



MPH Health
Care AG

Interim Report 2020

Mission statement

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

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

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

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

Key areas of MPH Health Care AG (per 30 June 2020)



Content

Letter to the Shareholders.....	4
Net Asset Value of MPH Health Care AG	6
MPH on the capital market	7
Short Profile of Investments	8
Short profile HAEMATO AG	8
Short profile M1 Kliniken AG	9
Short profile CR Capital Real Estate AG	11
Interim Group Management Report	12
1. Business model of the company	12
2. Economic report	12
2.1. Global economic environment	12
2.2. Economic forecast Germany	13
2.3. Health care market Germany	14
3. Business development and position of the company	15
3.1. Business development	15
3.2. Earnings position of the MPH Group (IFRS)	15
3.3. Financial position of the MPH Group (IFRS)	16
3.4. Asset position of the MPH Group (IFRS)	16
4. Forecast report	17
IFRS Interim Financial Statements	19
IFRS Shortened Annex (notes)	27
Further Information	33

Dear Shareholders, Ladies and Gentlemen,

in the wake of the Corona crisis, the German economy experienced a historic decline in economic output in the first half of 2020. Public and economic life is still severely restricted in many areas affected by so-called „shutdowns“, which have subsequently led to extensive impacts on the labour market, industrial production and consumer demand, among other things.

Fortunately, the business climate in Germany continues to improve after the Corona-related crash in April. The Ifo Business Climate Index for August climbed by 2.2 to 92.6 points, according to the Munich-based Ifo Institute. „The German economy is on course for recovery,“ says Ifo President Clemens Fuest. It is already the fourth increase in a row. However, the pre-crisis level has not yet been reached, which for example in February was still at 95.8 index points. ¹⁾ The monthly report of the Deutsche Bundesbank also assumes that after the sharp decline in the first half of the year, the German economy will grow very strongly in the summer quarter of 2020 and that, from today's perspective, the recovery of macroeconomic output will continue. ²⁾

Unfortunately, the consequences of the Corona pandemic have affected some of our portfolio companies. M1 Kliniken AG had to temporarily shut down their M1 treatment centres and surgical clinics, while HAEMATO AG was temporarily affected by the restrictions on intra-European trade. Due to the reduced valuations of the associated companies, the (reporting date related) Fair Value valuations of the financial assets of MPH AG also decreased, which led to a drop of the result to EUR -0.76 per share (previous year EUR -0.43 per share).

At EUR 5.58 per share, the net asset value (NAV) of MPH Health Care AG as of 30 June 2020 was below the previous year's value of EUR 5.86, but still significantly above the share price of EUR 2.97 (previous year EUR 4.22). IFRS equity decreased from EUR 271.6 million to EUR 239.0 million as of 30 June 2020.

Due to the current uncertainties associated with the Corona pandemic, our listed investments HAEMATO AG and M1 Kliniken AG decided at their Annual General Meetings in July 2020 not to distribute dividends in order to strengthen liquidity and to carry forward the results of the financial year 2019 in full to new account. Due to Corona conditions, the Annual General Meeting of CR Capital Real Estate will take place in autumn 2020. Consequently, the Annual General Meeting of MPH AG on 22 July 2020 concluded that no dividend will be paid in order to maintain sufficient financial reserves for further growth. In the first half of 2020, however, investment income (distributions) from non-listed investments amounting to kEUR 1,500 was received.

HAEMATO AG

Our investment HAEMATO AG is a pharmaceutical company focusing on growth markets of high-priced specialty pharmaceuticals in the areas of oncology, HIV, rheumatism, neurology and cardiovascular diseases. As a pharmaceutical wholesaler and manufacturer, it is a system-relevant company. With numerous organisational measures, HAEMATO AG has been able to maintain a regulated course of business to the greatest extent possible to ensure a constant supply of goods to customers.

This is also reflected in the sales development of the HAEMATO AG in the first half of 2020 totalling to EUR 115.8 million, which is 23% higher compared to the same period in 2019. The EBITDA for the first six months amounts to kEUR 2,066 and is thus also about 23% above the comparable value of the previous year of kEUR 1,675. The equity ratio as of 30 June 2020 rose from 56.2% (previous year) to 61.3%.

In the first quarter of 2020, the pharmaceutical authorities had already approved a completed secure storage area for the safekeeping of narcotics, so that the necessary infrastructure was put into operation. The first permits for parallel imports have been applied for and are expected to be granted in the next calendar year. This will enable HAEMATO to broaden its specialty pharmaceuticals product portfolio for customers.

M1 Kliniken AG

The strong growth course of the 2019 financial year – due to the continuing high demand for the medical and aesthetic services of M1 Med Beauty – was maintained in the first quarter of 2020. New treatment centres were opened in Liverpool and London and the Hanover and Berlin practices relocated to larger premises. Further openings are firmly on the agenda for the second half of 2020.

At the end of 2019, the network of treatment centres (in addition to the clinic in Berlin) comprised a total of 36 practices (previous year: 24). With the impact of the Corona pandemic, however, treatment centres and clinics had to close from 23 March 2020. The lockdown lasted slightly longer than expected, so treatment activities could only be resumed step by step in the course of May. The two centres in the UK remained closed even beyond 30 June 2020 and were reopened mid-August. In addition, the treatment centre in Melbourne had to be closed again as part of a second lockdown.

The developments relating to the Corona pandemic have left their mark on M1's financial figures. Although M1 is experiencing an ongoing increase in demand for medical and aesthetic services, the two-month closure has resulted in a loss of revenue. IFRS consolidated revenues amounted to EUR 29.1 million in the first half of 2020 compared to EUR 32.9 million in the first half of 2019. Earnings before taxes (EBT) for the reporting period fell to kEUR 2,523 compared to kEUR 5,183 as of 30 June 2019. Although some cost-cutting measures were implemented (e.g. short-time working; reduction of marketing expenses), other cost items (e.g. rental and leasing expenses) continued unchanged, thus impacting the half-year result.

CR Capital Real Estate AG

For CR Capital Real Estate AG, the fiscal year 2019 developed very positively. In order to set the course for future growth and the expansion of the business model towards a real estate investment company, accounting was changed to IFRS 10 at the end of last year. By measuring the investments of CR Capital Real Estate AG at fair value, the net income for the year increased to more than EUR 90 million (previous year: EUR 7.8 million). Equity rose to approx. EUR 200 million (previous year: EUR 35.4 million). In the past year, CR Capital continued to develop and invest in shareholdings along the real estate value chain that offer affordable housing and attractive investment opportunities.

CR Capital Real Estate AG announced at the end of July 2020 that, together with financial investors, it intends to establish a real estate portfolio company in the legal form of a Real Estate Investment Trust (REIT AG). Investments will mainly be made in newly built residential properties in Berlin and in the Berlin suburbs. With the future REIT AG, whose shares will be listed on the stock exchange, CR Capital Real Estate AG will offer private investors lucrative and tax-advantageous investment opportunities in real estate, even for smaller amounts.

I would like to express my sincere thanks for the commitment of the employees of the MPH group and wish that, above all, they remain in good health in these special times and that we can all return to our valued „normality“ as quickly as possible.

Our holdings are developing steadily and I am convinced that this will have a positive effect on the MPH share price in the future. I would also like to thank the Supervisory Board for its constructive cooperation during the period under review.

Berlin, August 2020



Patrick Brenske
(Management Board)

Net Asset Value der MPH

Net Asset Value	30.06.2020 in EUR	30.06.2019 in EUR
Equity	238.985.777,33	250.890.819,76
Equity per share	5,58	5,86

	Number of stocks / shares pieces	Share price ¹⁾ 30.06.2020 in EUR	Market value in EUR	Fair value in EUR
M1 Kliniken AG	11,094,501	11,10	123,148,961.10	123,148,961.10
HAEMATO AG	11,011,977	2,81	30,943,655.37	30,943,655.37
CR Capital Real Estate AG	2,149,466	34,00	73,081,844.00	73,081,844.00
TOTAL				
Market price of valued shares				227,174,460.47
Unlisted companies shareholdings				23,661,906.53
TOTAL Fair Value valued shares				250,836,367.00
Liquid assets				399,385.51
Other assets				2,096,200.31
Application of funds (assets)				253,331,952.82
Equity				238,985,777.33
Interest-bearing liabilities				3,000,000.00
Other liabilities				11,346,175.49
Source of funds (liabilities)				253,331,952.82

Company portfolio overview

	01.01. - 30.06.2020 in kEUR		01.01. - 30.06.2019 in kEUR	
Accounting according to IFRS	Sales	EBIT / Result	Sales	EBIT / Result
M1 Kliniken AG	29,130	1,243 ²⁾	32,932	3,280 ²⁾
HAEMATO AG	115,808	1,230 ²⁾	94,009	708 ²⁾
CR Capital Real Estate AG	k.A.	k.A. ³⁾	6,325	3,467 ³⁾

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

MPH on the capital market

Class of shares	Bearer shares
Number of shares	42,813,842
WKN / ISIN	AOL1H3 / DE000AOL1H32
Ticker symbol	93M
Market places	Xetra, Frankfurt, Stuttgart, Dusseldorf, Berlin, Munich, Tradegate
Market segments	Open Market - Frankfurt Stock Exchange
Designated Sponsor, Listing Partner	Oddo Seydler Bank AG
Market capitalization	EUR 127.16 m (as of 30.06.2020 - Xetra)
Coverage	GBC AG, First Berlin Equity Research GmbH

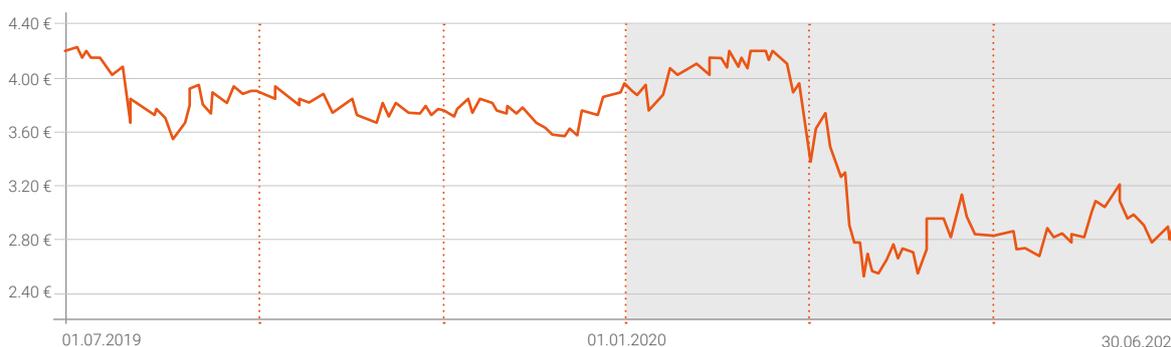
Global economic activity has fallen significantly in the first half of 2020 as a result of the Covid 19 pandemic, and is expected to fall by almost 10%. Although world production is expected to have bottomed out in April, the average for the current year is expected to be minus 3.8% (measured on a purchasing power parity basis), by far the biggest drop in the last 70 years. However, it appears that the bottom has now been reached. In fact, the Chinese economy has already recovered a substantial part of the production collapse of January and February. The speed and strength of the global recovery will depend not least on the epidemiological situation and on the policy response. Aggregate output is expected to grow strongly in the second half of this year, provided that the evolution of the pandemic allows for a sustained and broad-based relaxation of containment policies, and strong support from monetary and fiscal policy is maintained. ³⁾

The Eurozone is also in Corona crisis, and the measures to contain the pandemic have led to the biggest drop in economic activity since the creation of monetary union. Although most of the restrictions did not come into force until March, the decline in gross domestic product (GDP) was already 3.6% in the first quarter. A double-digit decline of over 13% is expected in the second quarter. In France, Italy and Spain, the decline in economic output is disproportionately high, as these countries were forced to take particularly drastic measures to control the spread of infection, such as extensive curfews and the closure of many production facilities. ⁴⁾

The Xetra closing price of MPH shares fell from EUR 4.22 on 28 June 2019 to EUR 2.97 on 30 June 2020; this corresponds to a decline of 29.6%.

The net asset value (NAV) of MPH Health Care AG was EUR 5.58 per share on 30 June 2020 (previous year EUR 5.86 per share). This corresponds to a reduction of 5.0% resulting from the fair value measurement of the share prices of the listed investments on 30 June 2020 based on the reporting date. Despite the current decline in share prices, MPH's future prospects are still regarded as good, which is also reflected in analyst ratings. Thus, the analysts of First Berlin Equity Research GmbH left the price target for MPH unchanged at EUR 7.50 on 30 June 2020.

Share price performance of MPH HEALTH CARE AG





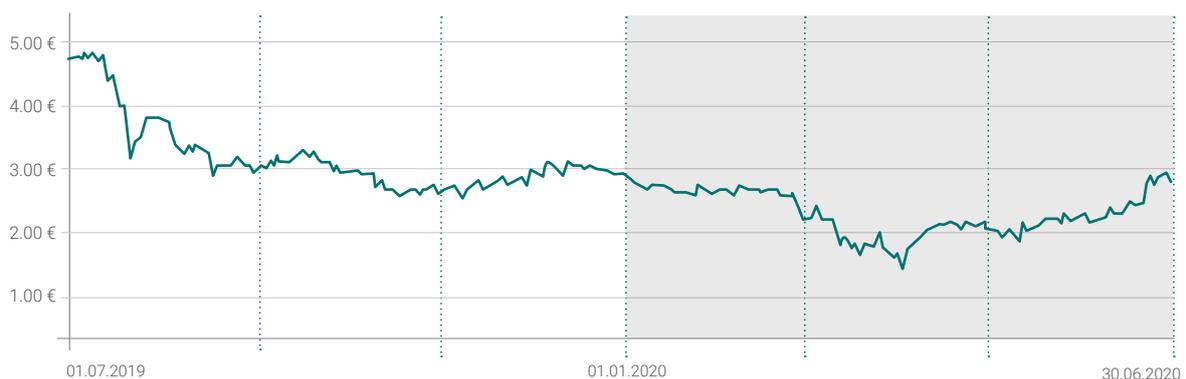
HAEMATO AG is a listed pharmaceutical company. Its business activities focus on the growth markets of off-patent and patent-protected drugs in the insurance-financed market. The main focus is on the therapy areas oncology, HIV, neurology, rheumatology and other chronic diseases. The portfolio is supplemented by products for the privately financed market for aesthetic treatments. The customers for these products are mainly pharmacies and wholesalers as well as doctors and hospitals.

The company has a broad customer base of over 4,800 pharmacies and wholesalers in Germany and over 1,300 pharmacies and wholesalers in Austria. The demand for inexpensive medicines of the highest quality, which are supplied at all times and meet the requirements for reliable and comprehensive medical care, will continue to grow in the coming years as the population's life expectancy increases. With its product portfolio of patent-free and patent-protected drugs HAEMATO AG supports the improvement of an efficient drug supply and thus reduces costs for health insurance companies and consequently for patients.

COMPANY KEY FIGURES (IFRS) IN KEUR

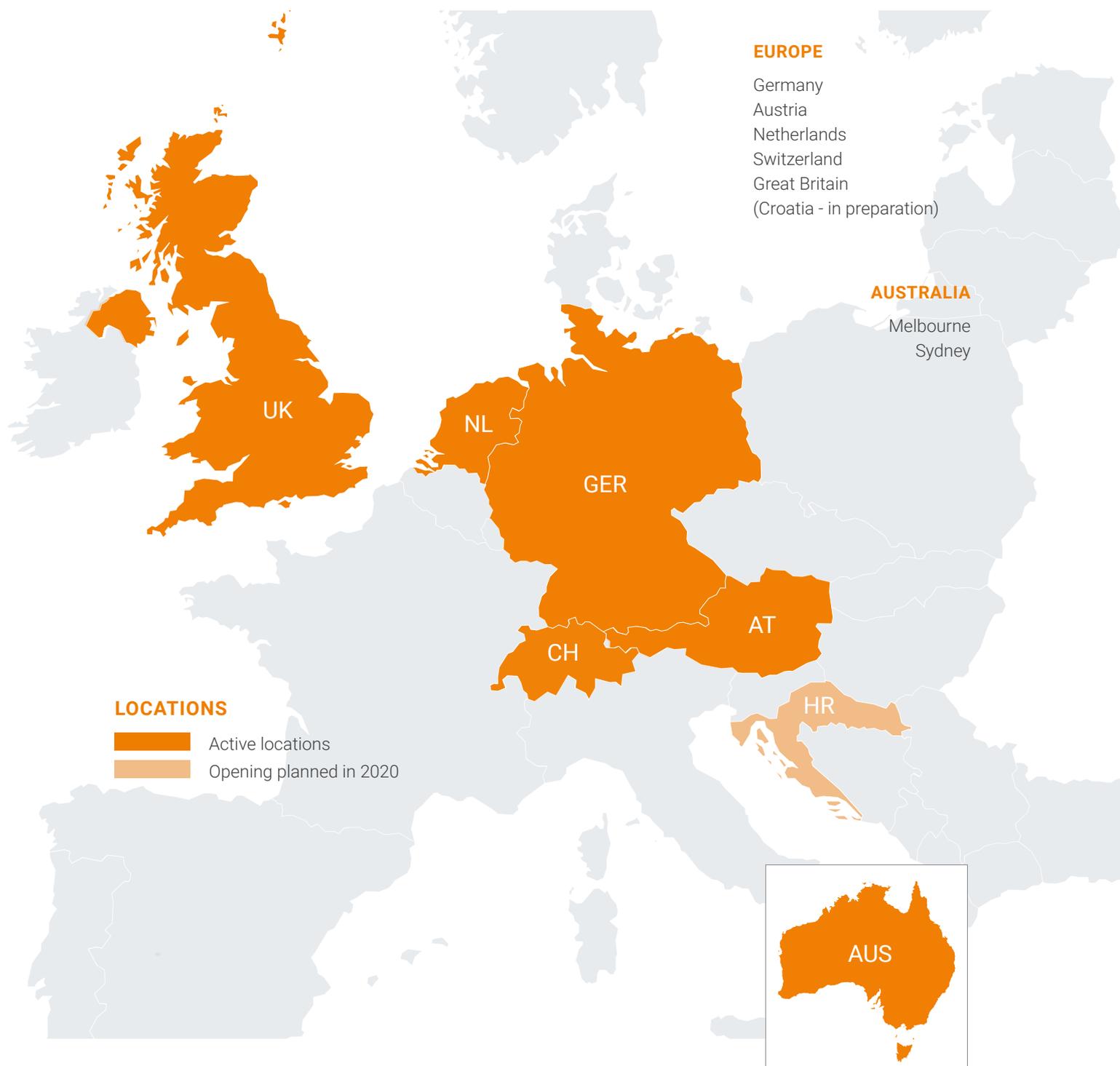
Class of shares	Bearer share
Number of shares	22,867,154
WKN / ISIN	619070 / DE0006190705
Ticker symbol	HAE
Market places	Xetra, Frankfurt, Stuttgart, Hamburg, Berlin
Market segments	Open Market - Frankfurt Stock Exchange
Designated Sponsor, Listing Partner	ICF Kursmakler AG
Market capitalization	EUR 64.26 m (as of 30.06.2020 - Xetra)
Coverage	GBC AG, First Berlin Equity Research GmbH

Share performance of HAEMATO AG





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





M1 Kliniken AG was able to continue its growth course in the first half of 2020 at a slightly reduced rate despite the Corona-related restrictions and opened three new treatment centres abroad. Additional locations in Germany and abroad are planned for the second half of 2020 and significant sales growth is still expected in the following years. Growth-related economies of scale and synergies in the value chain ensure price leadership.

COMPANY KEY FIGURES (IFRS) IN KEUR

Class of shares	Bearer share
Number of shares	19,643,403
WKN / ISIN	A0STSQ / DE000A0STSQ8
Ticker symbol	M12
Market places	Frankfurt, Xetra, Dusseldorf, Stuttgart, Munich, Berlin, Hanover
Market segments	Open Market - Frankfurt Stock Exchange
Designated Sponsor, Listing Partner	Kepler Cheuvreux
Market capitalization	EUR 218.04 m (as of 30.06.2020 - Xetra)
Coverage	Bankhaus Metzler, Berenberg Bank, Commerzbank AG, Hauck & Aufhäuser, Kepler Cheuvreux

Share performance of M1 KLINIKEN AG



CR CAPITAL

REAL ESTATE AG

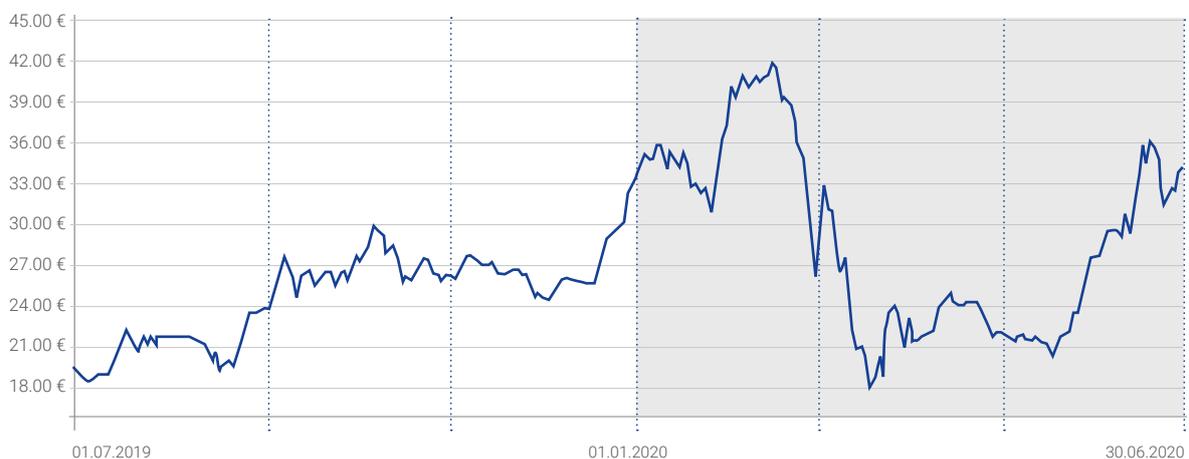
CR Capital is an integrated investment manager with innovative corporate investments along the real estate value chain. With its investments „TERRABAU GmbH“, „CR Global Care GmbH“ and „CR Financial Services“, CR Capital creates a holistic investment concept with added value for its shareholders. The focus of its business activities lies in the creation of high-quality residential properties in solid construction at affordable prices. Clients include both owner-occupiers and institutional clients. The investment focus remains the suburbs of Berlin and Leipzig. Together with financial investors, CR Capital Real Estate AG plans to establish a real estate investment company in the legal form of a Real Estate Investment Trust (REIT AG). Investments will mainly be made in newly built residential properties in Berlin and the surrounding area. Despite the Corona crisis, demands for residential property remain high, especially in Berlin and suburb areas of Berlin.

With the future REIT AG, whose shares will be listed on the stock exchange, CR Capital Real Estate AG offers private investors lucrative and tax-advantageous investment opportunities in real estate even for smaller investment amounts.

COMPANY KEY FIGURES (IFRS) IN KEUR

Class of shares	Bearer share
Number of shares	3,756,754
WKN / ISIN	A2GS62 / DE000A2GS625
Ticker symbol	CRZK
Market places	Xetra, Frankfurt, Dusseldorf, Stuttgart, Berlin
Market segments	Open Market - Frankfurt Stock Exchange
Designated Sponsor, Listing Partner	Oddo Seydler Bank AG
Market capitalization	EUR 127.73 m (as of 30.06.2020 - Xetra)
Coverage	GBC AG, First Berlin Equity Research GmbH

Share performance of CR Capital Real Estate AG



Interim Group Management Report

1. Business model of the company

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

The strategic focus of its activities lies on the acquisition and development of companies and company shares, particularly in growth segments of the health care market and the pharmaceutical industry. This includes both insurance-financed („first“ health care market) and privately financed segments (so-called „second“ health care market). In addition, MPH also exploits potential from other high-growth sectors outside these markets, such as the real estate industry. The aim is to generate profitable growth in the portfolio companies through active further development, thus promoting MPH's corporate value.

2. Economic report

MPH Health Care AG continued to invest in three listed companies (M1 Kliniken AG, HAEMATO AG, CR Capital Real Estate AG) in the first half of 2020. Compared to the previous year, the market value of these investments decreased by EUR 15.3 million to EUR 227.2 million as of 30 June 2020 based on the fair value evaluation of the share prices of these investments on the reporting date.

Due to the pandemic-related restrictions and continuing uncertainties about the further course of the pandemic, the listed investments M1 Kliniken AG and HAEMATO AG have decided this year, as a precautionary measure, not to distribute a dividend and to carry forward the results of the financial year 2019 in full to new account in order to strengthen the liquidity of the respective companies and to finance further growth. The subsidiary CR Capital Real Estate AG postponed its Annual General Meeting until autumn 2020. A vote on the distribution of the balance sheet profit 2019 has therefore not yet been taken.

As a result of these strategic decisions, MPH Health Care AG also decided at its Annual General Meeting on 22 July 2020 to carry forward its balance sheet profit of the fiscal year 2019 in full to new account and not to pay a dividend.

2.1. Global economic environment

According to the summer economic report published by IfW Kiel (Kiel Institute for the World Economy), the global economy experienced a historic drop in the first half of 2020. According to this report, global economic activity is expected to have fallen by around 10% in the first half of 2020 as a result of the Covid 19 pandemic. Although the low point in global production is likely to have been reached as early as April, the IfW is forecasting an average decline (measured on the basis of purchasing power parities) of 3.8% for the current year, by far the biggest decline in the past 70 years. For 2021, the IfW anticipates a strong 6.2% rise in production, but the drop in income caused by the Corona crisis and a presumably sustained slowdown in the propensity to invest will mean that the level of global production will probably remain well below the path expected at the beginning of the year for some time to come.⁵⁾ While the global economy is suffering in retrospect, leading indicators signal a recovery as the year

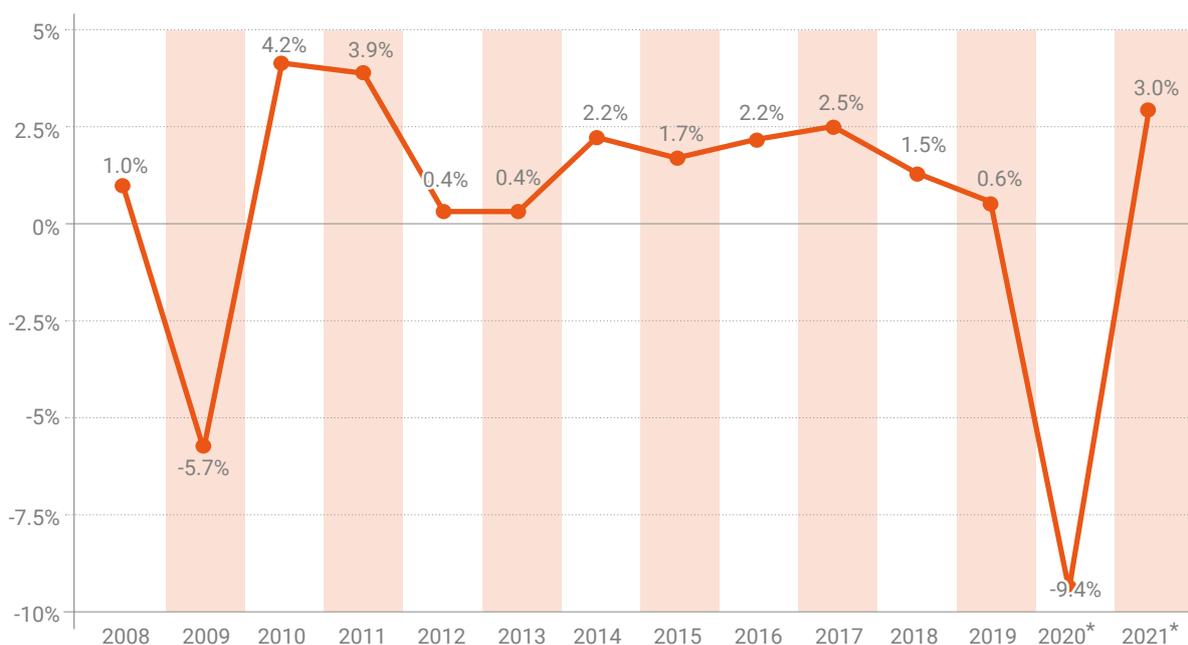
progresses. Global industrial production was cut by around 12% year-on-year in April/May. Global trade in goods even fell by around 17%. The extent of the Corona recession in the first half of the year is also evident from initial reports from major economies on GDP development in the second quarter. In the Euro zone, GDP fell by 12.1% and in the USA by 9.5%.

However, sentiment indicators are sending positive signals for the second half of the year. The global purchasing managers' index (PMI) for industry published by J.P. Morgan / IHS Markit climbed above its growth threshold in July for the first time since January, at 50.3 points. The further development of the global economy depends largely on the course of the Corona pandemic and the measures and changes in behaviour to contain the further spread of the virus. Individual countries in different parts of the world are affected to varying degrees. According to the Robert Koch Institute, China, the starting point of the pandemic, is currently reporting only a low number of cases and is already in a phase of economic recovery with GDP growth of 11.5% in the second quarter compared to the previous quarter. Meanwhile other countries are developing into Corona hot spots (more than 120 cases per 100,000 inhabitants). These include the US, South Africa and parts of Latin America, including Brazil and Argentina. Increased numbers of cases can also be observed in Southern and Eastern Europe, such as Spain, Romania and Hungary, and in a weaker scale in Russia, India, Sweden and the UK. This shows that the foreign trade situation is likely to remain difficult for the German economy for some time to come. ⁶⁾

2.2. Economic forecast for Germany

In order to contain the spread of Coronavirus in Germany, far-reaching restrictions on economic activities were decided in March. This economic shutdown affected large parts of companies and self-employed people in Germany. Following a decline in infection rates, the restrictions were gradually relaxed throughout Germany. Nevertheless, the consequences are serious for the German economy: experts now expect the biggest recession in the history of the Federal Republic. According to the DIW forecast, GDP in Germany will fall by 9.4% year-on-year in 2020. For 2021, GDP is forecast to change by 3.0% compared with 2020. ⁷⁾

Change in GDP compared to previous year



Source: Federal Statistical Office, DIW Berlin

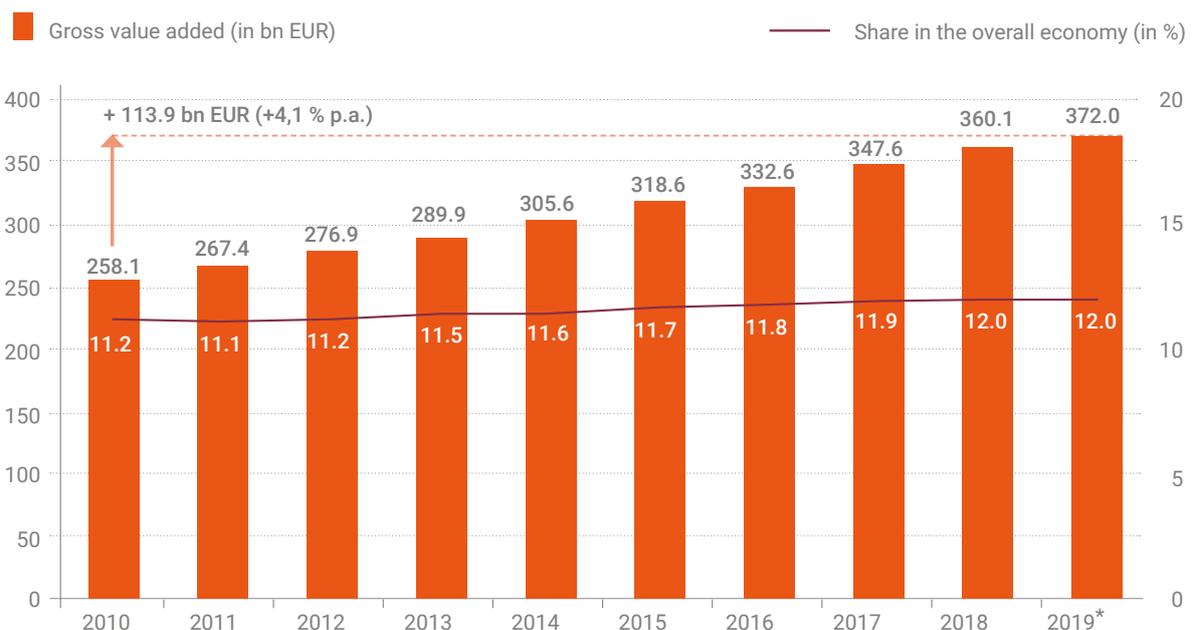
Economic output in Germany suffered slightly less in the Corona crisis than initially calculated. Gross domestic product (GDP) contracted by 9.7% in the second quarter of 2020 compared with the previous quarter, according to the Federal Statistical Office. In a first estimate, the Wiesbaden authorities had assumed minus 10.1%. The economic crisis is nonetheless historic, as even in the worst three months of the 2009 financial crisis the economy fell by less than 5%.

The economic crash was triggered by a collapse of exports and the health measures to contain the Corona pandemic: Shops, hotels and restaurants had to close, factories closed down, trade fairs, conferences and concerts were cancelled. The Corona recession also tore a huge hole in the German national budget. According to the Federal Statistical Office, the Federal Government, the Federal States, local authorities and social security funds combined spent EUR 51.6 billion more than they collected in the first half of the year. The deficit corresponds to 3.2% of GDP. In comparison, a surplus of EUR 46.5 billion was recorded in the first half of 2019. In the meantime, however, the situation is already starting to improve: For the current third quarter, economists expect significant growth due to the relaxation of the Corona restrictions. The Ifo index is also expected to rise for the fourth consecutive month in August. The managers surveyed in the industrial sector see their situation more positively than a few months ago. The biggest risk, however, is still a second wave of infection in Germany, which, with new restrictions on the economy, could in the worst case trigger another collapse including a wave of bankruptcies. The fact that German trading partners such as the USA or Great Britain, to which German companies normally sell many goods, are hit particularly hard by the pandemic, is also continuing to threaten German exports. ⁸⁾

2.3. Health care market in Germany

In 2019, the gross value added in the health care industry amounted to EUR 372 billion (previous year EUR 360 billion). This corresponds to around 12% of the gross value added in Germany. In 2019, approximately 7.5 million people were employed in the health care industry, which is almost 17% of all employees in Germany.

Gross value added in the health industry and its share in the overall economy



Source: BMWi: Health Economic Accounts (GGR), 2019 edition [*Forecast].

The current results of the health economic accounts show that the gross value added of the health industry has grown steadily over the last 10 years, much stronger than that of the overall economy. On average, it grew by 4.1% per year, while the economy as a whole grew by 3.3%. People are getting older and more health services are in demand. At the same time, medical and technical progress is creating better treatment success. Health care products „Made in Germany“ are in demand worldwide - all of which increases the gross value added of the health care industry in Germany.⁹⁾

In addition to the growing demand for better and more comprehensive medical care in the narrow sense, a large part of future growth will take place in the so-called second health care market. This will include both medical services and offers to meet health needs that go beyond the immediate scope of health care. The second health care market is not to be understood as a market for people with higher incomes. Rather, a growing secondary health care market is beneficial to all parties involved. This is because there is a (growing) willingness among the population to pay for services that offer an increase in health or even greater satisfaction.¹⁰⁾

3. Business development and position of the company

3.1. Business development

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

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

Investment income of kEUR 1,500 was generated in the first half of 2020. Due to the currently ongoing Corona pandemic, it is expected that the investment income of the major investments - HAEMATO AG, CR Capital Real Estate AG and M1 Kliniken AG - will not reach the level of previous years in 2020. The respective Annual General Meetings will take place in the second half of 2020.

3.2. Earnings situation of the MPH Group (IFRS)

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

As of 30 June 2020, the overall result was kEUR -32,656 (previous year: kEUR -18,237). This essentially includes the results from the valuation of the investments as well as the income from the purchase and sale of investments. The effects of the pandemic were particularly noticeable in the first quarter of 2020. If the second quarter of 2020 is reviewed on its own, MPH achieved a total result of kEUR 54,819 in this period.

3.3. Financial position of the MPH Group (IFRS)

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

Our capital structure continues to be good. Equity fell from kEUR 271,641 as of 31 December 2019 to kEUR 238,986 as of 30 June 2020. Nevertheless, the equity ratio increased to 94.3% (previous year: 92.7%).

Cash and cash equivalents amount to kEUR 399 (previous year: kEUR 1,796). Other short-term assets amount to kEUR 1,930 (previous year: kEUR 305).

Other short-term financial liabilities decreased by kEUR 6,598 to kEUR 8,976 compared to 31 December 2019, which is mainly due to the repayment of a promissory note loan. Long-term financial liabilities account for 1.2% of the balance sheet total. MPH makes use of the credit lines granted by various banks in order to promote its business success. Our participations have higher credit lines than actually used on average.

Trade account payables can always be settled within the terms of payment.

Long-term investments are covered to 95.3% by our equity.

The liquidity situation is satisfactory.

In the first half of 2020, MPH did not make any investments in the acquisition of equity holdings.

Proceeds from the sale of investments for this period amount to kEUR 6,145. No significant investments in fixed assets have been made or are planned in the short term.

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

Cashflows from:	01.01. - 30.06.2020	01.01. - 30.06.2019
	kEUR	kEUR
Operating activities	-2,171	-2,328
Investment	7,676	7,016
Financing activity	-7,256	-252
Total cash flow	-1,751	4,436

3.4. Net assets of the MPH Group (IFRS)

The asset situation of MPH Health Care AG remains good. It is characterised by lower financial assets (30 June 2020: kEUR 250,836; 31 December 2019: kEUR 290,851), increased other short-term assets (30 June 2020: kEUR 1,930; 31 December 2019: kEUR 305) and reduced cash and cash equivalents as of the reporting date (30 June 2020: kEUR 399; 31 December 2019: kEUR 1,796).

Overall, our economic situation can be described as good.

4. Forecast report

We continue to evaluate the medium-term development of MPH Health Care AG as positive.

The market segments in which our portfolio companies operate continue to offer great growth potential. The demand for patent-free and patent-protected drugs and the production of medications for cancer therapies, HIV and other chronic diseases is rising steadily, only in part due to the increasing age structure of the population.

Beauty lifestyle services for private payers continue to be popular and continue to attract growing interest.

The demand for reasonably priced living space has exceeded the supply for years. Funding measures, such as the Construction Children's Allowance („Baukindergeld“), will further strengthen this trend.

Due to the Corona pandemic, we expect sales and business development of our investments to remain stable in the 2020 financial year, as certain catch-up effects are already evident now that the pandemic restrictions have been lifted. However, we are not yet able to make any statement on the development of the valuation of companies on the capital market. In this respect, the risks posed by Covid-19 in all areas cannot be fully estimated yet.

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



IFRS Interim Financial Statement

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

IFRS Balance sheet - Assets

as of 30 June 2020*

	30.06.2020	31.12.2019
	EUR	EUR
Cash and cash equivalents	399,385.51	1,796,445.28
Inventories	1,911.96	0.00
Trade accounts receivable	3,996.03	3,996.03
Other short-term financial assets	1,930,283.22	305,039.48
Other short-term assets	69,522.36	52,189.00
Income tax receivables	38,439.05	79,304.45
Short-term assets	2,443,538.13	2,236,974.24
Intangible assets	240.36	524.00
Fixed assets	51,807.33	55,943.59
Financial assets	250,836,367.00	290,851,041.91
Long-term assets	250,888,414.69	290,907,509.50
TOTAL ASSETS	253,331,952.82	293,144,483.74

* Accounting according to IFRS

IFRS Balance sheet - Liabilities

as of 30 June 2020*

	30.06.2020	31.12.2019
	EUR	EUR
Accruals	46,611.82	90,633.09
Trade accounts payable	37,588.04	24,170.38
Short-term leasing liabilities	3,899.23	3,843.88
Other short-term financial liabilities	8,975,565.77	15,574,030.87
Other short-term liabilities	30,947.30	31,477.97
Short-term liabilities	9,094,612.16	15,724,156.19
Liabilities to banks	3,000,000.00	3,000,000.00
Deferred taxes	2,246,187.92	2,771,705.41
Long-term leasing liabilities	5,375.41	7,338.96
Long-term liabilities	5,251,563.33	5,779,044.37
Subscribed capital	42,813,842.00	42,813,842.00
Capital reserves	2,688,175.47	2,688,175.47
Retained earnings	193,483,759.86	226,139,265.71
Equity	238,985,777.33	271,641,283.18
TOTAL LIABILITIES	253,331,952.82	293,144,483.74

* Accounting according to IFRS

IFRS Profit and loss statement

as of 30 June 2020*

	01.01.- 30.06.2020	01.01.- 30.06.2019
	EUR	EUR
Operating income	5,826,290.72	9,458,709.30
Fair value Income from the valuation of financial assets	4,298,932.00	9,450,232.05
Profit from the sale of financial assets	0.00	0.00
Income from investments	1,500,000.00	0.00
Other operating income	27,358.72	8,477.25
Operating expenses	-38,733,127.58	-27,865,100.79
Fair value expense from the valuation of financial assets	-36,933,960.21	-27,188,907.80
Financial expenses	-157,361.32	-66,000.00
Loss from the disposal of investments	-1,234,771.24	-169,500.00
Administrative expenses	-407,034.81	-440,692.99
Result from ordinary activities (EBITDA)	-32,906,836.86	-18,406,391.49
Depreciation	-8,798.06	-2,678.34
Operating income (EBIT)	-32,915,634.92	-18,409,069.83
Financial result	-265,388.36	-248,448.93
Other interest and similar income	35,333.55	3,250.23
Interest and similar expenses	-300,721.91	-251,699.16
Total earnings before taxes (EBT)	-33,181,023.28	-18,657,518.76
Taxes on income and earnings	525,517.43	420,337.37
Result of the reporting period	-32,655,505.85	-18,237,181.39
Earnings per share (in EUR)	-0.76	-0.43

* Accounting according to IFRS

IFRS Cash flow statement

as of 30 June 2020*

	01.01.- 30.06.2020	01.01.- 30.06.2019
	EUR	EUR
Result of the reporting period	-32,655,505.85	-18,237,181.39
Depreciation and amortization	8,798.06	2,678.34
Change in short-term accruals	-44,021.27	-33,771.67
Increase / decrease due to fair value measurement	32,635,028.21	17,738,675.75
Change in inventories	-1,911.96	-1,667.25
Change in trade account receivables and other assets	-1,642,577.10	-7,753,551.61
Change in trade account payables and other liabilities	13,546.12	5,958,639.98
Profit / loss from the disposal of fixed assets	1,234,771.24	169,500.00
Interest expense / income	265,388.36	248,448.93
Other investment income	-1,500,000.00	0.00
Income tax expense / income	-525,517.43	-420,337.37
Income tax payments	40,865.34	-0.06
Cash flow from operating activities	-2,171,136.28	-2,328,566.35
Cash outflows for investments in fixed assets	-4,378.16	-44,696.03
Proceeds from disposal of financial assets	6,144,875.46	17,197,500.00
Payments made for investments in financial assets	0.00	-10,140,000.00
Interest received	35,333.55	3,250.23
Income from investments	1,500,000.00	0.00
Cash flow from investing activities	7,675,830.85	7,016,054.20
Interest expenses	-253,347.30	-251,699.16
Change in bank liabilities	-7,000,000.00	0.00
Repayment of rights of use	-2,052.00	0.00
Cash flow from financing activities	-7,255,399.30	-251,699.16
Cash flow (total)	-1,750,704.73	4,435,788.69
Cash and cash equivalents at the beginning of the period	-2,695,391.35	1,017,550.19
Liabilities due at any time at the beginning of the period	4,491,836.63	0.00
Cash balance at the beginning of the period	1,796,445.28	1,017,550.19
Cash and cash equivalents at the end of the period	-4,446,096.08	5,453,338.88
Liabilities due at any time at the end of the period	4,845,481.59	2,502,500.00
Cash balance at the end of the period	399,385.51	7,955,838.88
Change in cash balance	-1,397,059.77	6,938,288.69

* Accounting according to IFRS

IFRS Statement of changes in equity

as of 30 June 2020*

	Subscribed capital EUR	Capital reserve EUR	Revenue reserves EUR	Total equity EUR
As of 01.01.2019	42,813,842.00	2,688,175.47	223,625,983.68	269,128,001.15
Net profit for the year	0.00	0.00	11,076,050.43	11,076,050.43
Dividends	0.00	0.00	-8,562,768.40	-8,562,768.40
As of 31.12.2019	42,813,842.00	2,688,175.47	226,139,265.71	271,641,283.18
As of 01.01.2020	42,813,842.00	2,688,175.47	226,139,265.71	271,641,283.18
Net profit (H1/2020)	0,00	0,00	-32,655,505.85	-32,655,505.85
Dividends (H1/2020)	0,00	0,00	0,00	0,00
As of 30.06.2020	42,813,842.00	2,688,175.47	193,483,759.86	238,985,777.33

* Accounting according to IFRS



IFRS Shortened Annex (notes)*

1. General information.....	28
2. Scope of consolidation	28
3. Selected information on the consolidated balance sheet and consolidated income statement.....	28
4. Dividends	29
5. Contingent liabilities and other financial commitments	29
6. Significant events after 30.06.2020.....	29

1. General information

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

The interim consolidated financial statements of MPH Health Care AG for the period from 1 January to 30 June 2020 have been prepared voluntarily in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), taking into account IAS 34 „Interim Financial Reporting“ as adopted by the European Union. The figures are unaudited.

With regard to the accounting, valuation and consolidation methods applied and the exercise of the options contained in the IFRS, we refer to the notes to the consolidated financial statements as of 31 December 2019.

2. Scope of consolidation

There were no changes in the reporting period. In accordance with the provisions of IFRS 10.31, the subsidiaries are not consolidated. Participations are measured at fair value through profit or loss in accordance with IFRS 9. We refer to our presentation in the consolidated financial statements as at 31 December 31 2019.

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

Cash and cash equivalents, which total kEUR 399 (31 December 2019: kEUR 1,796), mainly comprise of bank balances and are recorded at their nominal values.

Other short-term financial assets, which amount to kEUR 1,930 (31.12.2019: kEUR 305), are mainly short-term receivables from affiliated companies.

Other long-term financial assets, which total kEUR 250,836 (31.12.2019: kEUR 290,851), include equity instruments in listed companies and other investments. These financial assets are recognised at fair value both at the time of initial recognition and in subsequent measurement.

Other short-term financial liabilities include in particular short-term liabilities to banks and amount to kEUR 8,976 as of 30 June 2020 (31 December 2019: kEUR 15,574).

Operating income primarily includes profits from financial assets measured at fair value through profit or loss as of the reporting date and income from investments.

The fair value expense for financial assets includes the losses of the shares in financial assets measured at fair value through profit or loss as of the reporting date.

The net loss from the disposal of investments represents the realized loss from the disposal of shares in financial assets. The loss is calculated on the basis of the difference between the financial assets measured at fair value at the previous reporting date and the proceeds from the sale of these shares.

Administrative expenses, totalling kEUR 407 (30 June 2019: kEUR 441), include a large number of individual items such as advertising and travel expenses, legal and consulting fees, personnel expenses, third-party services, Supervisory Board remuneration, etc.

The financial result includes in particular interest income and expenses.

4. Dividend

No dividends were distributed by MPH Health Care AG for the 2019 financial year as of 30 June 2020.

5. Contingent liabilities and other financial obligations

MPH Health Care AG is liable to the HYPO NOE Gruppe Bank AG as joint borrower with HAEMATO AG in connection with further promissory note loans of EUR 3.0 million. MPH Health Care AG is liable to a promissory note provider as a joint borrower with HAEMATO AG in connection with a promissory note loan of EUR 4.0 million. This loan was fully utilised by MPH Health Care AG at the reporting date (other short-term financial liabilities).

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

Other financial obligations are in line with normal business transactions.

6. Significant events after June 30, 2020

In accordance with the decision on the appropriation of net profit for 2019 taken at the Annual General Meeting on 22 July 2020, no dividend was paid for the 2019 financial year. The net profit was carried forward in full to new account.

The Annual General Meeting on 22 July 2020 also approved a reduction in share capital. The Company's share capital of EUR 42,813,840.00, divided into 42,813,840 no-par value bearer shares, is reduced by EUR 38,532,456.00 to EUR 4,281,384.00, divided into 4,281,384 no-par value bearer shares, for the purpose of a free capital reserve.

The reduction is carried out in accordance with the provisions governing ordinary capital reduction (§§ 222 ff. AktG). It will be carried out in such a way that out of 42,813,840 shares, 10 bearer shares will be combined to form one bearer share.

The Management Board was authorised to decide on the further details of the implementation of the resolution with the approval of the Supervisory Board.

With effect from 01 July 2020, 48.16% of HAEMATO AG share capital was sold in full to M1 Kliniken AG. For this purpose a capital increase through contributions through the issue of new shares at M1 Kliniken AG was decided upon, which was fully subscribed by MPH. The implementation of the capital increase through contributions by a total of 2,143,403 new M1 shares was entered in the commercial register of M1 Kliniken AG on 30 June 2020. After the implementation of the transaction, M1 Kliniken AG and HAEMATO AG will be able to strengthen their respective core competencies. In the future, the M1 Group will concentrate exclusively on the management of treatment centres and the further growth of the international network to approximately 100 locations as of 2023/2024. HAEMATO AG will focus even stronger on the area of pharmaceutical and medical product trade as well as the development of private labels in the self-payer sector.

In accordance with the vote of the members of the Supervisory Board, Mr Uwe Zimdars was elected as a new member with 93.86%. The previous members Ms. Andrea Grosse (Chairwoman) and Prof. Dr. Dr. Sabine Meck were re-elected with 93.89% and 93.84% of the votes respectively.

There were no other significant events after 30 June 2020.

Berlin, August 2020



Patrick Brenske
Management Board



Further Information

1. Information about members.....	34
2. Glossary	35
3. Sources	36
4. Imprint	37

1. Information about members

Management Board

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

Board of Supervisors

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

2. Glossary

Cash flow

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

Consolidation

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

DAX

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

Dividend

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

Earnings per share

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

EBIT

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

EBITDA

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

Equity method

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

Face amount

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

Fair value

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

Fiscal policy

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

IfW

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

IMF, OECD

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

Licencing

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

NAV - Net Asset Value

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

Net profit

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

Neurology / Oncology

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

Patent-free active ingredients

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

Patent-protected active substances

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

Rating

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

3. Sources

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4. Imprint

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Deputy chairman: Uwe Zimdars

Member: Prof. Dr. Dr. Sabine Meck

Management Board:

Patrick Brenske

Registry court: Amtsgericht Charlottenburg

Registry number: HRB 116425 B

Concept, design and realisation:

MPH Health Care AG

Investor Relations

Photos:

MPH Health Care AG

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