,000.00
Income tax expense / income	-420,337.37	723,735.00
Income tax payments	-0.06	0.00
Cash flow from operating activities	-2,328,566.35	2,171,171.57
Payments for investments in property, plant and equipment	-44,696.03	-605.35
Proceeds from disposals of financial assets	17,197,500.00	10,890,112.90
Payments for investments in financial assets	-10,140,000.00	-10,189,550.00
Interest income	3,250.23	164,550.90
Beteiligungserträge	0.00	250,000.00
Cash flow from investing activities	7,016,054.20	1,114,508.45
Interest expenses	-251,699.16	-216,537.09
Cash flow from financing activities	-251,699.16	-216,537.09
Cash Flow	4,435,788.69	3,069,142.93
Cash and cash equivalents on 30.06.2019 / 30.06.2018	7,955,838.88	4,308,033.21
Thereof current accounts on 30.06.2019 / 30.06.2018	2,502,500.00	0.00
Adjusted cash on 30.06.2019 / 30.06.2018	5,453,338.88	4,308,033.21
Cash and cash equivalents on 01.01.2019 / 01.01.2018	1,017,550.19	1,238,890.28
Change in cash and cash equivalents	4,435,788.69	3,069,142.93

* Accounting according to IFRS

IFRS Statement of changes in equity

as of Juni, 30 2019*

	Subscribed capital EUR	Capital reserve EUR	Revenue reserves EUR	Total equity EUR
As of 01.01.2018	42,813,842.00	2,688,175.47	195,163,922.91	240,665,940.38
Result reporting period (HY1/2018)	0.00	0.00	55,907,483.04	55,907,483.04
Dividends (HY1/2018)	0.00	0.00	0.00	0.00
As of 30.06.2018	42,813,842.00	2,688,175.47	251,071,405.95	296,573,423.42
Result reporting period (HY2/2018)	0.00	0,00	-18.882.653,87	-18.882.653,87
Dividends (HY2/2018)	0.00	0,00	-8.562.768,40	-8.562.768,40
As of 31.12.2018	42,813,842.00	2,688,175,47	223,625,983,68	269,128,001,15
As of 01.01.2019	42,813,842.00	2,688,175.47	223,625,983.68	269,128,001.15
Result reporting period	0.00	0.00	-18,237,181.39	-18,237,181.39
Dividends	0.00	0.00	0.00	0.00
As of 30.06.2019	42,813,842.00	2,688,175.47	205,388,802.29	250,890,819.76

* Accounting according to IFRS



Shortened annex (notes)*

1. General information	28
2. Scope of consolidation	28
3. Selected information on the consolidated balance sheet and consolidated income statement	28
4. Dividends	29
5. Contingent liabilities and other financial commitments	29
6. Significant events after 30.06.2018	29

1. General information

MPH Health Care AG was founded in 2008. The company is registered in the Commercial Register of the Berlin-Charlottenburg Local Court under HRB 116425 and has its registered office at Grünauer Strasse 5, 12557 Berlin. MPH Health Care AG is an investment company within the meaning of IFRS 10.27. Its business activity consists of investing in companies with the aim of increasing assets.

The interim consolidated financial statements of MPH Health Care AG for the period from January 1 to June 30, 2019 have been prepared voluntarily 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), taking into account IAS 34 „Interim Financial Reporting“ as adopted by the European Union. The figures are unaudited.

With regard to the accounting, valuation and consolidation methods applied and the exercise of the options contained in IFRS, we refer to the notes to the consolidated financial statements as of December 31, 2018.

2. Scope of consolidation

There were no changes in the reporting period. In accordance with the provisions of IFRS 10.31, the subsidiaries are not consolidated, but the shares are measured at fair value through profit or loss in accordance with IFRS 9. We refer to our presentation in the consolidated financial statements as at 31 December 2018.

3. Selected information on the consolidated balance sheet and consolidated statement of comprehensive income

According to IFRS 16, rights of use must be capitalized for the first time in 2019. This is a uniform accounting model in which the lessees are obliged to capitalise all leasing contracts and leasing liabilities for outstanding rental payments. With regard to low-value assets and short-term leases, application simplifications can be made use of. MPH Health Care AG uses these facilities.

Cash and cash equivalents, which total kEUR 7,955.8 (December 31, 2018: kEUR 1,017.6), mainly comprise bank balances and are recorded at their nominal values.

The other current financial assets, which amount to kEUR 1,852.5 (December 31, 2018: kEUR 64.2), are mainly short-term receivables from affiliated companies.

Other non-current financial assets, which totalled kEUR 266,107.4 (31.12.2018: kEUR 285,097.1), shares in listed companies and other investments are reported. These financial assets are recognised at their fair value both at the time of initial recognition and at subsequent measurement.

Other current financial liabilities include in particular current liabilities to banks and current liabilities to affiliated companies and amounted to kEUR 8,634.1 as of June 30, 2019 (December 31, 2018: kEUR 86.7).

Operating income mainly includes financial assets valued „at fair value through profit or loss“, which reported a profit of kEUR 9,450.2 (previous year kEUR 56,696.1) as of the balance sheet date. Operating expenses mainly include the financial assets valued „at fair value through profit or loss“,

which reported a loss of kEUR 27,188.9 as of the balance sheet date (previous year: 0) as well as the loss of kEUR 169.5 from the sale of investments.

Administrative expenses totaling kEUR 440.7 (previous year: kEUR 379.6) include a large number of individual items, such as advertising and travel expenses, legal and consulting costs, personnel expenses, third-party services, Supervisory Board remuneration, etc. The administrative expenses of kEUR 440.7 (previous year: kEUR 379.6) include a large number of individual items, such as advertising and travel expenses, legal and consulting expenses, personnel expenses, third-party services, Supervisory Board remuneration, etc.

The financial result includes in particular income and expenses from interest.

4. Dividende

No dividends were distributed for the 2018 financial year as of June 30, 2019.

5. Contingent liabilities and other financial obligations

MPH Health Care AG is liable to HYPO NOE Gruppe Bank AG as a joint borrower with HAEMATO AG in connection with a EUR 7.0 million promissory note loan. This loan was paid out to MPH Health Care AG. MPH Health Care AG had drawn on this loan in full as of the balance sheet date.

MPH Health Care AG is liable to HYPO NOE Gruppe Bank AG as joint borrower with HAEMATO AG in connection with further promissory note loans in the amount of EUR 3.0 million.

MPH Health Care AG, as joint borrower with HAEMATO AG, is liable to a borrower's note issuer in connection with a borrower's note loan in the amount of EUR 4.0 million.

We consider the contingent liabilities to be low due to the current creditworthiness and payment history of the beneficiaries. We do not have any discernible indications that would require a different assessment.

Other financial obligations are in line with normal business transactions.

6. Significant events after June 30, 2019

In accordance with the resolution passed at the Annual General Meeting on 17 July 2019 on the appropriation of the 2018 balance sheet profit, a dividend of EUR 0.20 per dividend-bearing share was distributed on 22 July 2019 for the 2018 financial year (previous year also EUR 0.20 per share).

There were no other significant events after June 30, 2019.

Berlin, August 2019



Patrick Brenske
Management board

Further information

1. Information about members.....	32
2. Glossary.....	33
3. Sources.....	34
4. Imprint.....	35

1. Information about members

Management Board

Family name	First name	Profession	Power of representation
Brenske	Patrick	Merchant (Master of Banking & Finance)	Sole power of representation

Board of Supervisors

Family name	First name	Function	Profession
Grosse	Andrea	Chair	Lawyer
Dr. Wandschneider	Ulrich	Deputy Chairman	Business consultant
Prof. Dr. Dr. Meck	Sabine	Member	University lecturer and science journalist

2. Glossary

Cash flow

An economic measure that says something about a company's liquidity. Represents the inflow of liquid funds during a period.

Consolidation

Consolidation means the compilation of the net assets, financial position and results of operations of individual companies belonging to a group into consolidated financial statements.

DAX

The DAX is the most important German stock index. The 30 largest and highest-volume German shares are listed in this stock exchange directory.

Dividend

The profit per share of a stock corporation that is distributed to the shareholders.

Earnings per share

Earnings per share are calculated by dividing consolidated net income by the weighted average number of shares. This is calculated in accordance with IAS 33.

EBIT

earnings before interest and taxes. Says something about a company's operating profit over a certain period of time.

EBITDA

Earnings before interest, taxes, depreciation and amortization: Earnings before interest and taxes are added to earnings before interest and taxes.

Equity method

A method of accounting for certain long-term investments in the financial statements of a company that holds an interest in the voting capital of another company.

Face amount

The nominal value or par value of a share is the value at which the share participates in the share capital. In the case of fixed-interest securities, the nominal value indicates the amount of debt to be interest-bearing.

Fair value

Fair value is the amount for which knowledgeable and willing parties would be willing to exchange an asset or settle a liability under normal market conditions.

Fiscal policy

All fiscal policy measures taken by the state to steer economic development through public revenue and expenditure.

IfW

The Institute for the World Economy at the University of Kiel (IfW) in Kiel is a centre of global economic research. It is one of the six leading German economic research institutes.

IMF, OECD

The International Monetary Fund and the Organisation for Economic Cooperation and Development are international organisations committed to lending and monitoring monetary policy (IMF) and democracy and the market economy (OECD).

Licencing

An official approval required to offer, distribute or supply an industrially manufactured, ready-to-use drug.

NAV - Net Asset Value

The net asset value is the value of all tangible and intangible assets of an enterprise less liabilities. This intrinsic value is intended to reflect the fundamental value of the company, but makes no statements about hidden reserves or future prospects of the company.

Net profit

Balance of net income for the financial year, profit or loss carried forward and appropriation of earnings.

Neurology / Oncology

Science dealing with diseases of the nervous system / cancer and their medical treatment.

Patent free active ingredients

Patent free active ingredients are also called generics. A generic is a drug that is a copy of a drug already on the market under brand names with the same active ingredient. Generics are therapeutically equivalent to the original preparation.

Patent-protected active substances

Branded drugs, which are marketed by the patent holder on the one hand and which are purchased more cost-effectively within the EU member states as EU imported drugs based on the legal basis of import.

Rating

A rating is a systematic, qualitative assessment of economic entities or financial instruments with regard to their creditworthiness.

3. Sources

- 1 cf. www.ifw-kiel.de/de/publikationen/kieler-konjunkturberichte/2019/weltwirtschaft-ohne-schwung-0/
- 2 cf. www.donner-reuschel.de/globale-konjunktur-positives-erstes-quartal-2019-verhaltene-aussichten/#top
- 3 cf. www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/-ifw/Konjunktur/Prognosetexte/deutsch/2019/KKB_55_2019-Q2_Welt_DE.pdf
- 4 cf. www.ifw-kiel.de/de/publikationen/kieler-konjunkturberichte/2019/deutsche-konjunktur-im-sinkflug-0/
- 5 cf. www.sachverstaendigenrat-wirtschaft.de/fileadmin/dateiablage/Konjunkturprognosen/2019/19-03-19_Pressemitteilung_DEU.pdf
- 6 cf. www.bundesgesundheitsministerium.de/themen/gesundheitswesen/gesundheitswirtschaft/bedeutung-der-gesundheitswirtschaft.html
- 7 cf. www.bundesgesundheitsministerium.de/themen/gesundheitswesen/gesundheitswirtschaft/gesundheitswirtschaft-im-ueberblick.html

4. Imprint

MPH Health Care AG
Grünauer Straße 5
D-12557 Berlin

Telephone: +49 (0) 30 863 21 45-60
Fax: +49 (0) 30 863 21 45-69

E-Mail: info@mph-ag.de
Web: www.mph-ag.de

Board of Supervisors:

Chair: Andrea Grosse
Deputy Chairman: Dr. Ulrich Wandschneider
Member: Prof. Dr. Dr. Sabine Meck

Management Board:

Patrick Brenske

Registry court: Amtsgericht Charlottenburg
Registry number: HRB 116425 B

Concept, design and realisation:

MPH Health Care AG
Investor Relations

Photos:

MPH Health Care AG
Fotolia



MPH Health Care AG

MPH Health Care AG
Grünauer Straße 5
D-12557 Berlin

Telephone: +49 (0) 30 863 21 45-60
Fax: +49 (0) 30 863 21 45-69

E-Mail: info@mph-ag.de
Web: www.mph-ag.de