MPC CAPITAL AG

2019

ANNUAL REPORT

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 niche 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 the conception of investments, the combination of the right investment with the right client and the management of the project from acquisition to development to the final implementation of the project is the basis for our success.

Our distinctive hands-on approach offers investors a comprehensive solution along the value chain of an investment. For over 20 years, we have been identifying niche 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

P&L	**1/1 - 31/12/2019**	**1/1 - 31/12/2018**
Revenues	46,846	42,727
Earnings before taxes (EBT)	850	-16,671
EBT adjusted[1]	850	567
Net income	-323	-18,673
Balance Sheet	**31/12/2019**	**31/12/2018**
Total assets	139,623	151,213
Financial assets	74,635	81,312
Cash[2]	20,640	28,578
Equity	98,968	112,467
Equity ratio	70.9 %	74.3%
Share	**31/12/2019**	**31/12/2018**
Earnings per share (EUR)	-0.01	-0.57
Employees	**31/12/2018**	**31/12/2017**
Average number for the year	286	282
Personnel expenses	28,838	28,592

all figures in TEUR, unless otherwise stated
[1] Adjusted for effects from the „Oil Rig" project (2018)
[2] Cash in hand and bank balances

Contents

MISSION STATEMENT

Mission Statement

Real estate, ships, wind farms, solar parks and industrial plants are real, tangible, enduring assets. They play an essential part in finding long-term answers to the challenges of modern megatrends such as population growth, rising energy consumption and growing prosperity. The need for investment is therefore huge.

Investing in real assets is an opportunity to participate in this exciting and positive development. Meanwhile there is potential to profit from value gains and regular returns over the coming decades, while remaining almost unaffected by fluctuations in the value of money. We enable investors to access long-term, efficient real asset investments.

The primary objective of our activities is to identify and increase the value of appropriate assets and investment strategies. Our central area of expertise involves introducing investors to investment opportunities, along with the management of the assets from their development right up to the end of their respective service life. Depending on their requirements, investors can accompany us throughout the entire investment and value creation process – or participate flexibly in individual phases. Our role is to manage real asset investments optimally, from their selection and (ongoing) development to a successful exit, with a view to maximising their value.

When selecting assets, we are guided by long-term demand trends. We develop properties, both residential and commercial, to meet the future needs of tenants for urbanity and mobility. We support sustainability initiatives in shipping with solutions for our managed fleet. And we contribute to climate protection with our Renewable Energy projects, especially in countries where dependence on fossil fuels is still very high. By finding answers to these challenges of our modern society, we also meet the demands of our investors for stable and attractive returns.

How do we achieve all this? We have been active in the alternative asset sector for over 20 years and have put down deep roots over that period. We have a deep knowledge of the individual markets, sound judgement of their development potential, exclusive access to interesting assets, an extensive network of renowned partners and the expertise needed for the structuring, financing, management and administration of real asset investments and investment products.

Our experience is built on over 300 projects and real assets with a total investment volume of around EUR 20 billion that we have realised since the establishment of MPC Capital in 1994. We want to win you over on the strength of our experience, quality, professionalism, reliability and uniqueness, and become Germany's biggest independent investment manager for real asset investments and investment products in the three core segments of Real Estate, Shipping and Infrastructure.

ANNUAL REPORT 2019

YOUR MANAGEMENT BOARD

YOUR MANAGEMENT BOARD

Responsible asset and investment management is at the core of our company and our investments.

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.

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 it's 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.

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 OF THE MANAGEMENT BOARD

Foreword by the Management Board

Dear Shareholder,

We built systematically on our positioning as an investment manager for selected investments in real assets in the 2019 financial year. As well as expanding institutional business in all three core segments, we as a company sought to embrace issues that matter to our investors. Our voluntary commitment to sustainable and responsible investment lays the foundations for putting our business on a sustainable footing. We believe that the investment necessitated by the global ecological transformation will create big opportunities for our future business.

In the past financial year we achieved all our defined financial goals. Consolidated revenue of EUR 46.8 million in the 2019 financial year was up 10 % on the previous year, and adjusted earnings before taxes of EUR 0.9 million were in line with our expectations even after the non-recurring costs of our decision to focus on institutional business. In the Shipping area we again achieved a clearly positive profit contribution despite the continuing challenges of the market environment, laid the foundations for a health care real estate strategy in the Real Estate area with the acquisition of a portfolio of three health centres in the Netherlands, and initiated a capital increase at MPC Caribbean Clean Energy to build on our renewable energy projects in Latin America.

2019 also brought an above-average decline in retail business. The assets from what was formerly the core business area of MPC Capital shrank by a further EUR 0.7 billion in 2019. Thanks to strong expansion in institutional business, we nevertheless succeeded in expanding overall assets under management from EUR 4.3 billion to EUR 4.5 billion. Today, already 78 % of our business is based on assets that we manage on behalf of institutional clients – serving to highlight the comprehensive realignment of our business. Our core skill, which involves not merely giving our customers access to suitable assets but also finding and designing an appropriate investment vehicle for them, gives us a positioning beyond that of a straightforward investment manager: it makes us a long-term partner to clients who seek investment portfolios with a climate-conscious profile.

Our decision to place an even stronger focus on institutional core business has also involved making our company a leaner setup. For example, in 2019 we outsourced business units that were responsible for the management of our former retail business. 2020 will see us fine-tune and steadily increase our company's focus on institutional partners and sustainability criteria when initiating new investments. It is worth noting that we expect a well-filled pipeline in all three market segments.

We would like to thank you for your confidence in MPC Capital and will welcome your continuing involvement in our future. Our very special thanks are due to our employees for their dedication in the past financial year.

Kind regards,
The Management Board of MPC Capital AG

Ulf Holländer (CEO)

Constantin Baack

Dr. Philipp Lauenstein

Dr. Karsten Markwardt

Dr. Ignace Van Meenen

ANNUAL REPORT 2019

YOUR SUPERVISORY BOARD

YOUR SUPERVISORY BOARD

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 und 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 is Chairman of the Advisory Board of Hamburg Südamerikanische Dampfschifffahrts-Gesellschaft ApS & Co KG, Hamburg, where he was a member of the Executive Board until 2017. 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

Report of the Supervisory Board

Dear Shareholders,

The development and reorientation of MPC Capital AG was again systematically pursued in the 2019 financial year. There was a positive development especially in consolidated revenue, although transaction business still lagged behind the management's expectations. On the other hand, the company succeeded in further expanding the basis for management services for business with institutional customers – especially through non-organic growth in the Shipping unit. Adjusted earnings before taxes showed a slight improvement despite the non-recurring negative effects of focusing on institutional business and the writing-down of equity investments.

Report on the activities of the Supervisory Board in the 2019 financial year

In the 2019 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 helpful 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 2019 financial year took place on 30 January 2019. As well as receiving updates from the Management Board members representing the individual business units, we discussed the budget for 2019 in detail. All three Supervisory Board members attended the meeting.

The second ordinary Supervisory Board meeting on 13 February 2019 was also the meeting to approve the annual accounts for the 2018 financial year. The Management Board explained the financial, accounting and fiscal aspects of the annual financial statements for 2018. The auditor presented the findings of its audit. We then discussed and approved the agenda for the Annual General Meeting of MPC Capital AG set for 11 April 2019. Later in the meeting, the Management Board reported to us on the current economic development of the Group and on further plans for the 2019 financial year. The Management Board additionally provided a current overview of the principal risks for MPC Capital AG and explained the status quo of the compliance management system. All three Supervisory Board members were present.

The third ordinary Supervisory Board meeting took place on 11 April 2019 and started with a detailed report by the Management Board on the development in the business units. At that meeting we then proceeded to discuss the latest financial indicators and the extended outlook for the financial year. Our deliberations concentrated on measures to reduce costs in retail business and on the ongoing process of focusing on business with institutional investors. We then went on to discuss risk and compliance matters for the company. The Supervisory Board member Dr Ottmar Gast was unable to attend the meeting and sent his apologies.

Much of the fourth ordinary Supervisory Board meeting on 28 June 2019 was spent on the business update from the business units, in particular on discussing the expansion of commercial management in the Shipping unit. At that meeting we also discussed the key figures for the first quarter of 2019 as well as progress with implementing the targets for the full year. The Management Board again provided a status report on the risk management and compliance area at that meeting. All three Supervisory Board members attended this meeting.

The final ordinary Supervisory Board meeting of the year took place on 17 September 2019. At it, we discussed the status of current projects and matters from the asset units. We also considered the financial indicators, the outlook as well as risk and compliance matters. All three Supervisory Board members attended the meeting.

In consideration of the fact that five meetings were held in the financial year, four of them in the first half, we the Supervisory Board unanimously agreed not to arrange a second meeting in the latter half of the calendar year.

Personnel changes on the Management Board

In January 2019 we reached an agreement with Dr Roman Rocke, Management Board member for the Real Estate and Infrastructure business units, not to extend his contract, due to expire in June 2019. Responsibility for the portfolios of which Dr Rocke was in charge was taken on by Ulf Holländer and Dr Karsten Markwardt.

With effect from 1 June 2019 we appointed Dr Ignace Van Meenen to the Management Board of the company. In him, we have been able to recruit a versatile and experienced investment manager who brings an ideal combination of broad expertise in the asset classes that are relevant for MPC Capital, and a profound knowledge of finance and investment.

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 11 April 2019 and mandated by the Supervisory Board accordingly. 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 and the combined 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 the full audit reports by BDO AG Wirtschaftsprüfungsgesellschaft for the 2019 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 19 February 2020, the Supervisory Board discussed the audit reports and the annual and consolidated financial statements in detail 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.

Following its detailed examination, the Supervisory Board of MPC Capital AG approved the annual and consolidated financial statements including the combined management report and the corresponding audit report and endorsed the annual and consolidated financial statements for the year ended 31 December 2019. 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 entire Supervisory Board we would like to express our particular thanks to the Management Board and all employees for their great commitment in the past financial year.

Hamburg, 19 February 2020
The Supervisory Board

Dr Axel Schroeder
Chairman

THE FINANCIAL YEAR 2019

THE FINANCIAL YEAR 2019

Investments for a sustainable future

Future challenges create major opportunities

The task of integrating ESG (Environmental, Social, Governance) issues and all their implications into the investment process gathered further momentum and status in 2019. Against the backdrop of the worldwide climate debate, its environmental aspect attracted particular attention. And this is more than merely a temporary trend: it represents a structural change that will have far-reaching consequences for investors and investment managers.

From our perspective, this global approach creates major opportunities for alternative investments, which will have a very important part to play in giving the economic system a sustainably ecological emphasis: renewable energy projects are essential for future electrification; the ecological realignment of transport chains in shipping, for example, are vital to further globalisation; and sustainable construction and housing are essential to meeting the challenges of urban life.

As a company we assume responsibility for the societal and environmental challenges of the current century. As an investment manager, we offer our customers access to investment options within our three core segments.

In 2019, we therefore laid the foundations for pointing the company in the right direction by formally embedding environmental, social and governance (ESG) criteria in our investment decisions. We will proceed resolutely along that path in 2020.

Dr. Ignace Van Meenen has been CSO (Chief Sales Officer) of MPC Capital AG since June 2019 and is the member of the Executive Board responsible for ESG. „Our ESG Principles serve as a guideline for sustainable and responsible investments in all our segments".

Renewable Energies

Promotion and dissemination of renewable energies in an increasingly electrified world

The Caribbean basin is a very special region and bringing renewable energies to these heavily fossil dependent countries is a big step to securing a cleaner environment for future generations. But true sustainability can only happen when communities are involved and people accept it as part of their lives. In our current investments in the region, we find that the involvement of the community are paramount in order to make the impact of these assets truly sustainable. Involving and engaging the communities as early as possible in the asset lifecycle is a strategic step that we take as early as possible with each asset.

Involving the local population in the development of local renewable energy is truly sustainable.

30,000 Tonnes of carbon emissions (CO2) estimated to be reduced per year	**200** direct jobs created in Jamaica in 2018/2019	**82,000 KWH** estimated green power generation per year

ECOLOGICAL AND SOCIAL IMPACT OF PARADISE PARK, JAMAICA

PARADISE PARK, JAMAICA

Looking at Paradise Park solar plant in Jamaica and Tilawind wind farm in Costa Rica we took the opportunity to implement lasting programs that are critical to educating and involving the communities about the benefits of each asset. In addition, we continue to be engaged with the communities even during the operational phase of each asset for example by having biweekly meetings with the parish council and grievance modalities to the communities.

Next to communal support, education in the communities is also very important when it comes to renewable energies, because education makes for more acceptance. This is why in Jamaica for example we have a cooperation with the Clinton Foundation and US Agency for International Development. The program “Shine” that was developed together with the foundation aims to educate communities on the principles and benefits of renewable energy

DURING CONSTRUCTION OF THE SOLAR SYSTEM
PARADISE PARK, JAMAIKA

David Roger Delaire is managing director of MPC Renewable Energies. He holds a Bachelor of Science in Electrical Engineering from Tuskegee University, USA and a Master of Business Administration Management from Webster University, USA.

as well as creating exposure around clean energy jobs. The program focuses on education, outreach and trainings for the communities especially its teachers and students.

In the case of the Tilawind asset we continued the initiatives which were already in place, as well as implement other ways of supporting the community. In the community of Tilaran, there was also the problem that young mothers could not find affordable and reliable transportation for their children to school, and so we donated a bus to the community that transports 70 children of school age and enables their mothers to find employment.

True sustainability is far more than just putting renewable energy plants in communities around the region. It involves integrating ourselves into the communities by becoming concerned with the long term sustainability of the impact by the assets in the region.

Real Estate

Focus on urban living and working

The real estate sector is responsible for one-third of all CO2 emissions worldwide, and real estate accounts for 40 percent of worldwide energy consumption. For that very reason, it is nowadays imperative for the construction industry to use sustainable materials and drastically cut energy consumption.

But I believe sustainability goes much further than that, because especially in the housing sector the well-being of the occupants are always key considerations. One very good example of this is “Heidbrook Plateau”, a residential district that we have invested in and just recently sold off.

ECOLOGICAL FACTS
HEIDBROOK PLATEAU

KFW 55 standard for Energy consumption

+ Electrical charging columns in/at the objects
+ Energy-efficient technical building equipment
+ Public transport, kindergartens, schools and/or playgrounds within a defined distance

THE FINANCIAL YEAR 2019

OFFICE OBJECT IN AMMERSFORT FROM 'IN THE CITY' PORTFOLIO

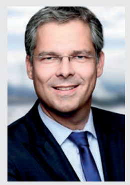
Examples of sustainability in building are that it also meets standard KfW 55 on energy consumption, but what makes this district so special is the focus on the future residents and their needs. Designed especially

The principles that apply to living have now also become very important for commercial buildings.

for families with children, it was important to us when investing in "Heidbrook Plateau" that it should offer its residents a city location with all its convenience, but still surrounded by greenery. With good public transport links, bus and rail provide a convenient alternative to the car for trips into the city centre. Shops within walking distance and a large nature playground in the heart of the district make it a relaxing, stress-free place for families to live.

Demand for office space that can easily be reached by public transport is steadily rising. Meanwhile more and more tenants are deciding that attractive amenities and a lively, inspiring working environment for their employees are very important. Sustainable in the sense of providing "well-being" is therefore now a valid criterion in the commercial sector, and our response involves exciting office projects such as our new platform for commercial real estate under the name of "InTheCity", which concentrates on properties situated directly at important transport hubs in major regional cities in the Netherlands.

The assets must also achieve a high level of sustainability, offer the tenants maximum flexibility and promote well-being with their combination of urban living, greenery, environmentality and optimum infrastructure.



Ludwig Vogel MRICS, is Managing Director of MPC Real Estate Solutions and one of the Business Heads Real Estate at MPC Capital. He joined MPC Capital in 2018 and has 25 years of real estate experience. Prior to joining MPC Capital, he was Managing Partner of Warburg-HIH Invest Retail Properties, where he was responsible for retail properties. Prior to that, he was Managing Director at CEV and Director at ECE. Dr. Ludwig Vogel holds a degree in Business Administration as well as a degree in Real Estate.

THE FINANCIAL YEAR 2019

Shipping

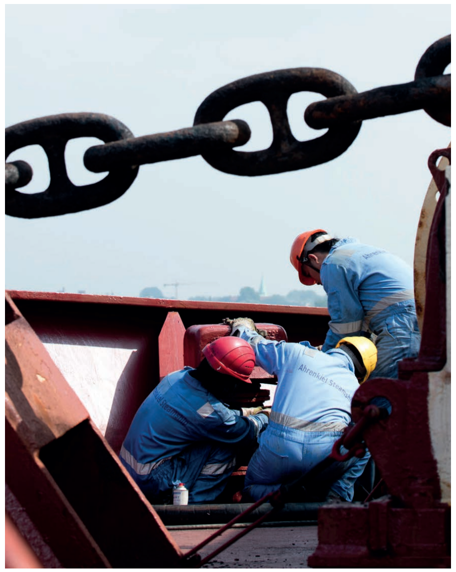
Sustainable focus on transport and supply chains

Sustainability in the shipping industry is not just a challenge – it will determine the future of shipping and the entire sector. But above all, it will have an immense impact on the climate, which makes it all the more important to find and implement bold solutions.

The IMO (International Maritime Organization), which specifies a 0.5 % sulphur limit for shipping fuel, has voiced the industry's readiness to make changes and find solutions. With the agreement to cut emissions by at least 50 % by 2050, the IMO strategy marks an initial step in tackling the problem of emissions in shipping, thus bringing together market participants.

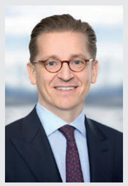
For me, that illustrates just how important this topic is for the future of shipping. Here at MPC Capital we have made preparations for these changes in that we manage a diversified fleet featuring a whole range of ships that are already equipped with emission control systems known as scrubbers – a major investment in the fleet that meets the regulations and will very soon pay for itself.

These scrubbers are just the start – we are in the process of developing further ideas and solutions to protect our climate while also generating returns for our investors.



IMO 2050: 50 % reduction in emissions

As we strive for greater sustainability in shipping, digitalisation will become a big issue in the next decade in what is a rather traditional industry. Shipping companies are under intense pressure to operate more efficiently and profitably, while also meeting the needs of their customers increasingly by digital means. When I look at the fleet under our management I never fail to be impressed at how fast things are moving in the direction of digitalisation, and I am pleased we are keeping this topic in focus, both on board and ashore. Our fleet IT means we are in a position to handle all manner of digital challenges and equips us for developing fully digital processes and systems that will make shipments vastly more efficient, but also have a positive influence on safety and the environment.



Christian Rychly has been Managing Director of MPC Maritime Holding since the beginning of 2018 and is responsible for all shipping activities of the MPC Capital Group. Prior to that, he was Managing Director of the shipping company Leonhardt & Blumberg, where he was employed for a total of 19 years. Christian Rychly holds an MBA from the University of Wales.

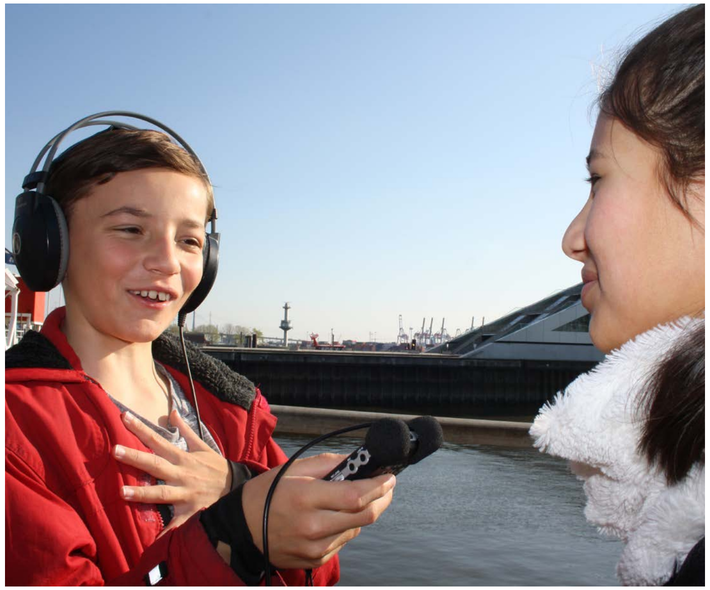
Elbstiftung

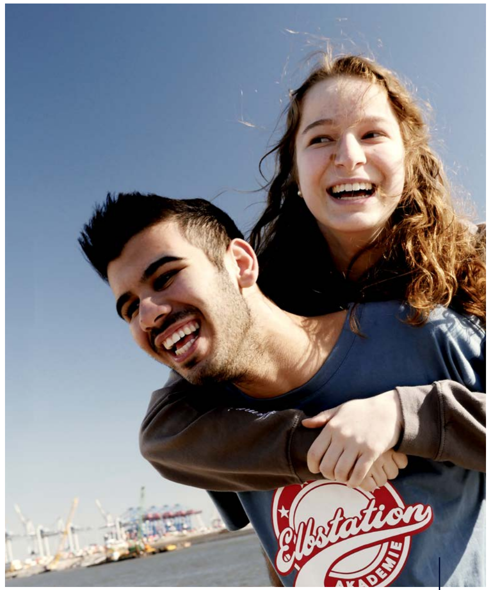
Social commitment starts where we are

I have been in the Board of the Elbstiftung since 2017, and its Elbstation project impresses me every year anew. I am always especially proud when you see at the end of the year what the children have gained from Elbstation that year. Whenever rather shy seventh-grade children become engaging actors on the stage, presenters, creative film makers or radio presenters, I see what Elbstation achieves: confidence, team skills, personal initiative and good language skills. All key qualifications for a successful educational and professional pathway.

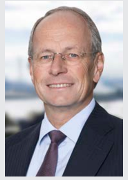
Another factor that makes Elbstation work is that young people remain loyal to it. Via the alumni programme, the young people are given help with finding placements and apprenticeships, free tuition and job application training, counselling on higher education, courses of study and scholarships. So the alumni programme supports them right up until they start their career or studies, and is proving hugely successful.

Participating in Elbstation prompts many young people to aim for stay on at school for longer, paving the way for a better start to their career.





MPC CAPITAL HAS BEEN SUPPORTING EDUCATIONALLY DISADVANTAGED YOUNG PEOPLE THROUGH THE ELBE FOUNDATION FOR ALMOST 15 YEARS



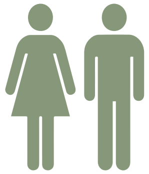
Ulf Holländer is CEO of MPC Capital and has been a member of the Elbstiftung's Board of Directors since 2017.

For him, a good education is the key to successful personal and professional development.

Every single one of these positive developments shows us how much you can achieve by giving young people a helping hand.

Ever since the foundation was set up, we have been eager to reinforce the bond between Elbstation and the company, and also our employees' engagement. Because our company supports its corporate tasks (marketing, accounting, controlling, tax, IT, etc.), the foundation is able to concentrate on its core project and make sure donations are spent directly within the project. Meanwhile our company's employees have been able to get involved in a good cause, enhancing their long-term enjoyment and motivation at their place of work.

Supporting a project such as Elbstation means consistently promoting the topic of education at our location in Altona. Participation in Elbstation opens up new horizons for these young people about their schooling and vocational future. Last but not least, they actually find it is great fun. As do we, when we see what we are achieving among the young people with this project.



450+ young people with a project participation of up to 6 years

15

longstanding Cooperation partner (Schools, theaters, Citizen's station & district partner)

21

Prices, Awards and nominations

53

Young people as volunteers Seniors (supporters for younger participants)

91

honorary Education pilots from Hamburg Companiesf

ANNUAL REPORT 2019

MPC CAPITAL SHARES

MPC CAPITAL SHARES

Surprisingly strong stock market year

With the DAX gaining over 25 %, 2019 was one of the strongest years on the stock market for some time. 2018 had brought the biggest reversal for Germany's leading index since the international financial crisis of 2008. The MDAX for mid-caps performed even more strongly with a gain of over 30 %.

In the USA, the Dow Jones Index was up 22 % and the Nasdaq up 35 %. Thanks to the relatively relaxed monetary policy of the US Federal Reserve and positive economic indicators, all-time highs were reached in December.

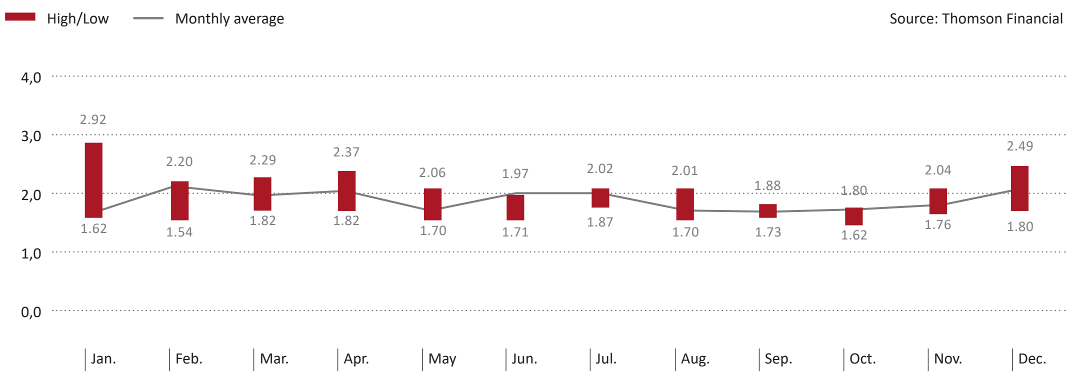
Yet the economic and political environment brought various difficulties: the continuing trade dispute between the USA and China and the impasse over Brexit created uncertainty. However shares profited from a further relaxation of monetary policy by central banks, in the face of weaker economic signals.

MPC Capital shares remain range-bound

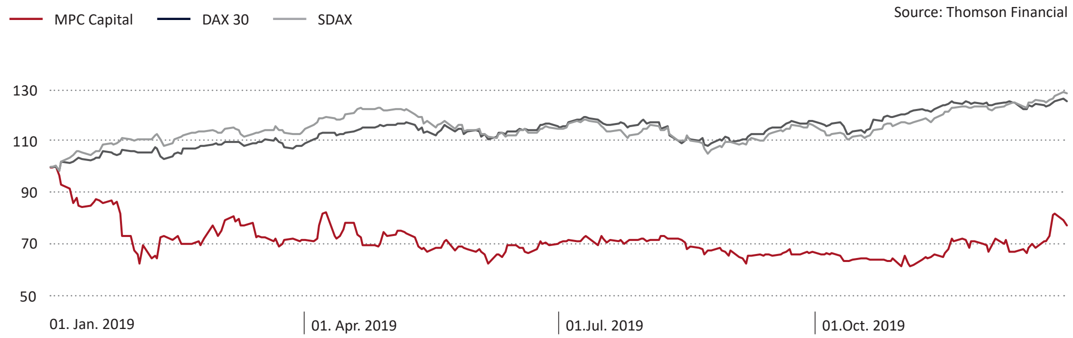
MPC Capital shares opened the 2019 stock market year trading at EUR 2.75, which was also the year-high. The shares dipped to a year-low of EUR 1.69 on 31 January. The trading price subsequently trended sideways, settling above the two euro mark at the end of the year.

The shares closed at EUR 2.14 on 30 December 2019. The market capitalisation of the company at the end of the year was around EUR 72 million. The figure had been around EUR 92 million at its start. The average trading volume (Xetra) of MPC Capital shares in 2019 was around 15,800 units per day (previous year: approx. 17,800).

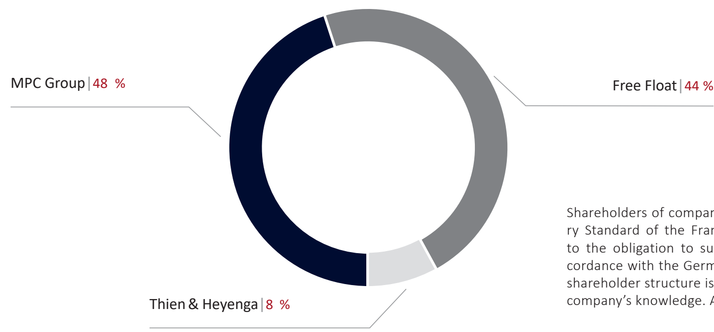
HIGH, LOW AND AVERAGE PRICES FOR 2018 (XETRA), 1. JANUARY TO 31 DECEMBER 2019 in EUR



2019 PERFORMANCE, INDEXED



SHAREHOLDER STRUCTURE MPC CAPITAL AG 31.12.2019



Shareholders of companies whose shares are listed in the Entry Standard of the Frankfurt Stock Exchange are not subject to the obligation to submit voting rights notifications in accordance with the German Securities Trading Act (WpHG). The shareholder structure is therefore presented to the best of the company's knowledge. As at: February 2020

Resolutions of the Annual General Meeting

The Annual General Meeting of MPC Capital AG was held on 11 April 2019 in Hamburg. 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).

Capital market activities

MPC Capital AG again conducted intensive investor relations work in the 2019 financial year. The Management Board and Investor Relations held talks with around 75 investors at various roadshows and conferences and in individual meetings. Their focus was on Germany and the United Kingdom.

KEY SHARE DATA OF MPC CAPITAL AG

WKN / ISIN	A1TNWJ / DE000A1TNWJ4
Share capital / number of shares	EUR 33,470,706.00 / 33,470,706 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
Earnings per share in EUR	0.33	0.41	-0.57	-0.01
Price at year-end in EUR (Xetra)	5.97	6.45	2.73	2.14
High in EUR (Xetra)	8.95	6.89	6.84	2.75
Low in EUR	4.40	5.73	2.45	1.67
Number of shares*	30,427,916	30,427,916	33,470,706	33,470,706
Market capitalisation* in EUR million	182	196	91	72

* based on year-end price

Investor Relations – Your contact

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ANNUAL REPORT → 2019

COMBINED MANAGEMENT REPORT AND GROUP MANAGEMENT REPORT AS AT 31 DECEMBER 2019

Contents

COMBINED MANAGEMENT REPORT AND GROUP MANAGEMENT REPORT

1. Basis of the Group and of MPC Capital AG

BUSINESS MODEL

The MPC Münchmeyer Petersen Capital Group ("MPC Capital", "MPC Capital Group") is an internationally active asset and investment manager specialising in 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.

Together with its subsidiaries, MPC Capital AG develops, markets and manages real asset investments and investment products for international institutional investors, family offices and professional investors.

MPC Capital offers all its services from a single source. These encompass selecting, launching and structuring an investment in real assets, the active management of the asset and then the development and implementation of an exit strategy that serves the best interests of investors.

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

MPC Capital also offers a comprehensive range of services for the management of investments for professional investors (institutional business). MPC Capital withdrew further from the management of investment products for private investors (retail business) in 2019 in a reflection of its intention to focus on business with institutional clients. The bulk of services relating to support for retail business clients were outsourced to an external service provider. The subsidiary DSC Deutsche SachCapital GmbH, which supported own and third-party clients as an alternative investment fund manager, was disposed of at the end of 2019.

MPC Capital 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, through which channel it generates other operating income or income from equity investments.

ORGANISATIONAL AND MANAGEMENT STRUCTURES

The business operations of MPC Capital extend across three market-oriented **asset units**, which are managed by three central holding companies. The Group parent MPC Capital AG handles the functions of corporate management and of the staff departments. These, along with the investment services units and the sales unit, are shared functions that serve all asset units and together form the **Corporate Centre.**

Asset Units

Real Estate

The **Real Estate** asset unit is the centre of competence for real estate within the MPC Capital Group. This unit is responsible for identifying promising investment projects and market opportunities in addition to designing and structuring them as investments. The unit also manages a large number of existing funds. **MPC Real Estate Holding GmbH** acts as the pivotal company.

Beneath it, various subsidiaries concentrate on investment strategies in the Real Estate segment. The subsidiary **Cairn Real Estate B.V**. focuses on the Dutch commercial real estate market. In Germany, activities revolve around **MPC Micro Living Development GmbH** (student housing) and **MPC Real Estate Solutions GmbH** (commercial and residential properties).

Shipping

MPC Maritime Holding GmbH consolidates the MPC Capital Group's expertise in the shipping sector. The asset unit develops maritime investments and investment products for institutional investors, family offices and other professional investors, and provides technical and commercial ship management for fleets. The MPC Capital Group focuses on container ships and bulk carriers in the medium size category, which the MPC Capital Group considers to offer useful market potential. Services for tankers were added to the portfolio at the end of 2018.

The companies Ahrenkiel Steamship GmbH & Co. KG, Ahrenkiel Tankers GmbH & Co. KG and the joint venture Ahrenkiel Vogemann Bolten GmbH & Co. KG (referrred to collectivels as "**Ahrenkiel Steamship**" or the "Ahrenkiel Steamship Group") offer technical management for container ships, bulk carriers and tankers.

In 2019 MPC Capital contributed the commercial ship management activities of the subsidiary Contchart Hamburg-Leer GmbH & Co. KG to a newly established joint venture under the name of **HARPER PETERSEN** in partnership with the Bremen shipping company ZEABORN GmbH & Co. KG ("Zeaborn"). In addition, since the end of 2019 MPC Capital has held a 50 % investment in **Albis Shipping & Transport GmbH & Co. KG**, which essentially offers commercial management of tankers.

MPC Maritime Investments GmbH also provides financial management for ships. This unit bundles the shipping competencies of the MPC Capital Group in order to structure shipping financing tailored to the requirements of ship owners and market conditions.

Infrastructure

MPC Renewable Energies GmbH and **MPC Industrial Projects GmbH** together constitute the "Infrastructure" asset unit of the MPC Capital Group. **MPC Infrastructure Holding GmbH** is the superordinate company. Within the renewable energies area, it handles the structuring and management especially of wind and solar energy projects, with a current focus on the Latin American market.

The industrial and infrastructure projects area originally focused on the financial structuring of equity investments in industrial opportunities. As part of its decision to focus on profitable, high-growth investment strategies, at the end of 2019 MPC Capital decided to significantly scale back its involvement in this area.

Corporate Center

MPC Investment Services GmbH and **TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH & Co. KG** provide investment and investment-product related services and fiduciary activities within the MPC Capital Group. These units operate together as the key interface between investor, investment company and the respective initiator. Various service offerings relating to support for private investors were outsourced to an external service provider in 2019.

DSC Deutsche SachCapital GmbH, which served both intragroup and third-party clients as an alternative investment fund manager in Germany, was disposed of at the end of 2019 as part of the MPC Capital Group's decision to pursue its strongly international business focus.

GOALS AND STRATEGIES

MPC Capital's goal is to become one of the leading independent asset and investment managers for real investments and investment products in its chosen niches. As at 31 December 2019, MPC Capital had assets under management (AUM) totalling approximately EUR 4.5 billion. MPC Capital aims to onboard a volume of between EUR 0.5 billion and EUR 1.0 billion in new assets annually for business with institutional customers.

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

Link between asset and investor
The central area of expertise of MPC Capital involves introducing investors to investment opportunities, along with the management of the assets up to the point of exit. Customers can participate in the entire investment and value creation process with MPC Capital, or flexibly use individual phases and services for their investment and business activities in line with their own needs. MPC Capital's role is to manage real asset investments from the three asset units throughout the selection, active (further) development and exit phases, with a view to maximising their value.

Asset selection based on market requirements
In selecting assets, MPC Capital focuses on current market requirements and works hard to identify market trends at an early stage. In doing so, MPC Capital has identified and already successfully occupied market niches such as micro-living in the Real Estate segment, feeder ships in the Shipping sector or renewable energies in emerging markets in the Infrastructure sector.

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.

Investment vehicle based on the investor's strategy
The type of investment vehicle – alternative investment fund, market listing, direct investment or other legal form – above all reflects the strategy pursued by the investor, as well as the market conditions.

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.

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").

COMBINED MANAGEMENT REPORT AND GROUP MANAGEMENT REPORT

2. Economic Report

MACROECONOMIC AND INDUSTRY-SPECIFIC ENVIRONMENT

Geopolitical tension and trade disputes were dominant issues of the overall economic development in 2019. The uncertainties surrounding Brexit, the economic crisis in Venezuela, the Hong Kong protests and other conflicts heaped added pressure on economic stability and global trade flows.

As a consequence, expectations for trade growth for 2019 were steadily downgraded. In its most recent forecast on 29 November 2019, the World Trade Organization (WTO) now anticipates global trade growth of only 1.2 % for the year as a whole. In April 2019, growth was still expected to reach 2.6 %. 2019 is therefore likely to yield the slowest rate of growth since the global financial crisis of 2009.

The Federal Reserve has made three interest rate cuts of 25 basis points each since the summer. Market experts believe no further interest rate cuts are imminent. Meanwhile interest rate rises would only be on the cards if inflation picks up clearly. Christine Lagarde has been the new President of the European Central Bank (ECB) since 1 November; market observers believe she will seamlessly continue the monetary policy strategy of her predecessor Mario Draghi. Nor is an end to the low-interest phase in sight under Lagarde, but no further interest rate cuts are expected in 2020. Often negative yields mean government bonds remain unattractive; in the eurozone, the ECB's new bond-buying programme will keep yields very low for the foreseeable future.

The world's biggest independent asset manager Black Rock believes interest in real asset investment has steadily gained momentum over the past ten years. Nor is any weakening of this trend in sight. The "Global Rebalancing Survey 2019" revealed that 54 % of investors intend to increase their allocation in real assets in 2019. This extends across all asset classes because investors are increasingly on the lookout for stable returns, diversification and additional potential for earnings growth.

BUSINESS PERFORMANCE

The performance in the 2019 financial year extensively lived up to the expectations of the management. Both revenue and earnings before taxes performed in line with the forecast. Overall, around EUR 1.2 billion in new assets could be onboarded in 2019 (2018: EUR 0.8 billion). A large portion of this came from non-organic growth through the establishment of the HARPER PETERSEN joint venture and the equity investment in Albis in the Shipping unit. On the other hand there was a comparatively high disposal of assets from legacy business, which still accounted for 22 % of assets under management at the end of 2019. Overall, we succeeded in further increasing the basis for management services for business with institutional customers – especially in the Shipping unit. However transaction business in 2019 fell short of the original expectations.

Real Estate

In the Real Estate area, MPC Capital laid the foundations for the health care real estate strategy in acquiring a portfolio of three health centres in the Netherlands. This new initiative, which is being implemented by the Dutch subsidiary Cairn Real Estate B.V. ("Cairn"), has already secured EUR 30 million in equity. Cairn will use this capital to expand the portfolio further. The goal is initially to achieve an investment volume of around EUR 70 million, then to expand the investment strategy further.

The initial investment and development portfolio comprises three health centres in the Netherlands. The company has also initiated the development of a primary care medical centre in Alphen ad Rijn and the construction of a new private nursing home in Bodegraven.

In June 2019, Cairn sold a large portion of its TRANSIT portfolio, acquired in 2016, to a new investment vehicle for commercial real estate ("InTheCity" fund). The office properties, which are all located at major rail hubs in the Netherlands, have been comprehensively modernised in recent years and now offer state-of-the-art systems, facilities and sustainability. In total, MPC Capital has realised around EUR 2.9 million from transaction income, promote and return on equity. After the end of the extraordinarily successful redevelopment phase, the assets therefore remain under Cairn's management even after the transaction.

In MPC Capital's micro-living area, activities in 2019 focused on stabilising the existing portfolio. By the end of the year, five Staytoo properties in Berlin, Bonn, Kaiserslautern, Leipzig and Nuremberg were in operation. Three further properties are in development.

In Germany, MPC Capital acquired a residential property project at the start of 2019. The new-build project in Hamburg comprises around 160 rental units and 13,000 m2 of rental space. At the end of 2019 negotiations started with the investors on the continued operation of the project as stock property. The purchase contracts were signed in mid-January 2020.

Shipping

In the Shipping unit, the MPC Capital Group participated further in the consolidation of the market and continued to expand its management platforms. The range of services was broadened with the technical management of tankers, for example. In addition, the entry of a further partner expanded the operating platform for the technical management of bulk carriers under the leadership of MPC Capital.

In September, MPC Capital and the Bremen shipping company Zeaborn pooled their activities in the area of container ship chartering and commercial management in a newly established joint venture. While Zeaborn contributed the activities of HARPER PETERSEN to the joint venture, MPC Capital brought in CONTCHART's business. With ship sizes ranging from 700 TEU to 8,500 TEU, HARPER PETERSEN represents a diversified fleet in terms of size, age, equipment and sustainability requirements. Part of the fleet is fitted with exhaust-gas treatment systems. In addition, HARPER PETERSEN offers flexible, custom charter solutions for owners and charterers, using competitive broking.

In November, MPC Capital acquired a strategic equity investment of 50 % in Albis Shipping & Transport GmbH & Co. KG ("Albis"), Hamburg, via its subsidiary MPC Maritime Holding GmbH. This company operates a commercial platform for tankers of various size categories. Albis currently employs around 20 people and offers its customers tailored solutions for tanker chartering and operations. In addition to tanker business, Albis is active in the dry bulk segment and the buying and selling of tonnage via a joint venture.

Although the market environment remains challenging, the Shipping area succeeded in generating a clearly positive profit contribution for the MPC Capital Group.

Infrastructure

The Renewables team of MPC Capital is working hard on the further expansion of the investment platform for projects in the renewable energy area in the Caribbean. The approx. USD 50 million financial close for the second asset of the MPC Caribbean Clean Energy Fund ("CCEF"), the "Tilawind" wind power project in Costa Rica, was reached at the end of April 2019. At the end of June 2019 the "Paradise Park" solar project in Jamaica, the seed asset for the CCEF, started producing energy after a development period of twelve months. MPC Capital has also sealed a partnership for the development of a solar PV system in Barbados. Development work on the project has already started, with the goal of construction commencing in 2020. Further solar PV projects with distributed generation are to follow.

In December 2019, MPC Caribbean Clean Energy initiated a capital increase to improve its equity base. The rights issue that closed at the start of January 2020 with a volume of over USD 10 million was aimed at local investors in Jamaica and Trinidad & Tobago.

Activities in the industrial opportunities area in 2019 focused on one high-volume infrastructure project in North America. The probability of realising this project declined further in the course of the year. As part of its decision to focus on profitable, high-growth investment strategies, at the end of 2019 MPC Capital decided to scale back its involvement in this area as far as possible.

Development of assets under management (AuM)

The assets under management (AUM) of the MPC Capital Group climbed from EUR 4.3 billion to EUR 4.5 billion in 2019. New assets to the total value of EUR 1.2 billion were onboarded, primarily through non-organic growth in the Shipping unit. On the other hand there were relatively high disposals from retail business amounting to EUR 0.6 billion as well as asset sales from institutional business in the amount of EUR 0.2 billion. The accumulated measurement and currency effects were mildly negative at EUR -0.2 billion.

AUM in the Real Estate unit fell from EUR 2.1 billion to EUR 1.7 billion as a result of retail business disposals. Asset purchases and disposals in institutional business were balanced. Additions were realised through the launch of the “In The City” fund and the Health Care Real Estate strategy. Disposals came mainly from the sale of part of the TRANSIT portfolio.

In the Shipping unit, AUM were increased by a significant EUR 0.7 billion to EUR 2.2 billion. Over EUR 1.0 billion was newly onboarded. The increase results primarily from taking on new ship management mandates and competitive broking activities in connection with the establishment of the HARPER PETERSEN joint venture and the equity investment in Albis. The sharp rise was partly offset by asset disposals of EUR 0.2 billion, primarily from retail business, as well as by negative measurement effects as shipping markets remain challenging.

In the Infrastructure unit, AUM remained unchanged at EUR 0.3 billion. There was a slight rise from reversals of write-downs for the projects of the Caribbean Clean Energy Fund and from onboarding a solar PV project in El Salvador.

Discontinued products accounted for some EUR 0.3 billion (31 December 2018: EUR 0.4 billion). These include assets from retail business that do not belong in any of the three core asset classes.

The sharp rise in newly onboarded assets in the Shipping unit on the one hand and the relatively strong decline in assets from retail business on the other, the share of institutional business as at 31 December 2019 climbed to 78 % (31 December 2018: 60 %). Retail business accordingly accounted for 22 % of AUM (31 December 2018: 40 %).

3. Net assets, financial position and results of operations

RESULTS OF OPERATIONS OF THE GROUP

Revenue for the MPC Capital Group climbed from EUR 42.7 million to EUR 46.8 million in the 2019 financial year.

MPC Capital generated revenue amounting to EUR 39.2 million from **management services** in the 2019 financial year (2018: EUR 36.3 million). This consequently more than compensated for the significant fall in revenue from declining retail business. There was a healthy rise especially in income from technical and commercial ship management in 2019.

The newly established HARPER PETERSEN joint venture was included in consolidation from November 2019. In view of proportionate consolidation, in each case only 50 % of its revenue and profit contributions are recognised. The equity investment in Albis Shipping was consolidated from December 2019. This did not materially restrict the comparability of the results of operations, financial position and net assets with the previous year.

Income from **transaction services** declined to EUR 5.3 million (2018: EUR 6.1 million) as a result of lower transaction activity in the 2019 financial year. It comprised primarily the sale of the TRANSIT portfolio as well as a number of smaller transactions in the Real Estate and Shipping units. The previous year featured transaction fees from the sale of the “Blaak16” office property in Rotterdam as well as additional transactions in the Real Estate and Shipping units.

Other revenue for 2019 came to EUR 2.3 million (2018: EUR 0.2 million). This is essentially made up of one-off, non-recurring income from the Shipping unit.

Other operating income for the 2019 financial year came to EUR 9.7 million (2018: EUR 12.5 million). In addition to income from changes in exchange rates as well as income from the reversal of provisions and reversals of write-downs, it came mainly from accounting profits from asset sales amounting to EUR 4.0 million (2018: EUR 3.0 million). It resulted from exits in the Real Estate area as well as the disposal of equity investments in limited partners and associated business interests from a portfolio that MPC Capital had acquired at the end of 2018 (“BMG portfolio”). The previous year was dominated by income from the reversal of write-downs on receivables in the amount of EUR 5.7 million.

Amortisation of intangible fixed assets and depreciation of tangible assets increased from EUR 1.8 million in the previous year to EUR 2.2 million mainly as a result of the equity investment in Albis Shipping.

Personnel expenses came to EUR 28.8 million for the financial year (2018: EUR 28.6 million). The slight rise resulted partly from the recruitment of additional personnel mainly in the ship management area. There was also a one-time negative effect on the item from the creation of provisions for personnel cutbacks following the decision to focus business on institutional investors. The Group employed an average of 286 people in 2019. The average figure for the previous year was 282. The personnel expenses ratio for the Group fell to 62 % as a result of the increased revenue level (2018: 67 %).

Other operating expenses of EUR 27.1 million were well up on the previous year (2018: EUR 24.6 million). The rise is mainly down to one-time effects in the Shipping unit. Legal and consultancy costs were on a par with the previous year at EUR 6.8 million (2018: EUR 6.8 million). The write-downs on receivables declined to EUR 2.6 million (2018: EUR 3.1 million) and expenses from changes in exchange rates were EUR 0.9 million (2018: EUR 0.8 million).

COMBINED MANAGEMENT REPORT AND GROUP MANAGEMENT REPORT

The **income from equity investments** showed a sharp rise from EUR 2.3 million in the previous year to EUR 7.0 million in the 2019 financial year. This was the result of high returns from the TRANSIT transaction and the disposal of equity investments in limited partners from the BMG portfolio acquired at the end of 2018.

Other interest and similar income climbed to EUR 2.4 million (2018: EUR 1.4 million) and came primarily from loans for project financing.

Write-downs on financial assets in the amount of EUR 1.4 million were made. The prior-year figure of EUR 15.5 million substantially reflected the extraordinary adjustment to the valuation of indirect equity investments from retail business.

Interest and similar expenses came to EUR 0.9 million (2018: EUR 0.8 million) and mostly consisted of interest expenses for the refinancing of a real estate project.

The **result of associates carried at equity** was EUR -2.5 million (2018: EUR -0.9 million) and was determined by the adjustment to the valuation of MPC Container Ships ASA, in which MPC Capital AG holds an indirect equity investment.

Earnings before taxes (EBT) came to EUR 0.9 million. The prior-year EBT of EUR -16.7 million included a significant negative effect from the write-downs on financial assets and receivables. After elimination of the non-operating and non-cash write-downs, the prior-year adjusted EBT (EBT adj.) was EUR 0.6 million.

Income tax expense in 2019 came to EUR 1.1 million (2018: EUR 2.0 million).

Consolidated earnings were EUR -0.3 million (2018: EUR -18.7 million).

Earnings per share based on shares outstanding as at the balance sheet date came to EUR -0.01 for 2019 (2018: EUR -0.57).

RESULTS OF OPERATIONS OF THE GROUP PARENT

MPC Capital AG realised revenue amounting to EUR 8.9 million in the 2019 financial year (2018: EUR 8.8 million). This comprised EUR 1.0 million (2018: EUR 1.1 million) from management and transaction income, and EUR 7.7 million (2018: EUR 7.7 million) from charges allocated among Group companies, mainly in respect of administrative services provided for the subsidiaries by MPC Capital AG as the holding company.

Other operating income amounted to EUR 4.9 million in 2019 (2018: EUR 10.9 million) and was substantially attributable to the reversal of impairment and receivables written off, as well as to accounting profits from asset sales and the reversal of provisions.

Personnel expenses came to EUR 6.1 million for the 2019 financial year (2018: EUR 7.3 million). The number of employees of MPC Capital AG averaged 48 (2018: 49).

Other operating expenses showed a slight decline to EUR 16.2 million (2018: EUR 16.7 million). But the write-downs on receivables rose to EUR 9.1 million (2018: EUR 8.5 million). Conversely all other major items could be reduced. Legal and consultancy costs came to EUR 1.5 million (2018: EUR 2.7 million).

MPC Capital AG generated income from equity investments amounting to EUR 0.9 million in the 2019 financial year (2018: EUR 0.7 million), income from profit transfer agreements in the amount of EUR 8.7 million (2018: EUR 3.3 million) as well as interest and similar income amounting to EUR 0.2 million (2018: EUR 0.4 million). Write-downs on financial assets or on marketable securities were made in the amount of EUR 2.8 million in respect of the write-down on the indirect equity investment in MPC Container Ships ASA. The prior-year figure of EUR 3.6 million was adversely affected mainly by the write-down on loans.

The net loss for the 2019 financial year amounted to EUR -0.1 million. The prior-year figure was clearly negative at EUR -4.8 million as a result of the write-downs. The net accumulated loss for 2019 was EUR -4.9 million (2018: EUR 4.8 million).

NET ASSETS AND FINANCIAL POSITION OF THE GROUP

The **total assets** of the Group as at 31 December 2019 declined to EUR 139.6 million (31 December 2018: EUR 151.2 million) as a result of the fall in financial assets.

Fixed assets decreased from EUR 87.8 million to EUR 81.8 million at the balance sheet date of 31 December 2019. EUR 6.5 million (31 December 2018: EUR 5.9 million) related to intangible assets that primarily comprise the goodwill capitalised since 2015 for the Ahrenkiel Steamship Group, and from 2019 additionally the equity investment in Albis Shipping as well as other goodwill items.

The **financial assets**, which essentially constitute the co-investment portfolio of MPC Capital AG, reached EUR 74.6 million as at 31 December 2019, well below the level on 31 December 2018 (EUR 81.3 million). Additions comprised for example the equity investment in the new investment platform for Dutch office properties "InTheCity" as well as individual ship purchases. On the other side of the equation there were disposals from the sale of the TRANSIT portfolio and of a portion of the equity investments in limited partners from the BMG portfolio, plus the write-down on the indirect equity investment in MPC Container Ships ASA. There was consequently an associated decline in non-controlling interests.

Current assets fell from EUR 63.4 million at the end of 2018 to EUR 57.7 million as at 31 December 2019. **Receivables and other assets** came to EUR 37.1 million as at 31 December 2019 (31 December 2018: EUR 34.8 million). The rise in income tax receivables of EUR 4.0 million compared with the previous year is attributable to tax rebates from previous years, refunds of current tax advance payments, and imputed capital gains tax plus solidarity surcharge. As a result of investing activities, the Group's liquidity (**cash in hand and bank balances**) as at 31 December 2019 was EUR 20.6 million (31 December 2018: EUR 28.6 million).

Equity came down from EUR 112.5 million as at 31 December 2018 to EUR 99.0 million as at 31 December 2019 in a reflection of the decrease in non-controlling interests. The equity rate came down correspondingly from 74.3 % to 70.9 %.

Provisions in the amount of EUR 19.2 million were recognised as at 31 December 2019 (31 December 2018: EUR 16.3 million). The increase is primarily attributable to tax provisions and also to the increase in various **other provisions** in connection with cost savings and the policy of focusing on high-growth and profitable areas of business. The company had created **provisions for legal and consultancy costs** amounting to EUR 6.7 million as at 31 December 2019 (31 December 2018: EUR 6.8 million). The company considers this to be an adequate precaution for potential costs in connection with legal disputes.

Liabilities fell to EUR 21.4 million (31 December 2018: EUR 22.0 million). The decrease relates primarily to the acquisition of the BMG portfolio, the purchase price for which was not due until the start of 2019 and was not yet reported under **other liabilities** at the balance sheet date of 31 December 2018. **Liabilities to banks** came to EUR 2.0 million (31 December 2018: EUR 1.3 million) and comprise bank loans for non-recourse project financing. **Liabilities to other long-term investees and investors** in the amount of EUR 1.6 million (31 December 2018: EUR 1.7 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 **cash flow from operating activities** of EUR 3.0 million (2018: EUR -8.9 million). The previous year was dominated by high write-downs on assets from retail business in the amount of EUR 15.5 million. Dividends from equity investments resulted in proceeds of EUR 3.7 million (2018: EUR 1.4 million).

The **cash flow from investing activities** in the period under review came to EUR -9.5 million (2018: EUR -15.2 million). Payments for investments in financial assets amounting to EUR 32.8 million (2018: 28.6 million) resulted essentially from the involvement as co-investor in various investment projects in all three asset classes. In the opposite direction there were proceeds from the disposal of financial assets in the amount of EUR 22.3 million (2018: EUR 10.1 million) that are attributable to the disposal of parts of the TRANSIT and BMG portfolio. In the 2019 financial year MPC Capital moreover received interest in the amount of EUR 2.4 million (2018: EUR 0.0 million) as well as dividends in the amount of EUR 2.3 million (2018: EUR 0.0 million) from its equity investments and loans.

The **cash flow from financing activities** was EUR -1.9 million (2018: EUR 23.8 million). A major feature of the previous year was a capital increase for cash from authorised capital as well as the capital increases at fully consolidated project companies in the amount of EUR 22.5 million. Liabilities amounting to EUR 3.3 million (2018: EUR 1.1 million) were entered into in 2019 for the financing of projects. EUR 1.3 million (2018: EUR 1.7 million) was repaid.

Overall, **cash and cash equivalents** at the end of the year fell to EUR 20.6 million (2018: EUR 28.6 million).

NET ASSETS AND FINANCIAL POSITION OF THE GROUP PARENT

The total assets of MPC Capital AG rose to EUR 126.7 million as at 31 December 2019 (31 December 2018: EUR 124.5 million). Fixed assets, which mainly comprise shares in affiliated companies and equity investments (financial assets) and, to a minor extent, tangible assets, showed a marginal rise to EUR 88.3 thousand (31 December 2018: EUR 86.2 thousand).

Current assets consisted of receivables in the amount of EUR 36.2 million (31 December 2018: EUR 35.1 million), for the most part from affiliated companies and from other long-term investees and investors. Cash in hand and bank balances slipped back from the previous year's level of EUR 3.2 million to EUR 2.2 million as at 31 December 2019.

On the equity and liabilities side, equity remained almost unchanged at EUR 101.6 million (31 December 2018: EUR 101.7 million). The equity ratio was 80.2 % (31 December 2018: 81.7 %).

Provisions rose to EUR 3.0 million as at the balance sheet date primarily from the increase in the provisions for personnel expenses in connection with the cost savings and the focus on high-growth and profitable business areas (31 December 2018: EUR 2.9 million). Liabilities of EUR 22.1 million (31 December 2018: EUR 19.9 million) were up on the prior-year level; they relate in the main to liabilities to associated 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 secure 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:

	MPC Capital Group			MPC Capital AG		
Financial performance indicators	**2019**	**2018**	**Change**	**2019**	**2018**	**Change**
	in EUR '000		in %	in EUR '000		in %
Revenue	**46,846**	**42,727**	**10 %**	No financial performance indicator		
Earnings before taxes (EBT)	**850**	**-16,671**	**n/a**	**-1,603**	**-4,654**	**66 %**
of which effects from "oil rig" (2018):						
- Write-down in equity interests	-	9,620	-	-	-	-
- Write-down on loans	-	5,516	-	-	2,007	n/a
- Write-down on current receivables	-	2,102	-	-	1,265	n/a
- Reduction from transfer of profit by subsidiaries (Profit Transfer Agreement)	-	-	-	-	1,781	n/a
EBT adjusted	**850**	**567**	**50 %**	**-1.603**	**399**	**n/a**
Liquidity (cash in hand and bank balances)	**20,640**	**28,578**	**-28 %**	**2,173**	**3,239**	**-33 %**
Equity ratio	**70.9 %**	**74.3 %**	**-3.4 pps**	**80.2 %**	**81.7 %**	**-1.5 pps**

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 2019 financial year. The above-average decline in retail business, the former core business area of MPC Capital, was a challenge. The associated loss of income from that source was more than made good by strong growth in institutional business, with the result that especially revenue showed a year-on-year improvement. Earnings before taxes were eroded by non-recurring expenses in connection with the policy of focusing on business with institutional investors and by write-downs on financial assets.

Group liquidity of EUR 20.6 million at the balance sheet date remained at a healthy level for further progress with the development of the Group.

The key challenge is to continue identifying and acquiring attractive institutional investors and therefore to compensate for the decline in proceeds from retail business through income from institutional business. In parallel, MPC Capital initiated cost-cutting measures in 2019 and sharpened its focus on high-growth and profitable areas of business.

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4. Other Disclosures

EMPLOYEES

The employees of the MPC Capital Group contributed to the successful business performance in the 2019 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.

Over the 2019 financial year the MPC Capital Group had an average of 286 employees. On the reporting date of 31 December 2019, the Group had 296 employees. The increase is attributable in part to the newly established joint venture HARPER PETERSEN. It should also be noted that the reporting date view means the figure includes some employees whose employment contracts have been terminated or have expired. MPC Capital AG employed an average of 48 people in the financial year, and 45 people on the reporting date.

PERSONNEL CHANGES ON THE MANAGEMENT BOARD

The Supervisory Board removed Dr Roman Rocke from office on the Management Board with effect from 1 February 2019. The Real Estate and Infrastructure business units of which Dr Rocke was in charge were taken on by Ulf Holländer (CEO) and Dr Karsten Markwardt.

The Supervisory Board appointed Dr Ignace Van Meenen to the Management Board of the company as new Chief Sales Officer (CSO) with effect from 1 June 2019. The 51-year-old lawyer with a doctorate in law began his investment career at Deutsche Bank in the United States 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.

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

In the 2019 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 company report for the period 1 January to 31 December 2019, 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 in order to demonstrate social responsibility over the long term 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 one year at Elbstation to work together on media and theatre projects. They also receive coaching on matters relating to school and training. Participation in Elbstation opens up new horizons for these young people for their schooling and vocational future.

2019 was a successful year for the Elbstiftung: 36 young people from Elbstation’s 13th intake presented their contributions to audiences of up to 400 in Hamburg theatres. In September, 35 more young people joined as the 14th intake. Alumni work was extended. A further alumni group, the Alumni Radio Group, was started in September 2019. The position of Project Assistants was also created in 2019. Project Assistants are alumni of Elbstation aged between 14 and 21 who are engaged in a voluntary capacity. They help look after the young people, pass on learning or provide extra tuition for those who are having difficulty with school work. They also take on important tasks in the creative sphere: they illustrate audio features, write theatre scenes and help with film scripts. They are veritable media and theatre professionals, and therefore vital role models for the younger participants. By volunteering the Project Assistants have the opportunity to assume social responsibility and make a real difference in Altona.

* Not reviewed by the auditor

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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 inordinate 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, in the context of risk management. The risk inventory is performed by the individual units in line with a bottom-up principle. The people in charge of this 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 is also to be informed immediately of extraordinary and/or unscheduled changes in the risk position via the risk early warning system; 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
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

Business environment and market-related opportunities
The continuing low interest rate regime of central banks increases 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, there is an overall increase in the importance of 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.

MPC Capital 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.

In the shipping sector, the principal opportunities include increasing our enterprise value through additional income growth and the recovery of the shipping markets, especially in the feeder segment – a focus for Ahrenkiel Steamship and its fleet.

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 MPC Capital.

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 systematically 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. MPC Capital also has access to several decades of expertise in infrastructure thanks to its close cooperation with established industrial partners.

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

It therefore has a clear niche strategy with proven expertise and many years of experience, as well as specialised services along the entire asset and investment management value chain. All of these niches offer MPC Capital scope to gain a competitive edge over the market as a whole.

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.

Based on the aim of increasing the assets under management and shifting from lower-margin legacy business towards higher-margin new business, especially in the Real Estate and Infrastructure segments, the company expects to see overproportional growth in proceeds. In the company's assessment, economies of scale from more efficient utilisation of the Group's platforms and service areas should then result in an overproportional improvement in consolidated earnings.

RISKS

Business environment and market-related risks
<u>Market-related risks</u>
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. Negative developments might not only endanger the launch of new investment projects and services; they may 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 and the European Central Bank (ECB) could have a positive im-

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pact on other forms of investment and cause demand for real asset investments and investment products to stagnate or even backtrack.

There are currently no discernible indications of a renewed global economic crisis or of disruptions to the financial and capital markets. Equally, the ECB recently again restated its intention to adhere to its expansionary monetary policy.

MPC Capital 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, MPC Capital 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 segments, an extensive portfolio of existing funds, 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 MPC Capital's margin. In addition, in certain situations MPC Capital must work with external service providers to meet supervisory requirements. That, too, can adversely affect MPC Capital's margin.

Performance-related, organisational and strategic risks to the company

Competition risk

MPC Capital 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 orienting its sales activities towards 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 MPC Capital 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 MPC Capital will not be sufficiently successful at onboarding assets into its individual investment strategies. MPC Capital counters this risk by concentrating on real asset products and services in special niche markets 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 planning and development, 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 on the basis of 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, the need for modifications and significant cost increases. Cost budget overruns could also adversely affect the remuneration received by MPC Capital.

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 MPC Capital'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

MPC Capital's future development and repositioning are particularly dependent on the expertise and experience of the company's employees. The company must in particular retain key employees. MPC Capital 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 2019 include provisions for legal and consultancy costs of approximately EUR 6.7 million (31 December 2018: EUR 6.8 million). The provisions constitute adequate risk provisioning for the MPC Capital Group's pending legal risks.

The number and volume of lawsuits brought against the MPC Capital Group in Germany remained flat in 2019. 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.

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Prospectus liability risk

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

MPC Capital 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, MPC Capital 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 KAGB.

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 Regional 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 2019, 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 it cannot be ruled out that the creditors may terminate the agreement. In addition, these agreements are not in place for all fund companies, and it is uncertain whether the creditors will also enter into a corresponding agreement with these fund companies.

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, MPC Capital reviews the intrinsic value of these equity investments and/or assets and where necessary corrects their carrying amounts on the 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 MPC Capital.

MPC Capital AG holds an equity investment in the listed company MPC Container Ships ASA via Bluewater Investments GmbH & Co. KG. Because the stock market price of MPC Container Ships ASA has remained consistently below historical cost, the Management Board decided to perform a partial write-down. The corrected valuation is based on external analyses and own valuations. If this assessment should change in the light of fresh insights or altered market conditons, it could be necessary to make a further adjustment to the carrying amount.

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 2019 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.

To hedge against currency risks, a significant portion of the contractually fixed US dollar revenues for 2020 was backed by derivative financial instruments. Based on the remaining US dollar exposure, an increase of 10 % in the EUR/USD exchange rate assumed by the MPC Capital Group would have an effect of roughly 2 % on the forecast revenue for the 2020 financial year.

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. MPC Capital has built up receivables in connection with this and 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 2.6 million as at 31 December 2019 (31 December 2018: EUR 3.1 million).

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

Contingent liabilities

Contingent liabilities in accordance with Section 251 HGB amounted to EUR 6.0 million as at 31 December 2019 (31 December 2018: EUR 19.1 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 significant 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.

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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

In its winter forecast published on 12 December 2019 the Kiel Institute for the World Economy anticipates that global economic growth will pick up again to 3.1 % and 3.4 % in 2020 and 2021 respectively. The institute believes there could be a significantly more adverse economic development in the event of a further noticeable deterioration in the international trade environment, which would add pressure to the investment climate. The more industry's weakness spills over into other areas of economic activity, the greater this downside risk would be.

Market experts believe that moderate global economic growth means the Federal Reserve and European Central Bank are likely to adhere to their current policies on interest rates.

A study by Aviva Investors which surveyed 500 decision-makers at insurers and pension funds in Europe indicated a continuing rise in demand for real assets, given the low-interest environment. 51 % of insurers and 37 % of pension funds anticipate increasing their investments in real assets. The issues of sustainability and responsibility ("ESG" – Environmental, Social, Governance) are becoming increasingly important in investment decisions: nine out of ten investors now consider ESG aspects to be important factors in decision-making. For around 40 %, a positive ESG effect is an integral part of the investment decision.

ANTICIPATED BUSINESS PERFORMANCE

Over recent years, since venturing into business with institutional investors MPC Capital has gradually succeeded in at least compensating for revenue from the declining retail business area by generating income in the newly created area of institutional business. For the 2020 financial year, MPC Capital nevertheless expects an above-average decline in retail business. A comparatively large number of funds were or will be liquidated in 2019 and 2020, with the result that the revenue contribution from MPC Capital's former business will undergo a clear contraction. Despite consistently solid growth in more profitable institutional business, its revenue contributions in 2020 are unlikely to be sufficient to compensate fully for the decline in revenue from retail business. In light of this, cost-cutting measures were started in 2019. While the focus on sustainably profitable and high-growth investment strategies will likewise result in a loss of revenue, it will also improve profitability.

Real Estate: In the Netherlands, Cairn puts MPC Capital in an excellent position to expand especially the logistics and health growth areas of Real Estate, and to maintain a high transaction rate. In Germany, MPC Capital will continue to operate highly selectively in the Real Estate segment. In the micro-living area, MPC Capital will again concentrate on the German market in 2020 and on completing the projects currently still in development. In parallel, it will examine onboarding individual existing properties or new portfolios. The priority will be to increase profitability.

In the **Shipping** area, MPC Capital laid the foundations in 2019 for further growth in commercial management with the establishment of the joint venture HARPER PETERSEN and the equity investment in Albis Shipping. For 2020, MPC Capital plans to position itself even more broadly and competitively in technical management, too. Based on positive signals in the US/China trade conflict and initial signs of a moderate recovery in the global economy, an improvement in freight and charter rates can also be expected in the next one to two years. This would also have a positive impact on the management fees earned in the Shipping area of the MPC Capital Group, and improve the environment for completing transactions.

In the **Infrastructure** area, 2020 will see MPC Capital focus on the swift expansion of the renewable energies area. Underpinned by the capital increase at MPC Caribbean Clean Energy, there are plans to onboard new projects in Central America and the Caribbean in 2020. MPC Capital will also examine entry into new markets. The need for investment if global climate targets are to be achieved is immense, and MPC Capital is in talks with a number of institutional investors on the development of ESG-compliant investment strategies.

The **MPC Capital Group** anticipates a slightly lower level of revenue based on the above effects, but especially the above-average decline in legacy business. Cost savings and the focus on high-growth, profitable investment strategies should nevertheless produce a slight year-on-year improvement in earnings before taxes (EBT). 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 2019 balance sheet date. The equity ratio should remain above 70 %.

For the **Group parent, MPC Capital AG**, the Management Board expects comparable income for the 2020 financial year along with a smaller cost base, which should lead to a slightly positive EBT again. That aside, the Management Board expects the level of liquidity and equity ratio to be comparable to the previous year.

Hamburg, 14 February 2020

Ulf Holländer (CEO)

Constantin Baack

Dr. Philipp Lauenstein

Dr. Karsten Markwardt

Dr. Ignace Van Meenen

ANNUAL REPORT → 2019

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated Balance Sheet

Assets			31/12/2019 EUR '000	31/12/2018 EUR '000
A.	**Fixed assets**		**81,808**	**87,769**
	I.	**Intangible assets**	**6,460**	**5,941**
		1. Purchased concessions, industrial rights and software	38	43
		2. Goodwill	6,422	5,898
	II.	**Tangible assets**	**713**	**516**
		1. Land, land rights and buildings, including buildings on third-party land	263	2
		2. Other fixtures and fittings, operating and office equipment	451	514
	III.	**Financial assets**	**74,635**	**81,312**
		1. Shares in affiliated companies	862	421
		2. Equity investments	44,983	59,972
		3. Other loans	28,790	20,920
B.	**Current assets**		**57,720**	**63,379**
	I.	**Receivables and other assets**	**37,080**	**34,801**
		1. Trade receivables	6,990	5,918
		2. Receivables from other long-term investees and investors	9,505	10,166
		3. Other assets	20,585	18,717
	II.	**Cash in hand and bank balances**	**20,640**	**28,578**
C.	**Prepaid expenses**		**94**	**65**
Total assets			**139,623**	**151,213**

Equity and liabilities			31/12/2019 EUR '000	31/12/2018 EUR '000
A.	**Equity**		**98,968**	**112,467**
	I.	Subscribed capital	33,471	33,471
	II.	Additional paid-in capital	54,222	54,993
	III.	Other retained earnings	10,804	10,803
	IV.	Net accumulated losses (PY: net retained profits)	-8,190	-5,972
	V.	Difference in equity from currency translation	166	91
	VI.	Minority interest	8,495	19,082
B.	**Provisions**		**19,193**	**16,269**
	1.	Provisions for taxes	4,625	2,023
	2.	Other provisions	14,568	14,246
C.	**Liabilities**		**21,370**	**21,987**
	1.	Liabilities to banks	1,954	1,265
	2.	Trade payables	874	1,063
	3.	Liabilities to other long-term investees and investors	1,618	1,658
	4.	Other liabilities	16,924	18,001
D.	**Deferred income**		**92**	**490**
Total equity and liabilities			**139,623**	**151,213**

Note: Rounding differences may occur

2.
Consolidated Income Statement

from 1 January to 31 December 2019

	2019 EUR '000	2018 EUR '000
1. Revenue	46,846	42,727
2. Other operating income	9,730	12,547
3. Cost of materials: cost of purchased services	-2,207	-3,465
4. Personnel expenses	-28,838	-28,592
a) Wages and salaries	-25,491	-24,910
b) Social security, post-employment and other employee benefit costs	-3,347	-3,682
5. Amortisation of intangible fixed assets and depreciation of tangible assets	-2,238	-1,781
6. Other operating expenses	-27,111	-24,643
7. Operating result	**-3,818**	**-3,208**
8. Income from equity investments	7,020	2,302
9. Other interest and similar income	2,412	1,398
10. Write-downs on financial assets	-1,431	-15,515
11. Interest and similar expenses	-862	-774
12. Result of associates carried at equity	-2,471	-875
13. Earnings before tax	**850**	**-16,671**
14. Taxes on income	-1,109	-1,993
15. Result after tax	**-259**	**-18,665**
16. Other taxes	-65	-8
17. Consolidated net loss	**-323**	**-18,673**
18. Minority interest	-1,893	-269
19. Changes in consolidation	-1	145
20. Loss/profit carried forward	-5,972	12,825
21. Net accumulated losses	**-8,190**	**-5,972**

Note: Rounding differences may occur

3.
Consolidated Statement of Changes in Equity

	Capital and reserves attributable to the shareholders of the parent company						Minority interest				
	Share capital EUR '000	**Additional paid-in capital** EUR '000	**Other retained earnings** EUR '000	**Net retained profits** EUR '000	**Difference in equity from currency translation** EUR '000	**Equity** EUR '000	**Share capital** EUR '000	**Additional paid-in capital** EUR '000	**Net retained profits** EUR '000	**Equity** EUR '000	**Consolidated equity** EUR '000
As at 1 January 2019	**33,471**	**54,993**	**10,803**	**-5,972**	**91**	**93,386**	**1,699**	**16,321**	**1,062**	**19,082**	**112,467**
Gradual acquisition of shares	0	-771	0	0	0	-771	0	0	0	0	-771
Capital increase	0	0	0	0	0	0	5	809	0	814	814
Capital reduction	0	0	0	0	0	0	-620	-2,906	0	-3,526	-3,526
Profit distributions	0	0	0	0	0	0	0	0	-648	-648	-648
Changes in consolidation	0	0	1	-1	0	0	1,479	-10,732	132	-9,121	-9,121
Consolidated earnings	0	0	0	-2,216	0	-2,216	0	0	1,893	1,893	-323
Allocations to retained earnings	0	0	0	0	0	0	0	0	0	0	0
Currency translation differences	0	0	0	0	75	75	0	0	0	0	75
Total comprehensive income	**0**	**0**	**0**	**-2,216**	**75**	**-2,216**	**0**	**0**	**1,893**	**1,893**	**-249**
As at 31 December 2019	**33,471**	**54,222**	**10,804**	**-8,190**	**166**	**90,473**	**2,563**	**3,492**	**2,439**	**8,495**	**98,968**

Note: Rounding differences may occur

	Capital and reserves attributable to the shareholders of the parent company						Minority interest				
	Share capital EUR '000	**Additional paid-in capital** EUR '000	**Other retained earnings** EUR '000	**Net retained profits** EUR '000	**Difference in equity from currency translation** EUR '000	**Equity** EUR '000	**Share capital** EUR '000	**Additional paid-in capital** EUR '000	**Net retained profits** EUR '000	**Equity** EUR '000	**Consolidated equity** EUR '000
As at 1 January 2018	**30,428**	**40,691**	**10,803**	**12,825**	**37**	**94,784**	**1,166**	**5,069**	**1,221**	**7,456**	**102,240**
Successive acquisition	3,044	14,302	0	0	0	17,346	0	1,792	0	1,792	19,138
Changes in the group of consolidated companies	0	0	0	0	0	0	169	7,974	136	8,279	8,279
Consolidated earnings	0	0	0	0	0	0	0	0	-648	-648	-648
Allocations to retained earnings	0	0	0	145	0	145	364	1,486	84	1,934	2,078
Distributions	0	0	0	-18,942	0	-18,942	0	0	269	269	-18,673
	0	0	0	0	0	0	0	0	0	0	0
Currency translation differences	0	0	0	0	54	54	0	0	0	0	54
Total comprehensive income	**0**	**0**	**0**	**-18,942**	**54**	**-18,888**	**0**	**0**	**269**	**269**	**-18,619**
As at 31 December 2018	**33,471**	**54,993**	**10,803**	**-5,972**	**91**	**93,386**	**1,699**	**16,321**	**1,062**	**19,082**	**112,467**

Note: Rounding differences may occur

4.
Consolidated Cash Flow Statement

from 1 January to 31 December 2019

	2019 EUR '000	2018 EUR '000
Cash flow from operating activities	**3,038**	**-8,902**
Consolidated net loss	-323	-18,673
Amortisation of intangible assets and depreciation of tangible assets	2,238	1,781
Write-downs on financial assets	1,431	15,515
Result of associates carried at equity, where non-cash	2,471	875
Gain/loss on the disposal of intangible and tangible assets	16	0
Gain/loss on the disposal of financial assets	-3,768	-2,966
Changes in inventories, trade receivables and other assets not allocable to investing and financing activities	-2,955	-74
Changes in trade payables and other liabilities not allocable to investing or financing activities	3,385	1,144
Changes in other provisions	322	-1,442
Proceeds from dividends	3,737	1,412
Income tax expense	1,109	1,993
Income taxes paid	-2,603	-5,090
Interest expenses and interest income	-2,022	-624
Payments for costs of the capital increases	0	645
Other non-cash expenses and income	0	-3,398
Cash flow from investing activities	**-9,519**	**-15,234**
Payments for investments in intangible and tangible assets	-2,980	-985
Payments for investments in financial assets	-32,787	-28,590
Payments for the acquisition of shares in consolidated companies (successive acquisition)	-771	0
Proceeds from the disposal of intangible and tangible assets	10	0
Proceeds from decreasing shares in consolidated companies	0	4,215
Proceeds from the disposal of financial assets	22,276	10,126
Interest received	2,403	0
Proceeds from dividends	2,330	0
Cash flow from financing activities	**-1,895**	**23,841**
Proceeds of new borrowings	3,346	1,108
Repayments of borrowings	-1,323	-1,655
Interest paid	-381	-48
Dividends paid to other shareholders	-646	-663
Proceeds from other shareholders	1,823	2,554
Payments to other shareholders	-4,714	0
Capital increases at fully consolidated project companies	0	5,846
Capital increases of MPC Capital AG (less costs of the capital increases)	0	16,699
Changes in cash and cash equivalents	**-8,376**	**-295**
Cash and cash equivalents at the start of the period	28,578	28,873
Effects of changes in consolidation	438	0
Cash and cash equivalents at the end of the period	**20,640**	**28,578**

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 component from the joint venture using proportionate consolidation amounts to EUR 0.9 million.

5.
Notes to the Consolidated Financial Statements

of MPC Münchmeyer Petersen Capital AG, Hamburg, at 31 December 2019

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 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 2019 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 management report.

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 can occur.

These consolidated financial statements were approved by the Management Board and released for publication on 17 February 2020.

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 the MPC Capital Group 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 from the date at which the MPC Capital Group 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, 155 (previous year: 171) German and 30 (previous year: 28) 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
Administratión Solarpark Campanet S.L., Campanet / Spain	100.00 %
Ahrenkiel Steamship B.V., Amsterdam / Netherlands	100.00 %
Ahrenkiel Steamship GmbH & Co. KG, Hamburg	100.00 % 1)
Ahrenkiel Tankers GmbH & Co. KG (formerly: Ahrenkiel Shipmanagement GmbH & Co. KG), Hamburg	80.00 % 1)
Albis Shipping & Transport GmbH & Co. KG, Hamburg	50.00 % 1),2),3)
Anteil Austria an der Verwaltung "Michelangelo Star" Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Anteil Austria an der Verwaltung “Miro Star” Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
AVB Ahrenkiel Vogemann Bolten GmbH & Co. KG (formerly: Ahrenkiel Vogemann Bulk GmbH & Co. KG, Hamburg), Hamburg	50.10 % 1)
AVB Verwaltungs GmbH, Hamburg	100.00 %
Beteiligungsverwaltungsgesellschaft MPC Solarpark mbH, Hamburg	100.00 %
BMG Blue Marlin GmbH & Co. KG, Hamburg	73.11 %
Cairn KS Management Services Real Estate B.V., Amsterdam/ Netherlands	100.00 %
Cairn Real Estate B.V., Amsterdam / Netherlands	100.00 %
CoDe Invest B.V., Amsterdam / Netherlands	50.00 % 3)

CPM Anlagen Vertriebs GmbH, in liquidation, Vienna / Austria	100.00 %
Deepsea Oil Explorer Plus GmbH & Co. KG, Hamburg	100.00 % [1)]
Dutch REAM B.V., Amsterdam / Netherlands	100.00 %
ELG Erste Liquidationsmanagement GmbH, Hamburg	100.00 %
EREC Investment Holding Verwaltungs GmbH, in liquidation, Hamburg	100.00 %
EREC Investment Verwaltungs GmbH, in liquidation, Hamburg	100.00 %
HCRE Beheerder B.V., Amsterdam / Netherlands	100.00 % [2)]
Harper Petersen B.V. (formerly: Contchart B.V.), Amsterdam / Netherlands	95.00 %
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 / Netherlands	71.54 % [2)]
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 %
MIG Maritime Invest Managementgesellschaft mbH, in liquidation, Hamburg	100.00 %
MIG Maritime Invest Verwaltungsgesellschaft mbH, in liquidation, Hamburg	100.00 %
Mokum Invest B.V., Amsterdam / Netherlands	100.00 %
Mokum Invest C.V., Amsterdam / Netherlands	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 % [1)]
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 Vermögensstrukturfonds Verwaltungsgesellschaft mbH, in liquidation, 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 % [1)]
MPC Lux Investments SARL, Luxembourg	100.00 %
MPC Maritime Beteiligungsgesellschaft mbH & Co. KG (formerly: Palmaille 75 Dreiundsechzigste	100.00 % [1),2)]
Beteiligungsgesellschaft mbH & Co. KG, Hamburg), Hamburg	100.00 % [2)]
MPC Maritime Beteiligungsverwaltungsgesellschaft mbH, Hamburg	100.00 % [1)]
MPC Maritime Holding GmbH, Hamburg	100.00 %
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 % [1)]
MPC Real Estate Holding GmbH, Hamburg	100.00 %
MPC Real Estate Solutions GmbH, Hamburg (formerly: MPC Real Estate Management Services 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, Nielbühl	100.00 %
MPC Sechste Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Siebte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 % [1)]
MPC Student Housing Beteiligungs UG & Co. KG, Quickborn	50.00 % [3)]
MPC Synergy Real Estate AG, in liquidation, Jona / Switzerland	100.00 %
MPC Venture Invest AG, Vienna / Austria	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 %
Panda Invest GmbH, Hamburg	30.99 % [3)]
Palmaille Ship Invest GmbH, Hamburg	100.00 %
PB BS GMO Verwaltungs GmbH, Hamburg	100.00 %
PBH Maritime Verwaltungsgesellschaft mbH, Hamburg	100.00 %
Real Estate Growth Fund Management B.V., Amsterdam / Netherlands	100.00 %
Real Estate Management B.V., Amsterdam / Netherlands	100.00 %
RES Fund Management B.V., Amsterdam / Netherlands	100.00 %
RES GF Fund Management B.V., Amsterdam / Netherlands	71.50 %
RES Inside B.V., Amsterdam / Netherlands	71.50 %
RES Maxis B.V., Amsterdam / Netherlands	100.00 %
RES Participations B.V., Amsterdam / Netherlands	51.45 %
RES Retail B.V., Amsterdam / Netherlands	58.33 %
RES Transit B.V., Amsterdam / Netherlands	58.66 %
RES Transit II B.V., Amsterdam / Netherlands	100.00 %

Staytoo Micro Living Spain S.L., Barcelona / Spain	100.00 % [2)]
Sun Partners B.V., Amsterdam / Netherlands	100.00 % [1)]
TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH & Co. KG, Hamburg	100.00 %
TVP Trustmaatschappij B.V., Amsterdam / Netherlands	100.00 %
Verwaltung Ahrenkiel Shipmanagement GmbH, Hamburg	100.00 %
Verwaltung “Mahler Star” Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung “Manet Star” Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung “Mendelssohn Star” Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung “Menotti Star” Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung “Michelangelo Star” Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung “Miro Star” Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung “Monteverdi Star” Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung “Rio Blackwater” Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung "Rio Thompson" Schifffahrtsgesellschaft mbH, in liquidation, Hamburg	100.00 %
Verwaltung "Rio Taku" Schifffahrtsgesellschaft mbH, in liquidation, Hamburg	100.00 %
Verwaltung Achte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00 %
Verwaltung Achte Sachwert Rendite-Fonds Holland GmbH, in liquidation, Hamburg	100.00 %
Verwaltung Achtundsechzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Ahrenkiel Steamship 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 BMG Blue Marlin GmbH, 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 Fünfte Sachwert Rendite-Fonds Holland GmbH, in liquidation, 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 2 GmbH, in liquidation, 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 Schiffahrtsgesellschaft MS “PEARL RIVER” mbH, in liquidation, Hamburg	100.00 %
Verwaltung Schiffahrtsgesellschaft MS “YANGTZE RIVER” mbH, in liquidation, Hamburg	100.00 %
Verwaltung Sechste Sachwert Rendite-Fonds Deutschland (Private Placement) GmbH, Hamburg	100.00 %
Verwaltung Sechsundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Sechsundvierzigste 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 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 Elfte Private Equity GmbH, Hamburg	100.00 %
First Fleet Philipp Beteiligungs GmbH, Delmenhorst (formerly 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 III mbH, in liquidation, 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 %

[1] These companies make use of the exemption provisions of Section 264 (3) and Section 264b of HGB.
[2] Companies fully consolidated for the first time in the financial year.
[3] Corporate-law agreements result in control over these companies.

In total, 29 (previous year: 27) German and seven (previous year: four) international subsidiaries were not included in the Consolidated Financial Statements. These companies perform 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 Opportuntity 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 %
ESG Fischbek GmbH & Co. KG (vormals: Palmaille 75 Zweiundsiebzigste Beteiligungsgesellschaft mbH & Co. KG), Hamburg	100.00 %
LP Investor GmbH, Hamburg	100.00 %
Managementgesellschaft ESG Fischbek mbH (vormals: Palmaille 75 Achtundvierzigste Vermögensverwaltungsgesellschaft mbH), Hamburg	100.00 %
MC Bodegraven Ontwikkel B.V., Niederlande	100.00 %
MD Rail Management GmbH, Hamburg	100.00 %
MFD Trading Verwaltungs GmbH, Hamburg	100.00 %
MPC Caribbean Clean Energy Feeder Ltd., Trinidad and Tobago	100.00 %
MPC Clean Energy Ltd., Cayman Islands	100.00 %
MPC Multi Asset Schiff Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Rail GmbH, Hamburg	100.00 %
MPC Renewable Colombia S.A.S., Bogotá (vormals: Martifer MPC Renewable Energies Development S.A.S., Bogotá)	100.00 % [1]
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 Fünfundsiebzigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00 %
Palmaille 75 Fünfundsiebzigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
Palmaille 75 Sechsundsechzigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
Palmaille 75 Sechsundsiebzigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00 %
Palmaille 75 Sechsundsiebzigste 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 Reefer-Flottenfonds GmbH, Hamburg	100.00 %
Verwaltung Beteiligungsgesellschaft Reefer-Flottenfonds mbH, 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 i.L., Hamburg	100.00 %

[1] Subsidiaries held exclusively for resale. (Consolidated using the equity method)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 / Niederlande	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	21.88 %
Frame Offices B.V.. Rotterdam	40.00 %
Global Vision AG Private Equity Partners. Rosenheim	31.88 %
InTheCity Fund. Amsterdam	25.00 %
MPC Bioenergie GmbH & Co. KG. Hamburg	46.67 %
MPC Münchmeyer Petersen Steamship GmbH & Co. KG. Hamburg	25.10 %
SHV Management Participation GmbH & Co. KG. Quickborn	41.25 %
Waterway IT Solutions GmbH & Co. KG. Hamburg	30.04 %
Wessels Reederei GmbH & Co. KG. Harne	27.50 %
Zweite MPC Bioenergie Brasilien GmbH & Co. KG. Hamburg	46.67 %

b) Joint ventures
The only joint venture consolidated pro rata is Harper Petersen Holding GmbH & Co. KG, Hamburg. The share of this enterprise held by MPC Capital is 60 %.

On the basis of agreements under company law, this company is under common control. In a reflection of this, the decision was taken not to consolidate the company in full, in accordance with Section 296 (1) HGB. The agreements under company law result in a permanent economic interest of 50 % in the current results as well as in any proceeds of liquidation.

For purposes of proportionate consolidation, this economic interest is therefore used. First-time inclusion was from the acquisition date of 1 November 2019. No goodwill needed to be reported in the course of capital consolidation in accordance with Sections 310 (2), 301 HGB.

2.2.3 Changes in the group of consolidated companies

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

- Albis Shipping & Transport GmbH & Co. KG, Hamburg (shareholding: 50.0 percent)*
- HCRE Beheerder B.V., Amsterdam (shareholding: 100.0 percent)
- ITC Invest B.V., Amsterdam (shareholding: 71.54 percent)
- MPC Maritime Beteiligungsgesellschaft mbH & Co. KG, Hamburg (shareholding: 100.0 percent)
- MPC Maritime Beteiligungsverwaltungsgesellschaft mbH, Hamburg (shareholding: 100.0 percent)
- Sun Partners B.V., Amsterdam (shareholding: 100.0 percent)

* = corporate-law agreements result in control over these companies

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

- Harper Petersen Holding GmbH & Co. KG, Hamburg (shareholding: 60.0 percent)*

* = This company is under common control, based on agreements under company law

The following table shows the assets and liabilities acquired as a result of first-time consolidation, prior to consolidation:

	EUR '000
A. Fixed assets	522
B. Current assets	1,438
C. Prepaid expenses	27
D. Provisions	198
E. Liabilities	975
F. Deferred income	16

b) Disposals
The following companies were deconsolidated in the financial year:

- Bluewater Investments GmbH & Co. KG, Hamburg
- Contchart GmbH & Co. KG, Hamburg
- Deutsche SachCapital GmbH, Hamburg
- EREC Investment GmbH & Co.KG, Hamburg
- EREC Investment Holding GmbH & Co.KG, Hamburg
- Managementgesellschaft Deepsea Oil Explorer mbH Protect, in liquidation, Hamburg
- Managementgesellschaft Ikura Investment GmbH, in liquidation, Hamburg
- MPC Multi Asset Schiff Verwaltungsgesellschaft mbH, Hamburg
- MPC Rendite-Fonds Leben plus Management GmbH, Quickborn
- Salmon Investment Beteiligungs GmbH, Hamburg
- Verwaltung “Rio Adour” Schifffahrtsgesellschaft mbH, in liquidation, Hamburg
- Verwaltung Achtundvierzigste Sachwert Rendite-Fonds Holland GmbH, in liquidation, Hamburg

- Verwaltung Beteiligungsgesellschaft Reefer-Flottenfonds mbH, Hamburg
- Verwaltung Reefer-Flottenfonds GmbH, Hamburg
- Verwaltung Sachwert Rendite-Fonds England GmbH, in liquidation, Hamburg
- Verwaltung Sachwert Rendite-Fonds Europa GmbH, Hamburg
- Verwaltung Sechsundsechzigste Sachwert Rendite-Fonds Holland GmbH, in liquidation, Hamburg
- Verwaltung Zweite Sachwert Rendite-Fonds England GmbH, in liquidation, Hamburg
- Verwaltungsgesellschaft Contchart Hamburg mbH, Hamburg
- Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial II mbH, in liquidation, Quickborn
- Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial mbH, in liquidation, Quickborn
- Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial VI mbH, in liquidation, Quickborn

The above changes in consolidation do not materially impair the comparability of the consolidated income statement with the previous year.

On the consolidated balance sheet, especially the reported financial assets fell by EUR 10.4 million as a result of deconsolidation, and the non-controlling interests within equity fell by EUR 10.5 million.

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 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	
	31/12/2019 per EUR	**31/12/2018** per EUR	**2019** per EUR	**2018** per EUR
British pound sterling	0.8508	0.8985	0.8778	0.8844
Brazilian real	4.5157	4.4376	4.4134	4.2893
Canadian dollar	1.4598	1.5598	1.4855	1.5286
Norwegian krone	9.8638	9.9308	9.8511	9.5860
Swiss franc	1.0854	1.1261	1.1124	1.1542
Singapore dollar	1.5111	1.6284	1.5273	1.5891
US dollar	1.1234	1.1444	1.1195	1.1809

These are the interbank rates as at 31 December 2018 and 31 December 2017.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 and 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. NOTES TO THE CONSOLIDATED BALANCE SHEET

3.1 DEVELOPMENT OF FIXED ASSETS

	Costs					Depreciation and amortisation				Carrying amount	
	As at 1 Jan 2019	Additions	Disposals	Adjustments	**As at 31 Dec 2019**	As at 1 Jan 2019	Additions	Disposals	**As at 31 Dec 2019**	**As at 31 Dec 2019**	As at 31 Dec 2018
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
I. Intangible assets											
1. Purchased concessions, industrial rights and software	2,087	80	529	0	1,638	2,043	89	531	1,601	38	43
2. Goodwill	27,479	2,425	0	0	29,904	21,581	1,901	0	23,482	6,422	5,898
	29,566	**2,505**	**529**	**0**	**31,542**	**23,624**	**1,990**	**531**	**25,083**	**6,460**	**5,941**
II. Tangible assets											
1. Land, land rights and buildings, including buildings on third-party land	1,158	297	43	0	1,412	1,156	31	38	1,149	263	2
2. Other fixtures and fittings, operating and office equipment	3,296	178	107	0	3,367	2,783	218	84	2,917	451	514
	4,454	**475**	**150**	**0**	**4,779**	**3,939**	**249**	**122**	**4,066**	**713**	**516**
III. Financial assets											
1. Shares in affiliated companies	4,361	3,581	3,112	0	4,830	3,940	28	0	3,968	862	421
2. Equity investments	78,296	8,708	14,284	-10,422	62,298	18,323	369	1,378	17,314	44,983	59,972
3. Other loans	27,358	11,360	2,463	0	36,256	6,438	1,034	6	7,466	28,790	20,920
	110,015	**23,649**	**19,859**	**-10,422**	**103,384**	**28,702**	**1,431**	**1,384**	**28,748**	**74,635**	**81,312**
Fixed assets	**144,035**	**26,629**	**20,538**	**-10,422**	**139,705**	**56,265**	**3,670**	**2,037**	**57,897**	**81,808**	**87,769**

Note: Rounding differences may occur

3.2 INTANGIBLE ASSETS

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

In addition to the goodwill of Ahrenkiel Steamship GmbH & Co. KG already arising in the 2015 financial year, the strategic equity investment of 50 percent in Albis Shipping & Transport GmbH & Co. KG as well as the acquisition of 100 percent of HCRE Beheerder B.V. led to the capitalisation of further goodwill.

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:

	31/12/2019 EUR '000	31/12/2018 EUR '000
1. Equity investments in associated companies	18,557	26,507
2. Other equity investments	26,426	33,465
Equity investments	**44,983**	**59,972**

Note: Rounding differences may occur

	31/12/2019 EUR '000	31/12/2018 EUR '000
1. Equity investments in associated companies	**18,557**	**26,507**
BB Amstel B.V., Amsterdam	5,482	5,290
Bluewater Investments GmbH & Co. KG, Hamburg	5,415	0
InTheCity Fund B.V., Amsterdam*	5,000	0
MPC Renewable Colombia S.A.S. Bogotá (formerly: Martifer MPC Renewable Energies	689	609
Development S.A.S., Bogotá)	678	877
BBG Bulk Beteiligungs GmbH & Co. KG, Hamburg	610	524
Aurum Insurance Ltd., Isle of Man	0	17,868
CSI Beteiligungsgesellschaft mbH, Hamburg	683	1,338

Note: Rounding differences may occur
* = These equity investments were acquired in the 2019 financial year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	31/12/2019 EUR '000	31/12/2018 EUR '000
2. Other equity investments	**26,426**	**33,465**
ABN Amro Mees Pierson Real Estate Growth Fund N.V., Amsterdam	4,617	6,099
MPC Caribbean Clean Energy Fund LLC, Cayman Islands	3,730	4,143
HSRE MPC JV I S.A.R.L., Luxembourg	1,924	833
Atlantic Bridge AS, Oslo	1,109	1,109
Njord Handy AS, Oslo	1,099	1,099
Stille Beteiligungen MPC IT Services GmbH & Co. KG, Hamburg	840	840
MPC Student Housing Venture I geschl. Investment-GmbH & Co. KG, Hamburg	828	1,237
AT&C Amstel Holdings B.V., Amsterdam	746	746
Atlantic Breeze AS, Oslo*	742	0
Atlantic Bay AS, Oslo	634	613
Njord Julie AS, Oslo	576	576
AG CRE Maxis C.V., Amsterdam	551	1,340
Transit Holding II B.V., Amsterdam	507	605
AG CRE Netherlands C.V., Amsterdam	500	500
Danubia Tanker AS, Oslo	441	441
HSRE MPC JV II S.A.R.L., Luxembourg	225	95
Quadriga Container AS, Oslo*	219	0
Njord Container AS, Oslo	185	190
San Isidro Fotovoltaica C.V., El Salvador*	155	0
Transit Holding B.V., Amsterdam**	0	761
Miscellaneous equity investments, in particular various fund companies*	6,799	12,238

Note: Rounding differences may occur
* = These equity investments were acquired in the 2019 financial year
** = These equity investments were disposed of in the 2019 financial year

Changes under company law led to the deconsolidation of Bluewater Investments GmbH & Co. KG („BWI"), which holds an indirect interest in MPC Container Ships ASA via CSI Beteiligungsgesellschaft mbH („CSI"), which had previously been reported as an associated company. BWI has been an associated company since then and is consolidated at equity. The adjustment of the carrying amount of MPC Container Ships ASA resulted in a negative at equity result for BWI in the fiscal year.

Successful sales of equity investments in limited partnerships that MPC Capital had acquired at the end of the previous year in an opportunistic portfolio deal ("BMG portfolio") led to a significant fall in other equity investments.

No write-downs to the lower fair value (EUR 3.2 million) were made to carrying amounts for equity investments in associated companies totalling EUR 5.4 million because the impairment is not anticipated to be permanent. This assessment is based on own measurements of the assets held by the associates as well as assessments obtained from external analysts on these.

The following table shows the aggregate key data of associates included in the consolidated financial statements using the equity method:

	2019 EUR ’000
A. Fixed assets	23,646
B. Current assets	10,225
Assets	**33,871**
A. Equity	30,046
B. Provisions	78
C. Liabilities	3,747
Equity and liabilities	**33,871**
Revenue	4,428
Income	540
Expenses	-8,094
Result	**-3,126**

No negative equity values were included.

3.4.2 Other equity investments

	Registered office	Capital share	Annual result EUR ’000	Equity EUR ’000	
ABN Amro Mees Pierson Real Estate Growth Fund N.V.	Amsterdam	7.94 %	11,189	90,450	4)
AG CRE Maxis C.V.	Amsterdam	5.00 %	-1,776	9,253	2)
AG CRE Netherlands C.V.	Amsterdam	5.00 %	1,188	10,007	2)
AT&C Amstel Holdings B.V.	Amsterdam	5.00 %	557	17,481	3)
Atlantic Bay AS	Oslo	12.50 %	n/a	n/a	6)
Atlantic 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.	Luxembourg	7.00 %	n/a	n/a	
HSRE MPC JV II S.A.R.L.	Luxembourg	7.00 %	n/a	n/a	
MPC Caribbean Clean Energy Fund LLC	Cayman Islands	44.46 %	n/a	n/a	1), 6)
MPC Student Housing Venture I geschl. Investment-GmbH & Co. KG	Hamburg	6.00 %	1,556	28,605	5)
Njord Container AS	Oslo	7.47 %	n/a	n/a	6)
Njord Handy AS	Oslo	15.55 %	n/a	n/a	6)
Njord Julie AS	Oslo	10.00 %	n/a	n/a	6)
Stille Beteiligungen MPC IT Services GmbH & Co. KG	Hamburg	5.38 %	-36	2,778	5)
Transit Holding II B.V.	Amsterdam	5.00 %	14,155	31,267	4)
Quadriga Container AS	Oslo	2.65 %	n/a	n/a	6)

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 2019
3) According to quarterly financial statements for the financial year from 1 January to 30 September 2019
4) 3) According to interim financial statements for the financial year from 1 January to 30 June 2019
5) According to annual financial statements for the financial year from 1 January to 31 December 2018
6) No disclosure pursuant to Section 313 (3) sentence 5 HGBe Angabe gemäß § 313 Abs. 3 S.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 i. L., Hamburg
AIP Alternative Invest Private Equity- geschlossene GmbH & Co. Investment-KG, Hamburg
Anteil Austria an der "Miro Star" Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
Beteiligungsgesellschaft "Rio D-Schiffe" mbH & Co. KG, Hamburg
Beteiligungsgesellschaft Reefer-Flottenfonds mbH & Co. KG, Hamburg
Beteiligungsgesellschaft Vorzugskapital Rio-Schiffe mbH & Co. KG i. L., Hamburg
Comoros Stream Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
Dreiundfünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., Hamburg
Dreiundvierzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., 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

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Emerald Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
Esmeralda Schiffahrtsgesellschaft 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
Fünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., Hamburg
HCI Deepsea Oil Explorer GmbH & Co. KG, Hamburg
Lombok Strait Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
Luzon Strait Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
Mahler Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
Manet Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
Mendelssohn Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
Menotti Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
Michelangelo Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
Miro Star Schifffahrtsgesellschaft mbH & Co. KG i. L., 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 i.L., 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 i. L., Hamburg
MPC Deepsea Oil Explorer GmbH & Co. KG, Hamburg
MPC Flottenfonds III Beteiligungsgesellschaft mbH & Co. KG i. L., 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 i. L., Hamburg
MPC Real Estate Opportunity Private Placement Amerika GmbH & Co. KG i. L., 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 IV GmbH & Co. KG i. L., Quickborn
MPC Rendite-Fonds Leben plus spezial III GmbH & Co. KG, Quickborn
MPC Rendite-Fonds Leben plus spezial IV GmbH & Co. KG, Quickborn

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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 i. L., 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 i. L., 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 i. L., Hamburg
Rio Taku Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
Rio Thompson Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
Sachwert Rendite-Fonds Indien GmbH & Co. KG i. L., Hamburg
Sachwert Rendite-Fonds Japan GmbH & Co. KG, Quickborn
Sachwert Rendite-Fonds Österreich GmbH & Co. KG i. L., Hamburg
Santa Lucia Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
Santa Maria Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
Schiffahrtsgesellschaft MS "PEARL RIVER" mbH & Co. KG i. L., Hamburg
Schiffahrtsgesellschaft MS "YANGTZE RIVER" mbH & Co. KG, Hamburg
Schifffahrtsgesellschaft MS "RIO KUSAN" mbH & Co. KG i. L., 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
Sechsundfünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., Hamburg
Sechsundvierzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., Hamburg
Sechzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg
Siebenundfünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., Hamburg
Siebenundsechzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg

Siebenundvierzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., 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 i. L., Hamburg
Vierundvierzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., 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 i. L., 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 loans with a medium term of up to five years.

Because of the adjusted maturities of existing loan agreements, in a change from the previous year receivables totalling EUR 5.6 million were reported under other loans, and not as current receivables. In addition, other loans were increased by loans to new projects launched in the financial year where the refinancing structure envisages refinancing from both equity and loans.

Exceptionally high write-downs of EUR 5.5 million were made on loans in connection with the “Deepsea Oil Explorer” project.

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
1. Trade receivables	**31/12/2019**	**6,990**	**6,990**	**0**	**0**
	31/12/2018	5,918	5,918	0	0
3. Receivables from other long-term investees and investors	**31/12/2019**	**9,505**	**9,505**	**0**	**0**
	31/12/2018	10,166	10,166	0	0
- of which from associated equity investments	31/12/2019	*1,936*	*1,936*	*0*	*0*
	31/12/2018	*1,985*	*1,985*	*0*	*0*
- of which from fund companies	31/12/2019	*7,308*	*7,308*	*0*	*0*
	31/12/2018	*7,871*	*7,871*	*0*	*0*
- of which from other equity investments	31/12/2019	*261*	*261*	*0*	*0*
	31/12/2018	*310*	*310*	*0*	*0*
- of which trade receivables	31/12/2019	*8,101*	*8,101*	*0*	*0*
	31/12/2018	*7,871*	*7,871*	*0*	*0*
- of which other assets	31/12/2019	*1,404*	*1,404*	*0*	*0*
	31/12/2018	*2,295*	*2,295*	*0*	*0*
3. Other assets	**31/12/2019**	**20,585**	**19,363**	**1,222**	**0**
	31/12/2018	18,717	18,151	566	0
Receivables and other assets	**31/12/2019**	**37,080**	**35,858**	**1,222**	**0**
	31/12/2018	34,801	34,235	566	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:

	31/12/2019 EUR '000	31/12/2018 EUR '000
Income tax receivables	7,537	3,545
Collateral provided	6,185	6,185
Loan receivables from project companies	4,947	6,664
Sales tax receivables	568	805
Receivables from insurance cases	300	400
Creditors with debit balances	254	119
Cash deposits for new projects	0	225
Miscellaneous assets	794	774
Other assets	**20,585**	**18,717**

Note: Rounding differences may occur

3.7 BANK BALANCES, CASH IN HAND

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

	31/12/2019 EUR '000	31/12/2018 EUR '000
Bank balances	20,618	28,556
Cash in hand	22	22
Bank balances, cash in hand	**20,640**	**28,578**

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.

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.

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.

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 55.0 million to EUR 54.2 million.

Other retained earnings
The other retained earnings remain unchanged at EUR 10.8 million as at 31 December 2019.

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

"Stock Option Plan 2015"
During the financial year the Management Board and the Supervisory Board 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 2015"). The primary objectives of the Stock Option Plan 2015 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 Annual General Meeting. In addition, the Annual General Meeting authorised the Management Board until the conclusion of 24 June 2018 to issue further subscription rights up to a total volume of 666,581 with a total notional interest in the share capital of up to EUR 666,581.00, each subscription right carrying an entitlement to purchase one no-par value bearer share.

Further conditional capital amounting to EUR 666,581.00 arising from the issuance of 666,581 new bearer shares ("Conditional Capital 2015/II") was created for the purposes of the Stock Option Plan 2015.

This new authorisation is intended to enable up to a total of 666,581 stock options to be issued.

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

a) Eligible Participants
Under the Stock Option Plan 2015, 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 may be granted to the Eligible Participants from 15 February 2015 onward, subject to the condition precedent that this resolution becomes effective. Further subscription rights may be granted up to the conclusion of 24 June 2020.

c) Vesting Period, Exercise Period
The subscription rights granted under the Stock Option Plan 2015 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 184,028 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 2016"
In the first half of the 2016 financial year the Management Board and the Supervisory Board 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 Annual General Meeting in 2015 (see under "Stock Option Plan 2015").

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”) as drafted at that time 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 37,755 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

“Stock Option Plan 2017”
In the first half of the 2017 financial year the Management Board and the Supervisory Board 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 Annual General Meeting in 2015 (see under “Stock Option Plan 2015”).

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”) as drafted at that time 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:

	31/12/2019	31/12/2018
	EUR '000	EUR '000
1. Provisions for taxes for current taxes	**4,625**	**2,023**
2. Other provisions	**14,568**	**14,246**
- Provisions for legal and consultancy expenses	6,718	6,804
- Provisions for personnel expenses	3,627	3,271
- Provisions for expected losses	2,610	2,957
- Provisions for audit of annual financial statements	355	380
- Provisions for outstanding invoices	60	353
- Provisions for commissions	50	268
- Miscellaneous provisions	1,148	213
Provisions	**19,193**	**16,269**

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
1. Liabilities to banks	**31/12/19**	**1,954**	**313**	**1,641**	**0**
	31/12/18	1,265	225	1,040	0
2. Trade payables	**31/12/19**	**874**	**874**	**0**	**0**
	31/12/18	1,063	1,063	0	0
3. Liabilities to other long-term investees and investors	**31/12/19**	**1,618**	**1,618**	**0**	**0**
	31/12/18	1,658	1,658	0	0
- of which from other liabilities	31/12/19	*1,618*	*1,618*	*0*	*0*
	31/12/18	*1,658*	*1,658*	*0*	*0*
4. Other liabilities	**31/12/19**	**16,924**	**14,254**	**2,670**	**0**
	31/12/18	18,001	12,718	5,283	0
- of which taxes	31/12/19	*1,448*	*1,448*	*0*	*0*
	31/12/18	*1,055*	*1,055*	*0*	*0*
- of which social security	31/12/19	*125*	*125*	*0*	*0*
	31/12/18	*6*	*6*	*0*	*0*
Liabilities	**31/12/19**	**21,370**	**17,060**	**4,311**	**0**
	31/12/18	21,987	15,664	6,323	0

Note: Rounding differences may occur

3.11 LIABILITIES TO BANKS

The liabilities to banks comprise loans for project financing in the amount of EUR 1.7 million for non-recourse bank borrowings for the current financial year. Merely the repayment of the existing loans for the project financing of opportunistic US equity investments in the amount of EUR 0.3 million is tied to the future returns from these investments.

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:

	31/12/2019 EUR '000	31/12/2018 EUR '000
Liabilities from project financing	7,176	5,314
Liabilities from purchase price payments outstanding	6,021	9,475
VAT liabilities	732	291
Wage tax liabilities	717	764
Liabilities to the MPC Group	141	302
Liabilities to debtors with credit balances	138	158
Social security liabilities	125	6
Miscellaneous	1,875	1,691
Other liabilities	**16,924**	**18,001**

Note: Rounding differences may occur

Further loans for the financing of projects were raised in the 2019 financial year.

Collateral provided
The loans for project financing are collateralised by the refinanced shares in the project companies. This collateral will be held until the full repayment of these loan liabilities.

3.15 DEFERRED TAXES

Deferred tax assets in the amount of EUR 5.4 million essentially result from the following balance sheet items:

- Receivables from other long-term investees and investors (EUR 3.4 million)
- Other assets (EUR 1.1 million)
- Other provisions (EUR 0.9 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 DERIVATIVE FINANCIAL INSTRUMENTS

To hedge against future currency risks which arise particularly on future incoming payments under firm customer contracts in the context of normal business operations, derivative financial instruments were used to compensate for risks from exchange rate fluctuations.

For example Ahrenkiel Steamship GmbH & Co. KG and its subsidiaries realise a large portion of their revenue in US dollars, while expenditure is incurred largely in euros, so a movement in the exchange rate can have a major impact on the result. To hedge these currency risks, currency options with a volume averaging USD 0.5 million were concluded on a portion of the contractually agreed USD revenues for the 2020 financial year.

The valuation for determining market value followed the Black & Scholes model. Their market value at the balance sheet date is EUR 0.02 million.

The option premiums paid are reported in the amount of EUR 0.05 million under other assets.

Subject to the conditions being met, the derivative financial instrument is combined with the hedged underlying transaction to form one valuation unit in accordance with Section 254 HGB. By applying the net hedge presentation method, the opposite value changes of the underlying transaction and hedge are not disclosed in the consolidated financial statements.

As at the balance sheet date, future incoming payments under firm customer contracts amounting to USD 6.6 million in total were hedged through valuation units. This exclusively took the form of currency options.

Hedges falling due are – insofar as necessary – extended by means of new hedges. The effectiveness of the valuation unit is assessed prospectively by means of the critical term match method. The expected effectiveness of the hedging relationship is 100 % because the material valuation-relevant features of the underlying transactions and hedges match.

3.17 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 6.0 million (previous year: EUR 19.1 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 6.9 million (previous year: EUR 6.3 million). The equity investment in the joint venture Harper Petersen Holding GmbH & Co. KG results in additional rent and lease obligations in the amount of EUR 0.6 million.

Contributions by limited partners held in trust amount to EUR 1.5 billion (previous year: EUR 1.6 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 34.7 million (previous year: EUR 52.0 million).

4. NOTES ON 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:

	2019 EUR '000	2018 EUR '000
By revenue types		
Management services	39,211	36,348
Transaction services	5,347	6,146
Miscellaneous	2,288	233
Revenue	**46,846**	**42,727**
By region		
Germany	43,349	46,863
Netherlands	15,210	7,873
Spain	41	190
Consolidation	-11,754	-12,199
Revenue	**46,846**	**42,727**

Note: Rounding differences may occur

4.2 OTHER OPERATING INCOME

Other operating income is made up as follows:

	2019 EUR '000	2018 EUR '000
Income from asset disposals	3,978	3,036
Income from the reversal of write-downs on receivables	2,424	5,693
Income from the reversal of provisions	1,856	1,226
Income from changes in exchange rates	449	1,340
- Realised income from changes in exchange rates	*420*	*809*
- Unrealised income from changes in exchange rates	*29*	*532*
Other prior-period income	241	236
Gains on deconsolidation	39	303
Miscellaneous	743	712
Other operating income	**9,730**	**12,547**

Note: Rounding differences may occur

The other operating income in particular results from income from asset disposals arising through the sale of parts of the BMG portfolio. Within other operating income, EUR 4.5 million constitutes prior-period income and comes mainly from income from the reversal of provisions as well as 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.

4.4 PERSONNEL EXPENSES

Personnel expenses are composed as follows:
Wages and salaries include post-employment benefit costs in the amount of EUR 0.2 million (previous year: EUR 0.2 million).

	2019	2018
	EUR '000	EUR '000
Wages and salaries	-25,491	-24,910
Social security contributions	-3,347	-3,682
Personnel expenses	**-28,838**	**-28,592**

Note: Rounding differences may occur

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

	Annual average 2019	Annual average 2018
Germany	230	247
Netherlands	49	31
Singapore	2	0
Panama	2	1
Austria	1	1
China	1	0
Spain	1	1
Portugal	0	1
Employees	**286**	**282**

Note: Rounding differences may occur

12 employees are attributed to MPC Capital from the equity investment in the joint venture Harper Petersen Holding GmbH & Co. KG. As at 31 December 2019 there were 296 employees in total.

4.5 OTHER OPERATING EXPENSES

Other operating expenses are composed as follows:

	2019	2018
	EUR '000	EUR '000
Legal and consultancy costs	-6,766	-6,791
Other personnel expenses	-3,304	-1,328
IT costs	-3,215	-3,058
Write-downs on receivables	-2,609	-3,080
Cost of premises	-2,128	-2,077
Services	-1,161	-1,065
Travel and hospitality expenses	-1,066	-1,196
Insurance and subscriptions	-1,063	-1,038
Expenses from currency translation differences	-876	-785
Communications costs	-557	-514
Vehicle costs	-476	-476
Costs of payments	-306	-310
Advertising expenses	-281	-557
Prior-period expenses	-202	-376
Miscellaneous	-3,101	-1,993
Other operating expenses	**-27,111**	**-24,643**

Note: Rounding differences may occur

4.6 INCOME FROM EQUITY INVESTMENTS

The income from equity investments in the amount of EUR 7.0 million (previous year: EUR 2.3 million) mainly comprises the returns made possible by the disposal of the TRANSIT portfolio (EUR 2.5 million), as well as returns on equity investments in the BMG portfolio (EUR 2.3 million).

4.7 OTHER INTEREST AND SIMILAR INCOME

Other interest and similar income amounting to a total of EUR 2.4 million (previous year: EUR 1.4 million) stems mainly from the loans for project financing.

4.8 WRITE-DOWNS ON FINANCIAL ASSETS

In the financial year, write-downs of EUR 1.4 million were required where permanent impairment is assumed. In the previous year, exceptionally high write-downs of EUR 15.1 million on equity investments for retail business as well as on loans in connection with those equity investments needed to be made.

4.9 INTEREST AND SIMILAR EXPENSES

Interest and similar expenses arise particularly in the form of interest expenses from the refinancing of a project in the Real Estate area.

No discounting of receivables and compounding of liabilities arose in the financial year (previous year: EUR 5 thousand).

4.10 RESULT OF ASSOCIATES CARRIED AT EQUITY

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

	2019	2018
	EUR '000	EUR '000
Aurum Insurance Ltd.	86	-246
BB Amstel B.V.	192	0
BBG Bulk Beteiligungs GmbH & Co. KG	113	0
Bluewater Investments GmbH & Co. KG	-2,031	0
Breakwater Shipbrokers GmbH	-71	0
Global Vision AG Private Equity Partners	-348	0
MPC Renewable Colombia S.A.S.	-405	0
Miscellaneous	-7	-629
Result of associates carried at equity	**-2,471**	**-875**

Note: Rounding differences may occur

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:

	2019	2018
	EUR '000	EUR '000
Current taxes	**-1,109**	**-1,993**
Germany	-616	-2,008
International	-493	15
Deferred taxes	**0**	**0**
Germany	0	0
International	0	0

Note: Rounding differences may occur

In the 2019 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 -0.3 million (previous year: expected tax income of EUR 5.4 million). The following reconciliation statement shows the difference between this amount and the effective tax expense of EUR-1.1 million (previous year: EUR-2.0 million).

	2019	2018
	EUR '000	EUR '000
Consolidated earnings before taxes	850	-16,671
Expected taxes on income (32.28 % (previous year: 32.28 %))	-274	5,381
Different tax rates	338	199
Temporary differences and loss carryforwards for which no deferred tax assets were recognised	-5,174	-9,923
Non-tax-deductible expenses	-90	-193
Tax-free income	2,823	2,851
Deviation from the basis of assessment for trade tax	256	-6
Effects of changes in consolidation	0	0
Current taxes on income for previous years	890	-667
Withholding tax / foreign tax	1	295
Other deviations	121	70
Taxes on income	**-1,109**	**-1,993**

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, which prepares the consolidated financial statements for the largest 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)

Dr. Ignace Van Meenen, Management Board, Hamburg
(CSO – Chief Sales Officer), since 1 June 2019

Dr Roman Rocke, Management Board, Hamburg
(Executive Board Member Real Estate and Infrastructure), until 31 January 2019

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 Dampfschifffahrts-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 1.6 million (previous year: EUR 1.8 million) for the 2019 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, 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:

	2019	2018
	EUR '000	EUR '000
Auditing services for the financial statements	170	188
Tax consultancy services	312	174
Other services	59	26
Auditors' fees	**541**	**388**

5.6. REPORT ON POST-BALANCE SHEET DATE EVENTS

After 31 December 2019 there were no further significant transactions with a material effect on the net assets, financial position or results of operations of the MPC Capital Group.

Hamburg, 14 February 2020

Ulf Holländer (CEO)

Constantin Baack

Dr. Philipp Lauenstein

Dr. Karsten Markwardt

Dr. Ignace Van Meenen

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 2019, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January 2019 to 31 December 2019 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 2019 to 31 December 2019.

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 2019 as well as of its results of operations for the financial year from 1 January 2019 to 31 December 2019 and
- the enclosed combined management report and 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.

CONSOLIDATED FINANCIAL STATEMENTS

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.

CONSOLIDATED FINANCIAL STATEMENTS

- 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, 18 February 2020

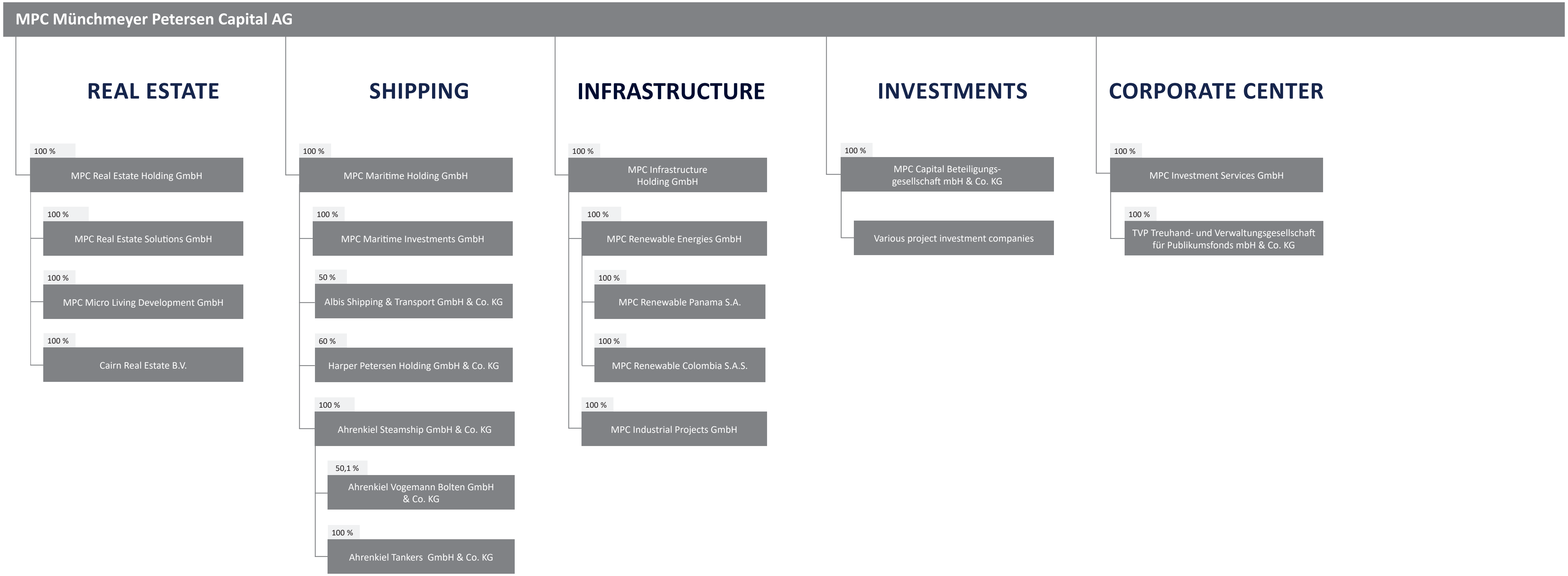
BDO AG
Wirtschaftsprüfungsgesellschaft

sgd. **Härle**	sgd. **Kaletta**
German Public Auditor	German Public Auditor

ORGANISATIONAL STRUCTURE

Organisational structure
MPC Capital AG

MPC Capital AG is the parent company of the MPC Capital Group. The chart below gives an overview of some selected subsidiaries of the MPC Capital Group (as of February 2020).



Financial calendar 2020

20 February 2020
Publication of Annual Report 2018

30 April 2020
Annual General Meeting in Hamburg

14 May 2020
Publication of Q1 2020 key figures

27 August 2020
Publication of Interim Financial Report 2020

12 November 2020
Publication of Q3 2020 key figures

November 2020
Analyst conference in Frankfurt at the Equity Forum 2020

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