



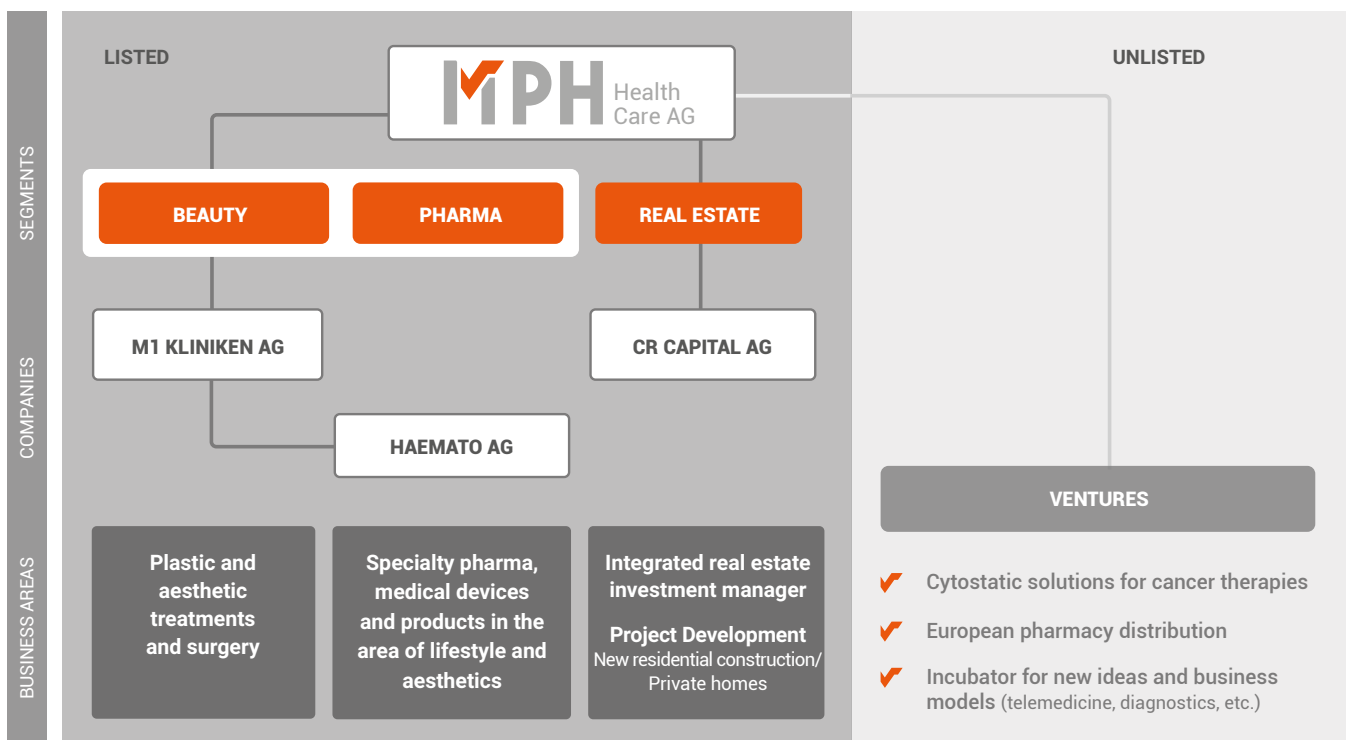
**M**PH Health  
Care AG  
ANNUAL REPORT  
**2021**

## GUIDING PRINCIPLE

As an investment company, the strategic focus of MPH Health Care AG's activities is on companies from the high-growth segments of the health care market and the real estate industry. The health care market includes both the segment financed by health insurance companies („first health care market“) and the privately financed segment (so-called „second health care market“). Considering the demographic development in Germany and Europe, we assume that the first and second health care markets will continue to grow in the coming years. A society that is getting older due to increasing life expectancy needs a stable supply of medication over a longer period of time. In addition, health and body awareness and the demand for medical-aesthetic services are increasing in old age.

MPH wants to exploit the resulting potential by working in partnership with its portfolio companies. The aim is to generate profitable growth in the companies through active further development, thereby increasing the value of the respective portfolio company itself and the enterprise value of MPH Health Care AG. However, MPH Health Care AG is not exclusively focused on the health care and real estate markets. There are also investment opportunities in other high-growth sectors, we would like to exploit and expand upon.

## KEY AREAS OF MPH HEALTH CARE AG



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## DEAR SHAREHOLDERS, LADIES AND GENTLEMEN,

In the financial year 2021, MPH Health Care AG was able to significantly reduce its net loss from EUR 70.38 million to EUR 8.96 million. Equity decreased accordingly from EUR 201.3 million to EUR 192.3 million. The net asset value (NAV) per share as of December 31, 2021 is EUR 44.92 (previous year: EUR 47.01). Liabilities were further reduced from EUR 9.4 million to EUR 5.7 million. The reduction of liabilities by EUR 3.75 million corresponds to a decrease of 39.7%. The equity ratio thus increased from 95.5% to 97.1% as of 31.12.2021.

The net loss for the year results mainly from the fair value loss of the financial assets as at the balance sheet date 31.12.2021. MPH Health Care AG is an investment company whose investments are reported as financial assets under the balance sheet item „Financial assets“ and are valued „at fair value through profit or loss“ as at the balance sheet date. The deficit therefore results mainly from unrealised and non-cash losses from this fair value measurement of the investments as at the reporting date, which result from the lower stock market prices of the investments compared to the previous year's reporting date.

Although the investments were operationally very successful in the past financial year, this was not yet reflected in the stock market prices as at the balance sheet date.

**M1 Kliniken AG** continued its growth course in 2021 and further expanded its market leadership in Germany. As a leading private provider of healthcare services in the field of beauty medicine, the group of companies is benefiting from the rising demand for plastic and aesthetic treatments. The number of outpatient treatments in the M1 Group in Germany and international markets increased from around 270,000 to 340,000 medical treatments and the number of specialist centres increased from 38 to 46 treatment centres. In the 2021 financial year, the M1 Group was able to almost double consolidated group revenue to EUR 314.6 million (previous year: EUR 159.6 million). The 2021 operating profit (EBIT) of the M1 Group amounts to EUR 12.1 million, almost tripling the previous year's figure (EUR 4.4 million). Earnings before taxes rose by more than 60% from EUR 8.8 million to EUR 14.4 million. The equity ratio increased to 70.6% (previous year: 61.1%).

The figures for the M1 Group include the consolidated turnover and the proportionately result of the HAEMATO subsidiary group. **HAEMATO AG** increased its revenues by around 20% to EUR 285.0 million in the 2021 financial year. The operating result (EBIT) increased significantly from EUR 1.6 million to EUR 11.2 million. The equity ratio increased accordingly from 74.2% (previous year) to 79.5%. In the past business year, the HAEMATO Group was able to make an important contribution to diagnostics in the Corona pandemic with the sale of medical products (e.g. rapid antigen tests and PCR point-of-care test devices) as well as with the newly created, very profitable „Lifestyle and Aesthetics“ segment. At EUR 22.0 million, this business segment was able to contribute disproportionately to the gross profit of EUR 30.7 million. This corresponds to a share of 71.6%. This segment sells drugs and medical products for use in aesthetic medicine as well as cosmetic products. Furthermore, slight growth was also recorded in the core business, the „Specialty Pharma“ segment, in which HAEMATO acts as a wholesaler and parallel importer.

Currently, wholesale and the development of high-margin own brands in the area of „Aesthetic Medicine“ are being further expanded. To this end, a licensing and supply agreement was signed with the South Korean cooperation partner HUONS Biopharma in October 2021. This agreement is aimed at licensing and distributing a botulinum toxin product under the company's own name throughout Europe. Preparations are currently underway for the complex approval procedure with the drug authorities, which will include clinical trials.

**CR Capital AG** continued its very successful course in 2021 and grew profitably. The company generated IFRS consolidated sales (reported as operating income) of EUR 69.9 million (previous year: EUR 64.5 million) and was once again able to increase net income from EUR 51.2 million (previous year) to EUR 65.4 million. Equity increased accordingly from EUR 178.0 million in the previous year to EUR 240.8 million as of December 31, 2021. This corresponds to an equity ratio of 97.1%. CR Capital is an investment company that invests in innovative and high-growth technology companies in the real estate sector. The company invests in participations along the real estate value chain that offer affordable housing and attractive investment opportunities.

Despite the fact that the past financial year 2021 was very positive operationally for the listed investments M1 Kliniken AG and CR Capital AG (as well as the M1 subgroup HAEMATO AG), this development has not yet been reflected in MPH's results. However, we expect that there will be catch-up potential in this regard in the forthcoming periods. In particular, the future promotion of the own-brand business in the field of medical aesthetics will enable the M1 Group and the HAEMATO Group to leverage further earnings potential, which will ultimately have a positive impact on their share prices and thus on the result for MPH Health Care AG.

Further developments in 2022 will also depend on the progress of the conflict in Ukraine and the COVID-19 pandemic. The uncertainties that continue to exist in the wake of these crises and in order to have sufficient financial leeway for the expansion of our investments, we will propose at the upcoming Annual General Meeting of MPH Health Care AG that the net profit for the 2021 financial year be carried forward in full to new account and that no dividend be distributed.

I would like to conclude by expressing my sincere appreciation for the commitment of the employees of the MPH Group and wish everyone involved continued good health.

Berlin, May 5, 2022



Patrick Brenske  
(Management Board)

## NET ASSET VALUE OF MPH

Net Asset Value	2020 in EUR	2021 in EUR
<b>Equity</b>	201,262,801.17	192,306,749.24
<b>Equity per share</b>	47.01	44.92

<b>MPH</b> as of 31.12.2021	<b>Number of shares (pieces)</b>	<b>Rate<sup>1)</sup> 31.12.2021 in EUR</b>	<b>Market value in EUR</b>	<b>Fair value in EUR</b>
M1 Kliniken AG	12,240,898	7.50	91,806,735.00	
HAEMATO AG	11,718	23.90	280,060.20	
CR Capital AG	2,327,955	33.40	77,753,697.00	
<b>TOTAL</b>				
<b>Market price of valued shares</b>			<b>169,840,492.20</b>	<b>169,840,492.20</b>
Unlisted companies shareholdings				23,661,906.52
<b>TOTAL Fair Value valued shares</b>				<b>193,502,398.73</b>
Liquid assets				1,843,028.85
Other assets				2,651,074.67
<b>Use of funds (assets)</b>				<b>197,996,502.25</b>
Equity				192,306,749.24
Interest-bearing liabilities				3,997,267.07
Other liabilities				1,692,485.94
<b>Source of funds (liabilities)</b>				<b>197,996,502.25</b>

## COMPANY PORTFOLIO OVERVIEW

	2020 in million EUR		2021 in million EUR	
	<b>Sales</b>	<b>EBIT</b>	<b>Sales</b>	<b>EBIT</b>
M1 Kliniken AG	159.6	4.4	314.6	12.1
CR Capital AG	64.5 <sup>2)</sup>	51.2	69.9 <sup>2)</sup>	66.4
<b>Total</b>	<b>224.1</b>	<b>55.6</b>	<b>384.5</b>	<b>78.5</b>

1) Xetra closing price

2) Operating income

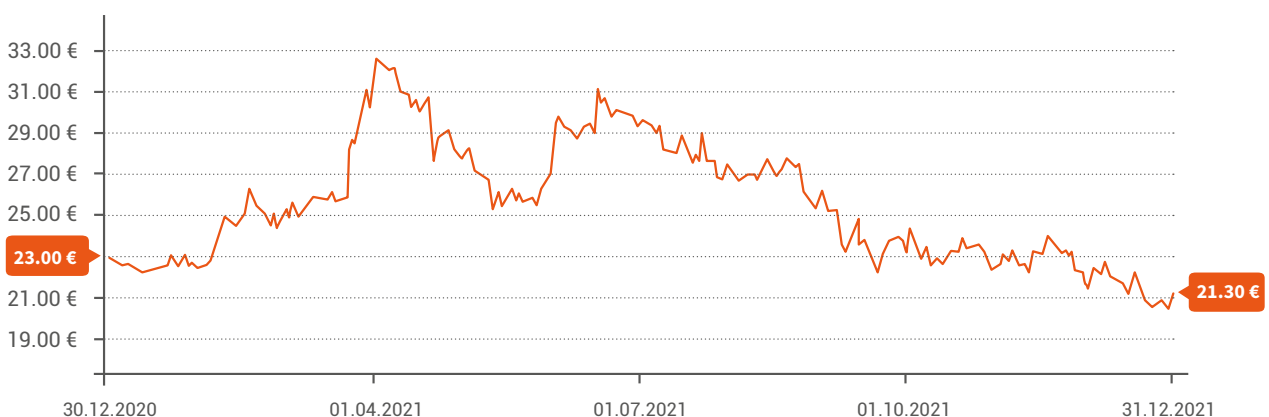
## MPH ON THE CAPITAL MARKET

The stock market year 2021 was yet again strongly influenced by the pandemic and was a rollercoaster between euphoria and concerns. The German share index (Dax) ended the year at 15,885 points, which was almost 16% higher than at the end of 2020 with 13,719 points. After a bumpy start with noticeable setbacks, it climbed sharply in March with a gain of more than 1,000 points. In September, the most important local stock market indicator recorded a minus of around 1,500 points. The Dax then recovered again in October and was able to mark an all-time high of 16,290 points in November, partly because the European Central Bank is maintaining its low interest rate policy despite the high inflation figures. Low interest rates make it interesting to invest money in the stock market. However, with the arrival of new virus mutant Omikron, it became clear that the pandemic is far from being under control. The new virus variant caused some uncertainty among investors and led to a temporary drop in the Dax to around 15,100 points. Nevertheless, the Dax made a respectable final leap at the end of the year.

The US stock markets have made significant gains in the past year: The Dow Jones rose 18.7% in 2021, the Nasdaq 21.4% and the S&P 26.9%. All three indices thus gained for the third year in a row. However, the strong performance of the indices conceals the fact that the good performance was mainly due to frontrunners. In the second and third tier, technology stocks and growth stocks in particular performed significantly worse. Many of the previously hyped shares virtually crashed in the last weeks of the year 2021 and in the year as a whole. Inflation concerns and fears of rising interest rates weighed heavily after the world's most important central banks set the course for monetary tightening in 2022 towards the end of 2021. Europe also performed better than the German stock market, with a plus of more than 21% in the Euro Stoxx 50. The Asian stock markets were the weakest performers. The headlines were dominated by the regulatory rage of the Chinese government and fears of a collapse of the real estate giant China Evergrande. Japan's Nikkei 225, for example, only gained around 5.2%, while China's Hang Seng index saw a decline of 15.2%.

The MPH share initially got off to a positive start in 2021, reaching its highest price of EUR 32.50 (Xetra closing price) at the beginning of April. From the middle of the year onwards, the share price gradually declined and ended the year at a closing price of EUR 21.30 (previous year: EUR 23.00). This corresponds to a price loss of 7.4% compared to the previous year.

We continue to assess the future prospects of MPH Health Care AG and its investments as positive. This is indicated by the net asset value, which amounted to EUR 44.92 per share on December 31, 2021, well above the stock market price of EUR 21.30. The analysts covering MPH are also optimistic about the company's future prospects. At the time of preparing this annual report, the analysts recommend to buy the MPH share. The target price from the end of March 2022 is EUR 67.00 (First Berlin).



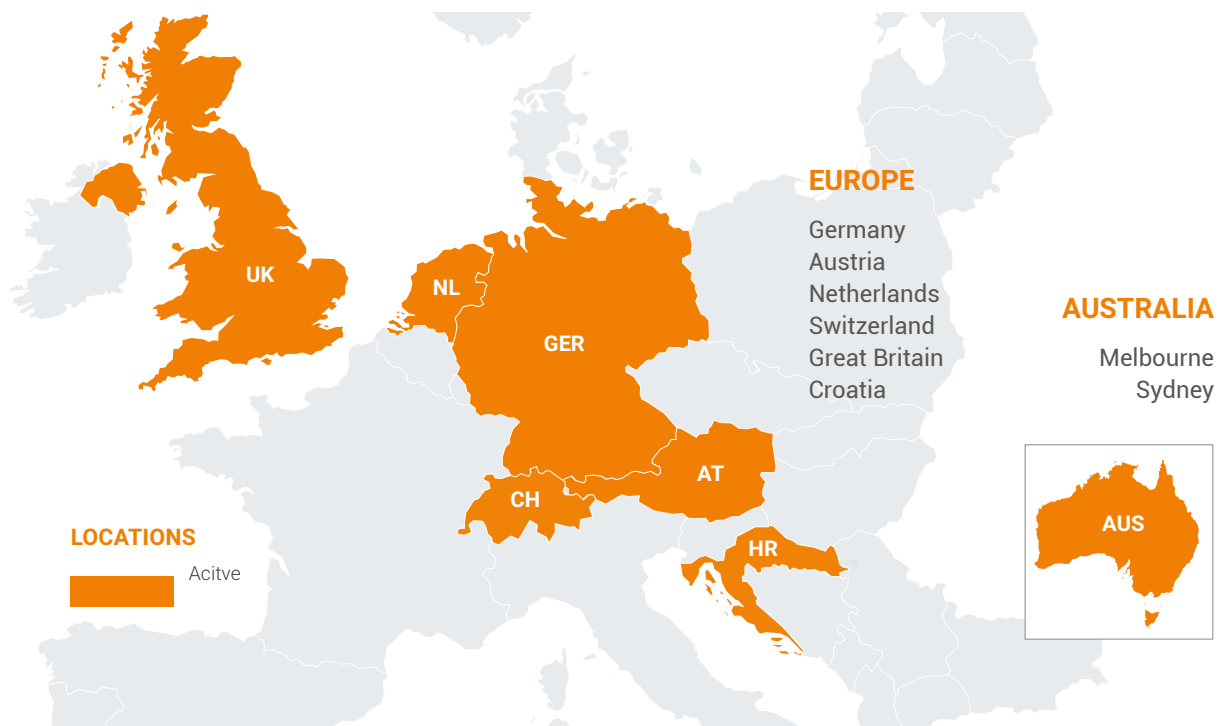


The business model of M1 Kliniken AG has been based on two business areas („segments“):

In the „Beauty“ segment, M1 focuses its activities on medical aesthetic beauty treatments as well as the operation and provision of medical infrastructures.

In the „Trade“ segment, the Group trades EU original pharmaceuticals (as parallel imports and reimports), generics, biosimilars, and high-quality aesthetic medicine products. In addition, this segment utilizes sales opportunities in the field of COVID-19 diagnostics which have emerged in the year 2020.

In the financial year 2021, the M1 Group was able to increase consolidated Group sales by almost 100% to EUR 314.6 m (previous year: EUR 159.6 m). This includes sales of the Haemato subsidiary amounting to EUR 285.0 m. Despite the continued influence of the Corona pandemic and the time intervals to be taken between a Corona vaccination and M1 beauty treatments, sales in the „Beauty“ segment rose disproportionately by 43% to almost EUR 53 m (previous year: EUR 37 m). Including the international locations, the group performed almost 340,000 treatments (previous year: around 270,000 treatments). The operating profit 2021 (EBIT) of the M1 Group totalled EUR 12.1 m and thus almost tripled the previous year's value (EUR 4.4 m).



M1 Kliniken AG operated a total of 46 specialist centres at the end of financial year 2021 (previous year: 38). In mid-April 2022, the M1 Group reached a new milestone when it opened its 50th specialist centre in London-Westfield. The company now operates 35 locations within Germany and 15 abroad. Through standardised medical services, consistent process optimisation and the realisation of purchasing potential, M1 achieves significant cost advantages over its competitors and passes these advantages on to patients. Growth-related economies of scale and synergies in the value chain ensure price leadership.



**KEY FIGURES (IFRS) IN KEUR**

<b>Consolidated profit and loss statement</b>	<b>2021</b>	<b>2020</b>
Sales	314,610	159,591
EBITDA	17,823	8,889
EBIT	12,135	4,405
Net profit (before deduction of minority interests)	10,880	7,425
Net profit (after deduction of minority interests)	8,905	6,823
<b>Group balance sheet</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Short-term assets	110,119	122,406
Long-term assets	87,992	66,336
Equity	139,902	115,318
Liabilities	58,208	73,424
<b>Balance sheet total</b>	<b>198,111</b>	<b>188,742</b>
Equity ratio	70.6%	61.1%
Dividend distribution per share in EUR	0	0

**SHARE KEY FIGURES**

Number of shares (pieces) as per 31.12.	19,643,403
Class of shares	Bearer share
WKN / ISIN	A0STSQ / DE000A0STSQ8
Ticker symbol	M12
Market places	Frankfurt, Xetra, Dusseldorf, Stuttgart, Berlin, Hanover, Hamburg, Munich, Tradegate
Market segment	Open Market - Frankfurt Stock Exchange
Designated Sponsor, Listing Partner	Kepler Cheuvreux, mwb fairtrade
Coverage	Bankhaus Metzler, Hauck & Aufhäuser, Kepler Cheuvreux, First Berlin Equity Research, M.M. Warburg & Co.
Market capitalization	EUR 147.3 m (as per 31.12.2021 - Xetra)





HAEMATO AG is a listed pharmaceutical company (authorised to wholesale and manufacture) with a focus on the growth markets of high-priced specialty pharmaceuticals in the indication areas of oncology and HIV, as well as rheumatism, neurology and cardiovascular diseases. The company actively contributes to cost reduction in the German health care system. With direct access to around 6,000 pharmacies in Germany and Austria, HAEMATO enables every patient to benefit from the latest, innovative therapies. In the course of the Corona pandemic, business activities were expanded to the area of „medical products“, in particular to COVID-19 diagnostics (PCR and antigen rapid tests). With the acquisition and the first-time consolidation of M1 Aesthetics GmbH as of January 1, 2021, the product portfolio was expanded to include pharmaceuticals and medical devices used in aesthetic medicine and cosmetic products. These business activities are now bundled in the new segment „Lifestyle and Aesthetics“, which is characterised by a more profitable gross margin.

HAEMATO AG became a subsidiary of M1 Kliniken AG in financial year 2020.

In financial year 2021, Group sales increased by around 20% to EUR 285.0 m (previous year: EUR 238.3 m). The operating result (EBIT) increased significantly from EUR 1.6 million to EUR 11.2 m. The price of the HAEMATO share on December 31, 2021 was EUR 23.90, an increase of around 4% compared to the same date in the previous year.

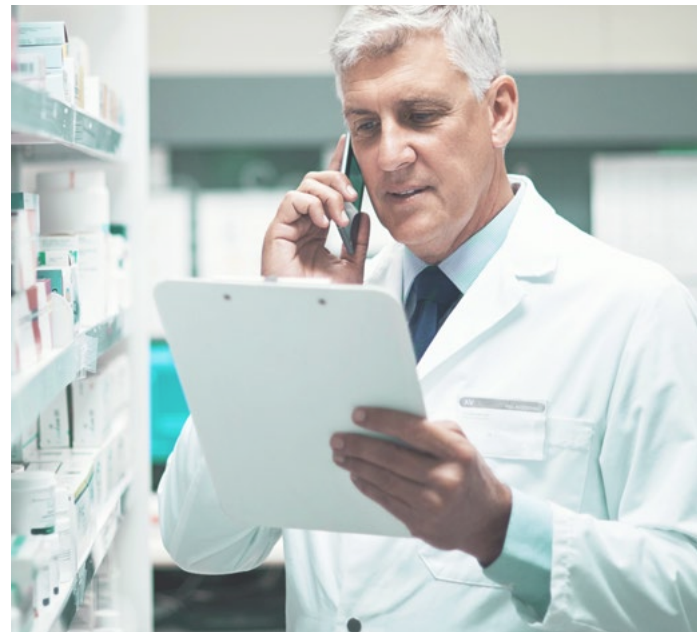
#### KEY FIGURES (IFRS) IN TEUR

Consolidated profit and loss statement	2021	2020
Sales	285,043	238,333
EBITDA	12,636	3,315
EBIT	11,161	1,627
Net profit	6,534	-4,831
<b>Group balance sheet</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Short-term assets	81,070	118,977
Long-term assets	100,940	50,081
Equity	144,726	125,480
Liabilities	37,284	43,578
<b>Balance sheet total</b>	<b>182,010</b>	<b>169,058</b>
Equity ratio	79.5%	74.2%
Dividend distribution per share in EUR*	1.00	0

\* per dividend-bearing share for the previous year

#### SHARE KEY FIGURES

	2021	2020
Number of shares (pieces) as per 31.12.	5,229,307	4,753,916
Class of shares	Bearer share	
WKN / ISIN	A289VV / DE000A289VV1	
Ticker symbol	HAEK	
Market places	Xetra, Frankfurt, Stuttgart, Hamburg, Berlin, Tradegate, Dusseldorf, Munich	
Market segment	Entry Standard (Open Market)	
Designated Sponsor, Listing Partner	ICF Kursmakler AG	
Coverage	GBC AG, First Berlin Equity Research GmbH, M.M. Warburg & Co.	
Market capitalization	EUR 125.0 m (as per 31.12.2021 - Xetra)	



## CR CAPITAL

CR Capital AG invests as an integrated investment manager in innovative companies within the real estate value chain and has evolved into a real estate investment holding company over the past years. CR Capital AG invests in companies that offer affordable housing and attractive investment opportunities. With its investments, the company consistently focuses on the further development in the areas of climate-efficient sustainable and affordable housing in the regions of Berlin, Brandenburg and Leipzig. In doing so, it creates a holistic investment concept with added value for its shareholders. The business activities focus on the in the creation of high-quality residential real estate in solid construction at affordable prices. In this context, CR Capital AG relies on ecological construction methods and benefits from just-in-time production, efficient construction costs, short property holding periods and the scalability of the business model. Due to the integrated value chain, a high degree of market independence is also achieved.

The TERRABAU GmbH investment is a focused and innovative project developer that has developed a technology for standardised production. This allows housing to be delivered quickly, affordably and at the best quality. TERRABAU specialises exclusively in the project planning and construction of real estate. Customers include both owner-occupiers and institutional clients. In addition to terraced houses and semi-detached houses, TERRABAU's product range also includes social housing, for which demand continues to be high.

With the establishment of the new investments Solartec GmbH and Greentec GmbH at the end of 2021, CR Capital is adding innovative technology companies to its portfolio and exploiting further market potential in the area of sustainable energy generation and storage as well as environmentally friendly building materials production. In doing so, it consistently pursues its philosophy of developing products of the highest quality at the best price.

Solartec develops cutting-edge and elegant solar rooftops with the aim of achieving the highest possible degree of energy self-sufficiency in buildings. The Greentec participation focuses on the resource-conserving use of steel as a material (so-called „green steel“). With the types of construction it uses, Greentec creates a sustainable building material as an alternative to conventional concrete and significantly optimises the manufacturing processes. Greentec's goal is to minimise CO2 emissions and reduce costs in the production of components required for house construction.

CR Opportunities GmbH offers security-oriented and high-return investment opportunities for small investors. One of the company's products is a bond with a fixed distribution of 9.5% p.a. Investors invest in profitable and sustainable projects and companies. The bonds with a nominal amount starting at 100 euros are tradable on the stock exchange (WKN: A3E5WJ) and include an annual distribution.

Innovative solar roof tiles for sustainable housing construction



**KEY FIGURES (IFRS) IN TEUR**

<b>Consolidated profit and loss statement</b>	<b>2021</b>	<b>2020</b>
Total Output	69,856	64,534
EBITDA	66,488	61,393
Net profit	65,391	51,265
<b>Group balance sheet</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Short-term assets	2,306	18,888
Long-term assets	245,714	169,577
Equity	240,784	177,977
Liabilities	7,236	10,488
<b>Balance sheet total</b>	<b>248,020</b>	<b>188,465</b>
Equity ratio	97.1%	94.4%
Dividend distribution per share in EUR*	1.50	0.75

\* per dividend-bearing share for the previous year

**SHARE KEY FIGURES**

	<b>2021</b>	<b>2020</b>
Number of shares (pieces) as per 31.12.	3,811,370	3,756,754
Class of shares	Bearer share	
WKN / ISIN	A2GS62 / DE000A2GS625	
Ticker symbol	CRZK	
Market places	Xetra, Frankfurt, Tradegate, Dusseldorf, Stuttgart, Hamburg, Berlin	
Market segment	Open Market - Frankfurt Stock Exchange	
Designated Sponsor, Listing Partner	ODDO BHF Corporates & Markets AG, Hauck Aufhäuser Lampe Privatbank AG	
Coverage	GBC AG, First Berlin Equity Research, Metzler Capital Markets	
Market capitalization	EUR 127.3 m (as per 31.12.2021 - Xetra)	



## REPORT BY THE SUPERVISORY BOARD, FISCAL YEAR 2021

### 1. SUPERVISION OF MANAGEMENT AND COOPERATION WITH THE EXECUTIVE BOARD

During the 2021 financial year, the Supervisory Board of MPH Health Care AG exercised the duties according to the law and the Articles of Association with great care. The Supervisory Board regularly advised the Management Board in the management of the company and continuously accompanied and monitored its management. The Supervisory Board was directly and at an early stage involved by the Management Board in all decisions of fundamental importance to the company. The Management Board regularly informed the Supervisory Board verbally, by telephone and in writing, promptly and comprehensively about the course of business, the economic situation of the company, significant business transactions, corporate planning including questions of business policy and risk management, the development of costs and earnings, liquidity as well as investment and divestment projects. The Supervisory Board was satisfied with the management's performance. No committees were formed within the Supervisory Board.

### 2. MEETINGS, DELIBERATIONS AND RESOLUTIONS

The Supervisory Board held a total of five ordinary meetings in the 2021 financial year. The following topics, among others, were the focus of the meetings:

#### February 9, 2021:

- Current analyst assessments and status on the investments and share price development of investments
- Situation of the company and the investment companies
- Expansion of M1 Kliniken AG and further development of HAEMATO

#### May 4, 2021:

- Discussion and approval of the annual financial statements and consolidated financial statements 2020
- Discussion and approval of the appropriation of profits for the financial year 2020
- Discussion and approval of the Dependency Report 2020
- Discussion and approval of the Supervisory Board Report to the Annual General Meeting
- Coronavirus impact on the MPH and its investments

#### July 14, 2021:

- Preparation of the Annual General Meeting

#### October 19, 2021:

- Current analyst assessments and status on the investments
- Expansion of the business areas of the investment companies and related measures

#### December 7, 2021

- Current analyst assessments and status on the investments
- Development prospects of the investment companies for the year 2022

In addition, current developments, strategic decisions and their operational implementation were discussed in the Supervisory Board meetings. Further informal meetings and telephone conferences were held between the Supervisory Board and the Management Board and were used as an opportunity to discuss new key business policy developments.

### 3. FINANCIAL STATEMENT

The Supervisory Board was satisfied with the management's proper conduct of business. The annual financial statements, the consolidated financial statements and the group management report of MPH Health Care AG for the financial year ending December 31, 2021, including the accounting, were audited by the auditor nominated by the general shareholder's meeting, Harry Haseloff (certified public accountant), Berlin, and confirmed with an unconditional audit approval.

The annual financial statements, the consolidated financial statements, the group management report, the proposal for the distribution of the balance sheet profit and the auditor's reports were submitted to each member of the Supervisory Board well before the balance sheet meeting on May 3, 2022. At the balance sheet meeting on May 3, 2022, the auditor reported on the main results of his audit and was available to answer questions from the members of the Supervisory Board.

We have audited the annual financial statements and the consolidated financial statements prepared by the Management Board.

The annual financial statements prepared by the Management Board as well as the consolidated financial statements and the group management report were discussed in detail at the balance sheet meeting. The results of the auditor's audit were noted with approval. No objections were raised to the annual financial statements, the consolidated financial statements, the group management report or the proposal for the distribution of balance sheet profit.

On the basis of its own examination, the Supervisory Board approved the annual financial statements and consolidated financial statements prepared by the Management Board. The annual financial statements are thus adopted.

### 4. DEPENDENCY REPORT

MPH Health Care AG prepared a dependent company report in accordance with § 312 of the German Stock Corporation Act (AktG) for the fiscal year ended December 31, 2021.

The dependent company report was audited by the auditor Harry Haseloff, Berlin, who was appointed as auditor by the Annual General Meeting, in accordance with § 313 (1) AktG. The auditor Harry Haseloff, Berlin, submitted a separate written report on the results of the audit. Since there were no objections to the report of the Management Board, the following audit opinion was issued in accordance with § 313 (3) AktG:

„Following my dutiful examination and assessment, I confirm that:

1. the factual information in the report is correct,
2. the consideration paid by the company in the legal transactions listed in the report was not unreasonably high or disadvantages were compensated,
3. there are no circumstances indicating a materially different assessment of the measures listed in the report than that made by the Board of Management.“

The dependent company report and the additional audit report of the auditor of the annual and consolidated financial statement were submitted to each member of the Supervisory Board well before May 3, 2022 and examined in detail at this meeting. Questions were answered in detail by the auditor.

On completion of its examination, the Supervisory Board approves the dependent company report and the audit report and has no objections to the declaration of the Management Board at the end of the dependent company report on relations with affiliated companies.

## 5. MEMEBRS OF THE SUPERVISORY BOARD

In the period from January 1, 2021 to December 31, 2021, the Supervisory Board was composed of: Andrea Grosse (Chairwoman), Prof. Dr. Dr. Sabine Meck (Member) and Uwe Zimdars (Deputy Chairman).

## 6. OTHERS

The Supervisory Board would like to thank the Management Board for its achievements and the pleasant, constructive and successful cooperation.

The Supervisory Board would like to thank all employees of the MPH group for their commitment and achievements.

Berlin, May 3, 2022

  
Andrea Grosse  
(Chairwoman)







+2.640

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# MANAGEMENT REPORT

## 1. BUSINESS MODEL

MPH Health Care AG is a Berlin-based investment and holding company listed on the Frankfurt Stock Exchange (basic board). Its business activity consists of investing in companies with the aim of achieving long-term capital growth.

The strategic focus is on the acquisition and development of companies and company shares, particularly in growth sectors of the health care market and the pharmaceutical industry. This includes both insurance-financed („first health care market“) and privately financed („second health care market“) segments. MPH AG also utilizes potential from high-growth sectors outside these markets, such as the real estate industry. The aim is to generate profitable growth for the portfolio companies through active further development and to promote the corporate value of MPH.

## 2. BUSINESS REPORT

Following the contribution of HAEMATO AG's shares to M1 Kliniken AG, MPH Health Care AG was mainly invested in two listed companies in the financial year 2021. These investments included CR Capital AG (formerly CR Capital Real Estate AG) and M1 Kliniken AG. Due to minor individual sales during the financial year 2021, the shareholding of M1 Kliniken was reduced slightly to around 62%. The shares in CR Capital AG were increased in the course of the distributed stock dividend. As a result of the capital increase carried out at CR Capital AG in this context, the shareholding is slightly reduced and now totals around 57%.

Due to the ongoing Corona pandemic, no dividend was distributed at M1 Kliniken AG in order to maintain liquidity on the corporate side. This enables the company to benefit from the ongoing expansion of its business operations. At the Annual General Meeting of CR Capital AG in August 2021 a dividend of EUR 1.50 per share was resolved. This dividend was retained by MPH as a result of the elective right as a stock dividend. New shares in CR Capital AG were thus booked to MPH at a purchase ratio of 12:1. The issue price was EUR 18.00. Together with income from unlisted investments, MPH Health Care AG generated income from investments of EUR 3.56 million (previous year: EUR 3.38 million).

MPH Health Care AG did not distribute a dividend in the 2021 financial year.

### 2.1 Macroeconomic and industry-specific conditions

#### 2.1.1 Global economic environment

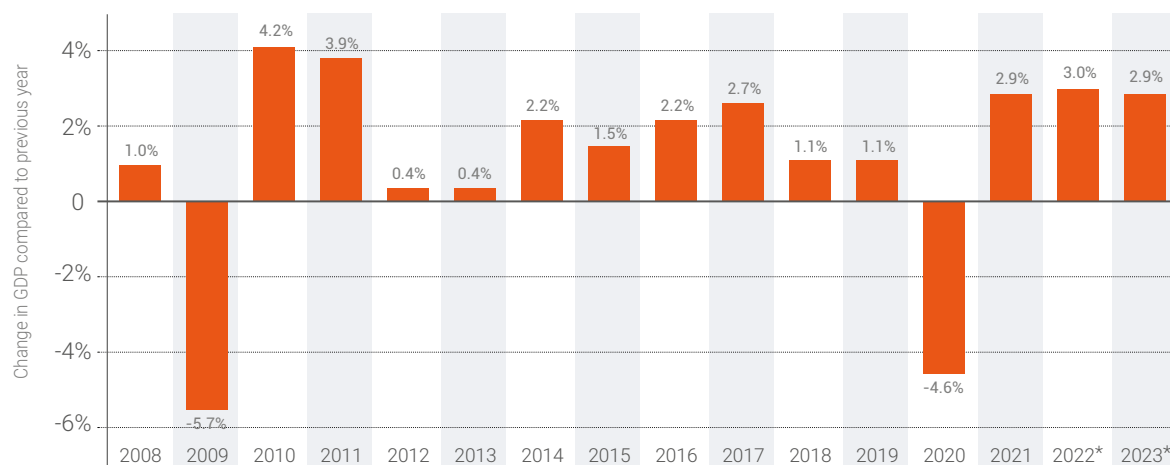
After the world economy declined by 3.1% in 2020 due to the consequences of the so-called „Corona Recession“ and extended lockdown phases, it was able to grow again in 2021.<sup>1</sup> However, the recovery of the global economy lost momentum after the middle of the year. In many parts of the world, renewed increases of corona infections slowed economic activity down while supply shortages constrained the upswing in industrial production.<sup>2</sup>

In the winter half-year, the global economic expansion continued despite high COVID infection rates. Global production - calculated on the basis of purchasing power parity - also expanded strongly in the final quarter of 2021 at a rate of just under 1.5%. In 2021 as a whole, it is expected to have increased by 5.7%, making up for a considerable part of the losses recorded in the previous year. The COVID-19 pandemic is still affecting economic activity, but with high vaccination rates, higher incidences are now tolerated in many countries without containment measures that severely restrain economic activity. Also, the waves of infection were no longer synchronised last year. Economic activity in the autumn, for example, was noticeably slowed down by the spread of the Delta variant of the coronavirus essentially only in Europe, while in the rest of the world recorded falling infection rates for the most part. The Omicron variant spread worldwide by the end of the year and led to an increase in the number of cases, which was dramatic in some cases. However, due to an overall lower impact of the disease, infection control measures were only moderately tightened and in many cases even significantly eased. China is an exception, however, where a no-COVID policy is still being pursued by the authorities, who react with drastic measures even when the number of cases is low.<sup>3</sup>

### 2.1.2 Economic environment in Germany

In Germany, GDP increased by 2.9% in 2021, after declining by 4.6% a year earlier due to the pandemic. The final quarter of 2021 is likely to have been weak in view of pandemic-related necessary restrictions on contact-intensive services and production difficulties in industry due to persistent supply shortages. However, the industrial situation has stabilised in recent months. After a significant increase in October, industrial production picked up slightly again in November 2021. Incoming orders also increased noticeably in recent months. Sentiment among manufacturing companies has improved for the first time in six months. Retail revenues rose again in November 2021 and exceeded their pre-crisis level of February 2020 by a noticeable margin. According to an estimate by the Federal Statistical Office, the retail sector in Germany achieved a new record in sales overall in 2021. However, the outlook for the coming months will be burdened by the pandemic and a high inflation rate. Given the increasing spread of the Omicron variant, the consumer sentiment in Germany has weakened. The inflation rate in December 2021 was 5.3%, the highest level since June 1992. In 2021 as a whole, the inflation rate averaged 3.1%. It was last recorded at a higher level in 1993.<sup>4</sup>

#### Development of Gross Domestic Product (GDP) in Germany



Source: Statista 2022; Statistisches Bundesamt, \*prognosis of the DIW until 2023

Our listed investments operate in the health care and real estate industries. M1 Kliniken AG focuses on the so-called „second health care market“ with its aesthetic medical treatments that are targeted at the self-payer market, while CR Capital AG, as an integrated investment manager, invests in innovative companies along the real estate value chain. HAEMATO AG, as a subgroup of the M1 Group, operates in the pharmaceutical market, the so-called „first health care market“.

### 2.1.3 Global health care market

Germany was the core market for business activities in the past financial year. The health care sector is and will remain one of the most important markets of the future, which will continue to be shaped by global trends. Among other things, these include demographic developments (increasing life expectancy), rising demand for health products and health services, etc. In addition to growing income and medical progress, the ageing of society is a major reason for the increase in health expenditure, which is boosting the health care industry's share of gross domestic product.<sup>5</sup>

The health economy is divided into many fields. The core area, also called the first health care market, comprises the sector of „classic“ health care, which is largely financed by statutory health insurance (SHI) and private health insurance (PHI), including long-term care insurance. The second health market is defined by all privately financed health-related products and services; it essentially comprises over-the-counter medicines and individual health care services (incl. outpatient and inpatient medical interventions, fitness and wellness, health tourism as well as partial coverage of the areas of sport/leisure, nutrition and housing).<sup>6</sup>

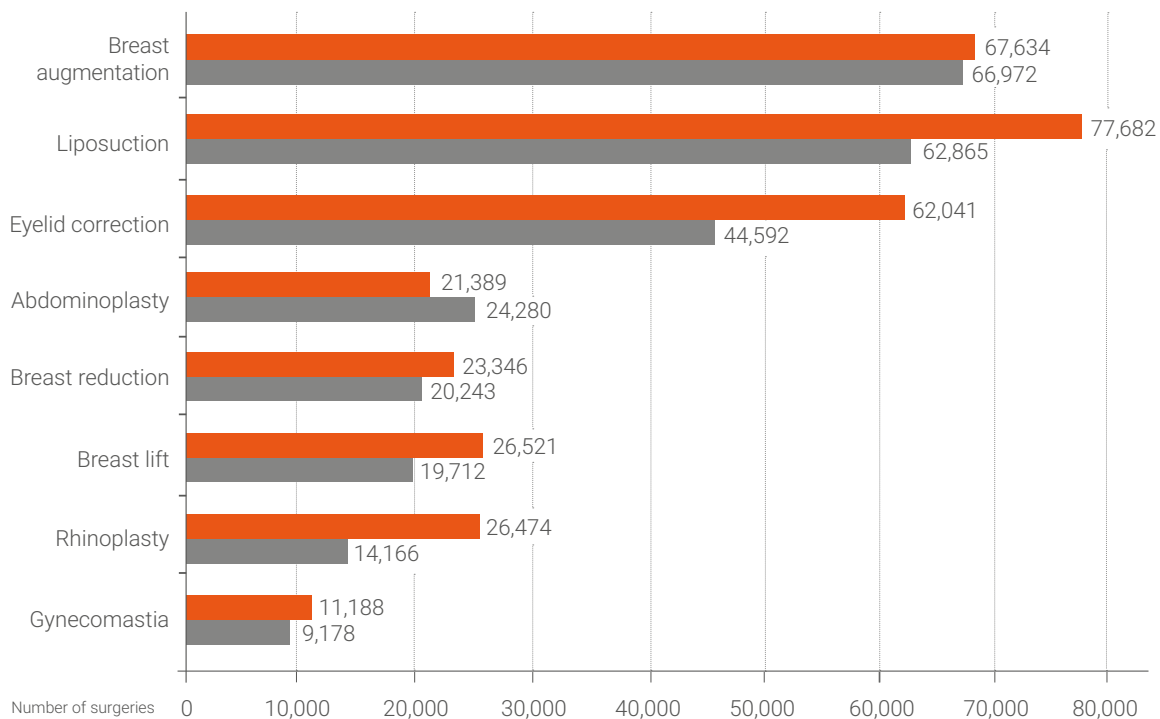
As one of the largest German economic sectors, the health care industry is a leading market of the German economy. With the help of its services and products, people not only live longer but also healthier and more self-determined lives.<sup>7</sup>

The Federal Statistical Office (Destatis) announced in April 2022 that health care expenditure in Germany increased to a new high of EUR 440.6 bn in the Corona year 2020 - more recent data was not yet available when this report was prepared. These figures represented EUR 5,298 per person and thus rose above EUR 5,000 for the first time since calculations began in 1992. Total health care expenditure in 2020 amounted to EUR 26.8 bn or 6.5% higher than the year before the Corona pandemic in 2019. As a share of gross domestic product (GDP), health care expenditure reached 13.1% in 2020, 1.2 percentage points higher than in 2019. A similar increase was only recorded after the financial market crisis in 2009, when the share had risen by 1.0 percentage points compared to the previous year. The increases were accompanied by a decline in nominal GDP in both years (2009: -4.0%; 2020: -3.0%).<sup>8</sup>

The pharmaceutical industry continues to be very important for the growth, employment and innovation effects in Germany. The pharmaceutical sales in the entire pharmaceutical market (pharmacy and clinic), in which HAEMATO AG is active, increased by 7.3% to EUR 53.6 bn in 2021. The growth in the pharmaceutical market (volume EUR 46.1 bn) and clinic market (volume EUR 7.5 bn) is almost identical at 7.3% and 7.2%, respectively.<sup>9</sup>

The market for medical aesthetic treatments (as part of the second health care market), in which our investment M1 Kliniken AG is operating, also continues to be a growth market, especially due to the increased social desire to maintain the natural appearance and performance of the body into old age.

### The most performed cosmetic surgeries in Germany 2019 vs. 2020 (ISAPS 2022)

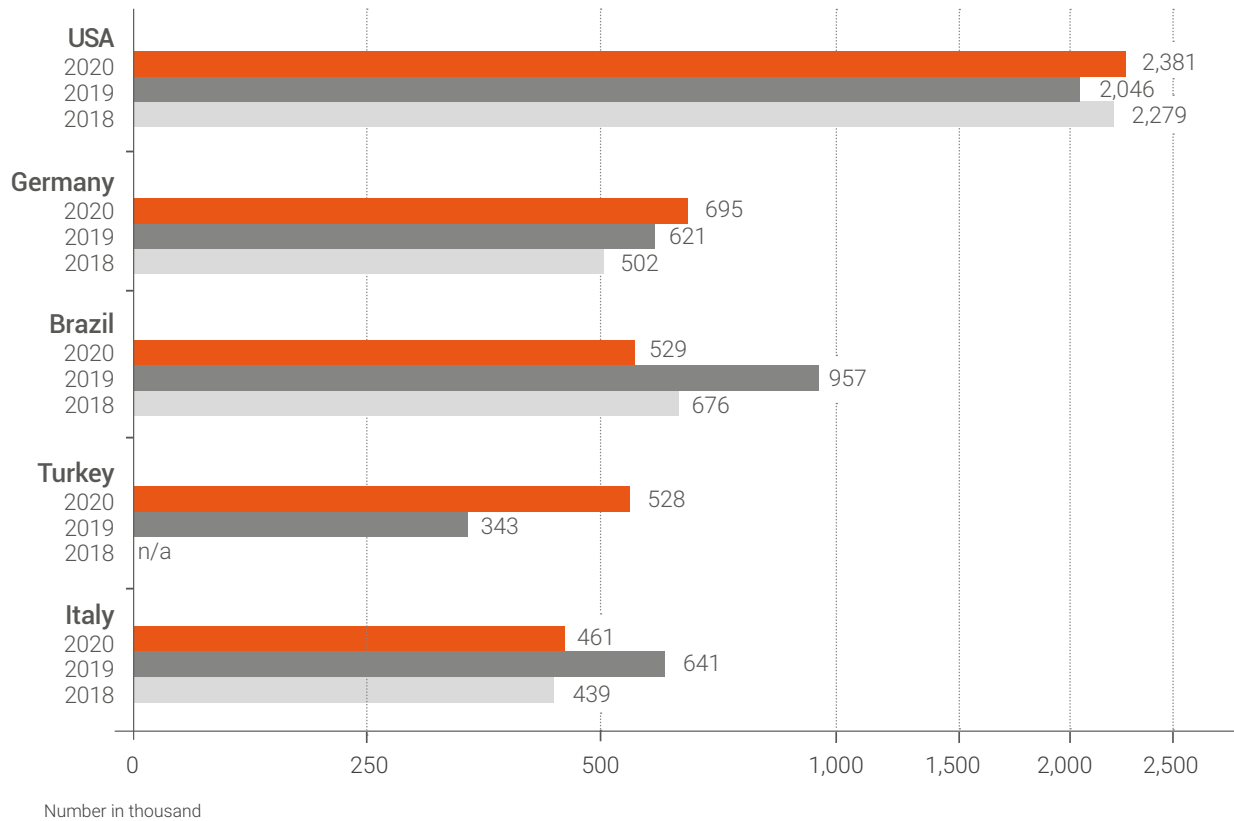


As the treatment figures for aesthetic/cosmetic procedures are only published with a very long delay, they are only ever available for the penultimate year. Based on the figures of the global industry association of plastic surgeons (ISAPS), the number of surgical procedures fell by about 10% from 11.4 million procedures in 2019 to 10.1 million procedures in 2020. The main reason for this decline was the lockdowns imposed worldwide and the ban on elective procedures (which also include aesthetic procedures) in the spring of 2020. Some of the lockdowns even lasted well into 2020. The number of breast augmentations and liposuction procedures performed fell parallel to the overall market, each by 10%, while the number of eyelid procedures declined only insignificantly by approx. 3%. The trend for minimally invasive treatments, which also include injections, went contrary to this. Thus - despite lockdowns - the number of minimally invasive, non-surgical treatments performed worldwide rose by almost 7% to over 14.4 million treatments. The main trigger for this was the strong growth in the area of hair removal. Botulinum toxin and hyaluronic acid treatments account for more than 70% of treatments and recorded a decline of 3% worldwide. Germany also continued the strong development of previous years in 2020, despite the disruptions caused by the Corona pandemic. The ISAPS shows a growth of almost 18% in the number of treatments performed by specialists in Germany to almost 1.16 million treatments, with the number of reported surgical and non-surgical treatments increasing by almost 170 thousand procedures year-on-year.<sup>10</sup>

The five most popular surgical procedures in Germany are liposuction, breast augmentation, eyelid surgery, breast lift and rhinoplasty. Except for the last procedure mentioned, all surgeries are offered by our subsidiary M1 Kliniken AG.

The two most important non-surgical procedures continued to be aesthetic treatments with botulinum toxin and hyaluronic acid.<sup>11</sup>

### Number of injectable treatments worldwide compared to previous years (ISAPS 2022)



In the area of injectable treatments, Germany continues to catch up with other countries. While the number of injectable treatments performed by specialists worldwide fell by just under 3% to 10.3 million treatments, the number reported procedures for Germany grew by almost 11% from 621 thousand treatments in 2019 to 695 thousand treatments in 2020.

#### 2.1.4 Real estate industry

The nationwide real estate boom, in which our investment CR Capital is active, continued in 2021. The authorities approved more new flats last year than at any time since 1999. In the past year, they authorised 380,914 new flats. This almost reached the government's annual target of 400,000 units. Higher numbers of approved flats in one year had last been recorded in 1999. Compared to the previous year, the increase amounted to 3.3%, as reported by the Federal Statistical Office in Wiesbaden. Around 328,636 new flats were approved in 2021 - an increase of 2.6% compared to the previous year. The statisticians attributed this primarily to the strong increase in two-family houses. These are often semi-detached houses or detached houses with a lodger flat. Here the increase amounted to just over a quarter (25.1%) to around 32,000 new flats. Despite the second year of the Corona crisis, the boom in the investment market for real estate continued in Germany. According to real estate consultant CBRE, a record volume of EUR 111 billion was achieved in real estate investments in 2021. This is an increase of 40% compared to the previous year. Germany thus ranked second behind the USA as one of the most important investment destinations. The multi-billion euro takeover of Deutsche Wohnen by rival Vonovia also contributed to the increase.<sup>13</sup>



## 2.2 Business development

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

MPH Health Care AG has the status of an investment company in accordance with IFRS 10. All investments were measured at fair value through profit or loss in accordance with IFRS 9.

The year 2021 was dominated by the severity of the Corona virus. There was a great deal of uncertainty with permanent consideration of lockdowns and restrictions slowing down the economy or bringing it to a standstill. Stock markets did not reflect these fears and were expected to stabilise quickly. Restrictions on contact, private restraints and the avoidance of public facilities had an impact on the shareholding in M1 Kliniken AG in particular, whose stock market price still eluded the general price recovery. As a result, the net loss for the year was EUR 9.0 million (previous year: net loss of EUR 70.4 million). This mainly includes the results from the valuation of the investments (as of December 31, 2021) as at the reporting date in the amount of EUR -12.2 million, as well as investment income and the profit from the sale of investments (in the full year) with a total amount of EUR 4.3 million.

The acquisition of M1 Aesthetics GmbH with its specialisation in the area of „Lifestyle and Aesthetics“ in 2021 paid off for HAEMATO AG, which was sold in 2020 and in which the company still holds an indirect stake via M1 Kliniken AG. Making a change in the product portfolio towards higher-margin products has already had a positive impact on the past year. HAEMATO AG was able to significantly improve the result and turnover compared to the previous year.

M1 Kliniken AG continued to expand its locations in Germany and Europe in 2021. Thus, despite the COVID-19 restrictions, eight new specialist centres were opened last year increasing the number of medical aesthetic treatment centres to 47. Nearly 340,000 medical treatments were carried out in the past financial year (previous year: 270,000). Further expansion is planned for the coming years, with the goal of operating up to 100 specialist centres by the end of 2024. Three new M1 specialist centres were already opened in the first quarter of 2022. The scheduled opening of the 50th treatment centre in London-Westfield on April 19, 2022, marks yet another milestone for M1. The company will then have 35 specialist centres in Germany and 15 abroad.

The M1 Group is active in the growing market of aesthetic medicine and plastic surgery and carries out aesthetic medical treatments in the self-pay segment („Beauty“ segment). In the „Trading“ segment, the group distributes its own generic medicines as well as European imported medicines through the subsidiary HAEMATO AG as a pharmaceutical manufacturer. Likewise, medicinal products of other manufacturers approved in Germany are offered within the framework of the wholesale authorisation.

M1 Group was able to almost double its corporate revenue to EUR 314.6 million in the 2021 financial year (previous year: EUR 159.6 million). This includes the proportionate consolidated revenue of the HAEMATO subsidiary group. HAEMATO AG was able to increase its revenues by around 20% to EUR 285.0 million in the 2021 financial year. The 2021 operating profit (EBIT) of the M1 Group totalled EUR 12.1 million, almost tripling the previous year's figure (EUR 4.4 million). Earnings before taxes rose by more than 60% from EUR 8.8 million to EUR 14.4 million. The equity ratio increased to 71% (previous year: 61%).

Unfortunately, the positive operating business activity has not yet been reflected in the development of the share price. The decline in the share price from EUR 9.24 on December 31, 2020 to EUR 7.50 on December 31, 2021 has not yet been recovered.

According to the IFRS financial statements, net income rose by more than 27% to EUR 65.4 million. Equity increased from EUR 178 million to around EUR 241 million, pushing the equity ratio up to around 97%. With the new investments Solartec GmbH and Greentec GmbH, founded at the end of 2021, CR Capital supplements its portfolio with innovative technology companies and opens up further market potential in the field of sustainable energy generation and storage as well as environmentally friendly building materials production. In doing so, it is consistently pursuing its philosophy of developing products of the highest quality at the best price. The successful business performance is also reflected in the share price of CR Capital AG, which increased from EUR 30.50 on December 31, 2020 to EUR 33.40 on December 31, 2021.

The unlisted investments MPH Ventures GmbH and Pharmigon GmbH remained largely unaffected by the pandemic. MPH Ventures GmbH took its first important steps into the fast-growing mail-order pharmacy sector by founding Direct Apotheke Venlo B.V. (Netherlands) in 2020. In the 2021 financial year, the first sales were generated here. We assume that the growth of Direct Apotheke Venlo B.V. will lead to revenues in the lower double-digit million range in the following year. The main focus is on the mail-order business for pharma-ceuticals and medical products for medical aesthetic treatments.

MPH Ventures GmbH essentially serves as an incubator and investment company for start-ups in the health care industry. It did not generate any significant operating revenues of its own in the past financial year.

Pharmigon GmbH was able to increase its revenue by 23.6% to EUR 10.35 million and its net profit by 62.2% to EUR 1.99 million in the 2021 financial year.

### 3. BUSINESS PERFORMANCE

#### 3.1 Earnings position of the company (IFRS)

Generally, an investment entity does not consolidate its subsidiaries or applies IFRS 3 when it obtains control of another entity. According to IFRS 9, an investment entity must instead measure the shares in a subsidiary at fair value through profit or loss.

The revenue and other income of the current financial year mainly result from gains on the sale of shares in the financial investments. In 2021, a profit of kEUR 766 was generated from the sale of shares. In the 2021 financial year, kEUR 4,780 was invested in share purchases. These amounts derive from the share dividends paid for the 2019 and 2020 financial years in 2021. An amount of kEUR 6,225 was received from the sale of shares in listed investments in 2021.

The total capital of the company decreased by 6.0% to EUR 198.0 million in the 2021 financial year. However, the equity ratio (equity / total capital \* 100) increased slightly from 95.5% in 2020 to 97.1% in 2021.

The investments made are represented in the financial assets. Compared to the 2020 financial year, these assets decreased by 6.2% from kEUR 206,346 to kEUR 193,502 in 2021.

The operating income, comprising the fair value gains from the valuation of the investments, the income from investments and the gains from the sale of financial assets, increased to kEUR 13,547 in the financial year (previous year: kEUR 3,433).

The operating expenses, consisting of the fair value losses from the valuation of the investments, losses on sales from financial assets and financial and administrative expenses, decreased to kEUR 22,601 in the 2021 financial year (previous year: kEUR 74,431).

### 3.2 Financial position of the company (IFRS)

The financial situation can be described as very stable. MPH's financial management is geared towards always settling liabilities within the payment period and collecting receivables within the payment terms.

Our capital structure is good. Despite a decrease in nominal equity, the equity ratio improved further compared to the previous year. The reason for this is the reduction of EUR 3.6 million in the utilisation of short-term liabilities to banks, which was financed from own funds. This was accompanied by a reduction in liabilities to banks of almost the same amount.

Liabilities to banks account for 2.0% of the balance sheet total. MPH and the investments utilise the credit lines granted by various banks in order to promote business success. Trade account payables can always be settled within the payment targets.

Long-term investments are 97.7% covered by our equity. Short-term receivables and bank balances exceed the amount of short-term trade account payables and other liabilities.

The liquidity situation is also good with regard to the investments that are available at short notice and can be liquidated at any time.

There were no significant investments in property, plant and equipment and no such investments are planned in the short term.

Liquidity for investments and the repayment of liabilities to banks was created through the partial utilisation of available short-term credit lines and the sale of shares in investments. The financial development of the MPH Investment Company in the reporting period is as follows, based on the cash flow statement with indirect calculation of cash flows from operating activities:

Cash flows from:	2021 in kEUR	2020 in kEUR
Ongoing business activity	-1,087	-2,895
Investment activity	6,366	12,828
Financial activities	-205	-11,466
<b>Net cash flow</b>	<b>5,074</b>	<b>-1,533</b>
Change in liabilities due at any time	-3,600	105
<b>Change in cash and cash equivalents</b>	<b>1,474</b>	<b>-1,428</b>

### 3.3 Net asset position of the company (IFRS)

The net assets situation of MPH Health Care AG can be described as good despite the ongoing difficult conditions in the 2021 financial year. It is characterised by a decrease in financial assets (from kEUR 206,346 in 2020 to kEUR 193,502 in 2021), an increase in cash and cash equivalents of kEUR 1,474 and a decrease in short-term financial assets of kEUR 1,266, which mainly include receivables for short-term loans granted. Our economic situation can be described as good overall.

## 4. SUPPLEMENTARY REPORT AND FORECAST REPORT

An key role in the future development of MPH and its (direct and indirect) holdings lies in the further development and effects of the Russian invasion of Ukraine as well as the continued course of the Corona pandemic and possible new virus variants. With the acquisition of licences in the field of COVID-19 diagnostics, there is a good opportunity for M1 Kliniken AG and its subsidiary, HAEMATO AG, to benefit indirectly from the pandemic. The effects of the pandemic will continue to be noticeable well into 2022. Learning to live with the virus will be necessary.

However, the further effects of the ongoing coronavirus pandemic and the Ukraine crisis on the global economy and our portfolio companies cannot be foreseen in the short term and may repeatedly lead to high volatility on the stock markets, which will also affect our investments (and MPH itself).

CR Capital AG continues to be only affected to a minor extent by the Corona pandemic. The demand for affordable housing continues unabated and remains strong due to the waves of refugees from the crisis areas in Ukraine.

We are positive about the medium-term development of MPH Health Care AG and its listed investments, even if the share price performance does not yet show any signs of a lasting recovery after the declines in 2020 and 2021. The initiated development in the earnings of M1 Kliniken AG as a result of HAEMATO AG's activities towards higher-margin products will have an impact on earnings beyond the past year. We evaluate the „Lifestyle and Aesthetics“ product segment positively. Results from the expansion of these profitable products should be noticeable in M1 Kliniken AG's earnings in the coming years and thus also have a positive influence on the valuation of the investment.

Generally, the economic sectors of our investments continue to offer great growth potential. The demand for off-patent and patent-protected drugs and the production of medications for therapies for cancer, HIV and other chronic diseases is steadily increasing. Beauty lifestyle services for private payers are still in demand and continue to grow in popularity. CR Capital AG and its subsidiaries provide a range of services to meet the continuing demand for affordable housing and property, which will continue to bring a lot of growth and opportunities.

Due to the restrictions imposed by the ongoing pandemic and the state of war in Ukraine since the end of February 2022, it is not possible to make more detailed forecasts.

Given the current crisis in Ukraine as well as the ongoing pandemic, the Management Board will continuously review the strategy and orientation of MPH and its affiliated companies.

## 5. RISK REPORT

There are no significant currency risks that could influence the net assets, financial position and results of operations of the company. However, as a result of the company's business activities and the associated high proportion of financial assets in the balance sheet total, the group is exposed to fluctuations on the financial markets.

The investments will continue to meet the competition on the market through service, reliability and a high level of quality.

On the procurement side, the investments can draw on a wide range of purchasing options. In order to minimise business risks, the investments diversify their sources of supply throughout Europe. The high quality standards are secured by the investments through careful supplier qualification and selection and active supplier management.

### 5.1 Specific Risks

#### 5.1.1 Sector-specific risks

##### Pharma sector:

Constant legal regulatory measures, strong pressure on margins in the pharmaceutical market and the permanent change in the parallel import market due to exchange rate risks and price differences in the procurement of pharmaceuticals can have a negative impact on the sales and profit situation of HAEMATO AG (and thus of the parent company M1 Kliniken AG). Legal risks mainly arise from the distribution of products and in particular from trademark and patent law issues. As an importer, HAEMATO is considered a pharmaceutical company under pharmaceutical law and therefore bears the risk of market withdrawals.

##### Beauty sector:

In the field of beauty treatments, there is a risk that the perception of beauty in society will change. Should a different beauty ideal evolve that contradicts the services provided by M1, this could represent a considerable business risk. Due to its market-leading position and the high number of customer contacts, M1 is in a position to identify developments in the 'beauty consciousness' of the target customers at a very early stage. Based on this, M1 is able to derive conclusions with regard to the range of services required for optimal market coverage. Furthermore, new market participants could enter into competition with M1 whose concept is similarly oriented. Should these new market participants develop their own „Unique Selling Propositions“ (USP's), this could also represent a business risk. M1 closely monitors the competitive environment in its own market segments and observes individual emerging competitors or supply chains in order to be able to react accordingly.

##### Real estate sector:

CR Capital AG is exposed to risks that result from changes in the general conditions imposed by the legislator or other regulations, which may affect, among other things, the regulations governing the awarding and contracting of construction services. Since the company's activities are limited to Germany and such changes do not occur unexpectedly in most cases, there is usually sufficient

time to react adequately to any changes. Planned changes in the law are closely monitored in advance. The companies also regularly undergo the statutory MaBV audit.

In general, the business segments of the portfolio companies are also affected by the continued Corona pandemic (especially in the more critical autumn and winter months). The occurrence of new virus variants and the associated new lockdowns may result in macroeconomic risks that could lead to significant declines in economic growth worldwide. Risks for the portfolio companies may not only affect the development of sales, but also lead to significant impairments of production, the procurement market and the supply chain.

### 5.1.2 Earnings-oriented risks

MPH Health Care AG sometimes participates to a considerable extent in the capital of its investments. Changes in the market prices of the investments have a direct impact on the earnings situation of the company. The listed shares held by the company are subject to daily trading.

### 5.1.3 Financial risks

Due to the stable equity situation of our company, liquidity risks are currently not discernible.

There are no material currency risks that could affect the net assets, financial position and results of operations of the company.

The liquidity situation is satisfactory; no bottlenecks are to be expected.

### 5.1.4 Risk management system

MPH Health Care AG uses a risk management system to systematically identify significant risks that could jeopardize its ongoing business in order to assess their impact and develop suitable measures.

The main objective of the risk management system is to avoid financial losses, defaults or disruptions or to implement suitable countermeasures without delay. As part of this system, the Management Board and Supervisory Board are informed of risks at an early stage. Key mechanisms for early detection are the monitoring of liquidity and earnings development. Controlling is responsible for monitoring operating performance and determining timely deviations from budget. If necessary, the respective persons responsible in the specialist departments together with the Management Board decide on the appropriate strategy and measures for controlling risks.

The group's companies use established risk management systems in order to be able to react at short notice to changes in the risk profile of operational decisions at any time. An extensive reporting system in accounting and controlling and in all areas along the value chain enables them to reassess risks on a cyclical basis, prioritized according to their probability of occurrence.

## 5.2 Opportunities Report

The health care market is and will remain a growth market. By specialising our investments in plastic surgery and aesthetic medicine (M1 Kliniken) as well as in the therapeutic areas of oncology, HIV and other chronic diseases (HAEMATO), we will participate in this growth. Efficiency in the treatment of patients is promoted by the consistent focus on a limited range of indications. The high quality of the treating doctors also contributes to this, which in turn is supported by the high number of individually performed treatments.

In its real estate project business, CR Capital continues to focus on the suburbs of Berlin and Leipzig as core regions and anticipates that there is great potential compared to the national average, e.g. in terms of the home ownership rate. If the current home ownership rate of less than 20 % is to catch up with the national average of around 50 %, more than one million households in the Berlin/Brandenburg area alone have the potential to buy their own home. With its new participations Solartec GmbH and Greentec GmbH, CR Capital is adding innovative technology companies to its portfolio. The company is increasingly transforming into a property and project developer with a focus on regenerative energy and heat supply technologies as well as optimised new residential construction.

## 5.3 General statement

We see risks to future development primarily in fluctuations in the financial and currency markets. Against the background of our financial stability, however, we believe that we are well equipped to cope with future risks. Risks that could endanger the continued existence of the company are currently not discernible.

## 6. RISK REPORTING REGARDING THE USE OF FINANCIAL INSTRUMENTS

The financial instruments held by the company mainly comprise securities, receivables, liabilities and bank balances.

The companies in which MPH has a direct or indirect interest have a solvent customer base. Bad debt losses are the absolute exception.

Liabilities are paid within the agreed payment periods.

In the short-term, the company finances itself primarily through the earnings contributions generated by the investments.

In managing its financial positions, the company pursues a conservative risk policy. If default and credit risks are identifiable for financial assets, corresponding value adjustments are made. In order to minimize default risks, the company has an adequate strategy for monitoring the development of investments on the financial markets on a daily basis. In addition, we obtain comprehensive information on the overall situation of potential investments as part of a due diligence process before making new investments.

## 7. REPORT ON BRANCHES

The company does not maintain any branches.

## 8. FINAL DECLARATION ACCORDING TO § 312 (3) SEC. (3) AKTG

In accordance with § 312 of the AktG, the Management Board has prepared a report on relations with affiliated companies, which contains the following concluding declaration: "In accordance with the circumstances known to us at the time legal transactions were entered into with the controlling company and other affiliated companies, our company and the subsidiaries received an appropriate consideration for each legal transaction".

Berlin, March 25, 2022  
MPH Health Care AG



Patrick Brenske  
Management Board







Jan



## **IFRS STATEMENT**

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**IFRS BALANCE SHEET - ASSETS**

From January 1 to December 31, 2021\*

	◀ 2021 EUR	◀ 2020 EUR
Cash and cash equivalents	1,843,029	368,658
Other short-term financial assets	2,598,698	3,864,893
Other short-term assets	10,892	46,181
Income tax assets	-	38,439
<b>Short-term assets</b>	<b>4,452,618</b>	<b>4,318,172</b>
Intangible assets	4	4
Property, plant and equipment	41,482	43,807
Other long-term financial assets	193,502,399	206,346,157
<b>Long-term assets</b>	<b>193,543,884</b>	<b>206,389,968</b>
<b>▶ TOTAL ASSETS</b>	<b>197,996,502</b>	<b>210,708,140</b>

\* Accounting according to IFRS

## IFRS BALANCE SHEET - LIABILITIES

From January 1 to December 31, 2021\*

	◀ 2021 EUR	◀ 2020 EUR
Short-term accruals	100,946	73,543
Trade account payables	50,922	36,351
Short-term leasing liabilities	17,443	3,955
Other short-term financial liabilities	4,011,053	4,608,722
Other short-term liabilities	19,758	18,959
<b>Short-term liabilities</b>	<b>4,200,121</b>	<b>4,741,530</b>
Long-term leasing liabilities	21,857	3,384
Other long-term financial liabilities	0	3,000,000
Deferred tax liabilities	1,467,775	1,700,425
<b>Long-term liabilities</b>	<b>1,489,632</b>	<b>4,703,809</b>
Subscribed capital	4,281,384	4,281,384
Capital reserves	41,220,633	41,220,633
Retained earnings	146,804,732	155,760,784
<b>Equity</b>	<b>192,306,749</b>	<b>201,262,801</b>
<b>▶ TOTAL LIABILITIES</b>	<b>197,996,502</b>	<b>210,708,140</b>

\* Accounting according to IFRS

## IFRS - PROFIT AND LOSS STATEMENT

From January 1 to December 31, 2021\*

Profit and loss statement	◀ 2021 EUR	◀ 2020 EUR
<b>Operating revenues</b>	<b>13,546,711</b>	<b>3,432,788</b>
Fair value gain financial assets	9,185,181	-
Net income from participations	765,579	-
Investment income	3,561,105	3,384,742
Other operating income	34,846	48,045
<b>Operating expenses</b>	<b>-22,600,737</b>	<b>-74,431,208</b>
Fair value loss financial assets	-21,349,508	-60,719,821
Financial expenses	-327,909	-417,094
Net loss from investments	-	-12,452,794
Administrative expenses	-923,321	-841,498
<b>Result from ordinary activities   EBITDA</b>	<b>-9,054,026</b>	<b>-70,998,420</b>
Write-offs	-20,077	-17,035
<b>Operating result   EBIT</b>	<b>-9,074,103</b>	<b>-71,015,455</b>
<b>Financial result</b>	<b>-114,600</b>	<b>-434,308</b>
Other interest and similar income	80,000	75,334
Interest and similar expenses	-194,600	-509,642
<b>Earnings before taxes   EBT</b>	<b>-9,188,703</b>	<b>-71,449,762</b>
Taxes on income and earnings	232,651	1,071,280
<b>Net income</b>	<b>-8,956,052</b>	<b>-70,378,482</b>

\* Accounting according to IFRS

## IFRS - CASH FLOW STATEMENT

From January 1 to December 31, 2021\*

	◀ 2021 EUR	◀ 2020 EUR
<b>Cash flow from operating activities</b>	<b>-1,086,693</b>	<b>-2,894,677</b>
Net income	-8,956,052	-70,378,482
Depreciation on fixed assets	20,077	17,035
Increase / decrease in short-term accruals	27,403	-17,091
Increase / decrease due to fair value measurement	12,164,327	60,719,821
Decrease / increase in trade account receivables and other assets	1,574,128	-3,549,849
Increase / decrease in trade account payables and other liabilities	17,523	-118,131
Profit / loss from the disposal of fixed assets	-761,373	12,452,794
Interest expense / income	194,600	509,641
Other investment income	-5,173,114	-1,500,000
Income tax expense / income	-232,651	-1,071,280
Income tax payments	38,440	40,865
<b>Cash flow from investing activities</b>	<b>6,366,322</b>	<b>12,827,892</b>
Payments received from disposals of property, plant and equipment	23,109	-
Payments for investments in property, plant and equipment	-2,270	-4,378
Payments received from disposals of financial assets	6,224,575	11,332,269
Payments for investments in financial assets	-4,779,564	-
Interest income	-	1
Income from investments	4,900,472	1,500,000
<b>Cash flow from financing activities</b>	<b>-205,436</b>	<b>-11,466,255</b>
Change in liabilities to banks	-	-11,000,000
Interest expenses	-193,880	-462,151
Amortisation of rights of use	-11,556	-4,104
<b>Net cash flow</b>	<b>5,074,193</b>	<b>-1,533,040</b>
Cash and cash equivalents at the beginning of the period	-4,228,431	-2,695,391
Liabilities due at any time at the beginning of the period	4,597,089	4,491,837
<b>Cash and cash equivalents at the beginning of the period</b>	<b>368,658</b>	<b>1,796,445</b>
Cash and cash equivalents at the end of the period	845,762	-4,228,431
Liabilities due at any time at the end of the period	997,267	4,597,089
<b>Cash and cash equivalents at the end of the period</b>	<b>1,843,029</b>	<b>368,658</b>
<b>Change in cash and cash equivalents</b>	<b>1,474,371</b>	<b>-1,427,787</b>

\* Accounting according to IFRS

**IFRS - STATEMENT OF CHANGES IN EQUITY**

From January 1 to December 31, 2021\*

	Subscribed capital EUR	Capital reserve EUR	Retained earnings EUR	Equity EUR
<b>January 1, 2020</b>	42,813,842	2,688,175	226,139,266	271,641,283
Net income	-	-	-70,378,482	-70,378,482
Capital decrease	-38,532,458	2	-	-38,532,456
Transfer to reserves	-	38,532,456	-	38,532,456
<b>December 31, 2020</b>	4,281,384	41,220,633	155,760,784	201,262,801
<b>January 1, 2021</b>	4,281,384	41,220,633	155,760,784	201,262,801
Net income	-	-	-8,956,052	-8,956,052
<b>December 31, 2021</b>	4,281,384	41,220,633	146,804,732	192,306,749

\* Accounting according to IFRS





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## IFRS ANNEX

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## IFRS ANNEX

for the financial year from January 1 to December 31, 2021

### 1. GENERAL INFORMATION

MPH Health Care AG was founded in 2008 under the name MPH Mittelständische Pharma Holding AG and renamed in 2017. The company is registered in the Commercial Register of the Berlin-Charlottenburg District 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 scope of IFRS 10.27. Its business activity consists of investing in companies with the objective of capital growth.

The IFRS financial statements of MPH Health Care AG, Berlin, for the period from January 1 to December 31, 2021, were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as applicable in the European Union. The figures for the 2021 financial year and for the previous year are stated in euros. Unless otherwise indicated, the figures are rounded to the nearest Euro. The new standards adopted by the IASB were applied from the effective date.

The following standards and interpretations as well as amendments to existing standards are to be applied for the first time for the reporting period beginning on or after January 1, 2021. No material effects for MPH Health Care AG occurred:

- ▶ Reformation of reference interest rates - Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7)

The following standards and interpretations as well as amendments to existing standards are to be applied in the future:

- ▶ Onerous contracts - costs of fulfilling contracts IAS 37 - effective from January 1, 2022
- ▶ Annual improvements to IFRS Standards 2018-2020 - effective from January 1, 2022
- ▶ Property, plant and equipment: revenue before planned use (amendments to IAS 16) - effective from October 1, 2022
- ▶ References to the conceptual framework (amendments to IFRS 3) - effective from January 1, 2022
- ▶ Classification of liabilities as short-term and long-term - effective from January 1, 2023
- ▶ IFRS 17 Insurance Contracts and Amendments to IFRS 17 Insurance Contracts - effective from January 1, 2023
- ▶ Disclosures on Accounting Policies (amendments to IAS 1 and IFRS Practice Statement 2) - effective from January 1, 2023
- ▶ Definition of Estimates (amendments to IAS 8) - effective from January 1, 2023
- ▶ Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (amendments to IAS 12) - effective from January 1, 2023
- ▶ Sale or Contribution of Assets between Investors and Associates or Joint Ventures (amendments to IFRS 10 and IAS 28) - pending

#### Financial assets

IFRS 9 introduces a uniform model for classifying financial assets, thus financial assets are classified into three categories:

- ▶ financial assets measured at amortised cost,
- ▶ financial assets measured at fair value through other comprehensive income, and
- ▶ Financial assets measured at fair value through profit or loss

Cash and cash equivalents are also measured at amortised cost in accordance with IFRS 9.

Trade account receivables represent non-derivative financial assets with fixed or determinable payments. All of these instruments are classified as measured at amortised cost under IFRS 9 and are subject to the effective interest method.

The financial assets are mandatorily measured at fair value through profit or loss under IFRS 9.

The financial assets previously measured at fair value in accordance with IAS 39 are mandatorily are mandatorily measured at fair value through profit or loss under IFRS 9.

### Financial liabilities

Current account overdrafts, bank loans and trade account payables are classified as other financial liabilities under both IAS 39 and IFRS 9.

### Application of IFRS 16 leases

In the consolidated financial statements, relief from regulations in the application of IFRS 16 was utilised for leases that were classified as operating leases under IAS 17. In detail, the following were applied:

- ▶ Leases expiring within 12 months after the date of initial application, rights of use and lease liabilities are not recognised.
- ▶ Leases in which the underlying asset is of low value, the right of use is and the lease liability are not recognised.
- ▶ When measuring the right of use at the date of initial application, the initial direct costs are not taken into account.

MPH Health Care AG reports the repayment of leasing liabilities in the cash flow from financing activities. Lease payments for short-term leases are shown in the cash flow from operating activities.

The accounting and valuation was carried out under the assumption of a going concern.

The balance sheet of MPH Health Care AG has been prepared according to maturity, whereby assets and liabilities that are expected to be realized or redeemed within twelve months after the balance sheet date are classified as short-term in accordance with IAS 1. In accordance with IAS 1.56, deferred tax assets and deferred taxes are shown in full under long-term assets or long-term liabilities.

Gains and losses in the statement of comprehensive income are prepared using the nature of expense method.

## 2. INVESTMENTS

No investments were consolidated in the IFRS financial statements of MPH Health Care AG, Berlin, as of December 31, 2021, as MPH Health Care AG is an investment company in accordance with IFRS 10.27. The controlled investments listed below are therefore measured at fair value through profit or loss in accordance with IFRS 10.31 and IFRS 9.

Name of the company	Location of the company	Percentage of shares	Date on which control was acquired
MPH Ventures GmbH	Schönefeld	100%	August 31, 2011
M1 Kliniken AG	Berlin	62%	May 7, 2012
Pharmigon GmbH	Berlin	50%	May 7, 2012
CR Capital AG	Berlin	57%	January 1, 2015

## 3. CONSOLIDATION PRINCIPLES

The annual financial statements of all investments are being prepared on the basis of uniform accounting and valuation methods as of the reporting date of MPH Health Care AG (parent company).

In accordance with IFRS 10, IFRS 12 and IAS 28, accounting is performed in accordance with the regulations for investment companies. No consolidation transactions from full consolidation are affecting income.

In accordance with IFRS 9, investments are measured at fair value as of the balance sheet date.

## 4. ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires estimates and assumptions which can influence the amounts of assets, liabilities and financial obligations as of the balance sheet date, as well as income and expenses in the year under review. Actual amounts may differ from these estimates and assumptions.

MPH Health Care AG is an investment company in accordance with paragraph 27 of IFRS 10. An investment company is a company that:

- (a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- (b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

The determination of the fair values of assets and liabilities is based on management judgements.

The expected actual income tax must be calculated for each taxable entity. Temporary differences arising from the different treatment of certain balance sheet items between the IFRS consolidated financial statements and the tax accounts must be assessed. Where temporary differences exist, these differences generally result in the recognition of deferred tax assets and liabilities in the consolidated financial statements. Management must make judgments when calculating actual and deferred taxes. Deferred tax assets are recognized to the extent that it is probable that they can be utilized. The utilization of deferred tax assets depends on the possibility of generating sufficient taxable income within the scope of the respective tax type. Various factors should be used to assess the probability of the future usability of deferred tax assets, such as past results of operations, operational planning and tax planning strategies. If actual results differ from these estimates or if these estimates have to be adjusted in future periods, they could have an adverse effect on the net assets, financial position and results of operations. If there is a change in the assessment of recoverability of deferred tax assets, the deferred tax assets recognized must be written down and recognized in the income statement.

## 5. INFORMATION ON THE IFRS BALANCE SHEET, INCLUDING ACCOUNTING AND VALUATION METHODS

In preparing the financial statements of the related investments, transactions denominated in currencies other than the functional currency (Euro) of the investment are translated at the exchange rates prevailing on the date of the transaction. At the balance sheet date, all monetary items denominated in foreign currencies are translated at the closing rate. Non-monetary items denominated in foreign currencies that are measured at fair value are translated at the rates prevailing at the date of measurement at fair value.

**5.1 Cash and cash equivalents** are measured at cost. They comprise cash in hand and other short-term highly liquid financial assets with a maximum term of three months at the time of acquisition.

**5.2 Other short-term financial assets** consist exclusively of loans, creditors with debit balances and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured using the effective interest method at amortised cost less any impairment losses. They are recognized in the balance sheet at the time at which the investment company becomes a party to the financial instrument. Financial instruments are initially recognized at fair value. For subsequent measurement, financial instruments are allocated to one of the measurement categories listed in IFRS 9 Financial Instruments (financial assets measured at amortised cost, financial assets measured at fair value through equity and financial assets measured at fair value through profit or loss).

**5.3 Other short-term assets** mainly comprise prepaid expenses, deposits and receivables from personnel.

**5.4 Income tax receivables** include overpaid income taxes on investment income.

**5.5 Fixed assets** and **intangible assets** are recognised at acquisition cost in accordance with IAS 16 or IAS 38, less systematic depreciation if used for a limited period. If necessary, impairment losses reduce amortized cost. There was no revaluation of property, plant and equipment in accordance with the option under IAS 16.

Scheduled depreciation is calculated using the straight-line method. Depreciation corresponds to the pattern of consumption of future economic benefits. Property, plant and equipment and intangible assets are depreciated on a straight-line basis over different expected lifetimes of the asset (3 to 15 years).

If the carrying amount exceeds the expected recoverable amount, an impairment loss is recognized in accordance with IAS 36. The recoverable amount is determined from the net sales proceeds or - if higher - the present value of the estimated future cash flow from the use of the asset.

	Intangible assets in EUR	Fixed assets in EUR
<b>Acquisition and production costs</b>		
January 1, 2020	64,284	143,932
Accurals	-	4,378
December 31, 2020	64,284	148,310
January 1, 2021	64,284	148,310
Accurals	-	45,067
Disposals	-	-44,696
December 31, 2021	64,284	148,681
<b>Depreciation / Write-ups</b>		
January 1, 2020	-63,760	-87,988
Write-ups	-520	-16,515
December 31, 2020	-64,280	-104,503
January 1, 2021	-64,280	-104,503
Depreciation	-	-20,077
Disposals	-	17,381
December 31, 2021	-64,280	-107,199
<b>Book values</b>		
December 31, 2020	4	43,807
December 31, 2021	4	41,482

**5.6 Other long-term financial assets** include equity instruments of listed companies. The shares were allocated to the category "at fair value through profit or loss". Equity instruments are subsequently measured at the closing price on the respective balance sheet date.



	2020	Change	2021	Closing price 31.12.2021	Fair value
Listed company	piece	piece	piece	EUR	EUR
HAEMATO AG	-	+11,718	11,718	23,90	280,060
M1 Kliniken AG	12,675,924	-435,026	12,240,898	7,50	91,806,735
CR Capital AG	2,149,466	+178,489	2,327,955	33,40	77,753,697
Unlisted equity investment <sup>1)</sup>					23,661,907
<b>Total financial assets</b>					<b>193,502,399</b>

<sup>1)</sup> Unlisted investments in the legal form of a GmbH are valued at IFRS equity. This is the equity which is recorded in the individual financial statements of the company in the IFRS balance sheet for this company.

	Shares in subsidiaries in EUR
<b>Acquisition and production costs</b>	
January 1, 2020	117,168,668
Accruals	24,006,110
Disposals	-41,446,798
December 31, 2020	99,727,980
January 1, 2021	99,727,980
Accruals	4,779,564
Disposals	-2,152,893
December 31, 2021	102,354,651
<b>Depreciation / Write-ups</b>	
January 1, 2020	179,383,958
Accruals	-60,719,821
Write-ups	-
Disposals	-6,344,375
December 31, 2020	106,618,178
January 1, 2021	106,618,178
Accruals	-21,349,508
Write-ups	9,185,181
Disposals	-3,306,103
December 31, 2021	91,147,748
<b>Book values</b>	
December 31, 2020	206,346,157
December 31, 2021	193,502,399

**5.7 Short-term provisions** are recognised when a present obligation (legal or constructive) arises from a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the amount of the additional resources required to settle the present obligation at the balance sheet date. The risks and uncertainties inherent in the obligation must be taken into account. If a provision is measured on the basis of the estimated cash flows required to settle the obligation, these cash flows are discounted if the time value of money is material.

Short-term provisions mainly relate to acquisition and audit costs as well as other provisions.

<b>Accruals</b>	<b>01.01.2021</b> kEUR	<b>Consumption</b> kEUR	<b>Release</b> kEUR	<b>Allocation</b> kEUR	<b>31.12.2021</b> kEUR
Audit and annual financial statement costs	20	20	-	20	20
Supervisory Board remunerations	20	20	-	20	20
Other	34	11	9	47	61
	<b>74</b>	<b>51</b>	<b>9</b>	<b>87</b>	<b>101</b>

**5.8 Trade account payables** are recognised at amortized cost using the effective interest method.

**5.9 Leasing liabilities:** According to IFRS 16, MPH capitalizes leases from operating leases as rights of use and depreciates them over the term of the agreements. The lease payments are reflected as liabilities that are classified as short-term or long-term liabilities depending on the term of the lease and are discounted. For further details, please refer to Note (1).

	<b>31.12.2021</b> EUR
Right of use	38,946
Prepaid expenses and accrued income	-
<b>Σ Asset side</b>	<b>38,946</b>
Liabilities	39,301
Short-term leasing liabilities	17,443
Long-term leasing liabilities	21,857
Accrued expenses and deferred income	-
<b>Σ Liabilities side</b>	<b>39,301</b>
Depreciation	-11,071
Interest expense	-720
<b>Σ Profit and loss account</b>	<b>-11,791</b>
Leasing expenses	11,556
<b>Σ Amendment leasing expenses</b>	<b>11,556</b>

**5.10 Other short-term financial liabilities** amount to kEUR 4,011 (previous year: kEUR 4,609). Other financial liabilities are mainly short-term liabilities to banks from loans and overdrafts, loans received and interest on promissory loans received and debtors with credit balances.

**5.11 Other short-term liabilities** amount to kEUR 20 (previous year: kEUR 19). This mainly comprises wage and value-added tax liabilities.

**5.12 Long-term liabilities to banks** are recognised at amortised cost applying the effective interest method and were repaid in full in the reporting year in the amount of kEUR 3,000.

**5.13 Deferred tax liabilities:** A deferred tax liability is recognised for all taxable temporary differences, unless the deferred tax liability arises from goodwill for which amortisation is not tax deductible or the initial recognition of an asset or liability in a transaction is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit.

However, for taxable temporary differences associated with investments in subsidiaries, a deferred tax liability is recognised unless the timing of the reversal of the temporary difference can not be controlled by the company and it is probable that this will not occur in the foreseeable future. The deferred taxes recognised as of December 31, 2021 relate entirely to the temporary difference of the financial assets measured at fair value. As of December 31, 2021, kEUR 233 was recognised in profit or loss, resulting in a reduced deferred tax liability of kEUR 1,468 (previous year: kEUR 1,700).

**5.14 Equity:** The company's share capital of EUR 4,281,384 is divided into 4,281,384 no-par value shares with a nominal value of EUR 1.00 each.

In accordance with the resolution of the Annual General Meeting on June 29, 2017, the Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital by a total of up to EUR 21,406,921 by issuing new ordinary bearer shares and/or non-voting preference shares against cash and/or non-cash contributions on one or more occasions until June 28, 2022 (authorised capital 2017). In accordance with the resolution of the Annual General Meeting of June 29, 2017, the Management Board is authorised to issue bearer or registered bonds with warrants or convertible bonds, profit participation rights or profit participating bonds or combinations of these instruments with a total nominal amount of up to EUR 100,000,000 with or without a limited term until June 28, 2022 and to grant the holders or to grant or impose option or conversion rights to bearer ordinary shares and/or non-voting preference shares of the company on the holders or creditors of the respective partial bonds, which take precedence over and are equal to the previously issued preference shares in the distribution of profits and/or the company's assets, with a proportionate amount of the share capital of up to a total of EUR 21,406,921 in accordance with the more detailed provisions of the terms and conditions of the bonds. For this purpose, the capital stock can be increased by up to EUR 21,406,921 by issuing a total of up to 21,406,921 new ordinary and/or non-voting preference bearer shares which rank prior to or equal to the preference shares previously issued in the distribution of profits and/or the company's assets (Conditional Capital 2017).

In accordance with the decision of the Annual General Meeting of July 22, 2020, the share capital was reduced in a ratio of 10:1. The share capital amounts to EUR 4,281,384.00 and is divided into 4,281,384 no-par value shares.

For the development and composition of equity, please refer to the statement of changes in equity.

## 6. CONTINGENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS

MPH Health Care AG is liable to HYPO NOE Gruppe Bank AG as a joint borrower with HAEMATO AG in connection with a promissory note loan of EUR 3 m which was granted to MPH Health Care AG and fully utilised by MPH Health Care AG as of the reporting date.

Other financial obligations are within the scope of normal business transactions.

## 7. NOTES TO THE PROFIT AND LOSS STATEMENT (IFRS)

### Principles of revenue recognition

Revenue is measured at the fair value of the consideration received or to be received and reduced by expected sales deductions.

### Segment reporting in accordance with IFRS 8

IFRS 8 requires companies to report financial and descriptive information about their reportable segments. Reportable segments are operating segments that meet certain criteria. Business segments are components of a company for which separate financial information is available. Segment reporting must therefore necessarily be based on the company's internal reporting system (management approach). The internal management of the company thus forms the basis for segment reporting. As an investment company, MPH Health Care AG is mainly active in a combined business segment of investments; and mainly in a regional segment (Germany), so that the obligation of a segment reporting does not apply.

According to IFRS 8.31, single-segment groups are also required to disclose certain disaggregated financial data. These are disclosure requirements that are to be presented according to the following criteria:

Products and services (IFRS 8.32): All products (investments) were combined into a group of similar products. All sales revenues presented in the income statement essentially relate to the product group described above.

Geographical segments (IFRS 8.33): As already described above, MPH Health Care AG mainly operates in one regional segment (Germany). Since the preparation of information on geographical regions would involve increased costs, this has been dispensed with.

Major customers (IFRS 8.34): As a result of accounting in accordance with IFRS 10.31 as an investment company, subsidiaries are not consolidated. Sales revenues were not generated. Consequently, MPH Health Care AG does not have any major customers.

Expenses and income for the financial year are recognized when they are realized, irrespective of the date of payment. Revenue from the sale of assets and income from services is recognized when the significant risks and rewards have been transferred and the amount of the expected consideration can be reliably estimated.

### 7.1 Fair value profit on financial investments

Financial assets held are valued at fair value through profit or loss on the balance sheet date. Compared to the previous year, these investments were valued lower by kEUR 12,164. In the previous year, there was a devaluation of kEUR 60,720. This relates to the unrealised gains / losses from the fair value measurement of investments as at the reporting date.

### 7.2 Net income from participations

Realised profits and losses (see 7.6) on sales or write-downs of investments are determined for each investment.

Year	Sales revenue in EUR	Book value in EUR	Profit / loss in EUR
2020	-	-	-
2021	6,224,575	5,458,996	765,579

### 7.3 Investment income

The investment income reflects the dividend and profit distributions realised by the investments. The income grew by kEUR 176 to kEUR 3,561 in the reporting year. This corresponds to an increase of 6% compared to the previous year.

Shares	Investment income 2021 in EUR	Investment income 2020 in EUR
CR Capital AG	3,288,462	1,612,100
HAEMATO AG	-	-
M1 Kliniken AG	-	-
Pharmigon (unlisted)	-	1,500,000
HC Grundbesitz GmbH (unlisted)	272,643	272,643
<b>Total</b>	<b>3,561,105</b>	<b>3,384,743</b>

### 7.4 Other operating income

This mainly relates to income from the short-term leasing of office space, income from the release of provisions and other income from ordinary activities as well as non-cash benefits.

## 7.5 Financial expenses

Financial expenses include commissions for the brokerage of share sales.

## 7.6 Net loss from participations

Realised profits (see 7.2) and losses on sales or write-downs of investments are determined for each investment.

Year	Sales revenue in EUR	Book value in EUR	Profit / loss in EUR
2020	32,338,379	44,791,173	-12,452,794
2021	-	-	-

## 7.7 Administrative expenses

Administrative expenses comprise a number of items totalling kEUR 923 (previous year: kEUR 841) in the 2021 financial year. These include, for example, advertising and travel costs, insurance premiums and travel expenses, insurance premiums, third-party work, Supervisory Board remuneration, legal and consulting costs, non-deductible input taxes, personnel expenses and costs for the annual financial statements and audit.

## 7.8 Depreciation and amortization

Depreciation and amortization includes scheduled depreciation and amortization of property, plant and equipment and amortization of intangible assets in the amount of kEUR 20 (previous year: kEUR 17). Property, plant and equipment and intangible assets are depreciated on a straight-line basis over different expected lifetimes (3 to 15 years).

## 7.9 Other interest and similar income

This relates to interest income totalling kEUR 80 (previous year: kEUR 75). The interest results from the granting of loans to affiliated companies and from the investment of liquid funds with German banks.

## 7.10 Interest and similar expenses

Interest totalling kEUR 195 (previous year: kEUR 510) mainly relates to short-term interest on current accounts or interest charged for loans granted.

The net results from the financial instruments according to the IAS 39 valuation categories are as follows:

	Interest income + dividends 2021 kEUR	Interest income + dividends 2020 kEUR	Interest expenses 2021 kEUR	Interest expenses 2020 kEUR	Fair Value 2021 kEUR	Fair Value 2020 kEUR
Loans and receivables (other financial assets)	80	75	-	-	-	-
Income from investments (other financial assets)	3,561	3,385	-	-	-	-
Equity instruments (Financial assets at fair value through profit or loss)	-	-	-	-	-12,164	-60,720
Liabilities recognized at amortized cost (other financial liabilities)	-	-	-195	-510	-	-
<b>Total net income</b>	<b>3,641</b>	<b>3,460</b>	<b>-195</b>	<b>-510</b>	<b>-12,164</b>	<b>-60,720</b>
<b>Effective for income</b>	<b>3,641</b>	<b>3,460</b>	<b>-195</b>	<b>-510</b>	<b>-12,164</b>	<b>-60,720</b>

### 7.11 Taxes on income and earnings

This item can be broken down as follows:

	2021 kEUR	2020 kEUR
Tax expense for the current period	-	-
Deferred tax expense from valuation differences	-	-
Deferred tax income from valuation differences	233	1,071
	<b>233</b>	<b>1,071</b>

As in the previous year, deferred taxes are calculated using the following effective tax rate with reference to IAS 12.81c:

Statutory effective tax rate for companies located in	2021 in %
Berlin	30.175

The statutory effective tax rate includes corporate income tax and the solidarity tax (effective rate: 15.825%) as well as trade tax (effective rate: Berlin at 14.350%).

## 8. EARNINGS PER SHARE

Earnings per share are calculated by dividing net income for the year by the number of shares issued. In accordance with IAS 33.19, the weighted average number of ordinary shares outstanding during the period is used to calculate earnings per share. Dilution effects do not have to be taken into account.

	2021 EUR	2020 EUR
Attributable to equity holders of the parent on net income for the year	-8,956,052	-70,378,482
Number of shares (weighted average)	4,281,384	4,281,384
<b>Earnings per share</b>	<b>-2.09</b>	<b>-16.44</b>

## 9. INFORMATION ON MEMBERS OF THE BOARDS:

### Management Board

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

### Supervisory Board

Family name	First name	Function	Profession
Grosse	Andrea	Chairwoman	Lawyer
Zimdars	Uwe	Deputy Chairman	Business Consultant
Prof. Dr. Dr. Meck	Sabine	Member	University lecturer and science journalist

The total remuneration of the Supervisory Board in financial year 2021 amounted to kEUR 45 (previous year kEUR 40). There are no receivables from members of the Supervisory Board.

## 10. NUMBER OF EMPLOYEES

MPH Health Care AG employed one employee on average in the reporting period.



## 11. RISK MANAGEMENT

### Risk management policy and security measures

MPH Health Care AG's risk management system aims to identify and record all significant risks and their causes at an early stage in order to avoid financial losses, failures or disruptions.

The procedure ensures that suitable countermeasures can be implemented to avoid risks. Essentially, this is an early warning system that serves to monitor liquidity and earnings development.

The risk management policy is essentially covered by the Management Board of MPH Health Care AG. The Management Board decides on an appropriate strategy for risk management.

As a result of the company's business activities and the associated high proportion of financial assets in the balance sheet total, the group is exposed to fluctuations in the financial markets.

### Capital risk management, debt capital and interest rate risk

The investment company manages its business with the aim of using the funds of its investors for the purpose of achieving gains in value of its investments or generating investment income.

All investments can operate under the going concern assumption. At the respective balance sheet date, the equity capital amounts to:

	31.12.2021 kEUR	31.12.2020 kEUR
Equity	192,307	201,263
Balance sheet total	197,997	210,708
Equity ratio	97.13 %	95.52 %

The company obtained short-term and long-term debt capital for the operational implementation of its business model.

In the reporting period, bank liabilities fell from kEUR 7,597 to kEUR 3,997 due to repayments of short-term credit lines that have been utilised. In the financial year 2021, the utilisation of existing credit lines was reduced. A promissory note loan of kEUR 3,000 is due in the 2022 financial year. Negotiations about a possible refinancing are already underway. Due to the low interest rate level, we currently only see interest rate risks to a limited extent.

The short-term and long-term bank liabilities of MPH Health Care AG are fully covered by fixed interest rates. There is thus no interest rate risk due to variable interest rates:

Liabilities to banks in kEUR	Claims 31.12.2021	Claims 31.12.2020	Interest rate risk 31.12.2021	Interest rate risk 31.12.2020
Thereof with fixed interest rates	3,997	7,597	-	-
Thereof with variable interest rates	-	-	-	-
Total	3,997	7,597	-	-

The other financial liabilities are not subject to any interest rate risk as no interest is payable. These are short-term liabilities.

### Fair value of financial instruments

Financial assets 31.12.2021 in kEUR	short-term			Total book values	Fair values to be attributed
	Trade account receivables	Other short-term financial assets	Liquid funds		
Financial assets measured at amortized cost	-	2,599	1,843	4,442	4,442

Financial assets 31.12.2020 in kEUR	short-term			Total book values	Fair values to be attributed
	Trade account receivables	Other short-term financial assets	Liquid funds		
Financial assets measured at amortized cost	-	3,865	369	4,234	4,234

The total carrying amounts and fair values of financial assets at the balance sheet date amounted to kEUR 193.502 (previous year kEUR 206,346).

For the instruments presented in the table above and below, the Management Board regards the carrying amounts in the balance sheet as a good approximation of their fair values.

The fair values of the financial instruments were determined on the basis of the market information available on the balance sheet date. The following methods and premises were applied.

Due to the short maturities of cash and cash equivalents and trade account receivables, it is assumed that the fair values correspond to the carrying amounts.

Other current financial assets are measured at amortized cost. Due to the predominantly short maturities of these financial instruments, it is assumed that the fair values correspond to the carrying amounts.

Other financial liabilities are measured at amortized cost. Due to the predominantly short maturities of these financial instruments, it is also assumed that the fair values correspond to the carrying amounts.

<b>Liabilities</b>	<b>short-term</b>			
<b>31.12.2021</b>	<b>Liabilities</b>	<b>Trade account</b>	<b>Leasing</b>	<b>Other financial</b>
<b>in kEUR</b>	<b>to banks</b>	<b>payables</b>	<b>liabilities</b>	<b>liabilities</b>
	3,997	51	17	14
	<b>long-term</b>			
Financial liabilities	<b>Liabilities</b>	<b>Leasing</b>	<b>Total</b>	<b>Fair values</b>
measured at	<b>to banks</b>	<b>liabilities</b>	<b>book values</b>	<b>to be attributed</b>
amortized cost	-	22	4,101	4,101

<b>Liabilities</b>	<b>short-term</b>			
<b>31.12.2020</b>	<b>Liabilities</b>	<b>Trade account</b>	<b>Leasing</b>	<b>Other financial</b>
<b>in kEUR</b>	<b>to banks</b>	<b>payables</b>	<b>liabilities</b>	<b>liabilities</b>
	4,597	36	4	12
	<b>long-term</b>			
Financial liabilities	<b>Liabilities</b>	<b>Leasing</b>	<b>Total</b>	<b>Fair values</b>
measured at	<b>to banks</b>	<b>liabilities</b>	<b>book values</b>	<b>to be attributed</b>
amortized cost	3,000	3	7,652	7,652

### Liquidity risk

MPH Health Care AG invests the majority of its assets in investments that are traded in active markets and that are easy to sell. MPH Health Care AG owns a small portion of its total assets in investments that are not traded on a stock exchange and may be illiquid. As a result, investments in these assets may not be quickly liquidated by the company.

Furthermore, MPH Health Care AG manages liquidity risks by constantly monitoring the forecasted and actual cash flows and reconciling the maturity profiles of financial assets and liabilities.

The following tables show the expected cash flows of financial liabilities (undiscounted principal and interest payments) as of December 31, 2021 and December 31, 2020:

<b>Financial liabilities measured at amortized cost</b>	<b>Book value 31.12.2021 kEUR</b>	<b>Cash flow up to 1 year kEUR</b>	<b>Cash flow &gt; 1 year up to 5 years kEUR</b>	<b>Cash flow &gt; 5 years kEUR</b>
Accruals	101	101	-	-
Interest-bearing financial liabilities	3,997	3,997	-	-
Non-interest-bearing financial liabilities	124	102	22	-

<b>Financial liabilities measured at amortized cost</b>	<b>Book value 31.12.2020 kEUR</b>	<b>Cash flow up to 1 year kEUR</b>	<b>Cash flow &gt; 1 year up to 5 years kEUR</b>	<b>Cash flow &gt; 5 years kEUR</b>
Accruals	74	74	-	-
Interest-bearing financial liabilities	7,597	4,597	3,000	-
Non-interest-bearing financial liabilities	74	71	3	-

The interest-free financial liabilities include kEUR 51 (previous year: kEUR 36) in trade account payables and kEUR 34 (previous year: kEUR 31) in other short-term liabilities and financial liabilities. From the balance sheet changes after the transition to IFRS 16, kEUR 39 (previous year: kEUR 7) are accounted for by leasing liabilities in the reporting period.

### IFRS cash flow statement

The cash flow statement shows how the cash and cash equivalents of MPH Health Care AG have changed in the course of the reporting years due to cash inflows and outflows. In this cash flow statement, cash flows are broken down into operating, investing and financing activities. Cash and cash equivalents include liquid funds available at short notice amounting to kEUR 1.843 (previous year kEUR 369). The liabilities due at any time consist of the use of current account credit lines.

## 12. AUDITOR'S FEE

The shareholders of MPH Health Care AG elected the auditor Harry Haseloff as auditor at the Annual General Meeting on July 14, 2021.

The audit services relate to the audit of the IFRS financial statements and the annual financial statements as well as all services required for the audit, the audit of the accounting-related internal control system and the accounting-related IT and process audits.

The auditor did not provide any tax consulting services.

Provisions in the total amount of kEUR 20 were recognized for the expected fee of the auditor, Harry Haseloff, for audits relating to the 2021 financial year and the investment company.

### 13. RELATED PARTY DISCLOSURES

Related parties within the meaning of IAS 24 „Related Party Disclosures“ are generally members of the Management Board and Supervisory Board, their close family members and all companies belonging to the investment group of MPH Health Care AG. Please refer to section (9) for information on the Management Board and Supervisory Board. These related companies and persons were not involved in any transactions of an unusual type or nature with companies of the investments. All transactions between the related parties were concluded at arm's length conditions, as between third parties.

If transactions with these companies result in assets or liabilities, these are reported under other assets. are reported under other assets and other liabilities.

The following transactions were conducted with related parties:

<b>Transactions with related parties and persons</b>	<b>31.12.2021 in kEUR</b>	<b>31.12.2020 in kEUR</b>
Deliveries and services rendered	-	8
Interest income	80	75
Deliveries and services received	-	-
Other operating expenses	3	-
Interest expenses	-	81

### 14. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date up to March 31, 2022.

### 15. APPROVAL OF THE IFRS FINANCIAL STATEMENTS 2021 BY THE MANAGEMENT BOARD FOR PUBLICATION IN ACCORDANCE WITH IAS 10.17

These IFRS financial statements take into account all events known to the Management Board up to March 31, 2022.

Berlin, March 31, 2022



Patrick Brenske  
(Management Board)

## 16. AUDITOR'S REPORT

After the final result of his audit, the auditor Harry Haseloff issued the following unqualified audit certificate for the annual financial statements as of December 31, 2021 and the management report 2021 of MPH Health Care AG dated April 22, 2022

### „Auditor's Report

to the Supervisory Board of MPH Health Care AG (investment company), Berlin:

#### Audit assessment

I have audited the annual financial statements of MPH Health Care AG, prepared in accordance with IFRS, comprising the balance sheet as of December 31, 2021, the income statement for the period from January 1, 2020 to December 31, 2020, the cash flow statement for the period from January 1, 2021 to December 31, 2021, the statement of changes in equity for the period from January 1, 2021 to December 31, 2020, the statement of changes in non-current assets as of December 31, 2021, the notes for the period from January 1, 2021 to December 31, 2021 and the management report.

In my opinion, based on the findings of the audit:

1. The accompanying annual financial statements comply in all material respects with IFRS and the German commercial law provisions applicable to corporations and give a true and fair view of the net assets and financial position of the company as of December 31, 2021 and its results of operations for the fiscal year from January 1, 2021 to December 31, 2021 in accordance with German generally accepted accounting principles, and
2. the attached management report as a whole provides a suitable view of the position of the investment company. In all material respects, this management report is consistent with the annual financial statements, complies with IFRS and German law and accurately presents the opportunities and risks of future development.
3. In accordance with § 322 III 1 HGB, I declare that my audit has not led to any objections to the correctness of the annual financial statements and the management report.

#### Basis for the audit opinions

I conducted my audit of the annual financial statements and the management report in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). My responsibility under these rules and principles is further described in the section „Auditor's Responsibility to Audit the Financial Statements and Management Report“ of my audit opinion. I am independent of the company in accordance with German commercial and professional regulations and have fulfilled my other German professional duties in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on the annual financial statements and management report.

## **Responsibility of the legal representatives for the annual financial statements and the management report**

The legal representatives are responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRS and German commercial law in all material respects, and for ensuring that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting. In addition, the legal representatives are responsible for the internal controls they have determined as being necessary in accordance with German generally accepted accounting principles to enable the preparation of consolidated financial statements that are free from material misstatements, whether intentional or unintentional.

In preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. They are also responsible for disclosing, where relevant, matters relating to the continuation of the company's activities. In addition, they are responsible for accounting for the continuation of the company's activities on the basis of the accounting principle, unless there are actual or legal circumstances to the contrary.

In addition, the legal representatives are responsible for the preparation of the management report, which as a whole provides a suitable view of the position of the investment company, is consistent in all material respects with the annual financial statements, complies with IFRS and German law and suitably presents the opportunities and risks of future development.

Furthermore, the legal representatives are responsible for the precautions and measures (systems) which they assume to be necessary to enable the preparation of a management report in accordance with IFRS or the applicable German legal provisions and to provide sufficient suitable evidence for the statements in the management report.

## **Responsibility of the auditor for the audit of the annual financial statements and management report**

My objective is to obtain reasonable assurance whether the annual financial statements as a whole are free from material misstatement, whether intentional or unintentional, and whether the management report as a whole provides a suitable view of the position of an investment entity and is consistent, in all material respects, with the annual financial statements and the findings of my audit, complies with German legal requirements and presents fairly the opportunities and risks of future development, and to express an opinion which includes my opinions on the annual financial statements and the management report.

Sufficient assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement.

False representation may result from violations or inaccuracies and are considered material if they could reasonably be expected to influence the economic decisions of users, individually or collectively, based on these financial statements and management report.

During the examination I exercise due discretion and maintain my critical attitude.

**Beyond that:**

1. I identify and assess the risks of material misstatements, whether intentional or not, in the financial statements and management report, plan and perform audit procedures in response to these risks, and obtain audit evidence sufficient and appropriate to support my audit opinion. The risk that material misrepresentations are not detected is higher in the case of violations than in the case of inaccuracies, since violations may involve fraudulent interaction, forgery, intentional incompleteness, misleading representations or the repeal of internal controls.
2. I gain an understanding of the internal control system relevant to the audit of the annual financial statements and the arrangements and measures relevant to the audit of the management report that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's systems.
3. I assess the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimated values and related disclosures presented by the legal representatives.
4. I draw conclusions about the appropriateness of the going concern principle applied by the legal representatives and, on the basis of the evidence obtained, whether there is a material uncertainty in connection with events or circumstances that may raise significant doubts about the ability of the company to continue the business. If I come to the conclusion that there is material uncertainty, I am obliged to draw attention to the relevant information in the annual financial statements and management report in my audit opinion or, if this information is inappropriate, to modify my respective audit opinion. I draw my conclusions on the basis of the audit evidence obtained by the date of my audit opinion. However, future events or circumstances may prevent the company from continuing its business activities.
5. In my opinion, the overall presentation, structure and content of the annual financial statements, including the information, and whether the annual financial statements present the underlying business transactions and events such that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the investment company in accordance with IFRS and German principles of proper accounting.
6. I assess the consistency of the management report with the annual financial statements, its compliance with the law and the picture it conveys of the situation of the investment company.
7. I perform audit procedures on the forward-looking statements made by the legal representatives in the management report. On the basis of sufficient suitable audit evidence, I particularly verify the significant assumptions underlying the future-oriented statements made by the legal representatives and assess the appropriate derivation of the future-oriented statements from these assumptions. I do not express an independent opinion on these forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events could differ materially from the forward-looking statements".



I discuss with those responsible for monitoring the planned scope and timing of the audit and significant audit findings, including any shortcomings in the internal control system, which I identify during my audit.

Berlin, April 22, 2022



Dipl.-Kfm. Harry Haseloff  
Auditor







## **FURTHER INFORMATION**

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## 1. THE SHARE

### SHARE KEY FIGURES

Number of shares (pieces) as per 31.12.	4,281,384
WKN / ISIN	A289V0 / DE000A289V03
Ticker symbol	93M1
Class of shares	Bearer share
Market places	Xetra, Frankfurt, Stuttgart, Dusseldorf, Berlin, Munich, Tradegate
Market segment	Open Market an der Börse Frankfurt (Entry Standard)
Designated Sponsor, Listing Partner	Oddo Seydler Bank AG
Coverage	GBC AG, First Berlin Equity Research GmbH
Market capitalization	EUR 91.19 m (zum 31.12.2021 - Xetra)

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

### Dividende

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

### Due Diligence

Thorough examination by the potential buyer of a company up for sale. In the due diligence process, a company or person is carefully assessed for economic, legal, tax and financial situation.

### 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.

### 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.

### 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.

### Fair Value

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

Measures taken by the state to steer economic development through public revenue and expenditure.

### Licensing

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

### MaBV

„Makler- und Bauträgerverordnung“ = Broker and Property Developer Regulation. A legal regulation derived from the German Trade Regulation Act, which in German trade law primarily provides specifications for the protection of the purchaser of real estate when drafting and concluding a property development contract.

### NAV

Net asset value; the sum of all assets valued at market value less all liabilities of a company.

### Net profit

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

### Nominal value

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.

### Oncology

Science that deals with cancer.

### Patent

With respect to the pharmaceutical market: Industrial property right for a newly developed active pharmaceutical ingredient. In the EU, market exclusivity is limited to 20 years.

### 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 systematic, qualitative assessment of economic entities or financial instruments with regard to their creditworthiness.

### 3. SOURCES

- 1 Cf. [https:// manager-magazin.de/politik/weltwirtschaft/internationaler-waehrungs-fonds-oekonomen-senken-globale-wachstumsprognose-a-8bed9c56-d28a-42ee-b854-137a45c45e88](https://manager-magazin.de/politik/weltwirtschaft/internationaler-waehrungs-fonds-oekonomen-senken-globale-wachstumsprognose-a-8bed9c56-d28a-42ee-b854-137a45c45e88)
- 2 Cf. Kieler Konjunkturberichte: Weltwirtschaft im Winter 2021, December 15, 2021, p. 2
- 3 Cf. Kieler Konjunkturberichte: Weltwirtschaft im Frühjahr 2022, March 17, 2022, p. 3-4
- 4 Cf. Pressemitteilung BMWI, January 14, 2022 „Die wirtschaftliche Lage in Deutschland im Januar 2022“
- 5 Cf. <https://www.bundesgesundheitsministerium.de/themen/gesundheitswesen/gesundheitswirtschaft/gesundheitswirtschaft-im-ueberblick.html>
- 6 Cf. ebenda
- 7 Cf. BDI: 19. WP: Empfehlungen – Gesundheitswirtschaft und Gesundheitspolitik
- 8 Cf. Statistisches Bundesamt: Gesundheitsausgaben im Jahr 2020, Pressemitteilung, April 7, 2022
- 9 Cf. IQVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes 2021, p. 4
- 10 Cf. ISAPS-Global-Survey-2020-Press-Release-German, p. 1
- 11 Cf. ISAPS-Global-Survey-2019-Press-Release-German, p. 2-3
- 12 Cf. [www.tagesschau.de/wirtschaft/konjunktur/immobilien-doppelhaus-haelfte-zwei-familien-haeuser-wohnungsbau-genehmigungen-101.html](http://www.tagesschau.de/wirtschaft/konjunktur/immobilien-doppelhaus-haelfte-zwei-familien-haeuser-wohnungsbau-genehmigungen-101.html)
- 13 Cf. [www.wiwo.de/finanzen/immobilien/studie-rekordniveau-2021-bei-immobilien-investments-in-deutschland/27951906.html](http://www.wiwo.de/finanzen/immobilien/studie-rekordniveau-2021-bei-immobilien-investments-in-deutschland/27951906.html)

## 4. IMPRINT

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### **Management Board:**

Patrick Brenske

### **Board of Supervisors:**

Chairwoman:  
Andrea Grosse

Deputy Chairman:  
Uwe Zimdars

Member:  
Prof. Dr. Dr. Sabine Meck

Registry court: Amtsgericht Charlottenburg

Registry number: HRB 116425 B

### **Concept, design and realisation:**

**MPH** Health Care AG  
Investor Relations

### **Photos:**

**MPH** Health Care AG  
Getty Images  
Fotolia  
Adobe Stock



# **MPH** Health Care AG

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