



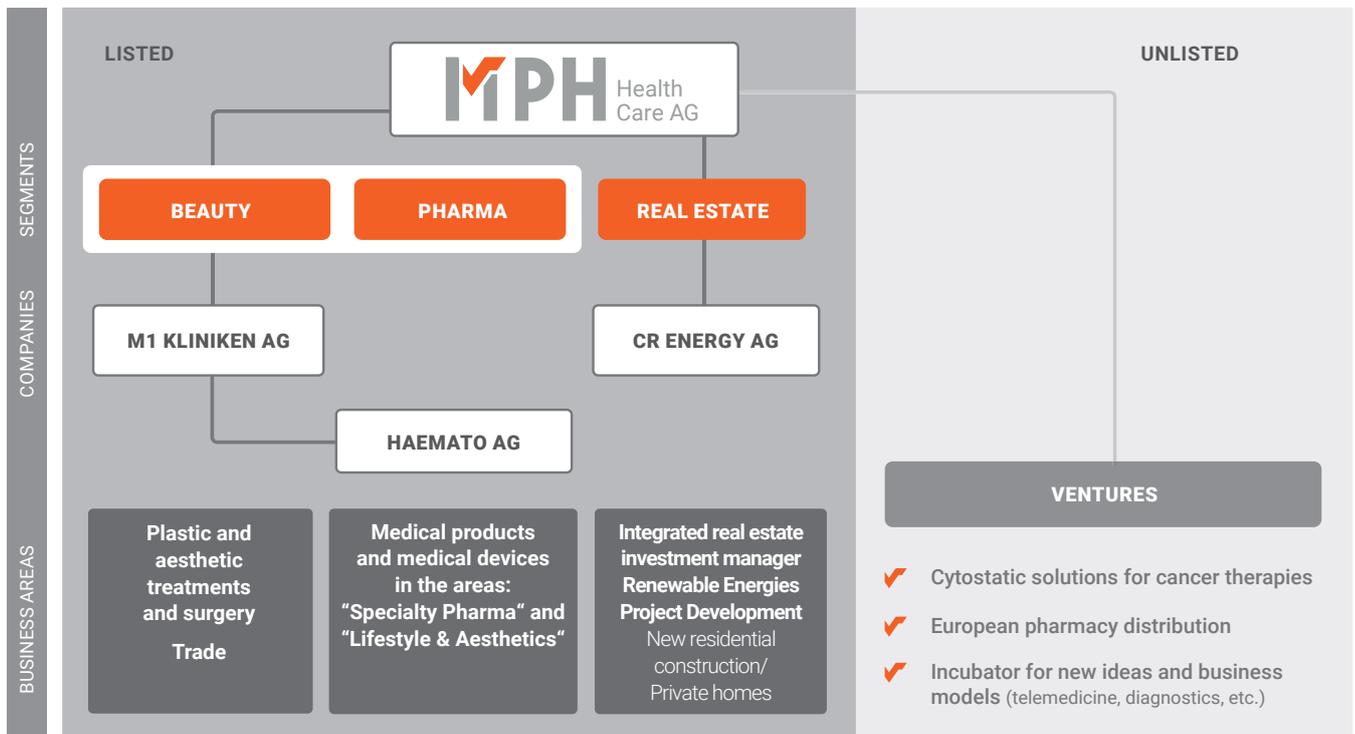
MPH Health
Care AG
INTERIM REPORT
2023

Guiding principle

As an investment company, the strategic focus of MPH Health Care AG's activities is on companies in the high-growth segments of the healthcare market and the real estate industry. The healthcare market served by MPH's investments includes both the segments financed by health insurance companies ("first healthcare market") and the privately financed segments (so-called "second healthcare market"). Against the background of demographic developments in Germany and Europe, we expect the first and second healthcare markets to continue to grow in the coming years. A society that is growing older due to increasing life expectancy requires a stable supply of medicines over a longer period of time ("first healthcare market" segment). In addition, health and body awareness and demand for medical-aesthetic services are increasing in old age ("second healthcare market" segment).

MPH aims to exploit the resulting potential. In doing so, MPH works in partnership with the portfolio companies. The aim is to generate profitable growth in the companies through active further development, thereby increasing not only the value of the respective portfolio company itself, but also the enterprise value of MPH Health Care AG. However, MPH Health Care AG is not exclusively focused on the healthcare and real estate markets. There are also investment opportunities in other high-growth sectors, whose successes we would like to exploit and expand.

KEY AREAS OF MPH HEALTH CARE AG



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XETRA Development of MPH Health Care AG share



KEY FIGURES FOR THE SHARE

as of 30.06.2023

Number of shares as of 31.12.

4,281,384

WKN / ISIN

A289V0 / DE000A289V03

Ticker symbol

93M1

Class of shares

Bearer shares

Market places

Xetra, Frankfurt, Stuttgart, Dusseldorf, Berlin, Munich, Hamburg, Tradegate

Market segments

Open Market - Frankfurt Stock Exchange

Designated Sponsor, Listing Partner

ODDO BHF

Coverage

First Berlin Equity Research, GBC Research

Market capitalization

EUR 68.5 mn (as of 30.06.2023 –Xetra,
prev. year 30.06.2022: EUR 74.5 mn)



Dear Shareholders, Ladies and Gentlemen

According to the ifo economic forecast from the end of June 2023, different forces are shaping economic development in Germany: Inflation is slowly easing – but the economy is still “stuttering”. The high upward pressure on prices once again reduced households’ real incomes and thus consumption in the spring. It will not be until the second half of the year that incomes are expected to rise more strongly than prices again and private consumption to pick up. Construction activity will cool throughout the forecast period. According to the ifo, gross domestic product will decline by 0.4% this year and increase by 1.5% next year. Inflation rates are expected to fall further in the coming months (starting from a high level).

Although our listed shareholdings achieved very good operating results in the fiscal year 2022 and the first half of 2023, this has not yet been fully reflected in the stock market prices of these shareholdings. Due to the (non-cash) fair value measurement of the investments as of the reporting date of 30 June 2023, MPH recorded a **net loss after tax** (in accordance with IFRS accounting) of EUR 15.4 mn (first half of 2022: net loss of EUR 36.0 mn). In the fiscal year 2022, a surplus of 29.1 mn euros was generated (on an annual basis).

In the first six months of 2023, operating income increased slightly from EUR 0.27 mn to EUR 0.35 mn. Operating expenses were reduced significantly from EUR -36.8 mn to EUR -15.9 mn.

Equity decreased by 7% to EUR 206.0 mn compared with 31 December 2022. However, the **net asset value (NAV)** per share increased significantly year-over-year from EUR 36.51 (30 June 2022) to EUR 48.12 as of 30 June 2023. The equity ratio of 93.3% as of 30 June 2023 is almost unchanged compared to 31 December 2022 (93.4%) and reflects the healthy capital structure of MPH.

Due to the current uncertainties caused by the ongoing Ukraine crisis and a high level of inflation, our **listed investment M1 Kliniken AG** decided at its Annual General Meeting on 19 July 2023 not to pay a dividend in order to strengthen liquidity and expansion. The Annual General Meeting of the second **listed subsidiary CR Energy AG** was held on 14 July 2023. There, an (unchanged) dividend of EUR 2.50 per dividend-bearing share was approved as a result of the once again pleasing business and earnings performance in 2022. As in the previous year, the dividend could be received either in cash or in the form of shares in the company.

In order to have sufficient financial room for manoeuvre further growth and expansion of the investments, it was decided at the Annual General Meeting of MPH Health Care AG on 20 July 2023, not to distribute a **dividend** and to carry forward the net profit for the fiscal year 2022 in full to new account.

The operational development of our two listed investments is pleasing and in line with expectations.

M1 Kliniken AG

IFRS consolidated sales in the first half of 2023 amounted to EUR 150.8 mn, compared with EUR 138.7 mn in the first half of 2022, representing an increase of around 9%. The EBIT margin increased to 4.8% in the first half of 2023 (prior-year period: 3.2%). Equity increased by EUR 3.3 mn to EUR 146.4 mn in the first half of 2023, with an equity ratio of 72.0%.

Sales in the "Trade" segment increased from EUR 110.8 mn to EUR 113.6 mn in the first half of 2023. In the high-margin "Beauty" segment, sales increased from EUR 27.9 mn in the prior-year period to EUR 37.2 mn, corresponding to 33.5%. The EBIT margin increased significantly from 9.3% to 21.9%, once again demonstrating the strength of this business unit.

Overall, operating profit (EBIT) rose by more than 60% to EUR 7.28 mn (previous year: EUR 4.47 mn). Net income (before minority interests) as of 30 June 2023 rose to EUR 4.14 mn, an increase of around 50% compared to the previous year (EUR 2.76 mn).

M1 Kliniken AG continues to be on a growth path and has opened two new locations in Germany and abroad in the first half of 2023 and has a practice network of 56 locations as of 30 June 2023. By the end of 2023, the practice network is expected to comprise 60 locations.

CR Energy AG

Our second direct listed investment CR Energy AG had not yet published any half-year figures at the time this report was prepared. In the financial year 2022, CR continued on its successful path and achieved further profitable growth. CR Energy AG is an investment company that invests in innovative and high-growth technology companies. The purpose of the company is not the operational business, but the targeted selection of company investments and their development. CR Energy is increasingly involved in the areas of regenerative energy supply and sustainable living, whose markets are worth billions of euros.

In 2022, CR achieved IFRS consolidated sales of EUR 79.4 mn (previous year EUR 69.9 mn) and increased the result from ordinary activities (EBITDA) by more than 14% from EUR 66.5 mn in the previous year to around EUR 76.0 mn. Equity increased from EUR 240.8 mn in 2021 to around EUR 314.0 mn as of 31 December 2022. The equity ratio remains at over 97%.

The first half of 2023 has been positive for our shareholdings and they continue to develop steadily. The two segments "Healthcare" and "Renewable Energies/Real Estate" have proven to be crisis-resistant. With the selection of the investment focus, MPH has diversified the risk in three growth markets. I am convinced that this will again have a positive effect on MPH's share price in the future. I would like to express my sincere thanks for the commitment of the employees of the MPH Group. My thanks also go to the Supervisory Board for its constructive cooperation during the reporting period.

Berlin, August 2023



Patrick Brenske
(Management Board)

2. Net Asset Value of MPH

Net Asset Value	30.06.2022 in EUR	30.06.2023 in EUR
Equity	156,309,868	206,015,155
Equity per share	36.51	48.12

MPH as of 30.06.2023	Number of stocks / shares pieces	Share ¹⁾ 30.06.2023	Market value in EUR	Fair Value in EUR
M1 Kliniken AG	13,501,911	7.98 €	107,745,250	
HAEMATO AG	15,218	23.20 €	353,058	
CR Energy AG	2,660,519	31.70 €	84,338,452	
TOTAL				
Market price of valued shares			192,436,760	192,436,760
Unlisted companies shareholdings				24,819,621
TOTAL Fair Value valued shares				217,256,381
Liquid funds				805,351
Other assets				2,754,281
Application of funds (assets)				220,816,013
Equity				206,015,155
Interest-bearing liabilities				13,028,938
Other liabilities				1,771,920
Source of funds (liabilities)				220,816,013

Company Portfolio Overview

	01.01. - 30.06.2022 in kEUR		01.01. - 30.06.2023 in kEUR	
Accounting according to IFRS	Sales	EBITDA	Sales	EBITDA
M1 Kliniken AG	138,668	7,361	150,793	9,947
HAEMATO AG	120,972	5,057	133,638	5,719
CR Energy AG	68,997 ²⁾	67,708	k.A.	k.A.

1) Xetra closing price; 2) Total income including income from participations

3. MPH on the capital market

According to the latest forecasts, the IMF's economists expect global growth to increase by 3.0% this year. In the last update in April, they still assumed 2.8%. For some countries, they even foresee a significant improvement; Spain, for example, can now expect growth of 2.5% instead of 1.5%, and for the UK, the recession has been called off: instead of a minus of 0.3%, the table now shows a plus of 0.4%. Germany is a completely different story. Apart from Saudi Arabia, it is the only major country for which the IMF experts have lowered their forecasts. The economy in this country is expected to decrease 0.3% this year. In April, they had still assumed a minus of only 0.1%. For the German economy, and German industry in particular, things are continuing to go downhill, especially in comparison with other countries. There are many reasons for this, some of which are home-made, some of which are external. Above all, however, there are no simple recipes for changing the situation quickly. Germany's economic stagnation is therefore likely to continue for some time. The main reason for this is the structure of the German economy, which is far more heavily based on industry than others. This was an advantage for many years, particularly at times when German industrial goods were in high demand, especially in China. But now the dominance of industry is a liability. "The war, energy prices and the more restrictive monetary policy of the European Central Bank (ECB) are weighing on German manufacturing," says Ipek Ozkardeskaya, senior analyst at Swissquote Bank. At the same time, private consumption is also suffering. "Private households are forced to save in light of increased living costs," says Thomas Gitzel, chief economist at VP Bank. This, in turn, is leading to a massive slump in retail sales in real terms, he adds. ¹

The Institute of the German Economy (Institut der deutschen Wirtschaft, IdW) even expects GDP to decline by up to 0.5% in 2023. At the end of the year, output would therefore be just at the same level as in 2019. Due to its high focus on global markets and its high export ratio, the German economy suffers disproportionately from geo-economic shocks such as the Ukraine war and tensions in its relationship with China, the researchers stressed. With its high share of industry by international standards and the importance of energy-intensive industries, it also feels the existing supply risks and cost shocks more strongly than other countries. At the same time, domestic demand is suffering from high inflation. Private consumption is becoming a brake on the economy. According to the experts, the inflation rate in 2023 is likely to be only slightly below the previous year's level at 6.5%. ²

Starting from the previous year's price of 30 June 2022 (EUR 17.40), the MPH share fell to around EUR 10.00 in the fall of 2022 and recovered from this low to EUR 16.00 by 30 June 2023. Year-over-year, this represents a decline of 8.0%. However, by 1 September 2023 the share price had even risen again to EUR 17.00.

The net asset value (NAV) of MPH Health Care AG amounted to EUR 48.12 per share on 30 June 2023 (previous year EUR 36.51 per share), which corresponds to an increase of around 32% resulting from the fair value measurement of the share prices of the listed investments as of the reporting date on 30 June 2023. The future prospects of MPH continue to be regarded as positive, which is also reflected in the current rating of the analyst firms. Thus, on 8 May 2023, the analysts of First Berlin stated the price target for MPH at EUR 54.00.



M1 Kliniken AG is the leading provider of beauty medical healthcare services in Germany. In the aesthetic and surgical area, the group of companies offers products and services with the highest quality standards. As of 1 September 2023, beauty medical treatments are offered in 58 specialist centers under the “M1 Med Beauty” brand. Among them, the M1 Schlossklinik for plastic and aesthetic surgery in Berlin, with six operating rooms and 35 beds, is one of the largest and most modern facilities of its kind in Europe.

Since the end of 2018, M1 has been pushing ahead with internationalization and is currently also active in Central Europe, Eastern Europe and Australia. With its investment in HAEMATO AG, which has been in place since mid-2020, M1 Kliniken AG is also in a position to leverage sales and earnings potential of treatment products in the medical-aesthetic field.



M1 Kliniken AG was able to continue its growth course in 2023 and opened four new specialty centers so far. By the end of 2023, the network is expected to grow to at least 60 specialist centers, and significant revenue and earnings growth is expected to continue in the following years. Growth-related economies of scale and synergies in the value chain will secure sustainable price leadership.

In the first half of 2023, **IFRS consolidated** sales increased from EUR 138.7 mn to EUR 150.8 mn, corresponding to a growth of around 9%.



The “Beauty” segment accounted for a share of sales of EUR 37.2 mn – an increase of over 33% compared to the previous year’s figure (EUR 27.9 mn). The EBIT margin increased significantly from 9.3% to 21.9%, once again demonstrating the strength of this business unit. Sales in the “Trade” segment increased from EUR 110.8 mn to EUR 113.6 mn in the first half of 2023. As expected, the five percentage point increase in manufacturer discounts led to a reduction in the gross margin in this area.

The result from ordinary activities (**EBITDA**) increased from EUR 7.4 mn to EUR 9.9 mn. The operating result (**EBIT**) increased by more than 60% from EUR 4.5 mn to EUR 7.3 mn. As of 30 June 2023, the M1 Kliniken share price was quoted at EUR 7.98, a good 53% higher than at the same time last year (EUR 5.20).

COMPANY FIGURES

as of 30.06.2023

Class of shares	Bearer shares
Number of shares	19,643,403
WKN / ISIN	A0STSQ / DE000A0STSQ8
Ticker symbol	M12
Market places	Frankfurt, Xetra, Dusseldorf, Stuttgart, Berlin, Hanover, Hamburg, Munich, Tradegate
Market segments	Open Market - Frankfurt Stock Exchange
Designated Sponsor, Listing Partner	mwb fairtrade Wertpapier Handelsbank AG
Coverage	Bankhaus Metzler, First Berlin, M.M.Warburg & Co.
Market capitalization	EUR 156.8 mn (as of 30.06.2023 – Xetra, prev. year 30.06.2022: EUR 102.1 mn)





HAEMATO AG (as a subgroup of M1 Kliniken AG) is a listed pharmaceutical company with wholesale and manufacturing authorization. The focus is on the growth markets of high-priced specialty pharmaceuticals from the indication areas of oncology and HIV as well as from the areas of rheumatism, neurology and cardiovascular diseases. The company makes an active contribution to reducing costs in the German healthcare system. With direct access to more than 7,000 pharmacies in Germany and Austria, HAEMATO helps to ensure that every patient benefits from the latest innovative therapies. The business operations are mainly carried out by three companies: HAEMATO PHARM GmbH, HAEMATO MED GmbH and M1 Aesthetics GmbH. The HAEMATO group of companies has commercial and production space of approximately 2,400 m² at its Schönefeld and Berlin-Bohnsdorf sites.

With the acquisition and initial consolidation of M1 Aesthetics GmbH as of 1 January 2021, the product portfolio was expanded to include drugs and medical devices for use in aesthetic medicine as well as cosmetic products. These activities are bundled in the "Lifestyle and Aesthetics" segment, which is characterized by a more profitable gross margin. HAEMATO AG has been a subgroup of M1 Kliniken AG since the 2020 financial year.





In the first half of 2023, consolidated sales increased by 10.5% to EUR 133.6 mn (previous year: EUR 121.0 mn). The result from ordinary activities (**EBITDA**) increased from EUR 5.1 mn to EUR 5.7 mn. The operating result (**EBIT**) increased by around 20% from EUR 4.4 mn to EUR 5.3 mn. As of 30 June 2023, the price of the HAEMATO share was 9.4% higher at EUR 23.20 than at the same time last year (EUR 21.20).

COMPANY FIGURES

as of 30.06.2023

Class of shares	Bearer shares
Number of shares	5,229,307
WKN / ISIN	A289VV / DE000A289VV1
Ticker symbol	HAEK
Market places	Xetra, Frankfurt, Stuttgart, Hamburg, Berlin, Munich, Tradegate, Dusseldorf
Market segments	Open Market - Frankfurt Stock Exchange
Designated Sponsor, Listing Partner	mwb fairtrade AG
Coverage	GBC AG, First Berlin Equity Research GmbH, Warburg Research
Market capitalization	EUR 121.3 mn (as of 30.06.2023 – Xetra, prev. year 30.06.2023: EUR 110.9 mn)



CR ENERGY

CR Energy AG (formerly CR Capital AG) is an investment company with a strategic focus on acquiring, founding and building up companies as well as holding and selling investments in companies. A key success factor is the operational support of the portfolio companies. CR Energy invests in three megatrends: energy transition; affordable housing for all; wealth creation for broad sections of the population. The investment focus is on specialized companies in the field of sustainable technologies that save energy, reduce greenhouse gas emissions and conserve resources in particular. As an integrated investment manager, CR invests in innovative companies along the real estate value chain and has evolved into a real estate investment house in recent years. One focus of its business activities is the creation of high-quality residential properties in solid construction at affordable prices. In doing so, CR Energy AG relies on ecological construction methods and benefits from just-in-time production, efficient construction costs, short property holding periods and the scalability of the business model. Due to the closed value chain, a high degree of market independence is also achieved.

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

With the establishment of the new holding **Solartec GmbH** at the end of 2021, CR Energy complements its portfolio with an innovative technology company and opens up further market potential in the field of sustainable energy generation and storage.

Sustainability: CR Energy's goal is to continuously improve the company's orientation according to the criteria of sustainability and corporate and social responsibility. The two are inextricably linked. With this orientation, CR Energy (together with its affiliates) contributes to finding answers to the global challenges of our time: Climate and water protection, energy and resource scarcity, and ultimately quality of life for a growing world population.

CR Opportunities GmbH offers security-oriented and high-yield investment opportunities for small investors. For example, the company offers a bond with a fixed distribution of 9.5% p. a.



CR ENERGY

In the fiscal year 2022, total operating output increased by 13.7% to EUR 79.4 mn (previous year EUR 69.9 mn). The result from ordinary activities (EBITDA) increased by 14.8% to EUR 76.3 mn. Net income increased by 15.2% to EUR 75.3 mn (previous year EUR 65.4 mn). The equity ratio increased from 97.1% to 97.6%. For the first half of 2023, no figures for CR Energy were available at the time of this report preparation.

As of 30 June 2023, the price of the CR Capital / CR Energy share was quoted at EUR 31.70, this is 6.0% higher than at the same time last year.

COMPANY FIGURES

as of 30.06.2023

Class of shares	Bearer shares
Number of shares	4,064,594
WKN / ISIN	A2GS62 / DE000A2GS625
Ticker symbol	CRZK
Market places	Xetra, Frankfurt, Tradegate, Dusseldorf, Stuttgart, Munich, Berlin
Market segments	Open Market - Frankfurt Stock Exchange
Designated Sponsor, Listing Partner	Oddo BHF AG, Hauk Aufhäuser Lampe Privatbank AG
Coverage	First Berlin, Hauk & Aufhäuser, GBC AG
Market capitalization	EUR 128.8 mn (zum 30.06.2023 – Xetra, prev. year 30.06.2022: EUR 121.5 mn)





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5. Interim Group Management Report 2023

5.1 Business model of the company

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

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

5.2 Economic report

In the first half of 2023, MPH Health Care AG held a majority interest in two listed companies (M1 Kliniken AG and CR Capital AG). The majority shares in the listed investment HAEMATO AG were contributed to M1 Kliniken AG with effect from 1 July 2020 as part of a capital increase through contributions in kind. HAEMATO AG thus now represents an indirect shareholding. In addition, MPH holds minor direct shares in HAEMATO AG amounting to 0.2%. Compared to the previous year, the stock market value of the investments as of 30 June 2023 increased by EUR 58.9 mn to EUR 192.4 mn (previous year: EUR 133.5 mn) due to the fair value measurement of the share prices of these investments as of the reporting date. Overall, the listed and unlisted shares of the investments increased by EUR 60.1 mn to EUR 217.3 mn within one year.

Due to the continuing uncertainties about the further development of the Ukraine war, the uncertain development of inflation in connection with weaker consumer spending and the further expansion of the national and international beauty medical treatment centers, the investment M1 Kliniken AG has again refrained from distributing a dividend this year for reasons of prudence and has decided to carry forward the full amount of the result of the financial year 2022 to new account in order to strengthen liquidity and to be able to finance further growth. At the Annual General Meeting in July 2023, the investment CR Capital AG decided to distribute a dividend of EUR 2.50 per share.

As a result of the strategic decisions, MPH Health Care AG also resolved at its Annual General Meeting on 20 July 2023, to carry forward its net profit for the fiscal year 2022 in full to new account and not to distribute a dividend.

5.2.1 Economic environment - overall economy

Although the increase in **global production** accelerated noticeably at the beginning of 2023, there are still no signs of a sustained upturn. In the first quarter, global production increased by 0.8%, the highest rate since the end of 2021. Economic activity picked up in the emerging markets in particular, but also in the advanced economies after the stagnation recorded last fall. Business sentiment even brightened quite significantly in view of lower inflationary pressure and easing problems in supply chains. However, the indicator for the global economic climate calculated by the Kiel Institute for the

World Economy on the basis of sentiment indicators from 42 countries has recently declined again and signals weaker expansion for the second quarter. Industrial production barely expanded despite the economic opening in China, and world trade showed little dynamic. Global industrial production rose slightly in the first quarter, mainly due to a return to significantly higher production in China. However, the available indicators for April and May do not suggest that the industrial economy has returned to a sustained upward trend. World trade is also going through a weak phase: Although the data of the CPB Netherlands Bureau for Economic Policy Analysis“ show strong growth, for March 2023 the average for the first quarter nevertheless shows a decline in the exchange of goods compared with the previous quarter, and developments at the current margin indicate that momentum in world trade has recently been low again. Although the number of containers shipped has been rising again since the end of last year, it is still significantly lower than a year ago. ¹

In the advanced economies, however, output again expanded only slightly. In the first quarter, gross domestic product in the group of advanced economies increased at a rate of around 0.3%, as in the final quarter of last year. The pace of expansion in the United States slowed noticeably, but overall the US economy remained robust despite the pronounced tightening of monetary policy. Although the Federal Reserve raised interest rates at an unusually sharp pace, economic output and employment continued to grow significantly. The main factor behind the continued economic expansion was the marked rise in private consumption, which continued until the beginning of this year, while the braking effect of the deterioration in financing conditions is now clearly visible in the area of investment - residential construction in particular is on a pronounced downward trend. In the Euro zone, the economy contracted slightly once again. The main factor was again a weakness in consumption, with the decline in private household consumption slowing but at the same time a sharp drop in government consumption. In the United Kingdom, too, economic activity remained weak, with output almost stagnating. By contrast, gross domestic product in Japan grew at a rate of 0.7%, considerably stronger than in previous quarters, and private consumption picked up significantly. In addition to somewhat lower energy prices and a strong rise in wages, the lifting of the last pandemic-related containment measures is likely to have played a role here. In South Korea, this factor also contributed to the revival of production in the first quarter. ²

In the emerging markets, production increased significantly more strongly, mainly due to the departure from the Zero-Covid policy in China. The sudden, far-reaching abolition of infection control measures resulted in a strong 2.2% increase in overall economic output in China in the first quarter. However, the previously restricted service sectors in particular expanded strongly, while industrial production and foreign trade benefited less and even showed significant weakness recently. In the other emerging countries, the economy expanded somewhat more strongly in most cases. Where production declined towards the end of the year – as in Thailand, Malaysia and Brazil – the economy even recovered significantly. One exception is Argentina, where the production slump, which was mainly drought-related, is likely to have continued after the turn of the year. In Russia, according to official estimates, gross domestic product in the first quarter was only 1.9%-lower than a year earlier, suggesting a further increase in production over the course of the year. ³

The situation on the commodity markets continued to ease in the first few months of the current year. Prices for non-energy raw materials, for example, have tended to fall further and were most recently back at the level seen at the end of 2020, when the post-Corona commodity boom began. Food prices have also eased noticeably in the meantime, although they remain quite high by historical standards, especially in the case of corn. The oil price has been trending downward since June; even OPEC's repeated cuts in production quotas and, most recently, the decision to maintain the reduced quotas next year have not changed this. At the same time, OPEC is apparently tolerating Russia's significant expansion of its exports in order to counteract the loss of revenue caused by the generally lower oil prices and the continued massive discounts on the price of the Russian reference grade Urals. In order to prevent an oversupply of the market and the resulting price pressure, Saudi Arabia has announced that it will temporarily reduce its production by one million barrels per day (around 1% of global production) in July. Most recently, the price of Brent crude was back at just \$70, which

is lower than the average for 2021. The price level on the European gas market has also continued to fall significantly in recent months. Most recently, at around 30 euros per megawatt hour (TTF), it was almost back at the upper end of the price band recorded in the years before the crisis. Inflation has been falling so far, mainly due to lower energy prices again, and the upward pressure on prices has recently eased worldwide. Since October 2022, the inflation rate in the G7 countries has fallen from 8.4% to 5.7% (April).⁴

The **German economy** is initially showing little momentum at a low level of activity. Following a weak winter half-year, in which economic output slipped by 0.8%, the German economy was most recently operating 0.5% below the level reached in the fourth quarter of 2019, immediately prior to the outbreak of the pandemic, when the economy was in a normal situation. With the renewed decline in GDP in the first quarter and the recent gloomier economic indicators, concerns have increased that the aftermath of the energy crisis and the tightening of monetary policy could weigh more heavily on the economy than previously expected. Overall, there are more indications that the German economy will return to a moderate expansion course in the course of the year despite the headwinds. The decline in GDP in the first quarter was mainly due to a special effect in public consumer spending rather than reflecting a broad-based economic slowdown. Industry can draw on its still high order backlogs. Consumer-related service providers are likely to benefit from strong wage increases.⁵

Even though economic output – measured in terms of gross domestic product – recently declined for two quarters in a row, the overall constellation argues against a recession in the cyclical sense. Measured in terms of gross value added, there was a sharper slump in the final quarter of the previous year, followed by a fairly strong increase of 0.9% in the first quarter. In terms of utilization, the weak development in the first quarter is attributable to a decline in private consumption, which was mainly due to the inflation-related loss of purchasing power in mass incomes, as well as to the slump in public consumption as a result of the seemingly abrupt termination of Corona measures, and thus to two factors, the first of which will gradually be overcome and the second of which will remain one-off. All in all, the economy is thus primarily caught between considerable scope for expansion and hitherto quite stubborn production-side obstacles. As these are gradually overcome, economic output may also pick up again. For the time being, however, the significant correction of financing conditions in the course of monetary policy tightening will weigh on the economy, weakening construction activity in particular. Construction activity will not pick up again until construction prices have adjusted to the new interest rate environment.⁶

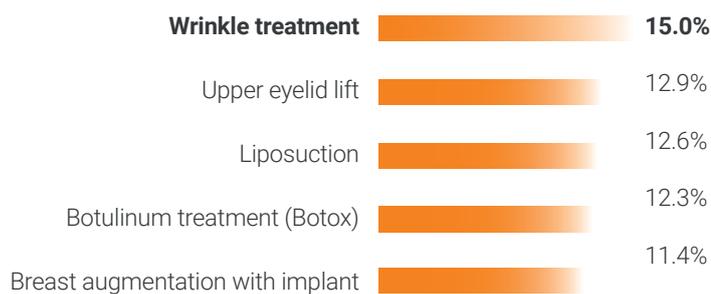
5.2.2 Healthcare industry and beauty market

The healthcare industry is one of the largest sectors of the German economy. It is a growth driver for the entire economy due to its innovative strength and its employment power - more people work in the healthcare industry than in the automotive sector. The healthcare industry has been hit particularly hard by the Corona pandemic and Russia's attack on Ukraine, which violated international law, and all its consequences. The updated figures for the observation year 2022 again show that the healthcare industry is also the engine for growth and employment in Germany in the newly examined period. The healthcare industry has continued to recover after the decline in the Corona year 2020. The gross value added of the healthcare industry has grown stably over the past 10 years, significantly faster than that of the economy as a whole. On average, it grew by 4.6% per year, while the overall economy grew by an average of 3.5% per year. In 2022, the gross value added of the healthcare industry was EUR 439.6 bn. This corresponds to 12.7% of the gross value added of the overall German economy. In 2022, nearly 8.1 million people were employed in the healthcare industry, or 17.7% of the total workforce in Germany. Since 2013, the number of people employed in the healthcare industry has increased by 1.4 million.⁷

In 2021, more than 30 million surgical and non-surgical cosmetic procedures were performed **world-wide**. Liposuction was the most popular cosmetic procedure worldwide, with around 1.9 million procedures. In no other country was cosmetic surgery performed as frequently as in the USA, which together with Brazil has occupied the top two positions for years. Both countries account for just under a third of all cosmetic surgery performed worldwide. In Germany, breast augmentation has been replaced in recent years by eyelid surgery and liposuction as the most popular cosmetic operation. Among women, who with a share of around 88% of patients were on the operating table significantly more often than men, wrinkle injections take the top spot - followed by breast augmentation, upper eyelid lift and Botox treatments. German men had liposuction most frequently. The following places were occupied by eyelid lift, breast reduction and also Botox treatments. While most patients in Germany were between 18 and 30 years old, the highest growth rates were recorded in the age groups 41 to 50 years and over 61 years. The average age of patients was recently around 43 years. ⁸

According to a current statistic of the DGÄPC (German Society for Aesthetic and Plastic Surgery) for the year 2022, only the weighting of the top 5 treatment methods has changed. While body contouring by means of liposuction has increased, and there has also been an increase in upper eyelid lifting, wrinkle treatment and botulinum toxin injections have seen a decline. Wrinkle injections are the most popular cosmetic treatment (2nd place last year), followed by upper eyelid lifting (3rd place last year) and liposuction (5th place last year). ⁹

Total treatments 2022: Top 5 (18 - 80+ years)



Source: DGPÄC STATISTIK 2021 - 2022

5.2.3 Pharmaceutical market in Germany

The pharmaceutical industry continues to be of great importance for growth, employment and innovation effects in Germany. The monthly development of the German pharmaceutical market (pharmacy and clinic) was positive in terms of revenue and sales in the first quarter of 2023. Germany's pharmaceutical industry not only makes an important contribution to the health-related well-being of the population, but also sustainably supports the economy thanks to its export strength. A study by the Prognos Institute in 2021 shows how much the pharmaceutical industry contributes to stabilizing the domestic economy thanks to its export strength: After all, 15% of all pharmaceuticals exported worldwide come from Germany. With a share of 6%, pharmaceuticals from Germany are among the country's most important exported goods. For this reason, Germany has had a positive balance of trade in pharmaceutical products for many years. Over the last ten years, this export surplus has doubled, amounting to around EUR 25 billion in 2019. All in all, the Prognos researchers give the German pharmaceutical industry an excellent report card in terms of the three factors of export strength, job security and crisis resilience. The pharmaceutical industry thus makes a decisive contribution to safeguarding domestic value creation. ¹⁰

In Q1/2023 (more recent figures were not available at the time of reporting), sales of pharmaceuticals in the **overall pharmaceutical market** (pharmacy and clinic) rose by a mid-single-digit 6.9% (prior-year quarter 6.2%). Sales volumes rose likewise, but only by a slight 1.8%. In total, around 25.5 bn counting units (capsules, strokes, sachets, etc.) worth over EUR 14.5 bn were dispensed to patients from January to March 2023. The sales development in the clinic and pharmacy market (basis: assessed prices/dispensing price of the pharmaceutical entrepreneur without any deductions) of the first quarter of 2023 shows a significantly stronger clinic segment in the sales growth rate of 13.7%. Also with regard to the consumption quantity in counting units (ZE), the clinic market was stronger with a sales growth of +5.5% than the pharmacy segment, where only 1.6% sales growth was achieved. ¹¹

In the first three months of this year, the **pharmacy market** recorded growth rates in revenue and sales in the low single digits. Slightly less than 440 million packages (previous year 426.7 mn packages), or +3%, worth EUR 11.6 bn (previous year EUR 11.3 bn) were dispensed to patients at the pharmaceutical entrepreneur's selling price, including vaccines and test diagnostics. Prescription preparations in the pharmacy market are on a single-digit growth course in terms of revenue and sales. OTC drugs are also achieving slight revenue and sales growth in the lower single-digit range. ¹²

SHI pharmaceutical expenditures have also increased in the mid-single digits after sales and revenue growth. After deductions for manufacturers (Section 130a (1) of the German Social Code, Book V) and pharmacies (not taking into account savings from discount agreements), this expenditure amounts to EUR 13 bn in the first quarter of 2023. This figure is 4% higher than in the previous year. In the first three months of 2023, savings by statutory health insurers due to mandatory manufacturer discounts and rebates from reimbursement agreements amount to EUR 2.379 bn (+33%) and are also higher than in the previous year in the private health insurance and hospital markets. For private health insurers, savings will result from mandatory manufacturer discounts and rebates from reimbursement amounts. This calculated volume amounted to EUR 331 mn (+31%) in Q1. In the hospital sector, mandatory manufacturer discounts and rebates increased by 12% to 62 million euros. ¹³

5.2.4 Real estate industry in Germany

The core market for CR Energy AG's business activities is the German real estate market.

The crisis continues to have a grip on the investment market. Positive forecasts that the trend could turn around from mid-2023 are now being dismissed by experts. Prices will continue to fall for the time being, and a bottom may not be reached until 2024. "The second half of the year will continue to be characterized by uncertainty for the time being, even if the players are gradually overcoming their shock paralysis and are increasingly coming to terms with the new market environment," said Felix Meyen, managing director of HIH Invest Real Estate, with a focus on commercial investments. Market activity is currently low, he said, because pricing has not yet been completed. According to Meyen, small-volume deals in particular are currently providing a gradual revival of the market. "The current interest rate level, increased inflation and the uncertain economic development are massively slowing down the transaction market," added Peter Axmann, head of real estate clients at Hamburg Commercial Bank (HCOB): "The outlook for the real estate industry remains subdued." The bank expects a market shakeout, an increase in insolvencies and discounts of up to 30% in property values. "After twelve years of boom, the industry still needs time to arrive in the new reality," Axmann said. He expects sentiment to brighten in 2024 at the earliest – if inflation and interest rates consolidate by then. The supply side will be stimulated by selling pressure from funds, developers and real estate corporations. ¹⁴

5.3 Business development and position of the company

5.3.1 Business development

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

MPH Health Care AG has the status of an investment company in accordance with IFRS 10. All subsidiaries (investments) are not fully consolidated on this basis. The investments are measured at fair value through profit or loss in accordance with IFRS 9.

In the first half of 2023, investment income was generated in the same amount as in the previous year (kEUR 250). Due to the uncertain global situation with regard to the course of the crisis in Ukraine and the ongoing recession as well as the associated risks, investment income of M1 Kliniken AG is not expected in the financial year 2023. CR Capital AG, whose business area is little affected by the current situation, will distribute part of its profits as in the previous year. MPH expects a dividend from CR Capital AG of EUR 2.50 per share at the beginning of the second half of 2023, which will accrue to the company in the form of a stock dividend. HAEMATO AG has again increased its distribution to shareholders. In 2023, a dividend of EUR 1.20 per share will be paid out for the previous fiscal year (previous year EUR 1.10). The respective Annual General Meetings will take place in the second half of 2023.

5.3.2 Earnings situation of the MPH Group (IFRS)

Generally, an investment entity does not consolidate its subsidiaries or apply IFRS 3 when it obtains control of another entity. Instead, an investment entity shall measure the investment in a subsidiary at fair value through profit or loss in accordance with IFRS 9.

As of 30 June 2023, the net loss for the year amounts to kEUR 15,406 (net loss previous year: kEUR 35,995). This amount mainly includes the results from the fair value measurement of the investments as of the reporting date, which does not affect liquidity. In the financial year 2022, a net profit of EUR 29.1 million was generated.

5.3.3 Financial position of the MPH Group (IFRS)

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

Our capital structure is good. **Equity** decreased from kEUR 221,422 as of 31 December 2022 to kEUR 206,015 as of 30 June 2023, and the equity ratio remained almost constant at 93.3% compared to the previous year (31 December 2022: 93.4%).

Cash and cash equivalents amount to kEUR 805 (31 December 2022: kEUR 1,669). **Other current financial assets** increased by more than kEUR 400 and amount to kEUR 2,574 (31 December 2022: kEUR 2,148).

Other current financial liabilities have decreased by around EUR 9.9 million compared to 31 December 2022 to kEUR 3,107 due to the conversion of a current loan into a non-current loan. **Other non-current financial liabilities** have increased accordingly to kEUR 9,922.

Financial liabilities account for 5.9% of total assets. MPH makes use of the credit lines granted by various banks to promote the success of its business. Our investments have significantly higher credit lines than are utilized on average.

Trade accounts payable can always be settled within the payment terms.

Long-term investments are 94.8% covered by our equity. The liquidity situation is satisfactory.

In view of the uncertain political and geopolitical situation, MPH only made minor investments in shareholdings amounting to kEUR 267 in the first half of 2023. On the other hand, sales of investments or shares amounting to kEUR 641 were made. There were no significant investments in property, plant and equipment, nor are any planned in the short term.

The financial development of the MPH investment company in the reporting period is shown in the cash flow statement with indirect calculation of cash flows from operating activities as follows:

Cash flows from:	01.01. - 30.06.2023 kEUR	01.01. - 30.06.2022 kEUR
Current business activity	-1,457	-533
Investing activities	626	250
Financing activities	9,823	-3,084
Total cash flow	8,992	-3,367
Liabilities due at any time (balance)	-9,855	3,019

5.3.4 Net assets of the MPH Group (IFRS)

The net asset position of MPH Health Care AG remains good. It consists mainly of non-current financial assets measured at fair value of kEUR 217,256 as of 30 June 2023 (31 December 2022: kEUR 233,010), other current financial assets of kEUR 2,574 as of 30 June 2023 (31 December 2022: kEUR 2,148) and cash and cash equivalents of kEUR 805 as of 30 June 2023 (31 December 2022: kEUR 1,669).

Overall, our economic situation can be described as good.

5.4 Forecast report

We assess the medium- and long-term development of MPH Health Care AG positively.

The business areas of the investments continue to offer attractive growth potential. The demand for off-patent and patent-protected drugs and the production of drugs for therapies for cancer, HIV and other chronic diseases is steadily increasing. MPH benefits from this indirectly through the majority shareholding of M1 Kliniken AG in HAEMATO AG. Beauty lifestyle services for private payers continue to be in vogue and are becoming increasingly popular.

Due to the ongoing uncertainties in Ukraine and an impending recession in Germany, we expect revenues to remain unchanged in the fiscal year 2023, but EBIT margins to increase in the area of the investment M1 Kliniken AG. CR Energy AG should not be affected by the aforementioned risks and continue its growth path. However, we are currently unable to make a statement on the development of the company's valuation on the capital market. The aforementioned risks cannot be sufficiently assessed for this purpose. We assume that our portfolio companies have further catch-up potential in the medium term and that this will be reflected in the share prices of our portfolio companies.

We will always be in a position to meet our payment obligations on time in the future as well.

5.5 Economic Outlook

The risk of a slide into recession has decreased, but economic momentum is being held back by monetary tightening. Key conditions which were largely responsible for the weakening of the **global economy** last year have recently improved significantly. Energy prices, for example, have fallen significantly again and as a result inflationary pressures have eased. In China, the abandonment of the Zero-Covid policy has improved the prospects for steady expansion, and supply bottlenecks are no longer an unusual hindrance to economic activity. All this has contributed to a brightening of business and household sentiment worldwide and a return to economic activity. However, the level of survey-based leading indicators such as the purchasing managers' indices in the manufacturing sector remains quite low and has recently even declined again in some cases. The high order backlogs in industry are increasingly being worked off, so that declining orders will have a greater impact on production in the future. The weak industrial economy is likely to have an even greater impact on the economy as a whole, as the boost provided by the normalization of demand in the service sectors following the end of the pandemic is likely to have less and less impact. The sharp tightening of monetary policy, which has led to significantly higher financing costs and is curbing the propensity to spend, is having a particularly dampening effect. In many countries, the financial cycle also appears to be turning. Real estate prices are now softening after a long period of strong increases. When the financial cycle turns, financial imbalances often materialize, further slowing economic activity. ¹⁵

After a 3.3% increase in global production in 2022, which roughly corresponds to the medium-term trend rate, it is expected to rise by only 2.8% in 2023. For 2024, the IfW Institute for the World Economy in Kiel expects a slight slowdown to 3.0%. This means that the forecast for 2023 has been increased by 0.3 percentage points compared with the March forecast; for 2024, the forecast has been reduced by 0.2 percentage points. Based on market exchange rates, the rates of change in global production are 2.4% this year and 2.5% next year, compared with 3.0% in 2022. Global merchandise trade is expected to contract by 0.6% in 2023 and increase by 2.8% next year, compared with a growth of 3.2% last year. ¹⁶

According to the ifo economic forecast from the end of June 2023, **Germany's economy** is being shaped by a number of different forces: inflation is slowly easing, but the economy is still sluggish. The high upward pressure on prices will again reduce real household incomes and thus consumption in the spring. It is not until the second half of the year that incomes are expected to rise more strongly than prices and private consumption to pick up. Construction activity will cool throughout the forecast period. The rise in construction prices is slowing and borrowing rates will remain high, further reducing demand for construction services. Thanks to high order backlogs, the manufacturing sector is expected to continue to expand production moderately and then expand significantly more strongly again as supply bottlenecks gradually disappear. The situation in the energy-intensive production sectors within German industry is likely to remain strained, preventing an even stronger expansion of gross value added. All this is based on the assumption that there will be no gas shortage in the coming winter. All in all, gross domestic product will decline by 0.4%

this year and increase by 1.5% next year. Inflation rates are expected to fall further in the coming months. There are now signs of price reductions for intermediate input costs, especially energy, which producers will pass on to their customers. However, wage growth is likely to accelerate over the rest of the year as more inflation bonuses are paid out and noticeable wage increases take effect. The overall inflation rate is expected to fall from 6.9% in 2022 to 5.8% in 2023. Only in the coming year should the price increase gradually return to normal and the inflation rate is to fall to 2.1% in 2024. ¹⁷

According to the German Institute for Economic Research (DIW), the DIW economic barometer continued to decline in July 2023, showing a value of 90.3 points for the 3rd quarter of 2023. According to the DIW, hopes of a strong economic upturn in the summer are fading after the weak quarters in the winter. Instead, there are increasing signs of a weak economic year. German industry in particular is weakening. Despite fewer supply chain problems, production is recovering more slowly than expected, and order intake has also been weak recently. Although the order backlog is still comparatively high, it is increasingly shrinking. Consequently, business expectations across all sectors deteriorated further in July, suggesting a weak third quarter. "The situation in German industry is likely to remain difficult," says Laura Pagenhardt, DIW economic expert. The outlook in the construction sector is also at a low. "The high level of interest rates and energy costs, which are falling but remain high, pose major challenges for many companies. In addition, the acute shortage of skilled workers continues to be a problem." Service companies are also struggling, but the situation is significantly better than in industry. Nevertheless, strong inflation continues to weigh on business here as well; sales in the catering sector, for example, are still well below the pre-pandemic level. On a more hopeful note, however, business expectations in the service sector have recently improved somewhat. "The German economy is bobbing along," DIW economic expert Guido Baldi sums up. "We can be relieved that the energy crisis has not led to the feared deep recession. But the consequences of the energy crisis - in the form of high inflation, for example - are still clearly noticeable and are preventing the German economy from gaining momentum at present." ¹⁸

Special factors have shaped the **development of the pharmaceutical industry** in recent years. In the meantime, demand for vaccines has slowed noticeably. Accordingly, domestic sales have recently returned to the level seen before the Corona crisis. As a result of the cuts imposed by the SHI Financial Stabilization Act, the additional burden on the industry for this year alone amounts to around EUR 1.5 billion. Added to this is the extended price moratorium of EUR 1.8 billion. The economic policy framework has recently deteriorated significantly. Above all, the cuts introduced by the SHI Financial Stabilization Act and the energy crisis have left their mark: even though the pharmaceutical industry is not an energy-intensive sector, input costs have risen by around double digits. Important supplier industries have passed on their increased energy costs - for example, the chemical industry with price increases of around a quarter. As pharmaceutical companies are unable to adjust their prices as a result of the statutory regulations, margins are under massive pressure. To make matters worse, earnings are additionally squeezed by the new regulations under the Financial Stabilization Act. This is forcing companies to take rationalization measures. This is already visible in employment expectations. Surveys conducted as part of the ifo Business Survey have shown that the number of companies planning to employ staff is falling: The number of companies planning to cut jobs has recently risen significantly. The financial scope for important investments in the future has also been reduced. Overall, the developments described above are likely to put a clear damper on Germany as a pharmaceutical location, which is actually on the upswing. Politicians should send out signals as quickly as possible that they will rely on the key pharmaceutical industry in the future, so that investment and innovation in Germany are once again driven forward. ¹⁹



6. IFRS Interim Financial Statement

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6.1 IFRS Balance sheet - Assets

as of 30 Juni 2023

	◀ 30.06.2023 EUR	◀ 31.12.2022 EUR
Liquid funds	805,351	1,668,692
Other short-term financial assets	2,574,094	2,147,824
Other short-term assets	165,461	143,399
Short-term assets	3,544,905	3,959,915
Intangible assets	4	4
Fixed assets	14,722	21,927
Financial assets	217,256,381	233,010,261
Long-term assets	217,271,107	233,032,192
▶ TOTAL ASSETS	220,816,013	236,992,107

6.2 IFRS Balance sheet - Liabilities

as of 30 Juni 2023

	◀ 30.06.2023 EUR	◀ 31.12.2022 EUR
Short-term accruals	119,466	87,416
Trade account payables	32,891	48,762
Short-term leasing liabilities	14,675	14,467
Other short-term financial liabilities	3,107,199	12,970,231
Other short-term liabilities	19,162	618,957
Short-term liabilities	3,293,392	13,739,833
Long-term leasing liabilities	0	7,390
Other long-term financial liabilities	9,921,739	0
Deferred tax liabilities	1,585,726	1,823,236
Long-term liabilities	11,507,465	1,830,626
Subscribed capital	4,281,384	4,281,384
Capital reserve	41,220,633	41,220,633
Retained earnings	160,513,137	175,919,631
Equity	206,015,155	221,421,648
▶ TOTAL LIABILITIES	220,816,013	236,992,107

6.3 IFRS Profit and loss statement

as of 30 Juni 2023

Profit and loss statement	◀ 01.01 - 30.06.2023 EUR	◀ 01.01 - 30.06.2022 EUR
Operating income	354,701	266,559
Fair value gain on valuation of financial investments	91,308	0
Income from investments	250,000	250,000
Other operating income	13,393	16,559
Operating expenses	-15,941,524	-36,756,588
Fair value loss on valuation of financial assets	-15,317,534	-36,333,547
Financial expenses	-153,068	0
Administrative expenses	-470,922	-423,042
Result from operating activities EBITDA	-15,586,823	-36,490,029
Depreciation and amortisation	-7,205	-10,522
Operating result EBIT	-15,594,028	-36,500,551
Financial result	-49,975	-35,049
Other interest and similar income	41,103	40,000
Interest and similar expenses	-91,078	-75,049
Earnings before taxes EBT	-15,644,003	-36,535,600
Taxes on income and earnings	237,510	541,062
Result for the period	-15,406,493	-35,994,538

6.4 IFRS Cash flow statement

as of 30 Juni 2023

	◀ 01.01 - 30.06.2023 EUR	◀ 01.01 - 30.06.2022 EUR
Result for the period	-15,406,493	-35,994,538
Depreciation and amortisation of fixed assets	7,205	10,522
Increase / decrease in short-term accruals	32,050	-26,107
Increase / decrease due to fair value measurement	15,226,226	36,333,547
Increase / decrease in inventories	0	-1,620
Change in trade account receivables and other assets	-448,332	-124,730
Change in trade account payables and other liabilities	-623,220	-14,472
Profit / loss from the disposal of fixed assets	153,068	0
Interest expenses / income	89,975	75,049
Other investment income	-250,000	-250,000
Income tax expense / income	-237,510	-541,062
Income tax payments	0	1
Cash flow from operating activities	-1,457,031	-533,410
Proceeds from disposals of financial assets	641,168	0
Payments for investments in financial assets	-266,582	0
Interest received	1,103	0
Income from investments	250,000	250,000
Cash flow from investing activities	625,689	250,000
Change in liabilities to banks	9,921,739	-3,000,000
Interest expenses	-90,808	-74,545
Repayment of rights of use	-7,452	-9,504
Cash flow from financing activities	9,823,480	-3,084,049
Net cash flow	8,992,137	-3,367,459
Cash and cash equivalents at the beginning of the period	-11,292,553	845,762
Liabilities due at any time at the beginning of the period	12,961,246	997,267
Cash and cash equivalents at the beginning of the period	1,668,692	1,843,029
Cash and cash equivalents at the end of the period	-2,300,416	-2,521,697
Liabilities due at any time at the end of the period	3,105,767	4,016,205
Cash and cash equivalents at the end of the period	805,351	1,494,508
Change in cash and cash equivalents	-863,342	-348,521

6.5 IFRS Statement of changes in equity

as of 30 Juni 2023

	Subscribed capital EUR	Capital reserve EUR	Retained earnings EUR	Equity EUR
1. January 2022	4,281,384	41,220,633	146,804,732	192,306,749
Net profit for the year	0	0	-35,994,538	-35,994,538
30. June 2022	4,281,384	41,220,633	110,810,194	156,312,212
1. January 2023	4,281,384	41,220,633	175,919,630	221,421,648
Net profit for the year	0	0	-15,406,493	-15,406,493
30. June 2023	4,281,384	41,220,633	160,513,137	206,015,155



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7. IFRS Shortened Annex

as of 30.06.2023 (unaudited)

7.1 General information

MPH Health Care AG was founded in the fiscal year 2008. The Company is registered in the Commercial Register of the Berlin-Charlottenburg Local Court under HRB 116425 and has its registered office at Grünauer Straße 5, 12557 Berlin. MPH Health Care AG is an investment company as defined by IFRS 10.27. Its business activity consists of investing in companies with the aim of asset growth.

The interim consolidated financial statements for the period from 1 January to 30 June 2023 of MPH Health Care AG have been prepared voluntarily in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. The figures are unaudited.

With regard to the accounting, valuation and consolidation methods applied and the exercise of the options contained in IFRS, we refer to the notes to the consolidated financial statements as of 31 December 2022.

7.2 Scope of consolidation

There were no changes in the reporting period. In accordance with the provisions of IFRS 10.31, the subsidiaries are not consolidated, but the shares are measured at fair value through profit or loss in accordance with IFRS 9. Please refer to our presentation in the consolidated financial statements as of 31 December 2022.

7.3 Selected information on the consolidated balance sheet and consolidated income statement

Cash and cash equivalents, which total kEUR 805 (31 December 2022: kEUR 1,669), mainly comprise bank balances and are recognized at their nominal values.

Other current financial assets, which amount to kEUR 2,574 (31 December 2022: kEUR 2,148), mainly relate to current receivables from affiliated companies.

Other non-current financial assets, which total kEUR 217,256 (31 December 2022: kEUR 233,010), include equity instruments in listed companies and other investments. These financial assets are recognized at fair value both on initial recognition and on subsequent measurement.

Other current financial liabilities mainly include current liabilities to banks and amount to kEUR 3,107 as of 30 June 2023 (31 December 2022: kEUR 12,970). The resulting balance mainly results from a rescheduling of current liabilities to banks into similar non-current liabilities.

Accordingly, **non-current financial liabilities** amount to kEUR 9,922 as of 30 June 2023 (31 December 2022: kEUR 0).

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

The net gain or loss from investments shows the realized gain or loss from the disposal of shares in financial assets. The gain or loss is calculated as the difference between the fair value of the investment at the previous reporting date and the proceeds from the sale of the investment.

Operating expenses mainly include losses on financial assets measured “at fair value through profit or loss” as of the reporting date, as well as administrative expenses and financial expenditures.

Sales commissions are recognized in **financial expenses**. Shares in the investments held by MPH as financial assets, are bought or sold on an ad hoc basis. Expenses are incurred vis-à-vis the service providers for the settlement.

Administrative expenses, which total kEUR 471 (30.06.2022: kEUR 423), include a large number of individual items, such as advertising and travel expenses, legal and consulting costs, personnel expenses, external services, Supervisory Board remuneration, etc.

The financial result primarily reflects income and expenses from interest.

7.4 Dividends

No dividends were paid by MPH Health Care AG for the 2022 financial year up to the reporting date of 30 June 2023.

7.5 Contingent liabilities and other financial commitments

MPH Health Care AG has no contingent liabilities to other companies or persons. Other financial obligations are within the scope of normal business transactions.

7.6 Significant events after 30.06.2023

In accordance with the resolution on the appropriation of net income for 2022 adopted at the Annual General Meeting on 20 July 2023, no dividend was distributed for the fiscal year 2022 and the net income was carried forward in full.

No other significant events have occurred after 30 June 2023.

Berlin, August 2023



Patrick Brenske
(Management Board)



8. Further Information

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8.1 Information about members

Management Board

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

Board of Supervisors

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

8.2 Glossary

Cash flow

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

Consolidation

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

DAX

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

Dividend

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

Earnings per share

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

EBIT

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

EBITDA

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

Equity method

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

Face amount

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

Fair value

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

Fiscal policy

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

IfW

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

ifo-Institut

Institute for Economic Research at the University of Munich, is a research institution that analyzes economic policy and calculates the ifo Business Climate Index on a monthly basis.

IWF, OECD

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

KfW

"Kreditanstalt für Wiederaufbau" (funding bank).

Licensing

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

NAV – Net Asset Value

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

Net profit

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

Neurology / Oncology

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

Patent-free active ingredients

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

Patent-protected active substances

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

Rating

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

Approval

A regulatory approval required to offer, distribute or dispense an industrially manufactured, ready-to-use drug product.

8.3 Sources

- 1 Cf. Kieler Konjunkturberichte Nr. 103/2023 "Weltwirtschaft im Sommer 2023, S. 2-3
- 2 Cf. Kieler Konjunkturberichte Nr. 103/2023 "Weltwirtschaft im Sommer 2023, S. 3
- 3 Cf. Kieler Konjunkturberichte Nr. 103/2023 "Weltwirtschaft im Sommer 2023, S. 4
- 4 Cf. Kieler Konjunkturberichte Nr. 103/2023 "Weltwirtschaft im Sommer 2023, S. 4-5
- 5 Cf. Kieler Konjunkturberichte Nr. 104/2023 "Deutsche Wirtschaft im Sommer 2023, S. 2
- 6 Cf. Kieler Konjunkturberichte Nr. 104/2023 "Deutsche Wirtschaft im Sommer 2023, S. 3
- 7 Cf. www.bmwk.de/Redaktion/DE/Textsammlungen/Branchenfokus/Wirtschaft/branchenfokus-gesundheitswirtschaft.html
- 8 Cf. <https://de.statista.com/themen/1058/schoenheitsoperationen/#topicOverview>
- 9 Cf. DGPÄC Statistik 2021-2022: Zahlen, Fakten und Trends der Ästhetisch-Plastischen Chirurgie, S. 6-7
- 10 Cf. www.vfa.de/de/wirtschaft-politik/wirtschaft/pharma-exporte
- 11 Cf. IQVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes im 1. Quartal 2023, S. 4
- 12 Cf. IQVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes im 1. Quartal 2023, S. 5
- 13 Cf. IQVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes im 1. Quartal 2023, S. 6
- 14 Cf. www.haufe.de/immobilien/investment/investment-gute-prognosen-fuer-gewerbeimmobilien_256_506146.html
- 15 Cf. Kieler Konjunkturberichte Nr. 103/2023 "Weltwirtschaft im Sommer 2023, S. 6-7
- 16 Cf. Kieler Konjunkturberichte Nr. 103/2023 "Weltwirtschaft im Sommer 2023, S. 7
- 17 Cf. www.ifo.de/fakten/2023-06-21/ifo-konjunkturprognose-sommer-2023-inflation-flaut-langsam-ab-aber-konjunktur
- 18 Cf. DIW-Konjunkturbarometer Juli, Pressemitteilung vom 27. Juli 2023 (Ein Wert von 100 beim DIW-Konjunkturbarometer entspricht laut DIW einer durchschnittlichen konjunkturellen Lage, Werte des Barometers über 100 bedeuten eine zunehmend überdurchschnittliche Konjunkturlage, während niedrigere Werte des Barometers unter 100 auf eine zunehmend unterdurchschnittliche Konjunkturlage hindeuten)
- 19 Cf. vfa MacroScopePharma 04/23 – Frühjahrsprognose: Wirtschaft startet stark ins Jahr – Pharma unter Druck vom 27.04.2023

8.4 Imprint

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