

MPC CAPITAL AG

| → 2020

# ANNUAL REPORT

[www.mpc-capital.com](http://www.mpc-capital.com)



**MPC Capital**

# Profile

MPC Capital is an international asset and investment manager in the three core segments Real Estate, Shipping and Infrastructure. We specialise in the development and management of real asset investments for international institutional investors, family offices and professional investors. We are committed to the interests of our investors and co-invest in our projects.

Our expertise and experience in designing investments, matching the right investment with the right client and managing the project from acquisition to exit sets us apart.

Our deep know-how in real asset management offers investors a comprehensive solution along the investment value chain. For over 25 years, we have been identifying investment opportunities and building strong relationships with international partners in selected market segments.

MPC Capital AG has been listed on the stock exchange since 2000. The shares of MPC Capital AG have been traded in the "Scale" segment of Deutsche Börse in Frankfurt since March 2017.

## MPC Capital Group in figures

<b>P&amp;L</b>	<b>1/1 - 31/12/2020</b>	<b>1/1 - 31/12/2019</b>
Revenues	50,489	46,846
Earnings before taxes (EBT)	1,263	850
Net income	-147	-323
<b>Balance Sheet</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Total assets	126,598	139,623
Financial assets	67,162	74,635
Cash <sup>(1)</sup>	24,750	20,640
Equity	96,268	98,968
Equity ratio	76.0 %	70.9 %
<b>Share</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Earnings per share (EUR)	-0.01	-0.01
<b>Employees</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Average number for the year	260	286
Personnel expenses	26,332	28,838

all figures in TEUR, unless otherwise stated

<sup>(1)</sup> Cash in hand and bank balances

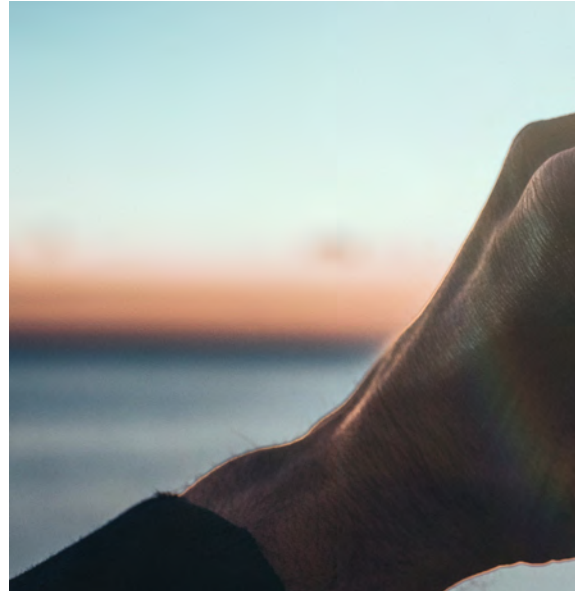
# Content

---

←	<b>Profile of MPC Capital &amp; MPC Capital Group in figures</b>
4   →	<b>Vision &amp; Purpose</b>
7   →	<b>Your Management Board</b>
10   →	<b>Foreword Management Board</b>
13   →	<b>Your Supervisory Board</b>
16   →	<b>Report of the Supervisory Board</b>
21   →	<b>The 2020 financial year</b>
33   →	<b>ESG@MPC Capital</b>
45   →	<b>MPC Capital Shares</b>
49   →	<b>Combined Management Report and Group Management Report</b>
75   →	<b>Consolidated Financial Statements</b>
132   →	<b>Financial Calendar 2021</b>

# Vision & Purpose

---



## **Real estate, ships, wind farms and solar parks**

are real, solid and stable assets. They are essential in order to be able to sustainably meet the challenges of modern megatrends such as globalisation, mobility and increasing energy demand.

The need for investment is therefore immense and the participation in these real assets enables us and our partners and investors to participate in this future development, to profit from value increases and continuous returns, and to invest sustainably in the long term.



## Our Vision

**Leading entrepreneurial partner for real asset investments - with respect for the world we live in.**

As an internationally oriented investment manager for real asset investments, we realise and manage innovative and profitable investment solutions for our clients. Our aim is to be the best possible partner for our investors. We want to use our entrepreneurial mindset in order to seize opportunities and market chances. In this way, we want to create the opportunity for our investors not only to achieve outstanding returns, but also to participate in the megatrends of the future and to play an active role in shaping them. Sustainability is a very important issue for us in all areas and we strive to continuously review and optimise not only our investment solutions, but also our market activities and our actions as a company with regard to sustainability. In this way, we want to actively assume responsibility for the world we live in.

## Our Purpose

**Passionate about projects. Committed to our partners. Creating value.**

The enthusiasm, long-standing expertise and commitment of our employees, as well as our enthusiasm for projects in the core segments of real estate, shipping and infrastructure drive us and distinguish our company. Our partnership with employees, clients, service providers, shareholders and other partners is rooted in our values and in the mindful and respectful way in which we want to do business. Only together with our partners can we master the challenges of our time and create sustainable value for our investors.



ANNUAL REPORT

|→ 2020

# YOUR MANAGEMENT BOARD



**DR. IGNACE VAN MEENEN**  
**CSO (Chief Sales Officer)**

Dr Ignace Van Meenen was appointed to the Management Board of MPC Capital AG as CSO in June 2019. He started his investment career at Deutsche Bank in the US and Germany. This was followed by management positions as Finance Director of the energy, real estate and chemicals group RAG (Evonik Industries) and as CFO of RTL Group and DIC Immobiliengruppe. Most recently, Van Meenen was CEO of the Rickmers Group in Hamburg. | until 31 March 2021

**DR. PHILIPP LAUENSTEIN**  
**CFO (Chief Financial Officer)**

Dr Philipp Lauenstein has been a member of the Management Board of MPC Capital AG since April 2018. He has been with the MPC Group since 2016 and was most recently responsible for the finance department of MPC Container Ships ASA during its establishment. Philipp Lauenstein holds a doctorate in economics and worked in a management consultancy until he joined the MPC Group.

**ULF HOLLÄNDER**  
**CEO (Chief Executive Officer)**

Ulf Holländer joined MPC Capital in early 2000 and was appointed to the Management Board in July 2000, in April 2015 he became CEO. His responsibilities include Infrastructure and Real Estate Netherlands. Previously he held executive positions at the shipping company Hamburg Süd and its subsidiaries in Australia and the US.





**DR. KARSTEN MARKWARDT**  
**Board Member Legal & Compliance |**  
**Real Estate Germany**

Dr Karsten Markwardt joined MPC Capital as General Counsel at the beginning of 2008 and has been a member of the Management Board since April 2018. He previously advised the Talkline Group as General Counsel and as an attorney specialized in M&A as well as corporate and capital markets law. Karsten Markwardt studied business administration at the Stuttgart University of Cooperative Education. He studied law at the Ruprecht-Karls-Universität in Heidelberg where he obtained a doctorate. | until 31 March 2021

**CONSTANTIN BAACK**  
**Board Member Shipping**

Constantin Baack was appointed to the Management Board of MPC Capital AG as CFO in April 2015. He joined MPC Capital in April 2008 and has held various executive positions since then. Previously as managing director of Ahrenkiel Steamship he was responsible for the consolidation of the MPC Group's shipping activities. Mr. Baack holds a Master's Degree in international business from the University of Sydney. Before joining MPC Capital he worked for Hamburg Süd in Sydney and for one of the Big-4 accounting firms.

# Foreword by the Management Board

---

Dear shareholders,

The past year was demanding in very many respects. The COVID-19 pandemic caused unimaginable challenges to economic and social life. Stock markets and trade behaved capriciously as never before. Businesses, employees and families had to learn a new virtual form of interaction at short notice. We therefore express our very special thanks to our employees for their flexibility and huge dedication in circumstances that were not always straightforward.

Despite the adverse conditions, we nevertheless managed to achieve our operational and financial goals and make systematic progress with fine-tuning our strategy. Consolidated revenue climbed to around EUR 50.5 million in the 2020 financial year, not least thanks to an uptick in transaction business in the second half of the year. Earnings before taxes showed a slight improvement to EUR 1.3 million despite the increased burden from the effects of the COVID-19 pandemic and non-recurring expenses from the focusing of our activities.

To equip ourselves as thoroughly as possible for the market opportunities and challenges that lie ahead of us, we also evolved organisationally in the past year. At the level of MPC Capital, we created cross-functional, better-connected structures that enable us to focus more strongly on investment management and transaction business. We now conduct service business almost entirely through joint ventures with strong partners at our side, to give us a broader and more impactful market presence.

To that end, in 2020 we established a joint venture for the management of container vessels together with Wilhelmsen Ship Management, one of the world's leading technical ship managers. Together with our joint venture in commercial management Harper Petersen and the investment vehicle MPC Container Ships, Wilhelmsen Ahrenkiel Ship Management now represents a globally competitive centre of competence in container shipping, under the umbrella of MPC Capital – with excellently positioned operating platforms, reliable access to the capital market and highly qualified teams.

In the Infrastructure and Real Estate areas, we prepared the launch of further investment vehicles in 2020 and staged their successful market placement in early 2021: through MPC Energy Solutions, we raised around USD 100 million in equity for the expansion of our renewable energy strategy. And in Germany we were able to launch our ESG Core Wohnimmobilien Deutschland fund, which invests in real estate projects that meet a range of sustainability criteria.

In initiating these two investment vehicles we are systematically heeding our voluntary commitment to sustainable, responsible investment and to increasingly bringing ESG-relevant projects into our portfolio. Ecological aspects, social issues and corporate governance factors will become ever more important considerations when developing new investments. We have aligned the structures and processes of the MPC Capital Group optimally with these, because the need for investment in the upcoming global ecological transformation will create significant business opportunities for us.

We are convinced that we have prepared the way for sustainable and profitable growth through our new organisational structure, innovative investment vehicles and a team with outstanding expertise. We would welcome your continuing involvement in this venture.

Kind regards,

The Management Board of MPC Capital AG



Ulf Holländer  
(Chairman)




Constantin Baack



Dr. Philipp Lauenstein



Dr. Karsten Markwardt



Dr. Ignace Van Meenen



ANNUAL REPORT

|→ 2020

# YOUR SUPERVISORY BOARD



## JOACHIM LUDWIG

Joachim Ludwig is member of the board at Ferrostaal AG (today: Ferrostaal GmbH). Since joining in 2007 he was in executive positions for various companies of the Ferrostaal Group. Previous to his board membership he was managing director of MAN Ferrostaal Piping Supply GmbH and Senior Vice President of the Ferrostaal AG. Joachim Ludwig was appointed to the supervisory board of MPC Capital AG in April 2015.

## DR. AXEL SCHROEDER

### **Chairman**

Dr Axel Schroeder has worked for the MPC Group in Germany and abroad since 1990. Since inception in 1994 he is actively involved in developing the skills of the company. He became Chairman of the Management Board in 1999 and took MPC Capital AG public in September 2000. Since 1996, he has been Managing Partner of MPC Holding, a main shareholder of MPC Capital AG. Dr Axel Schroeder was appointed Chairman of the Supervisory Board in April 2015.



## DR. OTTMAR GAST

Dr. Ottmar Gast held various management positions at Hamburg Südamerikanische Dampfschiffahrts-Gesellschaft ApS & Co KG, Hamburg, most recently as Chairman of the Advisory Board. He is also Chairman of the Supervisory Board of Audius AG and a member of several advisory boards such as Dr August Oetker Nahrungsmittel KG and VDAL Deutsche Afrika-Linien GmbH & Co. KG. Dr Ottmar Gast has been appointed to the Supervisory Board of MPC Capital AG in April 2018.

# Report of the Supervisory Board

---

Dear Shareholders,

The 2020 financial year was shaped very substantially by the economic and social effects of the COVID-19 pandemic. MPC Capital AG, with its business model and highly motivated, flexible team, reached the goals it had set itself and achieved notable successes – notwithstanding the adverse and exceptional circumstances.

The negotiations to establish the joint venture with Wilhelmsen Ship Management, start the renewable energy platform MPC Energy Solutions and launch the ESG Core Wohnimmobilien Deutschland fund were therefore conducted almost entirely virtually. The fact that this proved possible at such a time is a credit to our smoothly functioning IT infrastructure and the employees who have the task of running it.

In parallel, the Management Board and the MPC Capital team worked with focus and resolve on refining the strategy and structural basis of the Group, to create a sound basis for its further course of growth.

## **Report on the activities of the Supervisory Board in the 2020 financial year**

In the 2020 financial year, the Supervisory Board fulfilled the control and advisory duties required of it by law and the Articles of Association of MPC Capital AG with considerable diligence. The Supervisory Board advised the Management Board on its management of the company and monitored and examined its work and actions on a regular basis. The Supervisory Board maintained a continuous dialogue with the Management Board and



received regular, timely and comprehensive verbal, telephone and written reports about the current position of the company.

In our regular consultations we considered in detail the company's financial position, net assets and results of operations as well as its risk management and the compliance requirements. The Management Board was available to the Supervisory Board to discuss and answer further questions at these meetings. The Supervisory Board also received comprehensive information on time-critical measures and decisions between meetings. The Management Board furthermore held regular discussions and consultations with the Supervisory Board Chairman on the prevailing business situation and on material transactions within the company.

We discussed and decided on transactions that required the consent of the Supervisory Board at our scheduled meetings. In addition, written circular resolutions were passed by the Supervisory Board for transactions by the Management Board that require our consent. All resolutions in the period under review were passed unanimously.

Because the Supervisory Board of MPC Capital AG comprises three members, no committees were formed. To enable both efficient collaboration and intensive dialogue, the Supervisory Board believes it is productive to keep the number of Supervisory Board members low.

### **Meetings of the Supervisory Board**

A total of five scheduled Supervisory Board meetings were held in the presence of the Management Board in the period under review.

The first ordinary Supervisory Board meeting of the 2020 financial year took place on 22 January 2020. As well as receiving updates from the Management Board members on the individual business units, we discussed current financial indicators, the measure to improve profitability and the budget for 2020. Risk and compliance matters were also addressed. All three Supervisory Board members attended the meeting.

The second ordinary Supervisory Board meeting on 19 February 2020 was also the meeting to approve the annual accounts for the 2019 financial year. The Management Board explained the financial, accounting and fiscal aspects of the annual financial statements for 2019. The auditor presented the findings of its audit. We then discussed and approved the agenda for the Annual General Meeting of MPC Capital AG, which was originally scheduled for 30 April 2020 but had to be postponed until 25 May 2020 due to the effects of the COVID-19 pandemic. Later in the meeting, the Management Board reported to us on the status quo in the individual business units, the current economic development of the Group and further plans for the 2020 financial year. All three Supervisory Board members were present.

The third ordinary Supervisory Board meeting on 30 April 2020 took the form of a telephone conference due to the pandemic; it started with a discussion of the effects of the COVID-19 pandemic on the business of MPC Capital, and of what countermeasures had already been taken and were in the pipeline. The Supervisory Board satisfied itself that the Management Board had taken all necessary steps to keep business operations running as smoothly as possible. There followed an explanation on the development of the business units. The discussions devoted particular attention to the Shipping unit, which was the area affected the most by the pandemic at that point in time. We then went on to discuss risk and compliance matters for the company. All three Supervisory Board members attended the meeting.

The fourth ordinary Supervisory Board meeting on 21 September 2020 focused on the business update from the units, and especially the discussion concerning the establishment of the Wilhelmsen Ahrenkiel Ship Management joint venture and the expansion of the Renewable Energies area. At this meeting we then proceeded to consider the financial indicators along with the structural adjustments required for MPC Capital's strategic focusing on transaction and investment business. The Management Board again provided a status report on the risk management and compliance area at that meeting. Dr Axel Schroeder was unable to attend this meeting. Joachim Ludwig acted as Chairman, with the consent of Dr Ottmar Gast.

The final ordinary Supervisory Board meeting of the year took place on 17 December 2020. At it, we discussed the status of current projects and matters from the asset units. We then proceeded to discuss the financial indicators, the outlook and plans for the 2021 financial year, and also risk and compliance matters. All three Supervisory Board members attended the meeting.

#### **Personnel changes on the Management Board**

Dr Ignace Van Meenen is to leave the Management Board of MPC Capital AG with effect from 31 March 2021 to continue his career outside the MPC Group. Over the past two years Ignace Van Meenen has provided important and valuable impetus for the further development of the MPC Capital Group. We expressly thank him for his support and wish him much success in achieving his future goals.

Dr Karsten Markwardt will also step down from the Management Board of MPC Capital AG with effect from 31 March 2021 in light of the structural changes within the organisation. For the past three years Karsten Markwardt has defined the Management Board's work on structural and strategic matters. We are therefore delighted that he will bring us continuity in taking charge of the same task area as General Counsel and Head of Legal and Compliance at MPC Capital AG.

#### **Audit of the financial statements**

BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, was appointed as the auditor of the annual and consolidated financial statements by resolution of the Annual General Meeting on 25 May 2020 and mandated accordingly by the Supervisory Board. BDO AG Wirtschaftsprüfungsgesellschaft audited the annual financial statements of MPC Capital AG and the consolidated financial statements of the MPC Capital Group, including the bookkeeping, as well as the combined management report and Group management report, and issued them with an unqualified audit opinion. The annual and consolidated financial statements were prepared in accordance with the German Commercial Code (HGB). The auditor conducted the audit in accordance with the German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, "IDW") and additionally the provisions of the International Standards on Auditing (ISA). The annual financial statements, the combined management report and Group management report as well as the full audit reports by BDO AG Wirtschaftsprüfungsgesellschaft for the 2020 financial year were provided to all of the members of the Supervisory Board, enabling the Supervisory Board to fulfil its auditing and supervisory duties in full.

At its meeting to approve the annual accounts on 23 February 2021, the Supervisory Board discussed the audit reports and the annual and consolidated financial statements in de-

tail in the presence of the Management Board and the auditor. The auditor provided a comprehensive report on the findings of its audit and was available to answer additional questions. In view of the restrictions on contact during the COVID-19 pandemic, the meeting was held virtually.

Following its detailed examination, the Supervisory Board of MPC Capital AG approved the annual and consolidated financial statements including the combined management report and Group management report as well as the corresponding audit report and endorsed the annual and consolidated financial statements for the year ended 31 December 2020. The financial statements have thereby been adopted.

**Dependent company report by the Management Board in accordance with Section 312 of the German Stock Corporation Act (Aktiengesetz, "AktG")**

In accordance with Section 312 AktG the Management Board of MPC Capital AG submitted a report on its relationships with dependent companies for the past financial year. The Supervisory Board has reviewed this report and does not raise any objections with respect to the report itself or the concluding declaration of the Management Board on relationships with dependent companies.

On behalf of the Supervisory Board I would like to thank the members of the Management Board and the employees of all Group companies for their great commitment and constructive collaboration over the past year.

Hamburg, 23 February 2021

The Supervisory Board



Dr. Axel Schroeder  
Chairman

MANAGING REAL ASSETS

|→ 2020

# THE FINANCIAL YEAR

# OUR COMMITMENT TO SUSTAINABLE INVESTMENTS

---





## "2020 was a very challenging year for everyone ..."

says Christian Rychly, Managing Director Maritime, in an exchange with his colleagues from the Real Estate and Renewable Energies segments. A good summary for the Corona year 2020, in which MPC Capital also faced unforeseeable challenges in all three segments. The collapse of charter rates in the first half of the year, hard lockdowns in the Central American and Caribbean markets, which made asset management in the Renewable Energies segment more difficult, and real estate acquisitions under Corona conditions were just some of the challenges in 2020.

Nevertheless, our business model in all three segments proved to be stable and able to cope with these unforeseeable challenges. In the following interviews, Christian Rychly, Ludwig Vogel and Martin Vogt report and discuss the challenges in 2020 in the individual segments, the outlook for 2021 and how important the future topic of ESG is in this context.

Find the interviews on our YouTube Channel:  
**<https://www.youtube.com/channel/UCOixTwh9xQif-aQcvzTdmEg>**



# CHALLENGES 2020 AND OUTLOOK 2021

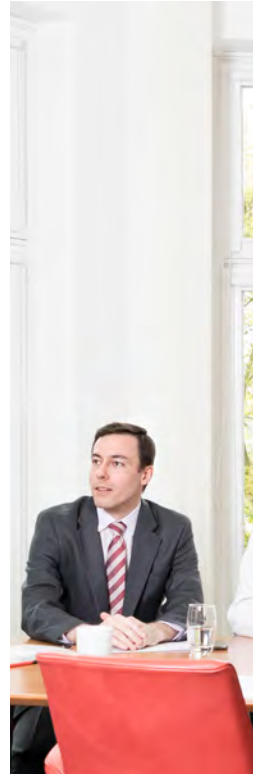
## 2020 was an extraordinary year in many respects. What were the particular challenges in your segments?

**Christian Rychly** | Nothing in 2020 has gone as planned. For shipping markets, the time pre-summer was obviously impacted by fears of a market collapse at the time of a COVID-19 outbreak. Ships were redelivered out of charters, charter rates decreased quickly, the number of idle ships went up and the sale and purchase market was basically non-existing.

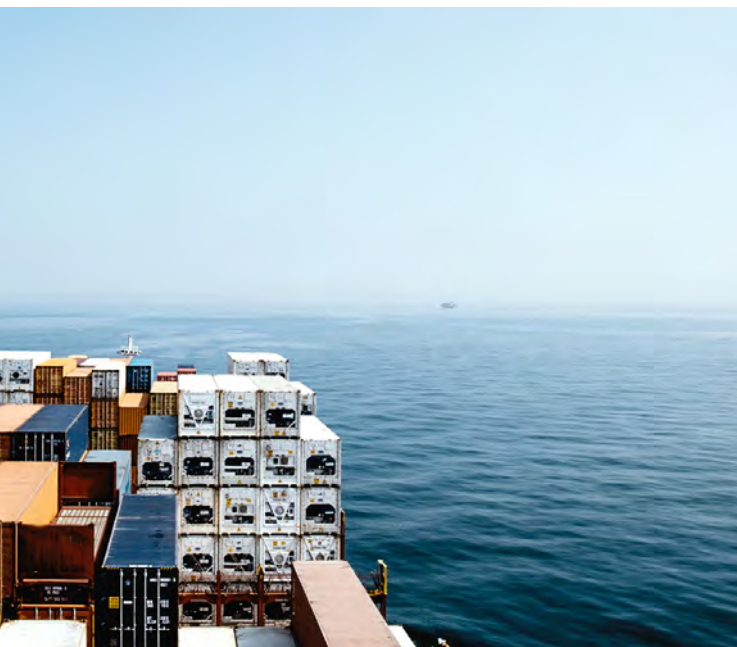
**Martin Vogt** | 2020 was certainly a challenging year for all asset manager in renewable energies so also for MPC Capital. We are very active in emerging markets in particular in the Central American, Caribbean and to some extent the Latin American markets. I think

it is very clear that this region was strongly impacted by the COVID-19 situation. Some of the Latin American countries are in fact among the top 20 most impacted. Certainly there is an economic impact on the tourism as well as on the commodity sector that has a crucial impact on the local industries.

**Ludwig Vogel** | Despite the impact of the COVID-19 pandemic, in Real Estate we have seen that property values and prices have continued to rise. Last year alone they rose by 7%, which is quite respectable. And of course, for us and for our investors, it's about finding the right properties at a fair price. That was the main challenge in 2020.







## How where these challenges met?

**Martin Vogt |** For us as a company that has local operations and local offices it was clearly most important first of all to make an own risk assessment and to see how our operations and our staff can be kept safe during this very special environment. We adopted our processes after this initial assessment to make sure that our staff is safe at any times and we have also switched to a more remote approach with regards to the asset management, the origination and sourcing of new projects.

Because of the global travel restrictions coming out of our Headquarters in Hamburg it was not possible to keep on going

into the region. Having people in Panama, in Colombia who can still to some extent travel within the region was clearly one of the biggest advantages for us.

**“THE BIGGEST ADVANTAGE AND SUPPORT FOR MPC CAPITAL WAS THAT WE DO HAVE OUR LOCAL TEAMS.”**

But also that we are embedded in the local ecosystem with local partners was clearly one of the critical success factors for us to keep our operations smooth and efficient.





**Christian Rychly** is Managing Director Maritime and coordinates all shipping activities of the MPC Capital Group. Previously, he was Managing Director of the shipping company Leonhardt & Blumberg, where he worked for a total of 19 years. Christian Rychly holds an MBA from the University of Wales.

**Christian Rychly |** In Shipping the year 2020 was not all bad, because after summer a euphoria of cargo rebound triggered by restocking a rebuilding of supply chains and most important a decoupling between goods and services during the pandemic took place.

People stayed at home instead of traveling or visiting restaurants, theaters or cinemas. They spend their money for consumer goods. Furniture, outdoor

equipment and other items are still today in very high demand. As a result all ships are trading at full capacity today and charter rates have reached levels which we have seen last a decade ago.

**“WHICH IS OBVIOUSLY GREAT NEWS FOR ALL OUR SHIPPING INVESTORS AND SUCH VOLATILITY ALSO CREATES A LOT OF NEW OPPORTUNITIES.”**

## How is the Market Outlook for 2021?

**Martin Vogt |** The governments of the regions have set very ambitious renewable energy goals. The main aim is to unlock economic growth potential in the region. The energy transition plays a very important role also in the green recovery by the response to COVID-19 in the region. Here the industry looks to do local job creation to engage private sector

investment and therefore to accelerate the deployment of new solar and wind installations in these markets. Also the new Biden administration has put climate change as one of the key priorities of his agenda and the strong influence of the US in the region will certainly further accelerate the trend towards renewable energy.



**Ludwig Vogel** | Next to the logistics real estate market in Germany, this will be the most sought-after asset class. Interest rates seem to remain low worldwide due to the governments' extensive fiscal programmes. This means that we can assume that real estate prices will also remain stable, because they are very much dependent on the development of interest rates.

**”WE BELIEVE THE RESIDENTIAL REAL ESTATE MARKET WILL DEVELOP WELL.”**

## How important is the topic of ESG in your markets?

**Ludwig Vogel** | The topic of ESG will continue to gain momentum in 2021, as it has already done in 2020. And we believe that the topic of housing will develop well due making use of home office options, which has increased strongly due to COVID-19. This will remain in the long term, people will come to the office less often. This has two effects: The first effect is that people's living space requirements will increase as many people tend to have an extra room.

Because in the future they might only go to the office once or twice a week. Secondly, it will also be easier to move to the outskirts of the cities, because people will only commute to the city centres once or twice a week, and then they will accept more travel time. In other words, the move to the countryside will increase and so will the demand for domiciles outside the city centres, and we are counting on these two trends.



**Christian Rychly** | In terms of CO<sub>2</sub> emissions per ton of cargo transported mile shipping is the most efficient and least environmentally damaging form of commercial transport, compared to road vehicles and air transportation. But 2021 will also be a year in which our industry fully recognizes the transformation it must undergo to meet the goals of a 50 percent reduction of carbon emissions by 2050 and a 40 percent reduction emissions by already 2030 on the basis of 2008 values.

The global shipping fleet will need to be modernized and new fuel supply networks developed. It is a big challenge: Ships require a huge amount of energy

and an entirely new generation of fuels and propulsion systems will need to be developed.

However many of the potential zero carbon fuels such as Ammonia and Hydrogen present serious operational challenges. These technologies can only be introduced if there is a huge increase in global research and development spending.

**“SHIP OWNERS ARE WILLING TO SPONSOR THESE EFFORTS AND I’M SURE THE TRANSITION CREATES SIGNIFICANT POTENTIAL.”**

**Ludwig Vogel** is Managing Director Real Estate and joined MPC Capital in 2018. He has over 25 years of experience in the real estate sector. Before joining MPC Capital, he was Managing Partner at Warburg-HIH Invest Retail Properties, where he was responsible for the Retail Properties division. Prior to that, he was Managing Director at CEV and Director at ECE. Dr Ludwig Vogel holds a degree in business administration and a degree in real estate.



## How are investments in your markets impacted and where are the opportunities for investors?

**Martin Vogt** | The industry adopted fairly quickly to the current situation around COVID-19 also in the region. So as we see the deployment and the capacity in the region is still far behind, I would say almost a decade behind the developed markets so therefore coupled with the government goals we see that there is a very attractive investment environment and opportunity here for MPC Capital in our sector.

**“WE BELIEVE THAT WE HAVE EXCELLENT INVESTMENT OPPORTUNITIES AHEAD OF US IN 2021.”**

Furthermore the strong promotion of FDI and the demand from the international cor-

porates that are also seeking to procure renewable energy in the region. Our pipeline is very well filled in the region with projects that are ready to invest with long-term US Dollar PPAs that we are going to execute this year. And furthermore we have already a 500 megawatt project pipeline of solar and wind projects also in Colombia where we want to finalize the development phase this year.

**Ludwig Vogel** | I believe that ESG will be the key issue in 2021 and it will be crucial to develop good ESG strategies for the products. That's what we want to do, we have also developed our own ESG scoring model for this purpose, which we apply to our purchases, especially to our residential property purchases. And that is the big challenge: to find properties that fit the ESG strategy and with which we can achieve solid returns for our investors.



**Martin Vogt** is Managing Director Renewable Energies and has been with MPC Capital since 2014. Martin Vogt has executed transactions for institutional clients globally for over €1.8 billion and 2,000 megawatts of renewable energy. Martin Vogt holds a Master in Technical and Commercial Management with a focus on Energy & Resources from TU Clausthal, Germany.



**Christian Rychly** | With low new building activity and a historical low order book, supply growth will stay moderate in the next years. This is at least to a certain extent assured by new building propulsion uncertainties and environmental regulation which are not yet clear.

In combination with the general lack of cost-effective capital the supply situation should thus be positive for existing shipping investments. But we also expect that replacement demand for old ships will rise due to strengthened environmental regulations such as decarbonization initiatives.

**“CARBON FOOTPRINT DOES NOT JUST MATTER TO ENVIRONMENTALISTS. IT MATTERS TO US, OUR LENDORS, INVESTORS, EMPLOYEES AND OUR CUSTOMERS.”**

In this process MPC Capital has an agenda to seek ways to use various future propulsion systems and alternative fuels such as LNG, LPG, Biofuels and Hydrogen in order to respond to new technology trends and the environmental regulations.





SUSTAINABLE INVESTING

|→ 2020

ESG@

MPC CAPITAL

01

# Our ESG Commitment

## Dear investors and partners,

ESG is at the core of today's Stakeholder interest and will become so more and more in the future. By integrating Environmental, Social and Governance issues (ESG) into our investment process we assume responsibility for the societal and environmental challenges of the current century. At the same time we ensure the future of our company and will create long-term value for our investors.

At MPC Capital we are committed to the UN Principles of Responsible Investment (UN PRI) guiding our investment processes and our view of assets. We became a signatory member of the PRI and will continuously adhere to its six principles.

Our own MPC Capital ESG principles are based on the principles of the PRI and serve as a guideline to investing sustainably and responsibly in all our asset segments reflecting our commitment to socially and environmentally responsible actions.

Your Management Board of MPC Capital AG

**“RESPONSIBLE ASSET AND INVESTMENT  
MANAGEMENT IS AT THE CORE OF OUR  
COMPANY AND OUR INVESTMENT  
ACTIVITIES.”**



# ESG GOALS

---

- + Reduce environmental impact of managed assets and corporate processes
- + Positive contribution to communities and individual well-being
- + Maintain and develop best-in-class governance, compliance and risk management standards

## Adhering to the Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. The 17 Goals were adopted by all UN Member States in 2015, as part of the 2030 Agenda for Sustainable Development which set out a 15-year plan to achieve the Goals.

At MPC Capital we acknowledge the importance of the SDGs for our future planet and are committed to aligning our company and our investments with eleven of the SDGs. These are SDG 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15.



### SDG Goals

- 1: No Poverty
- 2: Zero Hunger
- 3: Good Health and Well-being
- 4: Quality Education
- 5: Gender Equality
- 6: Clean Water and Sanitation
- 7: Affordable and Clean Energy
- 8: Decent Work and Economic Growth
- 9: Industry, Innovation and Infrastructure
- 10: Reduced Inequality
- 11: Sustainable Cities and Communities
- 12: Responsible Consumption and Production
- 13: Climate Action
- 14: Life Below Water
- 15: Life on Land
- 16: Peace and Justice Strong Institutions
- 17: Partnerships to achieve the Goal

## Clean Energy

Our renewable infrastructure assets contribute to the transition to renewable energy sources and reduced carbon footprint. More clean energy will lead to lower greenhouse gas emissions from energy consumption and decrease global warming. We make sure that our renewable projects serve the communities that are affected and that the community involvement and support is high. With this approach we are in line with the SDGs 7, 9, 11 and 13.

## Ensure good working conditions

In our investments and in our own company we ensure good and equal working conditions as well as monitoring Health, Safety and Environment (HSE) issues actively. This is in line with SDG 8 and 5.

## Reduce negative environmental footprint

We continuously analyse risks to the environment for our investments. This includes the risk of hazardous material during construction and operation and is in line with SDG 6. We are also committed to continuously working to reduce the carbon footprint of our investments, which is in line with SDG 7 and 9.

## For better education and less inequality

With our Elbstiftung foundation we have been supporting educationally disadvantaged young people thus aligning with the SDGs 4, 5 and 10.

## Respect life below water and land

Protecting life below water means maintaining the ocean's biodiversity and safeguarding the ocean's ecosystems. Since our operations can pose threats to both, we embrace innovation to find new, novel solutions that decrease our impacts on life below water, while remaining vigilant in our compliance efforts. When developing our renewable projects we take many precautions to protect life below water and ensure life on land. This aligns with the SDGs 14 and 15.



02

# Our ESG Principles



As PRI SIGNATORY we embrace the SIX UN PRINCIPLES for responsible investment

## We thrive for sustainability & responsibility in all our investments

As an asset and investment manager we are a signatory of the PRI and adhere to the principles of the PRI. Our own ESG Principles, derived from the PRI, are an essential part of our investment policy in all our segments.

**01** We will incorporate ESG issues into investment analysis and decision-making processes.

**02** We will be active owners and incorporate ESG issues into our ownership policies and practices.

**03** We will seek appropriate disclosure on ESG issues by the entities in which we invest.

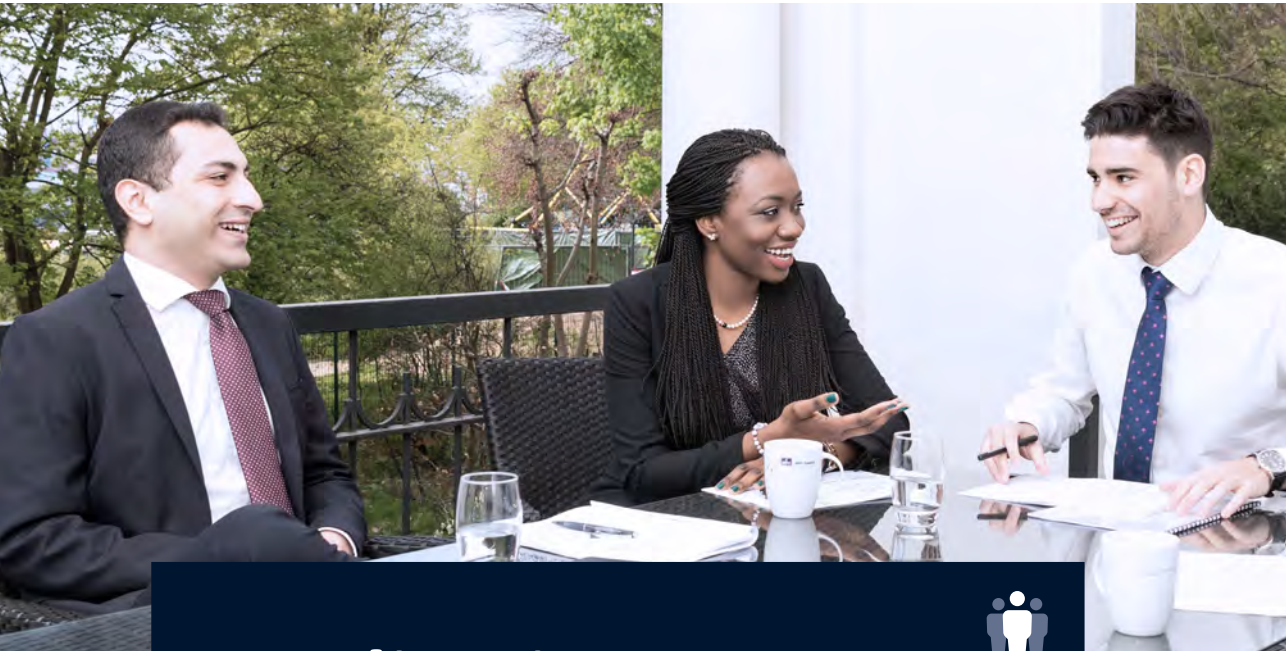
**04** We will promote acceptance and implementation of the Principles within the investment industry.

**05** We will work together to enhance our effectiveness in implementing the Principles.

**06** We will each report on our activities and progress towards implementing the Principles.

- + Adherence to and compliance with all relevant laws and regulations.
- + We invest with responsibility, defining measures to monitor, develop and achieve our sustainability targets in all our investments. These targets are regularly documented, reviewed and communicated.
- + Customers are our partners. We aim to provide customer satisfaction at all times by being aware of their investing requirements. We closely cooperate with our customers in order to increase quality and minimize the impact of our actions and investments on the environment.
- + The hallmark of our efficiency is marked by our well trained and competent employees as well as our social engagement.
- + Based on an open dialogue with our customers, business partners, employees, and other stakeholders we continuously improve our high quality, ecological and safety standards.
- + The trust vested in us by our customers obligates us to manage their investments in a manner that is constantly vigilant, transparent and professional. Avoiding mistakes is an important objective.
- + Providing a safe and healthy working environment for all our employees has high priority.
- + Adherence to the standards of conduct set out in the MPC Capital Code of Conduct is a binding requirement.
- + Standards that we apply to ourselves also apply to our sub-contractors. It is not they, but we who vouch for the services provided with the company's good name.





03

## Dedication to our employees

### Our corporate culture

Flexibility and a dynamic environment characterize our daily work

The employees of the MPC Capital Group contributed to the successful business performance in the 2020 financial year through their great dedication. A long-term commitment on the part of highly qualified employees is the basis for the long-term successful development of the MPC Capital Group. MPC Capital

pursues the goal of retaining employees even more effectively and keeping them performing at a high level by offering both performance-related remuneration components and non-financial incentives. Non-monetary instruments include more flexible working hours and scope to achieve a work/life balance.

**“FLAT HIERARCHIES GIVE OUR EMPLOYEES ROOM FOR THEIR OWN DEVELOPMENT AND PROVIDE US WITH NEW IDEAS AND FOOD FOR THOUGHT.”**





### Child Daycare

Child daycare places are scarce. We offer parents a spot for their children in a neighboring daycare centre.



### Mobile work

We offer our employees 50% of their working time for mobile working.

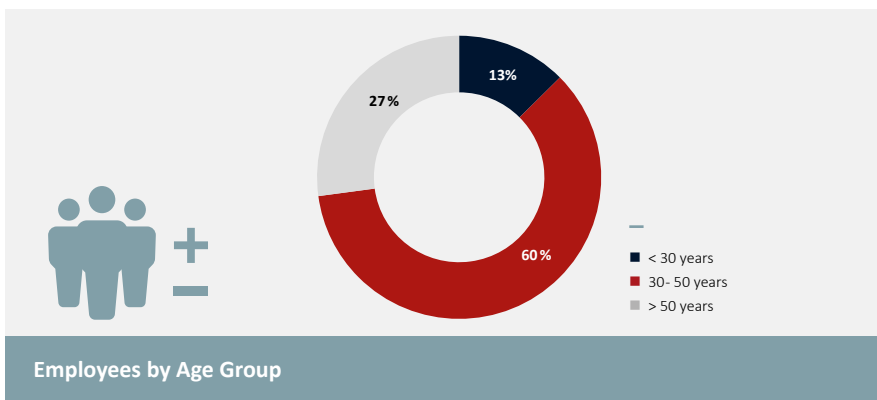
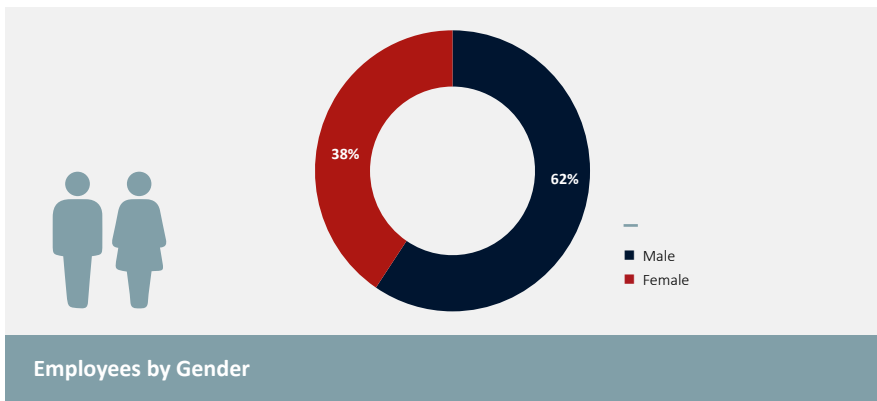


### Time Out

Every five years our employees can go for a 6 weeks time out.

## 260 employees of 34 nationalities

Our roots are based on our values and today we focus on international markets, thus making the port city Hamburg more than just our headquarters - it symbolizes our culture, our international business and our diversity.



All data as of 31 December 2020

# 04 — Social Engagement



## Our “Elbstiftung” Foundation

Supporting young people's education

Education is essential to career prospects. Many children in Hamburg from underprivileged, low-income and/or immigrant families start school with a disadvantage.

For almost 15 years, MPC Capital has therefore been supporting educationally disadvantaged young people with its Elbstiftung Foundation. Within the Elbstation Akademie project, young people rehearse plays, produce radio features and make movies, which are then presented in theatres throughout Hamburg.

By this Elbstation promotes self-esteem and motivation, helps young people become successful and facilitate their access to better education. The sense of joint accomplishment builds their confidence, gives them a “can-do” attitude and develops their communication skills. Elbstation teaches teenagers not only to perform on stage, but more importantly to perform better in life. Participation in Elbstation Akademie is free to pupils thanks to donations.

“EVERY SINGLE ONE OF THESE POSITIVE DEVELOPMENTS SHOWS US HOW MUCH YOU CAN ACHIEVE BY GIVING YOUNG PEOPLE A HELPING HAND.”



MPC Capital AG has been integrated to the “regional-engagiert.de” website for our Elbstation project “Elbstiftung”. “regional-engagiert.de” is the platform for CSR and social engagement by the Bertelsmann Stiftung and of great importance in this area.

[www.regional-engagiert.de](http://www.regional-engagiert.de)



- 200+** participants stayed involved in the program for up to six years
- 91** Honorary education pilots from Hamburg Companies
- 53** Young people as volunteers seniors (supporters for younger participants)
- 21** awards for outstanding performance
- 15** longstanding cooperation partners (Schools, theaters & district partner)





MANAGING REAL ASSETS

|→ 2020

# MPC CAPITAL SHARES

**High volatility in coronavirus year 2020**

The 2020 stock market year was dominated by the effects of the COVID-19 pandemic. In February the DAX reached an initial record high despite the slowdown in economic momentum. This was followed in March by a historic collapse following the coronavirus outbreak in Europe. The DAX ended the year with an unprecedented recovery that even bettered the February record – while the pandemic was still raging. The index closed the year at just under 13,719 points. Germany’s main share index consequently finished about four percent up on the start of the year.

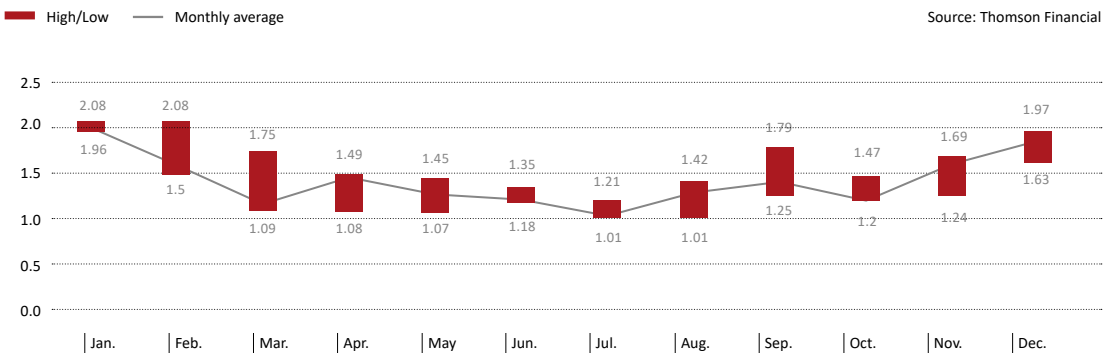
In international terms, too, stock markets made healthy advances over the year as a whole. The US lead index Dow Jones gained around eight percent in 2020. The broader-based S&P 500 Index in the USA was actually 15 % up on the start of 2020 by the end of December.

**MPC Capital shares**

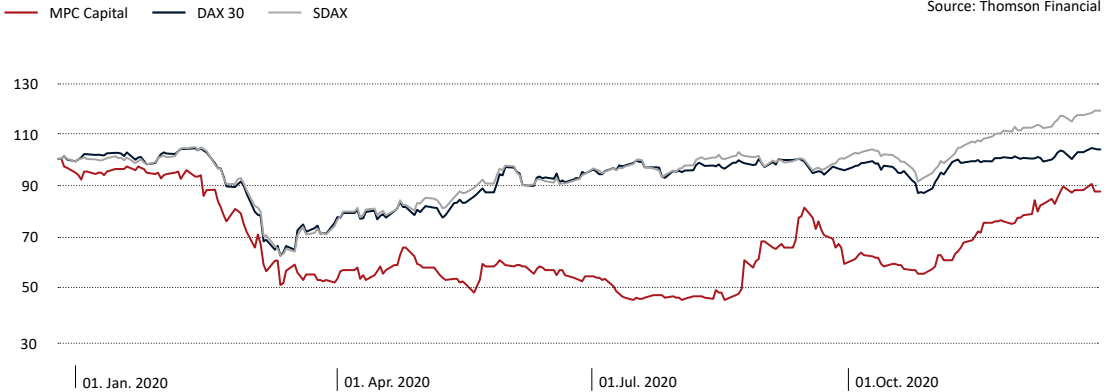
MPC Capital shares opened the 2020 stock market year trading at EUR 2.08, which was also the year-high. The shares touched a year-low of EUR 1.01 on 20 July 2020. The trading price subsequently staged a marked recovery, moving back close to the two euro mark.

The shares closed at EUR 1.88 on 30 December 2020. They jumped back above EUR 2.00 right at the start of the 2021 stock market year. The market capitalisation of the company at the end of 2020 was around EUR 63 million. The figure had been around EUR 70 million at its start. The average trading volume (Xetra) of MPC Capital shares in 2020 was around 14,250 units per day (previous year: approx. 15,800).

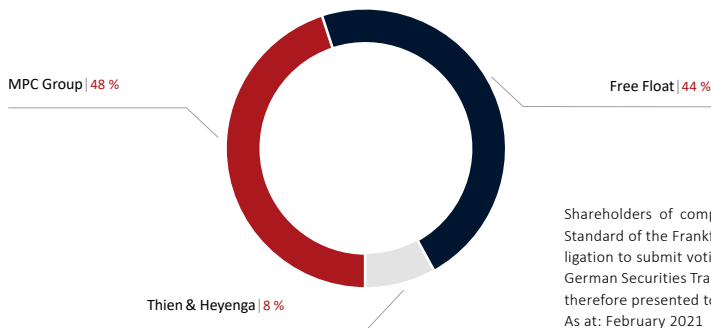
**HIGH, LOW AND AVERAGE PRICES FOR 2020 (XETRA)**



## 2020 PERFORMANCE, INDEXED



## SHAREHOLDER STRUCTURE MPC CAPITAL AG



## Resolutions of the Annual General Meeting

The Annual General Meeting of MPC Capital AG was held on 25 May 2020 in virtual form due to the effects of the COVID-19 pandemic. The meeting was broadcast online from the business premises of the company. All motions were carried by clear majorities. The parties attending and voting results as well as all other documents concerning the Annual General Meeting are permanently available on the Investor Relations web page of MPC Capital AG ([www.mpc-capital.com/HV](http://www.mpc-capital.com/HV)).

## Capital market activities

MPC Capital AG again conducted intensive investor relations work in the 2020 financial year, despite the restrictions imposed by the pandemic. The Management Board and Investor Relations held talks with around 75 investors at virtual conferences and in a variety of video calls. Their focus was on Germany, the United Kingdom and Switzerland.

**KEY SHARE DATA OF MPC CAPITAL AG**

WKN / ISIN	A1TNWJ / DE000A1TNWJ4
Share capital / number of shares	EUR 35,248,484.00 / 35,248,484 units
Share class	Bearer shares with notional capital share of EUR 1.00 each
Trading venues	Open Market in Frankfurt am Main; electronic trading on Xetra; OTC in Berlin-Bremen, Düsseldorf, Hanover, Munich and Stuttgart
Market segment	Scale
Capital market partner	M.M. Warburg & CO
Designated sponsors	M.M. Warburg & CO, Baader Bank AG
Analysts	Baader Helvea, Edison Research, Warburg Research
First day of trading	28 September 2000
Reuters code	MPCG.DE
Bloomberg	MPC GR
Datastream	D:MPC

KEY RATIOS OF MPC CAPITAL SHARES	2016	2017	2018	2019	2020
Earnings per share in EUR	0.33	0.41	-0.57	-0.01	-0.01
Price at year-end in EUR (Xetra)	5.97	6.45	2.73	2.14	1.88
High in EUR (Xetra)	8.95	6.89	6.84	2.75	2.08
Low in EUR	4.40	5.73	2.45	1.67	1.01
Number of shares*	30,427,916	30,427,916	33,470,706	33,470,706	33,470,706
Market capitalisation* in EUR million	182	196	91	72	63

\*based on year-end price

**Investor Relations – your contact**

Stefan Zenker

Tel.: +49 (0) 40 380 22 4347

Fax: +49 (0) 40 380 22 4878

E-Mail: [s.zenker@mpc-capital.com](mailto:s.zenker@mpc-capital.com)

MPC Capital AG

Palmaille 67, 22767 Hamburg



ANNUAL REPORT

|→ 2020

COMBINED  
MANAGEMENT  
REPORT AND GROUP  
MANAGEMENT  
REPORT AS AT  
31 DECEMBER 2020



# Content

---

- 52 | → **1. Basis of the Group and of MPC Capital AG**
- 55 | → **2. Economic Report**
- 59 | → **3. Net assets, financial position and results of operations**
- 64 | → **4. Other disclosures**
- 65 | → **5. Report on risks and opportunities**
- 72 | → **6. Report on expected developments**

# 1. Basis of the Group and of MPC Capital AG

## BUSINESS MODEL

The **MPC Münchmeyer Petersen Capital Group (“MPC Capital Group”)** is an internationally focused asset and investment manager, and also a co-investor for real asset investments and investment products. **MPC Münchmeyer Petersen Capital AG (“MPC Capital AG”)** is the Group parent. It has been quoted on the stock exchange since 2000 and has been listed in the “Scale” Standard of Deutsche Börse in Frankfurt since March 2017.

The MPC Capital Group develops and initiates real asset investments for international institutional investors, family offices and professional investors (**institutional business**). Together with its subsidiaries and partners, the Group offers a broad spectrum of services encompassing the selection, initiating and structuring of an investment in real assets, the active management and administration of the asset, and the development and execution of an exit strategy tailored to the requirements of the investors. The MPC Capital Group has to all intents and purposes withdrawn from the management of investment products for private investors (**retail business**) in order to focus on business with institutional clients.

Its product and service offering in institutional business focuses on the three core segments of Real Estate, Shipping and Infrastructure. With its many years of expertise and a comprehensive international network of partners, the MPC Capital Group seeks to identify market opportunities in order to match investment projects with investors.

The MPC Capital Group generates a stream of **management fees** from investment projects, as well as one-off and to some extent performance-based **transaction fees** from the onboarding and sale of assets. MPC Capital is also routinely

involved in investment projects as co-investor; it generates other operating income or income from equity investments through this channel.

## ORGANISATIONAL AND MANAGEMENT STRUCTURES

The business activities of the MPC Capital Group were comprehensively restructured in 2020 in response to the demands of a dynamic market environment, and to prepare the Group’s organisation and structure optimally for future growth. To define the roles of the individual Group areas more sharply in this connection, they were separated out into the product-generating unit **MPC Capital** and into service and **management units**.



**MPC Capital**, as investment manager and co-investor, focuses on the initiating and management of investment solutions (**investment vehicles**) in the three core asset classes Real Estate, Shipping and Infrastructure. It pursues the goal of developing real asset investments that are tailored exactly to investor requirements. As co-investor MPC Capital

normally provides up to 10 % of the equity for the investment vehicles, but sometimes more. MPC Capital has investment and transaction teams that specialise in the three asset classes Real Estate, Shipping and Infrastructure. They are supported by overarching functions such as Legal, HR, IT and Marketing.

Another core component of the MPC Capital Group is the **management units**, whose core skill is the operational management of the assets held by the investment vehicles. They exhibit a high level of specialisation and are to some extent embedded in joint venture structures so that they can join forces with market-leading partners to offer competitive services both for investment vehicles of the MPC Capital Group and for third parties. Strategic partnerships furthermore provide us with extra growth momentum for investment and transaction business.

The main activities of the management units comprise:

**Technical management for container ships, bulk carriers and tankers:** Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG, Ahrenkiel Vogemann Bolten GmbH & Co. KG and Ahrenkiel Tankers GmbH & Co. KG

**Commercial management for container ships and tankers:** Harper Petersen Holding GmbH & Co. KG and Albis Shipping & Transport GmbH & Co. KG

**Investment and asset management of real estate in the Netherlands:** Cairn Real Estate B.V.

**Investment and investment-product related services and fiduciary activities for retail business:** MPC Investment Services GmbH and TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH & Co. KG. Various service offerings to provide support for private investors are outsourced to external service providers.

## GOALS AND STRATEGIES

The MPC Capital Group's goal is to become one of the leading independent asset and investment managers for real investments and investment products in its chosen sub-segments. As at 31 December 2020, the MPC Capital Group had assets under management (AUM) totalling approximately EUR 4.4 billion. The aim is to onboard an asset volume of between EUR 0.5 billion and EUR 1.0 billion annually for business with institutional customers.

The cornerstones of the corporate strategy are to generate sustained cash flows, guarantee solid corporate financing and therefore in particular ensure healthy liquidity and capitalisation.

### Link between asset and investor

MPC Capital's core expertise involves introducing investors to investment opportunities, along with implementing asset transactions across the selection, purchase and exit phases. Customers can participate in the entire investment and value creation process with the MPC Capital Group or flexibly use individual phases and services for their investment and business activities, in line with their own needs. To some extent operational management of the assets is presented as a joint offering with market-leading partners. The MPC Capital Group's role is then to manage real asset investments from the three asset classes Real Estate, Shipping and Infrastructure throughout the selection, active (further) development and exit phases, with a view to maximising their value.

### Investment vehicle based on the investor's strategy

The structural attributes of the **investment vehicles** reflect market conditions but primarily the strategy of the individual investor. Whether for an alternative investment fund, market listing, direct investment or other legal construct, as an investment manager MPC Capital offers comprehensive expertise for a broad spectrum of structuring solutions.

MPC Capital's sales activities are primarily focused on international institutional investors, family offices and other professional investors. Its customers also include third-party companies and high net worth retail investors, existing customers and sales partners. The various phases of the asset's life cycle are suited to investors with different risk profiles: for example, the development phase of a project is appropriate for investors with expectations of higher returns and a pronounced risk profile, while investors with expectations of lower returns and a balanced risk profile generally participate in established projects with stable cash flows.

#### Asset selection based on market requirements

In selecting assets, the MPC Capital Group focuses on current market requirements and works hard to identify market sectors, market niches or megatrends early on. This approach has enabled it to identify and successfully pick up on market trends such as ESG (Environmental, Social, Governance) in the Real Estate segment, feeder container ships in the Shipping area or renewable energies in emerging markets.

#### Co-investment: MPC Capital contributes equity

MPC Capital contributes part of the equity itself (co-investment) to ensure that the interests of the investors are aligned with those of the fund manager. Depending on the volume and type of asset, the co-investment amounts to a maximum of 10% of the equity of the investment vehicle concerned, or more in individual cases. The co-investments are recognised primarily in other equity investments under financial assets, or in individual instances also as loans.

At its core, the strategy involves generating other operating income (reversals) and income from equity investments (dividends) from the value gains of the co-investments over and above service business operations.

## MANAGEMENT SYSTEM

The management of the MPC Capital Group is geared to long-term value added. The key management performance

indicators are **revenue** and **near-market other operating income**, which comprises recurring income from the management and administration of existing funds, asset management, advisory and agency for real investments, as well as project and transaction income and income generated as part of exit strategies for existing funds and investments. **Earnings before taxes (EBT)** is a further financial performance indicator which includes income from equity investments and the share of profit of associates.

The foundations for solid and sustainable business planning also include adequate **capitalisation** and maintaining sufficient **liquidity** in the Group over an appropriate planning period.

EBT, capitalisation and liquidity serve as the management performance indicators for MPC Capital AG.

Non-financial performance indicators are not used for internal management.

At Group level, the Management Board is responsible for the initiation, management, compliance and monitoring of business activities; at operating level, this function is assigned to the managing directors of the individual subsidiaries. The management system is also a part of the controlling and planning processes in the MPC Capital Group.

The consolidated financial statements and annual financial statements of MPC Capital AG have been prepared on the basis of the German Commercial Code (Handelsgesetzbuch, "HGB").

## 2. Economic Report

### MACROECONOMIC AND INDUSTRY-SPECIFIC ENVIRONMENT

In 2020 the economy, like society as a whole, was dominated by the effects of the COVID-19 pandemic. The economic and social restrictions that became necessary to limit the further spread of the virus had a high negative impact on the economy: the global economy experienced its deepest recession for nearly 100 years. However, far-reaching monetary-policy and fiscal measures cushioned the impact.

Both the European Central Bank (ECB) and the US Federal Reserve (Fed) have generally failed to meet their inflation target of around two percent in recent years. In the eurozone, the current rate of price increases is actually negative. Monetary policy is (and remains) as expansionary as never before. The G10's central banks were not alone in stepping up their securities purchasing activities; many central banks in emerging economies likewise resorted to monetary policy measures. The ECB significantly increased its bond purchasing programme and is making high liquidity levels available to banks. The Fed cut interest rates to almost zero at the start of the COVID-19 pandemic and embarked on unlimited purchases of government and corporate bonds.

Although the economy is suffering from coronavirus-related restrictions, capital markets have since recovered from their price losses. Some stock markets, including the DAX and the major US indices, have even reached new record levels. This is partly because the interest rate cuts by central banks have made fixed-income securities even less attractive to investors because of the steadily dwindling interest coupon, and partly because the continuing glut of liquidity means large amounts of capital are in need of investment. This situation also drove demand for real assets, with the investment criteria and selection processes being defined and applied. An analysis by the US asset manager BlackRock re-

vealed some 55% of the investors interviewed were intending to increase their real asset allocations in 2020 and switch from shares and cash to alternative investments. The focus in 2020 was on asset classes that are benefiting from the boom in e-commerce, sustainability and digitalisation, while sectors that are more reliant on mobility and traditional energy forms are being viewed with greater caution by investors.

The trend towards sustainable investments gathered further pace in 2020. Figures released by Morningstar from May 2020 indicate that funds with a sustainability profile attracted net inflows of around USD 45.6 billion in the first quarter of 2020, compared with outflows of USD 384.7 billion for the entire fund universe. According to a survey published by BNY Mellon in August 2020 and the Official Monetary and Financial Institutions Forum, over 90% of public investors worldwide have issued specific ESG guidelines for their investment process or are in the process of drawing these up.

### BUSINESS PERFORMANCE

The outbreak of the COVID-19 pandemic triggered a global recession and led to significantly greater market uncertainty and delays to investment decisions. In this market situation, the multi-asset strategy pursued by the MPC Capital Group – along with the associated diversification of its asset basis and ultimately also its extensive spread within the segments – has proved to be relatively robust. The Shipping segment of the MPC Capital Group was the area initially affected most directly by the coronavirus crisis in the first half of the year, though it staged a marked recovery as the second half progressed. The effects on the remaining business units were manageable.

The health and safety of its employees are the top priority for the MPC Capital Group. In a reflection of this stance, it took every precaution to minimise the risk of infection among

employees after the outbreak of the COVID-19 pandemic. Emergency plans were drawn up to prioritise the health of all employees and at the same time assure the necessary continuity of workflows in order to keep operations continuing as efficiently as possible. In IT terms the MPC Capital Group was able to equip all employees for mobile working very swiftly and enable unrestricted working from home.

Despite the decidedly adverse circumstances, the performance in the 2020 financial year by and large lived up to the management's expectations, with revenue and earnings before taxes (EBT) each on a par with the previous year. In the forecast originally prepared in February 2020 and suspended on 11 May 2020, the Management Board was still expecting slightly lower revenue and a slight improvement in EBT compared with 2019. The reasons why revenue outstripped the original expectations were steady growth in the Shipping area and higher transaction fees especially from the Renewable Energies area. There was an opposite effect from valuation adjustments due to the effects of the COVID-19 pandemic and non-recurring expenses from the move to focus on transaction and investment business.

### Real Estate

The Real Estate segment was only affected to a limited extent by the COVID-19 pandemic.

In the **Netherlands** the MPC Capital subsidiary Cairn Real Estate made substantial purchases especially in the Logistics and Office areas. In November, Cairn Real Estate successfully implemented a capital increase for EUR 120 million for the Gateway Fund in the midst of the COVID-19 pandemic. The non-listed REIT concentrates on the market for logistics and light industrial real estate. After further successful purchases at the end of 2020, the fund now comprises 30 properties situated predominantly in the Netherlands. Also, a joint venture comprising Cairn Real Estate, the investor Angelo Gordon and the project developer NEOO acquired the multifunctional property "Beursgallery" in Rotterdam as a redevelopment venture.

In **Germany**, MPC Capital completed the sale of a residential real estate project in January 2020. This new-build project in Hamburg, acquired by MPC Capital at the start of 2019, contains around 160 rental units and 13,000 m<sup>2</sup> of rental space.

In May 2020 the Real Estate team at MPC Capital secured an early extension to a ten-year office rental agreement in Munich. The rental agreement has now been extended until December 2031 and is for a total rental space of around 12,000 m<sup>2</sup>, plus 185 parking spaces. The owner of the office property in Munich-Gräfelfing is the real estate fund MPC Deutschland 9, which was launched in 2011 by the MPC Capital Group.

At the end of 2020 MPC Capital joined forces with institutional investors to launch the ESG Core Wohnimmobilien fund and in a first close raised equity totalling around EUR 80 million from German insurance companies. The aim is for the fund to achieve a total investment volume of EUR 300 million and to invest specifically in real estate projects that consistently meet a wide range of sustainability criteria.

Business involving micro apartments did not make decisive progress in the 2020 financial year. In light of MPC Capital's focus on transaction and investment business, the Management Board has decided to withdraw from operating business and from the management of the apartment blocks. The resulting increased expenses were taken into account in the present financial statements of the MPC Capital Group and MPC Capital AG. Property management for the properties in the student housing area is to be handed over to an outside partner.

### Shipping

The economic fallout of the COVID-19 pandemic badly affected especially the container shipping area in the first half of the financial year. Following a sharp slump in world trade, charter rates fell markedly and the number of inactive merchant vessels rose sharply. This development equally affected the customers of Ahrenkiel Steamship and Harper Petersen, the technical and commercial ship managers within the MPC Capital Group.



The second half of the year brought a palpable revival in world trade, which also led to a marked recovery in freight and charter rates for container shipping. In particular high demand from the USA and Europe for furniture, sports equipment and home furnishings – driven most notably by online retailing – generated a huge transport volume over recent months, which came up against an undersupply of container and freight capacity.

To address the effects of the COVID-19 pandemic at the market end, the recapitalisation of MPC Container Ships ASA (“MPCC”) was successfully implemented in July 2020, stabilising the fleet that is under MPCC’s ownership. The challenging situation in the market as a whole nevertheless prompted a substantial correction to asset values. The carrying amount for MPC Capital’s co-investment in MPCC needed to be adjusted accordingly by EUR 2.5 million.

In July 2020 the MPC Capital Group and Singapore-based Wilhelmsen Ship Management AS agreed to merge their activities involving the technical management of container ships. Wilhelmsen Ship Management acquired 50 % of Ahrenkiel Steamship GmbH & Co KG in this connection. The joint venture operates as “Wilhelmsen Ahrenkiel Ship Management” (“WASM”). The company remains domiciled in Hamburg and can also call on the Wilhelmsen Group’s global network for support. The goal is to further increase the fleet currently under management and expand service business internationally.

The disposal of the shares and the continuation of business operations under a 50:50 joint venture have led to the proportionate consolidation of WASM within the MPC Capital Group since the transaction’s completion at the end of September.

The merger with a globally active joint venture partner in the MPC Capital Group’s service business area reflects the MPC Capital business model strategy of placing even greater future emphasis on transaction and investment business. Through forging this close alliance with Wilhelmsen,

MPC Capital also expects the much larger network to provide extra impetus for growing transaction and investment business.

### Infrastructure

As part of the new focus on high-growth, profitable segments, the Infrastructure area of the MPC Capital Group will concentrate on the development and management of facilities for the production and storage of renewable energy. In this connection, MPC Capital was able to raise further equity for the MPC Caribbean Clean Energy Fund at the start of 2020, and further expand its strategy for the development of solar and wind farms in the Caribbean and selected areas of South America.

In February 2020, MPC Capital arranged the financing for the construction of a 6.5 MWp solar PV project in El Salvador. The project has an investment volume of around USD 7.8 million. It was commissioned on schedule in December 2020 and MPC Capital has since managed the project in the capacity of asset and investment manager.

January 2021 brought a milestone for MPC Capital in the development of this area with the initiation of MPC Energy Solutions and a private placement of USD 100 million. MPC Energy Solutions was set up by MPC Capital as an investment vehicle to profit from the growing demand for a sustainable and low-cost, low-carbon energy infrastructure. As a developer, operator and owner of renewable energy systems, it will contribute to the transition to an emissions-free future. The projects will consist primarily of PV and wind farms, but also include energy storage, cogeneration and other infrastructures that help cut energy consumption and CO<sub>2</sub> emissions. Since mid-January 2021 MPC Energy Solutions N.V. has been listed on the Oslo Stock Exchange in the Euronext Growth market.

Under its co-investment strategy MPC Capital has acquired a co-investor stake in MPC Energy Solutions N.V. MPC Capital refinanced EUR 4 million of the USD 10 million co-invest-

ment share payable in cash through a capital increase with exclusion of subscription rights on 8 January 2021. In total 1,777,778 new shares were issued for contributions in cash and placed at a price of EUR 2.25 per share. This move increased the share capital of the company by EUR 1,777,778.00, from EUR 33,470,706.00 to EUR 35,248,484.00, making partial use of the “Authorised Capital 2018”, through the issuance of 1,777,778 new no-par-value bearer shares. The subscription right of the shareholders was excluded. The capital increase was entered on the Commercial Register on 21 January 2021 (cf. also the report on post-balance sheet date events in the notes to the consolidated financial statements).

#### Development of assets under management (AUM)

The assets under management (AUM) of the MPC Capital Group totalled EUR 4.4 billion at the end of 2020, on the prior-year level (EUR 4.5 billion). New assets to the total value of EUR 0.5 billion were onboarded, for the most part in the Real Estate unit. On the other hand there were scheduled disposals from retail business amounting to EUR 0.4 billion as well as asset sales from institutional business in the amount of EUR 0.2 billion. Measurement and currency effects largely cancelled each other out in 2020 and had no notable impact on the development of AUM.

AUM in the Real Estate unit rose from EUR 1.7 billion to EUR 1.9 billion as a result of additions to the portfolio of the Dutch subsidiary Cairn. Additions were registered especially for the funds “In The City” (office) and “Gateway” (logistics/light industrial).

In the Shipping segment, AUM of EUR 2.1 billion were slightly below the previous year’s level (EUR 2.2 billion). Slightly more than EUR 0.1 billion was newly onboarded. By contrast there are asset disposals amounting to EUR 0.2 billion. Negative measurement effects which continued to weigh on Shipping assets in the first half of 2020 were made good by the strong recovery in the second half of 2020.

In the Infrastructure unit, AUM came to EUR 0.2 billion (31 December 2019: EUR 0.3 billion). The decrease was attributable to the sale of a solar park portfolio in Spain.

Discontinued products accounted for some EUR 0.1 billion (31 December 2019: EUR 0.3 billion). These include assets from retail business that do not belong in any of the three core asset classes.

As a result of the sharp rise in newly onboarded assets in the Real Estate unit on the one hand and the continuing decline in assets from retail business on the other, the share of institutional business as at 31 December 2020 climbed to 84% (31 December 2019: 78%). Retail business accordingly accounted for 16% of AUM (31 December 2019: 22%).

### 3.

## Net Assets, Financial Position and Results of Operations

### RESULTS OF OPERATIONS OF THE GROUP

**Revenue** for the MPC Capital Group climbed from EUR 46.8 million to EUR 50.5 million in the 2020 financial year.

The Group generated revenue amounting to EUR 37.1 million from **management services** in the 2020 financial year (2019: EUR 39.2 million). On the other hand revenue was diminished by declining revenue from retail business as well as the proportionate consolidation of the Harper Petersen joint venture. Since November 2019, only 50% of revenue and profit contributions from the joint venture and of assets and liabilities have been included in the consolidated financial statements. The joint venture Wilhelmsen Ahrenkiel Ship Management is included in the consolidated financial statements using the proportionate consolidation method from October 2020.

Income from **transaction services** rose to EUR 10.7 million (2019: EUR 5.3 million) as a result of a marked uptick in transaction activity mainly in the second half of 2020. It above all comprised transactions in the Real Estate and Renewable Energies area, and in the second half of 2020 also increasingly the Shipping segment.

**Other revenue** for 2020 came to EUR 2.7 million (2019: EUR 2.3 million). This is essentially made up of one-off, non-recurring income from the Shipping unit.

**Other operating income** for the 2020 financial year came to EUR 9.9 million (2019: EUR 9.7 million). In addition to income from changes in exchange rates as well as income from the reversal of provisions and write-downs on receivables, it came mainly from accounting profits from asset sales amounting to EUR 3.4 million (2019: EUR 4.0 million) in connection with the disposal of a residential real estate project in Hamburg as well as of portions of the BMG portfolio.

The **cost of purchased materials** rose to EUR 4.5 million (2019: EUR 2.2 million) essentially in connection with the equity investment acquired in Albis Shipping. It related to purchased services related to the commercial chartering of tankers and is the counterpoint to other revenue.

**Personnel expenses** came to EUR 26.3 million for the 2020 financial year (2019: EUR 28.8 million). The fall reflects the economies made as part of the focusing strategy. The Group employed an average of 260 people in 2020. On top of this there are 33 attributed employees from the equity investment in joint ventures. The previous year's figure was an average of 286 (plus 12 employees from the equity investment in a joint venture).

**Amortisation of intangible fixed assets and depreciation of tangible assets** was on a par with the previous year at EUR 2.3 million (2019: 2.2 million) and mainly relates to the companies Wilhelmsen Ahrenkiel, Harper Petersen and Albis Shipping.

**Other operating expenses** amounted to EUR 25.7 million, a decline from the prior-year level (2019: EUR 27.1 million). The fall is mainly attributable to cost-cutting measures. Amortisation and write-downs on receivables declined to EUR 1.9 million (2019: EUR 2.6 million). There was an opposite development in the slight rise in legal and consultancy costs to EUR 7.0 million (2019: EUR 6.8 million) and from the rise in expenses from changes in exchange rates to EUR 1.5 million (2019: EUR 0.9 million).

The **operating result (EBIT)** saw a substantial improvement of EUR 5.3 million thanks to the leaner cost base and the higher level of revenue, rising from EUR -3.8 million in the previous year to EUR 1.5 million in 2020.

**Income from equity investments** amounted to EUR 2.8 million. The prior-year figure of EUR 7.0 million was substanti-

ally shaped by a high promote from the successful exit for a Dutch real estate portfolio (TRANSIT transaction) and the disposal of equity investments in limited partnerships from the BMG portfolio.

**Other interest and similar income** came to EUR 1.8 million (2019: EUR 2.4 million) and resulted primarily from loans for project financing.

**Write-downs on financial assets** in the amount of EUR 1.6 million (2019: EUR 1.4 million) were made. These mainly related to long-term project financing.

**Interest and similar expenses** came to EUR 0.2 million (2019: EUR 0.9 million) and mostly consisted of interest expenses for the refinancing of a real estate project.

The **result of associates carried at equity** was EUR -3.1 million (2019: EUR -2.5 million). Both the current and prior-year figures were largely determined by the adjustment to the valuation of MPC Container Ships ASA, in which MPC Capital AG holds an indirect equity investment. As a result of the aforementioned economic impact of the COVID-19 pandemic on asset values in container shipping, the measurement approach for MPC Container Ships that had already been corrected in the previous year needed to be adjusted again.

**Earnings before taxes (EBT)** came to EUR 1.3 million. In the previous year, the MPC Capital Group posted EBT of EUR 0.9 million.

**Income tax expense** in 2020 amounted to EUR 1.4 million (2019: EUR 1.1 million).

**Consolidated earnings** were EUR -0.1 million (2019: EUR -0.3 million).

**Earnings per share** based on shares outstanding as at the balance sheet date came to EUR -0.01 for 2020 (2019: EUR -0.01).

## RESULTS OF OPERATIONS OF THE GROUP PARENT

MPC Capital AG realised revenue amounting to EUR 7.6 million in the 2020 financial year (2019: EUR 8.9 million). This comprised EUR 0.9 million (2019: EUR 1.0 million) from management and transaction income, and EUR 6.8 million (2019: EUR 7.9 million) from charges allocated among Group companies, mainly for administrative services provided for the subsidiaries by MPC Capital AG as the holding company.

Other operating income amounted to EUR 2.8 million in 2020 (2019: EUR 4.9 million) and was substantially attributable to the reversal of write-downs as well as write-downs on receivables.

Personnel expenses came to EUR 5.7 million in the financial year (2019: EUR 6.1 million). The number of employees of MPC Capital AG averaged 40 (2019: 48). The decrease reflects the adjustment to the corporate structure to align it with MPC Capital's focus on transaction and investment business.

Other operating expenses showed a clear decline to EUR 11.4 million (2019: EUR 16.2 million). This included especially a drop in the amortisation of and write-downs on receivables to EUR 4.6 million (2019: EUR 9.1 million). They mainly include extraordinary write-offs on receivables from affiliated companies. All other major items likewise revealed a further improvement. Legal and consultancy costs came to EUR 0.8 million (2019: EUR 1.5 million).

MPC Capital AG generated income from equity investments amounting to EUR 0.3 million in the 2020 financial year (2019: EUR 0.9 million), income from profit transfer agreements in the amount of EUR 2.2 million (2019: EUR 8.7 million) as well as interest and similar income amounting to EUR 1.3 million (2019: EUR 0.2 million). Write-downs on financial assets or on marketable securities in the amount of EUR 0.3 million were applied. The prior-year figure of EUR 2.8 million referred mainly to the write-down on the indirect equity investment in MPC Container Ships ASA.

Because of the marked decrease in income from profit transfer agreements, the net loss for the 2020 financial year increased to EUR -4.5 million (2019: EUR -0.1 million). The net accumulated loss for 2020 rose to EUR -9.4 million (2019: EUR -4.9 million).

## NET ASSETS AND FINANCIAL POSITION OF THE GROUP

The **total assets** of the Group as at 31 December 2020 declined to EUR 126.6 million (31 December 2019: EUR 139.6 million) primarily as a result of reduced borrowings.

**Fixed assets** decreased from EUR 81.8 million to EUR 72.1 million at the balance sheet date of 31 December 2020. EUR 4.1 million (31 December 2019: EUR 6.5 million) related to intangible assets that primarily comprise the goodwill capitalised for Wilhelmshen Ahrenkiel, Harper Petersen and the equity investment in Albis Shipping. The **financial assets**, which essentially constitute the co-investment portfolio of the MPC Capital Group, declined to EUR 67.2 million as at 31 December 2020 (31 December 2019: EUR 74.6 million). The decline was driven by such factors as the disposal of shares in the BMG portfolio as well as the write-down on the indirect equity investment in MPC Container Ships ASA. **Current assets** fell from EUR 57.7 million as at the end of 2019 to EUR 54.3 million as at 31 December 2020. **Receivables and other assets** came to EUR 29.5 million as at 31 December 2020 (31 December 2019: EUR 37.1 million). Strong transaction business in the second half of 2020 and the reduced receivables increased liquidity within the Group (**cash in hand and bank balances**) as at 31 December 2020 to EUR 24.8 million (31 December 2019: EUR 20.6 million).

**Equity** came down from EUR 99.0 million as at 31 December 2019 to EUR 96.3 million as at 31 December 2020, reflecting the lower non-controlling interests and the higher net accumulated loss. The equity ratio nevertheless rose from 70.9% to 76.0% thanks to the reduced borrowings.

**Provisions** in the amount of EUR 18.4 million were recognised as at 31 December 2020 (31 December 2019: EUR 19.2 million). The balance reflects the net effect of reduced tax and personnel provisions and the increase in various **other provisions** in connection with cost savings and the focus on high-growth, profitable areas of business. The company had created **provisions for legal and consultancy costs** amounting to EUR 7.7 million as at 31 December 2020 (31 December 2019: EUR 6.7 million). The Management Board considers these to provide adequate protection against increased expenses in connection with the focus on the transaction and investment business as well as potential costs in connection with legal disputes.

**Liabilities** fell sharply to EUR 11.6 million (31 December 2019: EUR 21.4 million). The decline was driven mainly by the repayment of borrowings for project financing. **Liabilities to banks** amounted to EUR 1.3 million (31 December 2019: EUR 2.0 million). **Liabilities to other long-term investees and investors** in the amount of EUR 1.0 million (31 December 2019: EUR 1.6 million) primarily comprise capital commitments to co-investments not yet drawn down, as well as distributions received.

In the period under review the MPC Capital Group reported a positive **cash flow from operating activities** of EUR 3.3 million (2019: EUR 3.0 million). Receivables in the amount of EUR 2.6 million (2019: EUR 3.0 million) were cleared. Liabilities were reduced by EUR 3.3 million (2019: increase of EUR 3.4 million). Dividends from equity investments resulted in proceeds of EUR 2.8 million (2019: EUR 3.7 million).

The **cash flow from investing activities** in the period under review came to EUR 11.0 million (2019: EUR -9.5 million). Payments for investments in financial assets amounting to EUR 10.1 million (2019: EUR 32.8 million) resulted essentially from the involvement as co-investor in various investment projects in all three asset classes. There was an opposite effect from proceeds from the disposal of financial assets in the amount of EUR 17.5 million (2019: EUR 22.3).

These related to the restructuring of loans, the sale of shares in Ahrenkiel Steamship in the course of establishing the joint venture Wilhelmshen Ahrenkiel Ship Management, and the disposal of further financial assets from the Real Estate and Infrastructure areas. In the 2020 financial year MPC Capital moreover received interest in the amount of EUR 1.5 million (2019: EUR 2.4 million) as well as dividends in the amount of EUR 0.5 million (2019: EUR 2.3 million) from its equity investments and loans.

The **cash flow from financing activities** was EUR-8.5 million (2019: EUR-1.9 million) and was made up mainly of borrowings (EUR-5.8 million, 2019: EUR-1.3 million) and interest paid for project financing in the individual asset areas (EUR -1.5 million, 2019: EUR-0.4 million). Liabilities amounting to EUR 0.4 million (2019: EUR 3.3 million) were entered into in 2020 for the financing of projects.

Total **cash and cash equivalents** at the end of the year came to EUR 24.8 million (31 December 2019: EUR 20.6 million).

## NET ASSETS AND FINANCIAL POSITION OF THE GROUP PARENT

The total assets of MPC Capital AG declined to EUR 117.8 million as at 31 December 2020 (31 December 2019: EUR 126.7 million). Fixed assets, which mainly comprise shares in affiliated companies and equity investments (financial assets) and, to a minor extent, tangible assets, fell to EUR 85.5 million (31 December 2019: EUR 88.3 million).

Current assets consisted of receivables in the amount of EUR 24.8 million (31 December 2019: EUR 36.2 million), for the most part from affiliated companies and from other long-term investees and investors. Cash in hand and bank balances rose from the previous year's level of EUR 2.2 million to EUR 7.4 million as at 31 December 2020.

On the equity and liabilities side, equity declined to EUR 97.1 million (31 December 2019: EUR 101.6 million). The equity ratio was 82.4% (31 December 2019: 80.2%).

Provisions fell slightly to EUR 2.7 million (31 December 2019: EUR 3.0 million). Liabilities were scaled back to EUR 18.0 million (31 December 2019: EUR 22.1 million). They mainly comprised liabilities to affiliated companies and other non-current liabilities from project financing.

## PRINCIPLES AND GOALS OF FINANCIAL MANAGEMENT

The goal of financial management at MPC Capital AG is to safeguard the financial stability and business flexibility of the Group. Liquidity management within the MPC Capital Group maps the Group's short and long-term liquidity requirements on the basis of a planning model. Liquidity planning and the liquidity situation are central factors within the risk management approach of the MPC Capital Group.

## FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

The financial performance indicators developed as follows in the period under review:

Financial performance indicators	MPC Capital Group			MPC Capital AG		
	2020	2019	Change	2020	2019	Change
	in EUR '000		in %	in EUR '000		in %
<b>Revenue</b>	<b>50,489</b>	<b>46,846</b>	<b>+7.8 %</b>	Not a financial performance indicator		
<b>Earnings before taxes (EBT)</b>	<b>1,263</b>	<b>850</b>	<b>+48.6 %</b>	<b>-4,270</b>	<b>-1,603</b>	<b>+166.4 %</b>
<b>Liquidity (cash in hand and bank balances)</b>	<b>24,750</b>	<b>20,640</b>	<b>+19.9 %</b>	<b>7,429</b>	<b>2,173</b>	<b>+241.9 %</b>
<b>Equity ratio</b>	<b>76.0 %</b>	<b>70.9 %</b>	<b>+5.1pp</b>	<b>82.4 %</b>	<b>80.2 %</b>	<b>+2.2pp</b>

No analysis of non-financial performance indicators is carried out as they are not used for internal management purposes.

## SUMMARY OF THE ECONOMIC SITUATION

The economic position of the MPC Capital Group developed in line with expectations in the 2020 financial year. Especially the economic, societal and logistical effects of the COVID-19 pandemic presented a challenge. After a difficult first half particularly for the shipping sector, global markets recovered much faster than had been expected. Nevertheless the sharp fall in asset measurements in the container segment necessitated an adjustment of EUR 2.5 million to the intrinsic value of the equity investment in MPC Container Ships ASA.

The forecast that was suspended in May 2020 could be reinstated in December 2020 with slight adjustments. The effects of the pandemic in the other areas Real Estate and Infrastructure proved to be relatively modest. The Renewable Energies business area actually benefited greatly from an environment of a strong global rise in demand for sustainable investments.

The continuing high downturn of revenues from retail business, the former core business area of the MPC Capital Group, was again more than compensated by growth in institutional business; the overall position was therefore a year-on-year improvement especially in revenue. Earnings before taxes were eroded by non-recurring expenses in connection with focusing on transaction and investment business.

Group liquidity of EUR 24.8 million at the balance sheet date remained at a healthy level for achieving further progress with the development of the Group.

The key challenge remains to identify and acquire attractive investment targets with a view to continuing to expand institutional business successfully.

## 4. Other Disclosures

### EMPLOYEES

The employees of the MPC Capital Group contributed to the positive business performance in the 2020 financial year through their immense commitment. The long-term retention of highly qualified employees is the basis for the sustained, successful development of the MPC Capital Group. The MPC Capital Group pursues the goal of holding onto employees even more effectively and keeping them performing at a high level by offering both performance-related remuneration components and non-financial incentives. Non-monetary instruments include more flexible working hours and scope for a work/life balance.

Over the 2020 financial year the MPC Capital Group had an average of 260 employees, of which 33 were from the participation in joint ventures. On the reporting date of 31 December 2020, the Group had 213 employees, of which 73 were from the participation in joint ventures. MPC Capital AG employed an average of 40 people in the financial year, and 37 people on the reporting date.

### DEPENDENT COMPANY REPORT BY THE MANAGEMENT BOARD IN ACCORDANCE WITH SECTION 312 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

In the 2020 financial year, MPC Capital AG was a dependent company of MPC Münchmeyer Petersen & Co. GmbH, Hamburg, Germany, within the meaning of Section 312 AktG. The Management Board of MPC Capital AG has therefore prepared a report in accordance with Section 312 (1) AktG on relationships with dependent companies that contains the following closing statement:

“The Management Board of MPC Capital AG hereby declares that for the transactions listed in the dependent com-

pany report for the period 1 January to 31 December 2020, under the circumstances known to the Management Board at the time at which the transactions were performed, the company received appropriate consideration for each transaction and was not disadvantaged in any way. No actions were taken or not taken at the instigation or in the interests of the controlling company or a dependent company.”

### CORPORATE CITIZENSHIP: THE ELBSTIFTUNG\*

In 2005 MPC Capital established the Elbstiftung Foundation in order to demonstrate long-term social responsibility at its Hamburg location. The aim of the foundation is to give young people access to good education, encourage them to realise their potential and inspire commitment in them. To achieve these goals, the Elbstiftung launched the Elbstation Academy education initiative in 2006. Educationally disadvantaged young people from socially vulnerable families, often from a migrant background, come to spend initially one year at Elbstation to work together on media and theatre projects. After the first year on the project, the young people receive coaching to help them with their schooling and education. Elbstation keeps supporting these youngsters right up until they start their career or studies.

The foundation’s work was greatly impacted by the COVID-19 pandemic in 2020. Protective and hygiene concepts needed to be drawn up and modified, the media and drama groups needed to observe social distancing or had to go online, and events that had become very popular such as public presentations and group trips for the young people had to be cancelled. The experience of the past year has demonstrated that the educational inequalities experienced by the foundation’s target group are becoming even more acute. Poor technical facilities, confined living conditions and parents who are unable or ill-equipped to help their children with online learning are among the reasons why,



going forward, it is important and essential to do even more to improve educational opportunities for Hamburg's youth. The education partnership with Boris Herrmann, the first German to take part in the Vendée Globe sailing race, introduced a new dimension. This enabled the youngsters to fol-

low Herrmann as he sailed round the globe, and glean fascinating insights into life on board, which they then shared through various articles and projects.

\* Not reviewed by the auditor

## 5. Report on Risks and Opportunities

### BASIC PRINCIPLES

Our policy on risks reflects our efforts to grow consistently and increase our corporate value, while managing or avoiding disproportionate risks. Our risk management work is an integral part of planning and implementing our business strategies; the fundamental risk policy is laid down by the Management Board.

#### Risk management system

Risk management works to identify risks in the MPC Capital Group in addition to analysing, assessing, monitoring and controlling them.

A Group-wide risk inventory is carried out at regular intervals, but at least once per year, as part of the risk management process. The risk inventory is performed by the individual units in line with a bottom-up principle. The people in charge here are the risk management officers within the respective units, who assign probabilities of occurrence and loss levels to the potential risks. This information is aggregated in the Group Controlling department, and recorded and passed on in reporting.

Thanks to integrated, regular reporting, the Management Board is kept informed about the development of the risk situation of the individual units and the MPC Capital Group as a whole. The Management Board must also be informed

immediately of extraordinary and/or unscheduled changes in the risk position via the risk early warning system; if necessary, the Management Board must then also notify the Supervisory Board of the change in the risk situation without delay.

The risk management system of the MPC Capital Group enables Group-wide, systematic risk controlling and early and sufficient risk provisioning. Risk management is a dynamic, evolving process. Lessons learned from the daily handling of risks and risk provisioning make an important contribution to the continuous optimisation of the system.

#### Presentation of opportunities and risks

The categorisation of the principal opportunities and risks of the MPC Capital Group reflects the structure laid down internally for risk management purposes and adopts the gross approach. MPC Capital AG, as the parent company of the MPC Capital Group, is included in the risk management system. The disclosures fundamentally also apply to the annual financial statements of MPC Capital AG.

The following principal opportunities and risks for the business of the MPC Capital Group were identified:

## OPPORTUNITIES

### Opportunities arising in connection with the COVID-19 pandemic

Society and businesses have now been exposed to the effects of the COVID-19 pandemic for over a year. Many businesses started to adjust to this new situation early on and introduced appropriate countermeasures. The MPC Capital Group likewise prepared as swiftly and thoroughly as possible for the new market circumstances.

The pandemic also creates market opportunities that may for example take the form of catch-up effects in world trade or a shift in investment flows with a stronger focus on sustainable investments. The crisis has sharpened investor awareness of environmental and social issues and accelerated rethinking processes. According to a study by HSBC, 89 % of the investors interviewed believe ESG-related topics are important. Therein lies the opportunity for MPC Capital to build on its current policy of focusing on the sustainable aspects of real investments and thus attract new investors. Product-specific opportunities are also taking shape, for example through growing demand for logistics facilities.

### Business environment and market-related opportunities

The continuing low interest rate regime of central banks enhances the appeal of investing in real assets such as real estate, ships and plants that produce renewable energy. Meanwhile demand for interest-linked investments remains low.

By contrast, there is high demand for investment opportunities from institutional investors worldwide and from private investors. In view of the still-high returns being sought, overall there is growing importance for real asset investments for institutional investors.

Especially given the drive to achieve global climate targets, a marked rise in investment in sustainable projects and products can be expected over the coming years.

The MPC Capital Group therefore sees considerable market potential for real investments and investment products, as well as for services that intelligently bring together investors and investment projects and provide long-term advisory and support.

The combination of the three uncorrelated or at most only marginally correlated asset areas of Real Estate, Shipping and Infrastructure makes it possible to spread risks, realise economies of scale and, as a consequence, increase the profitability of the MPC Capital Group.

### Competitive opportunities

As an independent asset and investment manager, MPC Capital specialises in real asset investments and their management. Together with its subsidiaries, it develops and offers individual investment opportunities and services for national and international institutional investors, family offices and third-party companies.

Its product and service offering focuses on the three asset units of Real Estate, Shipping and Infrastructure. The company has an extensive and proven track record, particularly in the Real Estate and Shipping asset units. The MPC Capital Group can also draw on several decades of expertise in infrastructure thanks to its close cooperation with established industrial partners.

The Group can moreover call on an extensive international network of business partners and partner companies to secure and implement attractive projects.

### Opportunities from the co-investment strategy

To ensure that the interests of the investor are aligned with those of the asset and investment manager, in consultation with the investors for the specific project in question the MPC Capital Group normally provides up to 10 % of the equity for the investment project, by way of co-investment. The essence of this strategy is fundamentally to account for merely the co-investment share, rather than for any assets in full, in order to keep dependence on possible market and

valuation fluctuations as low as possible (asset-light approach). The proceeds achieved from the value gains of the equity investments are reflected in the income statement as other operating income or income from equity investments.

## RISKS

### Business environment and market-related risks

#### Risks relating to the COVID-19 pandemic

It is currently almost impossible for a business to foresee the extent of the pandemic because there remains huge uncertainty over how it will continue to unfold. The pandemic has triggered an economic slump in the globalised world economy. Even as the vaccination campaign ramps up, it remains impossible to predict when the pandemic will be overcome and therefore at what point catch-up effects will cut in.

In this market situation, the multi-asset strategy pursued by the MPC Capital Group – along with the associated diversification of its asset basis and ultimately also its extensive spread within the segments – has proved to be relatively robust. Moreover, the Group has adjusted very well to the new market conditions and has been able to cushion the negative effects of the pandemic.

Nevertheless, as matters stand it is still impossible to say conclusively what the medium and long-term effects of the pandemic will be and how these will impact the relevant asset classes. The slump in container shipping in the second quarter of 2020 followed by the distinct bounce-back reveals just how volatile the markets currently are.

The number of corporate insolvencies and loan defaults is also expected to rise, potentially once again unsettling the financial and capital markets. While the Federal Reserve and European Central Bank continue with their low-interest policies, substantial market turbulence could destabilise the financial system.

There is already isolated evidence that the pandemic is having a negative impact on real estate valuations. Losses of

rent and a reduction in the amount of office space required by businesses, triggered increasingly and potentially permanently by the shift towards working from home, could lead to a protracted decline or shift in demand in individual real estate segments.

#### Market-related risks

The MPC Capital Group's business success is heavily dependent on developments in the global financial and capital markets. High market turbulence can represent a threat to the existence of businesses such as MPC Capital AG. Negative developments might not only endanger the launch of new investment projects and services; they could also undermine the performance of existing real investments and investment products and cause reputational damage to the MPC Capital brand.

In addition, interest rate hikes by the Federal Reserve or European Central Bank (ECB), for example, could have a positive impact on other forms of investment and cause demand for real asset investments and investment products to stagnate or even backtrack.

The MPC Capital Group counters market-related risks by constantly observing the need for diversification and taking into account cyclical patterns when identifying investment targets. Merely by striving to spread its exposure more evenly across the three asset classes Real Estate, Shipping and Infrastructure, the Group already reduces its market-related risks compared with sector specialists who focus on individual industries.

#### Availability of real assets

As an investment manager for real investments and investment products, MPC Capital is reliant on a suitable selection of attractive real assets in the asset units of Real Estate, Shipping and Infrastructure. Global economic, competitive and regulatory changes can have a significant influence on their availability. The risk of a shortage of products is classified as low at MPC Capital thanks to its diversification across three sectors, an extensive portfolio of existing funds and

investment vehicles, a broad network of partners and good market access.

#### Demand for real investment products

The MPC Capital Group is dependent on future demand for real investment products. A drop in demand for real investment products, for example due to a significant interest rate hike in the USA and the eurozone, could have an adverse effect on the development of the MPC Capital Group.

#### Regulatory risks

Regulatory measures are significantly influenced by the European Union and continue to be pursued in its member states. The depth and scope of supervisory and consumer protection regulations affect asset and investment managers and can involve regulatory costs that may affect the MPC Capital Group's margin. In addition, in certain situations the MPC Capital Group must work with external service providers to meet supervisory requirements. That, too, can adversely affect the MPC Capital Group's margin.

### **Performance-related, organisational and strategic risks to the company**

#### Competition risk

The MPC Capital Group aspires to be one of Germany's leading independent investment managers for real investments and investment products. As such, the company competes with other providers of real-asset financial products and services. As a result of focusing its sales activities on international institutional investors, family offices and third-party companies, the field of competitors now includes similar international companies.

There is a fundamental business risk that the MPC Capital Group will not be sufficiently successful at repositioning and establishing itself sustainably among its customers, offering the products and services that its target groups want or consistently generating income. There is furthermore the risk that the Group will not be sufficiently successful at onboarding assets within its individual investment strategies. The MPC Capital Group counters this risk by concentrating

on real asset products and services in special markets with high demand momentum within its core segments. By diversifying into various asset classes, it can reduce the risk of cyclical dependence on one single segment. The special expertise and experience within the company, its broad network spanning major shareholders, business partners and the MPC Capital Group as well as its targeted recruitment of employees with many years of experience, particularly in business with institutional investors, have helped to reduce this risk.

#### Operating risks

During the planning and development of new investment projects, the MPC Capital Group incurs expenses when seeking out suitable assets, analysing the opportunities and risks of assets and structuring the real investment products. These costs are incurred in part through the use of own staff and also through the use of external service providers, consultants and advisers. The majority of these costs incurred by the MPC Capital Group are only compensated for when a certain investment product materialises and the MPC Capital Group has received the corresponding fees. If a real investment product fails to materialise, any costs incurred during planning and development must be borne by the MPC Capital Group itself.

The MPC Capital Group launches investment projects with well-known and reliable partners, and often participates in these projects as a minority shareholder. Partners could demand a larger co-investment share from the MPC Capital Group, negative project developments could result in losses on the part of the MPC Capital Group, and the loss of such partners could adversely affect the MPC Capital Group's ability to acquire suitable assets.

Because it manages real-asset investment products, and also through its participation in investment products through co-investments, the MPC Capital Group is exposed to structural, legal and environmental-law risks, for example. Right from the planning and implementation stage, projects require compliance with a wide range of rules and regulations and their development is dependent on whether

the relevant permits have been obtained. This process can still be frustrated by statutory or regulatory requirements during the realisation phase, or such requirements can result in delays, a need for modifications and significant cost increases. Cost budget overruns could also adversely affect the remuneration received by the MPC Capital Group.

For project financing, the MPC Capital Group is sometimes dependent on obtaining financing from lending institutions and, going forward, might not be able to obtain sufficient financing or follow-on financing for expiring financing from credit institutions.

In the Shipping asset class, risks furthermore arise from operating activities (breakdowns, damage, maritime accidents) and the underutilisation of the ships, which could lead to lower fees or the loss of the charter/ship management contract. Operating risks are also an intrinsic aspect of operating real estate and renewable energies projects. All risks are approached with the utmost professionalism. This is reflected in the MPC Capital Group's organisation, but also in its choice of partners and service providers. Operating risks can also be limited to some extent with insurance cover.

#### HR risks

The future development of the MPC Capital Group is particularly dependent on the expertise and experience of the company's employees. In particular, the company must retain key employees. The MPC Capital Group has previously achieved this through a corporate culture based on partnership and various financial and non-financial incentives.

#### **Legal risks**

The consolidated financial statements as at 31 December 2020 include provisions for legal and consultancy costs of approximately EUR 7.7 million (31 December 2019: EUR 6.7 million). The increase results from higher expenses in connection with the focus on the transaction and investment business. The company believes the provisions constitute adequate risk provisioning for the MPC Capital Group's potential or pending legal risks.

The number and volume of lawsuits brought against the MPC Capital Group declined further in 2020. As before, there are no final judgements against the MPC Capital Group. Private placements, for which no prospectus is required, are associated with the risk of claims for violation of pre-contractual information obligations. However such funds are generally subscribed by highly experienced investors who have fundamentally lower requirements with regard to the volume of information to be supplied.

The MPC Capital Group seeks to use insurance protection to cover foreseeable risks, including liability risks arising from its activities as an asset manager. However, this insurance protection may potentially prove insufficient to fully cover the risks to which the MPC Capital Group is exposed.

#### Prospectus liability risk

Prospectuses are generally issued for sales of the funds launched by the MPC Capital Group. In the event of inaccurate or incomplete disclosures in the prospectuses, there is a possibility that the MPC Capital Group could be held liable.

The MPC Capital Group addresses these risks by carrying out appropriate controls and requiring high quality standards for the preparation of prospectuses and subsequent obligations. It calls on external consultants for support especially for performing accuracy checks. When compiling the supplements, the MPC Capital Group proceeds with the same care and quality that it applies in preparing the prospectuses themselves.

Since 22 July 2013 the requirements for the prospectus and the contents of the key investor information (KII) have been specified in the German Investment Code ("KAGB"), underlying closed-end funds launched by MPC Capital in the past. The proceedings pending before the Hanseatic Higher Regional Court under the German Capital Investors' Model Proceedings Act (Kapitalanleger-Musterverfahrensgesetz, "KapMuG") remain highly relevant. In these proceedings, the prospectuses in particular are subjected to advance scrutiny by the Higher Regional Court. The Higher Regio-

nal Court conducts a binding examination for the pending proceedings at the District Court to establish whether or not prospectuses contain errors. The decision of the Higher Regional Court can initially be reviewed by the Federal Supreme Court before the proceedings continue at the District Court. A condition of the investigation procedure being opened at the Higher Regional Court is essentially that ten plaintiffs file identical petitions for examination of the legal conformity of prospectuses. A submission to the Higher Regional Court therefore takes place without substantive appraisal and is of no significance for the outcome of the examination. Such proceedings are nevertheless gaining a higher profile among investors and as a whole lead to a higher volume of lawsuits.

#### Risks relating to Section 172 (4) HGB

TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH & Co. KG ("TVP") holds a large volume of limited partner shares in trust for a wide range of funds, and is entered on the Commercial Register as the limited partner. To the extent that payments not covered by profits under German commercial law were made to investors in the past, this may constitute a liability risk to the trust company. In the case of distressed or insolvent fund companies, creditors can claim such payments not covered by profits back from the companies. They do so by asserting their claims against the trust company by virtue of its trust status. The trust company then bears the risk of having to individually assert its claims for compensation under the trust agreement against the respective fund investors. In 2020, the risk that existed to that extent was reduced further by the disposal of assets and the scaling back of loans. TVP has entered into an agreement with the fund companies' creditors for claims to be asserted primarily against the investors. However the insolvency administrator is not bound by these agreements in the event that insolvency proceedings are initiated against the assets of fund companies. Yet the insolvency administrator likewise accepts assignment of claims against the investors and does not take action directly against the trust company. In addition, these agreements are not in place for all fund companies and it is uncertain

whether the creditors of these fund companies will enter into a corresponding agreement with TVP.

#### **Financial risks**

##### Measurement risks from equity investments

The MPC Capital Group holds various equity investments in enterprises, companies and assets. As part of its comprehensive and regular risk management, the MPC Capital Group reviews the intrinsic value of these equity investments and/or assets and where necessary corrects their carrying amounts on the separate and/or consolidated balance sheet of MPC Capital AG. Corporate law regulations at other long-term investees and investors may also result in changes to carrying amounts with a negative effect on the Group.

##### Liquidity risk

Liquidity risk monitoring is managed centrally in the MPC Capital Group. To ensure solvency, sufficient liquidity reserves are maintained so that payment obligations can be satisfied throughout the Group as they mature.

The MPC Capital Group has appropriate liquidity. The liquidity available as at the balance sheet date of 31 December 2020 is reported in the notes to the consolidated financial statements, as are the Group's financial liabilities as at the reporting date and their maturity structure.

##### Interest rate risk

Risks from interest rate changes are rated as low for the MPC Capital Group. The company had not entered into any interest rate hedges as at the balance sheet date.

##### Risk of additional tax payments

It cannot be ruled out that the assessment reached by the tax authorities as part of future tax audits or based on a change in the administration of justice by the supreme court may differ from that reached by the MPC Capital Group or alter previous measurements, and that they may claim additional tax payments in respect of past assessment periods. The same applies to future assessment periods. The risk of additional tax payments is likewise associated

with a not inconsiderable interest rate risk, since late additional tax payments in Germany fundamentally attract interest at 6.0 % p.a.

#### Currency risks

The MPC Capital Group is exposed to currency risks through its international business activities. These arise from changes in exchange rates between the corporate currency (EUR) and other currencies.

The companies from the Shipping and Infrastructure asset units realise revenue in US dollars. Meanwhile expenditure is incurred largely in euros, so movements in the exchange rates can have a major impact on the result.

For 2021, no derivative financial instruments have yet been agreed for hedging US dollar revenues. Exchange rate developments are continuously analysed as part of Group Treasury's activities so that currency hedges can be taken out as required.

#### Risk of bad debt and loss of income

The MPC Capital Group's business activities also include financing and management services for fund companies and subsidiaries. The Group has built up receivables in connection with this. The MPC Capital Group regularly conducts impairment testing on all receivables. Write-downs are recognised in the accounts and reported under other operating expenses; they amounted to approximately EUR 1.9 million as at 31 December 2020 (31 December 2019: EUR 2.6 million).

It cannot be ruled out that the MPC Capital Group will have to write down receivables in future as well.

#### Contingent liabilities

Contingent liabilities in accordance with Section 251 HGB amounted to EUR 3.7 million as at 31 December 2020 (31 December 2019: EUR 6.0 million); these mainly comprised directly enforceable warranties and guarantees. There are currently no indications that contingent liabilities will crystallise. The Management Board of MPC Capital AG therefore classifies the economic risk as low.

If one or more contingent liabilities were to crystallise, contrary to the assessment made by the company's Management Board, this could have a clear impact on the financial position of the MPC Capital Group.

#### **Overall assessment of risk and opportunity situation**

The MPC Capital Group's overall risk and opportunity situation is the net result of the individual risks and opportunities presented above. The company has implemented an extensive risk management system to ensure that these risks are controlled. The risk situation of the MPC Capital Group has not changed materially since the previous year.

Based on the information available to us today, there are no risks that could present a threat to major Group companies or to the MPC Capital Group overall as going concerns.

#### **Key features of the internal control and risk management system in terms of the accounting process**

In terms of the accounting process, the risk management system is geared towards compliance with legal and industry standards, the correct recognition of items in the accounts and the appropriate assessment and consideration of accounting risks. Where the accounting process is concerned, therefore, the internal control and risk management system aims to ensure proper bookkeeping and accounting and guarantee the reliability of the financial reporting.

Ongoing monitoring takes place as part of an accounting-related internal control system (ICS), which is an integral part of the risk management system. The ICS contains legal and internal rules and procedures, as well as controls designed for prevention and detection.

The integrated safeguards are intended to prevent errors. Controls are designed to reduce the probability of errors occurring in workflows and to identify errors that may have occurred. In particular, these measures include the separation of functions, approval processes and the dual-control principle, IT controls, access restrictions and permissions concepts in the IT system. Qualified employees, the use of standard industry software

and clear internal standards and compliance with statutory provisions form the primary basis for a uniform and continuous accounting process within the MPC Capital Group. As the parent company of the MPC Capital Group, MPC

Capital AG is included in the accounting-related internal control system presented above. The above disclosures also apply in principle to the annual financial statements of MPC Capital AG.

## 6. Report on Expected Developments

The following forecasts contain assumptions that are not certain to materialise. If one or more assumptions fail to materialise, the actual events and developments may differ significantly from the forecasts presented.

### GENERAL ECONOMIC CONDITIONS

For 2021, market experts expect the economic conditions to improve. Thanks to the licensing of the first COVID-19 vaccines, clarity over Brexit and the stabilisation of the political landscape in the USA, the risks compared to 2020 have declined. A synchronous upturn in both industrial and emerging countries is therefore expected in 2021. Inflation, too, is likely to be slightly higher due to base effects. Because businesses continue to have only limited leeway to pass on price increases or utilise capacity to the full, inflation rates will probably rise only slightly. A likely continuation in central banks' low-interest policy and investors' high levels of liquidity should lend further momentum to the shift from fixed-income investments to shares and alternative investments such as real assets.

In its winter forecast published on 17 December 2020 the Kiel Institute for the World Economy (IfW) anticipates that global economic growth will rise vigorously by 6.1 % in 2021, after a slump of 3.8 % in 2020. In 2022 too, it forecasts a rise in global economic activity of 4.1 % that is stronger than the medium-term trend, albeit with output in the

longer term staying well below the level that was expected prior to the coronavirus crisis. The IfW adheres to its view that no change in the Federal Reserve and European Central Bank policies on interest rates is on the cards.

The outbreak of the COVID-19 pandemic prompted investors worldwide to reassess their portfolios and rethink investment strategies. According to a study by the British asset manager Aviva Investors, global institutional investors view real asset sectors as more attractive than fixed-income securities, shares or commodities. Investors have a particular preference for investments in infrastructure and renewable energies. The picture for the real estate sector is more differentiated: while logistics and ESG-based real estate are in demand, office properties are falling out of favour with investors because of the more common practice of working from home. In its 2021 Global Real Assets Outlook, the US asset manager BlackRock also concludes that real asset sectors such as industrial and logistics properties, ESG-based residential properties, renewable energies and alternative drive technologies such as LNG are enjoying increasing demand among international institutional investors.

### ANTICIPATED BUSINESS PERFORMANCE

In the past year the MPC Capital Group worked hard to reorganise the structure of the Group and sharpen its profile as an investment manager and co-investor. To bolster service



business and achieve the greater independence needed to enjoy broad market appeal, the relevant companies of the MPC Capital Group have been extensively organised in joint venture structures with strong partners. The proportionate consolidation of the joint venture companies on the one hand means, that the revenue figure in particular is markedly lower compared with the previous year. On the other hand the synergies unlocked and the costs saved bring improved profitability.

The forecast is dependent on the further course of the COVID-19 pandemic. A marked rise in cases and possibly even a resurgence in the form of further waves or possible virus mutations could once again lead to drastic political action with unclear and incalculable consequences for the economy.

**Real Estate:** In the Netherlands the MPC Capital Group is in an excellent position to expand especially the Real Estate unit and maintain a high transaction rate. In launching the ESG Core Wohnimmobilien Deutschland fund, the foundations have been laid for successfully expanding activities in the German institutional market. The aim is to achieve a total investment volume of around EUR 300 million over the next few years and to invest it specifically in sustainable residential property projects in Germany.

In the **Shipping** area, 2020 saw the MPC Capital Group pave the way for further growth in technical management with the establishment of the Wilhelmshaven Ahrenkiel Ship Management joint venture. The marked recovery in freight and charter rates in the second half of 2020 continued at the start of 2021. It cannot yet be conclusively assessed how sustained this recovery is. However catch-up effects after lockdown and a recovering global economy point to a generally favourable climate. MPC Capital expects that transaction activity will also rebound in the Shipping area in 2021 because there is currently increased investor interest in alternative drive systems.

In the **Infrastructure** area, the MPC Capital Group will focus on the further expansion of its investment strategy in Central America and the Caribbean in 2021. Underpinned by the private placement of MPC Energy Solutions at the start of 2021, there are plans to onboard new projects in the region soon. The MPC Capital Group will also examine entry into new markets. Investment demand has continued to rise against a backdrop of pressure to achieve global climate targets.

For the **MPC Capital Group**, the setup of the service companies within joint venture structures, which are reported using proportionate consolidation, means a much lower level of revenue is expected. An improved cost basis, the unlocking of synergies and the focus on high-growth, profitable investment strategies should nevertheless produce a substantial year-on-year improvement in earnings before taxes (EBT). As a result of the lower revenue level coupled with higher EBT, a significant improvement in the EBT margin is expected.

A dynamic development in new business, additional transactions and acting on external market influences could impact revenue and earnings positively.

With a positive operating cash flow and a balanced relationship between new co-investments and capital returns from existing initiatives, liquidity is expected to stay at the level of the previous year. The equity ratio should remain above 70 %.

For the **Group parent MPC Capital AG**, the Management Board expects comparable income for the 2021 financial year along with a substantially reduced cost base, which should in turn lead to just positive EBT. That aside, the Management Board expects the level of liquidity and equity ratio to be comparable to the previous year.

Hamburg, 19 February 2021



Ulf Holländer  
(Vorsitzender)



Constantin Baack



Dr. Philipp Lauenstein



Dr. Karsten Markwardt



Dr. Ignace Van Meenen



ANNUAL REPORT

|→ 2020

# CONSOLIDATED FINANCIAL STATEMENTS



# Content

---

- 78 | → **1. Consolidated Balance Sheet**
- 81 | → **2. Consolidated Income Statement**
- 82 | → **3. Consolidated Statement of Changes in Equity**
- 84 | → **4. Consolidated Cash Flow Statement**
- 85 | → **5. Notes to the Consolidated Financial Statements**

## 1. Consolidated Balance Sheet

Assets	31/12/2020 EUR '000	31/12/2019 EUR '000
<b>A. Fixed assets</b>	<b>72,126</b>	<b>81,808</b>
<b>I. Intangible assets</b>	<b>4,069</b>	<b>6,460</b>
1. Purchased concessions, industrial rights and software	86	38
2. Goodwill	3,983	6,422
<b>II. Tangible assets</b>	<b>894</b>	<b>713</b>
1. Land, land rights and buildings, including buildings on third-party land	699	263
2. Other fixtures and fittings, operating and office equipment	195	451
<b>III. Financial assets</b>	<b>67,162</b>	<b>74,635</b>
1. Shares in affiliated companies	613	862
2. Equity investments	39,276	44,983
3. Investment securities	6,017	0
4. Other loans	21,257	28,790
<b>B. Current assets</b>	<b>54,261</b>	<b>57,720</b>
<b>I. Receivables and other assets</b>	<b>29,511</b>	<b>37,080</b>
1. Trade receivables	4,069	6,990
2. Receivables from other long-term investees and investors	7,782	9,505
3. Other assets	17,658	20,585
<b>II. Cash in hand and bank balances</b>	<b>24,750</b>	<b>20,640</b>
<b>C. Prepaid expenses</b>	<b>211</b>	<b>94</b>
<b>Total assets</b>	<b>126,598</b>	<b>139,623</b>

Note: Rounding differences may occur.

Equity and liabilities	31/12/2020 EUR '000	31/12/2019 EUR '000
<b>A. Equity</b>	<b>96,268</b>	<b>98,968</b>
I. Subscribed capital	33,471	33,471
II. Additional paid-in capital	54,092	54,222
III. Other retained earnings	10,804	10,804
IV. Net accumulated losses	-9,045	-8,190
V. Difference in equity from currency translation	16	166
VI. Minority interest	6,931	8,495
<b>B. Provisions</b>	<b>18,445</b>	<b>19,193</b>
1. Provisions for taxes	3,985	4,625
2. Other provisions	14,460	14,568
<b>C. Liabilities</b>	<b>11,584</b>	<b>21,370</b>
1. Liabilities to banks	1,253	1,954
2. Trade payables	828	874
3. Liabilities to other long-term investees and investors	1,002	1,618
4. Other liabilities	8,500	16,924
<b>D. Deferred income</b>	<b>301</b>	<b>92</b>
<b>Total equity and liabilities</b>	<b>126,598</b>	<b>139,623</b>

Note: Rounding differences may occur





## 2. Consolidated Income Statement

from 1 January to 31 December 2020

	2020 EUR '000	2019 EUR '000
1. Revenue	50,489	46,846
2. Other operating income	9,905	9,730
3. Cost of materials: cost of purchased services	-4,515	-2,207
4. Personnel expenses	-26,332	-28,838
Wages and salaries	-23,187	-25,491
Social security, post-employment and other employee benefit costs	-3,145	-3,347
5. Amortisation of intangible fixed assets and depreciation of tangible assets	-2,339	-2,238
6. Other operating expenses	-25,690	-27,111
<b>7. Operating result</b>	<b>1,518</b>	<b>-3,818</b>
8. Income from equity investments	2,789	7,020
9. Other interest and similar income	1,830	2,412
10. Write-downs on financial assets	-1,575	-1,431
11. Interest and similar expenses	-201	-862
12. Result of associates carried at equity	-3,097	-2,471
<b>13. Earnings before tax</b>	<b>1,263</b>	<b>850</b>
14. Taxes on income	-1,374	-1,109
<b>15. Result after tax</b>	<b>-111</b>	<b>-259</b>
16. Other taxes	-36	-65
<b>17. Consolidated net loss</b>	<b>-147</b>	<b>-323</b>
18. Minority interest	-706	-1,893
19. Changes in consolidation	-2	-1
20. Loss carryforward	-8,190	-5,972
<b>21. Net accumulated losses</b>	<b>-9,045</b>	<b>-8,190</b>

Note: Rounding differences may occur.

### 3. Consolidated Statement of Changes in Equity

#### Capital and reserves attributable to the shareholders of the parent company

	Share capital EUR '000	Additional paid-in capital EUR '000	Other retained earnings EUR '000	Net retained result EUR '000
<b>As at 1 January 2020</b>	<b>33,471</b>	<b>54,222</b>	<b>10,804</b>	<b>-8,190</b>
Gradual acquisition of shares	0	-130	0	0
Capital increase	0	0	0	0
Capital reduction	0	0	0	0
Profit distributions	0	0	0	0
Changes in consolidation	0	0	0	-2
Consolidated earnings	0	0	0	-854
Currency translation differences	0	0	0	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-854</b>
<b>As at 31 December 2020</b>	<b>33,471</b>	<b>54,092</b>	<b>10,804</b>	<b>-9,045</b>

Note: Rounding differences may occur.

#### Capital and reserves attributable to the shareholders of the parent company

	Share capital EUR '000	Additional paid-in capital EUR '000	Other retained earnings EUR '000	Net retained result EUR '000
<b>As at 1 January 2019</b>	<b>33,471</b>	<b>54,993</b>	<b>10,803</b>	<b>-5,972</b>
Gradual acquisition of shares	0	-771	0	0
Capital increase	0	0	0	0
Capital reduction	0	0	0	0
Profit distributions	0	0	0	0
Changes in consolidation	0	0	1	-1
Consolidated earnings	0	0	0	-2,216
Currency translation differences	0	0	0	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,216</b>
<b>As at 31 December 2019</b>	<b>33,471</b>	<b>54,222</b>	<b>10,804</b>	<b>-8,190</b>

Note: Rounding differences may occur.

Minority interest

Difference in equity from currency translation EUR '000	Equity EUR '000	Share capital EUR '000	Additional paid-in capital EUR '000	Net retained result EUR '000	Equity EUR '000	Consolidated equity EUR '000
<b>166</b>	<b>90,473</b>	<b>2,563</b>	<b>3,492</b>	<b>2,439</b>	<b>8,495</b>	<b>98,968</b>
0	-130	-167	0	0	-167	-297
0	0	0	0	0	0	0
0	0	-72	0	0	-72	-72
0	0	0	0	-1,647	-1,647	-1,647
0	-2	-291	0	-93	-384	-386
0	-854	0	0	706	706	-148
-150	-150	0	0	0	0	-150
<b>-150</b>	<b>-1,004</b>	<b>0</b>	<b>0</b>	<b>706</b>	<b>706</b>	<b>-298</b>
<b>16</b>	<b>89,337</b>	<b>2,033</b>	<b>3,492</b>	<b>1,405</b>	<b>6,931</b>	<b>96,268</b>

Minority interest

Difference in equity from currency translation EUR '000	Equity EUR '000	Share capital EUR '000	Additional paid-in capital EUR '000	Net retained result EUR '000	Equity EUR '000	Consolidated equity EUR '000
<b>91</b>	<b>93,386</b>	<b>1,699</b>	<b>16,321</b>	<b>1,062</b>	<b>19,082</b>	<b>112,467</b>
0	-771	0	0	0	0	-771
0	0	5	809	0	814	814
0	0	-620	-2,906	0	-3,526	-3,526
0	0	0	0	-648	-648	-648
0	0	1,479	-10,732	132	-9,121	-9,121
0	-2,216	0	0	1,893	1,893	-323
75	75	0	0	0	0	75
<b>75</b>	<b>-2,142</b>	<b>0</b>	<b>0</b>	<b>1,893</b>	<b>1,893</b>	<b>-249</b>
<b>166</b>	<b>90,473</b>	<b>2,563</b>	<b>3,492</b>	<b>2,439</b>	<b>8,495</b>	<b>98,968</b>

## 4.

### Consolidated Cash Flow Statement

from 1 January to 31 December 2020

	2020 EUR '000	2019 EUR '000
<b>Cash flow from operating activities</b>	<b>3,262</b>	<b>3,038</b>
Consolidated net loss	-147	-323
Amortisation of intangible assets and depreciation of tangible assets	2,339	2,238
Write-downs on financial assets	1,575	1,431
Result of associates carried at equity, where non-cash	3,097	2,471
Loss on the disposal of intangible and tangible assets	134	16
Gain from the disposal of financial assets	-3,497	-3,768
Changes in inventories, trade receivables and other assets not allocable to investing or financing activities	-2,621	-2,955
Changes in trade payables and other liabilities not allocable to investing or financing activities	-3,255	3,385
Changes in other provisions	-107	322
Proceeds from dividends	2,788	3,737
Income tax expense	1,374	1,109
Income taxes received / paid	104	-2,603
Interest expenses and interest income	1,629	-2,022
Other non-cash expenses and income	-151	0
<b>Cash flow from investing activities</b>	<b>10,985</b>	<b>-9,519</b>
Payments for investments in intangible and tangible assets	-1,907	-2,980
Payments for investments in financial assets	-10,110	-32,787
Payments for the acquisition of shares in consolidated companies (successive acquisition)	0	-771
Proceeds from the disposal of intangible and tangible assets	858	10
Proceeds from decreasing shares in consolidated companies	2,700	0
Proceeds from the disposal of financial assets	17,497	22,276
Interest received	1,476	2,403
Proceeds from dividends	471	2,330
<b>Cash flow from financing activities</b>	<b>-8,495</b>	<b>-1,895</b>
Proceeds of new borrowings	445	3,346
Repayments of borrowings	-5,768	-1,323
Interest paid	-1,544	-381
Dividends paid to other shareholders	0	-646
Proceeds from other shareholders	0	1,823
Payments to other shareholders	-1,628	-4,714
<b>Changes in cash and cash equivalents</b>	<b>5,752</b>	<b>-8,376</b>
Cash and cash equivalents at the start of the period	20,640	28,578
Effects of changes in consolidation	-1,642	438
<b>Cash and cash equivalents at the end of the period</b>	<b>24,750</b>	<b>20,640</b>

Note: Rounding differences may occur.

Cash and cash equivalents corresponds to the balance sheet item "Cash in hand and bank balances".

Cash inflows that, in accordance with their economic character, result from cash inflows from non-current assets held in the course of operating activities (proceeds from disposals and dividends) are included in operating cash flow in the cash flow statement.

The cash and cash equivalents from the joint ventures using proportionate consolidation amount to EUR 3.2 million.

---

## 5.

### Notes to the Consolidated Financial Statements

of MPC Münchmeyer Petersen Capital AG, Hamburg, as at 31 December 2020

#### 1. BASIC INFORMATION

The MPC Münchmeyer Petersen Capital Group (“MPC Capital”, “MPC Capital Group”) is an independent asset and investment manager for real asset investments. MPC Münchmeyer Petersen Capital AG (“MPC Capital AG”) is the Group parent. Together with its subsidiaries, MPC Capital AG develops and manages real asset investments and investment products for international institutional investors, family offices and professional investors. The financial year of MPC Capital AG and of its included subsidiaries corresponds to the calendar year.

MPC Münchmeyer Petersen Capital AG (“MPC Capital AG”) is entered in the Commercial Register of the Hamburg District Court, Department B, under 72691 and its shares are listed in the “Scale” segment of Deutsche Börse AG. The company’s registered office is Hamburg, Germany.

#### 2. SUMMARY OF KEY ACCOUNTING POLICIES

The key accounting policies applied in the preparation of these consolidated financial statements are presented below. Unless stated otherwise, the policies described were applied consistently in the reporting periods presented.

##### 2.1 PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

MPC Capital AG has prepared its consolidated financial statements for the 2020 financial year in accordance with German commercial law and the additional requirements of the German Stock Corporation Act (AktG). The consolidated financial statements were prepared on the assumption of business continuation.

The consolidated financial statements comprise the balance sheet, income statement, cash flow statement, notes and statement of changes in equity.

To enhance the clarity of presentation, various items have been grouped together in the consolidated balance sheet and consolidated income statement, and correspondingly shown separately and annotated in the notes. In addition, the additional disclosures required for individual items have been carried over into the notes. The income statement has been prepared according to the nature of expense method.

The financial statements of the companies included in the consolidated financial statements were prepared using uniform accounting principles. The accounting policies of subsidiaries were amended as necessary to ensure uniform Group accounting. The realisation and imparity principle was observed.

The management report of the MPC Capital Group was combined with the management report of MPC Capital AG in application of Section 315 (5) HGB in conjunction with Section 298 (2) HGB.

The consolidated financial statements have been prepared in euros. Unless stated otherwise, all amounts are shown in thousand euros (EUR thousand, EUR '000). Commercial practice was followed in the rounding of individual items and percentages. As a result, minor rounding differences may occur.

These consolidated financial statements were approved by the Management Board and released for publication on 19 February 2021.

## 2.2 PRINCIPLES AND METHODS OF CONSOLIDATION

### 2.2.1 Consolidation

All domestic and international companies in which the MPC Capital Group can directly or indirectly influence financial and operating policy are included in the consolidated financial statements.

**Subsidiaries:** Subsidiaries are all companies (including special purpose entities) where MPC Capital AG can exercise a controlling influence over financial and operating policy (control). This is usually accompanied by a share in the voting rights of more than 50 %. Subsidiaries are included in the consolidated financial statements (fully consolidated) from the date at which MPC Capital AG assumes control. They are deconsolidated at the date on which control ends.

Companies founded by MPC Capital AG or acquired from third parties are included in the consolidated financial statements as at the acquisition date in line with the purchase method in accordance with Section 301 HGB. Under the remeasurement method applied, the acquisition cost of the shares acquired is offset against the applicable share of the assets, liabilities, prepaid expenses, deferred income and special reserves of the subsidiary measured at fair value as at the acquisition date. Any positive difference resulting from this, if deemed sound, is capitalised as derivative goodwill. Negative goodwill arising on consolidation as at the acquisition date is reported under equity as a difference arising on consolidation.

The subsidiaries previously not included in the consolidated financial statements in accordance with Section 296 HGB are reported at fair value at the time of first-time inclusion.

If further shares in a subsidiary are acquired or sold after control has been achieved (increase or decrease in interest) without the status of subsidiary being lost, this is presented as a capital process.

**Special purpose entities (SPE):** An SPE is a company formed for a clearly defined and limited purpose. If the MPC Capital Group bears the majority of the risks and rewards of its companies formed for limited and narrowly defined purposes, these companies are fully consolidated in accordance with Section 290 (2) No. 4 HGB.

**Minority interests:** In accordance with Section 307 HGB, an adjustment item is recognised in equity for shares in a subsidiary included in the consolidated financial statements held by a third-party shareholder in the amount of the pro rata equity. This item is updated in subsequent periods.

**Associates:** Associates are those companies over which MPC Capital AG exercises significant influence but does not control, usually entailing a share of voting rights of between 20 % and 50 %. Investments in associates are accounted for using the

equity method in accordance with Section 312 HGB and recognised at amortised cost. The MPC Capital Group's investments in associates include the goodwill arising on acquisition (after taking into account accumulated impairment).

The MPC Capital Group's share in the profits and losses of associates is recognised in profit or loss from the date of acquisition. If the MPC Capital Group's share of the loss in an associate is equal to or exceeds the MPC Capital Group's share in that company, the MPC Capital Group does not recognise any further losses unless it has entered into commitments for or made payments on behalf of the associate.

The key accounting policies of associates are amended if necessary to ensure standardised accounting throughout the Group. Dilution gains and losses resulting from investments in associates are recognised in profit or loss.

**Joint venture:** A joint venture is a contractual agreement under which two or more partners pursue an economic activity under common control. HGB provides an option regarding inclusion in the consolidated financial statements: inclusion using either proportionate consolidation or the equity method.

MPC Capital recognises joint ventures using proportionate consolidation.

## 2.2.2 Consolidated companies

In addition to MPC Capital AG, 146 (previous year: 155) German and 21 (previous year: 30) international subsidiaries are included in consolidation.

The following table shows all fully consolidated companies in accordance with Section 313 (2) No. 1 sentence 1 HGB:

Name of company	Shareholding
Administración Solarpark Campanet S.L., Campanet / Spanien	100.00%
Ahrenkiel Tankers GmbH & Co. KG, Hamburg	80.00% <sup>1)</sup>
Anteil Austria an der Verwaltung „Michelangelo Star“ Schiffahrtsgesellschaft mbH, Hamburg	100.00%
Anteil Austria an der Verwaltung „Miro Star“ Schiffahrtsgesellschaft mbH, Hamburg	100.00%
AVB Ahrenkiel Vogemann Bolten GmbH & Co. KG, Hamburg	50.10% <sup>1)</sup>
AVB Verwaltungs GmbH, Hamburg	100.00%
Beteiligungsverwaltungsgesellschaft MPC Solarpark mbH, Hamburg	100.00%
Cairn KS Management Services Real Estate B.V., Amsterdam/ Niederlande	100.00%
Cairn Real Estate B.V., Amsterdam / Niederlande	100.00%
CPM Anlagen Vertriebs GmbH i.L., Wien / Österreich	100.00%
Deepsea Oil Explorer Plus GmbH & Co. KG, Hamburg	100.00% <sup>1)</sup>
Duisburg Invest Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00% <sup>2)</sup>
Dutch REAM B.V., Amsterdam / Niederlande	100.00%
ELG Erste Liquidationsmanagement GmbH, Hamburg	100.00%
EREC Investment Holding Verwaltungs GmbH i.L., Hamburg	100.00%
EREC Investment Verwaltungs GmbH i.L., Hamburg	100.00%

HCRE Beheerder B.V., Amsterdam / Niederlande	100.00%
HLD Vermögensverwaltungsgesellschaft UG (haftungsbeschränkt), Hamburg	100.00%
IAK Fonds Management GmbH, Hamburg	100.00%
Immobilienmanagement MPC Student Housing Venture GmbH, Quickborn	100.00%
Immobilienmanagement Sachwert Rendite-Fonds GmbH, Hamburg	100.00%
ITC Invest B.V., Amsterdam / Niederlande	71.54%
Management Sachwert Rendite-Fonds Immobilien GmbH, Hamburg	100.00%
Managementgesellschaft MPC Bioenergie mbH, Hamburg	100.00%
Managementgesellschaft MPC Global Maritime Opportunity Private Placement mbH, Hamburg	100.00%
Managementgesellschaft MPC Solarpark mbH, Hamburg	100.00%
Managementgesellschaft Oil Rig Plus mbH, Hamburg	100.00%
Managementgesellschaft Sachwert Rendite-Fonds Indien mbH, Hamburg	100.00%
MPC Achte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00%
MPC Achte Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00%
MPC Best Select Company Plan Managementgesellschaft mbH, Quickborn	100.00%
MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00% <sup>1)</sup>
MPC Capital Investments GmbH, Hamburg	100.00%
MPC CCEF Participation GmbH, Hamburg	100.00%
MPC Dritte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00%
MPC Elfte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00%
MPC Erste Vermögensverwaltungsgesellschaft mbH, Quickborn	100.00%
MPC Fünfte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00%
MPC Industrial Projects GmbH, Hamburg	100.00%
MPC Infrastructure Holding GmbH, Hamburg	100.00%
MPC Investment Partners GmbH, Hamburg	100.00%
MPC Investment Services GmbH, Hamburg	100.00% <sup>1)</sup>
MPC Lux Investments SARL, Luxemburg	100.00%
MPC Maritime Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00% <sup>1)</sup>
MPC Maritime Beteiligungsverwaltungsgesellschaft mbH, Hamburg	100.00%
MPC Maritime Holding GmbH, Hamburg	100.00% <sup>1)</sup>
MPC Maritime Investments GmbH, Hamburg	100.00%
MPC Maritime PTE Ltd., Singapore	100.00%
MPC Micro Living Development GmbH, Hamburg	100.00%
MPC Multi Asset Verwaltungsgesellschaft mbH, Hamburg	100.00%
MPC Münchmeyer Petersen Real Estate Consulting GmbH, Hamburg	100.00%
MPC Neunte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00%
MPC Real Estate Holding GmbH, Hamburg	100.00%
MPC Real Estate Solutions GmbH, Hamburg	100.00%
MPC Real Value Fund Verwaltungsgesellschaft mbH, Quickborn	100.00%
MPC Renewable Energies GmbH, Hamburg	100.00%
MPC Renewable Panama S.A., Panama	100.00%



MPC Schiffsbeteiligung Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Niebüll	100.00%
MPC Sechste Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00%
MPC Siebte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00%
MPC Student Housing Beteiligungs UG & Co. KG, Quickborn	100.00%
MPC Venture Invest AG, Wien / Österreich	100.00%
MPC Vierte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00%
MPC Zehnte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00%
MPC Zweite Holland Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00%
MPC Zweite Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00%
MS STADT RAVENSBURG ERSTE T + H Verwaltungs GmbH, Hamburg	100.00%
MSV Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00%
Overhoeks 7 B.V., Amsterdam / Niederlande	100.00% <sup>2)</sup>
Panda Invest GmbH, Hamburg	100.00%
Palmaille Ship Invest GmbH, Hamburg	30.99% <sup>3)</sup>
PB BS GMO Verwaltungs GmbH, Hamburg	100.00%
PBH Maritime Verwaltungsgesellschaft mbH, Hamburg	100.00%
Real Estate Growth Fund Management B.V., Amsterdam / Niederlande	100.00%
Real Estate Management B.V., Amsterdam / Niederlande	100.00%
RES Inside B.V., Amsterdam / Niederlande	71.50%
RES Maxis B.V., Amsterdam / Niederlande	71.50%
RES Participations B.V., Amsterdam / Niederlande	100.00%
RES Retail B.V., Amsterdam / Niederlande	51.45%
RES Transit II B.V., Amsterdam / Niederlande	58.66%
Staytoo Micro Living Spain S.L., Barcelona / Spanien	100.00%
Sun Partners B.V., Amsterdam / Niederlande	100.00%
TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH & Co. KG, Hamburg	100.00% <sup>1)</sup>
Verwaltung Ahrenkiel Shipmanagement GmbH, Hamburg	100.00%
Verwaltung „Mahler Star“ Schiffahrtsgesellschaft mbH, Hamburg	100.00%
Verwaltung „Manet Star“ Schiffahrtsgesellschaft mbH, Hamburg	100.00%
Verwaltung „Mendelssohn Star“ Schiffahrtsgesellschaft mbH, Hamburg	100.00%
Verwaltung „Menotti Star“ Schiffahrtsgesellschaft mbH, Hamburg	100.00%
Verwaltung „Michelangelo Star“ Schiffahrtsgesellschaft mbH, Hamburg	100.00%
Verwaltung „Miro Star“ Schiffahrtsgesellschaft mbH, Hamburg	100.00%
Verwaltung „Monteverdi Star“ Schiffahrtsgesellschaft mbH, Hamburg	100.00%
Verwaltung „Rio Blackwater“ Schiffahrtsgesellschaft mbH, Hamburg	100.00%
Verwaltung „Rio Thompson“ Schiffahrtsgesellschaft mbH i.L., Hamburg	100.00%
Verwaltung „Rio Taku“ Schiffahrtsgesellschaft mbH i.L., Hamburg	100.00%
Verwaltung Achte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00%
Verwaltung Achtundsechzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung AIP Alternative Invest Private Equity GmbH, Hamburg	100.00%
Verwaltung Asien Opportunity Real Estate GmbH, Hamburg	100.00%

Verwaltung Beteiligungsgesellschaft Vorzugskapital Rio – Schiffe mbH, Hamburg	100.00%
Verwaltung Bluewater Investments GmbH, Hamburg	100.00%
Verwaltung Dreiundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung Dreiundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung Dritte MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	100.00%
Verwaltung Dritte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00%
Verwaltung Einundsiebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung Elfte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00%
Verwaltung Fünfte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00%
Verwaltung Fünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung MPC Bioenergie Brasilien GmbH, Hamburg	100.00%
Verwaltung MPC Capital Beteiligungsgesellschaft mbH, Hamburg	100.00%
Verwaltung MPC Global Maritime Opportunity Private Placement GmbH, Hamburg	100.00%
Verwaltung MPC Real Estate Opportunity Private Placement Amerika GmbH, Quickborn	100.00%
Verwaltung MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	100.00%
Verwaltung MPC Sachwert Rendite-Fonds Opportunity Asien GmbH, Hamburg	100.00%
Verwaltung MPC Solarpark GmbH, Hamburg	100.00%
Verwaltung MPC Student Housing Beteiligung UG, Quickborn	100.00%
Verwaltung MPC Student Housing Venture GmbH, Quickborn	100.00%
Verwaltung Neunte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00%
Verwaltung Neunundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung Neunundsechzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung Sachwert Rendite-Fonds Indien GmbH, Hamburg	100.00%
Verwaltung Sachwert Rendite-Fonds Japan GmbH, Quickborn	100.00%
Verwaltung Sachwert Rendite-Fonds Österreich GmbH, Hamburg	100.00%
Verwaltung Schifffahrtsgesellschaft MS „PEARL RIVER“ mbH i.L., Hamburg	100.00%
Verwaltung Schifffahrtsgesellschaft MS „YANGTZE RIVER“ mbH i.L., Hamburg	100.00%
Verwaltung Sechste Sachwert Rendite-Fonds Deutschland (Private Placement) GmbH, Hamburg	100.00%
Verwaltung Sechsunfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung Sechsunvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung SHV Management Participation GmbH, Quickborn	100.00%
Verwaltung Siebenundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung Siebenundsechzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung Siebenundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung Siebte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00%
Verwaltung Siebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung TVP Treuhand GmbH, Hamburg	100.00%
Verwaltung Vierundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung Vierundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung Wilhemsen Ahrenkiel GmbH, Hamburg (vormals: Verwaltung Ahrenkiel Steamship GmbH)	100.00%

Verwaltung Zehnte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00%
Verwaltung Zweite MPC Real Estate Opportunity Private Placement Amerika GmbH, Quickborn	100.00%
Verwaltung Zweite MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	100.00%
Verwaltung Zweite Reefer-Flottenfonds GmbH, Hamburg	100.00%
Verwaltung Zweite Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00%
Verwaltung Zweiundsiebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltungsgesellschaft Achte MPC Global Equity mbH, Hamburg	100.00%
Verwaltungsgesellschaft Deepsea Oil Explorer Protect GmbH, Hamburg	100.00%
Verwaltungsgesellschaft Dritte MPC Rendite-Fonds Britische Leben plus mbH, Hamburg	100.00%
Verwaltungsgesellschaft Duisburg Invest mbH, Hamburg	100.00% <sup>2)</sup>
Verwaltungsgesellschaft Elfte Private Equity GmbH, Hamburg	100.00%
First Fleet Philipp Beteiligungs GmbH, Delmenhorst (vormals Verwaltungsgesellschaft Jüngerhans-MPC mbH)	100.00%
Verwaltungsgesellschaft MPC Global Equity Step by Step II mbH, Hamburg	100.00%
Verwaltungsgesellschaft MPC Global Equity Step by Step III mbH, Hamburg	100.00%
Verwaltungsgesellschaft MPC Global Equity Step by Step IV mbH, Hamburg	100.00%
Verwaltungsgesellschaft MPC Global Equity Step by Step mbH, Hamburg	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Britische Leben plus II mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Britische Leben plus mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus IV mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus V mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus VI mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus VII mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial III mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial IV mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial V mbH, Quickborn	100.00%
Verwaltungsgesellschaft Neunte Global Equity mbH, Hamburg	100.00%
Verwaltungsgesellschaft Oil Rig Plus mbH, Hamburg	100.00%
Verwaltungsgesellschaft Siebte MPC Global Equity mbH, Hamburg	100.00%
Zweite MPC Best Select Company Plan Managementgesellschaft mbH, Quickborn	100.00%

<sup>1)</sup> These companies make use of the exemption provisions of Section 264 (3) and Section 264b of HGB.

<sup>2)</sup> Companies fully consolidated for the first time in the financial year.

<sup>3)</sup> Corporate-law agreements result in control over these companies.

In total, 23 (previous year: 29) German and 8 (previous year: 7) international subsidiaries were not included in the consolidated financial statements. These companies conduct no significant business operations, and even combined they are not material to the presentation of a true and fair view of the net assets, financial position and results of operations of the MPC Capital Group in accordance with Section 296 (2) HGB and are therefore recognised at acquisition cost.

The following table shows all non-consolidated companies in accordance with Section 313 (2) No. 1 sentence 2 HGB:

Name of company	Shareholding
1. Bluewater Holding GmbH i.L., Hamburg	100.00%
1. Bluewater OpCo Verwaltung GmbH i.L., Hamburg	100.00%
Asien Opportunity Real Estate GmbH & Co, KG, Hamburg	100.00%
CCEF (Barbados) Feeder Limited, Barbados	100.00%
CRA Cargo Rail Assets Verwaltungs GmbH, Hamburg	100.00%
Emerald Beteiligungsmanagement GmbH, Quickborn	100.00%
Emerald Verwaltungsgesellschaft mbH, Quickborn	100.00%
LP Investor GmbH, Hamburg	100.00%
Managementgesellschaft ESG Fischbek mbH (vormals: Palmaille 75 Achtundvierzigste Vermögensverwaltungsgesellschaft mbH), Hamburg	100.00%
MPC Bioenergia do Brasil Ltd., Porto Alegre / Brasilien	99.99%
MC Bodegraven Ontwikkel B.V., Niederlande	100.00%
MPC Caribbean Clean Energy Feeder Ltd., Trinidad and Tobago	100.00%
MPC Clean Energy Ltd., Cayman Islands	100.00% <sup>1)</sup>
MPC Energy Solutions N.V., Amsterdam / Niederlande	100.00% <sup>1)</sup>
MPC Multi Asset Schiff Verwaltungsgesellschaft mbH, Hamburg	100.00%
MPC Rail GmbH, Hamburg	100.00%
MPC Team Investment GP Ltd., Cayman Islands	100.00%
MPC Team Investment LP, Cayman Islands	100.00%
Palmaille 75 Achtundsiebzigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00%
Palmaille 75 Achtundsiebzigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00%
Palmaille 75 Sechundsiebzigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00%
Palmaille 75 Sechundsiebzigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00%
Palmaille 75 Siebenundsiebzigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00%
Palmaille 75 Siebenundsiebzigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00%
Palmaille 75 Vierundsiebzigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00%
Palmaille 75 Vierundsiebzigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00%
Verwaltung Beteiligungsgesellschaft Reefer-Flottenfonds mbH, Hamburg	100.00%
Verwaltung Reefer-Flottenfonds GmbH, Hamburg	100.00%
Verwaltungsgesellschaft ESG Fischbek mbH, Hamburg (vormals: Palmaille 75 Zweiundsiebzigste Vermögensverwaltungsgesellschaft mbH), Hamburg	100.00%
Talleur GmbH, Hamburg	50.10%
UOC Erste Abwicklungsgesellschaft mbH, Hamburg	100.00%

<sup>1)</sup> Subsidiaries held exclusively for resale.

**a) Associates**

The following companies are associates and are included in consolidation at equity in accordance with Section 312 HGB:

Name of company	Shareholding
Aurum Insurance Ltd., Isle of Man	50.00%
BB Amstel B.V., Amsterdam / Netherlands	41.49%
BBG Bulk Beteiligungs GmbH & Co. KG, Hamburg	35.00%
BHK Bionenergie Holding GmbH & Co. KG, Hamburg	20.00%
Bluewater Investments GmbH & Co. KG, Hamburg	42.86%
Breakwater Shipbrokers GmbH, Hamburg	40.00%
Data Invest B.V., Amsterdam / Netherlands	21.88%
Frame Offices B.V., Rotterdam / Netherlands	40.00%
Global Vision AG Private Equity Partners, in liquidation, Rosenheim	31.88%
MPC Bioenergie GmbH & Co. KG, Hamburg	46.67%
MPC Münchmeyer Petersen Steamship GmbH & Co. KG, Hamburg	25.10%
Parque Eólico Wakuaiipa S.A.S., Bogotá (formerly: MPC Renewable Colombia S.A.S., Bogotá)	100.00% <sup>1)</sup>
SHV Management Participation GmbH & Co. KG, Quickborn	51.25% <sup>1)</sup>
Waterway IT Solutions GmbH & Co. KG, Hamburg	30.04%
Wessels Marine GmbH, Hamburg	27.50%
Zweite MPC Bioenergie Brasilien GmbH & Co. KG, Hamburg	46.67%

<sup>1)</sup> 50 % of the shares are held exclusively for resale. (Consolidated using the equity method)

**b) Joint ventures**

The following companies are joint ventures and are included in consolidation proportionately in accordance with Section 310 HGB:

Name of company	Shareholding
Albis Shipping & Transport GmbH & Co. KG, Hamburg	50.00% <sup>2)</sup>
Harper Petersen Holding GmbH & Co. KG, Hamburg	60.00% <sup>1)</sup>
Wilhelmsen Ahrenkiel Steamship Management GmbH & Co. KG, Hamburg (formerly: Ahrenkiel Steamship GmbH & Co. KG, Hamburg)	50.00% <sup>2)</sup>

<sup>1)</sup> On the basis of agreements under company law, this company is under common control.

<sup>2)</sup> Companies consolidated proportionately for the first time in the financial year.

**2.2.3 Changes in consolidation****a) Additions**

The following companies were **fully consolidated** for the first time in the financial year:

- Duisburg Invest Beteiligungsgesellschaft mbH & Co. KG, Hamburg (shareholding: 100.0 percent)
- Overhoeks 7 B.V., Amsterdam / Netherlands (shareholding: 100.0 percent)
- Verwaltungsgesellschaft Duisburg Invest mbH, Hamburg (shareholding: 100.0 percent)

First-time consolidation had no material effect on the net assets, financial position and result of operations.

The following companies were consolidated proportionately for the first time in the financial year as part of the transition from full consolidation:

- Albis Shipping & Transport GmbH & Co. KG, Hamburg (shareholding: 50.0 percent)
- Wilhelmshen Ahrenkiel Steamship Management GmbH & Co. KG (formerly: Ahrenkiel Steamship GmbH & Co. KG, Hamburg) (shareholding: 50.0 percent)

#### **b) Disposals**

The following companies were deconsolidated in the financial year:

- Albis Shipping & Transport GmbH & Co. KG, Hamburg
- Wilhelmshen Ahrenkiel Steamship B.V., Amsterdam / Netherlands (formerly: Ahrenkiel Steamship B.V., Amsterdam)
- Wilhelmshen Ahrenkiel Steamship Management GmbH & Co. KG, Hamburg (formerly: Ahrenkiel Steamship GmbH & Co. KG, Hamburg)
- BMG Blue Marlin GmbH & Co. KG, Hamburg
- CoDe Invest B.V., Amsterdam / Netherlands
- Harper Petersen B.V. (formerly: Contchart B.V.), Amsterdam / Netherlands
- MIG Maritime Invest Managementgesellschaft mbH, in liquidation, Hamburg
- MIG Maritime Invest Verwaltungsgesellschaft mbH, in liquidation, Hamburg
- Mokum Invest C.V., Amsterdam / Netherlands
- Mokum Invest B.V., Amsterdam / Netherlands
- MPC Erste Vermögensstrukturfonds Verwaltungsgesellschaft mbH, in liquidation, Hamburg
- MPC Synergy Real Estate AG, Jona / Switzerland
- RES Fund Management B.V., Amsterdam / Netherlands
- RES GF Fund Management B.V., Amsterdam / Netherlands
- RES Transit B.V., Amsterdam / Netherlands
- TVP Trustmaatschappij B.V., Amsterdam / Netherlands
- Verwaltung Achte Sachwert Rendite-Fonds Holland GmbH, in liquidation, Hamburg
- Verwaltung BMG Blue Marlin GmbH, Hamburg
- Verwaltung Fünfte Sachwert Rendite-Fonds Holland GmbH, in liquidation, Hamburg
- Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus III mbH, in liquidation, Quickborn
- Verwaltung Sachwert Rendite-Fonds Indien 2 GmbH, in liquidation, Hamburg

The following changes arose within the consolidated financial statements as a result of deconsolidation:

#### a) Changes within the consolidated balance sheet

	EUR million
A. Fixed assets	-1.0
B. Current assets	-3.3
C. Prepaid expenses	0
D. Provisions	-0.8
E. Liabilities	-1.8
F. Deferred income	0

#### b) Changes within the consolidated income statement

	EUR million
Revenue	-2.9
Other operating income	-0.2
Cost of purchased materials	1.0
Gross profit	-2.1
Personnel expenses	1.5
Other operating expenses	0.6
Financial result	0.1
<b>Earnings before tax</b>	<b>0.1</b>
Taxes on income	0.4
<b>Result after tax / consolidated earnings</b>	<b>0.5</b>

#### 2.2.4 Consolidation of intragroup balances, consolidation of income and expenses, elimination of intragroup profits

Receivables and liabilities, revenues, expenses and income are eliminated within the consolidated group. This also includes contingent liabilities and other financial obligations within the consolidated group.

There were no material intragroup profits between the companies included in consolidation.

## 2.3 CURRENCY TRANSLATION

### a) Transactions

Transactions in foreign currencies are translated into the reporting currency at the exchange rate on the date of the transaction.

Foreign currency receivables and liabilities with a remaining term of less than one year are measured using the respective middle spot rate on the balance sheet date in accordance with Section 256a HGB. The resulting translation differences are recognised as other operating income or other operating expenses in the reporting period. All foreign currency receivables and liabilities with a remaining term of more than one year are fundamentally translated in compliance with the realisation principle (Section 252 (1) No. 4, second half of sentence, HGB) and the historical cost convention (Section 253 (1) HGB).

### b) Group companies

The modified closing rate method is used in accordance with Section 308a HGB to translate the financial statements of subsidiaries whose reporting currency differs from the euro. Asset and liability items are translated using the respective middle spot rate on the balance sheet date, and expense and income items using the average rate. Items of equity are translated using the historic rates that applied on first-time inclusion in consolidation. Accounting currency translation differences are recognised directly in equity under reserves as "Difference in equity from currency translation" until the foreign operation is sold.

The same principles are used to translate the financial statements of international subsidiaries measured using the equity method as for subsidiaries included in consolidation.

### c) Exchange rates

Exchange rates for the currencies significant to the MPC Capital Group:

	Reporting date rate		Annual average rate	
	31/12/2020 per EUR	31/12/2019 per EUR	2020 per EUR	2019 per EUR
British pound sterling	0.8990	0.8508	0.8897	0.8778
Brazilian real	6.3735	4.5157	5.8943	4.4134
Canadian dollar	1.5633	1.4598	1.5300	1.4855
Colombian peso	4.212.0210	3.681.5390	4.216.5880	3.675.6710
Norwegian krone	10.4924	9.8638	10.7228	9.8511
Swiss franc	1.0802	1.0854	1.0705	1.1124
Singapore dollar	1.6218	1.5111	1.5742	1.5273
US dollar	1.2271	1.1234	1.1422	1.1195

These are the interbank rates as at 31 December 2020 and 31 December 2019.



## 2.4 INTANGIBLE ASSETS

Acquired intangible assets with a temporally limited useful life are recognised at cost. They are amortised in line with their respective useful lives. With the exception of goodwill, amortisation is recognised on a straight-line basis over a period of three to five years. Impairment losses are recognised by way of write-downs. If the reasons for write-downs no longer apply, they are reversed up to a maximum of amortised cost for the intangible assets in question, with the exception of goodwill.

Goodwill is the excess of the cost of company acquisitions over the fair value of the Group's interest in the net assets of the company acquired as at the date of acquisition. In accordance with Section 314 (1) No. 20 HGB, goodwill arising from company acquisitions is amortised annually in line with the expected useful life. The goodwill identified is amortised on a scheduled straight-line basis over its period of use of seven years because it is expected to be recouped over that period. If there are indications of expected permanent impairment, write-downs are recognised in accordance with Section 309 (1) in conjunction with Section 253 (3) sentence 5 HGB. Reversals of write-downs are prohibited under Section 309 (1) in conjunction with Section 253 (5) sentence 2 HGB.

## 2.5 TANGIBLE ASSETS

Leasehold improvements as well as operating and office equipment are reported at cost less accumulated depreciation and any write-downs. Depreciation is usually recognised by the straight-line method over the anticipated, normal useful life of the asset. The anticipated, normal useful life is three to ten years.

Leasehold improvements in rented premises are depreciated on a straight-line basis over the shorter of the tenancy or anticipated useful life of the leasehold improvements, usually three to 15 years.

Depreciation of operating and office equipment as well as of leasehold improvements is reported under depreciation and amortisation expense. Costs for maintenance and repairs are expensed as incurred. Gains or losses from disposals are recognised under other operating income or other operating expenses.

## 2.6 FINANCIAL ASSETS

Financial assets are non-depreciable. Write-downs are recognised if there are indications of impairment that is likely to be lasting.

## 2.7 RECEIVABLES AND OTHER ASSETS

Receivables and other assets are measured at nominal amount, possibly less impairment for specific risks.

Impairment losses are recognised on receivables for specific risks if there is objective evidence that the amounts due by a debtor are not fully recoverable. Considerable financial difficulties or an increased likelihood that a debtor will enter insolvency or other restructuring proceedings are regarded as indicators of impairment. Conversely, if the probability of a bad debt is considered to be low, a receivable that is already impaired is written up again. Impairment losses and write-ups on receivables are recognised in other operating expenses or income.

## 2.8 BANK BALANCES AND CASH IN HAND

Bank balances and cash in hand are carried at nominal amount.

## 2.9 PREPAID EXPENSES AND DEFERRED INCOME

Prepaid expenses and deferred income are recognised for expenses and income in each case before the balance sheet date that represent expenses and income for the period after the balance sheet date.

## 2.10 PROVISIONS

Provisions take into account all identifiable risks and uncertain obligations at the time of preparation of the financial statements, as well as expected losses from pending transactions relating to the past financial year.

They are measured at the settlement amount determined in line with reasonable commercial judgement in accordance with Section 253 (1) sentence 2 HGB, taking account of expected price and cost increases.

Long-term provisions with a remaining term of over one year are discounted in accordance with Section 253 (2) sentence 1 HGB using the average market interest rate for the last seven financial years appropriate to their remaining term. Increases in the amounts of provisions resulting from interest are recognised in profit and loss under net interest income.

The provisions for expected losses which may arise in connection with the measurement of derivative financial instruments are determined according to the closing-out method.

## 2.11 LIABILITIES

Liabilities are carried at settlement amount in accordance with Section 253 (1) sentence 2 HGB.

## 2.12 CURRENT AND DEFERRED TAXES

Deferred tax expense or income is reported for temporary differences between the figures reported in the tax accounts and the figures reported in the HGB consolidated financial statements as well as for tax loss carryforwards. Deferred tax assets are reported if it is likely that there will be taxable income against which the deductible temporary difference can be used. Deferred tax liabilities, which arise as a result of temporary differences in connection with investments in subsidiaries and associates, are reported unless the date of the reversal of the temporary differences can be determined by the MPC Capital Group and it is likely that the temporary differences will not reverse on the basis of this influence for the foreseeable future. Deferred taxes are measured using the tax rates and tax legislation applicable on the balance sheet date or which have in essence been legally adopted and are expected to apply on the date the deferred tax assets are realised or the deferred tax liability is settled. The option to capitalise according to Section 274 HGB for the asset surplus of primary deferred taxes was not exercised. Deferred tax assets and liabilities resulting from the consolidation of capital are reported offset. A tax rate of 32.28 % is used as the basis.



## 3. NOTES TO THE CONSOLIDATED BALANCE SHEET

## 3.1 DEVELOPMENT OF FIXED ASSETS

	Costs					As at 31/12/2020 EUR '000
	As at 01/01/2020	Additions	Disposals	Change in consolidation	Currency translation	
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	
<b>I. Intangible assets</b>						
1. Purchased concessions, industrial rights and software	1,638	115	0	-13	-4	1,736
2. Goodwill	29,904	231	726	0	0	29,410
	<b>31,542</b>	<b>347</b>	<b>726</b>	<b>-13</b>	<b>-4</b>	<b>31,146</b>
<b>II. Tangible assets</b>						
1. Land, land rights and buildings, including buildings on third-party land	1,412	595	0	0	0	2,007
2. Other fixtures and fittings, operating and office equipment	3,367	106	756	-134	-3	2,581
	<b>4,779</b>	<b>701</b>	<b>756</b>	<b>-134</b>	<b>-3</b>	<b>4,588</b>
<b>III. Financial assets</b>						
1. Shares in affiliated companies	4,830	397	634	0	0	4,592
2. Equity investments	62,298	2,317	6,726	-1,084	0	56,804
3. Investment securities	0	6,017	0	0	0	6,017
4. Other loans	36,256	3,556	11,616	0	0	28,196
	<b>103,384</b>	<b>12,287</b>	<b>18,976</b>	<b>-1,084</b>	<b>0</b>	<b>95,609</b>
<b>Fixed assets</b>	<b>139,705</b>	<b>13,335</b>	<b>20,458</b>	<b>-1,231</b>	<b>-7</b>	<b>131,343</b>

Note: Rounding differences may occur.

Depreciation and amortisation						Carrying amount		
As at 01/01/2020	Additions	Disposals	Write-ups	Change in consolidation	Currency translation	As at 31/12/2020	As at 31/12/2020	As at 31/12/2019
EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
1,601	56	0	0	-6	0	1,650	86	38
23,482	1,945	0	0	0	0	25,427	3,983	6,422
<b>25,083</b>	<b>2,001</b>	<b>0</b>	<b>0</b>	<b>-6</b>	<b>0</b>	<b>27,077</b>	<b>4,069</b>	<b>6,460</b>
1,149	158	0	0	0	0	1,308	699	263
2,917	180	623	0	-84	-3	2,386	195	451
<b>4,066</b>	<b>338</b>	<b>623</b>	<b>0</b>	<b>-84</b>	<b>-3</b>	<b>3,693</b>	<b>894</b>	<b>713</b>
3,968	12	0	0	0	0	3,980	613	862
17,314	580	6	-186	-175	0	17,528	39,276	44,983
0	0	0	0	0	0	0	6,017	0
7,466	984	1,510	0	0	0	6,939	21,257	28,790
<b>28,748</b>	<b>1,575</b>	<b>1,516</b>	<b>-186</b>	<b>-175</b>	<b>0</b>	<b>28,447</b>	<b>67,162</b>	<b>74,635</b>
<b>57,897</b>	<b>3,914</b>	<b>2,139</b>	<b>-186</b>	<b>-265</b>	<b>-3</b>	<b>59,217</b>	<b>72,126</b>	<b>81,808</b>

### 3.2 INTANGIBLE ASSETS

The intangible assets are predominantly made up of goodwill arising in the course of first-time consolidation of the following companies:

	31/12/2020 EUR '000	31/12/2019 EUR '000
- Albis Shipping & Transport GmbH & Co. KG, Hamburg	1,409	1,412
- Harper Petersen Holding GmbH & Co. KG, Hamburg	841	1,427
- HCRE Beheerder B.V., Amsterdam / Netherlands	777	932
- Wilhelmsen Ahrenkiel Steamship Management GmbH & Co. KG, Hamburg (formerly: Ahrenkiel Steamship GmbH & Co. KG, Hamburg)	536	2,140
- Ahrenkiel Tankers GmbH & Co. KG, Hamburg	214	256
- MPC Renewable Energies GmbH, Hamburg	206	254
<b>Goodwill</b>	<b>3,983</b>	<b>6,422</b>

Note: Rounding differences may occur.

Goodwill has been reduced both by amortisation and through a strategic equity investment by Wilhelmsen Ship Management AS, Singapore, in Wilhelmsen Ahrenkiel Steamship GmbH & Co. KG, Hamburg (formerly: Ahrenkiel Steamship GmbH & Co. KG, Hamburg) and the associated sale of shares. Subsequent acquisition costs for the acquisition of the shares of Albis Shipping & Transport GmbH & Co. KG increased the relevant goodwill figure, thus compensating almost in full for the decrease through amortisation.

### 3.3 TANGIBLE ASSETS

Leasehold improvements and operating and office equipment account for the bulk of tangible assets. No write-downs were made.

### 3.4 FINANCIAL ASSETS

#### 3.4.1 Equity investments

Equity investments are made up as follows:

	31/12/2020 EUR '000	31/12/2019 EUR '000
1. Equity investments in associated companies	11,294	18,557
2. Other equity investments	27,982	26,426
<b>Equity investments</b>	<b>39,276</b>	<b>44,983</b>

Note: Rounding differences may occur.

	31/12/2020 EUR '000	31/12/2019 EUR '000
<b>1. Equity investments in associated companies</b>	<b>11,294</b>	<b>18,557</b>
BB Amstel B.V., Amsterdam	5,541	5,482
Bluewater Investments GmbH & Co. KG, Hamburg	3,463	5,415
Parque Eólico Wakuaiipa S.A.S., Bogotá (formerly: MPC Renewable Colombia S.A.S., Bogotá)	713	689
BBG Bulk Beteiligungs GmbH & Co. KG, Hamburg	652	678
Global Vision AG Private Equity Partners, in liquidation, Hamburg	289	148
Aurum Insurance Ltd., Isle of Man	161	610
Data Invest B.V., Amsterdam	142	77
InTheCity Fund B.V., Amsterdam*	0	5,000
Miscellaneous equity investments in associates	333	459

Note: Rounding differences may occur.

\* = As a result of the reduction in the shareholding, shown for the first time under other equity investments in this financial year.

The equity investment InTheCity Fund B.V. was reclassified from equity investments in associated companies to other equity investments in view of the lower shareholding compared to the previous year, following a capital measure in which the MPC Capital Group did not participate correspondingly.

	31/12/2020 EUR '000	31/12/2019 EUR '000
<b>2. Other equity investments</b>	<b>27,982</b>	<b>26,426</b>
InTheCity Fund B.V., Amsterdam*	5,361	0
Real Estate Gateway Fund N.V., Amsterdam (formerly: ABN Amro Mees Pierson Real Estate Growth Fund N.V., Amsterdam)	4,617	4,617
MPC Caribbean Clean Energy Fund LLC, Cayman Islands	3,730	3,730
HSRE MPC JV I S.A.R.L., Luxemburg	1,610	1,924
Zweite Sachwert Rendite-Fonds Deutschland Technology GmbH & Co. KG, Hamburg***	1,451	0
Atlantic Bridge AS, Oslo	1,109	1,109
Njord Handy AS, Oslo	1,295	1,099
Stille Beteiligungen MPC IT Services GmbH & Co. KG, Hamburg	840	840
MPC Student Housing Venture I GmbH & Co. KG, Quickborn (vormals: MPC Student Housing Venture I geschl. Investment-GmbH & Co. KG)	467	828
AT&C Amstel Holdings B.V., Amsterdam	746	746
Atlantica Breeze AS, Oslo	628	742
Atlantica Bay AS, Oslo	589	634
Njord Julie AS, Oslo	681	576
AG CRE Maxis C.V., Amsterdam	615	551
Transit Holding II B.V., Amsterdam	324	507
AG CRE Netherlands C.V., Amsterdam	520	500
Danubia Tanker AS, Oslo	272	441
HSRE MPC JV II S.A.R.L., Luxemburg	188	225
Burgundy Container AS, Oslo (vormals: Quadriga Container AS, Oslo)	196	219
Njord Container AS, Oslo	185	185
San Isidro Fotovoltaica C.V., El Salvador**	0	155
Miscellaneous equity investments, in particular various fund companies	2,557	6,799

Anmerkung: Es kann zu rundungsbedingten Abweichungen kommen.

\* = Durch Reduzierung der Beteiligungsquote erfolgt der Ausweis in diesem Geschäftsjahr erstmals unter den sonstigen Beteiligungen.

\*\* = Die Beteiligung wurde im Geschäftsjahr 2020 veräußert.

\*\*\* = Die Beteiligung wurde im Geschäftsjahr 2020 erworben.

The decrease in other equity investments as a result of the successful sale of shares in fund companies was fully counter-balanced by the reclassification of the equity investment InTheCity Fund B.V. Further investments, particularly in the Real Estate area, ultimately led to a slight rise in other equity investments.

The following table shows the aggregate key data of associates included in the consolidated financial statements using the equity method. No negative equity values were included.

	2020 EUR '000
A. Fixed assets	26,727
B. Current assets	4,868
C. Prepaid expenses	71
<b>Assets</b>	<b>31,667</b>
A. Equity	30,511
B. Provisions	88
C. Liabilities	1,068
<b>Equity and liabilities</b>	<b>31,667</b>
Revenue	419
Income	5
Expenses	-755
<b>Result</b>	<b>-331</b>

### 3.4.2 Other equity investments

	Registered office	Capital share	Annual result EUR '000	Equity EUR '000	Foot-note
Real Estate Gateway Fund N.V. (formerly: ABN Amro Mees Pierson Real Estate Growth Fund N.V.)	Amsterdam	7.94%	9,800	216,951	2)
AG CRE Maxis C.V.	Amsterdam	5.00%	-408	10,550	2)
AG CRE Netherlands C.V.	Amsterdam	5.00%	291	10,766	2)
AT&C Amstel Holdings B.V.	Amsterdam	5.00%	534	11,439	3)
Atlantica Bay AS	Oslo	12.50%	n/a	n/a	6)
Atlantica Breeze AS	Oslo	10.00%	n/a	n/a	6)
Atlantic Bridge AS	Oslo	17.25%	n/a	n/a	6)
Danubia Tanker AS	Oslo	5.42%	n/a	n/a	6)
HSRE MPC JV I S.A.R.L.	Luxemburg	7.00%	361	26,453	2)
HSRE MPC JV II S.A.R.L.	Luxemburg	7.00%	77	2,965	2)
InTheCity Fund B.V.	Amsterdam	7.23%	3,622	85,573	2)
MPC Caribbean Clean Energy Fund LLC	Cayman Islands	44.46%	143	11,943	1), 3)



MPC Student Housing Venture I GmbH & Co. KG (formerly: MPC Student Housing Venture I geschl. Investment-GmbH & Co. KG)	Quickborn	6.00%	9,191	30,840 <sup>5)</sup>
Njord Container AS	Oslo	7.47%	n/a	n/a <sup>6)</sup>
Njord Handy AS	Oslo	15.55%	n/a	n/a <sup>6)</sup>
Njord Julie AS	Oslo	10.00%	n/a	n/a <sup>6)</sup>
Stille Beteiligung MPC IT Services GmbH & Co. KG	Hamburg	5.38%	-11	2,750 <sup>5)</sup>
Transit Holding II B.V.	Amsterdam	5.00%	3,744	31,352 <sup>4)</sup>
Burgundy Container AS (formerly: Quadriga Container AS)	Oslo	2.65%	n/a	n/a <sup>6)</sup>
Zweite Sachwert Rendite-Fonds Deutschland Technology GmbH & Co. KG	Hamburg	25.00%	422	6,885 <sup>5)</sup>

Note: Rounding differences may occur.

1) Shares are held for resale

2) According to annual financial statements for the financial year from 1 January to 31 December, 2020

3) According to quarterly financial statements for the financial year from 1 January to 30 September 2020

4) According to annual financial statements for the financial year from 1 January to 31 December, 2019

5) According to quarterly financial statements for the financial year from 1 January to 30 September 2019

6) According to interim financial statements for the financial year from 1 January to 30 June 2019

7) According to annual financial statements for the financial year from 1 January to 31 December, 2018

8) No disclosure pursuant to Section 313 (3) sentence 5 HGB

### 3.4.3 Commercial partnerships

A company included in the consolidated financial statements is personally liable partner in the following partnerships.

Achte MPC Best Select Immobilien GmbH & Co. KG, Hamburg

Achte MPC Global Equity GmbH & Co. KG, Hamburg

Achte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg

Achtundsechzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, in liquidation, Hamburg

AIP Alternative Invest Private Equity- geschlossene GmbH & Co. Investment-KG, Hamburg

Anteil Austria an der "Miro Star" Schiffahrtsgesellschaft mbH & Co. KG, in liquidation, Hamburg

Beteiligungsgesellschaft "Rio D-Schiffe" mbH & Co. KG, Hamburg

Beteiligungsgesellschaft Reefer-Flottenfonds mbH & Co. KG, Hamburg

Beteiligungsgesellschaft Vorzugskapital Rio-Schiffe mbH & Co. KG, in liquidation, Hamburg

Comoros Stream Schiffahrtsgesellschaft mbH & Co. KG, Hamburg

Dreiuundfünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, in liquidation, Hamburg

Dreiuundvierzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, in liquidation, Hamburg

Dritte Best Select Deutschlandimmobilien II GmbH & Co. KG, Hamburg

Dritte MPC Best Select Deutschlandimmobilien GmbH & Co. KG, Hamburg

Dritte MPC Best Select Leben GmbH & Co. KG, Hamburg

Dritte MPC Best Select Schiffsbeteiligungen GmbH & Co. KG, Hamburg

Dritte MPC Rendite-Fonds Britische Leben plus GmbH & Co. KG, Quickborn

Dritte MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH & Co. KG, Quickborn

Dritte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg

Eastern Bay Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

Einundfünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg

Einundsiebzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg

Elfte MPC Private Equity GmbH & Co. KG, Hamburg

Elfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg

Elvira Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

Emerald Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

Esmeralda Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

Fünfte Best Select Deutschlandimmobilien GmbH & Co. KG, Hamburg

Fünfte Best Select Deutschlandimmobilien II GmbH & Co. KG, Hamburg

Fünfte Best Select Leben GmbH & Co. KG, Hamburg

Fünfte Best Select Schiffsbeteiligungen GmbH & Co. KG, Hamburg

Fünfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg

Fünzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, in liquidation, Hamburg

HCI Deepsea Oil Explorer GmbH & Co. KG, in liquidation, Hamburg

Lombok Strait Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

Luzon Strait Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

Mondriaan Star Beteiligungsgesellschaft mbH & Co. KG, Hamburg

Mondriaan Star Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

MPC Best Select Company Plan GmbH & Co. KG, Hamburg

MPC Best Select Dynamik GmbH & Co. KG, Hamburg

MPC Best Select Hollandimmobilien GmbH & Co. KG, in liquidation, Hamburg

MPC Best Select Rente GmbH & Co. KG, Hamburg

MPC Best Select Schiffsbeteiligungen GmbH & Co. KG, Hamburg

MPC Best Select Wachstum GmbH & Co. KG, Hamburg

MPC Bioenergie Brasilien GmbH & Co. KG, in liquidation, Hamburg

MPC Deepsea Oil Explorer GmbH & Co. KG, Hamburg

MPC Flottenfonds III Beteiligungsgesellschaft mbH & Co. KG, in liquidation, Hamburg

MPC Global Equity Step by Step GmbH & Co. KG, Hamburg

MPC Global Equity Step by Step II GmbH & Co. KG, Hamburg

MPC Global Equity Step by Step III GmbH & Co. KG, Hamburg

MPC Global Equity Step by Step IV GmbH & Co. KG, Hamburg

MPC Global Maritime Opportunity Private Placement GmbH & Co. KG, in liquidation, Hamburg

MPC Real Estate Opportunity Private Placement Amerika GmbH & Co. KG, in liquidation, Quickborn

MPC Real Value Fund GmbH & Co. KG, Quickborn

MPC Rendite-Fonds Britische Leben plus GmbH & Co. KG, Quickborn

MPC Rendite-Fonds Britische Leben plus II GmbH & Co. KG, Quickborn

MPC Rendite-Fonds Leben plus spezial III GmbH & Co. KG, Quickborn

MPC Rendite-Fonds Leben plus spezial IV GmbH & Co. KG, Quickborn

MPC Rendite-Fonds Leben plus spezial V GmbH & Co. KG, Quickborn

MPC Rendite-Fonds Leben plus V GmbH & Co. KG, Quickborn

MPC Rendite-Fonds Leben plus VI GmbH & Co. KG, Quickborn
MPC Rendite-Fonds Leben plus VII GmbH & Co. KG, Quickborn
MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH & Co. KG, in liquidation, Quickborn
MPC Sachwert Rendite-Fonds Opportunity Asien GmbH & Co. KG, Hamburg
MPC Solarpark GmbH & Co. KG, Hamburg
MPC Student Housing Venture I GmbH & Co. KG, Hamburg
Neunte MPC Best Select I GmbH & Co. KG, Hamburg
Neunte MPC Best Select II GmbH & Co. KG, Hamburg
Neunte Global Equity GmbH & Co. KG, Hamburg
Neunte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg
Neunundfünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, in liquidation, Hamburg
Neunundsechzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg
Objektgesellschaft MPC München Gräfelfing GmbH & Co. KG, Hamburg
PB BS GMO GmbH & Co. KG, Hamburg
Polarlight Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
Rio Blackwater Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
Rio Dauphin Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
Rio Dawson Schifffahrtsgesellschaft mbH & Co. KG, in liquidation, Hamburg
Sachwert Rendite-Fonds Indien GmbH & Co. KG, in liquidation, Hamburg
Sachwert Rendite-Fonds Japan GmbH & Co. KG, Quickborn
Sachwert Rendite-Fonds Österreich GmbH & Co. KG, in liquidation, Hamburg
Santa Lucia Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
Santa Maria Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
Schifffahrtsgesellschaft MS "PEARL RIVER" mbH & Co. KG, in liquidation, Hamburg
Schifffahrtsgesellschaft MS "YANGTZE RIVER" mbH & Co. KG, Hamburg
Schifffahrtsgesellschaft MS "RIO KUSAN" mbH & Co. KG, in liquidation, Hamburg
Sechste Best Select Deutschlandimmobilien GmbH & Co. KG, Hamburg
Sechste Best Select Deutschlandimmobilien II GmbH & Co. KG, Hamburg
Sechste Best Select Leben GmbH & Co. KG, Hamburg
Sechste Best Select Schiffsbeteiligungen GmbH & Co. KG, Hamburg
Sechste Sachwert Rendite-Fonds Deutschland (Private Placement) GmbH & Co. KG, Hamburg
Sechsunfünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, in liquidation, Hamburg
Sechsunvierzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, in liquidation, Hamburg
Sechzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg
Siebenundfünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, in liquidation, Hamburg
Siebenundsechzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg
Siebenundvierzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, in liquidation, Hamburg
Siebte Best Select Deutschlandimmobilien GmbH & Co. KG, Hamburg
Siebte Best Select Deutschlandimmobilien II GmbH & Co. KG, Hamburg
Siebte Best Select Leben GmbH & Co. KG, Hamburg
Siebte Best Select Schiffsbeteiligungen GmbH & Co. KG, Hamburg
Siebte MPC Global Equity GmbH & Co. KG, Hamburg

Siebte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg

Siebzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg

Vierte Best Select Deutschlandimmobilien II GmbH & Co. KG, Hamburg

Vierte MPC Best Select Deutschlandimmobilien GmbH & Co. KG, Hamburg

Vierte MPC Best Select Leben GmbH & Co. KG, Hamburg

Vierte MPC Best Select Schiffsbeteiligungen GmbH & Co. KG, Hamburg

Vierundfünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, in liquidation, Hamburg

Vierundvierzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, in liquidation, Hamburg

Youniq Greifswald GmbH & Co. KG, Hamburg

Youniq Karlsruhe GmbH & Co. KG, Hamburg

Youniq München II GmbH & Co. KG, Hamburg

Zehnte MPC Best Select GmbH & Co. KG, Hamburg

Zehnte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg

Zweite Beteiligungsgesellschaft Reefer-Flottenfonds mbH & Co. KG, Hamburg

Zweite MPC Best Select Company Plan GmbH & Co. KG, Hamburg

Zweite MPC Best Select Deutschlandimmobilien GmbH & Co. KG, Hamburg

Zweite MPC Best Select Hollandimmobilien GmbH & Co. KG, in liquidation, Hamburg

Zweite MPC Best Select Schiffsbeteiligungen GmbH & Co. KG, Hamburg

Zweite MPC Best Select Venture Capital GmbH & Co. KG, Hamburg

Zweite MPC Real Estate Opportunity Private Placement Amerika GmbH & Co. KG, Quickborn

Zweite MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH & Co. KG, Quickborn

Zweite Sachwert Rendite-Fonds Deutschland Technology GmbH & Co. KG, Hamburg

Zweiundsiebzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg

### 3.4.4 Other loans

The other loans are predominantly for project financing with a medium to long term of up to ten years.

In particular repayments of project financing in the Real Estate business unit led to a decline in these loans amounting to EUR 7.5 million.

### 3.5 RECEIVABLES AND OTHER ASSETS

The statement of changes in receivables is as follows:

		Maturities			
		Total	up to 1 year	over 1 year	of which over 5 years
		EUR '000	EUR '000	EUR '000	EUR '000
<b>1. Trade receivables</b>	<b>31/12/2020</b>	<b>4,069</b>	<b>4,069</b>	<b>0</b>	<b>0</b>
	31/12/2019	6,990	6,990	0	0
<b>2. Receivables from other long-term investees and investors</b>	<b>31/12/2020</b>	<b>7,782</b>	<b>7,782</b>	<b>0</b>	<b>0</b>
	31/12/2019	9,505	9,505	0	0
- of which from joint ventures	31/12/2020	507	507	0	0
	31/12/2019	0	0	0	0
- of which from associated equity investments	31/12/2020	2,464	2,464	0	0
	31/12/2019	1,936	1,936	0	0
- of which from fund companies	31/12/2020	4,481	4,481	0	0
	31/12/2019	7,308	7,308	0	0
- of which from other equity investments	31/12/2020	330	330	0	0
	31/12/2019	261	261	0	0
- of which trade receivables	31/12/2020	5,330	5,330	0	0
	31/12/2019	8,101	8,101	0	0
- of which other assets	31/12/2020	2,452	2,452	0	0
	31/12/2019	1,404	1,404	0	0
<b>3. Other assets</b>	<b>31/12/2020</b>	<b>17,658</b>	<b>10,459</b>	<b>7,199</b>	<b>0</b>
	31/12/2019	20,585	19,363	1,222	0
<b>Receivables and other assets</b>	<b>31/12/2020</b>	<b>29,511</b>	<b>22,311</b>	<b>7,199</b>	<b>0</b>
	31/12/2019	37,080	35,858	1,222	0

Note: Rounding differences may occur.

The receivables from other long-term investees and investors essentially comprise trade receivables, loans and disbursements.

### 3.6 OTHER ASSETS

Other assets are composed as follows:

	<b>31/12/2020</b> EUR '000	<b>31/12/2019</b> EUR '000
Collateral provided	6,669	6,185
Income tax receivables	5,418	7,537
Outstanding purchase price receivable from sales of shares	1,662	0
Loan receivables from project companies	1,537	4,947
Sales tax receivables	726	568
Creditors with debit balances	418	254
Receivables from insurance cases	50	300
Miscellaneous assets	1,178	794
<b>Other assets</b>	<b>17,658</b>	<b>20,585</b>

Note: Rounding differences may occur.

Tax rebates received as well as repayments of loan receivables from project companies were the main reasons for the decline in other assets compared with the previous year.

### 3.7 BANK BALANCES, CASH IN HAND

Bank balances and cash in hand are made up as follows:

	<b>31/12/2020</b> EUR '000	<b>31/12/2019</b> EUR '000
Bank balances	24,746	20,618
Cash in hand	4	22
<b>Bank balances, cash in hand</b>	<b>24,750</b>	<b>20,640</b>

Note: Rounding differences may occur.

A detailed analysis of changes in cash and cash equivalents is shown in the consolidated cash flow statement.

## 3.8 EQUITY

The details of the changes in equity are shown in the consolidated statement of changes in equity.

### 3.8.1 Subscribed capital

The fully paid-up share capital of MPC Capital AG is EUR 33.5 million, as in the previous year. The share capital is divided into 33,470,706 (previous year: 33,470,706) no-par-value bearer shares each with a notional value of EUR 1.00.

### 3.8.2 Authorised Capital 2018

The Management Board was authorised by the Annual General Meeting on 12 April 2018 to increase the share capital of the company, with the approval of the Supervisory Board, on one or several occasions until 11 April 2023 by up to a total of EUR 16,735,353.00 by the issuance of up to 16,735,353 new no-par-value shares against cash or non-cash contributions **(Authorised Capital 2018)**.

In a capital increase, the shareholders are fundamentally to be granted a pre-emptive right; the statutory pre-emptive right may also be granted in such a form that the new shares are taken on wholly or in part by a bank or consortium of banks designated by the Management Board with the obligation to offer them to the shareholders of the company for subscription (indirect pre-emptive right pursuant to Section 186 (5) sentence 1 AktG). The Management Board is also authorised, with the approval of the Supervisory Board, to disapply pre-emptive rights

1. For capital increases against non-cash contributions, particularly in connection with the acquisition of companies, business units, equity investments or economic assets;
2. To the extent necessary to grant pre-emptive rights to the bearers of bonds with conversion or option rights or with conversion obligations for shares of the company that were previously issued by the company or by its subordinate group companies, to the same extent as would be granted to them as shareholders after exercising their conversion rights or options, or after satisfying conversion requirements;
3. For fractional amounts;
4. If the shares are issued at an issue amount not significantly less than the market price and the capital increase does not exceed 10 % of the total share capital, either at the time this authorisation takes effect or is exercised. The number of treasury shares sold shall be added to this limit, provided the sale takes place during the term of this authorisation excluding the pre-emptive right pursuant to Section 186 (3) sentence 4 AktG. Those shares that have been or will be issued to service bonds with conversion or option rights or with a conversion obligation shall also be added to this limit, provided the bonds were issued during the term of this authorisation excluding the pre-emptive right applicable mutatis mutandis in accordance with Section 186 (3) sentence 4 AktG;
5. To implement a scrip dividend where the shareholders are offered the option of contributing their dividend entitlement (in whole or part) to the company as a contribution in kind in exchange for the granting of new shares from the Authorised Capital 2018.

### 3.8.3 Additional paid-in capital

An increased shareholding in one controlled enterprise was treated as a capital process, as a result of which additional paid-in capital declined from EUR 54.2 million to EUR 54.1 million.

### 3.8.4 Other retained earnings

The other retained earnings remain unchanged at EUR 10.8 million as at 31 December 2020.

### 3.8.5 Subscription rights pursuant to Section 160 (1) No. AktG:

#### “Stock Option Plan 2016”

In the first half of the 2016 financial year the Management Board and the Supervisory Board again resolved to establish a stock option plan for those employees of MPC Capital AG and its affiliated companies who participate in profit-sharing (“Stock Option Plan 2016”). The primary objectives of the Stock Option Plan 2016 are to increase the commitment of employees (in particular senior executives) to the company, to motivate them and to enable them to participate directly in the company’s success. An additional aim of the plan is to enhance the attractiveness of MPC Capital AG to qualified employees.

The plan was approved by the shareholders at the 2015 Annual General Meeting.

The principal provisions and conditions relating to the share option plan are described in the following:

#### a) Eligible Participants

Under the Stock Option Plan 2016, subscription rights may be issued to employees of MPC Capital AG and employees of its affiliated companies (“Eligible Participants”).

#### b) Grant period

The subscription rights could be granted to the Eligible Participants from 15 February 2016. Further subscription rights may be granted up to the conclusion of 15 February 2021.

#### c) Vesting Period, Exercise Period

The subscription rights granted under the Stock Option Plan 2016 may be exercised for the first time on the fourth anniversary of their grant to the respective Eligible Participant (“Vesting Period”). After the end of the Vesting Period, the subscription rights may be exercised up to the fifth anniversary of the grant (“Exercise Period”). During the Exercise Period, the subscription rights may only be exercised at certain times (“Exercise Windows”). An Exercise Window begins in each case on the eleventh banking day in Hamburg (“Banking Day”) following the publication of a quarterly, first-half or annual financial report of the company and ends at the conclusion of the tenth banking day after that date. If company does not publish quarterly or first-half financial reports, the number of Exercise Windows within the Exercise Period is reduced accordingly. The company may refuse to accept exercise notices from the Eligible Participants in the event that, during an Exercise Window, an ad hoc announcement is imminent as a result of national or European legal requirements corresponding to Section 15 of the German Securities Trading Act (Wertpapierhandelsgesetz, “WpHG”) old version or stock exchange regulations reflecting those requirements (e.g. in the terms and conditions regulating the Open Market on the Frankfurt Stock Exchange). In such cases, the exercise notice is deemed to have been accepted one day following publication of the



ad hoc announcement. The Exercise Period is extended by one day if it expires on the day on which acceptance is refused by the company as a result of an ad hoc announcement.

#### **d) Exercise price**

The exercise price of a subscription right is equal to the average closing price for the company's shares of the same class in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange during the three months prior to the date on which the stock option agreement is entered into. The minimum exercise price is EUR 1.00.

#### **e) Performance targets**

The subscription rights may only be exercised if the quoted price corresponding to the exercise price has at least doubled when compared to the average closing rate for the company's shares of the same class in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange during three months prior to the date on which the subscription right is exercised.

A total of 30,612 subscription rights were granted.

As no equity settled options arise through exercise of the options, the option plan is regarded as a transaction between lenders and is therefore only reflected in the financial statements to the extent that options are in fact exercised.

#### **"Stock Option Plan 2017"**

In the first half of the 2017 financial year the Management Board and the Supervisory Board again resolved to establish a stock option plan for those employees of MPC Capital AG and its affiliated companies who participate in profit-sharing ("Stock Option Plan 2017"). The objectives of the Stock Option Plan 2017 remain to increase the commitment of employees (in particular senior executives) to the company, to motivate them and to enable them to participate directly in the company's success. A further aim of the plan is to enhance the attractiveness of MPC Capital AG to qualified employees.

The plan was approved by the shareholders at the 2015 Annual General Meeting.

The principal provisions and conditions relating to the share option plan are described in the following:

#### **a) Eligible Participants**

Under the Stock Option Plan 2017, subscription rights may be issued to employees of MPC Capital AG and employees of its affiliated companies ("Eligible Participants").

#### **b) Grant period**

The subscription rights could be granted to the Eligible Participants from 02 January 2017. Further subscription rights may be granted up until 15 February 2022.

#### **c) Vesting Period, Exercise Period**

The subscription rights granted under the Stock Option Plan 2017 may be exercised for the first time on the fourth anniversary of their grant to the respective Eligible Participant ("Vesting Period"). After the end of the Vesting Period, the

subscription rights may be exercised up to the fifth anniversary of the grant (“Exercise Period”). During the Exercise Period, the subscription rights may only be exercised at certain times (“Exercise Windows”). An Exercise Window begins in each case on the eleventh banking day in Hamburg (“Banking Day”) following the publication of a quarterly, first-half or annual financial report of the company and ends at the conclusion of the tenth banking day after that date. If company does not publish quarterly or first-half financial reports, the number of Exercise Windows within the Exercise Period is reduced accordingly. The company may refuse to accept exercise notices from the Eligible Participants in the event that, during an Exercise Window, an ad hoc announcement is imminent as a result of national or European legal requirements corresponding to Section 15 of the German Securities Trading Act (Wertpapierhandelsgesetz, “WpHG”) old version or stock exchange regulations reflecting those requirements (e.g. in the terms and conditions regulating the Open Market on the Frankfurt Stock Exchange). In such cases, the exercise notice is deemed to have been accepted one day following publication of the ad hoc announcement. The Exercise Period is extended by one day if it expires on the day on which acceptance is refused by the company as a result of an ad hoc announcement.

**d) Exercise price**

The exercise price of a subscription right is equal to the average closing price for the company’s shares of the same class in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange during the three months prior to the date on which the stock option agreement is entered into. The minimum exercise price is EUR 1.00.

**e) Performance targets**

The subscription rights may only be exercised if the quoted price corresponding to the exercise price has at least doubled when compared to the average closing rate for the company’s shares of the same class in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange during three months prior to the date on which the subscription right is exercised.

A total of 12,842 subscription rights were granted.

As no equity settled options arise through exercise of the options, the option plan is regarded as a transaction between lenders and is therefore only reflected in the financial statements to the extent that options are in fact exercised.

### 3.9 PROVISIONS

The provisions are made up as follows:

	31/12/2020 EUR '000	31/12/2019 EUR '000
<b>1. Provisions for taxes</b>		
for current taxes	3,985	4,625
<b>2. Other provisions</b>	<b>14,460</b>	<b>14,568</b>
- Provisions for legal and consultancy expenses	7,671	6,718
- Provisions for personnel expenses	2,884	3,627
- Provisions for expected losses	2,554	2,610
- Provisions for audit of annual financial statements	346	355
- Miscellaneous provisions	1,005	1,258
<b>Provisions</b>	<b>18,445</b>	<b>19,193</b>

Note: Rounding differences may occur.

### 3.10 LIABILITIES

The liabilities schedule below shows the maturity structure of liabilities:

		Maturities			
		Total	up to 1 year	over 1 year	of which over 5 years
		EUR '000	EUR '000	EUR '000	EUR '000
<b>1. Liabilities to banks</b>	<b>31/12/2020</b>	<b>1,253</b>	<b>47</b>	<b>1,206</b>	<b>0</b>
	31/12/2019	1,954	313	1,641	0
<b>2. Trade payables</b>	<b>31/12/2020</b>	<b>828</b>	<b>828</b>	<b>0</b>	<b>0</b>
	31/12/2019	874	874	0	0
<b>3. Liabilities to other long-term investees and investors</b>	<b>31/12/2020</b>	<b>1,002</b>	<b>1,002</b>	<b>0</b>	<b>0</b>
	31/12/2019	1,618	1,618	0	0
- of which from other liabilities	31/12/2020	1,002	1,002	0	0
	31/12/2019	1,618	1,618	0	0
<b>4. Other liabilities</b>	<b>31/12/2020</b>	<b>8,500</b>	<b>7,183</b>	<b>1,317</b>	<b>0</b>
	31/12/2019	16,924	14,254	2,670	0
- of which taxes	31/12/2020	660	660	0	0
	31/12/2019	1,448	1,448	0	0
- of which social security	31/12/2020	10	10	0	0
	31/12/2019	125	125	0	0
<b>Liabilities</b>	<b>31/12/2020</b>	<b>11,584</b>	<b>9,060</b>	<b>2,523</b>	<b>0</b>
	31/12/2019	21,370	17,060	4,311	0

Note: Rounding differences may occur

### 3.11 LIABILITIES TO BANKS

The liabilities to banks comprise loans for project financing. The existing loans for the project financing of opportunistic US equity investments are tied to the future returns from these investments and could be repaid almost in full in the current financial year.

#### Collateral provided

The claims for payment of the loans for the project financing of opportunistic US equity investments have been pledged to the financing banks as collateral. The collateral will be held until the full repayment of these loans.

### 3.12 TRADE PAYABLES

Trade payables essentially include liabilities from legal and consultancy costs as well as from ongoing shipping operations. These payables were somewhat lower than in the previous year for reporting date reasons.

### 3.13 LIABILITIES TO OTHER LONG-TERM INVESTEES AND INVESTORS

Liabilities to other long-term investees or investors result in particular from unpaid contributions to project companies and from distributions received.

### 3.14 OTHER LIABILITIES

Other liabilities are composed as follows:

	31/12/2020 EUR '000	31/12/2019 EUR '000
Liabilities from purchase price payments outstanding	5,435	6,021
Liabilities from project financing	1,428	7,176
Wage tax liabilities	660	717
Liabilities to the MPC Group	162	141
Liabilities to debtors with credit balances	74	138
Social security liabilities	10	125
VAT liabilities	0	732
Miscellaneous	732	1,875
<b>Other liabilities</b>	<b>8,500</b>	<b>16,924</b>

Note: Rounding differences may occur.

The fall in other liabilities is attributable especially to repayments of project financing loans.

### 3.15 DEFERRED TAXES

Deferred tax assets in the amount of EUR 7.3 million result from the following balance sheet items:

- Receivables from other long-term investees and investors (EUR 4.7 million)
- Other assets (EUR 1.0 million)
- Other provisions (EUR 1.6 million)

As in the previous year, the write-downs in the reporting year on receivables from other long-term investees and investors as well as on other assets essentially relate to future deductible temporary differences from the different measurement of receivables. Temporary differences in other provisions also resulted from the recognition of provisions for expected losses.

As in the previous year, there are no substantial temporary differences giving rise to deferred tax liabilities.

Primary deferred taxes have not been recognised as the corresponding disclosure option under commercial law has been exercised.

### 3.16 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

There are contingent liabilities as defined in Section 251 HGB. These are default and fixed liability guarantees.

There are warranties and guarantees totalling EUR 3.7 million (previous year: EUR 6.0 million) essentially relating to directly enforceable warranties and guarantees. Their utilisation depends on a number of factors.

There are currently no indications that the MPC Capital Group will utilise the existing contingent liabilities because no material deterioration has arisen in the economic situation of the companies for which corresponding contingent liabilities were entered into. Utilisation of one or more contingent liabilities would have a considerable impact on the financial position of the MPC Capital Group.

Other financial obligations relate to rent and lease obligations in the amount of EUR 2.9 million (previous year: EUR 6.9 million), of which EUR 2.0 million is in respect of affiliated companies. Additional rent and lease obligations in the amount of EUR 1.6 million (previous year: EUR 0.6 million) arise from the equity investments in the joint ventures.

Contributions by limited partners held in trust amount to EUR 1.3 billion (previous year: EUR 1.5 billion). They essentially relate to the amounts entered on the Commercial Register for TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds GmbH & Co. KG, Hamburg. If and to the extent that payments that are not covered by profits are made by funds on these contributions by limited partners held in trust, the risk of being sued is within the limits of Section 172 (4) HGB. TVP has scope for recourse against the respective trustors for the greater part of these contingent liabilities.

In addition, MPC Investment Services GmbH manages bank deposits in trust in the amount of EUR 48.1 million (previous year: EUR 34.7 million).

## 4. NOTES TO THE CONSOLIDATED INCOME STATEMENT

### 4.1 REVENUE

Revenue essentially results from the provision of services.

The table below shows a breakdown by revenue type and region:

	<b>2020</b> EUR '000	<b>2019</b> EUR '000
<b>By revenue types</b>		
Management services	37,089	39,211
Transaction services	10,731	5,347
Miscellaneous	2,669	2,288
<b>Revenue</b>	<b>50,489</b>	<b>46,846</b>
<b>By region</b>		
Germany	52,397	43,349
Netherlands	10,559	15,210
Spain	18	41
Consolidation	-12,485	-11,754
<b>Revenue</b>	<b>50,489</b>	<b>46,846</b>

Note: Rounding differences may occur.

Other revenue shows particularly revenue from payments in the Shipping unit in the amount of EUR 2.3 million arising mainly from inclusion for a first full year of Albis Shipping & Transport GmbH & Co. KG in the consolidated financial statements, with corresponding ship operating costs reported under cost of materials for purchased services.

## 4.2 OTHER OPERATING INCOME

Other operating income is made up as follows:

	2020 EUR '000	2019 EUR '000
Income from asset disposals	3,362	3,978
Gains on deconsolidation	3,043	39
Income from the reversal of provisions	1,122	1,856
Income from changes in exchange rates	585	449
- Realised income from changes in exchange rates	381	420
- Unrealised income from changes in exchange rates	204	29
Income from the reversal of write-downs on receivables	318	2,424
Other prior-period income	44	241
Miscellaneous	1,432	743
<b>Other operating income</b>	<b>9,905</b>	<b>9,730</b>

Note: Rounding differences may occur.

The other operating income results in particular from income from asset disposals arising mainly from the disposal of a residential real estate project and from the sale of parts of the BMG portfolio. In addition deconsolidation gains amounting to EUR 3.0 million which arose from the sale of shares were realised.

The prior-period income relates mainly to income from the reversal of provisions and income from the reversal of write-downs on receivables.

## 4.3 COST OF MATERIALS – COST OF PURCHASED SERVICES

Costs of purchased services in connection with the management and maintenance of real estate and ships are a major component of this item.

The substantial rise comes particularly from the recognition of additional ship operating costs in the amount of EUR 2.3 million arising mainly from the inclusion for a first full year of Albis Shipping & Transport GmbH & Co. KG in the consolidated financial statements for the current financial year, to which there is corresponding other revenue.

#### 4.4 PERSONNEL EXPENSES

Personnel expenses are composed as follows:

	<b>2020</b> EUR '000	<b>2019</b> EUR '000
Wages and salaries	-23,187	-25,491
Social security contributions	-3,145	-3,347
<b>Personnel expenses</b>	<b>-26,332</b>	<b>-28,838</b>

Note: Rounding differences may occur.

Wages and salaries include post-employment benefit costs in the amount of EUR 0.2 million (previous year: EUR 0.2 million).

The average number of employees relates solely to salaried employees of the fully consolidated subsidiaries and is made up as follows:

	<b>Annual average 2020</b>	<b>Annual average 2019</b>
Germany	201	230
Netherlands	49	49
Panama	4	2
Singapore	2	2
China	2	1
Spain	1	1
Austria	1	1
<b>Employees</b>	<b>260</b>	<b>286</b>

Note: Rounding differences may occur

An average of 33 employees (previous year: 12 employees) are attributed to MPC Capital from the equity investment in joint ventures.

As at 31 December 2020 there were 213 employees in total.



## 4.5 OTHER OPERATING EXPENSES

Other operating expenses are composed as follows:

	2020 EUR '000	2019 EUR '000
Legal and consultancy costs	-7,038	-6,766
IT costs	-2,823	-3,215
Other personnel expenses	-2,813	-3,304
Cost of premises	-2,215	-2,128
Write-downs on receivables	-1,903	-2,609
Expenses from currency translation differences	-1,538	-876
Services	-1,074	-1,161
Insurance and subscriptions	-1,067	-1,063
Vehicle costs	-529	-476
Communications costs	-393	-557
Donations	-345	-270
Travel and hospitality expenses	-339	-1,066
Losses from asset disposals	-309	-226
Prior-period expenses	-297	-202
Advertising expenses	-277	-281
Costs of payments	-217	-306
Miscellaneous	-2,515	-2,605
<b>Other operating expenses</b>	<b>-25,690</b>	<b>-27,111</b>

Note: Rounding differences may occur.

Other operating expenses include extraordinary expenses of EUR 2.2 million, which resulted in particular from one-off restructuring measures to focus on the transaction and investment business.

## 4.6 INCOME FROM EQUITY INVESTMENTS

Income from equity investments amounting to EUR 2.8 million (previous year: EUR 7.0 million) originated mainly from profit distributions by project companies and from returns on equity investments in limited partnerships.

## 4.7 OTHER INTEREST AND SIMILAR INCOME

Other interest and similar income amounting to a total of EUR 1.8 million (previous year: EUR 2.4 million) stems mainly from the loans for project financing.

#### 4.8 WRITE-DOWNS ON FINANCIAL ASSETS

In the financial year, write-downs of EUR 1.6 million (previous year: EUR 1.4 million) were required where permanent impairment is assumed. These write-downs relate especially to medium to long-term project financing arrangements.

#### 4.9 INTEREST AND SIMILAR EXPENSES

Interest and similar expenses arise particularly in the form of interest expenses for project financing.

As in the previous year, there was no discounting of receivables and compounding of liabilities.

#### 4.10 RESULT OF ASSOCIATES CARRIED AT EQUITY

The breakdown of the result of associates carried at equity is as follows:

	2020 EUR '000	2019 EUR '000
Global Vision AG Private Equity Partners, in liquidation	141	-348
BB Amstel B.V.	59	192
BBG Bulk Beteiligungs GmbH & Co. KG	-26	113
Breakwater Shipbrokers GmbH	-99	-71
Parque Eólico Wakuaipe S.A.S. (formerly: MPC Renewable Colombia S.A.S.)	-201	-405
Aurum Insurance Ltd.	-449	86
Bluewater Investments GmbH & Co. KG	-2,521	-2,031
Miscellaneous	-1	-7
<b>Result of associates carried at equity</b>	<b>-3,097</b>	<b>-2,471</b>

Note: Rounding differences may occur.

As a result of the economic impact of the COVID-19 pandemic on measurements of assets in the Shipping unit, the measurement approach for the shares held indirectly in MPC Container Ships ASA via the associated equity investment in Bluewater Investment GmbH & Co. KG was likewise reappraised. These adjustments largely resulted in a negative carried-at-equity result of EUR 3.1 million.

#### 4.11 TAXES ON INCOME

Taxes on income paid or owed in the individual countries and deferred taxes are reported as taxes on income. Taxes on income comprise German and international taxes made up as follows:

	2020 EUR '000	2019 EUR '000
<b>Current taxes</b>	<b>-1,374</b>	<b>-1,109</b>
Germany	-1,011	-616
International	-363	-493
<b>Deferred taxes</b>	<b>0</b>	<b>0</b>
Germany	0	0
International	0	0

Note: Rounding differences may occur.

In the 2020 financial year, corporations based in Germany were subject to corporation tax of 15 %, a solidarity surcharge of 5.5 % of corporation tax as well as trade tax, the amount of which depends on the various assessment rates levied by individual municipalities.

Group income taxes are also influenced by the possibility in Germany, subject to certain conditions, when operating merchant vessels internationally, of determining profit as a lump-sum tax on the basis of the net storage space of the ship instead of by comparing operating assets.

The Group tax rate corresponds to the German tax rate for the parent company MPC Capital AG and is 32.28 % (previous year: 32.28 %). This tax rate comprises corporation tax of 15 %, a solidarity surcharge of 5.5 % on corporation tax, and trade tax with an assessment rate of 470 %. The application of the income tax rate for Group companies of 32.28 % to consolidated earnings before taxes would result in an expected tax expense of EUR-0.4 million (previous year: EUR-0.3 million). The following reconciliation statement shows the difference between this amount and the effective tax expense of EUR-1.4 million (previous year: EUR-1.1 million).

	2020 EUR '000	2019 EUR '000
Consolidated earnings before taxes	1,263	850
Expected taxes on income (32.28% (previous year: 32.28%))	-408	-274
Different tax rates	157	338
Temporary differences and loss carryforwards for which no deferred tax assets were recognised	-2,766	-5,174
Non-tax-deductible expenses	-110	-90
Tax-free income	323	2,823
Deviation from the basis of assessment for trade tax	126	256
Current taxes on income for previous years	1,213	890
Withholding tax / foreign tax	81	1
Other deviations	10	121
<b>Taxes on income</b>	<b>-1,374</b>	<b>-1,109</b>

The differences shown under the item "Different tax rates" are attributable to the differences between the tax rates of the German and international group companies on the one hand and the tax rate of MPC Capital AG on the other.

## 5. OTHER DISCLOSURES

### 5.1 NAME AND REGISTERED OFFICE OF THE PARENT COMPANY

MPC Capital AG, as the parent company, is obliged to prepare consolidated financial statements pursuant to Section 290 HGB. These have been prepared under the regulations of German commercial law in accordance with Section 290 ff. HGB. The consolidated financial statements are announced in the Federal Gazette.

The parent company of MPC Capital AG presenting the consolidated financial statements for the largest group of consolidated companies is Quintance GmbH, Hamburg. The consolidated financial statements of Quintance GmbH, Hamburg, are submitted to the Federal Gazette for publication under the number HRB 122152 Hamburg.

The parent company of MPC Capital AG presenting the consolidated financial statements for the smallest group of consolidated companies is MPC Münchmeyer Petersen & Co. GmbH, Hamburg. The consolidated financial statements of MPC Münchmeyer Petersen & Co. GmbH, Hamburg, are submitted to the Federal Gazette for publication under the number HRB 149498 Hamburg.

### 5.2 GOVERNING BODIES OF THE COMPANY

#### a) Members of the Management Board in the reporting year:

**Ulf Holländer**, Management Board, Hamburg (Chairman)  
(CEO; Chief Executive Officer)

**Constantin Baack**, Management Board, Hamburg  
(Management Board Member for Shipping)

**Dr. Philipp Lauenstein**, Management Board, Hamburg,  
(CFO; Chief Financial Officer)

**Dr. Karsten Markwardt**, Management Board, Hamburg  
(Management Board Member for Legal & Compliance, Real Estate Germany); until 31 March 2021

**Dr. Ignace Van Meenen**, Management Board, Hamburg  
(CSO; Chief Sales Officer); until 31 March 2021

#### b) Members of the Supervisory Board in the reporting year:

**Dr. Axel Schroeder** (Chairman)  
Managing Director of MPC Münchmeyer Petersen & Co. GmbH, Hamburg

**Joachim Ludwig**

Managing Director of Ferrostaal GmbH, Essen

**Dr. Ottmar Gast**

Chairman of the Advisory Board of Hamburg Südamerikanische Dampfschiffahrts-Gesellschaft ApS & Co KG

**c) Remuneration of governing bodies:**

The members of the Management Board of MPC Capital AG were granted total remuneration of EUR 1.9 million (previous year: EUR 1.6 million) for the 2020 financial year. In the same period, total gross remuneration of EUR 160 thousand (previous year: EUR 160 thousand) was granted to the members of the Supervisory Board.

All remuneration for governing bodies is classified as current.

**5.3 Voting rights notifications in accordance with Section 20 AktG**

- (1) MPC Participia GmbH, Hamburg, Germany, notified us in writing on 28 June 2016 pursuant to Section 20 (5) AktG that it no longer owns a majority shareholding in MPC Capital AG. MPC Participia GmbH also notified us pursuant to Section 20 (1), (3) AktG that it continues to own more than one quarter of the shares in MPC Capital AG – even disregarding shares pursuant to Section 20 (2) AktG.
- (2) Mr Axel Schroeder, Hamburg, Germany, notified us in writing on 17 October 2016 pursuant to Section 20 (5) AktG that he no longer owns a majority interest in MPC Capital AG (either directly or indirectly). Mr Axel Schroeder also notified us pursuant to Section 20 (1) AktG in conjunction with Section 16 (4) AktG that he continues to own more than one quarter of the shares in MPC Capital AG indirectly – even disregarding shares pursuant to Section 20 (2) AktG.
- (3) MPC Münchmeyer Petersen & Co. GmbH (formerly: MPC Industries GmbH), Palmaille 67, 22767 Hamburg, Germany, notified us in writing on 17 October 2016 pursuant to Section 20 (5) AktG that it no longer owns a majority interest in MPC Capital AG (either directly or indirectly). MPC Münchmeyer Petersen & Co. GmbH also notified us pursuant to Section 20 (1), (3) AktG in conjunction with Section 16 (4) AktG that it continues to own more than one quarter of the shares in MPC Capital AG indirectly – even disregarding shares pursuant to Section 20 (2) AktG.
- (4) Quintance GmbH, Palmaille 67, 22767 Hamburg, Germany, notified us in writing on 17 October 2016 pursuant to Section 20 (5) AktG that it no longer owns a majority interest in MPC Capital AG (either directly or indirectly). Quintance GmbH also notified us pursuant to Section 20 (1), (3) AktG in conjunction with Section 16 (4) AktG that it continues to own more than one quarter of the shares in MPC Capital AG indirectly – even disregarding shares pursuant to Section 20 (2) AktG.

## 5.4 APPROPRIATION OF EARNINGS

The Management Board will propose to the Supervisory Board that the net loss for the year of MPC Capital AG be carried forward for new account.

## 5.5 AUDITOR'S FEES

The auditor's fees are made up as follows:

	2020 EUR '000	2019 EUR '000
Auditing services for the financial statements	206	170
Tax consultancy services	221	312
Other services	30	59
<b>Auditor's fees</b>	<b>457</b>	<b>541</b>

## 5.6 REPORT ON POST-BALANCE SHEET DATE EVENTS

Under its co-investment strategy MPC Capital AG acquired a co-investor stake in the private placement of MPC Energy Solutions N.V. at the start of January 2021 MPC Capital AG refinanced EUR 4 million of the co-investment of USD 10 million through a capital increase with exclusion of subscription rights on 8 January 2021. In total 1,777,778 new shares were issued for contributions in cash and placed at a price of EUR 2.25 per share. This move increased the share capital of the company by EUR 1,777,778.00, from EUR 33,470,706.00 to EUR 35,248,484.00, making partial use of the "Authorised Capital 2018", through the issuance of 1,777,778 new no-par-value bearer shares. The subscription right of the shareholders was excluded. The capital increase was entered on the Commercial Register on 21 January 2021.

The Management Board members Dr Ignace Van Meenen and Dr Karsten Markwardt will leave the Management Board of MPC Capital AG with effect from 31 March 2021 as part of the restructuring of the Management Board. However Dr Karsten Markwardt will continue to serve MPC Capital AG in the capacity of General Counsel and Head of Legal and Compliance. Dr Ignace Van Meenen is leaving the MPC Capital Group.

Between the balance sheet date and the date of preparing the consolidated financial statements there were no effects from the current development of the COVID-19 pandemic.

Hamburg, 19 February 2021



Ulf Holländer  
(Vorsitzender)



Constantin Baack



Dr Philipp Lauenstein



Dr Karsten Markwardt



Dr Ignace Van Meenen

ANNUAL REPORT

|→ 2020

# INDEPENDENT AUDITOR'S REPORT

---

## Independent auditor's report

### AUDIT OPINIONS

We have audited the consolidated financial statements of MPC Münchmeyer Petersen Capital AG, Hamburg, and its subsidiaries (the Group) — comprising the consolidated balance sheet as at 31 December 2020, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January 2020 to 31 December 2020 as well as the notes to the consolidated financial statements, including the presentation of the accounting policies. In addition we have audited the combined management report and group management report of MPC Münchmeyer Petersen Capital AG for the financial year from 1 January 2020 to 31 December 2020.

In our opinion, based on the findings of our audit,

- the enclosed consolidated financial statements comply in all material respects with the requirements of German commercial law and, in accordance with the German principles of proper accounting, give a true and fair view of the net assets and financial position of the Group as at 31 December 2020 as well as of its results of operations for the financial year from 1 January 2020 to 31 December 2020 and
- the enclosed combined management report a group management report as a whole provides a suitable view of the Group's position. In all material respects this combined management report and group management report is consistent with the consolidated financial statements, complies with the requirements of German law and suitably presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections regarding the correctness of the consolidated financial statements and combined management report and group management report.

### BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and combined management report and group management report in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW).

Under those regulations and principles our responsibility is described further in the section "RESPONSIBILITY OF THE AUDITOR FOR THE AUDITING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT AND GROUP MANAGEMENT REPORT" of our Auditor's Report. We are independent of the Group companies, as is consistent with German commercial law and professional law, and have fulfilled our other German professional duties in accordance with these requirements. We are of the opinion that the audit evidence we obtained is adequate and suitable to serve as a basis for our audit opinions on the consolidated financial statements and combined management report and group management report.



## **RESPONSIBILITY OF MANAGEMENT AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND GROUP MANAGEMENT REPORT**

The management is responsible for the preparation of the consolidated financial statements, which comply in all material respects with the requirements of German commercial law and, in accordance with the German principles of proper accounting, for ensuring that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group. The management is also responsible for the internal controls that it has determined to be necessary, in accordance with the German principles of proper accounting, to enable the preparation of consolidated financial statements that are free from material – intentional or unintentional – misrepresentations.

In preparing the consolidated financial statements, the management is responsible for assessing the group's ability to remain a going concern. In addition it has the responsibility to state matters, where relevant, in connection with remaining a going concern. Furthermore, it is responsible for preparing the accounts based on the going concern accounting principle, unless there are conflicting actual or legal circumstances.

The management is also responsible for the preparation of the combined management report and group management report, which as a whole provides a suitable view of the Group's position and is consistent in all material respects with the consolidated financial statements, complies with the requirements of German law and suitably presents the opportunities and risks of future development. The management is in addition responsible for the precautions and measures (systems) that it has deemed necessary to enable the preparation of a combined management report and group management report that is consistent with the applicable requirements of German law, and to enable it to furnish sufficient suitable evidence for the statements made in the combined management report and group management report.

The Supervisory Board is responsible for overseeing the Group's accounting process for the preparation of the consolidated financial statements and combined management report and group management report.

## **RESPONSIBILITY OF THE AUDITOR FOR THE AUDITING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT AND GROUP MANAGEMENT REPORT**

Our objective is to obtain reasonable assurance whether the consolidated financial statements are as a whole free from material – intentional or unintentional – misrepresentations, and whether the combined management report and group management report as a whole provides a suitable view of the Group's position and is consistent in all material respects with the consolidated financial statements as well as with the findings of our audit, complies with the requirements of German law and suitably presents the opportunities and risks of future development, as well as to provide an audit report that contains our audit opinions on the consolidated financial statements and combined management report and group management report.

Reasonable assurance means a high degree of assurance, but no guarantee that an audit conducted in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer will always reveal a material misrepresentation. Misrepresentations may result from infringements or misstatements and are regarded as material if it could reasonably be expected that they might individually or as a whole influence the economic decisions of the reader made on the basis of these consolidated financial statements and this combined management report and group management report.

During the audit we exercise sound judgement and maintain a critical basic stance. In addition

- we identify and assess the risks of material – intentional and unintentional – misrepresentations in the consolidated financial statements and combined management report and group management report, plan and conduct audit procedures in response to those risks, and obtain audit evidence that is sufficient and suitable to serve as the basis for our audit opinions. The risk that material misrepresentations are not identified is greater for infringements than for misstatements, because infringements may involve fraudulent collaboration, forgeries, intentional incompleteness, misleading representations and bypassing of internal controls.
- we acquire an understanding of the relevant internal control system for the audit of the consolidated financial statements and the relevant precautions and measures for the audit of the combined management report and group management report in order to plan audit procedures that may be appropriate in the circumstances, but not with the aim of submitting an audit opinion on the effectiveness of those systems.
- we assess the appropriateness of the accounting methods used by the management as well as the justifiability of the value estimates presented by the management and of related disclosures.
- we draw conclusions on the appropriateness of the going concern accounting principle used by the management and, based on the audit evidence obtained, on whether a material uncertainty exists in connection with events or circumstances that may raise significant doubts about the ability of the Group to remain a going concern. If we reach the conclusion that a material uncertainty exists, we are obliged to point out the affected disclosures contained in the consolidated financial statements and combined management report and group management report in the Auditor's Report or, if those disclosures are inappropriate, to modify our audit opinion on the matter in question. We draw our conclusions on the basis of the audit evidence obtained up until the date of our audit report. However future events or circumstances may result in the Group no longer being able to operate as a going concern.
- we assess the overall presentation, structure and content of the consolidated financial statements including the disclosures, as well as whether the consolidated financial statements present the underlying transactions and events such that, taking account of the German principles of proper accounting, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group.
- we obtain sufficient appropriate audit evidence for the accounting information of the enterprises or business activities within the Group to be able to provide audit opinions on the consolidated financial statements and combined management report and group management report. We are responsible for instructing, overseeing and executing the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- we assess whether the combined management report and group management report is consistent with the consolidated financial statements, and also its compliance with the legal requirements and the impression it gives of the situation of the Group.

- we conduct audit procedures on the future-related statements by management in the combined management report and group management report. Based on sufficient, suitable audit evidence we in particular seek to comprehend the material assumptions which underlie the future-related statements by management and assess whether the future-related statements have been derived properly from those assumptions. We do not give a separate audit opinion on the future-related statements as well as on their underlying assumptions. There is a considerable unavoidable risk that future events will deviate materially from the future-related statements.

We discuss for example the planned scope and timetable of the audit with the officers responsible for monitoring, as well as significant audit findings, including any shortcomings that we identify in the internal control system in the course of our audit.

Hamburg, 22 February 2021

BDO AG  
Wirtschaftsprüfungsgesellschaft

sgd. **Härle**  
German Public Auditor

sgd. **Kaletta**  
German Public Auditor

# Financial calendar 2021

---

**25 February 2021**

Publication of Annual Report 2020

**22 April 2021**

Annual General Meeting (virtual)

**12 May 2021**

Publication of Q1 2021 key figures

**26 August 2021**

Publication of Interim Financial Report 2021

**18 November 2021**

Publication of Q3 2021 key figures

**November 2021**

Analyst conference in Frankfurt at the Equity Forum 2021

**MPC Münchmeyer Petersen Capital AG**

Palmaille 67  
D-22767 Hamburg

**Investor Relations**

Tel: +49 (0)40 38022 4347  
Fax: +49 (0)40 38022 4878  
e-mail: [ir@mpc-capital.com](mailto:ir@mpc-capital.com)

[www.mpc-capital.com/IR](http://www.mpc-capital.com/IR)

WKN A1TNWJ  
ISIN DE000A1TNWJ4

[www.mpc-capital.com](http://www.mpc-capital.com)



**MPC Capital**