MLP

Annual Report 2023

Contents

MLP key figures

MLP key figures – multi-year overview

All figures in €million	2023	2022	2021	2020	2019	2018	2017
Continuing operations							
Total revenue	973.5	949.1	934.5	767.3	708.8	666.0	628.2
Sales revenue	941.1	913.8	907.3	745.5	689.6	642.1	608.7
Other revenue	32.4	35.4	27.2	21.8	19.2	23.8	19.4
Earnings before interest and taxes (EBIT)	70.7	75.6	96.8	59.4	47.1	46.4	37.6
EBIT margin (in %) [1]	7.3%	8.0%	10.4%	7.7%	6.6%	7.0%	6.0%
MLP Group							
Net profit (total)	44.1	48.6	62.8	43.2	36.9	34.5	27.8
Earnings per share (diluted/basic) (in €)	0.44	0.47	0.57	0.40	0.34	0.32	0.25
Dividend per share in €	0.30 [2]	0.30	0.30	0.23	0.21	0.20	0.20
Cash flow from operating activities	116.7	-292.5	546.3	408.1	191.6	141.2	115.5
Capital expenditure	16.8	42.7	72.2	9.3	22.3	26.6	7.3
Shareholders' equity	532.2	525.5	496.2	454.0	437.3	424.8	404.9
Equity ratio (in %)	13.6%	13.9%	13.4%	14.0%	15.6%	17.5%	18.7%
Balance sheet total	3,917.5	3,784.6	3,693.4	3,235.0	2,799.5	2,421.0	2,169.5
Clients							
Private clients (Family)	580,000	569,200	562,300	554,900	549,600	541,150	529,100
Corporate and institutional clients	27,400	28,400	24,800	22,500	21,800	20,900	19,800
Consultants	2,055	2,100	2,083	2,086	1,981	1,928	1,909
Branch offices	128	130	129	129	130	131	145
University teams	96	102	106	102	93	77	58
Employees	2,339	2,252	2,058	1,850	1,783	1,722	1,686
Brokered new business							
Old-age provision (total premiums paid in € billion)	4.2	3.9	4.6	3.8	4.2	3.9	3.4
Loans and mortgages	1,178.1	2,122.4	2,651.5	2,357.5	1,958.5	1,806.0	1,728.4
Assets under management (in € billion)	57.0	54.3	56.6	42.7	39.2	34.5	33.9
Non-life insurance (premium volume)	687.0	632.2	554.6	430.8	405.5	385.6	360.1
Real estate (brokered volume)	238.9	454.7	524.0	403.8	294.0	256.0	198.9

[1] EBIT margin: EBIT in relation to total revenue
[2] Subject to the consent of the Annual General Meeting on June 27, 2024

Executive Board

Dr Uwe Schroeder-Wildberg

Chief Executive Officer
of MLP SE

Digitalisation,
Communication (incl. Investor Relations),
Clients and Sales,
Marketing,
Sustainability,
Human Resources,
Strategy

Appointed until December 31, 2027

Manfred Bauer

Member of the Executive Board of MLP SE

Infrastructure
Product Purchasing and Management

Appointed until April 30, 2025

Reinhard Loose

Member of the Executive Board of MLP SE

Compliance,
Controlling,
Internal Audit,
IT,
Group Accounting,
Legal Affairs,
Risk Management

Appointed until January 31, 2029

Letter to our shareholders

Dear Shareholders,

The MLP Group can reflect on a really solid financial year in 2023. It demonstrated its pronounced resilience during a time characterised by serious external pressures - a time in which the consequences of overall economic developments and ongoing uncertainty among consumers due to inflation, interest rate rises, high energy costs, global crises and political uncertainties became clearly discernible in Germany. Germany is the only country among the world's leading economic powers that slipped into recession in 2023. The prospects for 2024 are also not much better.

Stability can certainly not be taken for granted in an environment such as this – as the past financial year clearly demonstrated. At this difficult time, we are really benefiting from the strategically developed MLP business model. We have multiple pillars that serve to compensate and reinforce one another. Our growth factors are also gaining momentum, not least since they are based on comprehensive, long-term trends. We successfully and responsibly expedited the digitalisation of our internal processes. This includes the use of digital robots and artificial intelligence. The same applies to the ongoing expansion of our client portal to create a 'financial home', as well as to our digital platform solutions.

MLP's business development in 2023 can be summed up as follows:

- Firstly: We were able to increase total revenue to a new record level of €973 million. Our stable and strategically interlinked revenue structure once again had a positive effect here. The strong interest rate business made a significant contribution to this. At the same time, we were able to secure increases to new record levels in two key figures for future revenue development: the assets under management in our Group and the managed premium volume in non-life insurance.
- Secondly: Earnings before interest and taxes (EBIT) only amounted to €70.7 million due to a one-off effect in the real estate business and were therefore not within the forecast corridor.
- And thirdly: We remain an extremely attractive and particularly reliable dividend share. Accordingly, the Executive Board reaffirmed its proposed dividend of 30 cents per share, which is the same level as in the previous year. This underlines the strength of our business model and our high level of trust and confidence in the future.

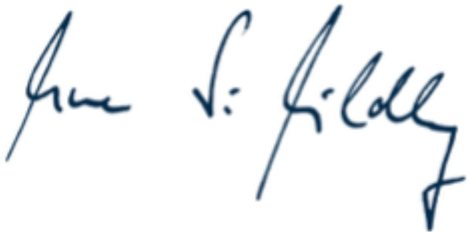
MLP has once again proven to be extremely stable and is on a very positive trajectory.

We are not expecting the challenging framework conditions to fundamentally improve in the short term. Nevertheless, thanks to our strong position, we believe we can achieve an EBIT of €75 to 85 million for the current financial year, even in such an environment. However, this is subject to revenue growth in the competence fields of Wealth and Life & Health. In addition, the substantial investments made in recent years, in particular those targeting the IT infrastructure, along with effective cost management, should have additional positive and results-relevant effects.

In addition to this, MLP is reaffirming its own plans for a significant increase in EBIT by the end of 2025. This is primarily based on three central strategic success factors: a further increase in assets under management in the Group, ongoing development of the non-life insurance portfolio volume, as well as sustainable growth in all parts of the MLP Group. Acquisitions are not yet accounted for in the planning for 2025 but remain part of the MLP Group's strategic agenda. In addition, the continuation of stringent cost management will support the positive EBIT development.

With our forecast for 2024 and our reaffirmed planning for 2025, we are demonstrating the resilience and the growth opportunities of the MLP Group. In this vein, we can build on what we have consistently expanded in recent years: our pioneering role in the market for high-quality financial consulting services. We persistently move closer to our target of reaching a new level of earnings with the MLP Group. We would be delighted to have you join us on this journey. I would once again like to offer you all sincere thanks on behalf of the entire Executive Board for the trust you have shown in us this year.

Yours,



Dr Uwe Schroeder-Wildberg

The Supervisory Board

Sarah Rössler
Chairwoman
Elected until 2028

Dr Andreas Freiling
Vice Chairman
Elected until 2028

Ursula Blümer
Employees' Representative
Elected until 2028

Matthias Lautenschläger
Elected until 2028

Bernd Groß
Elected until 2028

Monika Stumpf
Employees' Representative
Elected until 2028

Report by the Supervisory Board

In the financial year 2023, the Supervisory Board reviewed the development of the company in depth and comprehensively performed its supervisory duties imposed on it by law and the articles of association. It regularly advised and monitored the Executive Board in running the business of the company.

During the last financial year, the Supervisory Board paid particular attention to the economic development, financial situation, prospects and further strategy of the company, and advised the Executive Board on these topics. Its work in the financial year 2023 focused in particular on supporting the Executive Board in the strategic development of the company and of the MLP Group, implementing further measures to increase efficiency and both assessing and monitoring the opportunity and risk position of the company and the Group.

In terms of business development and operating results, both the company and the MLP Group continued to be less impacted by the effects of the Ukraine crisis and inflationary trends than other sectors during the financial year 2023.

The Supervisory and Executive Boards met regularly in the reporting year for discussions and joint consultations regarding business development, strategy and key events within the company. The Supervisory Board was directly involved in all decisions of fundamental importance to the company. The Executive Board regularly provided the Supervisory Board with written and oral reports in a timely and comprehensive manner on all relevant issues related to corporate planning, strategic development, the business situation and the position and overall development of the Group as a whole, including the risk situation, risk management, risk-bearing capacity and compliance. The Supervisory Board was able to confirm the correctness of the corporate governance by the Executive Board. In 2023, the Executive Board also reported to and advised the Supervisory Board on the content and anticipated effects of legislative or regulatory proposals at national German or EU level.

As scheduled, the Supervisory Board mandates of all employee and shareholder representatives on the Supervisory Board expired in 2023. Dr Lütke-Bornefeld, Dr Dill and Mr. Beer stepped down from the Supervisory Board at the end of the Regular Annual General Meeting held on June 29, 2023. The Annual General Meeting re-elected Ms. Sarah Rössler and Mr. Matthias Lautenschläger, and also elected the new members Dr Andreas Freiling and Mr. Bernd Groß, to the Supervisory Board for a term in office up to the close of the Annual General Meeting resolving on the formal approval of actions for the fourth financial year after the term of office commenced. Ms. Monika Stumpf and Ms. Ursula Blümer were elected to the Supervisory Board as employee representatives by the employees of the MLP Group that are eligible to vote. In a constitutive Supervisory Board meeting held after the Annual General Meeting, Ms. Rössler was elected as Chairwoman of the Supervisory Board and Dr Freiling as Vice Chairman of the Supervisory Board.

The Supervisory Board at MLP SE held five regular meetings and one extraordinary meeting in the financial year 2023. Alongside this, a constitutive Supervisory Board meeting was held on June 29, 2023. These were all held as face-to-face meetings, although video participation was generally also offered as an option. With the exception of one meeting that Dr Dill was unable to attend, all members of the Supervisory Board participated in all meetings. The meetings were predominantly conducted in person, with video live stream used in exceptional cases. The Executive Board generally also informs the Supervisory Board of particularly important or urgent projects outside of the regular meetings. Where necessary, resolutions can also take the form of circular resolutions.

In addition to this, three meetings of the Risk and Audit Committee were also held in this year. All committee members took part in each of these meetings. The Nomination Committee convened four times in the last financial year. All committee members took part in each of these meetings. During the last financial year, a single meeting of the Compensation Oversight Committee was convened, with full attendance by all its members. The following table offers an overview, detailing which members of the Supervisory Board took part in the meetings of the Supervisory Board or its committees in 2023:

	Participation*	in %
Supervisory Board meeting MLP SE		
Dr Peter Lütke-Bornefeld (until June 29, 2023)	3/3	100
Dr Claus-Michael Dill (until June 29, 2023)	2/3	66
Sarah Rössler (Chairwoman of the Supervisory Board as of June 29, 2023)	7/7	100
Matthias Lautenschläger	7/7	100
Dr Andreas Freiling (Member and Vice Chairman as of June 29, 2023)	4/4	100
Bernd Groß (as of June 29, 2023)	4/4	100
Monika Stumpf	7/7	100
Alexander Beer (until June 29, 2023)	3/3	100
Ursula Blümer (as of June 29, 2023)	4/4	100
Nomination Committee MLP SE		
Dr Peter Lütke-Bornefeld (until June 29, 2023)	2/2	100
Matthias Lautenschläger	4/4	100
Monika Stumpf	2/2	100
Dr Claus-Michael Dill (until June 29, 2023)	2/2	100
Sarah Rössler (Chairwoman of the Committee as of June 29, 2023)	4/4	100
Bernd Groß (as of June 29, 2023)	2/2	100
Risk and Audit Committee of MLP SE		
Dr Claus-Michael Dill (until June 29, 2023)	2/2	100
Dr Peter Lütke-Bornefeld (until June 29, 2023)	2/2	100
Matthias Lautenschläger	3/3	100
Alexander Beer (until June 29, 2023)	2/2	100
Dr Andreas Freiling (Member and Chairman of the Committee as of June 29, 2023)	1/1	100
Sarah Rössler	3/3	100
Ursula Blümer (as of June 29, 2023)	1/1	100
Compensation Oversight Committee of MLP SE		
Dr Peter Lütke-Bornefeld (until June 29, 2023)	1/1	100
Dr Andreas Freiling (as of June 29, 2023)	0/0	-
Matthias Lautenschläger	1/1	100
Monika Stumpf	1/1	100
Sarah Rössler (Chairwoman of the Committee as of June 29, 2023)	1/1	100

The Chair of the Supervisory Board also met with the Chairman of the Executive Board on a regular basis in the financial year 2023 to discuss various issues, in particular the business situation, special business transactions, regulatory changes and the overall situation of the Group, yet also the effects of the Ukraine crisis and inflationary trends. The Chair of the Supervisory Board regularly informed the other members about the content of these meetings.

Supervisory Board meetings and important resolutions

Set against the background of the difficult situation in the (nursing care) real estate markets and the associated impact on the company, the Supervisory Board in particular addressed the situation at the subsidiary DI Deutschland.Immobilien AG in an extraordinary meeting of the Supervisory Board held on January 25, 2023.

Following preparation by the Risk and Audit Committee, the Supervisory Board meeting on March 22, 2023 was dedicated to reviewing and adopting the financial statements, as well as reviewing and approving the consolidated financial statements as of December 31, 2022. After in-depth discussion, the Supervisory Board adopted the financial statements and approved the consolidated financial statements as of December 31, 2022. It also approved the separate nonfinancial report. In addition to this, the Supervisory Board also reviewed the appropriateness of the Executive Board compensation – as required in accordance with the German Corporate Governance Code (GCGC) – as well as the variable compensation components of the Executive Board for the financial year 2022 and approved these. The proposed resolutions for the company's Annual General Meeting, which was held as a virtual event, represented another item on the agenda. In addition to this, the Supervisory Board extended the appointment of Mr. Loose as a member of the Executive Board with effect from February 1, 2024 to January 31, 2029.

The regular Supervisory Board meeting on May 10, 2023 focused primarily on discussing the results and business development from the first quarter of 2023.

Directly following the Regular Annual General Meeting of MLP SE, Ms. Rössler was elected as the new Chairwoman of the Supervisory Board and Dr Freiling as the Vice Chairman of the Supervisory Board in the constitutive meeting of the Supervisory Board at the company held on June 29, 2023. In addition to this, the members of the Risk and Audit Committee, the Nomination Committee and the Compensation Oversight Committee were selected.

The results of the second quarter, the business development in the first half of the year, as well as the reporting of the Internal Audit and Risk Controlling departments were all on the agenda of the regular Supervisory Board meeting held on August 9, 2023. Another focus was reporting on the situation at DI Deutschland.Immobilien AG.

The November meeting focused on the business results of the third quarter and the first nine months of the financial year 2023. Alongside the resolution on the Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG), compliance with the provisions of the German Corporate Governance Code (GCGC) in the MLP Group was also a key topic on the meeting's agenda. Extensive reporting was provided on the corporate governance process, and the current Declaration of Compliance was approved.

In the meeting on December 15, 2023, the Supervisory Board addressed in detail and approved the strategy and budget of both the Group and the company for the financial year 2024. The Supervisory Board also approved the Executive Board resolution regarding a share buyback programme.

Supervisory Board committees

The Supervisory Board was regularly informed of the work carried out by its committees in 2023.

Up to June 29, 2023, the members of the Risk and Audit Committee included Dr Claus-Michael Dill, who was also Chairman of the Risk and Audit Committee, Dr Peter Lütke-Bornefeld and Mr. Alexander Beer. Ms. Sarah Rössler and Mr. Matthias Lautenschläger remained members of the Risk and Audit Committee throughout the whole of 2023. Dr Andreas Freiling also became a member of the Risk and Audit Committee as of June 29, 2023 and was elected as Chairman of the Risk and Audit Committee. Ms. Ursula Blümer was elected as a further member on June 29, 2023. The Risk and Audit Committee held three regular meetings in the financial year 2023. Representatives of the audit firm also took part in some of the meetings, providing the committee with detailed reports. In the presence of the auditors, the Chairman of the Executive Board and the Chief Financial Officer, the Risk and Audit Committee discussed the financial statements of MLP SE and the MLP Group, as well as the proposed appropriation of earnings. Furthermore, the relationship to the auditor, proposals for selecting the auditor, audit fees, audit assignment and monitoring of the auditor's independence were the subject of extensive discussions. The Risk and Audit Committee received regular reports on the work of the Internal Audit and of the Compliance and Risk Management department and was informed on legal and regulatory risks and risks to reputation. Among other things, the meeting held in August focused on risk reporting, the report on reviewed capital planning, and on discussing the guidelines for the subsequent year's risk strategy.

The members of the Nomination Committee in the financial year 2023 included Dr Peter Lütke-Bornefeld, who was also Chairman of the Nomination Committee up to June 29, 2023, as well as Mr. Matthias Lautenschläger, Ms. Sarah Rössler and Ms. Monika Stumpf. Mr. Bernd Groß was also elected as a member of the Nomination Committee on June 29, 2023. Ms. Rössler was appointed Chairwoman of the Nomination Committee as of June 29, 2023. The Nominating Committee held four regular meetings and focused particularly on preparing the new elections of Supervisory Board members by the regular Annual General Meeting of MLP SE. In this vein, it examined the requirements for candidates and then prepared candidate proposals for the Annual General Meeting. In the financial year 2023, it also discussed extending the appointment of Mr. Reinhard Loose as a member of the Executive Board and recommended this to the Supervisory Board. Furthermore, the Supervisory Board addressed the revamping of the Executive Board's evaluation system and the self-evaluation of the Supervisory Board, which had been prepared by the Nomination Committee.

In the financial year 2023, the members of the Compensation Oversight Committee were Dr Peter Lütke-Bornefeld (up to June 29, 2023), who was also Chairman of the Compensation Oversight Committee, Ms. Sarah Rössler, Dr Claus-Michael Dill (up to June 29, 2023), Mr. Matthias Lautenschläger and Ms. Monika Stumpf. Dr Andreas Freiling was elected as a member of the Compensation Oversight Committee on June 29, 2023. Ms. Rössler was elected Chairwoman of the Compensation Oversight Committee on June 29, 2023. In the financial year 2023, the Compensation Oversight Committee held one meeting. Among other things, this was to prepare the pay system to be submitted for approval at the Annual General Meeting held on June 29, 2023, as well as to discuss both the compensation report and the bonus pool in the MLP Group. The appropriateness of Executive Board compensation was also discussed.

Corporate governance

During the financial year, the Supervisory Board also addressed the application of the corporate governance principles.

In the past year, the Supervisory Board dedicated its meeting on November 8, 2023 to in-depth discussions on the requirements of the revised German Corporate Governance Code (GCGC) in its version from April 28, 2022.

The meeting held on November 8, 2023 was used to discuss the recommendations of the GCGC and the Declaration of Compliance. The Supervisory Board consulted with the Executive Board regarding the requirements of the GCGC and the deviations that are to be disclosed as per the Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG). The objective here was to determine which requirements the Executive Board and Supervisory Board have satisfied or will satisfy in future to secure compliance with the recommendations in the form presented in the Declaration of Compliance. In November, the Supervisory Board and Executive Board issued a Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG) and made it permanently available to the shareholders via its website.

In 2023, the Supervisory Board revised the evaluation form for checking the requirements for the Supervisory Board and then also reviewed the efficiency of its own activities in 2023 based on the evaluation form made available to the members of the Supervisory Board in good time ahead of the meeting. Among other things, the Supervisory Board also reviewed the requirements placed on the members of the Supervisory Board, the procedures in the Supervisory Board, the information flow between the Committees and the Supervisory Board, as well as the timeliness of the reporting by the Executive Board to the Supervisory Board and the adequacy of its content. Measures aimed at increasing efficiency were discussed and established.

The Supervisory Board also regularly addresses potential conflicts of interest among the members of the Supervisory Board. To this end, the members of the Supervisory Board are surveyed at least once a year to determine whether any such conflicts existed or still exist. Based on our understanding, and in accordance with the legislator, a conflict of interest exists if there is reason to suspect that any member of the Supervisory Board is taking decisions not solely in the interests of the company, but also potentially seeking to pursue personal or third-party interests. Following the review by the Supervisory Board there were no conflicts of interest in this sense in the last financial year. A summary of further corporate governance aspects at MLP, including presentation of the Declaration of Compliance from November 8, 2023, can be found in the declaration on governance issued by the Executive Board and Supervisory Board. All relevant information is also available on our homepage at www.mlp-se.com.

The members of the Supervisory Board independently participated in training measures to aid them in fulfilling their responsibilities – as required by the Corporate Governance Code. In this endeavour, they are adequately supported by the company. Members of the Supervisory Board also underwent training on November 8, 2023 in order to maintain the required professional expertise. This training focused in particular on the requirements of MLP SE and Group companies with regard to legal regulations relating to sustainability.

Audit of the annual financial statements and consolidated financial statements for 2023

The financial statements and the joint management report of MLP SE as of December 31, 2023 have been compiled by the Executive Board pursuant to the German Commercial Code (HGB). The consolidated financial statements and the joint management report as of December 31, 2023 have been compiled pursuant to § 315a of the German Commercial Code (HGB) in line with international financial reporting standards (IFRS) as applied in the EU. As at December 31, 2023, BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg audited the financial statements and the joint management report of MLP SE in accordance with the principles of commercial law, as well as the consolidated financial statements and the joint management report in accordance with the principles of IFRS, issuing an unqualified audit opinion in each case. The auditor performed the audit in compliance with the basic principles of sound auditing practices determined by the Institut der Wirtschaftsprüfer (German Institute of Auditors).

The financial statements, together with the joint management report, the auditor's reports and the Executive Board's proposal for use of the unappropriated profit were made available to all Supervisory Board members in good time. The Risk and Audit Committee of the Supervisory Board reviewed these documents in detail, reported to the Supervisory Board on its audit and explained its audit opinion. The auditor also reported on the key results of the audit and on the fact that there are no significant weaknesses in the internal monitoring system, the risk management system nor with regard to compliance. The Risk and Audit Committee also reviewed the risk management system, the accounting processes and the effectiveness of the internal monitoring systems, risk management and auditing systems, as well as the relationship to the auditor, the proposals for selection of the auditor, auditor's fees, the audit assignment and monitoring of the auditor's independence, as well as the additional services performed by the auditor. The Supervisory Board also checked and discussed the documentation and reports in detail. Within this scope, the Supervisory Board also addressed the key audit matters described in the audit opinion, including the audit procedures undertaken by the auditor on the basis of the auditor's report.

The auditor's reports were comprehensively scrutinised by the Supervisory Board during the Supervisory Board meeting held on March 20, 2024. The Chairman of the Risk and Audit Committee provided information on the auditor's reporting from the meeting of the Risk and Audit Committee, concentrating in particular on the scope, the key focuses, as well as the major findings of the audit and going into particular detail regarding the key audit matters and the audit procedures employed. With regard to the individual financial statements of MLP SE, these key audit matters, as defined and verified by the auditor, encompassed the "impairment testing of shares in affiliated companies", while with regard to the consolidated financial statements of MLP SE they encompassed the "impairment testing of goodwill" and the "recognition of commission income". At this meeting, the Executive Board also explained the financial statements of MLP SE and of the MLP Group, the risk management system, the accounting processes and the effectiveness of the internal monitoring, risk management system, audit system and of the compliance, as well as giving detailed reports on the scope, focuses and costs of the audit.

The Supervisory Board concurred with the outcome of the auditor's audit and, on the basis of the final outcome of the Risk and Audit Committee's audit and its own audit, found no grounds for raising an objection. Accordingly, at its meeting on March 20, 2024, the Supervisory Board approved the annual financial statements and the joint management report MLP SE, as well as the consolidated financial statements and the joint management report in accordance with IFRS prepared by the Executive Board. The annual financial statements are therefore adopted. Alongside this, the Executive Board is also required to submit a report on a non-financial declaration or a non-financial Group declaration as per § 289b, § 315b of the German Commercial Code (HGB). The Supervisory Board reviewed the non-financial report – prepared by a meeting of the Risk and Audit Committee - and did not find any objections.

After performing its own reviews, the Supervisory Board agreed with the Executive Board's proposal to pay out a dividend of €0.30 per share for the financial year 2023. The equity and liquidity situation, future regulatory requirements and the company's budget, as well as the shareholders' interest in an appropriate dividend were included and weighed up against one another in its considerations.

The Supervisory Board would like to thank the Executive Board, the Management of the respective Group companies, as well as all employees and consultants of the MLP Group for their exemplary personal commitment and achievements in the financial year 2023.

Wiesloch, March 2024

The Supervisory Board

Sarah Rössler

Chairwoman of the Supervisory Board

Investor Relations

The MLP share

The MLP share can reflect on a rather turbulent stock market year in 2023. The year on the capital markets was characterised by high inflation, the interest rate decisions of the major central banks and an economic slowdown in Germany. Even pressing geopolitical issues, such as the armed conflict in Israel and the Gaza Strip or the war in Ukraine, were unable to hold back the generally positive development of the capital markets.

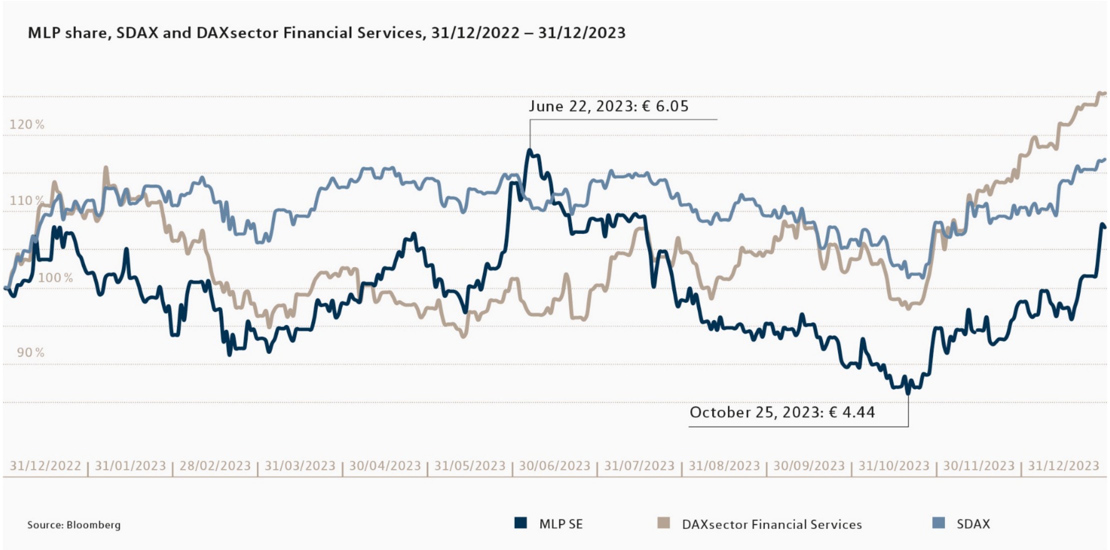
After a fantastic start in the first month of trading, however, the euphoria being displayed by investors then started to dissipate. While the share was still being traded at €5.65 at the end of January, it had declined to €4.64 by March 20. This development can also be partially attributed to the high degree of uncertainty in the financial markets. The uncertainty was triggered by one of the largest banking crises of recent years, with multiple regional banks in the US having lost the confidence of their clients, as well as the collapse of the major Swiss bank, Credit Suisse.

However, a speedy recovery was then observed over the further course of H1, raising the price of the MLP share to its annual high of €6.05 (closing price) on June 22 in the runup to the dividend payment. This steep price increase led to profit-taking, which increased even further following announcement of the results for the second quarter in August. Although small and temporary recovery phases served to soften the overall decline, these could not prevent the ongoing downward trend, which continued to the end of October. The share price then fell to its annual low of €4.44 (closing price). Set against the background of the continuing cycle of interest rate increases, the high interest rate presented an attractive alternative to shares; coupled with the budgetary crisis in the US, a weak phase was therefore observed on the stock markets between August and October.

However, investors then appeared to find the share attractive again due to the reduced price, which led to a gradual recovery from the lows over the course of subsequent weeks. With the budding speculation about interest rate cuts, investors once again started to look more to the stock markets. In the course of the year-end rally, the MLP share recorded significant price rises. Although these did not reach the peak levels seen in June, a share price of €5.59 signified a positive conclusion to the year.

Closing the year at a price of €5.54, the price performance of our share was 7.4% in the 2023 stock market year. Market capitalisation was €605.7 million at the end of the year.

The financial markets can reflect on a successful year overall in 2023. Following weak development in 2022, the stock exchanges recorded profits in the reporting period. Germany's leading index, the DAX, rose by more than 20% to 16.751 points. The SDAX was somewhere in the midfield with an increase of 17%, while the DAXsector Financial Services Index increased by 25.2%.



You can find more detailed information on the MLP share on our Investor Relations page at https://mlp-se.com/investors/.

Key figures compared to previous year (2019-2023)

		2023	2022	2021	2020	2019
Shares outstanding at the end of the year	in units	109,334,686	109,334,686	109,334,686	109,334,686	109,334,686
Share price at the beginning of the year	in €	5.16	8.52	5.40	5.61	4.35
Share price at the end of the year	in €	5.54	5.14	8.57	5.40	5.60
Share price high	in €	6.05	8.70	8.89	5.98	5.69
Share price low	in €	4.44	4.44	5.40	3.73	3.86
Market capitalisation at the end of the year	in € million	605.7	562.0	937.0	590.4	612.3
Average daily turnover of shares	in units	74,906	38,529	50,962	58,920	46,854
Dividend per share	in €	0.30 [1]	0.30	0.30	0.23	0.21
Total dividend	in € million	32.8 [1]	32.8	32.8	25.1	23.0
Return on dividend	in %	5.4	5.8	3.5	4.3	3.8
Earnings per share	in €	0.44	0.47	0.57	0.40	0.34
Diluted earnings per share	in €	0.44	0.47	0.57	0.40	0.34

[1] Subject to the consent of the Annual General Meeting on June 27, 2024

Analyst coverage

At the end of 2023, the MLP share continued to be covered by four houses. Analysts from Metzler, Kepler Cheuvreux, NuWays and Pareto Securities all cover the share. As at December 31, 2023, all four analysts were recommending purchasing the MLP share. The average upside target was €8.73, while the individual estimates were in a range from €7.40 to €11.00.

Share-based participation programme
A share-based participation programme was introduced for MLP office managers and MLP consultants in 2017. The aim with this programme is to honour exceptional and sustainable services, as well as to promote the service and client focus of MLP consultants and MLP office managers. It should also contribute to motivating high performers and keeping them loyal to the company. The Annual General Meeting most recently authorised the Executive Board and Supervisory Board to buy back treasury shares through its resolution on June 24, 2021. As in previous years, MLP also continued its participation programme in 2023.

In the period from January 2, 2023 to March 1, 2023, a total of 604,792 shares were bought back via the stock exchange for a pro rata amount of €1.00 of the share capital. The average purchase price was €5.21 per share. The total market value of the shares was €3,149,995.97 million. The total number of shares bought back corresponds to 0.55% of our share capital of €109,334,686. A total of 650,062 shares were issued to eligible office managers and consultants. As of December 31, 2023, MLP SE still held 1,328 shares in treasury.

The details on the buybacks are presented and can be viewed on our homepage at https://mlp-se.com/investors/mlp-share/share-buyback/.

Annual General Meeting
MLP SE held its Regular Annual General Meeting for the financial year 2022 on June 29, 2023 entirely online. Shareholders were able to follow the entire Annual General Meeting live via the shareholder portal. Shareholders connected electronically to the Annual General Meeting and their proxies were able to speak and ask questions live during the Annual General Meeting by means of video communication. All questions submitted in this form were addressed in full by the Executive Board and Supervisory Board. In total, around 72% of the share capital was represented.

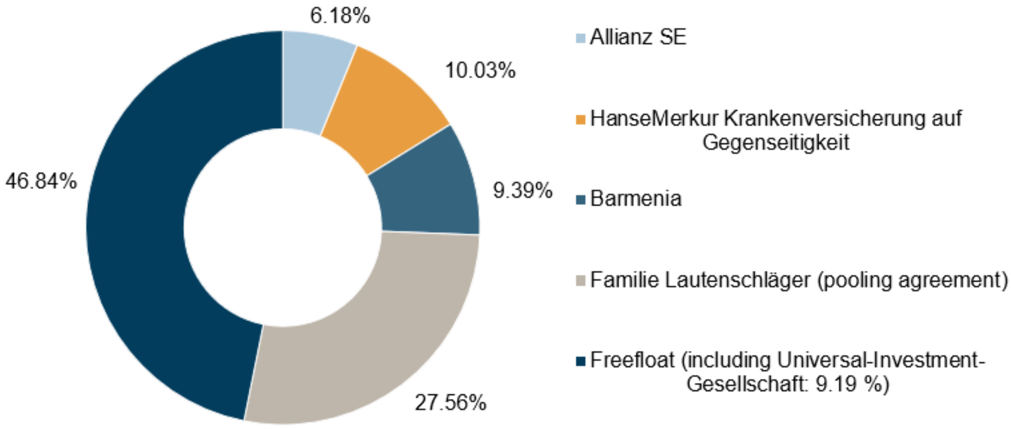
All items on the agenda were approved by shareholders. The shareholders voted virtually unanimously (99.99%) to approve the proposal of the Supervisory Board and Executive Board to pay a dividend of €0.30 per share. This year's distribution rate was 74% of Group net profit. Discharge was granted to the Executive Board and Supervisory Board with an approval rate of 99.97% and 81.43% respectively. As scheduled, new elections for members of the Supervisory Board were held this year. The Annual General Meeting approved all candidates proposed by the company with a majority. The Annual General Meeting elected Ms. Sarah Rössler to the Supervisory Board at MLP SE with 84.54% of the votes cast. 73.39% of the shareholders voted for Mr. Matthias Lautenschläger, while 73.59% voted for Mr. Bernd Groß. Dr Andreas Freiling received 84.74% of the votes.

Changes to the shareholder structure
Christine Lautenschläger, Markus Lautenschläger, Matthias Lautenschläger, Catharina Seegelken and Maximilian Lautenschläger informed MLP via a voting rights announcement on August 22, 2023 that they have acquired Angelika Lautenschläger's voting rights shares by way of inheritance. A voting trust and pooling agreement is in place within the Lautenschläger family. Together with the shares held by Dr Manfred Lautenschläger, the share of the voting rights held by the family is now 27.56% (previously 29.16%). The Lautenschläger family therefore remains the largest single MLP shareholder.

The share of voting rights held by other shareholders remained unchanged on the reporting date. The next largest shareholder is HanseMerkur Krankenversicherung AG with a 10.03% share of the voting rights. The third largest shareholder is Barmenia Krankenversicherung AG with a 9.39% share of the voting rights.

The free float as of December 31, 2023 is therefore 46.84% as per the definition of the German stock exchange.

Shareholder structure as of December 31, 2023



You can find further information on our homepage at https://mlp-se.com/investors/mlp-share/shareholder-structure/.

Investor relations activities

The goal of our investor relations activities is to establish a continuous and open dialogue with our shareholders, potential investors and the capital market. We want to build stronger confidence and trust among investors and support the market in assessing the value potential of our company. To this end, we provide continuous, timely and transparent information on relevant events and incorporate feedback received from capital market players.

We engage in active exchange with both private and institutional investors at regular capital market events, such as roadshows, capital market conferences and our Annual General Meeting. Both the Executive Board at MLP SE and the expanded Investor Relations team intensified their dialogue with the capital market in 2023. In May, we held meetings with investors in Paris with the support of Kepler Cheuvreux and Metzler. Following announcement of the results from the first quarter, we then met up with investors in Frankfurt in June during a roadshow with Pareto Securities. In September, we took part in the Autumn Conference of Equity Forum in Frankfurt. With the support of Metzler, we also engaged and communicated with investors in London within the scope of a virtual roadshow. In October, we spoke with local investors in Boston, Chicago and New York during a USA roadshow. Our participation in the German Equity Forum of the German stock exchange, held in Frankfurt in November, represented the last of our investor meetings in 2023.

Alongside direct contact, financial reporting is a key basis for our communication. The Annual Report plays a particularly important part here, as it provides comprehensive and transparent information on all aspects of the company. We also provide information on the latest developments with our quarterly reports and our interim report. As part of this, we also offer an analyst conference in the form of a webcast, during which our management board explains the key developments.

In addition to this, we offer a variety of information on our website at https://mlp-se.com/investors/. There, you also have the option to register for email updates on important events and find our contact details for getting in touch with us directly.

Proposed dividend

We have already announced that we will keep our dividend unchanged for the financial year 2023. On this basis, the Executive Board and Supervisory Board of MLP SE will propose a dividend of €0.30 per share to the Annual General Meeting on June 27, 2024. This corresponds to a distribution rate of around 74% of operating net profit. Our dividend policy is to pay 50% to 70% of Group net profit to our shareholders in the form of dividends. We are therefore above our targeted range this year.

Joint management report

In addition to the MLP Group, the following joint management report also encompasses MLP SE. The values disclosed in the following have been rounded to one decimal place. When adding or dividing the individual values presented, differences to the reported totals and changes are possible, which were determined based on the exact values. When making forecasts, qualified-comparative forecasts are made. A change from 0% to less than 5% is described as "stable," "at the previous year's level," "virtually unchanged," or similar expressions. A change from 5% to less than 10% is described as "slight". A change of 10% or more is described as "significant". Deviations from this methodology are only possible within a tolerance range of 2 percentage points or in exceptional cases, however, only if the alternative formulation is considered better suited from the company's perspective to provide a true and fair presentation of the situation. Deviating from this, the forecast for earnings before interest and taxes (EBIT) is calculated on the basis of an interval forecast. Previous year's figures are given in brackets.

FUNDAMENTAL PRINCIPLES OF THE GROUP

Business model

The MLP Group – The partner for all financial matters
The MLP Group and its brands Deutschland.Immobilien, DOMCURA, FERI, MLP, RVM and TPC is the financial services provider for private, corporate and institutional clients. Special added value is created by networking the various perspectives and areas of expertise – enabling clients to reach better financial decisions. To this end, the MLP Group competently combines personal and digital offers. Several of the brands also offer selected products, services and technologies for other financial services providers.

- Deutschland.Immobilien – The real estate platform for clients and financial consultants
- DOMCURA – The underwriting agency for financial consultants and consultant platforms
- FERI – Multi-asset investment firm for institutional investors and high net worth individuals
- MLP – Financial consulting and banking for discerning clients
- RVM – Risk manager for insurance and provision solutions for SMEs
- TPC – Benefit expert network for enterprises

Since it was founded in 1971, MLP has consistently striven to establish long-term relationships with its clients. An intensive transfer of knowledge and expertise takes place within the network. The specialists support one another in the areas of research and concept development, as well as in client consulting. This valuable and targeted interaction generates additional value for our clients, for the company and for its shareholders. Economic success also forms the basis for accepting social responsibility.

The views and expectations of our clients always represent the starting point for every consultation in each of these fields. Building on this, we then present them with suitable options in a comprehensible way so that they can make the right financial decisions themselves.

MLP places great emphasis on the use of objective and transparent criteria and the independence of our product partners when selecting partners and products. An analysis and quality check of the providers in the market, as well as their respective products, are performed on the basis of client requirements. We are keen to continually improve and refine the product selection process. The topic of sustainability is also incorporated into the partner and product selection process as an additional feature.

Qualifications and further training of our employees and self-employed client consultants play an important part in our company's ability to ensure sustainably high-quality consulting services. We consider the qualifications and further training offered at the MLP Corporate University, the company's accredited in-house training facility, to be a benchmark in the financial consulting sector. You can find more detailed information on this in the chapter entitled "Employees and self-employed client consultants".

Our goal with the MLP School of Financial Education (SoFE), which we founded in 2021, is to make an important contribution to financial education in Germany. The training programmes of MLP SoFE have also been offered to external groups, such as consultants from other companies, since mid-2022. MLP SoFE helps convey extensive and requirements-based financial knowledge to business persons, health professionals, companies and experts from the financial services sector. As part of the MLP Corporate University, the MLP SoFE offers a comprehensive training programme with individual learning paths.

Factors affecting business development

Economic developments in Germany have a significant impact on the business model of the MLP Group, as the company generates a vast majority of its revenue in this country. Particularly significant factors in this regard are economic growth, the general savings rate, developments on the labour market and salary levels. Likewise, the interest rate level is an important factor, particularly for our banking business. These are described in further detail in the economic report and the forecast.

The results of operations are even more significantly influenced by market conditions in the consultancy areas of old-age provision, wealth management, non-life insurance, health insurance, real estate and loans & mortgages, which we analyse in the corresponding chapters of the economic report and also address in the forecast.

Another important factor is the regulatory environment, which is also examined in more detail in the economic report and the forecast.

Corporate structure

MLP Group

The headquarters of the MLP Group are in Wiesloch. MLP SE (Holding), MLP Finanzberatung SE and MLP Banking AG all have their internal divisions at this location. In addition to this, we are represented by our client consultants, branch offices and university teams in all German urban centres, including all important university locations. DOMCURA AG has its headquarters in Kiel. Alongside its HQ in Bad Homburg vor der Höhe, Germany, FERI Management AG maintains locations and subsidiaries in Düsseldorf, Hamburg, Munich, Luxembourg, Vienna and Zurich. RVM GmbH is based in Wiesloch.

MLP SE

Within the MLP Group central control tasks are performed by the Group's parent company, MLP SE. The five subsidiaries DOMCURA AG, FERI Management AG, MLP Finanzberatung SE, MLP Banking AG and RVM GmbH are arranged below this. The business divisions each carry end-to-end accountability for results.

MLP SE gained legal approval to operate as the parent financial holding company of the MLP Group pursuant to § 2f (1) in conjunction with (3) of the German Banking Act (KWG) in July 2022 by authorisation letter dated June 30, 2022. MLP SE is therefore the superordinated undertaking of the MLP Group pursuant to § 10a (2) p. 2 of the German Banking Act (KWG) in conjunction with Art. 11 (2), point 1, letter (a) of Regulation (EU) No. 575/2013 (CRR Capital Requirements Regulation) and, as such, is responsible for consolidation and compliance with supervisory requirements, as well as risk management at Group level. Accordingly, the company is supervised directly by the Federal Financial Supervisory Authority (BaFin).

MLP Finanzberatung SE

MLP Finanzberatung SE is a German financial consulting firm that operates as a broker. As such, it is independent of product interests and can focus fully on clients and their needs. We combine external products and selected services of the MLP Group, selecting the most suitable product options for our clients from the broad scope of offers in the market. By adopting this approach, we enable our clients to reach better financial decisions.

The business activities of MLP Finanzberatung SE focus on advising private and corporate clients on financial matters and the brokerage of suitable products. These fields of consulting are closely intertwined and complement each other. They comprise the areas of old-age provision, health insurance, non-life insurance, real estate brokerage and loans & mortgages.

As a specialist in company benefits, the TPC division within MLP Finanzberatung SE offers companies and associations consultancy services under the TPC brand, covering topics ranging from old-age provision, health, flexible lifelong working, family, mobility, convenience to in-kind contributions. Throughout Germany and also internationally – from needs analysis to individual concept development and implementation, and continuous reviewing of existing company benefit systems. The key focus here is on providing consulting services to small and medium-sized companies from various sectors, as well as employer consulting services to tax advisers, auditors, solicitors, physicians and architects. In portal solutions for induction, communication and administration, employers and employees find all relevant information about their benefits online, with the option for personal consultation - including video consultations if desired. Employees will also have dedicated access to their contracts via this portal.

The majority stake in DI Deutschland.Immobilien AG, which is based in Hanover (Deutschland.Immobilien), and which was acquired in 2019, has significantly expanded both the expertise and the portfolio in the real estate sector. MLP Finanzberatung SE holds a 75.1% stake in Deutschland.Immobilien and its subsidiaries. Deutschland.Immobilien is an independent real estate platform for all classes of investment property that has many years of experience in the sale of such properties. The company also operates as a property developer in the field of senior citizen housing. The primary focus here is on the acquisition of project packages, existing buildings and sites, as well as subsequent development, planning, implementation and sale of the projects. This leads to an additive portfolio expansion in this asset class, while at the same extending the added value chain.

Alongside direct brokering of real estate to clients, sales via external sales partners also play a key role at Deutschland.Immobilien. Sales partners can use the real estate portal of Deutschland.Immobilien to process all steps, from collecting information, producing estimates and making reservations right through to the actual sale and commission calculation. The partner network of Deutschland.Immobilien includes agents and real estate brokers, ranging from individual consultants, mid-sized and large sales companies, right through to banks.

Further subsidiaries of MLP Finanzberatung SE are ZSH GmbH Finanzdienstleistungen (ZSH), Heidelberg, which is also registered as an insurance broker, and MLPdialog GmbH, Bad Segeberg. The 100% subsidiary MLP Startup GmbH was founded in Q1 2023 and started operating in Q3 2023. It acts as a training company for the new consultant trainee model. Another holding is MLP Hyp GmbH, Wiesloch, which we operate together with the mortgage lending broker Interhyp AG in Munich.

The shareholders in the joint venture, DIFA-Research, have decided by mutual agreement to liquidate the company. Set against the background of the planned expansion of advisory services in the medical sector for practices and larger healthcare structures, as well as for greater exploitation of synergies, MLP will oversee and manage the DIFA-Research feasibility analyses from MLP Finanzberatung SE in the future. In addition, MLP Finanzberatung SE has a stake of 78.5% in pxtra GmbH and 39.7% in Uniwunder GmbH. The holding in Uniwunder GmbH was increased to 81.1% with economic effect from January 1, 2024.

MLP Banking AG
MLP Banking AG, which is based in Wiesloch, offers its clients banking services with a combination of face-to-face consulting and online services. Its target groups are both private and corporate clients, to whom it offers account and credit card products, loans and mortgages, as well as wealth management solutions.

MLP Banking AG assumes the following role within the MLP Group:

- Part of end-to-end financial consulting services provided by MLP consultants
- Provider of accounts/credit cards, deposit models and financing solutions
- Holder of special expertise in the fields of wealth management and financing, particularly for the target group of physicians
- Liability umbrella for MLP consultants and the central service provider for regulatory issues, loans, payment transactions

MLP Banking AG has a full banking licence and, as a CRR financial institution, is supervised both by the Federal Financial Supervisory Authority (BaFin) and the European Central Bank (ECB).

FERI Management AG
FERI Management AG (FERI) is based in Bad Homburg and offers its services as a multi-asset investment house through its subsidiaries to institutional investors, wealthy private clients, high net-worth families and foundations. These services are focused on three main business fields: Investment Management, Investment Consulting and Investment Research.

Colleagues from Investment Management, Investment Consulting and Investment Research, as well as the client consultants of the FERI Group all work at FERI AG. Together, they currently serve more than 300 private clients and over 200 institutional clients. As a subsidiary of FERI Management AG, FERI AG offers a broad spectrum of multi-asset management and wealth management for institutional and private investors. These services range from the development, implementation and management of individual investment strategies, right through to quantitative risk spreading and control. Investment Consulting provides long-term advisory services to institutional investors and family office services to high-net-worth families. In Investment Research, economic forecasts and individual asset allocation analyses are produced by the Investment Office, establishing an important basis for developing client-oriented investment strategies.

FERI Cognitive Finance Institute, which was founded in 2016, acts as a strategic research centre and creative think tank within the FERI Group with a clear focus on innovative analyses and method development for long-term aspects of economic and capital market research.

As the main centre of expertise, the FERI SDG Office manages individual consultancy services for sustainable investment solutions, as well as the strategic investments, in a future-oriented and responsible investment strategy.

From its Zurich location, FERI (Switzerland) AG offers wealth management services and consulting for both private and institutional clients. It also acts as the innovation hub for developing and implementing novel investment approaches for private and institutional investors.

FERI Trust (Luxembourg) S.A., Luxembourg, acts as the capital management company for mutual funds and alternative investment funds. In addition to this, it coordinates the entire fund structuring and fund floating process as the fund administrator.

DOMCURA AG

DOMCURA AG is based in Kiel and operates as an insurance provider. The company, which was founded in 1980, conducts its business as an underwriting agency. It specialises in non-life insurance and, above all, in the development and management of residential building insurance policies for the German market. DOMCURA is considered one of the leading providers throughout this sector. The single-family dwelling insurance policy it offers regularly receives awards from renowned institutions and highly reputed rating agencies and is considered a benchmark in Germany. The company's products are currently used by more than 5,000 insurance brokers and insurance sales agents. DOMCURA has been part of the MLP Group since 2015.

RVM GmbH

RVM GmbH (RVM), which is based in Wiesloch, operates as the technical insurance broker for commercial and industrial clients through its subsidiaries. It now ranks among the largest technical insurance brokers in Germany. RVM offers its medium-sized clients exclusive insurance and provision solutions. It also maintains an international presence via the worldwide unisonSteadfast AG broker network. This allows insurance concepts to be optimally matched to one another worldwide.

Changes in corporate structure

In the first quarter 2023, MLP Finanzberatung SE, Wiesloch, founded a 100% subsidiary called MLP Startup GmbH, with its registered office in Wiesloch and concluded a control and profit transfer agreement with it on February 20, 2023. The commencement of business operations and inclusion in the consolidated financial statements took place in Q3 2023. For the first time, the profit transfer obligation applies for the entire financial year of 2023. The shareholders of both contracting parties approved the agreement in an extraordinary Annual General Meeting and a Shareholders' Meeting on March 6, 2023. MLP Startup GmbH acts as a training company for the new consultant trainee model.

On February 21, 2023, a control and profit transfer agreement was also concluded between RVM GmbH, Wiesloch, and Dr. Schmitt GmbH Würzburg, Würzburg. The profit transfer obligation applies for the first time to the entire profit from the financial year 2023. Approval from both shareholder meetings was granted on March 21, 2023 and the entry into the Commercial Register of Dr. Schmitt GmbH Würzburg, Würzburg, was completed on May 9, 2023.

In the second quarter, Dr. Schmitt GmbH Würzburg concluded a merger agreement with Dr. Schmitt Versicherungsmakler GmbH, Würzburg, and Bavaria-Assekuranz Versicherungsmakler GmbH, based in Nuremberg, with effect from January 1, 2023. The merger of Dr. Schmitt GmbH Würzburg with Dr. Schmitt Versicherungsmakler GmbH and the merger of Dr. Schmitt GmbH Würzburg with Bavaria-Assekuranz Versicherungsmakler GmbH have been entered in the responsible Commercial Registers of the companies in the second quarter and the third quarter of 2023, respectively.

Due to the difficult market situation in the real estate sector, certain companies within the Deutschland.Immobilien Group also faced challenges, some of which ultimately led to insolvency proceedings at individual project enterprises. Provisional insolvency proceedings were already initiated against the assets of Projekte 2 Deutschland.Immobilien Lauben GmbH, Hanover, within the Deutschland.Immobilien Group in the fourth quarter of 2022. One company of the Deutschland.Immobilien Group holds a 75% stake in them. This was entered in the company's commercial register on March 9, 2023. In addition to this, insolvency proceedings were initiated against the assets of Convivo Wohnparks Deutschland.Immobilien Wittmund GmbH & Co. KG, Hanover, on March 9, 2023 and against Convivo Wohnparks Deutschland.Immobilien GmbH, Hanover, on April 4, 2023. The companies of the Deutschland.Immobilien Group each hold a 50% stake in them. This was entered into the commercial register on April 19, 2023 for the former company and on May 19, 2023 for the latter.

Within the Deutschland.Immobilien Group, Web Deutschland.Immobilien GmbH, Hanover, was merged with Vertrieb Deutschland.Immobilien GmbH, Hanover, with effect from January 1, 2023. The merger was entered into the company's commercial register on April 26, 2023. On May 5, 2023, the change of name from WD Wohnungsverwaltung Deutschland GmbH to WD Immobilien Management GmbH, with its registered office in Hanover, was entered into the commercial register. As of May 25, 2023, Projekte Deutschland.Immobilien GmbH, Hanover, once again holds a 100% stake in each Sechste Projekte Deutschland.Immobilien GmbH, Hanover, and Zehnte Projekte 2 Deutschland.Immobilien GmbH, Hanover. The entries in the commercial register were made in the third quarter of 2023. On June 21, 2023, insolvency proceedings were initiated on the assets of CP 135. Grundstücks GmbH & Co. KG, Bremen, in which one company of the Deutschland.Immobilien Group holds a 50% stake. The entry in the commercial register was made on June 26, 2023.

In addition to this, the following changes were made within the Deutschland.Immobilien Group. Projekte Deutschland.Immobilien GmbH, Hanover, has been again holding a 100% stake in Projekte Deutschland.Immobilien Stetten GmbH, Hanover, since August 22, 2023. The entry in the commercial register was made on September 8, 2023. Since September 22, 2023, Projekte Deutschland.Immobilien GmbH no longer holds any stake in Projekte Deutschland.Immobilien Moosthenning GmbH, Bocholt, Projekte Deutschland.Immobilien Kißlegg GmbH, Bocholt, or STW Magdeburg GmbH, Bocholt. Prior to this, Projekte Deutschland.Immobilien GmbH had held a 11% stake in each of these companies. The entries in the commercial register were made in the fourth quarter of 2023.

In addition to this, Projekte Deutschland.Immobilien GmbH concluded a merger agreement with Pflegeprojekt Rosenberg UG, Minden, with effect from January 1, 2023. Following conclusion of the contract on July 5, 2023, the stake in Pflegeprojekt Rosenberg UG was increased from 94% to 100%. The merger of Pflegeprojekt Rosenberg UG with Projekte Deutschland.Immobilien GmbH was entered into the commercial register of Pflegeprojekt Rosenberg UG on July 21, 2023 and into the commercial register of Projekte Deutschland.Immobilien GmbH on November 1, 2023.

On June 19, 2023, the entry in the commercial register for liquidation of AIF Register-Treuhand GmbH, Bad Homburg v.d. Höhe, was completed. One company of the FERI Group held a 100% stake in this company. The commercial register entry for liquidation of AIF Komplementär GmbH, Munich, was made on June 27, 2023. A company of the FERI Group held a 25% stake in this company. The Commercial Register entry for removing Limmat Wealth AG, Zurich was made on June 28, 2023. With this step, the merger of Limmat Wealth AG into FERI (Schweiz) AG, Zurich, was completed. Within the FERI Group, FERI AG changed its name to FERI Management AG as of July 7, 2023. This was followed by the change in legal form of FERI Trust GmbH to FERI Trust AG on July 17, 2023. The subsequent change of name from FERI Trust AG to FERI AG was effected on July 19, 2023. All of the companies are based in Bad Homburg. Most recently, FERI Trust (Luxembourg) S.A., Luxembourg was renamed FERI (Luxembourg) S.A., Luxembourg on August 2, 2023.

MLP SE, Wiesloch, signed a control agreement with MLP Banking AG, Wiesloch, on April 3, 2023. The agreement became effective following approval by the Annual General Meetings of MLP SE and MLP Banking AG and upon entry into the relevant Commercial Register for MLP Banking AG on September 27, 2023.

With economic effect from January 1, 2024, MLP Finanzberatung SE acquired further shares in Uniwunder GmbH, Dresden, and now holds an 81.1% stake in the company. The shareholders in the joint venture, DIFA-Research, have decided by mutual agreement to liquidate the company. On January 2, 2024, the liquidation of DIFA Research GmbH, Berlin, was entered into the company's commercial register. MLP Finanzberatung SE held a 49% stake in this company.

Changes in segment presentation

In the reporting year 2023, there were no changes to the way the segments are presented.

Executive Bodies and membership changes

The Executive Board at MLP SE continues to comprise three members. The positions on the Board are held by Dr Uwe Schroeder-Wildberg (Chief Executive Officer), Manfred Bauer (Products and Services) and Reinhard Loose (Finance).

The Supervisory Board of MLP SE, whose responsibilities include the supervision of the Executive Board under German law, comprises six members. The representatives on the capital side were newly elected as scheduled at the Annual General Meeting on June 29, 2023: Sarah Rössler (Chairwoman), Dr Andreas Freiling (Vice Chairman), Matthias Lautenschläger and Bernd Groß. The representatives on the employee side were also re-elected in 2023 as part of the regular rotation: Monika Stumpf and Ursula Blümer.

Control system

Group-wide controlling

The MLP Group employs comprehensive planning and control systems. Starting from our strategy and the estimates regarding future external framework conditions, we draw up target values for key control metrics in the strategic and operating planning process. Any deviations from our targets then become transparent within the scope of ongoing controlling processes. Based on these developments, we then derive actions for our corporate governance. We also continually monitor developments in the market and the competitive environment.

The Executive Committee (Execom) holds regular meetings in order to coordinate Group activities and ensure an efficient exchange of information relevant for controlling purposes. Alongside the members of the Executive Board at MLP SE, this Executive Committee also includes representatives from the Group's business units. The strategies and plans of the operating segments are also discussed in its meetings and coordinated with the overall strategy and plans of the Group. Uniform strategic target visions are defined for the Group as a whole and all Group segments. These are then used to coordinate and specify the key long-term targets.

The following overview clarifies which fields of consulting contribute to the development of revenue in the respective business segments.

Revenue contribution by business segments

	Financial Consulting	Banking	FERI	DOMCURA	Industrial Broker	Deutschland. Real estate
Old-age provision	x				x	
Wealth management	x	x	x			
Non-life insurance	x			x	x	
Health insurance	x				x	
Loans and mortgages	x	x				
Real estate brokerage	x					x
Real estate development						x
Interest rate business		x				

The Executive Board of MLP SE has specified a risk strategy that is consistent with the business strategy and the risks resulting from it. The risk strategy encompasses the objectives of risk management for key business activities, as well as the measures for achieving these objectives. To this end, risk management is permanently anchored in MLP's corporate governance strategy. The members of the Executive Board, general managers of Group companies and departmental heads are responsible for detecting and classifying risks as quickly as possible. You can find further information on risk management in the chapter entitled "Risk and opportunity report".

Financial performance indicators

The Executive Board at MLP SE assesses the development of the Group on the basis of established controlling parameters. Earnings before interest and taxes (EBIT) and Group sales revenue represent the central controlling parameters and performance indicators for measuring the business performance of the MLP Group. Accordingly, these indicators are used for steering purposes. Alongside this, the Executive Board also receives regular information on the macroeconomic, political and legislative factors that influence business performance. We require profitable growth and sustainable development of earnings in order to achieve a sustainable increase in company value and expand our market position.

Nonfinancial performance indicators

The incorporation of non-financial performance indicators enables a comprehensive evaluation of the impact of activities, encompassing both external and internal spheres of the company. The MLP Group does not currently use any non-financial performance indicators, although it does actively advocate their development. In this context, the primary focus is on the following two areas: CO2 emissions and gender equality. At the same time, special emphasis is placed on providing additional training for employees to ensure progress in this area as well.

Other key figures

Other important metrics, in addition to KPIs, include administrative costs (defined as the sum of personnel expenses, other expenses, as well as depreciation and impairments), the cost income ratio (based on both revenue and costs), return on equity, assets under management, the current non-life insurance policy portfolio, as well as the number of consultants and their turnover rate.

Research and development

Since our consulting firm is a service provider, we are not engaged in any research or development in the classic sense. We also make other resources available, for example to develop our own software or refine acquired software. The FERI Cognitive Finance Institute also operates as a strategic research centre and creative think tank within the FERI Group, with a clear focus on long-term aspects of economic and capital market research, as well as asset protection. In the wealth management field, FERI and MLP are working together to evaluate how relevant digital assets – such as existing crypto currencies and asset classes where physical trading is currently presented with challenges – can in future be taken into account quickly and agilely in consultancy and portfolio structuring processes within the scope of a platform approach. Alongside this, the DOMCURA Group has also been involved in the development of new insurance products for years.

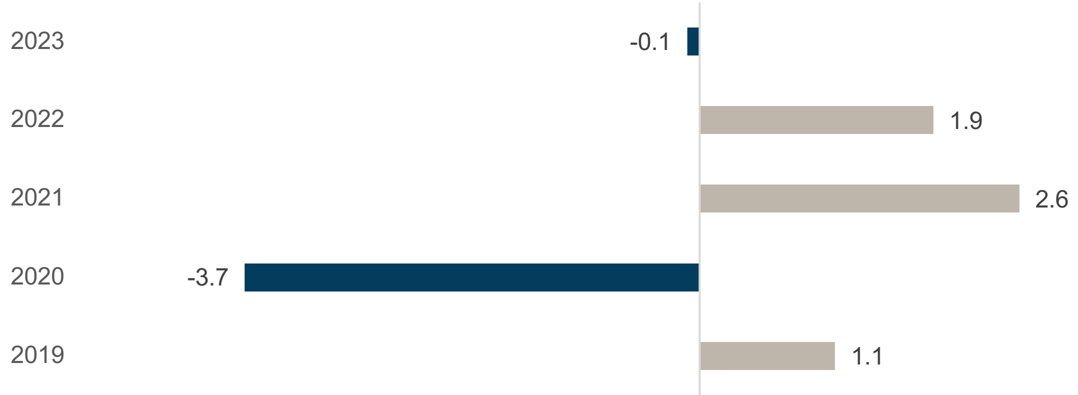
ECONOMIC REPORT

Overall economic climate

In 2023, the economy was characterised by the ongoing war in Ukraine and record levels of inflation, as well as various other uncertainties. In the reporting year, Germany's economic performance remained at the same level as the end of 2019. Private consumption suffered from the reduction in purchasing power caused by high inflation. Industry faced high energy costs and increasing disadvantages in global competition. Based on estimates provided by FERI Investment Research (FERI), the German economy is in the middle of a far-reaching structural transformation process in 2023 that, among other things, is characterised by demographic developments and the shortage of skilled labour resulting from this.

According to FERI, inflation-adjusted gross domestic product (GDP) therefore declined to -0.1% in 2023; as such, Germany is right at the bottom of the table in Europe.

Economic growth in Germany (in %)



Source: FERI Investment Research, change in gross domestic product, price-adjusted

In the reporting year, consumer sentiment in Germany was characterised by uncertainty and worry. Following three declines in succession, consumer sentiment finally stabilised at the end of the year. However, it remained at a very low level and there were no signs of any sustainable recovery at the end of the year. The Consumer Sentiment Index of the German Consumer Research Association (GfK) was -27.6 points in December 2023 (December 2022: -40.1 points).

The general sentiment in the German economy improved slightly toward the end of the reporting year. The Ifo Business Climate Index stood at 87.3 points in November 2023 (previous year: 86.9 points). In December 2023, the index fell to 86.4 points.

The employment market in Germany was negatively impacted by the ongoing economic slump in 2023. However, it remained comparably positive when measured against the weak economic activity. According to data published by Germany's Federal Employment Agency, the average number of registered job seekers in 2023 increased by 191,000 over the previous year to 2.609 million individuals. This corresponds to an unemployment rate of 5.7% (5.3%).

According to the latest data from Germany's Federal Employment Agency, the unemployment rate among university graduates fell to 2.2% in 2022 (2021: 2.4%). This is the kind of level commonly regarded as full employment.

According to data published by the "Tax Estimates" workgroup, gross wages and salaries increased by 6.6% in the reporting year (6.0%), while the disposable income of private households rose by 4.8% according to the 2024 Fiscal Report of the German government (4.6%). According to data published by FERI, the savings rate in Germany in the reporting year was 11.6% (10.8%).

Over the course of the 2023, the inflation rate fell markedly from an extremely high level of 8.7% in January to 3.2% in November, although it still remains at a significantly raised level. Germany recorded an average inflation rate of 5.9% for the year. The central banks also continued their restrictive monetary policy in the financial year 2023. Since the end of October, the prime rate for the eurozone has been 4.5%. As a result of the interest rate shock, as well as the macroeconomic challenges being faced, the German real estate sector also recorded an historic market downturn in 2023.

Overall, the macroeconomic environment in 2023 was volatile and challenging, which also had a negative impact on the business activities of MLP in general.

Industry situation and competitive environment

Old-age provision

Based on the assessment of the German Insurance Association (GDV), development in the life insurance sector continued to be negatively impacted by the macroeconomic environment in the reporting year. Ongoing uncertainties caused by the energy crisis and the pronounced increase in living costs meant that there was little in the way of positive stimulus for new business in the life insurance segment in the short term. This led to continued caution in the market regarding the conclusion of long-term contracts, and also to sustained reluctance in the area of single-premium policies.

A recent survey conducted by AXA states that almost a third (32%) of German citizens have been investing less in their retirement plans since the start of the war in Ukraine and the pronounced increase in inflation. The same number (32%) also stated that they are not investing any funds at all in private old-age provision.

The willingness to invest in private old-age provision products is actually the highest among the younger population. The AXA survey also highlighted the fact that almost half (47%) of those aged 18 to 24 are currently investing on a monthly basis for their own retirement. This figure is even higher among those aged 25 to 34, some 63% of whom make monthly investments.

With regard to occupational pension provision, the challenging economic climate slowed down business activities in 2023. Based on a survey conducted by Deloitte, the proportion of respondents that have an employer-financed occupational pension provision plan in place declined from 50% in 2022 to 44% in the reporting year.

According to data published by the German Insurance Association (GDV), the regular premiums from new life insurance business remained at the same level in 2023 as in 2022. Single premiums declined by -13.1% over the previous year.

Based on the information provided by the German Insurance Association (GDV), the overall premium income from life insurance in 2023 declined by 5.2% to €92.0 billion.

Wealth management

The market environment for wealth management in the reporting period can best be described as complex. Alongside the structurally higher inflation, the main contributing factors were persistently restrictive monetary policies and a global liquidity shortage. These factors collectively heightened the risks of global recession and posed increased threats to the financial system. The issues were then compounded by the ongoing effects of a geopolitical turning point, with a global block formation and forced de-globalisation as a megatrend. The end of the period with low inflation and moderate interest rates, which had lasted for decades, has clear implications for all asset classes.

The private monetary assets held by German citizens increased in the reporting period. According to the German Central Bank (Bundesbank), the assets of private households comprising cash, securities, bank deposits, as well as insurance claims had a total value of €7,467 billion in the third quarter – some €213 billion above the value from the end of 2022 (€7,254 billion). Set against the background of higher interest rates, private households largely continued with the same investment behaviour of previous quarters in the third quarter of 2023. They once again reduced their demand deposits (-€33 billion) in favour of fixed-term deposits with higher returns (+€44 billion). At €15 billion, the net inflows into debentures were also significantly above the average of the last few years. Interest in shares remained at a low level. Indeed, private households invested just slightly more than €1 billion in shares and other similar financial assets.

According to a survey performed by JP Morgan, some 60% of German citizens stated that they are now saving/investing less or nothing at all due to the ongoing period of high inflation and the price increases associated with this.

Based on information provided by the German Association of Investment and Asset Management (BVI), the German fund industry recorded total inflows into funds of net €55.4 billion as of the end of September. As of September 30, 2023, assets under management by fund management companies rose by about 5% to €3,977 billion (€3,804 billion).

Following the rapid rise in interest rates, and the return of attractive bond yields associated with this, new framework conditions are in place for the strategic and tactical asset allocation of institutional investors.

Yet despite this, alternative investments continue to play a key role among institutional investors in Germany. Indeed, according to information provided in the BAI Alternative Investor Survey 2023, some 95% of them are investing in alternative investments. More than half also have investments in at least five different asset classes. The most popular asset classes in the institutional portfolio are real estate equity, private equity and infrastructure equity.

Non-life insurance

Despite the economic situation remaining rather uncertain, non-life insurance policies delivered better than anticipated performance in 2023 and were above the long-term growth trend of around 3% per annum.

Commercial insurance policies have become a significantly more important business area for brokers over the last few years. Some 63% of respondents in a survey conducted by AssCompact consider the commercial property and casualty business to currently be highly or very highly relevant. Among other things, this is because the segment facilitates long-term client relations. Just five years ago, only half of those surveyed were of this opinion. The current value therefore represents an increase of 13 percentage points.

Alongside new business, premium increases across all segments represented an important driver of the positive development in non-life insurance.

According to the German Insurance Association (GDV), inflation-driven adjustments of the sums insured and rising prices for construction services are what led to greater dynamics in terms of the premiums collected in 2023. In the field of building insurance, premiums rose by 16.0% in 2023 over the previous year, while for home contents policies they rose by 6.0%.

According to data published by the German Insurance Association (GDV), the total increase in premiums from property and casualty insurance in 2023 was 6.7%.

Health insurance

Based on figures published by the Association of Private Health Insurers, private health insurance once again recorded significant growth. The total number of insurance policies increased by around 880,000 to 38.7 million. As indicated in a survey undertaken by auditing firm PwC, this is because German citizens are now more acutely aware of the importance of private health insurance following the coronavirus pandemic.

In the field of comprehensive insurance, more people made the switch from statutory health insurance to private health insurance than the other way round. This was the sixth year in succession that this occurred, leading to a significant overall increase of 48,000 private health insurance policy holders (balance as per 2022: +30,100). According to the Association of Private Health Insurers, some 8.71 million individuals had a comprehensive health insurance policy in place in 2023.

More and more people are looking to use private provision as a way of supplementing the scope of services provided by the statutory health insurance system. According to the Association of Private Health Insurers, the number of supplementary insurance policies rose by 2.5% to 29.98 million. The positive trend is therefore continuing unabated. Based on information provided by ratings agency Assekurata, dental plans remain by far the most popular of all supplementary insurance options, with around 18 million policies in place.

For private health insurance, the German Insurance Association (GDV) is anticipating an overall rise in premium income of 3.9% for 2023. This rise can, in particular, be attributed to greater benefits and ongoing demand for supplementary health insurance policies.

According to data published by the Association of Private Health Insurers, occupational health insurance once again recorded strong growth in 2023. Indeed, some 36,900 companies in Germany are now offering their employees an occupational health insurance policy that is fully financed by the employer. The number of employees that benefit from an occupational health insurance policy rose by 11.6% from 1.77 million to 1.97 million individuals in 2023. The number of occupational health insurance policy holders has therefore almost tripled since 2016, despite temporary reservations on the part of employers relating to the coronavirus pandemic.

Real estate

According to a survey conducted by DZ, the prospects for the German real estate sector were rather bleak in 2023 – although they did stabilise at a low level at the end of the reporting year. The weak overall economic development in Germany and the uncertainty caused by geopolitical framework conditions also impacted the real estate market. Alongside the massive interest rate rises, the sector suffered from structural hindrances such as bureaucracy, demographic issues, high raw material and energy prices, as well as infrastructure deficiencies. A slight improvement in the situation was only observed towards the end of the reporting year.

As stated in the GEWOS Real Estate Industry Report from autumn 2023, the German real estate market suffered a historic market slump in the reporting year. According to the report, revenue throughout Germany declined by 29.1% to around €198.1 billion in 2023. At the same time, the number of property purchases fell by just under 25% to around 591,800. This was the lowest value recorded since 1995.

According to the report published by GEWOS, the total of purchased properties across the four market segments of private homes, freehold apartments, multi-family dwellings and residential land also fell by just under 25% over the previous year to 452,000. Revenue declined even more acutely by 29.5% to around €149.2 billion.

Despite the tension currently being felt in the real estate market, German citizens still consider real estate to be the best form of private old-age provision. Indeed, the Continentale Survey 2023 states that 73% of the population aged between 25 and 60 consider owning their own property a good or very good investment for maintaining the same standard of living following retirement.

The nursing properties segment also suffered due to the difficult environment in the real estate market. Although the latest available figures indicate that the transaction volume with nursing properties and retirement homes declined to around €2.5 billion in 2022, demand for this real estate segment can still be considered relatively stable.

The price adjustments in the German real estate market that began around the middle of 2022 also continued throughout 2023. The Real Estate Price Index of the Association of German Pfandbrief Banks (vdp) was 175.2 points at the end of 2023, representing a 10.0% decline since its peak in the second quarter of 2022 (194.8 points). The fall in property prices in Q4 2023 was 7.2% compared to the same quarter of the previous year. Since their peak in mid-2022, the prices for residential properties in Germany have fallen by 8.4%.

Loans and mortgages
The central banks also continued their restrictive monetary policy in the financial year 2023. With an unprecedented series of ten interest rate increases in succession from July 2022 onwards, the European Central Bank (ECB) sought to counter the record levels of inflation in light of the war in Ukraine. Since the end of October, the prime rate for the eurozone has been steady at 4.5%.

Based on the assessment of finance broker Interhyp, the interest rates for real estate loans reached their peak in 2023. According to Interhyp, the interest rate for a 10-year loan rose from around 1.0% at the beginning of 2022 to just under 4.3% in November 2023 – representing a 10-year high. At the end of 2023, the rate for real estate loans then fell again slightly to around 3.4%.

Demand for mortgage lending took a further hit in the reporting year in the course of the turnaround in interest rate policy and increased construction costs, although it then stabilised at a low level towards the end of 2023. The new real estate loan business of German banks was €13.5 billion in November 2023, which is just 0.6% below the figure from same period of the previous year. This was the lowest figure recorded in November since the financial crisis of 2008.

According to Interhyp, however, both property prices and loan amounts stabilised in the course of the reporting year. The average costs for purchasing a property, including ancillary costs, was €440,000 in Q4, which is 6.9% less than in the same quarter of the previous year. At 3.3% or €15,000, the price deterioration was also far less severe in comparison with Q3 2023.

Competition and regulation
The competitive situation in the German market for financial services did not change significantly for the MLP Group in 2023 compared to the previous year. The sector remains very heterogeneous and is characterised by consolidation trends. The providers include numerous financial service providers, single agents, banks, insurance companies, independent finance brokers as well as FinTechs and InsurTechs. However, their quality of consulting can vary quite markedly. Regulations impact market participants in various ways, and MLP is affected by a multitude of them.

In her draft of the small investor protection strategy, which was officially presented at the end of May 2023, EU Commissioner Mairead McGuinness actually moved away from her original intention of introducing a fundamental ban on commission for the brokerage of financial products in Europe. Prior to this, the German Finance Minister and a majority of member states in the EU Council had also clearly stated that they were against any such ban. Accordingly, consumers can continue to benefit from the competition between the fee-based and commission-based payment systems for the foreseeable future. The German insurance regulator also welcomed the decision to forego a ban on commission.

The "Private old-age provision" focus group presented its final report in the reporting period. The intention is to dispense with the introduction of a "sovereign wealth fund". This should actually be welcomed in light of the challenges and problems associated with both initiating and managing a concept of this kind, as well as the fact that there are already sufficient private offers available. However, a critical aspect of the final report is the proposed elimination of the annuity obligation, as ensuring longevity protection for individuals can only be guaranteed through lifelong annuity payments. MLP clients generally cover their old-age provision requirements with a diverse portfolio, in which pension insurance policies continue to have their place. The proposals of the focus group represent the basis for a legislative process.

The ongoing process of the Growth Opportunities Act (WCG) is relevant with a view to real estate brokerage at MLP. This in particular affects the declining balance method of depreciation for projects that is provided in the draft bill. The German Bundestag already passed the draft bill at the end of 2023, so the approval of the German Bundesrat is now pending.

The Sustainable Finance Disclosure Regulation (SFDR) represents another important regulatory aspect for MLP. Parts of this already came already into force on March 10, 2021. The SFDR is based on the Paris Climate Agreement and the associated EU Action Plan, which defines the concrete sustainability goals for the financial sector. The aim here is for capital flows to be aligned more keenly with sustainable investments in future, to take into account environmental risks more comprehensively and to promote the transparency of financial products. The financial services sector should therefore support and also steer the transformation of the entire economy towards sustainability. It is to be implemented through amendments to the disclosure requirements, the MiFID II and the IDD, as well as a whole host of new regulations, such as a label for green financial products, a uniform EU classification system, new EU benchmarks and various EU standards for non-financial reporting.

With the legislation aimed at securing better protection for whistleblowers, which came into force in 2023 and implements the Whistleblowing Directive in German law, all companies and organisations with 50 or more employees are obligated to set up internal reporting channels. The legislation sets out the protection from adverse treatment for natural persons that learn of and subsequently report information regarding infringements within the scope of their professional activity. During the reporting period, the companies in the MLP Financial Holding Group set up internal reporting channels in line with these legal requirements. Passing on information to the respective MLP notification office makes a contribution to uncovering and investigating infringements, which in turn helps address and work through any grievances quickly. The notification office is anchored in the MLP Group's compliance organisation.

In the overall view, MLP questions the usefulness and the extremely high frequency of new regulatory activities. The listed and further regulatory developments, including those that are currently being expedited by the legislator, are generally regarded as challenging. The effects of generally declining commission income per unit and increasing product and administration costs – combined with increased price sensitivity among clients – can also negatively impact the profitability of MLP's business model. Irrespective of this, MLP considers itself to be very well positioned in relative comparison with other market members thanks to its broad and strategically diversified business model, as well as its corporate structure.

Business performance

Overall performance

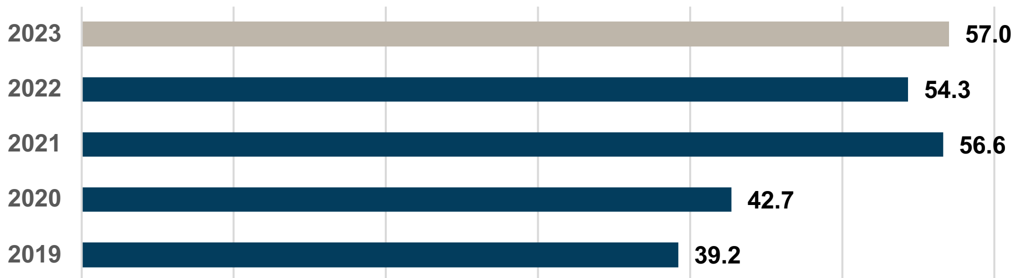
Despite operating in an environment that remained volatile and challenging, not just in terms of the overall economy but also the sector-specific and competitive situation, including regulatory developments, MLP was able to maintain its course in the financial year 2023 and can reflect on an overall solid business performance for the year. Indeed, the MLP Group recorded an increase to new record levels in both total revenue and sales revenue in the financial year 2023. Total revenue rose to €973.5 million (€949.1 million), while sales revenue reached a new all-time high at €941.1 million (€913.8 million). This development once again provides clear evidence of the resilience that we have established in the last few years through significant diversification of our range of services and thus our revenue base. Yet despite this, EBIT decreased slightly to €70.7 million (€75.6 million). Given the pronounced pressures in the real estate market, which impacted both the development business and the brokerage business, we have reassessed our real estate business as part of drafting the annual financial statements, resulting in the recognition of a goodwill impairment within the Deutschland.Immobilien segment. Without this, our EBIT would have been within the forecast corridor of €75 to 85 million.

Development of the consulting fields

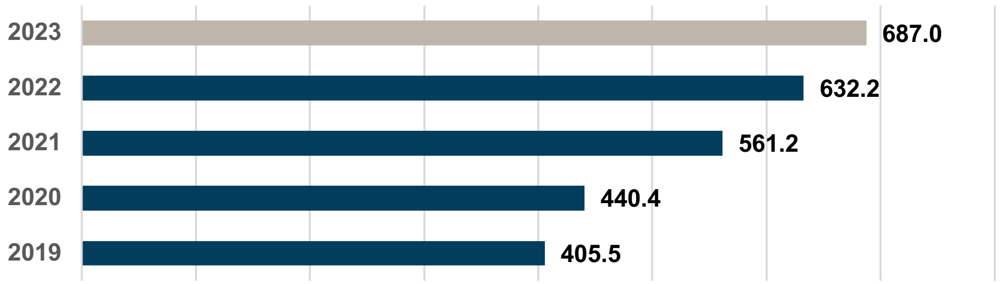
In the high interest rate environment, it was possible to achieve a significant increase in revenue in the interest rate business (209.1%). Due to developments in the market, however, revenue from real estate development displayed a significant downward trend compared with the very strong equivalent period in the previous year (-38.4%). Thanks to our broad positioning, the varying performances displayed in the consulting fields balanced each other out, so it was possible to maintain commission income at around the previous year's level (0.3%).

The individual consulting fields developed as follows: Non-life insurance revenue improved by 15.3% and was therefore significantly above the previous year's level. The managed premium volume rose by 8.7% and reached a new peak of €687.0 million (€632.2 million). Our health insurance revenue also displayed slight gains of 7.8%. In old-age provision, revenue increased by 2.1% in the reporting year 2023. Wealth management revenue, which is generated in the FERI and Banking segments, was below the previous year (-2.6%). In light of a complex market environment, it was only possible to collect performance fees of €4.4 million (€6.2 million). Assets under management rose to a new all-time high of €57.0 billion as of December 31, 2023 (€54.3 billion). As expected based on the extremely difficult market environment, the loans and mortgages consulting field once again recorded significantly lower revenue (-35.5%). Given this challenging market environment, real estate brokerage revenue also declined significantly (-46.6%).

Development of assets under management (all figures in € billion)



Development of non-life insurance premium volume (all figures in € million)



Development of earnings

Thanks to solid operational performance, it was possible to increase total revenue to a new record high, with sales revenue making the greatest contribution of €941.1 million (€913.8 million).

Interest expenses, real estate development expenses and expenses from the commission business developed in line with the respective revenue items. Administration costs recorded a significant increase (11.4%) driven by investment and inflation-related cost pressures, as well as effects from the mergers of individual companies and the goodwill impairment in the Deutschland.Immobilien segment.

As a result EBIT declined by 6.5% to €70.7 million (€75.6 million) compared to the previous year. Without the goodwill impairment, our solid earnings would have been in our forecast corridor of €75 to 85 million. Return on equity was 8.4% (9.8%).

Development of consultant and client numbers

At the end of the 2023, there were 2,055 independent consultants working in the MLP Group, which is less than in the previous year (2,100). This decline reflects a shifting effect related to the new trainee programme for aspiring consultants, which was launched in mid-July 2023. During their temporary employment period at the newly established MLP Startup GmbH, they are classified similarly to apprentices and are therefore not included in the consultant headcount. The consultant turnover rate was at 9.6% (8.9%).

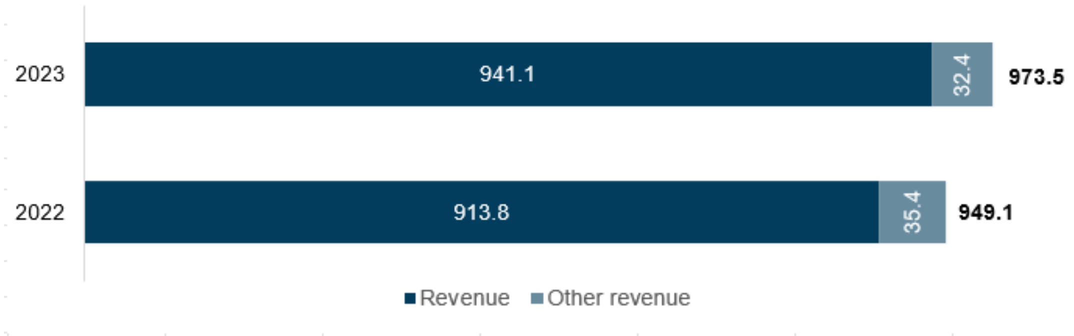
MLP was able to acquire a gross total of 19,500 new family clients in 2023 (19,200). As of December 31, 2023, the MLP Group increased the number of family clients to 580,000 (569,200) in total. The number of corporate and institutional clients stood at 27,400 (28,400) as of the same date. The development in the corporate and institutional client segment is primarily attributable to adjustments in the client base.

Results of operations

Revenue development

The MLP Group was able to increase its total revenue in the financial year 2023 to a new all-time high of €973.5 million (€949.1 million). MLP again benefited from the significant diversification of its revenue basis over the course of the last few years. The total revenue generated by the MLP Group comprises sales revenue and other income.

Development of total revenue (all figures in € million)



Despite the challenging market environment in parts of our markets, sales revenue rose by 3.0% to €941.1 million in the reporting period (€913.8 million). As a result of the high interest rate, interest income increased significantly by 209.1% to €65.7 million (€21.3 million). In the high interest rate environment, our banking business also benefited from the tight monetary policy of the central banks. On the other hand, revenue from real estate development declined significantly by 38.4% to €30.9 million (€50.2 million), largely due to the drastic market developments. Commission income was €844.5 million (€842.4 million) and remained virtually at the same level as in the previous year, with the developments in the various consultancy fields once again almost balancing each other out. In the reporting year, MLP achieved growth in commission income in the consulting fields of non-life insurance, health insurance and old-age provision. However, wealth management, loans & mortgages and real estate brokerage all recorded declines. The revenue development in the individual consulting fields, as well as the respective shares of total commission income are presented in the following table.

Breakdown of revenue

All figures in €million	Share in %	2023	Share in %	2022	Change in %
Wealth management	36.5%	308.2	37.6%	316.5	-2.6%
Old-age provision	27.7%	233.6	27.2%	228.8	2.1%
Non-life insurance	23.8%	201.0	20.7%	174.3	15.3%
Health insurance	7.1%	60.2	6.6%	55.8	7.8%
Real estate brokerage	2.4%	20.2	4.5%	37.8	-46.6%
Loans and mortgages	1.7%	14.4	2.6%	22.3	-35.5%
Other commissions and fees	0.8%	7.0	0.8%	6.8	3.0%
Total commission income		**844.5**		**842.4**	**0.3%**
Real estate development income		**30.9**		**50.2**	**-38.4%**
Interest income		**65.7**		**21.3**	**209.1%**
Total		**941.1**		**913.8**	**3.0%**

In wealth management, the MLP Group was able to keep revenue virtually stable. At €308.2 million (€316.5 million), revenue was only 2.6% lower than in the previous year. This was due to the complex market environment, comprising structurally higher inflation, a persistently restrictive monetary policy and the consequent increased appeal of alternative asset classes such as instant access and time deposits due to higher interest rates. In light of developments on the capital markets, MLP was also only able to collect relatively low performance fees of €4.4 million (€6.2 million). Yet despite this, MLP still succeeded in further increasing its assets under management to €57.0 billion (€54.3 billion), which is a new all-time high. In the last financial year, we recorded significant increases in assets under management in both the Banking segment and the FERI segment.

Old-age provision revenue rose by 2.1% to €233.6 million in the last financial year (€228.8 million). The ongoing uncertainties resulting from economic and geopolitical crises, as well as the pronounced rise in living costs were driving factors in this regard. Indeed, clients throughout the sector displayed reservations in terms of signing up for long-term contracts and also single-premium policies. Yet despite this, the total premiums paid rose by 6.2% from €3,911.4 million to €4,155.7 million. We also observed growth in occupational pension provision.

Revenue in the non-life insurance consulting field increased substantially again in the last financial year. It rose by 15.3% to €201.0 million (€174.3 million). Alongside new business, premium increases across all segments served as a significant driver of the positive development. Another positive factor was the inclusion of Dr. Schmitt GmbH Würzburg in the figures for the entire twelve months, marking its first full year of consolidation, while it was only included for nine months (initial inclusion on April 1, 2022) in the previous year. In addition, the mergers of non-consolidated companies with and into Dr. Schmitt GmbH Würzburg had a positive impact in relation to the previous year. It was possible to increase the premium volume in the MLP Group as of December 31, 2023 to a new record level of €687.0 million (€632.2 million).

Revenue from health insurance increased by 7.8% to €60.2 million (€55.8 million). The general growth trend in private health insurance policies is also reflected in our business performance in the reporting year 2023. Indeed, we observed increased awareness among clients of the importance of high-quality healthcare services as a result of their experiences during the coronavirus pandemic.

The assessment of revenue performance in the real estate brokerage and loans & mortgages business fields must be viewed within the context of persistently challenging market conditions. Revenue from real estate brokerage declined by 46.6% to €20.2 million (€37.8 million), although a significant improvement in the overall picture was discernible at the end of the year. In the reporting year, the sector suffered not only from the sharp rise in financing costs but also structural obstacles, such as higher raw material and energy prices, complex bureaucracy and a shortage of skilled workers. The real estate volume brokered by MLP therefore declined significantly to €238.9 million (€454.7 million). Revenue from the loans and mortgages business fell to €14.4 million (€22.3 million). The brokered financing volume was €1,178.1 million (€2,122.4 million). For MLP, the difficult market environment resulting from higher interest rates was particularly noticeable in the brokerage of property financing – especially in the field of mortgage lending.

Other expenses declined slightly to €32.4 million (€35.4 million).

Inventory changes

Inventory changes result from real estate development and represent the change in asset values generated in the current phase of the projects within the reporting period. This item will increase as the respective projects progress and then decline again with the gradual sale of project units. In light of the challenging market situation, we have reduced our construction work, but are continuing with sales activities. In addition, depreciation on inventories amounted to €2.3 million, compared to no depreciation in the previous year. As a result inventory changes declined significantly to -€11.3 million (€17.8 million).

Development of expenses

Commission expenses primarily comprise performance-linked commission payments to our MLP consultants. They represent the largest item under expenses. This item also includes commissions paid in the DOMCURA and Industrial Broker segments. Variable expenses result from the compensation of brokerage services in the non-life insurance business. Added to these are the commissions paid for wealth management in the FERI segment, which in particular result from the activities in the field of fund administration. In this business segment they are primarily accrued due to compensation of depository banks and fund sales. Commission expenses from real estate brokerage are also accrued in the Deutschland.Immobilien segment. Commission expenses declined to €426.7 million (€438.4 million). Net commission income, defined as the difference between commissions received and commissions paid, thereby rose by 3.4% to €417.8 million (€404.0 million). Interest expenses increased to €16.3 million as a result of higher interest rates (€0.4 million). This was in line with revenue development. Net interest rose to €49.4 million (€20.8 million). Expenses from real estate development declined significantly to €18.7 million (€57.3 million). This was in line with revenue development.

Gross profit (defined as total revenue less commission expenses, interest expenses, real estate development expenses as well as inventory changes) improved to €500.5 million (€470.8 million).

The remeasurement gains or losses/loan loss provisions item was -€1.0 million in the reporting year. The previous year's figure of -€12.9 million was essentially influenced by the allocation of specific loan loss provisions in the Deutschland.Immobilien segment.

Administration costs of the MLP Group (defined as the sum of personnel expenses, depreciation/amortisation and impairment, as well as other expenses) increased significantly by 11.4% to €429.2 million in the reporting year (€385.2 million). MLP continued its investments in digitalisation and further expansion of its business areas in the financial year 2023. Investments in operating and office equipment, as well as hardware and IT equipment represented one focus here. Additional investments were made in the new trainee model, which is being implemented through the new training company MLP Startup GmbH. Furthermore, expenses for employees went up due to salary increases and expenses for the inflation relief bonus. Expenses were also accrued in the context of the rescheduled Anniversary Main Seminar. In addition to this, the expenses from Dr. Schmitt GmbH Würzburg are included in the reporting year 2023, which were initially consolidated on April 1, 2022 in the previous year, as well as higher expenses due to merger-related changes in the scope of consolidation. An effect resulting from mergers of individual companies in the Industrial Broker segment and the goodwill impairment in the Deutschland.Immobilien segment that was performed in the last financial year also had a negative impact. The individual items developed as follows: Personnel expenses rose by 11.3% to €209.1 million (€187.9 million). At €35.8 million (€35.0 million), depreciation/amortisation and impairment remained virtually unchanged. Other expenses increased to €184.3 million (€162.2 million).

Total earnings from investments accounted for using the equity method were €0.4 million (€2.9 million) in the financial year 2023. This figure includes the significantly lower earnings of MLP Hyp GmbH which is disclosed a as a joint venture with Interhyp. This item also comprises earnings of one project enterprise of the DI Group.

Breakdown of expenses

All figures in €million	2023	in % of total expenditure	2022	in % of total expenses	Change in %
Inventory changes	-11.3	1.2%	17.8	-2.0%	-163.2%
Commission expenses	-426.7	47.2%	-438.4	50.0%	-2.7%
Real estate brokerage expenses	-18.7	2.1%	-57.3	6.5%	-67.4%
Interest expenses	-16.3	1.8%	-0.4	0.1%	3610.6%
Valuation result/loan loss provisions	-1.0	0.1%	-12.9	1.5%	-92.0%
Personnel expenses	-209.1	23.1%	-187.9	21.4%	11.3%
Depreciation and impairments	-35.8	4.0%	-35.0	4.0%	2.3%
Other expenses	-184.3	20.4%	-162.2	18.5%	13.6%
TOTAL	**-903.2**	**100.0%**	**-876.5**	**100.0%**	**3.1%**

Earnings trend

Having enjoyed solid operational development across virtually all fields of consulting, we achieved an EBIT of €70.7 million (€75.6 million). Earnings are therefore below earnings of the same period in the previous year and also below our forecast corridor of €75 to 85 million. However, without the goodwill impairment in the Deutschland.Immobilien segment, EBIT would have been within our forecast corridor.

EBIT development (all figures in € million)

The finance cost improved to -€1.7 million (-€2.5 million) in the financial year 2023. The increase in other interest rates and similar income more than compensated for the higher interest rates and similar expenses. Earnings before taxes (EBT) therefore reached €69.0 million (€73.1 million). The tax rate was 36.0% (33.4%). Overall net profit declined to €44.1 million (€48.6 million).

Structure and changes in earnings in the Group

All figures in €million	2023	2022	Change in %
Total revenue	973.5	949.1	2.6%
Gross profit [1]	500.5	470.8	6.3%
Gross profit margin (in %)	51.4%	49.6%	–
EBIT	70.7	75.6	-6.5%
EBIT margin (in %)	7.3%	8.0%	–
Finance cost	-1.7	-2.5	-30.8%
EBT	69.0	73.1	-5.6%
EBT margin (in %)	7.1%	7.7%	–
Income taxes	-24.9	-24.4	1.7%
Net profit	44.1	48.6	-9.3%
Net margin (in %)	4.5%	5.1%	–

[1] Definition: Gross profit is the result of total revenue less commission expenses, expenses from real estate development and interest expenses, taking into account inventory changes.

Appropriation of profits

Net profit per share was €0.44 in the last financial year (€0.47).

MLP SE paid out a dividend of €0.30 per share for the financial year 2022. Total dividends paid were therefore €32.8 million. We have already announced that we want to keep our dividend unchanged for the financial year 2023. On this basis, the Executive Board and Supervisory Board of MLP SE will propose a dividend of €0.30 per share to the Annual General Meeting on June 27, 2024. This corresponds to a distribution rate of around 74% of operating net profit. Our dividend policy is to pay 50% to 70% of Group net profit to our shareholders in the form of dividends. We are therefore above our targeted range this year.

Net profit

All figures in €million	2023	2022	Change in %
Continuing operations	44.1	48.6	-9.3%
GROUP	**44.1**	**48.6**	**-9.3%**
Earnings per share in € (basic)	0.44	0.47	-5.6%
Earnings per share in € (diluted)	0.44	0.47	-5.6%
Number of shares in millions (basic)	109.2	109.2	0.0%
Number of shares in millions (diluted)	109.3	109.3	0.0%

Financial position

Aims of financial management

The financial management of the MLP Group is performed by the central Treasury department in cooperation with the Controlling and Risk Management departments. Our primary objective is to secure the liquidity of the Group at all times, control the risks involved using the various financial instruments and optimise Group-wide cash management. To this end, we employ a system of rolling liquidity planning with a time frame of 15 to 18 months.

There were no significant liabilities or receivables in foreign currencies during the reporting period, as we generate almost 100% of total income in the eurozone. It is therefore not necessary for us to hedge net items in foreign currencies by means of hedging instruments. You can find details on the financial risks in the notes to the consolidated financial statements in the "Financial risk management" section.

Capital structure

The MLP Group's equity capital adequacy and liquidity remain good. As of the balance sheet date, shareholders' equity amounted to €532.2 million (€525.5 million) and was therefore above the previous year's level. The net profit of €44.1 million (€48.6 million) in the financial year 2023, which was achieved despite operating a difficult environment, had a significant influence on the development of equity. However, this was counteracted by the dividend payment for the financial year 2022. Due to the stable dividend policy of the MLP Group, this remained unchanged at €32.8 million (€32.8 million). The equity ratio remained virtually unchanged at 13.6% (13.9%). Set against the background of higher counterparty default risk positions and an increase in the capital charge for operational risks, the regulatory equity ratio declined to 18.1% (20.1%) as of the balance sheet date. For the years from 2025 onwards, MLP anticipates increased capital requirements in the current Group structure due to the requirements resulting from implementation of Basel IV, with the new approach for determining operational risks being a particularly significant driver.

At present, only a very limited amount of borrowed funds are used for the long-term financing of the Group in the form of securities, promissory note bond issues or loans. Among other things, this includes a loan taken out by MLP Finanzberatung SE, as well as various loans taken out by the Deutschland.Immobilien Group. MLP has agreed-upon and non-utilised lines of credit amounting to €209.6 million (€201.3 million). The non-current assets are financed by our shareholders' equity and non-current liabilities. Current liabilities due to clients and banks in the banking business represent further refinancing funds that are generally available to the MLP Group in the long term. Total liabilities due to clients and financial institutions from the banking business of €2,905.2 million (€2,770.5 million) essentially comprise client deposits. These liabilities are offset on the assets side of the balance sheet by €2,010.1 million (€1,902.5 million) in receivables from clients and financial institutions in the banking business.

Since provisions only account for 2.7% (2.6%) of the balance sheet total, they have no significant financing function for the Group. Other liabilities declined to €341.0 million (€353.1 million) as of the balance sheet date. Due to the typically strong year-end business, they increase significantly up to the balance sheet date December 31 and then decline again in the subsequent quarters. Other current liabilities were €216.1 million (€214.6 million). These are offset on the assets side of the balance sheet by cash and cash equivalents of €1,053.9 million (€961.2 million), financial investments of €184.1 million (€243.6 million), as well as other receivables and other current assets of €204.3 million (€172.7 million). The increase in other receivables and other current assets is the result of an increase in receivables due from non-consolidated affiliated companies.

No increase in capital stock took place in the reporting period.

Capital expenditure

MLP generally finances capital expenditures from operating cash flow. Total revenue fell sharply to €16.8 million (€42.7 million) in the financial year 2023. The previous year's value was significantly higher due to investments from company acquisitions. In the financial year 2023, €11.4 million (€16.7 million) was primarily invested in property, plant and equipment. The decline is the result of the acquisition made in the previous year of a property used by DOMCURA that was previously rented. Investments of €5.3 million (€5.6 million) were once again made in intangible assets in the financial year 2023, focusing primarily on purchased software.

Capital expenditure

All figures in €million	2023	2022	2021	2020	2019
Intangible assets	**5.3**	**5.5**	**5.2**	**5.8**	**3.9**
Goodwill	-	-	-	-	-
Software (developed in-house)	0.1	0.6	0.2	-	0.2
Software (purchased)	3.2	3.4	1.7	1.9	1.5
Other intangible assets	-	-	-	-	-
Advance payments for software and software in use	2.0	1.5	3.2	3.9	2.2
Property, plant and equipment	**11.4**	**16.7**	**4.9**	**3.5**	**5.4**
Land, leasehold rights and buildings	1.0	10.4	0.7	0.4	0.9
Other fixtures, fittings and office equipment	6.7	5.2	3.7	2.9	3.8
Payments on account and assets under construction	3.7	1.1	0.5	0.2	0.7
Company acquisitions, purchase price components already paid [1]	**-**	**20.5**	**62.1**	**-**	**13.0**
Total capital expenditures	**16.8**	**42.7**	**72.2**	**9.3**	**22.3**

[1] RVM Group, Hamester/Jahn Group, Limmat Wealth AG

With regard to capital expenditure in the various segments, investments were primarily made in the Financial Consulting, DOMCURA and Holding segments. Investments in the Holding segment fell to €5.4 million (€11.2 million). The decline can essentially be attributed to the acquisition of a previously-rented property used by DOMCURA in the financial year 2022. A total of €4.3 million (€4.8 million) was invested in the Financial Consulting segment. The main focus of these investments was in operating & office equipment and IT systems to support sales. Investment in the DOMCURA segment increased to €4.4 million (€3.5 million). They primarily concerned advance payments for software and software in use, intangible assets, as well as operating and office equipment.

The majority of the remaining capital expenditure was distributed across the following four segments: FERI at €1.3 million (€1.5 million), Industrial Brokerage at €0.7 million (€0.5 million), Deutschland.Immobilien at €0.4 million (€0.3 million) and Banking at €0.3 million (€0.5 million).

Capital expenditures by segment

All figures in €million	2023	Total investment 2022	Change in %
Financial Consulting	4.3	4.8	-10.4%
Banking	0.3	0.5	-40.0%
FERI	1.3	1.5	-13.3%
DOMCURA	4.4	3.5	25.7%
Industrial Broker	0.7	0.5	40.0%
Holding	5.4	11.2	-51.8%
Deutschland.Immobilien	0.4	0.3	33.3%
Total	**16.8**	**22.3**	**-24.7%**

Liquidity

Cash flow from operating activities rose to €116.7 million, compared with -€292.5 million in the same period of the previous year. Here, significant cash flows result from the deposit business with our clients and from the investment of these funds.

Cash flow from investing activities changed from -€84.4 million to €28.6 million. This can essentially be attributed to fixed and time deposits that matured but were only reinvested on a small scale.

Cash flow from financing activities changed from -€38.2 million to -€53.2 million. This is due to greater use of financing loans in the previous year.

Condensed statement of cash flow

All figures in €million	2023	2022
Cash and cash equivalents at beginning of period	**957.6**	**1,374.0**
Cash flow from operating activities	116.7	-292.5
Cash flow from investing activities	28.6	-84.4
Cash flow from financing activities	-53.2	-38.2
Changes in cash and cash equivalents	**92.0**	**-415.1**
Changes in cash and cash equivalent due to changes to the scope of consolidation	0.8	-
Changes in cash and cash equivalents due to exchange rate movements	-0.1	-0.1
Changes in liabilities to banks due on demand (excluding the banking business)	3.6	-1.1
Cash and cash equivalents at end of period	**1,053.9**	**957.6**

As of December 31, 2023, the MLP Group had access to cash holdings of approximately €1,127 million. These are made up of cash and cash equivalents, the credit held by MLP SE at MLP Banking AG and the medium-term time deposits. As such, the liquidity situation remains good. Thus, there are sufficient cash reserves available to the MLP Group. Alongside cash holdings, free lines of credit are also in place.

With the alternative KPI of "net liquidity", we wish to highlight the cash holdings not resulting from the banking business that are available to the MLP Group on the balance sheet date.

In the previous calculation and presentation method, all receivables from the banking business were added to the cash and cash equivalents of MLP SE and all subsidiaries (including MLP Banking AG), while the current liabilities due to the banking business, which are essentially due on demand, were eliminated. To date, the liabilities due to the banking business with agreed terms have not been taken into account. However, they were also not present in any significant scope in the past.

Due to recent interest rate developments, the interest-bearing fixed-term deposits held by clients at MLP Banking AG have steadily increased in recent times; often at the expense of funds otherwise invested in current accounts and instant access savings. While the increase in client investments in interest-bearing fixed-term deposits has not been taken into account to date when determining the net liquidity, the decline in receivables from the banking business is taken into account in this key figure. This led to significant variance in the reported net liquidity, despite the fact that client deposits remained invested at MLP Banking AG.

We have therefore taken the decision to change the way in which this key figure is calculated. With immediate effect, the cash and cash equivalents of MLP SE and its subsidiaries (excluding MLP Banking AG) are disclosed on the basis of the companies that are incorporated in the consolidated financial statements. From our perspective, this provides a better overview of the Group's own cash holdings that do not come from the banking business.

Had the net liquidity for 2022 already been determined on the basis of the now revised definition, the key figure as of December 31, 2022 would have been €137.7 million instead of €142.5 million. As of December 31, 2023, the net liquidity was €190.5 million.

Net assets

Development of the balance sheet total

The balance sheet total of the MLP Group increased to €3,917.5 million as of December 31, 2023 (€3,784.6 million). This can be attributed to further increases in client deposits, as well as higher credit balances at central banks.

Development of assets

The intangible assets - including customer base, brand, and goodwill - amounted to €225.5 million (€234.5 million) as of the balance sheet date, were lower than the previous year due to the goodwill impairment of the cash-generating unit DI Vertrieb, along with predominantly planned amortization of the client base. Property, plant and equipment remained stable at €142.3 million (€136.6 million). Investments accounted for using the equity method were €2.2 million (€4.7 million). This decline is a result of the regular dividend payout of MLP Hyp GmbH to MLP Finanzberatung SE. Associated with this is the impairment inherent in this item. In addition, the pro rata earnings for 2023 were lower, which can be attributed to weaker development of the operating business.

Receivables from clients in the banking business rose to €1,231.0 million (€1,149.3 million). This increase is essentially due to the rise in own-resource loans. Set against the background of a further rise time deposit volumes, receivables from banks in the banking business rose to €779.1 million (€753.2 million). Around 48% of receivables from clients and financial institutions in the banking business have a remaining term of less than one year.

At €184.1 million (€243.6 million), financial assets were significantly below the previous year. The decline in investments in time deposits of MLP SE was the main factor with a negative impact here. The "Inventories" item disclosed in the balance sheet essentially represents the assets of the project enterprises within the Deutschland.Immobilien Group. This item declined significantly to €39.6 million (€51.9 million) as of December 31, 2023. The decline can be attributed to both divestments and impairments. Tax receivables stood at €7.4 million (€8.4 million) as of the balance sheet date.

Other receivables and assets were €248.7 million (€237.7 million), remaining at the same level as the previous year. This item essentially comprises commission receivables from insurers and other product partners resulting from the brokerage of insurance products. Due to the typically strong year-end business, these increase significantly at the end of the year and then decline again during the course of the following financial year.

Cash and cash equivalents increased significantly to €1,053.9 million (€961.2 million). This is due to a higher credit balance at central banks. You can find detailed information on the change in cash and cash equivalents in the chapter entitled "Financial position".

Assets as of December 31, 2023

All figures in €million	Dec. 31, 2023	Dec. 31, 2022	Change in %
Intangible assets	225.5	234.5	-3.9%
Property, plant and equipment	142.3	136.6	4.2%
Investments accounted for using the equity method	2.2	4.7	-53.0%
Deferred tax assets	3.7	3.5	3.9%
Receivables from clients in the banking business	1,231.0	1,149.3	7.1%
Receivables from financial institutions in the banking business	779.1	753.2	3.4%
Financial assets	184.1	243.6	-24.4%
Inventories	39.6	51.9	-23.8%
Tax refund claims	7.4	8.4	-11.4%
Other receivables and assets	248.7	237.7	4.6%
Cash and cash equivalents	1,053.9	961.2	9.6%
Total	**3,917.5**	**3,784.6**	**3.5%**

Development of liabilities and shareholders' equity

The equity capital adequacy of the MLP Group remains good. Shareholders' equity increased to €532.2 million (€525.5 million) as of December 31, 2023. Non-controlling interests have been disclosed in the balance sheet since 2019 due to the acquisition of a majority holding in the Deutschland.Immobilien Group. These were -€6.3 million (-€1.9 million) on the reporting date and thereby significantly below the previous year's level. This can be attributed to the negative results of the DI Group. The equity ratio was 13.6% (13.9%) at the end of the financial year. Based on Group net profit of €44.1 million (€48.6 million) we therefore achieved a return on equity of 8.4% (9.8%).

At €104.2 million (€97.6 million), retained earnings were above the previous year's level. This rise is essentially due to increased pension provisions, as well as greater provisions for cancellation risks.

Liabilities due to clients in the banking business, which represent the deposits of our clients, increased to €2,764.6 million (€2,633.5 million) at the end of the reporting period. The increase is essentially the result of higher client investments in fixed-term deposits. Liabilities due to banks in the banking business were €140.6 million (€137.0 million). Around 88% of the liabilities due to clients and financial institutions from the banking business can be classified as short-term. These primarily include variable-rate current account deposits.

At €17.5 million (€18.6 million), tax liabilities remained virtually unchanged as of the balance sheet date. Other liabilities decreased to €341.0 million (€353.1 million). This item also comprises current liabilities due to our consultants and branch office managers in connection with open commission claims.

Liabilities and shareholders' equity as of December 31, 2023

All figures in €million	Dec. 31, 2023	Dec. 31, 2022	Change in %
Equity attributable to MLP SE shareholders	538.5	527.4	2.1%
Non-controlling interests	-6.3	-1.9	241.1%
Total shareholders' equity	532.2	525.5	1.3%
Provisions	104.2	97.6	6.8%
Deferred tax liabilities	17.3	19.3	-10.5%
Liabilities due to clients in the banking business	2,764.6	2,633.5	5.0%
Liabilities due to financial institutions in the banking business	140.6	137.0	2.6%
Tax liabilities	17.5	18.6	-5.6%
Other liabilities	341.0	353.1	-3.4%
Total	**3,917.5**	**3,784.6**	**3.5%**

Off-balance-sheet commitments

With regard to the off-balance-sheet commitments, irrevocable credit commitments (contingent liabilities) of €131.1 million (€123.4 million) represent the main item.

Comparison of actual and forecast business performance

In the 2022 Annual Report of the MLP Group, we provided a forecast for the financial year 2023, which we then partially updated in the quarterly statements and the interim report during the year. With the results for the financial year 2023 now available, a comparison between the actual and forecast business performance can be made.

Revenue development

At the start of the year, we had anticipated a slight increase in sales revenues. In the financial year 2023, sales revenues ultimately remained at the previous year's level and were therefore below our forecast.

In terms of interest income, we had anticipated a slight increase at the start of the year. After reviewing results for the first three months of the year, we then adjusted our forecast and anticipated a significant increase in this income. This adjustment was made due to the increased interest rate environment and the resulting higher interest income. In the financial year 2023, we successfully achieved a significant increase in interest income, thereby meeting our revised forecast.

In our forecasts, we examined revenue from real estate development together with revenue from real estate brokerage. At the beginning of the year, we had anticipated a slight increase in revenue for our real estate brokerage and development business. However, after reviewing results for the first three months of the year, we then revised our forecast and were anticipating a slight decline in revenue until the results for the first half of the year were available, when we then revised our forecast once again and were anticipating a significant decline in revenue. The adjustments were made in response to developments in the real estate market, which were also challenging for our business. In the financial year 2023, revenue from real estate brokerage and development was ultimately significantly lower and therefore in line with our revised forecast. When considered separately, both the revenue from real estate development and the revenue from real estate brokerage were significantly lower in the financial year 2023 than in the previous year.

Commission income in the financial year 2023 remained at the same level as the previous year, with varying developments observed across different consulting fields. The following section provides details on the development of commission income in the various consulting fields, whereby the real estate brokerage consulting field has already been examined.

At the start of the year, we were anticipating wealth management revenue to remain unchanged. In the financial year 2023, revenue from the field of wealth management remained at the previous year's level and was therefore in line with our forecast.

At the start of the year, we were anticipating non-life insurance revenue to rise significantly. In the financial year 2023, we were able to significantly increase non-life insurance revenue, thereby meeting our forecast.

In old-age provision, we had anticipated a slight increase in revenue at the start of the year. In the financial year 2023, revenue ultimately remained at the previous year's level and was therefore below our forecast.

At the start of the year we were anticipating health insurance revenue to remain stable. After reviewing the results for the first nine months, we revised our forecast and were then anticipating a slight increase in revenue. This adjustment was made due to the continued positive revenue trend, which is attributed in part to the increased awareness of the importance of healthcare provision. In the financial year 2023, we were ultimately able to slightly increase health insurance revenue and therefore met our revised forecast.

In loans and mortgages, we had anticipated a slight increase in revenue at the start of the year. After reviewing results for the first three months of the year, we revised our forecast and were then anticipating a significant decline in revenue. The adjustment was made in response to developments in the real estate market, which were also challenging for our business. In the financial year 2023, revenue from the loans and mortgages business was ultimately significantly lower and therefore in line with our revised forecast.

Development of expenses

In terms of administration costs (defined as the sum of personnel expenses, depreciation/amortisation and impairment, as well as other expenses), we were anticipating an increase in the upper single-digit percentage range at the start of the year. In the financial year 2023, administration costs ultimately increased by 11% and were therefore above our forecast level, which can also be attributed to an effect resulting from mergers of individual companies, as well as the goodwill impairment performed within the Deutschland.Immobilien segment. As anticipated by us, personnel expenses also rose.

Interest expenses increased significantly in the financial year 2023, due to the elevated interest rates.

In terms of expenses from real estate development, we were anticipating a significant increase at the start of the year. After reviewing the results for the first half of the year, we revised our forecast and were then anticipating a significant decline in expenses. This adjustment was performed on the basis of revised expectations on the revenue side. In the financial year 2023, expenses from real estate development were ultimately significantly lower and therefore in line with our revised forecast.

At the beginning of the year, we had anticipated a slight increase in commission expenses. However, after reviewing the results for the first half of the year, we revised our expectations and anticipated a value roughly in line with the previous year. This adjustment was performed on the basis of revised expectations on the revenue side. In the financial year 2023, commission expenses ultimately remained stable and were therefore in line with our revised forecast.

Earnings trend

At the start of the year, we had anticipated a slight increase in net interest income. In the financial year 2023, however, we were able to significantly increase net interest income, surpassing our forecast. This can be attributed to significantly greater interest income resulting from the significantly elevated interest rate over the course of the year, although it is important to note that interest expenses also rose significantly.

At the start of the year, we were anticipating EBIT in a corridor between €75 million and €85 million. This forecast was maintained throughout the year. However, following a revaluation of our real estate business and a goodwill impairment within the Deutschland.Immobilien segment that followed, we had to issue an ad-hoc notification on February 1, 2024 that EBIT would likely remain below the forecast corridor. At €70.7 million, EBIT ultimately fell below the corridor. However, without the goodwill impairment that was performed in the Deutschland.Immobilien segment, it would have fallen within the corridor due to the solid performance of all other operating segments.

In terms of the financial result, we were anticipating a value below the previous year's level at the start of the year. Our financial result improved in the financial year 2023 and was therefore above our forecast level.

At the start of the year, we were anticipating a tax rate at around the previous year's level, i.e. approximately 32% to approximately 33%. The tax rate in the financial year 2023 was 36.03%. As such, it was slightly above the previous year and also above our forecast.

Further developments

With regard to our consultants, we were anticipating a net increase, as well as a maximum employee turnover rate of 10% at the start of the year. At the end of the financial year 2023, we ultimately had 2,055 consultants. This is below the previous year's figure (2,100), although this can be attributed to effects in the context of the new trainee programme for aspiring consultants that was launched in mid-July 2023. As anticipated, the employee turnover rate was below 10%, with the actual figure being 9.6%.

At the start of the year, we had anticipated a slight increase in return on equity, based on previous year’s figure of 9.8%. At 8.4%, the return on equity for the financial year 2023 was ultimately significantly below the previous year's figure and therefore below our forecast.

Segment report

Structure and description of the segments
The MLP Group is broken down into the following segments:

- Financial Consulting
- Banking
- FERI
- DOMCURA
- Deutschland.Immobilien
- Industrial Broker
- Holding

A description of the segments is provided in the following. An explanation is also given as to which revenue was generated from the respective consulting fields in these segments.

The Financial Consulting segment includes revenue generated in the consulting fields of old-age provision, health and non-life insurance, loans & mortgages, real estate brokerage and wealth management.

All banking services for private and corporate clients, ranging from wealth management, accounts and cards to the interest rate business, are consolidated within the Banking segment. Revenue is primarily generated from wealth management and the interest rate business.

Revenue in the FERI segment is generated from the wealth management field of consulting.

The DOMCURA segment primarily generates revenue from the brokering of non-life insurance. DOMCURA's business model is characterised by a high degree of seasonality during the year. Accordingly, the segment records comparably high earnings in the first quarter of each year along with high sales revenues. This is then typically followed by a loss from Q2 to Q4.

All revenue from real estate brokerage and real estate development of the DI Group is disclosed in the Deutschland.Immobilien segment.

The Industrial Broker segment primarily generates revenue from the non-life insurance consulting field through brokerage of insurance policies for industrial and commercial clients. Business in the Industrial Broker segment is also characterised by high seasonal fluctuations. Accordingly, the segment records high revenue and comparably high earnings in the first quarter of each year. This is then typically followed by a loss from Q2 to Q4. The Industrial Broker segment comprises RVM Versicherungsmakler GmbH and its subsidiary RISConsult GmbH and Jahn & Sengstack GmbH under the holding RVM GmbH. Dr. Schmitt GmbH Würzburg has also been consolidated and reported in the segment since April 1, 2022. As Dr. Schmitt GmbH Würzburg was only included in the figures as of the second quarter of the previous year, the previous year's figures offer only limited comparability.

The Holding segment does not have active operations.

The following section sets out the development of the segments in the financial year 2023. The following provides an overview of the earnings performance and development of revenue and expenses. You can find detailed figures on the development of earnings, revenue and expenses in the individual segments under "Reportable business segments".

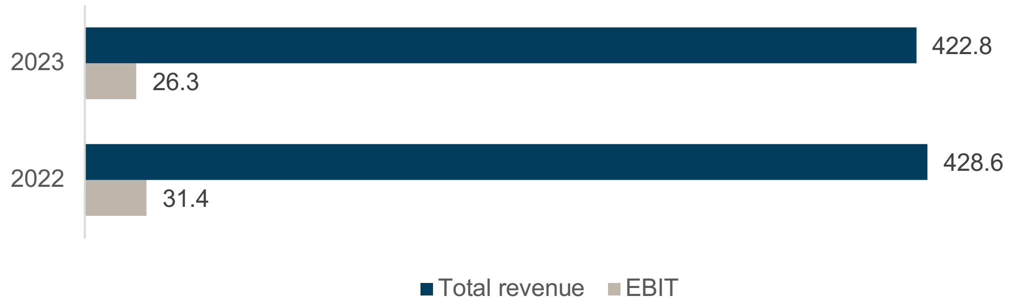
Financial Consulting segment

At €422.8 million (€428.6 million), total revenue in the Financial Consulting segment in the financial year 2023 remained at virtually the same good level recorded in the previous year. Sales revenues decreased to €386.9 million (€393.3 million), which can primarily be attributed to the significant decrease in revenue from the loans & mortgages and real estate brokerage business. Although it was unable to fully compensate for this, positive revenue development was recorded particularly in the field of non-life insurance, old-age provision, and health insurance. Other revenue remained almost unchanged at €35.9 million (€35.3 million).

Commission expenses decreased in line with sales revenue to €180.0 million (€196.8 million). Remeasurement gains or losses/loan loss provisions stood at -€0.2 million (-€0.3 million). Personnel expenses rose to €88.7 million (€81.6 million), driven by salary increases, expenses in connection with the inflation relief bonus and the commencement of operations by MLP Startup GmbH. Depreciation/amortisation and impairments fell to €17.3 million (€19.1 million). Other expenses increased slightly to €110.7 million (€102.2 million), primarily due higher intra-Group cost allocations and expenses accrued in the context of holding the previously postponed Anniversary Main Seminar, which could not be held in the previous year due to coronavirus restrictions.

Earnings before interest and taxes (EBIT) decreased to €26.3 million (€31.4 million). Partly due to higher interest expenses for loans, the financial result declined to -€0.4 million (€0.2 million). Earnings before taxes (EBT) thus decreased to €25.8 million (€31.6 million).

Total revenue and EBIT in the Financial Consulting segment (all figures in € million)



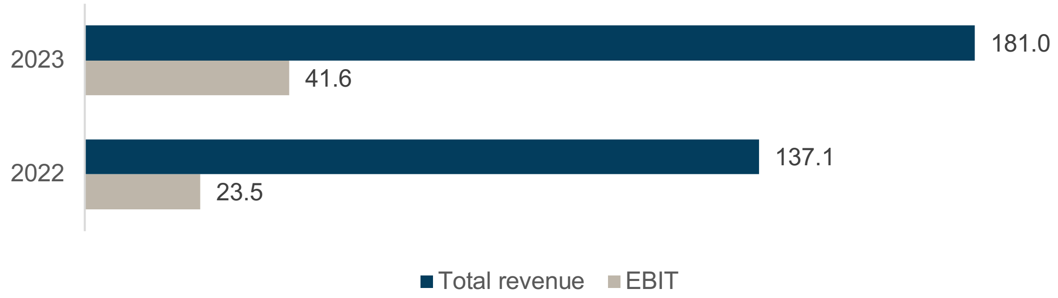
Banking segment

Total revenue in the Banking segment increased significantly to €181.0 million (€137.1 million) in the financial year 2023. Sales revenues rose significantly to €174.5 million (€132.7 million), driven by the continued strong interest business in the context of higher interest rates. At €6.5 million (€4.4 million), other income was also above the previous year's level. Factors contributing to this were higher intra-Group cost allocations and the reversal of provisions.

Commission expenses declined slightly to €52.9 million (€56.6 million). In line with higher interest rates, interest expenses also rose significantly to €18.5 million (€0.5 million). Remeasurement gains or losses/loan loss provisions decreased to -€2.3 million (-€3.3 million). Personnel expenses increased slightly to €16.3 million (€14.3 million). This can be attributed to various factors, including a rise in the number of employees. Depreciation/amortisation and impairments remained virtually unchanged at €0.6 million (€0.5 million). Other expenses increased significantly to €48.9 million (€38.4 million), primarily driven by higher Group allocations relating to the sales infrastructure.

EBIT rose significantly to €41.6 million (€23.5 million). The finance cost was virtually unchanged at -€0.0 million (€0.1 million). As a result, EBT increased significantly to €41.6 million, following €23.6 million in the previous year.

Total revenue and EBIT in the Banking segment (all figures in € million)



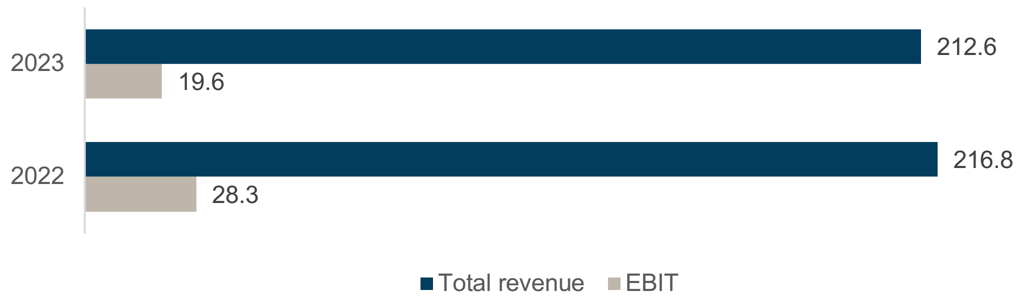
FERI segment

At €212.6 million (€216.8 million), total revenue in the FERI segment remained at the previous year's level. Sales revenue amounted to €206.8 million (€211.7 million). This can be attributed to lower performance fees as a result of market trends, as well as the increasing attractiveness of other asset classes in the high interest environment. Other income rose to €5.9 million (€5.0 million), partly due to increased dividends from investments.

Commission expenses remained nearly unchanged at €128.4 million (€128.3 million). Remeasurement gains or losses/loan loss provisions totalled -€0.2 million (€0.2 million). At €43.9 million (€40.8 million), personnel expenses were slightly above the previous year's level. This is primarily due to an increase in the number of employees, as well as salary rises. Depreciation/amortisation and impairments remained unchanged at €3.6 million (€3.6 million). Other expenses rose slightly to €16.9 million (€16.0 million), driven by higher maintenance and repair costs.

As a result, EBIT declined to €19.6 million (€28.3 million). With a financial result of -€0.4 million (-€0.3 million), EBT decreased to €19.3 million (€28.0 million).

Total revenue and EBIT in the FERI segment (all figures in € million)



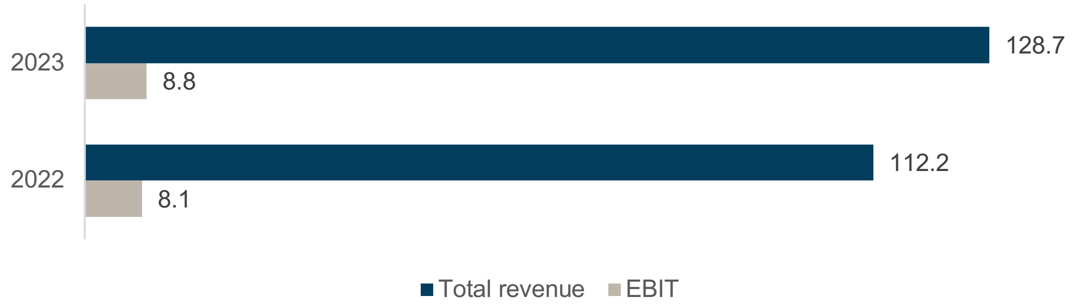
DOMCURA segment

Total revenue in the DOMCURA segment increased significantly to €128.7 million (€112.2 million), with sales revenue rising significantly to €125.6 million (€107.8 million). In addition to organic growth, premium indexations due to increased construction costs and premium adjustments had a positive impact. Other income declined to €3.1 million (€4.4 million). This was due to lower Group allocations, as well as lower reversals from provisions.

In line with higher sales revenue, commission expenses increased to €82.1 million (€71.7 million). Personnel expenses climbed to €20.9 million (€18.7 million). This development was driven by factors such as increased employee numbers and salary rises, but also costs related to the inflation relief bonus. Depreciation/amortisation and impairment amounted to €3.1 million (€2.6 million). Other expenses rose to €13.6 million (€11.1 million), contributing factors included higher expenses for IT and client support services and the participation in the Main Seminar.

As a result, EBIT rose to €8.8 million (€8.1 million). With a higher financial result of €0.7 million (-€0.2 million), due to higher interest on bank balances, EBT increased to €9.5 million (€8.0 million).

Total revenue and EBIT in the DOMCURA segment (all figures in € million)



Deutschland.Immobilien segment

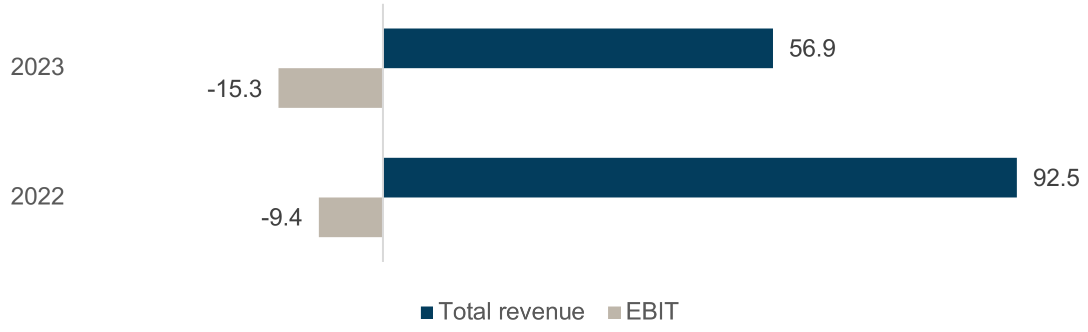
Total revenue in the Deutschland.Immobilien segment declined significantly to €56.9 million (€92.5 million). Set against the background of the particularly challenging market conditions, as well as the lower level of construction and sales activities resulting from this, sales revenues declined significantly to €51.6 million (€87.7 million). Other income rose to €5.3 million (€4.8 million).

Inventory changes result from real estate development and represent the change in asset values generated in the current phase of the projects within the reporting period. Construction progress increases this item, while the gradual sales serve to reduce it. Due to the current market situation, construction work has been scaled back, although sales activities continue. In addition, depreciation on inventories amounted to €2.3 million. As a result total revenue declined significantly to -€11.3 million (€17.8 million).

Commission expenses decreased significantly to €15.8 million (€28.1 million) as a result of lower sales revenue. Due to the declining volume in real estate development, real estate development expenses also decreased significantly to €19.4 million (€58.3 million). Personnel expenses remained virtually unchanged at €9.4 million (€9.1 million). Depreciation/amortisation and impairments increased to €5.7 million (€4.5 million). This increase can be attributed to the goodwill impairment on the DI Vertrieb cash-generating unit. In light of increased consulting costs, other expenses rose to €11.5 million (€10.3 million).

As a result, EBIT declined significantly year on year to -€15.3 million (-€9.4 million). The financial result also declined to -€6.2 million (-€3.4 million). This was due to a rise in interest expenses resulting from higher interest rates. At -€21.5 million (-€12.8 million), EBIT was significantly below the previous year's level.

Total revenue and EBIT in the Deutschland.Immobilien segment (all figures in € million)



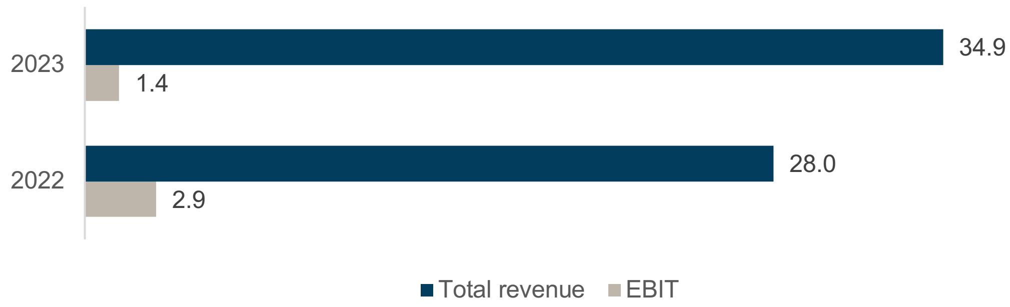
Industrial Broker segment

Total revenue in the Industrial Broker segment increased significantly to €34.9 million (€28.0 million), while sales revenue rose significantly to €33.6 million (€26.7 million). Among other things, the fact that Dr. Schmitt GmbH Würzburg was included for the first time in the figures for twelve full months represented a positive factor here, having only been consolidated for the first time on April 1, 2022 in the previous year. In addition, the mergers of non-consolidated companies with and into Dr. Schmitt GmbH Würzburg had a positive impact in relation to the previous year. Other revenue remained almost unchanged at €1.4 million (€1.3 million).

At €1.1 million (€1.0 million), commission expenses were higher than in the previous year in line with the revenue development. The first-time incorporation of Dr. Schmitt GmbH Würzburg for twelve full months and the mergers of non-consolidated companies with and into Dr. Schmitt GmbH Würzburg also had an impact on expenses. Personnel expenses rose to €20.4 million (€17.0 million). Depreciation and impairment expenses rose to €3.4 million (€2.8 million). Other expenses also increased significantly to €8.7 million (€4.4 million). This increase can mainly be attributed to an effect resulting from the merger of Dr. Schmitt Versicherungsmakler GmbH and Bavaria-Assekuranz Versicherungsmakler GmbH with and into Dr. Schmitt GmbH Würzburg.

EBIT therefore decreased to €1.4 million (€2.9 million). With a financial result of -€0.9 million (-€1.0 million), EBT decreased to €0.5 million (€1.9 million).

Total revenue and EBIT in the Industrial Broker segment (all figures in € million)



Holding segment

At €16.2 million (€11.6 million), total revenue in the Holding segment was significantly higher than in the previous financial year. No revenue is generated in this segment. Other income rose significantly to €16.2 million (€11.6 million). This increase can be attributed to greater revenue from Group allocations and higher rental income. The latter increased in particular due to letting of the property acquired in the second half of 2022 that was previously being rented and is still being used by DOMCURA AG.

At €9.5 million (€6.4 million), personnel expenses were significantly higher than in the previous year. This is largely due to restructuring measures and the transfer of employees from other Group companies to MLP SE. Depreciation and impairment expenses rose to €2.1 million (€1.9 million). Other expenses also increased significantly to €16.4 million (€11.4 million). Among other things, this was due to higher ancillary costs from buildings, as well as higher expenses from Group allocations.

EBIT therefore decreased to -€11.9 million (-€8.0 million). The financial result rose to €4.4 million (-€0.2 million), driven by higher interest income as a result of the higher interest rate environment. As a result, EBT improved to -€7.5 million (-€8.2 million).

Employees and self-employed client consultants

Focus on employees and consultants

As MLP is a knowledge-based service provider, qualified and motivated employees and self-employed client consultants represent the most important foundation for sustainable company success. Continuous development and optimisation of HR work for employees, as well as recruiting and training new consultants were therefore also key focuses in 2023.

Development of number of employees

In the financial year 2023, the average number of employees in the MLP Group was 2,339 (2,252). This increase can essentially be attributed to a higher number of employees returning from parental leave, as well as new recruitments compared to the previous year. The additions to the holding company result from the restructuring measures in the course of MLP SE gaining approval to operate as the parent financial holding company of the MLP Group. For this reason, there were staff transfers from MLP Finanzberatung SE to MLP SE. Employee turnover within the Group was 9.0% in the reporting year 2023 (8.1%). The average age of the employees is currently 44 years.

The following table shows the development of average employee numbers in the individual segments over the last few years:

Development of the average number of employees by segment (excluding MLP consultants)

Segment	2023	2022	2021	2020	2019
Financial Consulting [1]	1,091	1,100	1,132	1,097	1,071
Banking	222	210	201	193	187
FERI	275	260	235	221	236
DOMCURA [4]	311	297	304	293	274
Industrial Broker [2]	267	249	132	—	—
Holding	64	24	55	46	16
Deutschland.Immobilien [3]	109	113	—	—	—
Total	2,339	2,252	2,058	1,850	1,783

As at: December 31, 2023 / Personnel changes between the segments are reflected in the figures accordingly

[1] Including ZSH GmbH Finanzdienstleistungen and MLP Dialog GmbH

[2] Since April 1, 2021: RVM Versicherungsmakler GmbH, RISConsult GmbH / since August 1, 2021: Jahn & Sengstack GmbH / Since April 1, 2022: Dr. Schmitt GmbH Würzburg

[3] Operated as an independent segment since January 1, 2022

[4] Since January 1, 2022 without nordias GmbH due to the merger with and into ZSH GmbH Finanzdienstleistungen

Development of consultant numbers
At 2,055, the number of self-employed client consultants at the end of the financial year 2023 was below the previous year's figure (2,100). This also reflects a shifting effect related to the new trainee programme for aspiring consultants, which was launched in mid-July 2023. During their temporary employment period at the newly established MLP Startup GmbH, they are classified as apprentices and are therefore not included in the employee and consultant headcount.

As of December 31, 2023, MLP operated 128 branch offices (130). There were 96 university teams as of December 31, 2023 (102).

Demands on leadership and development opportunities
On the basis of MLP's mission statement, new leadership principles were developed in the autumn of 2021 with the involvement of managers from all hierarchy levels in an interactive workshop. These were implemented, communicated and anchored in the course of the financial year 2022. The leadership principles form the basis for continuous further development of the MLP management and personnel development instruments. The results from the survey conducted in 2022 on the general sentiment and leadership quality were used in the financial year 2023 to derive a comprehensive package of measures. For example, the processes for selecting and training managers were further professionalised and revised formats were implemented for the regular leadership and employee development reviews. In 2023, the survey was conducted again to verify the results. The leadership principles were developed for managers at the MLP Campus in Wiesloch, yet similar activities are also being carried out or are in planning in other areas of the Group.

The MLP leadership principles were also used in the development of target skills profiles for both managers and employees. These form the basis for continuous further development of the training and qualification programmes for MLP employees. The leadership development programme has a modular structure. It was comprehensively revised and aligned to the target skills profile for managers in the financial year 2023. Based on a potential interview and their performance during the selection procedure, new managers also receive a tailored development plan which includes appropriate personnel development instruments and empowerment offerings. To achieve a more balanced gender ratio at all management levels, MLP launched the "Women in Management" programme in 2021. This programme is accompanied by various packages of measures to support and guide women in leadership positions.

Promotion of women in management, as well as reconciliation of work and family life
MLP places great emphasis on promoting women and ensuring work-life balance. The company has therefore already made these topics a focus over the last few years and implemented various measures to promote women into management positions. The concept for example includes measures such as family-friendly meeting arrangements or flexible work place and working hours arrangements. As a sign of its public commitment to diversity, MLP signed the Diversity Charter in 2014. In addition to this, the workandfamily audit was successfully performed in 2019. As part of the target agreement associated with this, numerous measures aimed at promoting the concept of women in management positions and part-time management were successfully implemented. On the basis of the recertification of the audit in 2022, further implementation objectives for promoting family friendliness, as well as life phase-oriented alignment of the measures for employee retention have been agreed for the next three years.

In November 2020, the Executive Board at MLP SE approved a target of at least 33% for female managers at the first management level below Board level at MLP SE. In December 2022, the Executive Board furthermore approved the same minimum target figure of 33% for female managers at the second management level below Board level at MLP SE. These targets are to be met by the end of the financial year 2025.

Digitalisation of personnel work successfully continued

The ongoing digitalisation of personnel work was also a key focus in 2023. Indeed, the applicant management system for administration and reporting of applicant data was further improved in order to digitalise the process workflows in and around job requisition and approvals. Furthermore, the introduction of robotic process automation (RPA) has enabled the digitalisation of the processing of sick leave notifications in the HR department to a large extent. As part of a comprehensive survey, process workflows were identified, whose automation is now being consistently expedited. In addition to this, greater use was made of hybrid and agile work methods at the company. These were then also programmatically incorporated into personnel work. In the future, a key focus of HR will continue to be building competence and experiential knowledge within the company to enhance the efficiency of essential processes by leveraging modern technology, including artificial intelligence, and to create more freedom at the workplace for our employees.

Economic report summary

In the financial year 2023, the overall economic climate remained volatile and challenging. This was also reflected in the sector and competitive situation and ultimately had a negative impact on the business activities of MLP. Overall, regulatory developments were challenging, although MLP considers itself very well positioned in relative comparison to other market participants.

Business performance was characterised by this difficult environment. Yet despite this, MLP was for example able to increase assets under management to €57.0 billion (€54.3 billion) and also the non-life insurance premium volume to €687.0 million (€632.2 million), both of which figures represent new all-time highs.

The results of operations recorded an increase in sales revenue to €941.1 million (€913.8 million), whereby the varying developments in the individual consultancy fields and segments served to compensate one another. At €70.7 million, EBIT was below the previous year (€75.6 million). One of the main contributing factors to this was the good impairment performed in the Deutschland.Immobilien segment.

From MLP's perspective, the financial position remained solid. The capital structure once again displayed good equity capital adequacy with an equity ratio of 13.6% (13.9%), while the need for external financing remained low. The liquidity situation remained good. There were sufficient liquidity reserves available and free lines of credit were also in place. Investments were continued.

Net assets displayed a slight increase in the balance sheet total to €3,917.5 million (€3,784.6 million).

Some of the forecasts submitted at the start of the year were subsequently revised during the year. Accordingly, the business figures now largely match the forecasts. Contrary to our forecast of a slight increase, sales revenues in the reporting year 2023 remained stable. At €70.7 million, EBIT in the reporting year 2023 was slightly below our forecast corridor of between €75 million and €85 million, although, without the goodwill impairment in Deutschland.Immobilien segment, it would have fallen within the corridor.

The number of employees rose to 2,339 (2,252), while the number of self-employed client consultants was below the previous year at 2,055 (2,100).

Overall, the business development recorded in the financial year 2023 can be rated as positive. Despite all challenges, we were able to achieve both operational and strategic successes, particularly in our core business.

Risk report

Risk management system

MLP considers risk management as the use of a comprehensive array of instruments for managing risks in line with the strategy set out by the Executive Board, as well as the risk bearing capacity process. Due to the potential growth and extra earnings they can offer, risks should be addressed and taken in a conscious and controlled manner within the scope of internal control/monitoring procedures.

The operational and organisational structure, and in particular the risk management and controlling processes, as well as the special Risk Controlling, Compliance and Internal Audit functions represent key components of the Group-wide risk management system.

The risk management system is also used to comply with the requirements of an early risk detection system pursuant to § 91 (2) of the German Stock Corporation Act (AktG).

By moving away from the balance sheet-oriented going concern and gone concern approaches to risk capacity calculation in favour of the economic and normative risk control perspective, the risk management system was transitioned to the new control perspectives of the ICAAP in the financial year 2023. For the economic perspective, a new present value-oriented approach is adopted. In particular, this led to the following key changes over the previous year:

- The economic risk-bearing capacity is determined on the basis of the IFRS group, whereby an immediate risk look-through in the Group companies under CRR is performed and further companies incorporated in the IFRS-consolidated financial statements are considered on an equity-based method.
- The equity method, determined using established company valuation methods, encompasses the profit-and-loss-driven, non-bank-regulated part of the MLP Group. From this, equity risks are derived and hidden reserves/liabilities are considered in the risk coverage potential. Therefore, the real estate risks of the DI Deutschland.Immobilien segment, which were previously considered separately, are now incorporated within the market price risk as part of the equity holding risk. In addition, the operational risk that was previously considered in the look-through is notably reduced due to transfer of companies outside the CRR group into the equity holding risk.
- Risks are determined at a confidence level of 99.9% or comparable.
- The present value risk coverage buffer is derived using a present value-based method.

Group-wide risk management

Similarly to the group under IFRS, all companies of the MLP Group with significant risks are incorporated into the Group-wide system of risk management as part of the risk management activities.

These companies together with the immaterial, subordinate companies of the MLP Group form the MLP Financial Holding Group (MLP FHG). Within MLP FHG, MLP SE, as the licensed financial holding company, is the superordinated undertaking of the Group pursuant to § 10a (2) of the German Banking Act (KWG) and Art. 11 of the Capital Requirements Regulation (CRR). MLP Banking AG as the deposit and CRR financial institution is subordinated to it. In the sense of § 25a (3) of the German Banking Act (KWG) and in conjunction with Section 4.5 of Germany's "MaRisk" Minimum Requirements for Risk Management, the Executive Board at MLP SE has therefore ensured appropriate control and monitoring of the significant risks at Group level through suitable processes. This approach encompasses in particular:

- defining Group-wide strategies,
- securing the Group's risk-bearing ability,

- establishing structural and organisational regulations for the Group,
- implementing Group-wide risk management and controlling processes and
- establishing a Group-wide risk controlling, risk compliance and risk audit role.

In the context of the strategy process and the risk audit, MLP SE, acting as the superordinated undertaking of MLP FHG, obtains an overview of the risks in the Group on a regular and ad hoc basis. Based on the risks identified at the individual companies and their severity, all risks identified as significant within the Group by the superordinated undertaking are taken into account. When identifying sustainability risks, relevant ESG risk drivers are identified for the risk types of counterparty default risk, market price risk, liquidity risk, operational risk and other risks. Group-wide regulations and policies for establishing the risk management at MLP FHG are defined taking into account the type, scope, complexity and risk content, as well as the different application options provided by corporate law on an individual basis. For the purposes of determining the risk-bearing capacity, companies can be incorporated on a consolidated basis with their inherent risks (look-through) or through their inherent equity holding risk (no detailed look-through of individual company risks and capital positions). Accordingly, the following companies are reviewed using the look-through approach in the same way as the Group under CRR:

- MLP SE, Wiesloch
- MLP Banking AG, Wiesloch
- FERI Management AG, Bad Homburg v. d. Höhe
- FERI AG, Bad Homburg v. d. Höhe
- FERI (Luxembourg) S.A., Luxembourg

The remaining companies that pose key risks are presented using the equity method.

The names of the companies in the MLP Group are stated in the list of shareholdings in the notes. In total, 39 fully consolidated entities under IFRS are evaluated for risk management purposes at the group level on a consolidated basis in the look-through or through equity holding risks as part of the counterparty default risk.

Risk policies

The Executive Board at MLP SE, as the superordinated undertaking of the MLP Group, defines the business strategy and a risk strategy that is consistent with this for the MLP FHG. The Group-wide risk appetite is then derived from the risk strategy. On this basis, the risk strategy defines the framework conditions for the risk management at MLP FHG. The risk appetite is regularly checked and adjusted as necessary.

The following basic principles are consistent with the business strategy and describe the central framework conditions for the risk management at MLP FHG:

The Executive Board is responsible for proper organisation of the business and its further development:

Irrespective of any supplementary internal responsibilities assigned, the Executive Board is responsible for proper organisation of the business and its further development at the company. It must introduce necessary measures for drawing up stipulations unless the decision is made by the Supervisory Board. This responsibility includes defining appropriate and group-wide strategies (business strategy and risk strategy) and setting up appropriate internal control procedures - thereby assuming responsibility for all significant elements of the risk strategy. Responsibility for specifying the group-wide business and risk strategy cannot be delegated. It is the responsibility of the Executive Board at MLP SE to implement the strategy, assess the risks associated with it, as well as to put in place and monitor the necessary measures to ensure that these risks are limited at Group level. These also include development, promotion and integration of an appropriate risk culture at Group level. In addition to this, the Executive

Board regularly draws up a declaration of the appropriateness of the risk management procedures adopted.

The Executive Board and/or the Managing Directors bear responsibility for the risk strategy:

The Executive Board at the superordinated undertaking and the members of the Executive Board or Managing Directors at the subordinate companies ensure that a comprehensive approach, incorporating all key risk types, is integrated in the company and that suitable steps are taken to implement the risk strategy.

MLP promotes a strong awareness of risks and a pronounced risk culture:

An appropriate risk culture is critical for effective risk management. MLP sees its risk culture as the way in which employees handle risks within the scope of performing their duties. Our risk culture promotes identification and conscious handling of risks and is to ensure that decision-making processes lead to results that are also balanced in terms of risk criteria. Our risk culture is characterised by the clear commitment of the Executive Board to risk-appropriate conduct, strict observance of the risk appetite communicated by the Executive Board on the part of all employees, as well as facilitation and promotion of transparent and open dialogue on risk-relevant questions within the Group. A strong, group-wide awareness of risks across all divisions that goes beyond each employee's own area of responsibility and a corresponding risk culture are encouraged through appropriate organisational and incentive structures. In line with the requirements regarding pay systems, these are set out in such a way that negative incentives which could otherwise encourage managers and employees to enter into disproportionately high-risk positions are avoided and no risk-taking is encouraged above the level of the risk appetite set out by the Executive Board. The appropriateness of the risk management and controlling system is continuously monitored and any adjustments that become necessary are implemented as quickly as possible. Appropriate quality standards are established and subjected to continuous reviews.

The risk culture is, for example, substantiated on the basis of the requirements regarding new product processes, change processes and projects, each of which use requests to determine the reason, the economic effects and corresponding risks. These requests promote an orderly process flow. To this end, approval processes are stipulated by both front and back-office functions up to Executive Board level. With regard to the ongoing process of assuring risk awareness, the so-called "MaRisk Steering Committee" has been established to monitor the processing of work packages resulting from new regulatory requirements, audits, etc. Suitable early warning indicators are also established as derivatives of the abstract risk culture in the operational areas. The Executive Board is notified of these in regular reports. The targets set help anchor the risk culture down to employee level. This ensures that employees are both motivated and required to display risk-appropriate behaviour.

MLP engages in comprehensive risk communication, including risk reporting:

Detected risks are reported to the responsible management levels openly and without restriction. The Executive Board of the superordinated undertaking is informed in a comprehensive and timely manner (if necessary ad hoc) of the risk profile of the relevant risks, and profit and losses at MLP FHG. The Supervisory Board receives the information required to perform its legal obligations. Internal risk communication and risk reporting is supplemented by comprehensive, external publications that cater to the interests of the shareholders of the MLP Group and the capital market and also comply with the supervisory requirements.

MLP sets targets based on profitability and risk

The starting point of the risk strategy is the concept of earnings-oriented company management with the objective of achieving a sustainable increase in company value, as provided by the framework conditions of the business strategy. MLP implements this via a systematic and integrated earnings and risk management concept that is linked to the individual segments and companies. All decisions with business policy relevance are aligned with the goal of achieving appropriate profitability, taking into account the relevant risks. With regard to the capital/risk coverage buffer allocation, the Minimum Requirements for Risk Management (MaRisk) are managed based on the waiver from a group perspective. Risk identification is performed at Group level, incorporating the risk organisation of the Group. The risks of the Group are compared against the risk coverage buffer at Group level for the risk-bearing capacity assessment. The risk organisation, which encompasses the Group segments, facilitates risk management within the individual Group companies that are exposed to significant risks.

Based on these premises, MLP generally assumes a position that adequately caters to risks in terms of its business policy alignment. This means that risks are consciously taken into account and managed while ensuring risk capacity, particularly when there is a favourable risk-to-opportunity profile. In the case of a less favourable profile, risks are typically compensated for or reduced.

The risk-return ratio is a decision criterion used in assessing individual risk assumptions or a specific portfolio. As a general rule, corresponding risk premiums are collected in the market or earned in the form of cross-selling revenue, for example for the risk costs determined for the counterparty default risks throughout the entire portfolio.

Depending on the nature, scope and influenceability of the risk, a decision is then to be reached on a case-by-case basis as to whether the respective risk should be

- avoided (risks are deliberately not taken),
- reduced (reduction of the likelihood of occurrence and/or the level of potential losses, improvement in terms of the controllability of the risks),
- transferred (risks are transferred to third parties, for example insurance companies), and/or
- accepted.

Risk capital and liquidity management

Risk capital management – risk-bearing capacity under the capital view

Risk capital management is an integral part of the Group management system at MLP FHG. The alignment of risk-taking with capital adequacy at all times is ensured through active management of normative and economic capital adequacy in accordance with supervisory requirements as per the Minimum Requirements for Risk Management (MaRisk) issued by the Federal Financial Supervisory Authority (BaFin) and the corresponding guidelines of BaFin on the design of the Internal Capital Adequacy Assessment Process (ICAAP).

Risks are only accepted within limits derived from aspects of the risk-bearing ability to achieve adequate returns, taking into account risk/earning factors. In particular, this prevents risks that could threaten the continuity of the business model.

The Executive Board specifies the necessary capital allocation for covering the overall risk profile on the basis of the business policy orientation and the risk coverage buffer derived from the risk coverage potential. The focus is on the key risks for MLP FHG, which are identified at least once a year within the scope of a risk audit performed throughout the Group. The Group-wide risk profile represents the basis for both risk capital management and the risk management and controlling processes.

The key risk types of counterparty default, market price, liquidity and operational risks are in particular quantified within the scope of the economic risk capacity calculation. Other risks (in particular strategic risks, sales risks, reputational risks and tax risks) also represent a significant risk type, albeit one that is not quantified with a model. Other risks are incorporated via buffers when calculating the risk bearing ability. In addition to this, sustainability risks, which can occur in the form of transitory or physical risks, can manifest themselves within the aforementioned risk types as risks addressed from a multi-disciplinary perspective, which is why these are taken into account as drivers of existing risks. Furthermore, concentration risks are considered as multi-disciplinary risks, taking into account both inter- and intra-risk concentrations.

In addition to managing economic risk and risk capital, there is also an equal emphasis on managing risk-bearing capacity based on regulatory capital adequacy requirements and the regulator-defined risks as per the Capital Requirements Regulation (CRR) in the normative risk capacity calculation over a multi-year planning horizon, taking into account adverse developments in scenario planning.

The risk appetite derived from the business and risk strategy is further specified through target settings for capital adequacy, allocated risk coverage potential, defining materiality thresholds and alert thresholds for risk limit utilisation, the overall safety level of risk quantification, as well as other key indicators or the design of the business organisation.

Economic perspective

In the economic perspective, ensuring adequate risk-bearing capacity is guided by the principles of asset protection and protecting creditors from economic losses. As part of the risk capacity calculation, incorporated risks are therefore quantified/assessed applying strict risk measures. This includes the confidence level of 99.9%. Since January 1, 2023, the risk coverage potential has been determined at present value and derived from the aggregated present value of assets, off-balance-sheet items and debts of the IFRS-consolidated group. In the first step, the risk coverage potential (RCP) and the risks are determined on the basis of a look-through of the companies in the regulatory group under CRR. The other companies in the IFRS-consolidated group are accounted for using the equity method, which forms the basis for assessing the equity investment risks. The differential amount between the present value of the investments and the carrying amounts in the consolidated balance sheet of the regulatory scope of consolidation is added to or subtracted from the risk coverage potential as a hidden reserve or charge. This results in an interconnection of the present values derived from the cash flows of the business activities of these companies, as they form the basis for both the hidden reserves allocated within the risk coverage potential and the equity holding risk. Administration costs to be paid for the stock positions, as well as expected losses (in particular risk costs) from the RCP still need to be deducted from the present value of the transactions of the regulatory group (CRR). A difference between the carrying amount and present value of the items is also deducted from the balance sheet equity using a present value-based approach. The administration costs and risk costs are also deducted from this amount. The present value applied to the RCP from the commission business ("transaction-based earnings potential") of the regulatory scope of consolidation represents a perpetual annuity adjusted for historical 5-year averages excluding special effects. Intangible assets of the regulatory scope of consolidation are deducted.

A risk coverage buffer is proportionately derived from the risk coverage potential initially determined in Q1 of a financial year, corresponding to at least the available RCP during the year. As a result of the non-complete allocation, the fluctuations in the present value-based risk coverage potential that are encountered during the year and relate to the methods employed should be taken into account, resulting in a stable RDM.

Normative perspective

The normative perspective aims to ensure the continuity of MLP FHG while adhering to relevant regulatory ratios and indicators.

To this end, a balance sheet of the Group and of the regulatory scope of consolidation is planned each year for the time frame of four financial years on the basis of the long-range plan (LRP). The regulatory financial requirements are derived from this expectation and held against the available own funds. A check is performed against the regulatory capital requirements and expectations, including the total SREP capital requirement (TSCR), overall capital requirement (OCR) and target equity ratio (TER). The supplementary conditions which must be strictly met, such as the LCR (liquidity coverage ratio), the sNSFR (simplified net stable funding ratio), the leverage ratio, as well as compliance with the large exposure limits, are also planned and analysed. The effect of the significant risks from the economic perspective must also be taken into account in terms of the associated effect on the normative perspective. With this process, an emerging bottleneck in the capital requirements or unfavourable developments in the balance sheet structure can also be detected and addressed early on from the control perspective characterised by commercial law in order to introduce corresponding counter-measures.

Risk-bearing capacity under the liquidity view

Within the scope of short-term liquidity control at Group level, the liquidity risk is assessed and controlled in particular using the liquidity coverage ratio (LCR). The LCR is based on a supervisory-assumed stress scenario that has a review period of 30 days. The additionally implemented approach of control through liquidity at risk (LaR) describes the anticipated maximum net funding requirement resulting from all payments, which is not exceeded with a likelihood of 99.9%.

Structural (mid-to-long-term) liquidity control of the Group is performed primarily on the basis of liquidity gap analyses, which highlight the development of liquidity over medium and long-term time horizons. Stress scenarios of varying severity are used here.

Concentration of risk

Irrespective of the risk type, risk concentrations can occur and manifest themselves as intra-risk concentrations or inter-risk concentrations. Examples of intra-risk concentrations include credit risk concentrations in proprietary trading or individual sales products that are critical to total income (earnings concentrations). A typical inter-risk concentration at a bank, on the other hand, is a reputational risk that materialises based on investor behaviour and can trigger increased liquidity outflows through client deposits. Risk concentrations are reviewed regularly as part of the risk audit.

To pre-emptively reduce the emergence of risk concentrations in proprietary trading, diversification is pursued - among other things by means of minimum requirements for external ratings, the tradeability of the shares, as well as issuer and sector limits and a corresponding maturity structure. To this end, capital investment directives are implemented at the key companies.

The "non-banking part of the MLP Group" has a large exposure due to the Group structure and the requirements of the Capital Requirements Regulation (CRR) relating to the formation of the regulatory scope of consolidation[1]. This is being continuously monitored and included in the risk reporting.

Significant risk concentrations are regularly monitored and taken into account in risk management operations.

1 Pursuant to Art. 18 and 19 of the Capital Requirements Regulation (CRR), MLP Banking AG, MLP SE, FERI Management AG, FERI AG and FERI (Luxembourg) S.A. are all consolidated. The remainder of the Group represents the "non-banking part of the MLP Group".

Stress tests

Pursuant to Section 4.3.3 in conjunction with Section 2.2 of the Minimum Requirements for Risk Management (MaRisks), stress tests are performed on a regular and ad hoc basis for significant risks of MLP FHG. Their effects are also reflected when assessing the risk-bearing capacity.

Univariate stress tests can be distinguished from multivariate stress tests on the basis of historical and hypothetical scenarios. When performing sensitivity analyses ("univariate stress tests“), only one risk parameter of one risk type is varied. In this way, the sensitivity of risk parameters and the increasing capital requirements associated with this are investigated with regard to the underlying risk factors. Interactions between various risk factors are not considered here. Multivariate stress tests involve simultaneously altering multiple risk parameters. The effects are derived from a predefined, typically macroeconomically derived scenario. Both extraordinary and plausible scenarios are simulated here. The climate stress test also falls under the scope of multivariate stress tests.

The MLP Financial Holding Group differentiates between two forms of inverse stress tests. In the case of inverse stress tests of the risk-bearing capacity, one or more parameters are subjected to stress up to a limit (set at 100% for individual risk types) or until the entire liquidity reserve runs out, i.e. the capital made available or the liquidity has been fully used up. Within the scope of inverse stress tests relating to survivability, an analysis is performed to determine how severely risk factors must negatively change in order to jeopardise the Group's survivability across all risks.

On the basis of the overall risk profile, the stress tests take into account various factors, including write-offs relating to notable commitments, credit rating downgrades, changes in the yield curve and unanticipated cash outflows, as well as combinations of these risk parameters.

Backtesting and validation

Pursuant to Section 4.1 Paragraph 9 of the Minimum Requirements for Risk Management (MaRisk), the adequacy of the methods and procedures used for risk quantification is reviewed at regular intervals or as needed. Any model risks should also be assessed as part of the validation, which should include both qualitative and quantitative components. If there are any indications of deficiencies, these are classified, their causes explored and recommended actions derived. The affected processes should then be remedied within an appropriate time frame in accordance with the severity of the deficiencies. The Executive Board is also to be informed of any deficiencies determined, as well as the schedule for their rectification.

The changes introduced in the 7th MaRisk Amendment regarding model risk management, specifically in relation to AT 4.3.5 MaRisk, are also being considered.

Organisation

The Executive Board at MLP SE, which is the superordinated undertaking in the sense of § 10a of the German Banking Act (KWG), is responsible for establishing an appropriate and effective risk management system at MLP FHG. Set against this background, operational and organisational precautions are put in place.

To fulfil the duties, MLP SE employs a risk organisation that follows the established segment control of financial reporting and, pursuant to IFRS 8, incorporates sub-segments into the process organisation of the Group-wide risk management system. The companies overseeing the segments are responsible for the risk management control measures to be implemented in the respective sub-segments.

Functional separation

Our risk management concept follows clearly defined basic principles that are applied as binding throughout the entire Group and whose compliance is continuously checked. A crucial element of these principles is a clear organisational and operational distinction between the individual functions and activities of risk management.

The operational and organisational structure is regularly checked and assessed through internal audits as well as the compliance function and adapted to internal and external developments as they happen.

Group Risk Manager

As a member of the management of the superordinated undertaking MLP SE, the Group Risk Manager is responsible for the risk monitoring and control activities at MLP FHG. He is kept continuously informed of the risk situation at MLP FHG and gives regular reports on this to the entire Executive Board and Supervisory Board.

Risk controlling function

To be able to address risk topics early on and sustainably throughout the Group, while also increasing risk awareness, an independent risk controlling function has been set up at MLP. This function is responsible for independent monitoring and communication of Group risks.

Risk management and controlling processes

Risk management at MLP FHG and its local operating implementation in the business units is performed on the basis of the risk strategy. The units responsible for risk management reach decisions for conscious acceptance, reduction, transfer or avoidance of risks, observing the framework conditions specified centrally.

The Risk Management department at MLP SE, which also includes the risk controlling function, is in particular responsible for the identification and assessment of risks, as well as monitoring of limits. This also involves reporting the risks to the Executive Board and Supervisory Board. Early detection systems support risk monitoring, identify potential problems early on and thereby enable prompt planning of measures.

Appropriate guidelines and an effective monitoring process also ensure that the regulatory requirements for risk management and controlling are met by the risk organisational units of MLP FHG.

The methods used at MLP FHG to assess risks are aligned with practices in the banking sector, as well as recommendations of the supervisory authorities and international standard-setting bodies, taking into account the principle of proportionality. The results determined through the risk models for controlling the risks, as well as the underlying quantification methods are subject to regular reviews. However, despite careful model development and regular checks, it is conceivable for circumstances to occur that lead to greater losses than those predicted by the risk models.

Controlling monitors earnings trends

Controlling is responsible for planning processes and continuously monitoring trends in earnings. The planning process is broken down into short-term and mid-term planning horizons with varying degrees of detail.

To monitor planned and target variables, the revenue and earnings figures actually achieved are compared against the corresponding plan figures within the scope of daily, weekly and monthly reporting. This provides continuous transparency for the management.

Internal controlling system in the accounting process

With regard to the accounting and management reporting processes, the Internal Control System (ICS) is used to provide an accurate picture of actual conditions in terms of the net assets, financial position and results of operations at MLP SE and the MLP Group. The objective of the ICS is to secure complete and accurate recording, processing and documentation of all business transactions in accordance with the regulations, standards and guidelines of applicable legislation and the company's Articles of Association.

The units involved in the accounting process are especially subject to quantitative and qualitative requirements, which MLP meets through a clear organisational, corporate and control structure. To this end employees tasked with performing the accounting process receive regular training. Group Accounting is the central point of contact for all questions in connection with accounting issues.

The checks in the accounting process aim to ensure that financial statements and consolidated financial statements are drawn up in line with the provisions of German commercial law and International Financial Reporting Standards (IFRS), as well as proper and timely internal and external financial reporting. The scope of the checks and responsibilities integrated into the procedures is clearly regulated.

In addition, financial and risk data, which itself is also subject to the internal monitoring system, is also used for the joint management report.

Functional separation, system-based monitoring, the dual-control principle, as well as the audit activities of the Internal Audit department represent crucial control instruments for all important accounting-related processes. The key processes of the accounting-based ICS are documented and specified in work instructions that are regularly updated and published in the organisation manual.

The financial statements of MLP SE and significant Group companies, as well as the consolidated financial statements are generally drafted using standard software. Group Accounting secures the completeness and accuracy of the relevant disclosures on the basis of the information provided.

The adequacy and effectiveness of the accounting-based ICS are regularly checked and monitored.

Compliance function

A compliance office has been established to counter the risks that can result for MLP FHG from non-compliance with key legal provisions and stipulations. These in particular include supervisory provisions on avoiding money laundering, financing of terrorist activities and other criminal conduct or relating to financial sanctions, embargoes and the account screening procedure (in the following referred to as prevention of money laundering & fraud), prevention of insider trading, provision of ancillary securities services, protection of client assets, data and consumer protection, outsourcing management, as well as all other institute-specific provisions, whose non-compliance could put assets at risk or lead to a significant reputation risk. Compliance plays a key part in identifying risk potential through monitoring rules of conduct, as well as within the scope of management of conflicts of interest. As part of the risk management approach, the internal control system and the Internal Audit department represent key components of the processes used to identify new risks and ensure both the effectiveness and appropriateness of the risk management systems.

The Compliance function advises and supports management, as well as the responsible specialist departments. It works towards implementation of effective procedures ensuring compliance with substantive provisions and internal regulations as well as corresponding control measures performed by responsible units. It also provides regular reports, including ad-hoc reports on its activities to both management and the Supervisory Board when and where necessary. The compliance function also promotes and strengthens the Group-wide risk culture.

This in turn also leads to the control and reduction of operational risks.

Internal Audit

The regular audits performed by the Internal Audit department, which is independent of the operating units in terms of both organisation and function, represent another key aspect with regard to monitoring the quality of our identified risks. Above all, compliance with relevant guidelines is checked, paying particular attention to legal and supervisory provisions.

The Internal Audit department, which operates throughout the Group, also performs regular process and system audits in all sections of the Group and monitors correction of any issues detected during the respective audits. This also includes auditing of IT systems. The Internal Audit department adopts a risk-oriented approach to auditing. It is independent and falls under the direct responsibility of the Chief Financial Officer at MLP SE. Global reports on the audits performed are drafted and presented to the managers responsible. Based on the respective risk content, elimination of the identified deficiencies is monitored either immediately or in quarterly follow-ups. The Internal Audit department performs regular, Group-wide reporting to the management bodies at the individual companies. In addition to this, the Head of the Internal Audit department is in regular exchange with the Chairs of the individual Supervisory Board Committees.

Risk reporting

A substantial risk reporting scheme forms the basis for appropriate and successful corporate management. This is complemented by an extensive system of internal reporting, which provides the key decision-makers with prompt information on the current risk situation. Risk reports are generated at fixed intervals (monthly or quarterly) or produced ad-hoc, if and when necessary. In addition, planning, simulation and control instruments show possible positive and negative developments to the most important value and controlling parameters of the business model and their effect on the Group's net assets, financial position and results of operations.

Risk reports are submitted to the Executive Board, as well as the Supervisory Board. Prompt and comprehensive information is provided on any changes to relevant influential factors.

Statement of risks

MLP FHG is exposed to financial risks. These in particular comprise counterparty default, market price and liquidity risks. Alongside financial risks, there are also operational and other risks.

The significant risks for the Group are identified at least annually or on an ad hoc basis, based on a materiality assessment that considers the impact of the risks on net assets, financial position or results of operation. Since a statement on the materiality is made at Group level, the following risk types are presented per segment for the purpose of transparency. These units significantly contribute to the material group risks.

Types of risk

Segments	Counterparty default risk	Market price risks	Liquidity risks	Operational risks	Other risks
Holding and Others	x		x	x	x
Banking	x	x	x	x	x
Financial Consulting*	x		x	x	x
FERI	x		x	x	x
DOMCURA*				x	x
Industrial Broker*				x	x
DI Deutschland.Immobilien*	x			x	x

*Specifically the risks of the segments Financial Consulting, DOMCURA, Industrial Broker and DI Deutschland.Immobilien are quantified as equity holding risk.

Counterparty default risks

The counterparty default risk is the risk of a loss due to the defaulting of or deterioration in creditworthiness of a business partner. Alongside the primary credit risk, the counterparty default risk encompasses the migration risk, the guarantee risk, the counterparty risk, the sovereign risk, the country risk, the utilisation risk, the equity holding risk, as well as rental default risks. With the economic perspective, focus shifted in particular to the migration risk, which was therefore added to the risk catalogue.

Counterparty default risks are primarily included in the proprietary and client business positions. The maximum default risk is expressed as the carrying amounts or present values of the financial instruments recognised in the balance sheet (in particular originated loans and receivables, as well as derivative financial instruments and guarantees (off-balance-sheet items)). Bank lending is limited primarily to borrowers domiciled in the Federal Republic of Germany, who represent the majority of loan-bearing instruments (96%).

Exposures to shadow banks can arise in lending and proprietary trading as well as from trade receivables. The trade receivables result from wealth management, investment consulting and brokerage as well as from financial portfolio management in the field of financial investments, especially funds, and are of a short-term nature. For this reason, these positions are not monitored separately, but rather they are included in the standard procedure as part of the counterparty default risk. For the sum of exposures to shadow banks from lending and proprietary trading as well as from trade receivables, the Group's large exposure limit applies as a strict upper limit.

Credit risk – Strategy and credit policy

The client credit business with the target group of academics and the core market in Germany essentially focuses on medical practice and mortgage financing, as well as loans with fixed interest rates for five or ten years, which are predominantly collateralised through wealth deposit accounts at MLP Banking AG or through redemption values/share assets in life insurance/unit-linked policies (premium loans) and the bulk business. In terms of strengthening new client acquisition and keeping existing clients loyal, the main focus is on issuing overdraft facilities to the holders of the MLP account and providing credit limits in connection with the MLP Card. In addition to this, the volume of loans and mortgages is to be increased, particularly among the target group of physicians. Accordingly, the impact of ESG risks on the client credit business is minimal, given its focus on domestic client segments and regional portfolio diversification.

These risks are primarily seen in terms of climate risks due to flood damage or transient risks affecting business models.

Overall, the lending policy at MLP is characterised by only accepting risks that are both known and also appear reasonable in terms of their volume. Bad debts are written down accordingly. Default criteria, such as arrears of 90 days, or criteria of the German Insolvency Code (InsO) lead to default status. If a default event occurs, a scenario-based impairment test should be performed that also includes any collateral realisation.

Credit risk - credit processing

Decision-making authority is laid down in the authority regulations, which themselves are based on the risk content and processes of the transactions. Land charges in particular serve as collateral for MLP when issuing client loans. A process that is scaled on the basis of volume and employs external support is established for measuring this collateral.

The provision of loans in the client credit business takes the form of credit limits being granted for the individual borrower or borrower unit. Individual credit decisions are reached by specialised employees in accordance with clearly defined authorities based on the size, creditworthiness and collateral of the respective borrower. A special scoring process allows fast decisions to be made, in particular for credit cards and accounts in the retail lending business, while also securing consistently high quality.

Our client deposits are reinvested primarily in the client credit business, yet also in instant access and time deposits, bonds, debentures, funds and other financial instruments, with due consideration being given to ensuring an appropriate maturity transformation risk. Currency and trading risks are not incurred in any significant scope.

Credit risk - Control

The responsibilities in the credit business - from application, through authorisation to completion and including periodic monitoring with regular creditworthiness analyses - have been defined and documented in our organisational policies. Appropriate control metrics are defined and monitored. Early warning indicators are implemented, including monitoring of arrears of 30 days or more, thresholds of internal ratings and concentrations in sectors.

The non-performing loan (NPL) quota is the ratio of bad loans relative to the total volume of loans and credits, including deposits at banks and central banks. At MLP, this ratio is significantly below the regulatory monitoring threshold of 5%, therefore, there is currently no explicit strategy defined for the NPL portfolio. The key figure is continuously monitored. Non-performing loans, which are identified at MLP, are transferred to specialist departments, where they are individually managed by experts. In addition to this, potential default risks are continuously measured and evaluated by comparing allowances for bad debts with the credit volumes subject to risk.

For the regulatory group under CRR, the NPL ratio as of December 31, 2023 is 0.5% (0.4%) and is therefore significantly below the regulatory monitoring threshold of 5%.

The various types of loans are measured regularly during portfolio monitoring of the client credit business and presented in the risk reporting by product class, sector and size class. Individual product classes, sectors and product classes of client credits are currently not limited, although attention is paid to ensuring a balanced mix of the aforementioned attributes. As part of internal monitoring procedures, the privileged mortgages on residential and commercial property are compared against the loan portfolios in the individual field of mortgage lending, lombard loans, premium loans and medical practice financing. Further types of collateral are included as a way of hedging credit commitments, although these are not currently taken into account in the internal system of risk management.

Depending on the rating status, regulatory methods of calculation are used for the economic perspective of the risk capacity calculation.

For positions classified internally using VR ratings, the economic risks are calculated on the basis of the IRB method and the present values of the business positions relative to the confidence level of 99.9%. For debtors that have not been classified internally but do have an external rating, a mapping table is used to convert and assess this external rating to the VR rating that MLP uses as the master scale. Based on the probability of default determined in this way and a dedicated assessment of qualitative aspects such as balance sheet KPIs, sector-specific findings and so on, externally classified debtors are treated the same as internally classified debtors and assessed using the IRB method.

The standardised approach to credit risks based on the supervisory formulae as per the Capital Requirements Regulation (CRR) is used for all other unrated debtors.

In addition to this, potential default risks are continuously measured and evaluated by comparing allowances for bad debts with the credit volumes subject to risk. You can find detailed information on the measurement process, as well as development of loan loss provisions in the notes.

Additionally, there are specific counterparty risks associated with proprietary trading that extend beyond the risks outlined above. Set against the background of the current market trend, risks in investment management, in particular those resulting from defaults of counterparties, are also limited by the strict quality standards set out in the capital investment directives. As part of this, the allocation of available funds is determined based on specifications regarding investment categories and products, maturities, economic sectors, and regions. Funds are generally invested in euros. In principle, all investment decisions must always take into account the documented competencies and other regulations.

Equity holding risk

There are also risks associated with equity holdings. In the normative perspective, these are evaluated using the standard credit risk approach. In the economic perspective, the importance of the equity holding risk has been defined more broadly for risk quantification. Accordingly, risks within the regulatory group under CRR undergo a look-through based on the risk types defined in the risk strategy. For the remaining, performance fee-based part of the Group ("non-banking part"), a risk assessment of equity holdings not covered under the regulatory group under CRR is conducted based on considerations of information efficiency and consistency in line with Basel Pillar 1. This is performed on the basis of the operating segments or cash-generating units (non-look-through). The basis for the risk assessment is therefore the valuations of the cash-generating units under IFRS, using a business valuation method and the CAPM (Capital Asset Pricing Model). This approach approximates the value of a theoretical divestment. The cash flows used and the discount factor have appropriate risk factors applied (for example increasing the market risk premiums and reducing the cash flows) and are subjected to multivariate stress testing on the basis of historic data in order to determine the risk value. As per the general strategic stipulations, this should lead to a risk assessment that is at least equivalent to a univariate 99.9% confidence level.

Quantification

As of December 31, 2023, MLP FHG has a counterparty default risk of €368.4 million (€44.2 million).

The credit risk is €117.9 million (€44.2 million) of this.

The equity holding risk of the "non-banking part" of MLP FHG, which has been quantified since this financial year, is €250.5 million (€0 million). The change compared to the previous year is primarily attributable to the anticipated present values of equity holdings, which include the profit and loss-related business of the "non-banking part" of the MLP FHG.

The quantified equity holding risk as of December 31, 2023, is distributed among the segments, and not directly to the equity holdings in the group under CRR, as follows:

Segment[1]	**Effect in € million**
	2023
Financial Consulting	124.3
DOMCURA	49.8
Deutschland.Immobilien	29.3
Industrial Broker	44.7
Other equity holdings[2]	2.4
Total	250.5

[1] For the Banking, FERI and Holding segments, the counterparty default, market price, liquidity and operational risks are directly assessed. There are no equity holding risks for these segments.

[2] Other equity investments include equity investments of MLP FHG under IFRS that belong to the Banking, FERI and Holding segments but are not taken into account in the regulatory group under CRR.

Due to the ongoing particular risk position of the Deutschland.Immobilien segment, an increased risk value is quantified through individual risk factors.

Market price risks

MLP FHG understands market price risks as the uncertainty regarding changes in market prices and rates (including interest rates, share prices, exchange rates and raw material prices, as well as options transactions and implicit options), the correlations between them and their volatility. Alongside interest rate and share price risks, there are spread risks on proprietary investments. The periodic and the present value interest risk were identified as significant risks for the Group. The investment currency is generally the euro. The institute in MLP FHG is a non-trading book institute.

At MLP FHG, market risks essentially comprise the incomplete congruency of interest rate agreements between loans granted by MLP and their refinancing. In addition to this, there are market price risks within the scope of proprietary trading activities. There are currently only very minor open exposures in foreign currency in the portfolio. There are also no appreciable derivatives positions.

Possible effects of different interest development scenarios at Group level are portrayed via planning and simulation calculations. The basis of this is our interest management tool. Within this context and for economic management purposes, the change in present value of all positions in the interest book is illustrated as a ratio of the regulatory equity of the Group through the so-called interest rate risk coefficient. The simulation is conducted across all interest-bearing and interest-sensitive positions of the regulatory group under CRR. For fixed interest positions, contractual maturities are used. Variable interest rate positions are parameterised according to assumptions on interest rate progression, which are derived from historical observations and correlations. For economic management purposes, an interest rate scenario on the basis of historical market observations, which has been determined since 2007, is applied to this and then subjected to a holding period of 250 trading days. The scenario of +/- 200 BP movement, as stipulated by the supervisory authorities, is used to determine the interest rate risk coefficient. The interest rate risk coefficient should not exceed 20%.

To manage interest rate risk, additional control metrics have been implemented. These include controlling the difference in asset-liability duration, the remaining terms to maturity of the transactions, as well as the target bandwidth of the interest rate risk coefficient.

Credit spread risks are of minor economic significance, since a holding strategy is in place for the bonds held in the portfolio. Yet despite this, the risk is approximated and assessed from an economic perspective using various measures, including an assumption of deterioration in the key counterparty rating.

The following are also either of minor significance or not present at all: foreign currency risk, market value risk, real estate in the trading portfolio, real estate in the company's own stock (in particular due to undisclosed reserves), option risks and settlement/delivery risks.

Quantification of interest risks

With the transition to economic risk management, the present value interest rate risk is determined from the more conservative result of the two internal risk scenarios of interest rate increase and interest rate decrease. The present value interest rate risk of the companies in the risk review amounts to €15.1 million as of December 31, 2023, with a confidence level of 99.9% for the interest rate increase scenario. In the previous year, quantification was carried out through changes of the interest result affecting P+L amounting to €3.6 million at a confidence level of 97.0% for the interest rate decrease scenario.

Due to the ongoing dynamic development observed in the financial year, the underlying interest rate assumptions are generally calculated each quarter on the basis of the current data. As of December 31, 2023, simulations were modelled in the scenario of rising interest rates on the basis of 1 day or 10 years at +400 BP or +302 BP respectively (+77 BP or +210 BP respectively). In the scenario of falling interest rates, it was -430 BP for 1 day and -166 BP for 10 years (-330 BP or -134 BP respectively).

Interest rate risks at MLP FHG due to interest rate shock

Simulated scenario		Effect in € million
	2023	2022
Parallel shift +200BP	-11.0	-4.3
Parallel shift -200BP	13.8	5.8
Steepening of the interest rate curve	-11.1	-6.7
Flattening of the interest rate curve	9.2	5.9
Short rates shock up	5.3	4.2
Short rates shock down	-5.5	-4.5

The interest rate risk coefficient of MLP FHG, defined as a quotient of the loss in net present value and equity, is 3.3% (1.3%). This is a result of the parallel shift scenario +200 BP.

Real estate risks MLP FHG

As part of the market price risks, real estate risks of DI Deutschland.Immobilien AG and its subsidiaries are taken into account while factoring in the capital share held by MLP. Real estate risks have been taken into account implicitly within the equity holding risk since the financial year 2023.

In the previous year, risk quantification was performed on the basis of a VaR approach that uses historic performance with a confidence level of 97%. The real estate risk as of December 31, 2022 was €4.0 million.

Liquidity risks

MLP FHG understands liquidity risks to mean uncertainty in terms of the availability of funds to meet payment obligations or reduce exposures which are either insufficient or which can only be secured by accepting higher rates. Key components of the liquidity risk include both the insolvency risk (operational liquidity risk) and the refinancing risk (structural liquidity risk).

Operational liquidity control

Within the scope of strategic or short-term liquidity control at Group level, the liquidity risk is assessed and controlled in particular using the KPI from the Liquidity Directive and the Liquidity Coverage Ratio (LCR). In addition, the liquidity at risk (LaR) describes the anticipated net funding requirement from all autonomous payments, which will not be exceeded at a defined level of probability. The utilisation of the liquidity at risk is monitored at a confidence level of 99.9% (previous year: 97.0%) on the basis of traffic light approach.

Additionally an expected shortfall is monitored for the assessment of any outliers. Short-term liquidity requirements were covered in the Group by sufficient funds at all times.

Structural liquidity control

Structural (mid-to-long-term) liquidity control of the Group is performed on the basis of liquidity flow statements and projections, which highlight the anticipated development of liquidity over various time horizons (up to three years). The liquidity flow statement compares the projected surplus or deficit of funds under stress assumptions for each time horizon to the refinancing potential (free liquidity reserve). To this end, the assets that are available for sale in the short-term and mid-term and not tied up in operational liquidity control are compiled and assigned to classes on the basis of their speed of sale.

The net stable funding ratio (NSFR) compares the available refinancing with the stable refinancing required. This performance indicator serves as a key balance sheet ratio. The simplified net stable funding ratio (sNSFR) is used to calculate it.

The general aim when examining the liquidity risk within the scope of the risk-bearing ability is to determine the additional costs that occur in the context of the structural refinancing requirements. To determine the additional refinancing costs, the liquidity value-at-risk (LVaR) is calculated for the capital requirements which are determined on the basis of the liquidity flow statement, at a confidence level of 99.9%. To this end, the additional costs accrued across all refinancing instruments are added together. Alongside the compressed LVaR key performance indicator, the distribution of the capital requirements across the refinancing instruments and their utilisation is also presented.

In addition to this, the effects of various scenarios on cash flows and thereby also on MLP's liquidity situation are analysed using the liquidity flow statement. The additional monitoring metrics (AMM) serve as supplementary information here.

Quantification

Calculation of the LVaR as of December 31, 2023 indicates a positive annual compliance with limits. Similarly to the previous year, a survival horizon of 12 months was always maintained in the financial year. There are no anticipated additional refinancing costs (previous year: none). If, contrary to expectations, net cash outflows that go beyond the estimated levels occur, further liquidity reserves are available.

The liquidity risk at MLP FHG results primarily from MLP Banking AG as the deposit-taking bank. The refinancing structure is based largely on client deposits. Appropriate short and medium-term credit lines have also been agreed to safeguard against a possible short-term liquidity shortfall.

Alongside the assumed development in standard scenarios, we have also defined stress scenarios to simulate potential increases in liquidity requirements as a result of a negative change in the market environment. These enable us to introduce any countermeasures deemed necessary in good time.

MLP Banking AG has established a simple allocation system to allow the internal allocation of the respective liquidity costs, liquidity benefits and liquidity risks to be monitored and controlled.

As of December 31, 2023, the liquidity risk at MLP FHG is €0.0 million (€1.2 million). This decline can predominantly be attributed to the fact that the risks of Group companies outside the group under CRR are taken into account via the equity holding risk, which is why the liquidity risks quantified in the previous year for these companies are now included in the equity holding risk.

The available liquidity reserves of MLP FHG are €1,009.2 million (€1,202.6 million).

Operational risks

According to Article 4 of the Capital Requirements Regulation (CRR), operational risk is the risk of losses caused by inadequacy or failure of internal procedures and systems, people or by external events. This definition includes legal risks.

Throughout the Group, operational risks are identified and assessed at local level in the individual risk organisational units or the segments or the significant companies in the form of self-assessments and damage data pools. The basis is a group-wide inventory of possible scenarios of operational risks. Plausibility checks on risk measurements by organizational units are conducted during risk workshops and subsequently consolidated into an overall rating for the Group.

Irrespective of the specific risk profile, the following core statements apply to all companies in MLP FHG:

- All key operational risks are to be identified and analysed with regard to their anticipated or incurred damage, as well as their anticipated or incurred frequency.
- For risks whose occurrence is unlikely but which exhibit a high or very high damage potential, the option of performing a risk transfer should be considered, in particular through appropriate insurance policies.
- Process improvements, adjustments to the IT system landscape, employee training and similar measures should, in particular, be identified for risks with a high likelihood of occurrence but low damage potential with the objective of reducing errors.

- Suitable risk prevention measures should be implemented immediately for risks with a high likelihood of occurrence and high damage potential for the MLP FHG, if necessary, involving business continuity management.
- The efficiency of all risk management measures should be reviewed from a cost/benefit perspective.

Reduction of the operational risk and with this a reduction in the frequency and level of associated losses is primarily to be achieved through implementation of continuous improvement of control actions, such as digitalisation of business processes. Further safeguarding measures include risk transfer through the conclusion of insurance policies and consciously avoiding high-risk products. In addition to this, contingency plans are in place for critical business processes to secure continuation of business operations.

Risks from internal procedures

Risks resulting from internal procedures can, in particular, occur due to processing errors within the internal organisation and communication, as well as in Sales, Compliance, Data Protection & Money Laundering and due to contractual obligations/arrangements.

MLP uses both internal and external employees, as well as structural and technical resources to perform its administrative activities. We protect ourselves against damage claims and a potential liability risk through comprehensive insurance cover, which is subject to ongoing monitoring.

Business impact analyses (BIA) are used to identify time-critical company processes, whose failure can have a significant influence on the Group's business activities. To this end, suitable measures are defined in the form of BCM strategies. In the event of an emergency, these measures allow business operations to continue, albeit with reduced performance. Time-critical processes and the effectiveness of the defined measures are subject to regular monitoring and continuous development. BCM documentation is available for the business units and employees.

The Internal Audit department, which operates throughout the Group, also performs regular process and system audits in all sections of the Group and monitors correction of any issues detected during the respective audits. This also includes auditing of IT systems.

A possible error in client consulting, investment and acquisition brokerage or finance portfolio management and associated claims for damages can present a consulting and liability risk. The potential consulting risk is minimised by securing continuously high-quality consulting which, among other things, is backed up by IT-supported tools. Consultations with clients and the results of these are documented in accordance with legal requirements.

Within the scope of defined adjustment processes in the event of changes to operational processes or structures, acquisitions and mergers, as well as the process for introducing new products - or rather when expanding activities to include new markets or via new sales channels - it is ensured that prior to implementing planned measures, potential key risks are identified and a corresponding concept is drawn up involving all relevant functions at MLP.

Risks from human errors and employee availability

Risks from human error and employee availability occur in particular due to a lack of employee qualification and availability, as well as unauthorised, fraudulent and criminal actions, insufficient health & safety at work and other human error.

The adequacy of staffing levels and sufficient qualification/training of employees at MLP are ensured by the responsible specialist departments. The adequacy of staffing in terms of type, level and planned Group development is checked regularly, at the very least during the annual planning process. In this context, key positions have been identified and defined with the objective of further reducing staffing risks through suitable risk control measures. The requirements regarding the qualification of all employees, but in particular those tasked with working in the loans and commercial business, are set out in differentiated job descriptions in the organisation manual.

As part of their responsibilities, those employees tasked with assuming, controlling and monitoring risks, as well as their substitutes, have comprehensive product know-how, as well as expertise in the commercial, valuation and control techniques employed. This applies in particular to the Heads of the functions Internal Audit, Compliance and Risk Controlling in the sense of Germany's "MaRisk" minimum risk management requirements. As a general rule, the available personnel capacities are structured in such a way that necessary procedures are still securely maintained, even when employees are unexpectedly unavailable for work.

Demographic changes and their effects on the workforce structure are systematically reviewed by MLP. We used a staff turnover simulation to analyse various scenarios and learn more about the effects on the workforce (including key positions). A dynamisation of the age curve, as well as an increasing average age of the workforce can be observed here. To counter this trend and continue thriving in the face of increasing competition, the material and non-material framework conditions are continuously optimised for the employees. The aim is to further strengthen our profile as a family-friendly employer offering flexible models in terms of working hours and places of work, as well as family-friendly conditions and fringe benefits. This was manifested with the workandfamily audit successfully performed in 2019, as well as the recertification of the audit in 2022. The certificate as a family-friendly employer is combined with an agreement on various measures and targets for further development of the family-friendly workplace over the course of the next three years. Alongside this, MLP traditionally invests in sustainable recruiting of talented young employees and, in addition to various training professions, also offers a university of cooperative education degree programme with many different fields of specialisation. The changes to the organisational structure of the HR department were completed in December 2021, also with the objective of further expediting the specialisation and professionalisation of the employees responsible for recruiting.

In line with the requirements regarding pay systems, these are set out in such a way that negative incentives which could otherwise encourage managers and employees to enter into disproportionately high-risk positions are avoided and no risk-taking is encouraged above the level of the risk appetite set out by the Executive Board. To avoid incentives of this kind for employees, in particular those holding positions of responsibility, attention is paid when setting out such pay and incentive systems to ensure that these do not contradict the objectives defined in the strategies and that any risk of conflicts of interest is ruled out. Any change in strategy triggers a simultaneous review and, where necessary, adaptation of pay and incentive systems.

With regard to variable pay components, safeguards are in place to ensure that these are not based on short-term success, but rather mid-term and long-term success. In addition, the pay system is set up in such a way that employees with variable compensation components are also affected by negative development of business initiated by them and that employees of departments arranged downstream of the initiating departments are also compensated appropriately on the basis of their responsibility.

The Supervisory Board is responsible for the pay and incentive systems at management level, while the management team is responsible for the system used for employees. The pay systems are reviewed at least once a year by the Legal department and any necessary amendments are implemented.

The greatest asset of MLP is its consultants and employees, which is why special emphasis is placed on the qualification of our employees and managers. Nevertheless, human errors cannot be completely ruled out. In this context, we employ an open culture of constructive criticism with the objective of detecting mistakes early on, continuously improving our processes and strengthening our innovative capacity. This also lines up with MLP's mission statement, its core values of performance and trust, as well as its leadership principles. The risk of staff shortages is reduced through an active personnel and succession planning as well as targeted personnel marketing measures.

Employees working with confidential information undertake to observe the respective regulations and handle the information responsibly. A clear separation of management and control functions restricts the risk of breaching internal and external regulations. Defined deputation regulations secure our business and decision-making processes.

IT risks

IT risks result in particular from any failure of critical IT processes, applications, IT systems, as well as IT infrastructures, including potential cyberattacks.

MLP FHG pursues an IT strategy in order to effectively minimise potential IT risks. When selecting IT systems, the primary focus is on sector-specific software. If necessary, business-specific proprietary IT applications are developed by qualified internal and external specialists. The correct functioning of IT systems is secured by performing comprehensive system tests and pilot phases before they are commissioned. Databases are protected from a potential data loss by conventional means through the outsourcing of data centre operations to service providers with various locations and Cloud platforms, back-up systems and mirror databases, as well as establishment of a defined contingency plan.

IT systems are protected from unauthorised access through the access and authorisation concept, malware protection that is aligned to the current state of the art, as well as other comprehensive security systems. Due to the existing virtualisation of the workplace, the option for location-independent work is technically feasible.

MLP operates a Group-wide information security management system in order to identify potential risks with regard to information security and then take any appropriate action. This is incorporated into the assessment and control of operational risks. In terms of the protective measures, we ensure that our technology always reflects the state of the art and have this regularly checked by external experts. Digital innovations are developed in a laboratory environment as a way of keeping risks to a minimum during the development phase.

Risks from external events

Risks resulting from external events include outsourcing, legislation and politics, criminal and fraudulent activities (external), as well as natural disasters and force majeure.

The trend towards industrialisation and a reduced vertical range of manufacture has increased in the financial services sector. Companies are increasingly focussing on their core skills, i.e. production of financial services products, support and information services, specialist consulting expertise and sales expertise. In this market environment, MLP makes use of external partners for activities that are not part of its core business. Based on Germany's "MaRisk" minimum risk management requirements, key outsourcing activities at MLP FHG are incorporated into risk management within the standard scope of risk controlling and management processes with continuous risk identification, assessment, control and reporting. MLP has clearly regulated responsibility for the outsourced processes and installed a central system of outsourcing management. This ensures that any potential organisational, structural or process-based risks that may occur due to outsourced business activities are closely controlled.

In addition to this, corresponding insurance policies have been concluded where appropriate to minimise risks from external events such as fraud, burglary, theft or damage due to force majeure.

Internal security measures are also set up in such a way that any attempts at fraud, burglary or theft are prevented upfront. In order to prevent external cyber risks, such as hacker attacks and malware, appropriate measures are taken, including the implementation of common standards such as firewalls, intrusion prevention/detection systems, antivirus software, as well as active patching and vulnerability management of systems.

To ensure maintenance of critical processes in all cases, the potential consequences of external events are assessed within the scope of the Business Continuity Management (BCM) system and corresponding plans of action drawn up.

Potential risks arising for the institutes of MLP FHG from fraudulent or other criminal conduct are identified and regularly assessed within the scope of the risk analysis performed to identify potential hazards caused by criminal conduct (both internally and externally). Both the risk assessment and the individual measures implemented to avoid criminal conduct are performed by the relevant section at the respective central office pursuant to § 25h of the German Banking Act (KWG) and are also incorporated into the operational risk audit process.

Legal risks

Legal risks arise from the above-mentioned categories if they are of specific legal relevance.

The management of legal risks is essentially handled by the legal department. In addition to consulting on corporate decisions and designing business processes, its tasks include following and assessing current legal disputes. Possible legal risks are to be identified at an early stage and possible solutions for minimising, limiting or preventing such risks are to be presented. The legal department coordinates the commissioning and integration of external lawyers. Within the scope of risk mitigation, the legal department checks and monitors the existing insurance coverage for economic loss and initiates any adjustments which may be necessary. According to our review, the pending or threatening legal proceedings against MLP FHG do not represent risks which could endanger the Group's continued existence.

Through its authorisation to conduct banking and financial service businesses, MLP FHG is subject to special risks with regard to potential non-compliance with supervisory regulations. This also applies to legal capital adequacy regulations, which require a minimum regulatory capital. Comprehensive guidelines and workflows have been implemented to comply with supervisory regulations and for the functions Compliance, Money Laundering and Fraud Prevention, as well as Data and Consumer Protection. The objective of these guidelines and workflows is to secure compliance with and monitoring of the legally stipulated requirements by the specialist departments and staff units responsible.

The Executive Board has also set up a compliance function, the duties of which include identification and monitoring of the key legal provisions and requirements. Non-compliance can potentially jeopardise the assets of MLP FHG and can lead to significant reputation risks. The Compliance function advises and supports management, as well as the responsible specialist departments. It works towards implementation of effective procedures ensuring compliance with substantive provisions and internal regulations as well as corresponding control measures performed by responsible units. It also provides regular reports, including ad-hoc reports on its activities to both management and the Supervisory Board when and where necessary. The compliance function also promotes and strengthens the Group-wide risk culture.

Active knowledge management in the specialist departments and, at the same time, continuous observation of legal developments by our Legal and Compliance departments ensure that any potential regulatory changes can be detected early on. As part of our audit management, the implementation of new legal requirements and findings of external auditors are controlled through our Group-wide "MaRisk Steering Committee", tasks are assigned to relevant functions and their progress regularly and actively tracked. In particular those issues that have significant effects on the MLP Group and involve multiple specialist departments are assigned to this programme.

Quantification

Operational risks are quantified using a dedicated model. This is carried out on the basis of the average or maximum frequency of occurrence and amount of loss from the results of the self-assessment and the historical loss data. For those organisational units in the risk review where the data basis, especially concerning the claims history, is not sufficient, the basic indicator approach will be used as an alternative in accordance with the CRR. The same applies to any new organisational units that need to be considered in the look-through process until they are switched over to the proprietary model. Within the scope of the basic indicator approach, the supervisory capital charge for the operational risk is determined using a fixed calculation scheme. On this basis the capital charge is 15% of the average gross proceeds of the last three financial years, whereby only positive gross proceeds are taken into account. It is expected that there will be a change in the regulatory approach in 2025, so corresponding preparations are underway. Current expectations are reflected within the scope of the normative perspective on a best effort basis.

As of December 31, 2023, the operational risk of MLP FHG is €3.8 million (€21.1 million) based on the risks presented above. This decline can predominantly be attributed to the fact that the risks of Group companies outside the group under CRR are taken into account via the equity holding risk, which is why the operational risks quantified in the previous year for these companies are now included in the equity holding risk.

Other risks

Other risks include strategic risks, sales risks, reputational risks, pension risks and tax risks. The strategic risks or "business risks" also include potential step-in risks for a non-consolidated company, insofar as the support is provided without contractual obligation. In particular, the assessed investments of the Group companies in the non-look-through are subject to such business risks. As part of Group management, other risks are taken into account using a generic risk amount ("risk buffer") in the sense of Section 4.1 Paragraph 5 of the Minimum Requirements for Risk Management (MaRisk). 50% of the transaction-based earnings potential is retained for other risks within the regulatory group under CRR. For other insignificant risks of MLP FHG, the minimum of €10 million or 1% of the risk coverage potential is retained.

In comparison to the previous year, other risks were restructured in the risk audit. The risk category defined as general business risks in the previous year now differentiates between strategic risks, sales risks and tax risks. The strategic risks include the overall economic risks, business environment and sector-related risks, as well as corporate strategy risks.

Strategic risks

The strategic risks include risks that result from the business model in interaction with the external environment. These include, for example, the behaviour of competitors and clients, as well as technological advancements and risk factors arising from the ESG context. Achieving the planned results can unexpectedly be jeopardised as a result of inadequate alignment of the company to the respective business environment which may have changed abruptly. Such focus, for example on individual products or a special client segment, also bears the risk of making the operating results excessively dependent on the earnings contribution of these products or this client group. Risks due to earnings concentrations can potentially occur as a result of changes in the market. Since these risks are presented in the anticipated cash flows, they are implicitly recorded in the assessment of the equity holding risk of the companies of MLP FHG that are not part of the CRR group. In addition, in the economic view on earnings potential from commission-based business, increased business risks should be anticipated. Risks that materialise can directly limit future commission flows. An existing credit portfolio, on the other hand, generates the anticipated cash flows – although it is in particular subject to the aforementioned counterparty default risks.

Strategic risks can also occur as a result of an inadequate strategic decision-making process, which is associated with unforeseeable discontinuities in the market, products and services that have not been properly matched to the market or poor implementation of the chosen strategy, as well as monitoring of its implementation.

Strategic risks: Overall economic risks

Macroeconomic changes of economic and political factors can also affect the business model and performance of MLP. Both national and international developments in the political, economic and regulatory arenas, as well as business developments and other requirements in the financial services market are therefore monitored. The knowledge bundled at FERI offers us particular support in this regard.

In the mid-to-long-term perspective, the forecast demographic development in the Federal Republic of Germany will lead to a significant pension shortfall. The scepticism being displayed by the population with regard to the political motivation and will to eliminate the pension shortfall would also seem to support this. With the major central banks having underestimated the inflation trend for quite some time, first the US Federal Reserve and subsequently the European Central Bank corrected its course with measures to fight inflation, focussing in particular on increasing interest rates. The dynamic interest rate developments have now likely come to an end, so the inflation rate could stabilise in the mid to long term. However, if interest rates remain at this level, there is a risk that market conditions for deposits could approach the same level, leading to a decline in the margin over what can currently be achieved. There is also a risk that an inverse yield curve could continue to prevail and that a maturity transformation margin could be off the cards if the rate of inflation increases again while the short term interest rate remains stable. As a general rule, the end of the low interest rate era is allowing classic banking business to return to significantly better profitability which – even with reduced margins – should remain higher than the period before the turnaround in interest rates. In addition to this, there is still a pronounced need for sound wealth management advice, not least due to inheritances and gifts. The low unemployment rate – which is actually pleasing from the perspective of client potential – and the resulting increase in competition for qualified staff represent a challenge for MLP when it comes to acquiring new consultants. Due to previous supply bottlenecks, as well as inflation and interest rate developments, the overall situation in the real estate sector remains tense. Political decisions can potentially have both a positive and negative impact here. In light of high inflation, there is also a risk that energy prices, yet also wage costs, could remain at a higher level. Geopolitical developments can also lead to interruptions or delays in supply chains, which can in turn reduce revenue and increase costs.

Strategic risks: Business environment and sector-related risks

The crises of the last years have further intensified the business environment and sector-related risks in terms of competition in the financial services business in Germany and accelerated consolidation of the heavily fragmented market. New competitors have entered the market in the form of FinTechs and InsurTechs, focussing on sub-processes in the financial and insurance sectors. Social changes, new regulatory requirements and competitors, as well as identifiable trends in client behaviour are all factors which can have a significant influence on MLP's business. MLP considers itself well prepared for the changes that lie ahead. The quality of our consulting and our products as well as our focus on selected client groups and our independence give us a very good market position. Furthermore, the consolidation of the market provides acquisition opportunities for the Group. Within the scope of its business activities, MLP in particular provides wealth management, old-age provision and insurance services. The interest rate development is the determining factor for further development in these markets. Although the market situation is likely to remain tense in 2024, the real estate business remains important for the Group, as it offers additional investment opportunities within the holistic investment strategy.

Strategic risks: corporate strategy risks

Corporate strategy risks largely consist in the erroneous assessment of market trends and, in consequence, the erroneous alignment of business activities. Strategic risks also emanate from unexpected changes in market and environmental conditions as well as the shareholder structure of MLP SE with negative effects on the results of operations.

Corporate strategy control at MLP is primarily the responsibility of the Executive Board or the governing body of the respective unit within the Group. Changes and developments in both the national and international markets, as well as the business environment are analysed on the basis of intensive observation of the competitive environment. Measures are then derived to ensure the Group's long-term corporate success. Target values are laid down based on a projected assessment of success factors. The achievement of these values is constantly monitored. The strategic positioning is regularly reviewed on the basis of target/performance comparisons.

All key value drivers in MLP's business model are subject to continuous analysis and active management via a comprehensive system of central and local controlling. The Group strategy and the measures it involves, all of which are set out by the Executive Board, are reflected within the scope of budget and long-term planning as a way of analysing their effects on the business situation. Key developments of internal value drivers, as well as external framework conditions are also modelled proactively using planning and simulation instruments and are then subjected to various scenarios to determine their earnings sensitivity.

Continuous reporting is performed to record the anticipated course of business, so that action can be taken quickly in the event of any negative deviations.

The strategic risk is considered significant. It must therefore be taken into account in risk management. This takes place in the form of a risk buffer as part of the ICAAP.

Sales risks

Sales risks have a similar effect on the income statement as strategic risks. However, these are primarily driven by external factors, such as a recession leading to reduced demand or ineffective positioning/services by the sales force. In this respect, the potential measures differ quite markedly.

The risk is considered as significant. It must therefore also be taken into account in risk management. This takes place in the form of a risk buffer as part of the ICAAP.

Reputation risks

Reputation is defined as the reputation of MLP as a whole or of individual Group companies in terms of expertise, integrity and trustworthiness that results from the perception of different stakeholder groups. The stakeholders, for example include clients, employees, consultants, heads of the university teams and branch office managers, shareholders and creditors, other institutes, ratings agencies, the press and the world of politics. Reputation risk is understood to mean an existing or future risk regarding income, equity or liquidity as a result of reputation damage.

Management of reputation risks at MLP FHG is always performed decentrally within the scope of a defined regulatory cycle following the principle of managing operational risks. Alongside reactive control directly after the occurrence of an event of damage, preventive risk management is particularly important here.

The potential risk of mistakes made while providing consulting services to our clients also impacting our reputation, is minimised by securing continuously high-quality consulting. The instruments used to secure this high level of consulting include IT-based consulting tools. In addition to this, comprehensive documentation is provided of results that have been achieved during consultations with clients.

For reputation risk, there are significant inter-risk concentrations with credit risk, strategic risks, and sales risks. These are therefore taken into account in the risk management process in the form of stress tests.

Tax risks

Tax risks are understood to mean the risk of interest on arrears or charges relating to regular tax payments as well as tax back payments. Changes that emerge in the tax and accounting law are continually checked and reviewed with regard to potential effects they may have on the Group. The company's compliance with fiscal requirements is checked by internal and external experts in accordance with the tax regulations and the documents pertaining to these issued by the tax authority. Corresponding provisions are formed for subsequent payments to be anticipated. Developments in the accounting law are monitored and implemented in the respective specialist departments.

Tax risks are considered a significant risk. They must therefore also be taken into account in risk management. This takes place in the form of a risk buffer as part of the ICAAP.

Cross-sectionally considered risks

Sustainability risks

We consider sustainability risks to include events or conditions resulting from the environment, social issues or corporate management, whose occurrence can have actually or potentially significant negative effects on net assets, result of operations or liquidity situation. This also includes climate-related risks in the form of physical risks and transition risks. Sustainability risks can manifest themselves in all risk types, which is why we do not rate them as a dedicated risk type, but rather based on issues encountered within the scope of the respective relevant risk type. Identification of sustainability risks in existing risk types occurs on the basis of ESG risk drivers. They are taken into account in risk management in accordance with the principle of materiality. Sustainability risks were identified as non-significant within the scope of the risk audit. A climate stress test is also being derived and calculated to improve identification of these cross-sectional risks.

The insignificant sustainability risks, for example, encompass risk drivers such as severe weather incidents, in particular flooding, in the counterparty default risk or the accusation of greenwashing in the other risks or reputational risks.

Concentration risks

To assess the risk concentrations associated with significant risks, MLP initially uses the risk values defined within the scope of ongoing risk management or regular risk reporting (for example unsecured loan volumes or risk measures such as the value at risk). In doing so, any and all risk concentrations are identified and, insofar as possible, wherever possible, based on quantitative standards. The concentrations are differentiated between intra-risk and inter-risk concentrations. The former have an effect within the same risk due to insufficient diversification, while the latter are the result of interdependencies between various risks. A supplementary, qualitative assessment that builds on this is then performed pursuant to the risk tolerances set out in the risk strategy (and therefore also an estimate of a potential need for action with regard to more stringent control measures).

The following are considered significant intra-risk concentrations of significant risks:

- Credit risk: Concentrations at debtors/group of related clients; Concentrations by risk class, concentrations on the healthcare sector, concentrations on products and individual business partners

- Counterparty risk: Concentration with regard to large-scale loans issued to financial institutions
- Interest risk (periodic): Concentration on short-term maturities on the equity side of the balance sheet
- Insolvency risk: Asymmetric contractual periods between the long-term, illiquid loans or receivables and the client deposits, which generally have a short-term maturity.
- Refinancing cost risk: Concentration on individual counterparties

The following are identified as significant inter-risk concentrations of significant risks:

- Reputational risks: There are dependencies with the insolvency risk, strategic risks and the sales risk.

In the case of significant risks, significant risk concentrations are taken into account appropriately in the management of the ICAAP / ILAAP (for example through stress scenarios) or managed through adequate metrics or analyses.

Superordinate and macroeconomic risk position

After decades of low inflation rates, a turnaround took place in 2022 and 2023 due to high inflation. Following volatile market phases and a macroeconomic situation that continues to be dominated by geopolitical tensions, interest rate cuts are now slowly materialising again, even if inflation is not yet in line with the ECB's medium-term goal of around 2%. In addition to this, there is also a risk of an extended recessionary phase with low GDP growth in Germany and the eurozone due to the marked increase in interest rates. The uncertainties, caused primarily by the budgetary policy of the German government and also tighter regulations at EU level - for example in the form of comprehensive stipulations relating to the German Supply Chain Due Diligence Act (LkSG) – are contributing to the general risk position. Nevertheless, expectations in terms of short-term drops in interest rates are being welcomed and leading to positive movements in the capital market. In the long-term interest rate outlook, declining inflation rates are reflected in an inverted yield curve. Depending on the extent of the inversion, this can lead to higher or lower present values in transactions with longer interest rate commitments.

These developments are impacting MLP, in particular due to the rate of inflation, above all in the form of progressively rising costs. The changes in interest rates contribute to positive interest margins, even though lower (yet still positive) margins can be expected as the market conditions for deposits at MLP Banking AG approach the short-term reference interest rate. In the mid-term, both effects can potentially lead to reductions in either the credit portfolio or undisclosed reserves of deposits in a present value perspective, based on applied assumptions. Capital market expectations led to new peaks in the DAX. Volatile capital markets should also be anticipated for 2024 – potentially with negative effects on assets under management. A lower saving rate due to higher interest costs and inflation could be another risk factor, although MLP's client base is generally less affected by these factors.

At MLP Banking AG, the interest rate policy on the equity side is to be aligned with the internal liquidity situation, as well as with market conditions in order to prevent unanticipated liquidity outflows. In addition, the ever-rising living costs and the raised interest rate can potentially also lead to an increase in default rates.

Among other things, the present value interest risks are managed using the interest rate risk coefficient. Fourteen-day monitoring of total deposits is also used to monitor the liquidity situation.

The strategic alignment of the Group is not significantly affected by the influential factors described above, as the diversified business model provides a cushioning mitigating against materialising risks. As before, the real estate business and lending business are the main areas to suffer heavily as a result of the rapid turnaround in interest rates. However, this is being compensated, above all by the positive margin development in the banking business. Opportunities are taken if they are in line with strategies.

Risk-bearing ability & capital requirements

The economic risk-bearing capacity concept ensures that the risks incurred are offset against sufficient risk coverage potential at all times. As part of the economic risk-bearing capacity concept, MLP FHG pursues a present value-based approach to managing significant risks with a confidence level of 99.9% (previous year: 97.0%) until December 31, 2023 and compares them to the risk coverage buffer derived from the present value-based risk coverage potential.

In the previous year, the free regulatory capital after fulfilling the regulatory minimum quota and an additional buffer were available as risk coverage potential. Due to the altered control perspectives, in particular resulting from the present value-based approach and the inclusion of the group under IFRS into the group under CRR, the figures from 2022 cannot be methodologically compared with those from 2023. The consideration of present value-based risks and the hidden reserves from the significant, non-CRR-regulated part of the MLP Group through the equity method are causative for the significant increase in risks and risk coverage potential/risk coverage buffer compared to the previous year.

Risk coverage potential and risk coverage buffer

The risk coverage potential of the economic perspective, determined for the first time in the financial year 2023 using present value method, includes, among other items, the following positions:

- Balance sheet (Group) equity and carrying amounts of all assets and liabilities (for present value-based risk-bearing capacity) as per the CRR
- Present value contribution of hidden reserves and liabilities, including the present value contribution of all assets and liabilities as well as off-balance-sheet items (or hidden reserves/charges from the value difference between the carrying amount and present value in the case of present value-based risk-bearing capacity), and hidden reserves from the valuation of the equity investments of the group under IFRS without companies of the regulatory group under CRR and minus direct investments in the regulatory consolidated balance sheet (CRR) (since no look-through was performed for the non-regulated companies of the group under IFRS).
- Deduction of the present value for anticipated inventory liquidation costs, in particular the present value of administration costs for continuation and administration of the items, expected losses in the lending business, as well as anticipated operational risk of the regulatory group under CRR.
- Deductions for cautious valuation, in particular deduction of current earnings, as well as intangible assets of the regulatory group under CRR.

Risk coverage buffer

Position (in € million)	Dec. 2023
Balance sheet equity (group under CRR)	575.3
Present value of undisclosed reserves and undisclosed liabilities	460.9
Present value of expected inventory liquidation costs	-102.8
Deduction for conservative valuation	-174.7
Other deduction items	28.0
Risk coverage potential	786.6
Allocated risk coverage buffer	690.0
Risk buffer	-24.3
Total limit for quantified risks	665.7

A total of €665.7 million is being made available from the risk coverage potential as risk coverage buffer. Under a hypothetical continuation of the going concern approach in accordance with commercial law, a risk coverage buffer of €115.0 million would be provided, which is the same as in the previous year. The risk coverage buffer is used to cover the risk types classified as significant by MLP. These are the counterparty default risk, the market price risk, the liquidity risk, as well as operational and other risks. The risks undertaken were consistently covered by the established risk limits throughout the financial year.

Following deduction of the risk buffer for other risks, totalling €24.3 million, this leads to the following limit utilisations for MLP FHG as of December 31, 2023:

Type of risk (in € million)		Dec. 31, 2023	
	Limit	Risk	Utilisation
Counterparty default risk	466.0	368.4	79.0%
Market price risk	59.9	15.1	25.2%
Operational risk	119.8	3.8	3.1%
Liquidity risk	20.0	0.0	0.0%
Total	**665.7**	**387.3**	**58.2%**

The special risk situation in the DI Deutschland.Immobilien segment (DI), primarily driven by continued adverse trends in the real estate market, is addressed by implementing more stringent assumptions regarding the quantified equity holding risk. The equity holding risk of DI is therefore increased to the contributions based on the equity method.

For comparative purposes, the former methodology for risk capacity calculation with the going-concern approach is included for 2023 with a confidence level of 97.0%. A similar deduction of a risk buffer for DI was also applied here. However, the approach was not significant in terms of the actual risk management performed in the financial year, which is why limits for the risk types were not carried over:

Type of risk (in € million)		Dec. 31, 2023			**Dec. 31, 2022**	
	Limit	Risk	Utilisation	**Limit**	**Risk**	**Utilisation**
Counterparty default risk		46.7		67.5	44.2	65.4%
Market price risk		19.7		8.1	7.6	93.7%
Operational risk		21.1		26.6	21.1	79.3%
Liquidity risk		1.2		1.5	1.2	81.7%
Total	**103.8**	**88.7**	**85.5%**	**103.8**	**74.1**	**71.4%**

Capital adequacy requirements, capital control under banking supervisory law and normative control perspective

A primary objective of equity control is to ensure that the legal solvency regulations for banking and financial services businesses, which prescribe a minimum capital adequacy, are fulfilled and that the quantitative and qualitative equity base is strengthened. At MLP, the examinations performed for the purpose of complying with the Capital Requirements Regulation (CRR), which came into force on January 1, 2014, as well as Article 7 and Article 11 et seq. of EU Directive No. 575/2013 of the European Parliament and Council from June 26, 2013 regarding the supervisory requirements of financial institutions and investment firms, are performed on a consolidated basis (Group). Since January 1, 2017, MLP has been drafting an independent IFRS consolidation on the regulatory scope of consolidation. The disclosures are based on the legal foundations in place and valid on the reporting date.

In the sense of the legal provisions associated with the Capital Requirements Regulation (CRR), MLP employs both an appropriate organisational structure and appropriate internal control/monitoring procedures such that proper consolidation of the corporate group is ensured.

As per § 10a (2) of the German Banking Act (KWG) in connection with Article 11 of the Capital Requirements Regulation (CRR), the relevant Group includes MLP SE, Wiesloch, as the superordinated undertaking, MLP Banking AG, Wiesloch, FERI AG, Bad Homburg v. d. Höhe, FERI Management GmbH, Bad Homburg v. d. Höhe and FERI (Luxembourg) S. A., Luxembourg.

The following means and measures for controlling and adjusting the equity capital of the Group are available to MLP: (I) issuing new shares and (II) retention of a portion of the earnings (III) making transfers to the statutory reserve to strengthen Tier 1 common capital.

As per Article 25 et seq. of the CRR, the Group's Tier 1 common capital includes the following equity items of IFRS capital: share capital, capital reserves, statutory reserve and retained earnings, which also include the earnings from investments in other subsidiaries accounted for using the equity method. Among other factors, intangible assets, goodwill and the deduction amount for qualifying holdings as per Art. 89 (1) and (3) in connection with Art. 36 (1) k) of the Capital Requirements Regulation (CRR), the corresponding results of which are only recognised in the equity capital after the allocation of annual results in the following year.

MLP applies the standardised approach to credit risk for determining the risk-weighted exposure values (counterparty default risks) in accordance with Article 111 et seq. of the Capital Requirements Regulation (CRR). The basic indicator approach is used for determining the amount for the operational risk (Article 315 et seq. of the CRR).

Regulatory capital adequacy (Pillar I)

Shareholders' equity (in € million)	2023	2022
Tier 1 common capital	330.4	321.3
Tier 1 additional capital	–	–
Tier 2 capital	–	–
Eligible own funds	330.4	321.3
Capital adequacy requirements for counterparty default risks	121.0	105.5
Capital adequacy requirements for operational risk	24.9	22.6
Core capital ratio (in %)	18.1	20.1
Tier 1 common capital ratio (in %)	18.1	20.1

Amounts on the basis of submitted statement

On the basis of the current business and capital planning, incorporating adverse scenario planning, the MLP group under CRR also satisfies the capital requirements from a multi-year normative risk-bearing capacity perspective for the financial years 2024 to 2026.

Summary

MLP's business development is essentially influenced by financial risks, operational risks and other risks. We use our risk management system for the early identification, assessment, control, monitoring and communication of our key risks in terms of both current and future developments. The information provided ensured prompt introduction and prioritisation of risk management measures without exception.

In 2023, MLP FHG consistently operated within its risk-bearing capacity, maintaining strong capital and liquidity positions.

Our Business Continuity Management also ensures regulated business operations in the event of any disruptions. Our risk monitoring and control systems and the consistent alignment of our business model to our risk-bearing ability enable us to ensure that the risks taken in our business activities are backed with adequate risk capital.

The risk management system is subject to continuous further development, in particular with regard to developing the volume and complexity of our business. The effectiveness of our risk management system and its regulatory implementation are also checked at regular intervals by both external and internal auditors.

The above-mentioned risks, and such risks which are not yet known to us or are currently considered insignificant, could have a negative impact on our forecasts detailed in the outlook.

There are currently no discernible risks that could threaten MLP's continued existence, and we do not anticipate any negative development in this respect for the coming financial year. No appreciable risks which could have a significant influence on the continued existence of the MLP Financial Holding Group occurred at MLP FHG after the balance sheet date.

Opportunity report

Opportunity management

The objective of the integrated opportunity management approach employed by the MLP Group is to secure systematic and early identification of opportunities and their assessment.

This takes place within the scope of a standardised business strategy process, performed by the Executive Board once a year. To this end, assumptions made about relevant influential factors for future development are subject to checks as and when required. Such reasons can, for example, include major acquisitions, regulatory changes or changes in the market environment. The current internal and external framework conditions, as well as influential factors are then analysed and summarised using established processes. A comprehensive analysis of the current environment always forms the basis of this process. Among other things, this includes the macroeconomic and regulatory framework conditions, developments in the product area and also the competition. With regard to client and sales potential, we also use available market data alongside our own assessments. The analysis culminates in a comprehensive SWOT analysis (strengths, weaknesses, opportunities, threats).

Opportunities from changing framework conditions

The economic forecasts for the year 2024 suggest only limited opportunities for MLP. However, should the German economy display significantly better development than assumed in our forecast, this will have only an indirect influence on operational development at the company in the short term, but could generally deliver a positive effect in terms of general business development. Better development of the capital markets as a result of this could lead to higher performance fees in wealth management in the FERI segment. Thanks to enjoying a better financial situation, private and corporate clients may have increased opportunities for wealth management, insurance coverage, and provision. This could potentially have a positive impact on the FERI and Banking segments, as well as the Financial Consulting, DOMCURA and Industrial Broker segments.

Due to the significantly increased interest rates throughout the year 2023, high interest income in the Banking segment could also accrue in the year 2024. In terms of old-age provision contracts, significantly higher interest rates triggered by the rise in market rates resulted in increased client demand in the Financial Consulting segment. Developments on the capital markets influence business development in the wealth management consulting field. Should the capital markets perform significantly better than anticipated, this could have a positive impact on assets under management and performance fees in the FERI segment. Greater awareness of the importance of health, healthcare provision and existential risks, which MLP covers through the consulting fields of old-age provision, non-life and health insurance, could also have a positive impact on business development in the Financial Consulting, DOMCURA and Industrial Broker segments.

On the other hand, should the interest rate fall again in 2024, this could present opportunities for real estate brokerage in the Financial Consulting and Deutschland.Immobilien segments. Real estate continues to be an attractive investment, particularly within our client groups. This attractiveness could be further enhanced by lower interest rates.

The increased awareness of sustainability among the population presents opportunities through the provision of sustainable products. Through our product partner selection process, which increasingly considers sustainability criteria in the areas of insurance cover, provision and wealth management, we believe that we are well-equipped to address this. Increasing digitalisation also continues to present an opportunity for leveraging efficiency gains, both in the client business and when seeking to automate internal processes. With our commitment to elements of robotic process automation (RPA) and artificial intelligence (AI), which we have already successfully introduced in certain areas, we also believe that we are well-positioned here.

Increasing regulation of the financial services sector in Germany presents both challenges and opportunities for MLP. Stricter regulatory requirements will initially lead to additional costs and reduced productivity, as administration workloads increase and processes in the company have to be adapted. However, regulation also increases the quality standards expected of market members. From our perspective, this serves to accelerate consolidation of the market, since individual brokers are simply unable to satisfy the stricter requirements. At the same time, this development could lead to a situation in which qualified brokers from other market members display a stronger desire to work for MLP or ZSH. In addition to this, we were quick to align our operations to the new framework conditions in recent years, which positions us well to benefit from this in the mid-term.

Corporate strategy opportunities

We see corporate strategy opportunities primarily in MLP's positioning as a partner for all financial matters, a position which has been particularly strengthened over the last few years.

Alongside support for private clients, we are focusing on our business with corporate clients and institutional investors. In cooperation with our Group companies DOMCURA, RVM, FERI and the brand TPC (occupational pension provision) within MLP Finanzberatung SE, we will further expand our portfolio for corporate clients and institutional investors in the areas of occupational pension provision, non-life insurance, wealth management and risk management. Interlinking these areas with one another and with the private client business will furthermore enable us to create corresponding revenue potential.

Its broadly diversified positioning gives MLP an important USP in the private client business. Further exploitation of these opportunities offers potential for the next few years. This opens up further prospects in wealth management in the FERI segment, in which MLP clearly sets itself apart from the market through its highly transparent price model. It also presents opportunities in the financing business in the Banking segment, primarily for the client group of physicians, as well as the non-life insurance business in the Financial Consulting, DOMCURA and Industrial Broker segments, in which MLP is developing the business of its subsidiaries DOMCURA and RVM. Additional gains are also conceivable based on a stronger than anticipated demand in old-age provision products in the Financial Consulting segment.

Within the scope of opportunity management, MLP examines the market for potential acquisitions, primarily in the Industrial Broker segment. In the event of an acquisition, opportunities can arise which can increase revenue potential.

Business performance opportunities

Our client potential in MLP's private client business could increase even further over the course of the next few years. The need for well-trained employees in Germany is increasing, which in turn improves the basic conditions for our client group of academics. More pronounced penetration of our client base in the private client business is also facilitating further growth. Since our clients are generally very well-trained and thereby have excellent income prospects, they also have a continuous need for sound financial advice and hold corresponding revenue potential in virtually all segments.

There is also high demand for consulting in the business with institutional and corporate clients. Particularly for institutional investors and high net-worth families whom we manage at FERI, there is a growing demand for consultancy services, especially in the field of alternative investments. DOMCURA is the service provider for brokers and other intermediaries in the non-life insurance business and offers them comprehensive solutions in the private sector, as well as parts of the commercial sector. RVM supports the commercial clients in this field – in some cases with a high degree of individualisation.

Further interlinking of these different MLP private and corporate client segments generates substantial revenue synergies, offering promising future revenue opportunities.

Over the last few years we have introduced and implemented various measures to increase the productivity of our consultants. These include further development of our consulting applications, even greater support for our consultants – for example in product selection – and even more effective service from the back-office. In addition to this, revenue potential is generated from various measures aimed at enabling our consultants to focus more sharply on their core responsibilities, which could positively impact all segments. As an underwriting agency, the DOMCURA Group has also extended the added value chain of the MLP Group for standard products in the non-life insurance business field with its processes and expertise and will continue to do so in future.

The Corporate University is continuously expanding its training programme for self-employed consultants to keep up with current needs and regulatory requirements. As of July 1, 2023, a four-month trainee programme was introduced to prepare trainees for their future work as a commercial agent. Should we be more successful in recruiting new consultants than anticipated in our current planning, this could also lead to additional potential across all segments.

Opportunities in the real estate development business that go beyond current planning could arise in the Deutschland.Immobilien segment due to planned projects being implemented more quickly and cost-effectively or indeed through implementation of a greater number of projects. However, these opportunities are currently being impaired by higher mortgage interest rates and a general rise in construction costs. Despite the currently challenging situation in the real estate development business, there is still a need and, considering demographic developments, potentially even an increasing need for senior citizen housing. This could therefore present opportunities for our real estate development business in the Deutschland.Immobilien segment.

Opportunities from development of asset and risk positions

Positive business and market developments with lasting effects on earnings can be beneficial for the capital/financial situation of MLP and facilitate greater scope for action in terms of business model and risk profile.

MLP is exposed to counterparty default risks in its banking business in the Banking segment. Given our preferred client base with predominantly good credit ratings, MLP has profit opportunities with low need for bad debt allowances. These opportunities could be boosted further yet also potentially lead to risks depending on the economic situation in Germany. Opportunities can also arise from a potential expansion of the banking business in the Banking segment, although this too could lead to risks. Interest rate developments also have an influence on MLP's banking book. Depending on the positioning and interest rate development, they could potentially lead to risks but also to opportunities in the Banking segment. Regardless of this, MLP runs its banking book with the objective of continuing to secure a healthy liquidity situation.

Summary

MLP sees several key opportunities across multiple areas, particularly the areas of corporate strategy and business performance, as well as asset and risk position.

FORECAST

Prognoses

This documentation includes certain prognoses and information on future developments founded on the conviction of MLP SE's Executive Board, as well as on assumptions and information currently available to MLP SE. Terms such as "expect", "anticipate", "estimate", "assume", "intend", "plan", "should", "could", "might", "project" and any other phrases used in reference to the company describe prognoses based on certain factors subject to uncertainty.

Many factors can contribute to the actual results of the MLP Group differing significantly from the prognoses made in such statements.

MLP SE accepts no liability to the general public for updating or correcting prognoses. All prognoses and predictions are subject to different kinds of risks and uncertainties, which can lead to the actual results deviating from expectations. The prognoses reflect the points of view at the time when they were made.

Future overall economic climate

Overall economic development in Germany in 2024 will likely continue to be characterised by sluggish economic momentum as a result of general economic weakness in the eurozone, as well as structural growth inhibitors. According to FERI Investment Research (FERI), Germany has transformed from Europe's growth engine to a braking factor in the last few years. The country is currently also still in the process of undergoing far-reaching structural change. Overall, FERI therefore anticipates ongoing stagnation in German economic performance for 2024 – and is forecasting GDP growth of +0.3% for the year.

FERI is also of the opinion that both the European Central Bank and the Fed will initially stick to the present interest rate level for a significant portion of 2024 – so monetary policy will remain restrictive. Only once the inflation target of 2% can be adequately secured may we begin to see some cautious easing of the monetary policy. FERI does not expect to see this until the second half of 2024. In terms of the inflation rate, FERI is anticipating a decline to 2.8% on average for the year.

In light of the economic weakness, far-reaching transformations and the labour shortage, the employment market faces many challenges. The Institute for Employment Research of the German Federal Employment Agency (IAB) is therefore predicting that employment will initially display rather modest development in 2024 and return to stronger growth as soon as economic recovery gains momentum. Overall, the IAB predicts a slight increase in unemployment in 2024 compared to the previous year, rising by 60,000 to 2.662 million people.

At the same time, the Institute is anticipating an increase in the labour force potential of 90,000 to 48.41 million people in 2024.

Kienbaum consultants are forecasting that salaries will rise by 4.7% in 2024. According to the Fiscal Report 2024 of the German government, the disposable income of private households in Germany will increase by 4.8% in 2024. FERI is anticipating a slightly declining savings rate of 10.7% (2023: 11.6%) in Germany for the financial year 2024.

Future industry situation and competitive environment

Old-age provision

For 2024, the German Insurance Association (GDV) holds a cautiously optimistic view regarding the market environment for the old-age provision segment. A certain degree of becoming accustomed to the new inflationary environment could contribute to citizens once again displaying greater willingness to sign up for long-term contracts. In an environment of normalising interest and inflation rates, the German Insurance Association (GDV) is anticipating recovery effects in the life insurance business.

Tax relief relating to the Relief Package III of the German government, as well as further increases in real wages, could also provide positive stimulus for the sector in 2024.

On its own, the statutory pension will in future no longer be sufficient to maintain the same standard of living following retirement. In a survey performed on behalf of AXA, some 61% of respondents do not expect to be able to rely solely on the statutory pension for maintaining their standard of living after retirement.

In light of the shortage of skilled professionals, occupational pension provision is becoming increasingly important as a key pillar of old-age provision in Germany, as highlighted by a survey conducted by Deloitte in 2023. According to this survey, some 57% of respondents consider occupational pension provision to be more important than ever due to the high level of inflation.

To increase the popularity of occupational pension provision, Germany's Ministry of Labour is preparing another package of measures for 2024. The current government committed to this in the coalition agreement.

Based on the economic and geopolitical framework conditions, the German Insurance Association (GDV) is forecasting slightly positive overall development in gross life insurance premiums of up to 1.1% for 2024.

Wealth management

According to FERI Investment Research (FERI), the increasing effects of a tighter monetary policy and geopolitical risks will create a complex and uncertain environment for the capital markets in 2024. Despite declining inflationary expectations, the central banks are initially sticking to their restrictive monetary policy. This could potentially lead to macroeconomic shocks. The US presidential elections are also generating latent uncertainty, as are the heated situation in the Middle East and China's smouldering conflict with Taiwan. Investors must therefore expect shorter cycles and greater fluctuations on the capital markets.

Based on estimates of CapGemini, the wealth management sector is currently undergoing a paradigm shift, which is being driven by the demographic change, the wealth transfer between generations, the growing influence of wealthy millennials and increasing digitalisation. The investors of today have more knowledge than ever before and also have access to expert information and research tools at the push of a button. Equipped with this knowledge, many clients are keen to play an active part in managing their own wealth.

With its mission statement and approach, MLP is therefore well-positioned to help clients reach their own financial decisions. In light of the current situation on the capital markets, MLP is also anticipating a marked increase in the need for wealth management consultancy services in future.

Based on estimates provided by FERI, resilience is likely to become the key success factor for financial investments over the course of the next few years. A resilient investment strategy recognises opportunities and limits risks resulting from crises and structural upheavals. Active wealth management and a multi-asset approach that goes beyond conventional forms of diversification are the prerequisites for this. Both of these are core competencies of MLP subsidiary FERI. With significantly expanded investment options in digital assets, FERI estimates that the significance of this asset class within a multi-asset allocation will noticeably increase in the future.

As per forecasts of the Hans Böckler Foundation, the annual volume of inherited wealth in Germany, including gifts, is likely to reach up to €400 billion by 2027. According to a representative survey conducted by market research institute YouGov, 14% of all bequeathers in Germany estimate their own assets to be worth more than half a million euros. Accordingly, one in five stand to inherit between €250,000 and €500,000, while 18 percent can inherit between €100,000 and €250,000.

Non-life insurance

The German Insurance Association (GDV) is anticipating extreme weather events caused by climate change to increase in both frequency and intensity in Germany. In the mid-term, a further increase in potential non-life insurance claims should therefore be anticipated. The German Insurance Association (GDV) estimates that the premiums for residential building insurance policies are likely to double within the next ten years as a result of climate-related damage alone.

The increasing climate risks are also leading to an increase in the need for asset protection for residential properties and home contents. The potential is still significant: According to the German Insurance Association (GDV), only around a half of all homeowners in Germany are currently insured against natural hazards such as torrential rain, high water and flooding.

Commercial insurance policies will also become increasingly important for brokers in future, as underlined by a survey conducted by AssCompact.

Some 77% of survey respondents consider cyber security policies as a key future sales revenue trend for the next three years, while around half of those surveyed expect particular growth in revenue for directors and officers liability insurance policies, followed by commercial non-life insurance policies (42%) and technical insurance policies (41%).

According to calculations performed by the German Insurance Association (GDV), premiums for building insurance are set to rise by 7.5% in 2024. This can be attributed to inflation, increasing natural hazards as well as increased building and wage costs. Even if the increase is noticeably less than in 2023, it is still far above the long-term average of around 4.3% per annum.

Overall, the German Insurance Association (GDV) expects a significant premium growth of between 5.8% and 8.4% in the property and casualty insurance sector for the year 2024.

Health insurance

As was already the case in previous years, the expectations of those with statutory health insurance in terms of the future development of the healthcare system continue to be characterised by fears and a strong sense of pessimism. One in two statutory health insurance policy holders (49%) are of the opinion that it will only be possible to secure good medical care in future with an additional private policy; 32% believe that this is already the case today. This is the conclusion of the Continentale Survey 2023.

The German Insurance Association (GDV) also expects a rise in the number of individuals transitioning from the statutory to the private healthcare system in 2024. This shift is projected to increase the overall count of private health insurance policies and consequently boost premium income. In light of an ever more acute fiscal deficit in the statutory health insurance system, the discussion on further premium increases or benefit cuts will remain a keenly discussed topic. The increased awareness among German citizens of the importance of maintaining good health, which has come about since the coronavirus pandemic, could also have a positive impact on both comprehensive and supplementary insurance policies. The trend towards private supplementary insurance policies is therefore likely to continue.

Due to the shortage of skilled professionals and with the objective of becoming increasingly attractive to employees and retaining them long/term, the German Insurance Association (GDV) sees a key trend for 2024 in occupational health insurance and occupational nursing care insurance.

A recent survey commissioned by ARAG Krankenversicherung and conducted by YouGov indicates that more and more companies that do not presently offer their staff any such policies are currently planning to introduce them. As things stand today, only 18% of companies surveyed offer employer-financed occupational health insurance. However, one in four companies surveyed that does not presently offer any occupational health insurance is considering introducing such a policy, while another 13% have already decided to introduce one.

The employee perspective also underlines the significant potential. Indeed, one in two employees pay close attention to whether a prospective employer offers occupational health insurance when searching for a job. Offering occupational health insurance is also considered more attractive than a company mobile phone or company car.

Overall, the German Insurance Association (GDV) expects premium growth in the field of private health insurance to be between 4.0% and 5.5% in 2024.

Real estate

The real estate markets will continue to be under pressure in future. According to the "Real Estate Market 2023/2024“ survey conducted by DZ, there are simply not enough freely available apartments in the market to cover the already high demand for residential property, which has been made even more acute by immigration. In addition to this, the increased construction and financing costs for new-build projects have led to a large number of projects being put on hold, so completions are also likely to fall markedly in 2024. Due to greater demand than supply, the Association of German Pfandbrief Banks (vdp) does not anticipate any notable price drops, especially in the housing market. In fact, the Council of Real Estate Experts is forecasting rising property prices in the mid-term, although no longer with quite the same dynamic as in previous years.

The ifo institute is anticipating a drastic decline in residential construction in Germany. Based on calculations performed by the institute, around 210,000 new apartments are likely to be completed in 2024.

According to information provided in the "German Real Estate Market 2023/2024" survey conducted by DZ Hyp, demand for residential property is also likely to rise sharply over the course of the next few years. As the population ages, the number of private households will continue to increase, despite the total number of residents in Germany remaining stable. While the number of households with three or more people is likely to decline over the next 20 years, single-person households will increase significantly in number. The bottom line here is that the number of households in Germany could increase by 1 million by 2040, which suggests that additional living space will be required. Immigration will also lead to increased residential property requirements.

Despite challenging market conditions, nursing properties remain attractive as investments. In light of demographic developments in Germany, real estate research specialist Bulwiengesa is predicting that the number of citizens requiring inpatient nursing care is likely to rise to almost 1.4 million by 2040. In 2021, the number of individuals being cared for in nursing homes was just under 800,000. The additional need for inpatient nursing care places over the course of the next few years is therefore enormous.

The present stock and current construction work for full-time residential care will therefore not be able cover the increasing demand by 2040.

The new Growth Opportunities Act (WCG), which was being discussed in the Conciliation Committee at the end of 2023, is likely to provide positive stimulus for investors in 2024. You can find details on this in the section entitled "Competition and regulation".

The DZ survey therefore suggests that the real estate market still holds potential, despite facing many challenges. For 2024, the experts are for example anticipating rising rents in the residential segment with an annual increase of 5% to 6%.

Loans and mortgages

For 2024, FERI is generally anticipating the interest rate hike cycle to come to an end – thus reaching the maximum level of interest rates. Based on the drop in inflationary pressure, the experts even consider it possible for prime rate reductions to be made in 2024.

Based on estimates of the finance broker Interhyp, the interest rates for ten-year mortgage loans are likely to be within the range of 3.0 to 3.5% in 2024.

The dramatically higher interest rates are also continuing to negatively impact loan conditions. Rising building costs have also caused costs to skyrocket. Particularly in Germany, this has resulted in a dramatic collapse in construction work, especially with regard to residential construction. Due to the long cycles in the construction sector, FERI is of the opinion that this decline will initially continue in 2024 but then bottom out at some point in 2025.

The fact that interest rates and construction costs remain high might also lead to negative growth in terms of total construction financing loans in Germany in 2024.

Multiple newly launched subsidy programmes of the German Development Bank (KfW) were actually set to inject new life into the market for mortgage lending and private real estate purchases. However, these programmes were then halted by the KfW at the end of 2023 when a provisional application and approval stop was imposed. This subsidy stop was due to the freeze on public-sector spending by the German government.

Competition and regulation

The financial services sector is expected to support and also steer the transformation of the entire economy towards sustainability. Against this backdrop, MLP's sales and consulting process is to be continuously extended to include further sustainability aspects.

On the basis of the final report of the "Private old-age provision" focus group that was already mentioned in the chapter entitled "Industry situation and competitive environment", the coalition is keen to present a draft bill on reforming the state aid policy. This is likely to appear in 2024.

As described above, the draft of the EU Retail Investment Strategy no longer contains any general ban on commission. Whether the accompanying legislative process in Europe can be completed ahead of the EU parliamentary elections scheduled for the summer of 2024 remains to be seen.

Furthermore, a draft bill from the federal government is expected regarding the share-based pension announced in the coalition agreement. Based on the plans of the FDP, the coalition partner driving the idea, this is likely to be set up as a capital market-oriented supplement within the scope of the statutory state pension. Irrespective of any such measure relating to the statutory state pension, supplementary old-age provision remains essential for citizens in Germany.

The Growth Opportunities Act (WCG), whose relevant content for MLP has already been outlined, requires consensus between the federal government and the states, so the draft can also pass through the Bundesrat. A compromise on urgently needed support for housing construction and appropriate incentives for investors can be expected in 2024.

Over the next few years, the regulatory bodies are likely to continue work on ways to make the costs associated with financial products more comparable for clients, while clients themselves are likely to become more conscious about costs and consulting quality overall. Fee-based consulting in particular is likely to remain an important topic in the world of politics. MLP today already offers fee-based consulting in those areas in which we sense corresponding demand on the part of our clients, such as retirement planning.

MLP will be facing far-reaching obligations from 2024 onwards due to the German Supply Chain Due Diligence Act (LkSG), which is being introduced in a step-by-step approach. For the first time, this legislation sets out corporate responsibility for compliance with human rights in supply chains. This not only refers to a company's own business activities, but also encompasses the activities of both direct and indirect suppliers in the supply chain.

The Digital Operational Resilience Act (DORA) is also presenting new challenges for MLP. With this legislation, which must be applied as of January 17, 2025, the EU has created a regulation throughout the financial sector with a view to strengthening the European financial market in terms of cyber risks and incidents relating to information and communication technology. For this reason, MLP will also scrutinise existing processes in the financial year 2024 in order to satisfy the complex requirements of ICT risk management, reporting system of ICT incidents and key cyber threats, testing the digital operational resilience, including threat-led penetration testing (TLPT), third-party ICT management, European surveillance framework for critical ICT third-party service providers, information sharing, as well as cyber crisis and emergency exercises. However, the technical regulation and implementation standards, as well as guidelines that substantiate the application of DORA and will ultimately facilitate its implementation are currently still being drafted by the European supervisory authorities. With the DORA legislation, a whole host of further policies with relevance for MLP have been amended, whose implementation will also be addressed in 2024.

MLP SE will be affected by the Corporate Sustainability Reporting Directive (CSRD) for the first time in the financial year 2024. With the CSRD, disclosure of non-financial information is being significantly extended both qualitatively and quantitatively. The European Sustainability Reporting Standards (ESRS) will stipulate binding reporting standards at the level of the EU for the first time. This will be published in a dedicated section of the management report attached to the annual report and is subject to an external auditing obligation.

Anticipated business development

Basis and assumptions

The following statements describe our expectations for the financial year 2024. The financial year 2023 represents the basis of comparison for each of the described expectations. Our expectations are based on the business strategy approved at the end of the financial year 2023, as well as the corresponding financial and KPI planning. These are based on certain assumptions, above all an ongoing period of high interest rates with corresponding economic effects, as well as continuing political and economic uncertainties, all of which would generally have a negative impact on the business activities of MLP. On the other hand, the continued demographic development is likely to have a positive influence on our business activities in both old-age provision and wealth management, while the higher interest rate is likely to benefit our banking business.

Strategic further development

We will continue to drive forward our strategic further development of the last few years in the financial year 2024. The focus will be on further revenue growth in order to expand and diversify our revenue base. Alongside expansion of existing business activities, we are also keen to continue our successful M&A strategy.

Among other things, the expansion of our existing business activities is being supported by the new trainee programme for aspiring consultants. Through this program, we aim to attract qualified consultants for our business now and in the future. With these investments, we are not only establishing the basis for further revenue growth, but are also seeking to counter the general challenges resulting from the shortage of skilled specialists and natural employee turnover in the course of demographic developments.

The M&A strategy focuses on the Industrial Broker segment with the objective of establishing RVM among the top ten industrial insurance brokers in Germany over the course of the next few years. We will seek to achieve this through implementation of a consistent buy-and-build strategy. However, as the market also appears overpriced to us in some areas, we are only concerned with acquisition targets for which this assessment does not apply. There is also generally acquisition potential in MLP Finanzberatung SE's line of business. Here, we are placing our focus on companies that will help us further diversify our service offering, yet also on those that can contribute to expanding our share of recurring revenue. Acquisitions are also conceivable in the markets of our other subsidiaries, which would enable profitable growth and strengthening the respective business models.

Alongside revenue growth, cost efficiency remains in focus in order to keep a handle on the cost base during times of high inflation rates. Here, our digitalisation efforts are also having a positive impact and we anticipate efficiency gains both in customer service and in the automation of processes.

In the client business, the new "Financial Home" offers our clients a complete digital overview of their finances, as well as various digital self-services. It thereby represents an efficient addition to face-to-face advice by the consultant, which obviously also remains important. In addition to this, the use of voicebots and chatbots extends the services in direct client contact, while at the same time ensuring efficient processes.

In terms of process automation, we are today already using various solutions from the fields of robotic process automation (RPA) and artificial intelligence (AI) to increase the performance of our processes and also create extra free scope for our employees.

Revenue forecast

For the financial year 2024, we anticipate a slight increase in sales revenue.

Interest income is expected to once again significantly increase, further aided by the currently elevated interest rates.

However, revenue from real estate development will likely once again be significantly lower. This is due to the environment remaining challenging in the real estate business and the cautious approach we plan to pursue in this market environment. Due to the market slump following the turnaround in interest rates, we had actually put a block on starting any new real estate development projects. This will likely lead to a significant decline in revenue in the financial year 2024. However, now that demand for real estate is starting to pick up again, particularly in the senior citizen housing segment, which is relevant to us, new project developments in the Deutschland.Immobilien segment are set to be started again from 2024 onwards. These developments would lead to increasing revenues in subsequent years. We will introduce suitable capital strengthening measures to facilitate further financing with the aim of implementing 2-3 new projects per year. At the same time, we have adjusted internal processes, as well as project and risk management systems to the altered market environment and also initiated restructuring measures.

On the other hand, we should be able to increase commission income slightly overall thanks to stable, slightly positive or in some cases even significantly positive development in the individual consulting fields, which are described in the following.

Despite positive development, we are anticipating stable revenue in wealth management. In the current environment, which is characterised by volatility and uncertainties, we see a continuously high need for professional wealth management advisory services. Having a value-conserving, broadly diversified investment portfolio in place is all the more important during tough times such as these. As demographic trends continue and inheritances rise, we expect the assets of our clients to further increase. With our offerings in the Banking and FERI segments, we also believe that we are well-positioned in the increasingly important area of sustainable investment. At FERI, we aim to further expand our business overall, not least with our enhanced multi-asset offering.

In non-life insurance, we are anticipating revenue at the same level recorded in the previous year. In the previous year, we profited heavily from premium indexations as a result of increased building costs, as well as premium adjustments. From our perspective, the ongoing expansion of the Industrial Broker segment continues to present growth potential. Alongside organic growth, we are also generally targeting inorganic growth here, although this will obviously depend on current market prices. We also continue to see potential on the conceptual side in the DOMCURA segment, as well as from a sales perspective in the Financial Consulting segment, which we aim to capitalise on.

We anticipate significantly increasing revenues in the old-age provision sector. Here, too, the advancing demographic development is likely to lead to growing demand, and thereby also to demand from our clients. We see this trend not only in private old-age provision but also in occupational pension provision. In terms of the latter, the increasing shortage of skilled specialists is likely to provide further positive stimulus for the business, since more and more employers will need to start offering corresponding benefits. The high interest rate, and the more attractive returns on contracts associated with this, could also have a positive impact.

In health insurance, we are anticipating revenue at the previous year's level. We observe a sustained high level of interest in healthcare provision, particularly in the private health insurance sector. Occupational health insurance is also likely to benefit from the increasing shortage of skilled specialists and the efforts being made by companies to attract and retain talented employees.

In real estate brokerage, we are anticipating significantly rising revenue again, albeit starting from the low level recorded in the previous year. As part of a diversified investment strategy, including as a hedge against inflation, we continue to see investment properties as a good investment option for our clients. The demand for units overall, especially in the areas of nursing care and senior citizen housing, is likely to increase further and thereby make real estate a more attractive asset class. In addition, political impulses in the field of real estate investments could have a positive effect.

In the loans and mortgages business, we also expect a significant increase in revenue again, albeit building upon the low level of the previous year. The desire for home ownership is likely to remain high. In light of stable or even falling interest rates, this may well become a focus for many.

Analysis of revenue performance in 2024 (compared to the previous year)

2024	
Revenue from interest business	Significantly rising
Revenue from real estate development	Significantly declining
Revenue from wealth management	Unchanged
Revenue from non-life insurance	Unchanged
Revenue from old-age provision	Significantly rising
Revenue from health insurance	Unchanged
Revenue from real estate brokerage	Significantly rising
Revenue from loans and mortgages	Significantly rising

Expenditure forecast

Developments in terms of expenses for purchased services generally match developments in respective revenue. This also applies to the forecast for the coming year. Accordingly, we are anticipating interest expenses to be significantly above the previous year's level, whereas expenses from real estate development are likely to be significantly below the previous year and commission expenses are likely to be slightly above the previous year.

A consistent cost management approach is one of the pillars for continuously growing profitability. At the same time, we are anticipating being able to continue our investments in the future, while simultaneously also keeping our administration costs stable thanks to our cost focus. We are planning to continue investing in the recruitment of young consultants within the scope of the new trainee programme, as well as in IT as part of our digitalisation strategy. We are also planning to increase our workforce at FERI and DOMCURA and conduct salary reviews for our employees. Our stringent cost management and our increased efficiency, partially also thanks to the use of digitalisation, are likely to have a compensating effect.

Earnings forecast

For the financial year 2024, we are expecting the market environment to remain challenging, particularly in the real estate segment. This environment presents both opportunities and risks for our business development, which is why the forecasts include a degree of uncertainty. Irrespective of this, we are planning to continue our investments in the further development of our business. On the basis of our expectations for revenue and costs, we are anticipating EBIT for the financial year 2024 in a corridor between €75 million and €85 million. This represents a higher EBIT than we were able to achieve in the last financial year.

Earnings planning

With a view to the financial year 2025, we are planning for a significant increase in EBIT. Primarily we are aiming to benefit from growth in key figures in all segments of the Group, an increase in assets under management and an expansion of the non-life insurance business. At the same time, the MLP Group should benefit from the phase of high investments in the last few years. In our planning, we are also anticipating a recovery of the real estate market with correspondingly positive effects on our real estate brokerage business.

Proposed dividend

MLP's objective is to enable our shareholders to participate fairly in the company's success, as well as to pay an attractive and reliable dividend corresponding to our dividend policy, whereby the company's financial and earnings position, as well as its future liquidity requirements are determining factors for our dividend policy. At the same time, we will retain a portion of profit to further strengthen the business model.

On this basis, the Executive Board and Supervisory Board will propose a dividend of €0.30 per share to the Annual General Meeting on June 27, 2024. The payout ratio is therefore around 74% of Group net profit. In the future, we aim to distribute between 50% and 70% of the Group net profit again.

Forecast summary

The economic landscape is anticipated to pose ongoing challenges throughout the financial year 2024, with industry-specific factors and competitive dynamics expected to also impact MLP's business activities. Regulatory developments are also likely to remain challenging, although MLP still considers itself to be very well-positioned here.

In MLP's view, the net assets, financial position and results of operations of the MLP Group were always solid in the last financial year. We also expect this to continue in the financial year 2024. The MLP Group held sufficient shareholders' equity and cash holdings as of the balance sheet date. Overall, our business model is not very capital intensive and generates high cash flows. From today's perspective, sufficient internal financing capacity is therefore in place for the forecast period. However, we can also supplement this by borrowing adequate funds should suitable opportunities present themselves. We will use our cash flow to allow shareholders to participate in the company's success, to strengthen the Group's financial power and for investments. With regard to the results of operations, we are anticipating a significantly positive net profit in the forecast period. In concrete terms, we expect slightly rising sales revenues and an EBIT in a corridor between €75 million and €85 million for the financial year 2024. We are planning for a significant increase in EBIT in the mid-term – up to the end of 2025.

SUPPLEMENTARY DISCLOSURES FOR MLP SE (IN ACCORDANCE WITH THE GERMAN COMMERCIAL CODE (HGB))

In contrast to the consolidated financial statements, the financial statements of MLP SE are not prepared in accordance with International Financial Reporting Standards (IFRS), but rather to the rules of the German Commercial Code (HGB).

Principles of MLP SE

Business model and management system at MLP SE
MLP SE is the holding company for the MLP Group. The subject of the company is the management of the corporate group. It defines strategic goals and ensures coordinated and aligned corporate policy within the Group. MLP SE is not actively involved in operations. Any sales revenue generated at MLP SE is essentially a result of letting buildings to affiliated companies and intra-Group services. In addition, investment income and income from profit transfers as well as expenses from loss transfers are generated from the existing shares in affiliated companies. Sales revenue and EBT represent the relevant performance indicators for the company.

Corporate structure of MLP SE
Six key subsidiaries are arranged under MLP SE. The brokerage business is part of MLP Finanzberatung SE. In this segment, MLP Finanzberatung SE is the Group's consulting company for private and corporate clients and is registered as an insurance broker. The majority stake in DI Deutschland.Immobilien AG, which was acquired in 2019 by MLP Finanzberatung SE, has significantly extended both the expertise and the portfolio in the real estate sector. Deutschland.Immobilien is an independent real estate platform for all real estate classes. MLP Banking AG is supervised by the Federal Financial Supervisory Authority (BaFin). It offers banking services to both private and business clients – from accounts and cards, through loans and mortgages, to wealth management. As an investment house for institutional investors, high net-worth families and foundations, the FERI Group (FERI) offers services in the main business fields of investment management, investment consulting and investment research. As an underwriting agency, DOMCURA designs, develops and implements extensive coverage concepts for private and corporate clients in the non-life insurance consulting field. With the acquisition of the RVM Group in the financial year 2021, MLP laid the crucial foundations for developing the commercial and industrial insurance market segment. As an industrial insurance broker, RVM has a proven business model that focuses on small and medium-sized companies. You can find more information on this in the section entitled "Fundamental principles of the Group".

Research and development at MLP SE
In its role as the holding company, MLP SE is not actively involved in operations. As a holding company, MLP SE does not engage in any research or development in the classic sense.

Economic report of MLP SE

Environment of MLP SE
The economic framework conditions, the industry situation and the competitive environment are essentially the same as those of the MLP Group and are described in detail in the chapters entitled "Overall economic climate" and "Industry situation and competitive environment".

Business performance of MLP SE

Due to the profit/loss transfer agreements in place and its investment income, business performance of MLP SE is largely determined by the economic development of its investments, the performance of which is also described in the chapter "Business performance".

Results of operations of MLP SE

At €9.7 million (€6.5 million), sales revenue was above the previous year's level. Revenue essentially comprises rental income from affiliated companies and intra-Group services. The rental income resulting from MLP SE letting a building to DOMCURA, which MLP SE had acquired on July 1, 2022 and was therefore only taken into account on a pro rata basis in the previous year, was higher. Revenue from internal Group services was also higher as a result of restructuring of divisions in the last financial year. At €6.4 million (€5.1 million), other revenue was also above the previous year's level.

Personnel expenses rose to €11.0 million (€6.8 million) in the financial year. This can be attributed to restructuring measures and the transfer of employees from other Group companies to MLP SE. Amortisation expenses remained almost unchanged at €3.0 million (€2.8 million). Other operating expenses increased to €16.3 million (€11.1 million). This figure essentially comprises expenses resulting from Group allocations, consulting expenses, costs for the administration building and also external services. As a result, earnings before interest and taxes decreased to -€14.1 million (-€9.0 million).

Business developments at its subsidiaries has a significant impact on the results of operations of MLP SE. Profit/loss transfer agreements are in place with MLP Banking AG, FERI Management AG, which operated under the name FERI AG until July 7, 2023, and DOMCURA AG. These are reflected in the financial result.

The financial result in the reporting year was €68.9 million (€52.6 million) and as such significantly higher than in the previous year. This can essentially be attributed to income from profit/loss transfer agreements, which increased to €64.1 million (€52.5 million) in the reporting year. In the last financial year, MLP Banking AG recorded excellent development and transferred significantly higher earnings.

As a result, EBT increased significantly to €54.8 million (€43.6 million). Following deduction of income taxes of €9.6 million (€10.6 million), this resulted in net profit of €45.0 million (€32.9 million). Net accumulated profit of €45.1 million (€32.9 million) was recorded in the reporting year.

Financial position of MLP SE

As of December 31, 2023, MLP SE had cash holdings (cash on hand and on deposit with the Deutsche Bundesbank, bank deposits and cheques) of €14.7 million (€75.1 million). This item was reduced by the dividend payout to our shareholders at €0.30 per share and a total volume of €32.8 million. In addition, the repayments associated with maturing time deposits had a reducing effect.

At 92.1% (92.4%), the equity ratio remained at the previous year's level. MLP SE therefore continues to enjoy a very good equity capital adequacy.

The liabilities of MLP SE increased to €3.4 million (€2.1 million), essentially due to higher trade accounts payable. Almost all liabilities at MLP SE are current liabilities.

The dividend payments of MLP SE are made in accordance with the financial and profit situation, as well as future liquidity requirements of the company. As announced, the distribution rate for the financial year 2022 was between 50% and 70% of net profit of the MLP Group. For the financial year 2023, the Executive Board and Supervisory Board will propose a dividend of €0.30 per share at the Annual General Meeting on June 27, 2024. This corresponds to a distribution rate of around 74% of the Group's net profit.

Net assets of MLP SE

As of the balance sheet date on December 31, 2023, the balance sheet total of MLP SE was €438.6 million (€424.0 million).

On the assets side of the balance sheet, property, plant and equipment recorded a slight increase to €37.7 million (€35.2 million). Financial assets remained unchanged at €242.3 million (€242.3 million). The receivables and other assets increased markedly to €143.6 million (€71.2 million). This is mainly due to the increase in receivables from affiliated companies to €142.5 million (€69.6 million). This increase is primarily attributable to receivables from those subsidiaries of MLP SE with profit and loss transfer agreements in place and receivables from a loan granted to DI Deutschland.Immobilien AG. Other assets were €1.2 million (€1.6 million). Cash holdings (cash on hand and on deposit with the Deutsche Bundesbank, bank deposits and cheques) were €14.7 million (€75.1 million). This decrease compared to the previous year can be attributed to the dividend distribution and the repayments of maturing time deposits.

On the equity side of the balance sheet, shareholders' equity increased to €404.1 million (€391.9 million) as a result of higher net profit. The share capital and capital reserves remained unaltered at €109.3 million (€109.3 million) and €139.1 million (€139.1 million) respectively. Retained earnings remained unchanged at €110.6 million (€110.6 million). Net accumulated profit increased significantly to €45.1 million (€32.9 million).

At €31.1 million (€30.0 million), provisions remained at virtually the same level recorded in the previous year. Provisions for pensions and similar obligations amounted to €16.2 million (€16.0 million). Tax provisions rose to €7.5 million (€6.7 million). Other provisions increased to €7.4 million (€7.2 million). Liabilities increased to €3.4 million (€2.1 million). At €0.1 million, liabilities due to affiliated companies remained at a very low level (€0.0 million).

Comparison of actual and forecast business performance of MLP SE

The business performance displayed by MLP SE is essentially in line with the performance of the MLP Group.

Specifically, MLP SE's business performance in the past financial year developed as followed in comparison with our forecast from the start of the financial year 2023:

In terms of revenue, we anticipated a slight increase in the financial year 2023 over the previous year. Ultimately, we were able to significantly increase sales revenue and thereby surpassed our forecast.

In terms of EBT, we were anticipating slightly positive development for the financial year 2023. Ultimately, EBT was significantly above the previous year's level and therefore has surpassed our forecast. Above all, this can be attributed to the extremely positive business performance recorded by MLP Banking AG.

Employees of MLP SE

In the financial year 2023, MLP SE employed an average of 64 employees (24). The change primarily results from restructuring and the transfer of employees from other group companies to MLP SE.

Stipulations for promoting equal participation of women in management positions pursuant to § 76 (4) and § 111 (5) of the German Stock Corporation Act (AktG) apply equally to MLP SE and the MLP Group. We make reference to stipulations of the MLP Group for promoting equal participation of women in management positions pursuant to § 76 (4) and § 111 (5) of the German Stock Corporation Act (AktG) in this regard. You can find details in the Declaration of Corporate Governance of the MLP Group.

Opportunity and risk report of MLP SE

The risks and opportunities of MLP SE from its subordinate group companies, which are attributed to it as the holding company through its corporate investments, are essentially the same as the opportunities and risks of the MLP Group. Please therefore refer to the section entitled "Risk and opportunity report".

As the approved financial holding company, MLP SE is the superordinated undertaking of the MLP Financial Holding Group and is responsible for risk management at Group level. MLP SE is also the ultimate parent company in the MLP Group. You can find further information on this in the section entitled "Risk report".

The description of the internal monitoring and risk management system with regard to the accounting process of MLP SE is also the same as that of the MLP Group. We therefore also make reference to the chapter "Risk report".

For further information with regard to financial instruments and their deployment, we also make reference to the chapter "Risk report" and to the chapter "Notes to financial statements".

Forecast for MLP SE

The development of MLP SE in its role as the holding company is largely dependent on the development and profit/loss transfer of its investments. Set against this background, we refer to the section entitled "Forecast".

In terms of revenue development, we are anticipating a significant increase for the financial year 2024 over the previous year. Due to rising costs, we are anticipating EBT at the previous year's level.

Declaration of Corporate Governance of MLP SE pursuant to §§ 289f, 315d of the German Commercial Code (HGB)

The Declaration of Corporate Governance applies equally to MLP SE and the MLP Group. We therefore make reference to the chapter "Declaration of Corporate Governance pursuant to §§ 289f, 315d of the German Commercial Code (HGB)”.

Explanatory report on the disclosures of MLP SE pursuant to § 289a (1) and § 315a (1) of the German Commercial Code (HGB)

The explanatory report on acquisition-relevant disclosures applies equally to MLP SE and the MLP Group. In this regard, reference is made to the chapter "Explanatory report on the disclosures pursuant to § 176 (1) of the German Stock Corporation Act (AktG), § 315a (1), § 289a (1) of the German Commercial Code (HGB)".

Compensation report of MLP SE

The basic structure and design of the pay system at MLP SE are the same as those of the MLP Group. We therefore make reference to the chapter "Compensation report as per §162 of the German Stock Corporation Act (AktG)".

NON-FINANCIAL REPORT OF BUSINESS ACTIVITIES

MLP is structured as a holding in which central control tasks are performed by the Group's parent company, MLP SE. As per the requirements of § 289b et seq. and § 315b of the German Commercial Code (HGB), MLP SE submits a separately drafted non-financial report as the parent company of the MLP Group.

Within the scope of the 2023 Sustainability Report, MLP reports on the non-financial aspects of its business activities. The Sustainability Report is published on the homepage at: https://mlp-se.com/sustainability/.

DECLARATION OF CORPORATE GOVERNANCE PURSUANT TO §§ 315D, 289F OF THE GERMAN COMMERCIAL CODE (HGB)

Pursuant to §§ 315d, 289f of the German Commercial Code (HGB), the Executive Board and Supervisory Board submit the Declaration of Corporate Governance for both MLP SE and the Group.

Wording of the Declaration of Compliance of MLP SE pursuant to § 161 of the German Stock Corporation Act (AktG) (as per November 8, 2023)

"Pursuant to § 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board of MLP SE hereby declare that the Company has generally complied with the recommendations of the Government Commission for the German Corporate Governance Code in the version dated April 28, 2022 (hereinafter also referred to as the "GCGC 2022").

With regard to the recommendations of the Government Commission for the German Corporate Governance Code in the version dated April 28, 2022, only recommendations B.1, B.5, C.1 sentence 6, C.2, C.4, C.6, C.7, C.8, C.9, C.10, D.10 and G.10 have not been complied with.

The reasons for these deviations from the recommendations are as follows:

Recommendation B.1 of the GCGC 2022 (diversity in the composition of the Executive Board)
As per the recommendations of the GCGC 2022, the Supervisory Board should pay attention to diversity in terms of the composition of the Executive Board.

The Supervisory Board of MLP SE strives to further intensify its future efforts with respect to diversity and, in particular, an appropriate consideration of women when appointing members of the Executive Board. The Supervisory Board gives specific consideration to applications from suitable female candidates in its selection procedures. The Supervisory Board reviewed this aspect for the first time in the financial year 2014, and will undertake further measures in order to build on the Group-wide overall concept already passed by the Executive Board for the implementation of the respective GCGC 2017 recommendation (considering diversity when making appointments to executive positions) and also achieve an appropriate consideration of women within the Executive Board of the Company, taking into account the Company's specific situation. In 2020, the Supervisory Board confirmed the target of at least 25 percent for the proportion of women on the Executive Board – which currently only comprises three persons – and set itself the end of the financial year 2025 as the implementation deadline.

The Supervisory Board is of the opinion that the state of implementation achieved to date is not yet sufficient to meet the requirements set out in recommendation B.1 of the GCGC 2022. MLP therefore declares it will deviate from this recommendation in the financial year 2023 and in the financial year 2024.

Recommendation B.5 of the GCGC 2022 (age limit for members of the Executive Board and disclosure in the declaration on corporate governance)
As per the recommendations of the GCGC 2022, an age limit is to be specified for members of the Executive Board and disclosed in the declaration on corporate governance.

No age limit has been set for members of the Executive Board. The appointment of members of the Executive Board should be based solely on their knowledge, skills and specialist experience. MLP did not follow this recommendation in the financial year 2023 and will also not follow it in the financial year 2024.

Recommendation C.2 of the GCGC 2022 (age limit for members of the Supervisory Board and disclosure in the declaration on corporate governance)
As per the recommendations of the GCGC 2022, an age limit is to be specified for members of the Supervisory Board and disclosed in the declaration on corporate governance.

No age limit has been or is set for members of the Supervisory Board at MLP. The election of members of the Supervisory Board should be based solely on their knowledge, skills and specialist experience. MLP did not follow this recommendation in the financial year 2023 and will also not follow it in the financial year 2024.

Recommendation C.4 of the GCGC 2022 (number of non-group mandates)
As per the recommendations of the GCGC 2022, a member of the Supervisory Board that does not hold a position on any Executive Board at a listed company should not assume more than a total of five Supervisory Board mandates at listed companies outside the Group or comparable functions, whereby the position of Chair of the Supervisory Board counts as two mandates.

As per Principle 12 of the GCGC 2022, the Supervisory Board should ensure that all candidates can commit the time likely to be required when making proposals for election of new members to the Supervisory Board. This recommendation was based on the fact that the workload resulting from the individual mandates and other offices, as well as the personal situation of the candidates, can vary quite markedly. § 100 (2) no. 1 of the German Stock Corporation Act (AktG) limits the maximum number of Supervisory Board mandates to ten mandates per person. Set against this background, MLP considered that it was adopting the correct approach by having its Supervisory Board ensure that the respective candidate can commit the required amount of time and regularly reviewing this. § 25d (3) of the German Banking Act, which applies to MLP SE following the granting of permission to operate as a financial holding company, also serves to further limit the number of mandates.

MLP therefore declares that it was still deviating from this recommendation in the financial year 2023 up until the date of the Annual General Meeting on June 29, 2023. However, the recommendation was complied with from the time of the new election of members of the Supervisory Board by the 2023 Annual General Meeting and will continue to be complied with in the future.

Recommendation C.1 sentence 6, C.6, C.7, C.8, C.9 and C.10 of the GCGC 2022 (independence of Supervisory Board members and committee members)
As per recommendation C.1 sentence 6 of the GCGC 2022, the declaration on corporate governance should also report on the number of independent shareholder representatives deemed appropriate on the basis of the assessment performed by the Supervisory Board, as well as stating their names. As per recommendation C.6 of the GCGC 2022, the Supervisory Board should include a number of independent members on the shareholder side that the Supervisory Board itself deems appropriate. The ownership structure should be taken into account here. In the sense of this recommendation, a member of the Supervisory Board can be classed as independent if said person is independent from the Company and its Executive Board, as well as independent from a controlling shareholder.

As per recommendation C.7 of the GCGC 2022, more than half of the shareholder representatives should be independent from the Company and from the Executive Board. As stipulated by the GCGC 2022, a member of the Supervisory Board is independent from the Company and its Executive Board when said person is not engaged in any kind of personal or business relationship with the Company or its Executive Board that could constitute a significant and not only temporary conflict of interests. When assessing the independence of its members from the Company and from the Executive Board, the shareholder side should in particular take into account whether the actual member of the Supervisory Board or one of their close family members

- has already been a member of the Executive Board at the Company in the two years prior to being appointed,

- maintains or has maintained, either currently or in the year up to their appointment, a key business relationship with the Company or one of its subsidiaries/dependent companies (for example as a client, supplier, creditor or consultant) either directly or as a shareholder or in a responsible role at a non-group company,
- is a close family member of a member of the Executive Board or
- has held a position on the Supervisory Board for more than 12 years.

In the past, the Executive Board and Supervisory Board intentionally chose not to follow these recommendations. However, the stipulations relating to the composition of the Supervisory Board and the requirements profile for members of the Supervisory Board at MLP SE were amended in 2022. This was done in particular against the background of the election of new Supervisory Board members at the Annual General Meeting in 2023.

MLP therefore declares that, up to the time of the Annual General Meeting, it has deviated from above recommendations C.1 sentence 6, C.6, C.7, C.8, C.9, C.10 and D.4 of the GCGC 2022, as the Supervisory Board had not approved any fixed targets for the number of independent members of the Supervisory Board in the past, had not issued a definition of the term 'independence' in the GCGC 2022, had not specified any appropriate number of independent members of the Supervisory Board in the sense of the GCGC 2022 and had also not provided their names, but instead elected to fill vacant positions on the basis of the respective qualifications. MLP complies with the above recommendations with the election of new Supervisory Board members by the Annual General Meeting on June 29, 2023 and will continue to do so in the future.

Recommendation D.10 (meeting with the auditor without the Executive Board)
As per the recommendations of the GCGC 2022, the Audit Committee is to consult regularly with the auditor, also without the Executive Board being present.

With the Law on Strengthening the Integrity of Financial Markets (FISG), the legislator has stated that if the auditor is invited to attend meetings of the Supervisory Board or its various committees as an expert, the Executive Board will not attend these meetings, unless the Supervisory Board or the committee deems its participation necessary. The Supervisory Board also intends to regularly involve the Executive Board in the meetings of the Risk and Audit Committee in the future, insofar as there is a good reason for this. In terms of the deliberations of the Supervisory Board or its committees, it is particularly crucial that the Executive Board can provide its own assessment regarding the conclusions and evaluation of the auditor on the accounting questions under consideration. Nevertheless, the Risk and Audit Committee will hold regular consultations with the auditor without the presence of the Executive Board. Accepted, however, is that the Executive Board does not stay away from the entire meeting; it is sufficient for them to be absent only for parts of the meeting. In this sense, the Supervisory Board will actively manage the Executive Board's participation in the meetings.

MLP therefore declares that it was still deviating from this recommendation in the financial year 2023 and will comply with this recommendation in future.

Recommendation G.10 of the 2022 GCGC (share-based compensation; availability of long-term variable payments granted)
Based on recommendation G.10 sentence 1 of the GCGC 2022, the long-term variable compensation elements granted to a member of the Executive Board should predominantly be invested in shares in the Company by said member or granted accordingly on the basis of shares. In addition to this, a member of the Executive Board should only qualify for the long-term variable compensation elements after four years.

MLP does not compensate the members of its Executive Board on the basis of shares. Stipulations applying to the members of the Executive Board regarding what specific form variable compensation is to take after being granted are not deemed necessary. As a general rule, each individual member of the Executive Board can determine this independently. However, any member of the Executive Board is obviously free to invest any compensation received in MLP shares.

Payment of the long-term variable compensation components granted takes place three years and four months after the end of the financial year for which said compensation components were granted. The members of the Executive Board can therefore receive these before four full years have passed. MLP considers this qualifying period of three years and four months to be adequate.

From MLP's perspective, the payment modalities for Executive Board compensation have proven effective, so there is no reason to change the current approach.

MLP therefore declares that it is deviating from these recommendations in the financial year 2023 and also in the financial year 2024. As such, it will not introduce any share-based variable compensation or make any stipulations regarding use of the variable compensation granted to members of the Executive Board. The same applies to an extension of the qualifying period for payment of the long-term variable compensation components granted.

Wiesloch, November 2023

MLP SE

The Executive Board The Supervisory Board"

In November 2023, the Executive and Supervisory Boards issued the above Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG) and made it permanently available to shareholders via the company's website. You can also view the wording of the Declaration of Compliance in the version of November 8, 2023 at https://mlp-se.com/investors/corporate-governance/declaration-of-compliance/.

The compensation report, auditor's report, compensation system and compensation resolution

The compensation report for the last financial year and the notes of the auditor pursuant to § 162 of the German Stock Corporation Act (AktG) are made publicly accessible at: https://mlp-se.com/investors/corporate-governance/compensation-report-and-the-auditors-report/.

The pay system in place as per § 87a (1) and (2) Sentence 1 of the German Stock Corporation Act (AktG) and the last compensation decision as per § 113 (3) of the German Stock Corporation Act (AktG) can be viewed at https://mlp-se.com/investors/corporate-governance/executive-board-and-supervisory-board/.

Further disclosure obligations

Responsible and value adding management

By mainly complying with the stipulations of the German Corporate Governance Code (GCGC) in the version of April 28, 2022 (GCGC 2022), MLP SE continues to reinforce the confidence of its shareholders, clients, employees and other stakeholders in the management of the company. Responsible management geared toward long-term added value is a high priority for us. The Executive and Supervisory Boards ensure that MLP continues to review and develop corporate governance across the Group.

Management and control structure

MLP SE is a European stock corporation that is based in Germany and subject to the European SE provisions, the German SE Implementation Act (SEAG) and German stock corporation law. As an SE, the company has a dual management and control structure, comprising an Executive Board and a Supervisory Board. The third corporate body is the Annual General Meeting.

Executive Board

As the management body of an "Aktiengesellschaft" (public limited company), the Executive Board runs the business and is tied to the interests and business principles of the company within the scope of corporation law. The responsibilities and duties of the Executive Board are laid down in the German Stock Corporation Act (AktG), in MLP SE's Articles of Association, as well as in a set of rules of procedures and the schedule of responsibilities of the Executive Board attached to it.

The members of the Executive Board hold joint responsibility for the entire management. Decisions made by the Executive Board are reached during Executive Board meetings held at regular intervals. Resolutions are drafted as ordinary resolutions with majority votes and recorded accordingly.

Composition of the Executive Board

According to MLP SE's Articles of Association, the Executive Board at MLP SE comprises at least two members. The Supervisory Board decides on the number of Executive Board members, their appointment and the revocation of their appointment as well as the conclusion, amendment and termination of the employment contracts with Executive Board members. The members of the Executive Board are Dr Uwe Schroeder-Wildberg (CEO and Chairman of the Board), Manfred Bauer and Reinhard Loose.

As per the recommendations of the GCGC 2022, an age limit is to be specified for members of the Executive Board and disclosed in the declaration on corporate governance. No age limit has been set for members of the Executive Board. The appointment of members of the Executive Board should be based solely on their knowledge, skills and specialist experience.

As per Recommendation B.2 of the GCGC 2022, the Supervisory Board should work together with the Executive Board to secure long-term succession planning. As the financial holding company, § 25d (11) of the German Banking Act (KWG) already stipulates that the Supervisory Board at MLP SE must adhere to institutionalised principles when identifying applicants to fill a management position and when preparing election nominations, as well as when checking the basic principles employed by management for selection and appointment of the persons at the upper management level. The Supervisory Board has approved a requirements profile for members of the Executive Board at MLP SE, which addresses the professional and personal aptitude of potential candidates. The requirements profile for the composition of the Executive Board as decided by the Supervisory Board enables the Supervisory Board to conduct an orderly selection process, applying objective and comprehensible requirement criteria to the proposals for the appointment of new members of the Executive Board at MLP SE. Accordingly, each member of the Executive Board must display a certain level of indispensable general knowledge and experience. Only those candidates are to be proposed whose personal integrity, independence, commitment, motivation and personality indicates that they are capable of properly performing the duties of a member of the Executive Board at MLP SE, as well as the Financial Holding Group managed by it and its subordinate companies. The Executive Board should be composed in such a way that qualified management of MLP SE is assured at all times. Its members should together possess the knowledge, skills and specialist experience required to perform their respective legal duties properly. Members of the Executive Board must be reliable. As well as meeting the general requirements in terms of personal reliability, personal independence and freedom from conflicts of interest, each member of the Executive Board should also possess the kind of general professional expertise needed in order to execute the respective management role properly. This means that the candidates must possess sufficient theoretical and practical knowledge of the respective business, as well as specific management experience. Alongside this, the Supervisory Board of MLP SE has already been including the topic of long-term succession planning in the agenda of its meetings at least once every year for quite some time. This focuses on discussion of both conceptual issues associated with succession planning and specific potential candidates. In accordance with above requirement profile, the Supervisory Board regularly reviews whether a defined group of persons possesses adequate theoretical knowledge and practical experience including managing a financial holding or whether targeted development of a group of individual candidates can be achieved through a development programme within the company to acquire the necessary theoretical and practical experience in the form of individual measures.

Supervisory Board

The Supervisory Board advises and monitors the Executive Board. The responsibilities and duties of the Supervisory Board are derived from the German Stock Corporation Act (AktG), MLP SE's Articles of Association and a set of rules of procedures for the Supervisory Board.

Resolutions of the Supervisory Board are made in meetings with the necessary majorities, which are convened by the Supervisory Board or on behalf of the Chairwoman of the Supervisory Board. The Supervisory Board is informed of particularly important or urgent projects outside of the regular meetings. Where necessary, resolutions can also take the form of circular resolutions or be passed via telephone. A transcript of each meeting is drafted.

Supervisory Board composition

MLP SE's Articles of Association provide for a Supervisory Board that comprises six members, two of whom are employee representatives. Both the size and the tripartite composition of the Supervisory Board are thereby stipulated in MLP SE's Articles of Association. The members of the Supervisory Board at a dualistically structured SE are generally appointed by the Annual General Meeting (Art. 40 (2) of the SE Regulation) becoming effective. MLP SE deviates from this with regard to the employees' representatives. The appointment of the employees' representatives on the Supervisory Board is based on a participation agreement that has been agreed between the company and a negotiation committee established for this purpose. Accordingly, employees' representatives are elected directly through an election in the company. The members of the Supervisory Board were newly elected in the Annual General Meeting of the company held on June 29, 2023. The members of the Supervisory Board are currently: Ms. Sarah Rössler (Chairwoman of the Supervisory Board), Dr Andreas Freiling (Vice Chairwoman of the Supervisory Board), as well as Ms. Ursula Blümer, Mr. Bernd Groß, Mr. Matthias Lautenschläger and Ms. Monika Stumpf. Ms. Sarah Rössler has held a seat on the Supervisory Board since the financial year 2022, while Dr Andreas Freiling, Ms. Ursula Blümer and Mr. Bernd Groß have been members since the financial year 2023, Mr. Matthias Lautenschläger since the financial year 2018 and Ms. Monika Stumpf since 2021.

As per the recommendations of the GCGC 2022, the Supervisory Board should specify specific targets for its composition and draw up a skills profile for the entire Board. In doing so, the Supervisory Board should also pay attention to diversity. Proposals submitted to the Annual General Meeting by the Supervisory Board should take into account these targets and, at the same time, aim to meet the skills profile for the entire Board. In line with Recommendation C 15 of the GCGC, the status of implementation should be disclosed in the form of a qualification matrix in the Declaration of Corporate Governance. This should also provide information regarding the appropriate number of independent shareholder representatives on the Supervisory Board, as determined by the shareholder representatives, along with the names of these members.

In its meetings during past financial years, the Supervisory Board at MLP SE addressed the topic of setting specific targets for the composition of the Supervisory Board, paying particular attention to its own target of securing diversity in terms of its composition, as the Supervisory Board has set itself specific targets for its composition. In particular, a requirements profile for Supervisory Board candidates which defines the knowledge, skills, professional experience and personal aptitude characteristics that candidates must possess in order to be considered for this role, has already been adopted in the past.

The requirements profile applicable to the composition of the Supervisory Board and the proposals made to the Annual General Meeting for the composition of the Supervisory Board enable the Supervisory Board to conduct an orderly selection process, applying objective and comprehensible requirement criteria to the proposals for the appointment of new members of the Supervisory Board at MLP SE. Accordingly, each member of the Supervisory Board must possess a certain level of indispensable general knowledge and experience. Only those candidates whose personal integrity, independence, commitment, motivation and personality indicates that they are capable of properly performing the duties of a member of the Supervisory Board at MLP SE, as well as the Financial Holding Group managed by it and its subordinate companies, are to be proposed. The composition of the Supervisory Board must ensure qualified advising and monitoring of the Executive Board at MLP SE by the Supervisory Board at all times. Its members should together possess the knowledge, skills and specialist experience required to perform the respective legal duties properly. As well as meeting the general requirements in terms of personal reliability, personal independence and freedom from conflicts of interest, each member of the Supervisory Board should also possess the requisite professional expertise. All members should be capable of both understanding and evaluating the reports presented to the Supervisory Board, as well as drawing their own conclusions regarding the content. Alongside this, they should also display a general understanding of the brokerage, insurance, wealth management and banking business, as well as the real estate agent and real estate project development business and in particular the market environment, the individual business fields, the client requirements and the regions in which MLP SE and its subsidiaries are active and the strategic alignment of both MLP SE and the Group. From the perspective of the Supervisory Board, the ability to judge the correctness, efficiency, legality and expediency of the business decisions to be assessed also represents an absolute qualification requirement for members of the Supervisory Board. Alongside this, candidates should also be capable of understanding and evaluating the annual financial statements and associated documents. The member to be proposed should possess commercial experience gained from having worked in corporate management or as a senior executive and/or member of a Supervisory Board or comparable corporate body.

This requirements profile was revised in 2022 after MLP SE was granted authorisation to operate as a financial holding company and following the Supervisory Board elections held in 2023. You can find statements on the stipulations for promoting equal participation of women in management positions pursuant to § 76 (4) of the German Stock Corporation Act (AktG) within this Declaration of Corporate Governance.

The status of implementation of the specific objectives, of the skills profile and independence is provided in the qualification matrix below:

Qualification matrix for members of the Supervisory Board pursuant to the German Corporate Governance Code

		Sarah Rössler	Dr Andreas Freiling	Ursula Blümer	Bernd Groß	Matthias Lautenschläger	Monika Stumpf
Duration of membership	Member since	2022	2023	2023	2023	2018	2021
Diversity	Born	1970	1963	1971	1968	1980	1964
	Gender	F	M	F	M	M	F
Personal suitability	Independence[1]	x	x	Employee	x		Employee
	No overboarding [2]	x	x	x	x	x	x
Professional suitability	Business field / sector familiarity [3]	x	x	x	x	x	x
	Accounting						
	- Financial expert of the Audit Committee [4]	x	x				
	- Expertise in auditing [3]	x	x				
	- Expertise in accounting [3]	x	x	x		x	
	Leadership experience	x	x	x	x	x	x
	Risk Management	x	x	x	x	x	x
	Regulatory environment/compliance	x	x	x		x	x
	IT/Digitalisation				x	x	
	Sustainability	x	x	x	x	x	x

[1] In the sense of the German Corporate Governance Code, as well as the recommendation of the European Commission regarding the duties of the non-executive directors/members of the Supervisory Board, as well as the Committees of the Administrative/Supervisory Board dated February 15, 2005.

[2] Some of the members of the Supervisory Board exercise a permitted number of mandates at various companies outside MLP SE. For MLP SE, the determination of whether overboarding exists is primarily based on the legal provisions of § 25d (3) of the German Banking Act (KWG).

[3] § 100 (5) of the German Stock Corporation Act (AktG)

[4] § 25d (9) "Expertise in accounting and auditing" (KWG)

The Supervisory Board also reviewed the knowledge and experience required of the Supervisory Board members and of the Chairman of the Risk and Audit Committee under the German Corporate Governance Code with regard to reporting and internal control procedures. The Chairman of the Risk and Audit Committee at MLP SE fully complies with these requirements.

Assessment of the Executive Board and Supervisory Board

Pursuant to § 25d (11) of the German Banking Act (KWG), the Supervisory Board is obligated – supported by the Nomination Committee – to perform a regular assessment, at least once a year, of the structure, size, composition and performance of the Executive Board and the Supervisory Board, as well as the knowledge, skills and experience of each individual member of the Executive Board and Supervisory Board. In the last financial year, the Nomination Committee and the Supervisory Board held multiple meetings to complete the legally mandated assessment of the Executive Board and the Supervisory Board pursuant to § 25d of the German Banking Act (KWG), which is to be performed at least once a year and which also represents the self-assessment of the Supervisory Board pursuant to Recommendation D.12 of the GCGC. To this end, the format, specific execution and timetable were all discussed and established in the meetings of the Nomination Committee. A decision was taken not to bring in an external consultant. The assessment was essentially performed on the basis of detailed questionnaires regarding the work performed by the Supervisory Board, the Committees of the Supervisory Board and also the Executive Board, as well as personal interviews conducted by members of the Nomination Committee with members of the Executive Board. Additionally, individual evaluations of the members of both bodies were conducted.

Independence of the Supervisory Board

As indicated in above Declaration of Compliance, MLP SE declares that it has deviated from recommendations C.1 Sentence 6, C.6, C.7, C.8, C.9, and C.10 of the GCGC 2022 in the past, since the Supervisory Board so far had not approved any fixed targets for the number of independent Supervisory Board members, did not agree with the definition of independence in the GCGC 2022, had not stipulated any appropriate number of independent Supervisory Board members in the sense of the GCGC 2022 and also had not provided their names, instead considered appointments on the basis of the respective qualifications.

However, the stipulations relating to the composition of the Supervisory Board and the requirements profile for members of the Supervisory Board at MLP SE were amended in 2022. In 2022, the shareholder representatives on the Supervisory Board stipulated that three of the four members of the Supervisory Board elected by the shareholders should be independent of the company and its Executive Board. This action was taken especially in anticipation of the upcoming election of new members of the Supervisory Board at the Annual General Meeting in 2023. Therefore, MLP has declared in its Declaration of Compliance that it has still deviated from the aforementioned until the time of the Annual General Meeting. With the election of new Supervisory Board members by the Annual General Meeting on June 29, 2023, MLP complies with the above recommendations and will continue to do so in the future.

Age limit

As per the recommendations of the GCGC 2022, an age limit is to be specified for members of the Supervisory Board and disclosed in the declaration on corporate governance. No age limit is set for members of the Supervisory Board at MLP. In the Supervisory Board's opinion, the election of members of the Supervisory Board should be based solely on knowledge, skills and specialist experience.

Efficiency of the Supervisory Board

In 2023, the Supervisory Board also reviewed the efficiency of its own activities. Particular attention was paid to the efficiency of the procedures in the Supervisory Board, the information flow between the committees and the Supervisory Board and the timeliness and sufficient content of reporting by the Executive Board to the Supervisory Board. To this end, a self-evaluation form containing specific questions is completed and evaluated once a year by all members of the Supervisory Board. On this basis, the Supervisory Board then undertakes intensive and expedient discussion with the aim of developing measures aimed at further increasing efficiency.

Supervisory Board committees

The Supervisory Board of MLP SE has set up committees in order to improve the effectiveness of its work.

After MLP SE was granted a licence by the German Federal Financial Supervisory Authority (BaFin) to operate as a financial holding company in 2022, the Supervisory Board aligned its structure and activities to the relevant requirements. To this end, in November 2022 as per the mandatory requirements of

§ 25d (7) et seq. of the German Banking Act (KWG), the Supervisory Board has therefore established a joint Risk and Audit Committee, as well as a Nomination Committee and a Compensation Control Committee. These have now also taken over the duties of the previous Audit Committee, Personnel Committee and Nomination Committee.

The committees have, among others, the following non-exhaustive tasks:

The newly established Nomination Committee focuses on preliminary deliberations regarding personnel matters of the members of the Executive Board, definition of targets and a strategy to ensure better representation of the underrepresented gender on the Supervisory Board. It is also involved in drafting guidelines/processes for assessing the individual and overall aptitude of the members of the Executive Board and Supervisory Board, as well as in the regular (at least once a year) assessment of the structure, size, composition, performance, knowledge, skills and experience of individual members of the Executive Board and of the Supervisory Board, succession planning for the Executive Board and Supervisory Board, preparation of election proposals of the Supervisory Board for the election and appointment of shareholders' representatives to the Supervisory Board.

The new Compensation Control Committee focuses on supporting the Supervisory Board in designing and stipulating appropriate pay systems for the members of the Executive Board, as well as reviewing the appropriate set-up of the pay systems, the effects of the pay systems on risk management, capital management and liquidity management, supporting the Supervisory Board in monitoring proper involvement of the internal control operations when setting up the pay systems and supporting the Supervisory Board in drafting the compensation report.

The duties of the joint Risk and Audit Committee include preliminary deliberations regarding the financial statements and the management report, the consolidated financial statements and the group management report, as well as reviewing the reporting and accounting processes, the effectiveness of the control system, the internal risk management system, the internal audit system and execution of the actual audit. The joint Risk and Audit Committee prepares proposals for the appointment of an auditor, as well as submitting proposals for the level of the auditor's compensation and deliberates on termination or continuation of the audit engagement. It deliberates on the company's current and future overall risk propensity and strategy, it reviews whether the company's risk, capital and liquidity structure is adequately factored into the incentives offered by the pay system. It also monitors rapid rectification of any deficiencies determined by the auditor or bank-internal audit functions during internal and external audits.

Up to the point of electing new members to the Supervisory Board by the Annual General Meeting held on June 29, 2023, the members of the joint Risk and Audit Committee were Dr Claus-Michael Dill, who was also Chairman of the Committee, as well as Ms. Sarah Rössler, Dr Peter Lütke-Bornefeld and Mr. Matthias Lautenschläger. The members of the Nomination Committee up to June 29, 2023 were Dr Peter Lütke-Bornefeld, who was also Chairman of the Committee, Ms. Sarah Rössler, Dr Claus-Michael Dill, Mr. Matthias Lautenschläger and Ms. Monika Stumpf, while the members of the Compensation Oversight Committee were Dr Peter Lütke-Bornefeld (Chairman), Ms. Sarah Rössler, Mr. Matthias Lautenschläger and Ms. Monika Stumpf. The term in office on the company's Committees ends with the holding of the Regular Annual General Meeting of MLP SE. Since June 29, 2023, the Committees have had the following members: Dr Andreas Freiling, Ms. Ursula Blümer, Mr. Matthias Lautenschläger and Ms. Sarah Rössler have been members of the joint Risk and Audit Committee since June 29, 2023. Dr Andreas Freiling was appointed Chairman of the Risk and Audit Committee on June 29, 2023. Ms. Sarah Rössler, Mr. Bernd Groß, Mr. Matthias Lautenschläger and Ms. Monika Stumpf are members of the Nomination Committee. Ms. Sarah Rössler was appointed Chairwoman of the Nomination Committee as of June 29, 2023. Ms. Sarah Rössler, Dr Andreas Freiling, Mr. Matthias Lautenschläger and Ms. Monika Stumpf have been members of the Compensation Oversight Committee since June 29, 2023. Ms. Rössler was appointed Chairwoman of the Compensation Oversight Committee on June 29, 2023.

Corporate governance in the Supervisory Board

In 2023, the Executive and Supervisory Boards of MLP SE again dealt intensively with the German Corporate Governance Code and further new legislation significant to the work performed by the Supervisory Board and its committees. The GCGC and its amendments passed on April 24, 2022, were a subject of discussion by the Supervisory Board. Stipulations were analysed and corresponding adjustments to the internal regulations and procedures followed by the Supervisory Board were either proposed or submitted for verification.

Diversity concept for the Executive Board and Supervisory Board

The legislation on equal participation of women and men in management positions came into force on May 1, 2015. It stipulates an obligation to specify targets for members of supervisory and executive boards, as well as the two upper management levels, although it does not define an actual minimum target. Insofar as the percentage of women is below 30%, the targets must then not fall below the percentage reached. The legal deadline for achievement of the first targets was fixed for June 30, 2017. After that deadlines can be up to five years. The targets and deadlines are to be specified in concrete terms. In addition to this, it must be stated whether the specified targets have been achieved and, if not, information as to the reasons must be specified.

The Supervisory Board at MLP SE has set internal rules for the composition of both the Executive Board and Supervisory Board. Assuming equal personal and professional aptitude, these stipulate a minimum 25% representation of women in both bodies (in the case of the Supervisory Board on the shareholder side). MLP SE has met this quota on the shareholder side of the Supervisory Board. The Supervisory Board has had at least one female member continually since 2015. The quota has therefore been met for many years. This makes any further reporting on the implementation steps with regard to meeting the quota unnecessary.

In November 2020, the Supervisory Board confirmed the target of at least 25 percent for the proportion of women on the Executive Board – which currently only comprises three persons – and set itself the end of the financial year 2025 as the implementation deadline. Therefore, it is currently also not possible to report on any concrete measures for achieving these objectives in the Declaration of Corporate Governance. However, the Supervisory Board aims to take into account the aforementioned objective in the event of personnel changes. This is to be supported by various measures, including efforts with respect to diversity making appointments to executive positions, as well as giving appropriate consideration to women at the management levels in the company. To this end, measures directed at improving reconciliation of work and family life have already been introduced in the company in the past. The newly established Nomination Committee will also address the aforementioned objective of promoting representation of the underrepresented gender, as well as the strategy for achieving this. The legal regulation, based on which the Executive Board at listed companies must include at least one woman or one man when it has four or more members is not applicable to MLP SE.

Cooperation between Executive Board and Supervisory Board

Intensive dialogue between the Executive and Supervisory Boards forms the basis of transparent and responsible company management. The Executive Board of MLP SE provides the Supervisory Board with regular, timely and comprehensive information on the Group’s position, including information on its risk situation, risk management and compliance. The Supervisory Board is informed of particularly important or urgent projects outside of the regular meetings. Furthermore, the Chairwoman of the Supervisory Board meets with the Executive Board on a regular basis to discuss specific issues. The Chairwoman of the Supervisory Board informs the other members of the Supervisory Board in detail about the content of his meetings with the Executive Board. The Supervisory Board discusses the Group's corporate planning and plans for strategic growth with the Executive Board.

Significant legal transactions by the Executive Board require the consent of the Supervisory Board. A set of rules of procedures issued by the Supervisory Board in particular governs the distribution of business, powers of approval outside the Articles of Association and co-operation with the Executive Board. Further details on the co-operation between Executive Board and Supervisory Board can be found in the report by the Supervisory Board.

Further disclosures on the Supervisory Board's activities can be found in the report by the Supervisory Board.

Directors’ Dealings

Pursuant to Art. 19 of the Market Abuse Regulation (MAR), persons assuming executive positions at the issuer of shares must notify the issuer and the Federal Financial Supervisory Authority (BaFin) of transactions in financial instruments. This obligation also applies to natural persons and legal entities that are closely linked to such a person assuming an executive position.

Transactions up to a total value of €20,000 per calendar year are exempt from the reporting obligation.

One transaction pursuant to Art. 19 of the Market Abuse Regulation (MAR) was reported to us in the financial year 2023.

Reported transactions from previous years can be viewed on our website at www.mlp-se.com.

Corporate governance practices – Compliance as a management duty

Compliance regulations

The trust of our clients, shareholders and business partners in our capacity to act professionally and responsibly forms the basis of our business operations. Compliance with all relevant legislation and capital market regulations represents the foundation of our business activities and an integral part of our corporate culture. Violations against applicable legislation and regulations not only have the potential to lead to legal disputes and financial losses but can also have a negative effect on our Group's reputation. The Executive Board at MLP SE ensures Group-wide compliance with legal provisions and internal company guidelines, while also guaranteeing both a trusting and transparent system of corporate governance.

The basic principles of abidance to laws, integrity and economically successful business practices are firmly anchored in our Code of Business Conduct and Ethics. Our compliance activities are based on a Group-wide compliance strategy, which in particular employs preventive measures to avoid the occurrence of risks due to non-compliance with applicable legislation, internal standards and processes. The focus here is on compliance with legal provisions and corporate policies with regard to the provision of (ancillary) securities services, consumer and data protection, as well as the prevention of money laundering, financing terrorist activities and all other criminal conduct. In the interests of our clients, shareholders and employees, the Compliance organisation supports and advises the Executive Board in establishing uniform standards for all Group companies. Taking into account the constantly changing regulatory requirements and market conditions, Compliance steers the continuous further development of our internal behavioural standards and monitors implementation of applicable requirements.

On the basis of a Group-wide risk analysis, the Compliance function identifies, analyses and evaluates the compliance risks relevant to MLP SE's business operations. The compliance function also collaborates with the specialist departments responsible for developing risk-reducing measures and continuously monitors their effectiveness in our day-to-day business.

Regular training sessions, during which all employees of the MLP Group familiarise themselves with the key regulations as a way of preventing any accidental infractions while also providing support in applying our Code of Business Conduct and Ethics, represent an important element of our risk prevention measures.

In particular they include web-based training events on market abuse legislation, securities compliance, data and consumer protection as well as the prevention of money laundering, financing of terrorist activities and criminal conduct. In addition, the compliance function is available to all employees as a point of contact for reporting internal suspicious transactions with regard to criminal activities or violations against our compliance regulations. Any violations determined are investigated promptly, comprehensively clarified and then used to eliminate any weaknesses identified. The Executive Board and Supervisory Board are regularly informed of all relevant actions and measures taken by the Compliance function.

The Code of Business Conduct and Ethics for the MLP Group also sets out the measures for insider trading prevention and describes the internal provisions for execution of employee transactions. It also ensures that confidential information is handled responsibly at MLP and defines standards for advising and supporting our clients, as well as the policy on giving and accepting invitations and gifts. To prevent any impairment of client interests, we have defined policies regarding the avoidance and monitoring of conflicts of interest and the acceptance of gifts. These policies are regularly reviewed and adapted to changing requirements.

Defined company values

Group vision with mission statement

The MLP Group and its brands Deutschland.Immobilien, DOMCURA, FERI, MLP, RVM and TPC is the financial services provider for private, corporate and institutional clients. Special added value is created by networking the various perspectives and areas of expertise – enabling clients to reach better financial decisions.

In 2021, MLP developed a Group vision as a way of further strengthening the common basis for successful cooperation. In this context, a mission statement was drafted for the MLP Group.

"Our network provides suitable solutions for all financial matters – always committed to our clients. We help individuals and companies reach better decisions."

An intensive transfer of knowledge and expertise takes place within the Group. The specialists support one another in the areas of research and concept development, as well as in client consulting. This valuable and targeted interaction generates additional value for clients, as well as for the company and its shareholders. This approach was also consistently pursued in 2023. The campaign "MLP – A strong WE" communicates MLP's unique network even more clearly to the outside.

The various corporate missions are arranged under the umbrella of a common Group vision, which all companies work to. The mission statement of the MLP brand is: "We motivate people to engage with the topic of finance. We help people reach better financial decisions independently. That is MLP." The corporate mission of MLP with its governing principles is based on various core values, which were defined with input from a large number of employees and consultants. "Performance" and "Trust" were identified as special core values. You can find details on our corporate mission on our homepage at www.mlp-se.com.

On the basis of the corporate mission, new governance principles were then developed in an interactive workshop in the autumn of 2021 with input from managers at all hierarchy levels. These were implemented, communicated and anchored in the course of the financial year 2022. The leadership principles form the basis for continuous further development of the MLP management and personnel development instruments. The results from the survey conducted in 2022 on the general sentiment and leadership quality were used in the financial year 2023 to derive a comprehensive package of measures. For example, the processes for selecting and training managers were further professionalised and revised formats were implemented for the regular leadership and employee development reviews. In 2023, the survey was conducted again, and the results showed further improvement.

The personnel strategy and its vision represent another part of the corporate governance practices. MLP is an attractive employer and is perceived as such both by its own employees and by relevant stakeholders and applicants on the employment market. All employees, including trainees and students, see themselves as a part of MLP and are proud to make an important contribution to the company's sustainable success as a business through their work. Staff at MLP can express and continuously develop their preferences and strength. MLP regards itself as a dynamic and learning organisation that promotes lifelong learning for all. Not only do the employees feel a connection with MLP's mission statement and leadership principles, but they also identify with MLP's spirit.

Various HR fields of action have also been defined on the basis of this. This exemplifies the positioning of the employer brand or the increase in employer attractiveness, in particular for women - among other things through active expansion and optimisation of the family-friendly framework conditions associated with working at MLP. Another action area revolves around actively working towards greater representation of women at all management levels within the company, as well as targeted measures for promoting employee health. Focus is also on increasing the identification and commitment of employees through targeted measures for promoting staff retention, as well as further development of strategic personnel and succession planning.

An explanation of the business and risk strategy as well as the risk management system can be found in the chapter "Risk report" of the Annual Report.

Stipulations for promoting equal participation of women in management positions pursuant to § 76 (4) of the German Stock Corporation Act (AktG)

The legislation on equal participation of women and men in management positions came into force on May 1, 2015. It stipulates an obligation to specify targets for members of supervisory and executive boards, as well as the two upper management levels, although it does not define an actual minimum target. Insofar as the percentage of women is below 30%, the targets must then not fall below the percentage reached. The deadline for achievement of the first targets was fixed for June 30, 2017. After that deadlines can be up to five years. The targets and deadlines are to be specified in concrete terms. In addition to this, it must be stated whether the specified targets have been achieved and, if not, information as to the reasons must be specified.

MLP places great emphasis on promoting women and helping employees combine a career with a family. The company has therefore already made this topic a focus over the last few years and implemented various measures to promote women into management positions. The concept for example includes measures such as family-friendly meeting arrangements or flexible workplace and working hours arrangements. As a sign of its public commitment to diversity, MLP signed the Diversity Charter in 2014. In addition to this, the workandfamily audit was successfully performed in 2019. As part of the target agreement associated with this, numerous measures aimed at promoting the concept of women in management positions and part-time management were successfully implemented. On the basis of the recertification of the audit in 2022, further implementation objectives for promoting family friendliness, as well as life phase-oriented alignment of the measures for employee retention have been agreed for the next three years.

In November 2020, the Executive Board at MLP SE approved a target of at least 33% for female managers at the first management level below Board level at MLP SE. In December 2022, the Executive Board furthermore approved the same minimum target figure of 33% for female managers at the second management level below Board level at MLP SE. These targets are to be met by the end of the financial year 2025.

Equal pay for women and men doing the same or equivalent work as per the German Transparency of Pay Act (EntgTranspG)

The Transparency of Pay Structures Act (EntgTranspG) aims to counteract wage disparities between women and men for equal or equivalent work and promote the disclosure of company remuneration regulations. At enterprises with more than 200 employees, employees also have an individual right to information regarding the pay structures within that enterprise.

A "pay system" works agreement was concluded in December 2015 as the basis for establishing improved transparency of pay at MLP. It applies to MLP SE, MLP Banking AG, as well as MLP Finanzberatung SE in the version dated July 2, 2019. Each job type is assessed independently of the employee, ensuring a gender-neutral approach, and then assigned to a salary range. This range serves as the basis for salary benchmarking when hiring new staff and transitioning existing staff into new positions. Private employers that generally have more than 500 employees are called upon to use operational audit procedures to regularly review the application of their pay systems and the various pay components paid for compliance with the equal pay requirement in the meaning of this legislation. MLP performed an audit process of this kind in 2018 for the joint operations of MLP SE, MLP Banking AG and MLP Finanzberatung SE and then repeated it in the financial year 2023 using the same basic methodological principles.

The unadjusted gender pay gap, weighted by salary band and number of employees, for non-managerial staff at the company headquarters, who are not classified as senior executives within the meaning of § 5 (3) of the Works Constitution Act (BetrVG) was 3.49% in the financial year 2023. Since men at MLP are on average around one year older than women and therefore tend to have more participation in general and individual salary development, age was used as an adjustment factor in the survey, as was the case in survey conducted in 2018. For the purposes of adjustment, the long-term average of annual salary development was applied conservatively at 2% p.a. The pay gap at MLP, adjusted to include the average age differences, was 1.73%. As such, it was significantly below the adjusted gender pay gap published by the German Federal Statistical Office in 2023 of 7%.

The internal audit procedure was once again performed on a voluntary basis for the employees at the company HQ in the joint operations of MLP SE, MLP Banking AG and MLP Finanzberatung SE and delivered the pleasing result that no systematic gender-specific pay differences exist at MLP. In contrast to the survey performed in 2018, individual salary deviations were not only reviewed for women, but also for men in the financial year 2023. In the final results, the salary of one female employee was raised by 12% and of one male employee by 16%. No further individual adjustments were made. It was not possible to include the employees from the back-office service as part of the individual audit procedure. This is because the back-office operations almost exclusively employ women. As was also the case in 2018, no suitable or statistically meaningful comparative benchmark was therefore available for men.

Alongside these purely pay-based measures, MLP also offers a variety of additional measures to promote a good work-life balance and therefore contribute to greater equality of pay.

Special legal provisions

As per Recommendation F.4 of the GCGC 2022, the Supervisory Board and Executive Board at listed companies that are subject to special legal provisions should specify in the Declaration of Corporate Governance which recommendations of the Code could not be applied due to statutory provisions. It is the opinion of the Executive Board and Supervisory Board that the provisions of the Ordinance on the Supervisory Requirements for Institutions' Pay Systems (InstitutsVergV) take precedence over the provisions of the German Stock Corporation Act (AktG) or the GCGC in certain cases. Alongside this, the mandatory requirements of § 25d (7) et seq. of the German Banking Act (KWG) for establishing a joint Risk and Audit Committee, as well as a Nomination Committee and a Compensation Control Committee also represent a deviation from the provisions of the German Corporate Governance Code 2022 (GCGC). On the basis of a special legal provision, MLP is also deviating from Recommendation D4 of the German Corporate Governance Code 2022 (GCGC), according to which the Supervisory Board should establish a Nomination Committee exclusively composed of shareholder representatives. § 25d (11) of the German Banking Act (KWG) stipulates that the Nomination Committee of the Supervisory Board must also assume further duties that should not only be performed by the representatives of the shareholders on the Supervisory Board. The Nomination Committee of the Supervisory Board at MLP SE therefore also includes one employee representative. However, assurances are in place that the nominations proposed to the Annual General Meeting for the election of shareholder representatives to the Supervisory Board are prepared solely by the representatives of the shareholders that sit on the Supervisory Board.

EXPLANATORY REPORT ON THE DISCLOSURES PURSUANT TO § 176 (1) OF THE GERMAN STOCK CORPORATION ACT (AKTG), § 315A (1), § 289A (1) OF THE GERMAN COMMERCIAL CODE (HGB)

Disclosure obligations

Composition of capital

As of December 31, 2023, the company's share capital amounts to €109,334,686 and is divided into 109,334,686 ordinary bearer shares with a nominal value of €1 per share.

Restrictions on voting rights or on the transfer of shares

There are no restrictions on voting rights or on the transfer of MLP SE's shares.

Capital stakes

The German Securities Trading Act (WpHG) requires any investor whose share of voting rights reaches, exceeds or falls below certain thresholds as the result of purchases, disposals or otherwise, to notify the company and the German Federal Financial Supervisory Authority (BaFin) thereof. The lowest threshold for the duty of notification to apply is 3%. Any stakes that reach or exceed 10% of voting rights must be recorded in this explanatory report. MLP SE has been notified of four shareholders who directly or indirectly exceeded 10% of the voting rights:

	Number of shares*	Stakeholding percentage*
Dr h.c. Manfred Lautenschläger, Gaiberg	29,883,373 [1]	27.33% [1]
Christine Lautenschläger, Markus Lautenschläger, Matthias Lautenschläger, Catharina Seegelken, Maximilian Lautenschläger, Gaiberg	30,133,373 [2]	27.56% [2]
Angelika Lautenschläger Beteiligungen Verwaltungs GmbH, Gaiberg	22,796,771	20.85%
HanseMerkur Krankenversicherung auf Gegenseitigkeit, Hamburg	10,964,000 [3]	10.03% [3]

* Status as of December 31, 2023 known to MLP SE through voting rights announcements

[1] Based on information provided by Dr h.c. Manfred Lautenschläger there is a voting trust and pooling agreement as per § 34 (2) of the German Securities Trading Act (WpHG) between Dr h. c. Manfred Lautenschläger (2.37% of voting rights), the companies controlled by him, Angelika Lautenschläger Beteiligungen Verwaltungs GmbH (20.85% of voting rights) and Manfred Lautenschläger Stiftung GmbH (4.11% of voting rights, controlled by the community of heirs of his wife Angelika Lautenschläger). Of the 27.33% of voting rights, Mr. Lautenschläger is therefore attributed the voting rights of Manfred Lautenschläger Stiftung GmbH and Angelika Lautenschläger Beteiligungen Verwaltungs GmbH as per § 34 (2) of the German Securities Trading Act (WpHG).

[2] As per the notification submitted by Christine Lautenschläger, Markus Lautenschläger, Matthias Lautenschläger, Catharina Seegelken, Maximilian Lautenschläger: Pursuant to § 34 (2) of the German Securities Trading Act (WpHG), a voting trust and pooling agreement is in place between Dr h.c. Manfred Lautenschläger (2.09%), Angelika Lautenschläger Beteiligungen Verwaltungs GmbH (20.85%) and Manfred Lautenschläger Stiftung GmbH (4.57%), together totalling 27.51%. The inheritance community Angelika Lautenschläger holds 0.05% via M.L. Stiftung gemeinnützige GmbH.

[3] Notification for HanseMerkur Krankenversicherung AG as shareholder.

Shares with special control rights

Shares that confer special control rights have not been issued.

System of control of any employee share scheme where the control rights are not exercised directly by the employees

Where MLP SE has in the past issued shares to employees as part of its employee participation programme, these shares were transferred to the employees directly. Said employees can or could then exercise the control rights granted by the shares issued directly in line with the legal requirements and the company's Articles of Association.

Legal stipulations and provisions of the Articles of Association regarding the appointment and replacement of members of the Executive Board

The prerequisites for appointing and dismissing members of the Executive Board, as well as amending the company's Articles of Association, are based on the respective provisions of applicable European and German law, including EC Regulation No. 2157/2001 regarding the Statute for a European Company ("SE Regulation“) and the German Stock Corporation Act. The appointment and dismissal of members of the Executive Board are in particular governed by Art. 46 et seq. of the SE Regulation, as well as Art. 9 of the SE Regulation in connection with § 84 and § 85 of the German Stock Corporation Act (AktG). The company's Articles of Association specify that the Executive Board must comprise at least two people. The members of the Executive Board are appointed for a maximum of five years. A further appointment or extension of the time in office, each for a maximum of five years, is permitted. The Supervisory Board can revoke the appointment of a member of the Board before the time in office expires for an important reason. In this context, an important reason could be a gross breach of duty, inability to manage the company properly or vote of no confidence by the Annual General Meeting. The Supervisory Board decides on the number of Executive Board members, their appointment and the revocation of their appointment as well as the conclusion, amendment and termination of the employment contracts with Executive Board members. The Supervisory Board may appoint one Chairperson of the Board and one or more Vice Chairpersons.

Amendments to the company's Articles of Association

Pursuant to Art. 59 of the SE Regulation in connection with § 179 (1) and (2) p. 1 of the German Stock Corporation Act (AktG), any amendment to the company's Articles of Association requires a resolution of the Annual General Meeting with a majority of at least three quarters of valid votes cast. When making amendments to the company's Articles of Association for which only a simple majority is required for stock corporations incorporated under German law (AG), § 19 (4) of the company's Articles of Association provides in deviation from § 179 (2) Sentence 1 of the German Stock Corporation Act (AktG) that resolutions seeking to amend the company's Articles of Association by the Annual General Meeting can be passed with just a simple majority of the share capital votes entitled to vote on the resolution, unless mandatory legal provisions require a greater majority, provided at least half of the share capital is represented, otherwise a majority of two thirds of votes cast. However, the Supervisory Board is authorised, pursuant to § 23 of the company's Articles of Association, to make amendments to the company's Articles of Association that relate to the formulation thereof.

Authority of the Executive Board to issue or buy back shares

A resolution passed by the Annual General Meeting on June 2, 2022 authorised the Executive Board, with the Supervisory Board's approval, to increase the company's share capital by up to €21.5 million in total by June 1, 2027 by issuing on one or more occasions new ordinary bearer shares in exchange for cash or non-cash contributions and, with the Supervisory Board's approval, to exclude the shareholders' subscription rights for the issuance of shares in exchange for non-cash contributions.

If the share capital is increased in return for cash contributions, shareholders must be granted subscription rights. However, the Executive Board has been authorised, with the approval of the Supervisory Board, to exclude the subscription right of the shareholders if the issue price does not fall significantly short of the stock market price of company shares with the same structure. However, this authorisation is subject to the condition that shares issued in exclusion of subscription rights as per § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG) do not exceed 10% of the share capital, either at the time of coming into effect or at the time they are exercised (authorised capital).

As per the resolution of the Annual General Meeting from June 24, 2021, the company is also authorised, pursuant to § 71 (1) No. 8 of the German Stock Corporation Act (AktG), to purchase up to €10,933,468 – i.e. slightly less than 10% of the company's share capital during the authorisation period up to June 23, 2026. On the basis of this authorisation, MLP Finanzberatung SE – a wholly-owned subsidiary of MLP SE – which was also authorised in this regard by the Annual General Meeting, acquired 604,792 shares up to March 30, 2023 on the basis of an Executive Board resolution and with the consent of the Supervisory Board at MLP SE. With the consent of both the Executive Board and the Supervisory Board at MLP SE, the Executive Board at MLP Finanzberatung SE approved the share buyback in 2023. The redeemed shares are to be used to cover consultant entitlements in connection with the 2022 participation programme. MLP Finanzberatung SE still held 1,328 shares on the reporting date of December 31, 2023. These shares and further bought-back shares are then once again to be issued to the commercial agents working for MLP Finanzberatung SE within the scope of the 2023 participation programme – this is likely to take place in the second quarter of 2024.

Significant agreements of the company that take effect in the event of a change of control of the company following a takeover bid

There are no significant agreements that take effect in the event of a change of control of the company following a takeover bid.

Settlement agreements between the company and Executive Board or employees in the event of a takeover bid

The contracts of employment between the company and the Chief Executive Officer, Dr Uwe Schroeder-Wildberg, and Executive Board members Manfred Bauer and Reinhard Loose contain a clause stating that said members are entitled to terminate their contracts with a notice period of one month in the event that a third party who had a share in MLP of less than 10% at the time at which the contracts were concluded acquires a share of at least 50% of the voting rights. If any of these Executive Board members chooses to exercise this right to terminate, MLP is obliged to pay said member compensation corresponding to four times (4x) the respective fixed annual salary if the contract has not been terminated as a result of the change in control, provided. that the respective contract is terminated more than two years before it reaches its normal termination date. For all members of the Executive Board, the compensation to be paid in the event of a "change of control" corresponds to no more than twice the average compensation, based on the total compensation of the last full financial year prior to termination of their contract and the total anticipated compensation for the year still in progress when their contract is terminated. The employment contract of Dr Schroeder-Wildberg is set to run until December 31, 2027, the employment contract of Mr. Manfred Bauer is set to run until April 30, 2025 and the employment contract of Mr. Reinhard Loose is set to run until January 31, 2029. In the case of a termination of contract within two years of the scheduled termination date, the severance payment will only be paid pro rata temporis.

APPROVAL OF THE JOINT MANAGEMENT REPORT

The Executive Board prepared the joint management report on March 15, 2024 and will present them to the Supervisory Board on March 20, 2024 for publication.

Wiesloch, March 15, 2024

MLP SE

Executive Board

Dr Uwe Schroeder-Wildberg

Manfred Bauer

Reinhard Loose

Unaudited appendix to the management report – Report on equality and equal remuneration

As per the requirements of § 21 of the Transparency of Pay Act (EntgTranspG), reporting on both equality and equal remuneration at MLP is provided in the following. Within the MLP Group, only the subsidiary MLP Finanzberatung SE exceeds the legally stipulated threshold of 500 employees. Accordingly, only this company is reportable. Nevertheless, reporting is still performed for the joint operations of MLP SE, MLP Banking AG and MLP Finanzberatung SE, since the relevant parameters are recorded on the basis of a works agreement governing these joint operations. Set against this background, reporting is only performed with regard to those employees of the aforementioned companies that cannot be classed as executive employees in the sense of § 5 (3) of the Works Constitution Act (BetrVG).

A "pay system" works agreement was concluded in December 2015 as the basis for establishing improved transparency of pay at MLP. It applies to MLP SE, MLP Banking AG, as well as MLP Finanzberatung SE in the version dated July 2, 2019. Each job type is assessed independently of the employee, ensuring a gender-neutral approach, and then assigned to a salary range. This range serves as the basis for salary benchmarking when hiring new staff and transitioning existing staff into new positions.

Private employers that generally have more than 500 employees are called upon to use operational audit procedures to regularly review the application of their pay systems and the various pay components paid for compliance with the equal pay requirement in the meaning of this legislation. MLP performed an audit process of this kind in 2018 for the joint operations of MLP SE, MLP Banking AG and MLP Finanzberatung SE and then repeated it in the financial year 2023 using the same basic methodological principles.

Based on the compensation data as of August 31, 2023, the gender pay gap between women and men in the company HQ, who are not classified as executive employees according to Section 5 (3) of the Works Constitution Act (BetrVG), was determined. In addition to this, the internal audit process voluntarily conducted in 2018 was repeated to identify individual cases where female employees were not remunerated in a gender-equitable manner.

The unadjusted gender pay gap, weighted by salary band and number of employees, for staff at the company HQ, who are not classified as executive employees according to § 5 (3) of the Works Constitution Act (BetrVG) was 3.49 % in the financial year 2023. To determine this percentage, the average remuneration of men per salary band was compared with the corresponding average remuneration of women. The resulting individual values were then weighted on the basis of the number of employees per salary band.

To ensure comparability with the survey performed in 2018, staff age was selected as the adjustment factor. Since men at MLP are on average around one year older than the women and therefore tend to have more participation in general and individual salary development, age was used as an adjustment factor in the survey. This was also the case in the survey conducted in 2018. For the purposes of adjustment, the long-term average of annual salary development was applied conservatively at 2% p.a. The pay gap at MLP, adjusted to include the average age differences, was 1.73%. As such, it was significantly below the adjusted gender pay gap published by the German Federal Statistical Office in 2023 of 7%. Since further adjustment factors also need to be considered as per the German Federal Statistical Office, there are solid indications that no significant pay gap is in place at MLP and that no systematic, gender-specific remuneration discrimination to the detriment of female employees can be identified.

The internal audit procedure was once again performed on a voluntary basis for the employees at the company HQ in the joint operations of MLP SE, MLP Banking AG and MLP Finanzberatung SE and delivered the pleasing result that no systematic gender-specific pay differences exist at MLP. In contrast to the survey performed in 2018, individual salary deviations were not only reviewed for women, but also for men in the financial year 2023.

As part of the multi-stage audit process, initially, the average salary of men within each salary band and separately for key positions (head of department, team lead, specialist, employees) was determined. Women were then identified, whose salary was more than 20% below the relevant average salary of male colleagues for their salary band and key position and who were no more than five years younger than the average age of the male comparison group. In the same way, men whose salary deviates from the respective female comparison group were also identified. Individual checks were then performed for the female and male employees identified in this way to determine whether there were any indications of a material reason for the lower comparative remuneration. The process included considering the comparative salary within the specific job type of the affected employee, their actual qualifications, as well as the abstract requirements for the job type, their actual professional experience, and performance evaluation.

In the final results, the salary of one female employee was raised by 12% and of one male employee by 16%. No further individual adjustments had to be made. It was not possible to include the employees from the branch offices back-office service as part of the individual audit procedure. This is because the branch offices back-office services almost exclusively employ women. As was also the case in 2018, no suitable or statistically meaningful comparative benchmark was therefore available for men.

Alongside these purely pay-based measures, MLP also offers a variety of additional measures to promote a good work-life balance and therefore contribute to greater equality of pay.

Female employees are still generally underrepresented in higher-level management positions. The higher the hierarchy level, the lower the proportion of women within the joint operations of MLP SE, MLP Banking AG and MLP Finanzberatung SE. Among other things, this can be attributed to the fact that it is common for fewer women to apply for vacant management positions than would be desirable - despite the fact that there are significantly more female than male employees working at MLP. Overall, promotion of women is considered extremely important at MLP. The company has therefore already made this topic a focus over the last few years and implemented various measures to promote women into management positions. The concept includes measures such as family-friendly meeting arrangements or flexible workplace and working hours arrangements. As a sign of its public commitment to diversity, MLP signed the Diversity Charter in 2014. In addition to this, the workandfamily audit was successfully performed in 2019. As part of the target agreement associated with this, numerous measures aimed at promoting the concept of women in management positions and part-time management were successfully implemented. On the basis of the recertification of the audit in 2022, further implementation objectives for promoting family friendliness, as well as life phase-oriented alignment of the measures for employee retention have been agreed for the next three years. As a result, over the past three years it was possible to increase the proportion of women in leadership positions from 29.6% as of December 31, 2020 to 31.6% as of December 31, 2023. The goal is to achieve a balanced gender representation across all levels of leadership within the company.

For non-executive employees working in the joint operations of MLP SE, MLP Banking AG and MLP Finanzberatung SE, the following statistical information is provided as per the requirements of § 21 (2) of the Transparency of Pay Act (EntgTranspG):

	Number (Total)		**Number (full-time)**		**Number (part-time)**		**Quota (total)**		**Quota (full-time)**		**Quota (part-time)**	
	2020	2023	2020	2023	2020	2023	2020	2023	2020	2023	2020	2023
Men	352.75	421.25	322.00	379.50	30.75	41.75	29.84%	32.29%	91.28%	90.09%	8.72%	9.91%
Women	829.50	883.50	332.00	767.50	497.50	495.50	70.16%	67.71%	40.02%	43.92%	59.98%	56.08%

Compensation report as per §162 of the German Stock Corporation Act (AktG)

Fundamentals of the pay system

The compensation for the Executive Board at MLP SE should include both fixed and variable components.

The fixed component comprises a basic salary, a company car that can also be used privately and occupational pension provision. The variable component is granted in the form of an EBIT-based profit-sharing payment.

The ratio between fixed and variable compensation should be set in such a way that the respective member of the Executive Board is not significantly dependent on the variable compensation component, but that this component still offers an effective incentive.

The key strategic objective is to bring about profitable growth. The key indicator and control variable is Group EBIT which, as operating profit, is essentially the result of revenue and expenses. A variable compensation based on Group EBIT performance is therefore a suitable measure for supporting this strategy. By splitting the variable compensation into an immediate payment and a deferred payment, variable compensation has a multi-year basis for assessment. This ensures that focus is not only on short-term success, but also the Group's long-term performance.

Since the profit-sharing payment is exclusively EBIT-based, it is fundamentally independent of the individual performance of the respective member of the Executive Board. However, the Supervisory Board still has the contractual option to adjust the variable compensation both upwards and downwards at its discretion on the basis of the individual performance of a member of the Executive Board, as well as in light of any general market influences on the respective operating results that cannot be attributed to the members of the Executive Board within a contractually stipulated framework.

A contractual regulation that goes beyond the statutory provisions regarding the reclaiming of variable compensation components already paid out is contained in the existing Executive Board employment contracts in accordance with the pay system for the Executive Board of MLP SE passed by the Annual General Meeting on June 24, 2021, insofar as these were newly concluded or with effect from January 1, 2022. The compensation system for the Executive Board that was approved by Annual General Meeting on June 29, 2023 contains a corresponding provision.

When specifying compensation for the Executive Board or a member of the Executive Board, the Supervisory Board takes into account the ratio relative to average compensation of the upper management level within the MLP Group, as well as the ratio relative to average compensation among the remaining workforce. This applies both to the average compensation within a year and to the development of compensation over multiple years. Attention is paid to ensure that the compensation of Executive Board members is at an appropriate ratio relative to the compensation of the workforce.

Principles of Executive Board compensation

The members of the Executive Board receive a fixed basic annual salary, as well as a variable pay component. The basic figure for the bonus payment is determined based on the income statement of the MLP Group in accordance with the international accounting standards (IFRS) applied in the Group. The EBIT of the MLP Group in the past financial year for which the bonus is to be paid forms the basis of assessment here. The key figure is therefore Group EBIT that would result without deduction of profit-sharing payments. If continuing operations and discontinued operations were to be recognised in the financial year, the basis of assessment is formed by the total of the EBIT of operations to be continued and discontinued respectively. No costs and income directly related to the discontinuation/sale of business segments are included in the basis of assessment. If the employment contract begins or ends in the course of the financial year, the basic bonus figure is reduced pro rata temporis.

45% of the bonus calculated in this way is to be paid as an immediate payment following presentation of the company's adopted financial statements. The remaining 55% is only to be paid as a "deferred payment" after presentation of the financial statements for the financial year two years after the year of the immediate payment. To calculate the deferred payment, the Group EBIT recorded in the base year as per the MLP Group's income statement is compared with the average of the Group EBIT recorded in the three years subsequent to the base year and the updated base amount is then adjusted accordingly.

In contractually more closely specified boundaries, the immediate payment and the deferred payment are also subject to an adjustment right, which can be used at the discretion of the Supervisory Board. Here, the Supervisory Board is authorised, at its reasonable discretion, to increase or reduce the immediate payment by up to 30% and the deferred payment by up to 10% based on its assessment of the individual performance of the respective member of the Executive Board or extraordinary developments. As of the financial year 2023, the Executive Board employment contracts also include an adjustment option with regard to immediate payment of the variable compensation that is based on achievement of sustainability goals, as set out for the Executive Board by the Supervisory Board for the financial year in question.

In addition to this, the employment contract provides for a cap of the immediate payment and the deferred payment in euro. For both bonus parts, a maximum of 150% of the basic figure is stipulated as the cap with an assumed EBIT of €100 million.

Under the pay system, the members of the Executive Board are entitled to unrestricted use of a company car and payments from a life and disability insurance policy.

The CEO, Dr Uwe Schroeder-Wildberg, also has an individual occupational benefit plan entitlement. An old-age pension upon reaching 62 years of age, a disability pension, a widow's pension and orphan's benefits have been guaranteed. The benefit entitlement for the old-age pension is specified separately in an addendum to the employment contract. The disability pension and widow's pension are 60% of the contractually agreed old-age or disability pension benefit. The level of orphan's benefit payable per eligible child is calculated on a case-by-case basis. The total of the widow's pension and orphan's benefit of all entitled persons together must not exceed 100% of the old-age pension. However, the members of the Executive Board, Manfred Bauer and Reinhard Loose, receive employer-financed, defined contribution benefits in an occupational pension scheme.

The employment contracts of all members of the Group Executive Board comprise change-of-control clauses granting the right to termination for cause in the event that

- the company's share of voting rights changes in accordance with §§ 21, 22 of the German Securities Trading Act (amended version);

- the company is transformed in line with the provisions of the Transformation Act (UmwG). This does not apply if the company changes its corporate form, spin-offs in line with § 123 (3) of the German Reorganisation of Companies Act or for mergers in accordance with the provisions of the Reorganisation of Companies Act, in which the company is the incorporating legal entity.

If a member of the Executive Board resigns on the basis of the aforementioned conditions, he is entitled to compensation of no more than two annual salaries, on the condition that the termination takes place more than two years before the end of contract. After that, the regulations apply on a pro-rata-temporis basis.

To comply with the relevant supervisory requirements, the employment contracts of all members of the Executive Board also include the following provisions:

In the event of negative performance or misconduct on the part of the Executive Board member in question in the sense of § 5 of the Ordinance on the Supervisory Requirements for Institutions' Pay Systems (InstitutsVergV), the Supervisory Board is entitled to reduce the benefits to which said member is entitled at its discretion when said member resigns from his or her position voluntarily.

The members of the Executive Board undertake not to engage in any personal hedging or other countermeasures as a way of limiting or even eliminating the risk-orientation of compensation.

Pursuant to § 25a (5) of the German Banking Act (KWG), the variable compensation component must not exceed 200% of the fixed compensation component for each member of the Executive Board. An AGM resolution that proposes increasing the variable compensation cap from 100% to 200% of the fixed compensation component, and thereby deviates from § 25a (5) Sentence 2 of the German Banking Act (KWG), has been submitted.

When specifying and reviewing compensation for the of the Executive Board or a member of the Executive Board, the Supervisory Board takes into account the ratio relative to average pay of the senior management level within the MLP Group, as well as the ratio relative to average pay among the remaining workforce. This applies both to the average compensation within a year and to the development of compensation over multiple years. Attention is paid to ensure that the compensation of Executive Board members is at an appropriate ratio relative to the compensation of the workforce.

In addition to this, a horizontal comparison is performed. The benchmark companies are selected in accordance with the stipulations in the pay system. For the financial year 2023, the benchmark group comprised the following companies: Aareal Bank AG, Bausparkasse Schwäbisch Hall AG, Deutsche Beteiligungs AG, Deutsche Pfandbriefbank AG, DWS Group GmbH & Co. KGaA, GRENKE AG, Hypoport AG, INDUS Holding AG, Nürnberger Beteiligungs AG, Oldenburgische Landesbank AG, OVB Holding AG, Sparkasse Bremen AG, Südwestbank AG, Teambank AG and Union Investment.

To fulfil the requirements of § 162 of the German Stock Corporation Act (AktG), further detailed information is given on Executive Board compensation below.

Fixed and variable portions of compensation

The following tables show the compensation both granted and owed to active members of the Executive Board in the financial years 2023 pursuant to § 162 (1) Sentence 1 of the German Stock Corporation Act (AktG).

The one-year variable compensation for activities in the reporting year is considered to be compensation granted in the reporting year, even if payment is not made until after the end of the reporting year, since the underlying activity was fully performed in the reporting year. The same applies to the multi-year variable compensation.

All figures in €'000	Dr Uwe Schroeder-Wildberg 2022 Absolute figure	2022 Percentage of total compensation	2023 Absolute figure	2023 Percentage of total compensation	Manfred Bauer 2022 Absolute figure	2022 Percentage of total compensation	2023 Absolute figure	2023 Percentage of total compensation
Fixed compensation	550	27.49%	625	32.08%	360	29.90%	360	29.51%
Benefits incl. company car	19	0.95%	20	1.03%	17	1.41%	18	1.48%
Total	**569**	**28.44%**	**645**	**33.11%**	**377**	**31.31%**	**378**	**30.98%**
One-year variable compensation	438	21.89%	433	22.23%	292	24.25%	288	23.61%
Multi-year variable compensation	577	28.84%	606	31.11%	385	31.98%	404	33.11%
Total compensation (under §162 of the German Stock Corporation Act (AktG))	**1,584**	**79%**	**1,684**	**86%**	**1,054**	**88%**	**1,070**	**88%**
Old-age provision	417	20.84%	264	13.55%	150	12.46%	150	12.30%
Total compensation (incl. old-age provision)	**2,001**	**100.00%**	**1,948**	**100.00%**	**1,204**	**100.00%**	**1,220**	**100.00%**

All figures in €'000	Reinhard Loose 2022 Absolute figure	2022 Percentage of Total compensation	2023 Absolute figure	2023 Percentage of total compensation
Fixed compensation	360	29.85%	360	29.51%
Benefits incl. company car	19	1.58%	18	1.48%
Total	**379**	**31.43%**	**378**	**30.98%**
One-year variable compensation	292	24.21%	288	23.61%
Multi-year variable compensation	385	31.92%	404	33.11%
Total compensation (under §162 of the German Stock Corporation Act (AktG))	**1,056**	**88%**	**1,070**	**88%**
Old-age provision	150	12.44%	150	12.30%
Total compensation (incl. old-age provision)	**1,206**	**100.00%**	**1,220**	**100.00%**

A total of 5 former members of the Executive Board received pension payments of €1.1 million from MLP SE in the financial year 2023. As of December 31, 2023, accrued pension provisions of €11.1 million were in place for former members of the Executive Board.

Portions of compensation correspond with the pay system

All portions of compensation granted correspond with the pay system for the Executive Board approved by the Annual General Meeting of MLP SE on June 29, 2023. Please refer to the pay system as per the requirements of § 87a of the German Stock Corporation Act (AktG) in the Annual Report 2021 for further details.

Promotion of long-term development
The key strategic objective is to bring about profitable and sustainable growth. The sustainable development of the company should be the primary focus and, where necessary, take priority over short-term success. One of the most important prerequisites for ensuring this prioritisation is continuity in the composition of the Executive Board. Executive Board compensation appropriate to the size, sector, and economic situation of the company ensures profits and, in particular, long-term retention of suitable executive personalities.

The Executive Board compensation is generally made up of fixed and variable portions. The level of the fixed portions of compensation is calculated in such a way that there is no significant dependency on the variable portions of compensation. The target and basis of assessment for the variable portion of compensation must be set in a way that encourages the seizing of opportunities but prevents taking disproportionate risks. Furthermore, the predominant portion of the variable compensation is structured to stretch over several years.

Use of performance criteria
The compensation is based on the EBIT of the MLP Group, the individual performance of each of the members of the Executive Board is taken into consideration via the rights of adjustment provided for in the employment contract. The immediate payment of variable compensation based on the degree to which the sustainability goals have been met for the financial year in question is also being revised. The target achievement level for the financial year 2023 was 93.2%. As per the contractual arrangements, the immediate payment of the variable compensation for the financial year 2023 (determined on the basis of EBIT) was reduced by 1.36%. No use was made of any further adjustment rights for the financial year 2023.

Comparison of Executive Board compensation, earnings performance, employee pay
The annual change in the compensation of the Executive Board, the earnings performance of the company and the average pay of employees (on the basis of full-time equivalents) are shown below.

For the purpose of presentation, the table below comprises all employees of the following Group companies: MLP SE, MLP Finanzberatung SE, MLP Banking AG, ZSH GmbH Finanzdienstleistungen, MLPdialog GmbH, FERI Management AG, Feri AG, FERI (Luxembourg) S.A., FERI (Switzerland) AG, DOMCURA AG, RVM GmbH, RVM Versicherungsmakler GmbH, RISConsult GmbH, Jahn & Sengstack GmbH, Dr. Schmitt GmbH Würzburg, DI Deutschland.Immobilien AG. Benefits for old-age provision are not taken into account with respect to both the members of the Executive Board and the employees.

Group EBIT of €70,724 thsd (previous year: €75,613 thsd) was used as the basis for calculating the Executive Board compensation.

All figures in €'000	2021	2022	Change over the previous year (in %)	2023	Change over the previous year (in %)
Total compensation of the Executive Board	3,858	4,411	14.33%	4,388	-0.52%
Group income	54,977	43,590	-20.71%	54,812	25.74%
Average pay of employees	72,175	76,923	6.58%	75,043	-2.44%

Share-based compensation
The Executive Board compensation does not provide for the granting of shares (see also the statements in the Declaration of Compliance for the GCGC). For this reason, no shares or share options were granted to the members of the Executive Board for the financial year 2023.

Withheld or reclaimed variable portions of compensation

Variable portions of compensation were not withheld or reclaimed for any members of the Executive Board in the financial year 2023.

Compliance with the defined maximum compensation

The calculated compensation did not reach the defined maximum compensation for any member of the Executive Board so that the defined maximum compensation was complied with in the financial year 2023 for all members of the Executive Board without the need for capping.

All figures in €'000	Total compensation 2023	Defined maximum compensation
Dr Uwe Schroeder-Wildberg	1,948	2,700
Manfred Bauer	1,220	1,800
Reinhard Loose	1,220	1,800

Disclosures on benefits based on § 162 (2) of the German Stock Corporation Act (AktG)

In the financial year 2023, no member of the Executive Board was promised or granted benefits by a third party with regard to their work as a member of the Executive Board.

In the financial year 2023, no benefits were promised to any member of the Executive Board in the event of premature termination of their employment; existing commitments in this regard were not adjusted.

In the financial year 2023, no benefits were promised to any member of the Executive Board in the event of regular termination of their employment; existing commitments in this regard were not adjusted.

In the financial year 2023, no members of the Executive Board terminated their employment. As such, no benefits associated with the termination of the employment of a member of the Executive Board were either promised or granted during the course of the financial year 2023. The defined benefit obligation of the entitlement for Dr Schroeder-Wildberg in the event of regular termination of his Executive Board work due to old age is €6,251 thsd as of December 31, 2023.

Compensation of members of the Supervisory Board

In addition to compensation for their expenses for the financial year, the members of the Supervisory Board receive a fixed annual compensation of €50,000 in accordance with the Articles of Association. The Chairwoman of the Supervisory Board receives twice this amount and his or her deputy one and a half times. Additional, special compensation is granted for work on the Risk and Audit Committee, Compensation Oversight Committee and Nomination Committee. In the case of the Risk and Audit Committee, this is €25,000, while it is €15,000 each for the Compensation Oversight Committee and Nomination Committee. The chair of the respective committee receives twice the stated level of compensation. The fixed portion of compensation is paid after the end of the financial year. No member of the Supervisory Board receives any variable or share-based compensation components.

Individualised Supervisory Board compensation

All figures in €'000 (without tax)	Compensation 2023	Compensation 2022
Dr Peter Lütke-Bornefeld (Chairman) [1]	91	151
Dr Claus-Michael Dill (Vice Chairman) [1]	69	125
Matthias Lautenschläger	105	88
Tina Müller [2]	-	27
Sarah Rössler (Chairwoman) [3]	146	47
Alexander Beer [1]	37	75
Monika Stumpf	80	63
Bernd Groß [4]	33	-
Ursula Blümer [4]	38	-
Dr Andreas Freiling (Vice Chairman) [4]	71	-
Total	670	576

[1] until June 29, 2023

[2] until June 2, 2022

[3] as of June 2, 2022, as of June 29, 2023 in the role of "Chairwoman of the Supervisory Board"

[4] as of June 29, 2023

In the financial year 2023, €28 thsd (previous year: €17 thsd) was paid as compensation for expenses.

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated income statement for the period from January 1 to December 31

All figures in €'000	Notes	2023	2022
Sales revenue	(9)	941,125	913,790
Other revenue	(10)	32,373	35,354
Total revenue		973,498	949,144
Inventory changes	(11)	-11,262	17,818
Commission expenses	(12)	-426,701	-438,405
Real estate development expenses	(13)	-18,676	-57,339
Interest expenses	(14)	-16,333	-440
Valuation result/loan loss provisions	(15)	-1,037	-12,933
Personnel expenses	(16)	-209,078	-187,899
Depreciation and impairments	(17)	-35,820	-35,008
Other expenses	(18)	-184,312	-162,249
Earnings from investments accounted for using the equity method	(19)	446	2,924
Earnings before interest and taxes (EBIT)		**70,724**	**75,613**
Other interest and similar income		8,423	2,783
Other interest and similar expenses		-9,633	-5,427
Valuation result not relating to operating activities		-539	119
Finance cost	**(20)**	**-1,749**	**-2,526**
Earnings before taxes (EBT)		**68,976**	**73,088**
Income taxes	(21)	-24,853	-24,442
Net profit		**44,123**	**48,645**
of which attributable to			
owners of the parent company		48,582	51,486
non-controlling interests		-4,459	-2,841
Earnings per share in €[1, 2]	**(22)**		
Basic		**0.44**	**0.47**
Diluted		**0.44**	**0.47**

[1] Basis of calculation basic: average number of ordinary shares outstanding as of December 31, 2023: 109,208,394

[2] Basis of calculation diluted: average number of ordinary shares outstanding as of December 31, 2023: 109,334,686

Consolidated statement of comprehensive income for the period from January 1 to December 31

All figures in €'000	Notes	2023	2022
Net profit		**44,123**	**48,645**
Gains/losses due to the revaluation of defined benefit obligations		-5,299	19,744
Gains/losses due to equity instruments measured at fair value through other comprehensive income		625	23
Deferred taxes on non-reclassifiable gains/losses	(21)	1,557	-5,846
Non-reclassifiable gains/losses		**-3,117**	**13,920**
Gains/losses due to currency translation differences		143	289
Deferred taxes on reclassifiable gains/losses	(21)	-	-
Reclassifiable gains/losses		**143**	**289**
Other comprehensive income		**-2,974**	**14,209**
Total comprehensive income		**41,149**	**62,855**
Of which attributable to			
owners of the parent company		45,608	65,695
non-controlling interests		-4,459	-2,841

STATEMENT OF FINANCIAL POSITION

Assets as of December 31, 2023

All figures in €'000	Notes	Dec. 31, 2023	Dec. 31, 2022
Intangible assets	(23)	225,458	234,514
Property, plant and equipment	(24)	142,334	136,553
Investments accounted for using the equity method	(19)	2,202	4,689
Deferred tax assets	(21)	3,669	3,531
Receivables from clients in the banking business	(25)	1,230,989	1,149,294
Receivables from financial institutions in the banking business	(26)	779,074	753,225
Financial assets	(27)	184,127	243,558
Inventories	(28)	39,555	51,899
Tax refund claims	(21)	7,408	8,365
Other receivables and assets	(29)	248,726	237,730
Cash and cash equivalents	(30)	1,053,916	961,231
Total		**3,917,458**	**3,784,590**

Liabilities and shareholders' equity as of December 31, 2023

All figures in €'000	Notes	Dec. 31, 2023	Dec. 31, 2022
Equity attributable to MLP SE shareholders		538,531	527,379
Non-controlling interests		-6,326	-1,855
Total shareholders' equity	**(31)**	**532,205**	**525,524**
Provisions	(32)	104,214	97,593
Deferred tax liabilities	(21)	17,260	19,277
Liabilities due to clients in the banking business	(33)	2,764,624	2,633,482
Liabilities due to financial institutions in the banking business	(33)	140,611	137,035
Tax liabilities	(21)	17,545	18,582
Other liabilities	(34)	341,000	353,097
Total		**3,917,458**	**3,784,590**

CONSOLIDATED STATEMENT OF CASH FLOW

Consolidated statement of cash flow for the period from January 1 to December 31

All figures in €'000	2023	2022
Net profit (total)	**44,123**	**48,645**
Income taxes paid/reimbursed	-20,811	-30,530
Interest received	61,529	19,903
Interest paid	-18,204	-2,096
Earnings from investments accounted for using the equity method	-446	-2,924
Dividends received from investments accounted for using the equity method	2,933	4,322
+ Depreciation/impairments/- write-ups of intangible assets and property, plant and equipment	35,820	35,008
+ Depreciation/- impairments/write-ups of financial assets	2,702	1,173
+ Allowances for bad debts	721	12,174
Earnings from the disposal of intangible assets and property, plant and equipment	14	-21
Adjustments from income taxes, interest and other non-cash transactions	-23,383	37,112
Changes in operating assets and liabilities		
- Increase/+ decrease of receivables from financial institutions in the banking business	-26,282	-274,962
+ Increase/- decrease of liabilities due to banks in the banking business	3,576	7,747
- Increase/+ decrease of receivables from clients in the banking business	-82,416	-190,390
+ Increase/- decrease of liabilities due to clients in the banking business	131,143	117,384
- Increase /+ decrease of rights of use IFRS 16	-15,010	-11,126
- Increase/+ decrease of inventories	11,175	-17,294
- Increase/+ Decrease of other assets	-11,353	20,067
+ Increase/- decrease of other liabilities	14,248	-27,182
+ Increase/- decrease of provisions	6,588	-39,463
Cash flow) from operating activities	**116,666**	**-292,452**
Purchase of intangible assets and property, plant and equipment	-16,609	-22,271
Proceeds from the disposal of intangible assets and property, plant and equipment	130	55
+ Repayment of /- investment in other investments (fixed and time deposits)	63,188	-9,743
+ Repayment of/- investment in fixed income securities	-10,999	-32,004
Payments for investments in financial assets	-2,150	-
Payments from the acquisition of other financial assets (non-consolidated subsidiaries)	-360	-6,556
+/- Proceeds/payments from the sale of consolidated companies	-4,646	-
Cash outflows from the acquisition of subsidiaries (net of cash acquired)	-	-13,924
Cash flow from investing activities	**28,554**	**-84,444**
Dividends paid to shareholders of MLP SE	-32,800	-32,787
Acquisition of treasury stock	-	-381
Cash inflows from borrowings	1,194	18,942
Cash outflows from the repayment of borrowings	-7,018	-9,149

Principal payments of leasing liabilities	-14,601	-13,841
Cash outflows from the repayment of purchase price liabilities	-	-1,000
Cash flow from financing activities	**-53,225**	**-38,216**
Cash and cash equivalents at beginning of period	**957,640**	**1,373,953**
Changes in cash and cash equivalents	91,996	-415,112
Changes in cash and cash equivalent due to changes to the scope of consolidation	792	-
Changes in cash and cash equivalents due to exchange rate movements	-103	-118
Changes in liabilities to banks due on demand (excluding the banking business)	3,592	-1,083
Cash and cash equivalents at end of period	**1,053,916**	**957,640**
Composition of cash and cash equivalents		
Cash and cash equivalents	1,053,916	961,231
Liabilities to banks due on demand (excluding the banking business)	-	-3,592
Cash and cash equivalents at end of period	**1,053,916**	**957,640**

The disclosures on the statement of cash flow appear in Note 35.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity for the period from January 1 to December 31, 2023

All figures in €'000	Sub-scribed capital	Capital reserves	Gains/losses from changes in the fair value of financial assets	Revaluation gains/losses related to defined benefit obligations after taxes	Currency changes	Retained earnings	Total share-holders' equity	Non-controlling interests	Total Share-holders' equity
As of Jan. 1, 2023	**109,288**	**150,052**	**16**	**-3,642**	**230**	**271,435**	**527,379**	**-1,855**	**525,524**
Acquisition of treasury stock	45	-	-	-	-	116	161	-	161
Share-based compensation	-	-430	-	-	-	-	-430	-	-430
Dividend	-	-	-	-	-	-32,800	-32,800	-	-32,800
Changes in non-controlling interests	-	-	-	-	-	-1,387	-1,387	1,387	-
Transactions with owners	**45**	**-430**	**-**	**-**	**-**	**-34,071**	**-34,455**	**1,387**	**-33,069**
Net profit	-	-	-	-	-	48,582	48,582	-4,459	44,123
Other comprehensive income	-	-	623	-3,739	143	-	-2,974	-	-2,974
Total comprehensive income	**-**	**-**	**623**	**-3,739**	**143**	**48,582**	**45,608**	**-4,459**	**41,149**
Changes to the scope of consolidation	-	-	-	-	-	-	-	-1,399	-1,399
As of Dec. 31, 2023	**109,333**	**149,623**	**638**	**-7,381**	**373**	**285,946**	**538,531**	**-6,326**	**532,205**

The notes on shareholders' equity appear in Note 31.

Statement of changes in equity for the period from January 1 to December 31, 2022

All figures in €'000	Sub-scribed capital	Capital reserves	Gains/losses from changes in the fair value of financial assets	Revaluation gains/losses related to defined benefit obligations after taxes	Currency changes	Retained earnings	Total share-holders' equity	Non-controlling interests	Total Share-holders' equity
As of Jan. 1, 2022	**109,314**	**150,445**	**-**	**-17,546**	**-59**	**253,091**	**495,245**	**986**	**496,231**
Acquisition of treasury stock	-26	-	-	-	-	-355	-381	-	-381
Share-based compensation	-	-393	-	-	-	-	-393	-	-393
Dividend	-	-	-	-	-	-32,786	-32,786	-	-32,786
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-
Transactions with owners	**-26**	**-393**	**-**	**-**	**-**	**-33,142**	**-33,561**	**-**	**-33,561**
Net profit	-	-	-	-	-	51,486	51,486	-2,841	48,645
Other comprehensive income	-	-	16	13,904	289	-	14,209	-	14,209
Total comprehensive income	**-**	**-**	**16**	**13,904**	**289**	**51,486**	**65,695**	**-2,841**	**62,855**
Changes to the scope of consolidation	-	-	-	-	-	-	-	-	-
As of Dec. 31, 2022	**109,288**	**150,052**	**16**	**-3,642**	**230**	**271,435**	**527,379**	**-1,855**	**525,524**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Information about the company

The consolidated financial statements were prepared by MLP SE, Wiesloch, Germany, the parent company of the MLP Group. MLP SE is listed in the Mannheim Commercial Register under the number HRB 728672 at the address Alte Heerstraße 40, 69168 Wiesloch, Germany.

Since it was founded in 1971, MLP has been operating as a broker and adviser for academics and other discerning clients in the fields of old-age provision including occupational pension provision, healthcare provision, non-life insurance, loans and mortgages, wealth management, development and management of real estate properties and banking services.

2. Principles governing the preparation of the financial statements

The consolidated financial statements of MLP SE have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standard Board (IASB), as adopted in the European Union (EU), taking into account the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). In addition, the commercial law regulations to be observed pursuant to § 315e (1) of the German Commercial Code (HGB) were also taken into account. The financial year corresponds to the calendar year.

MLP prepares its consolidated balance sheet based on liquidity in descending order. This form of presentation offers information that is more relevant than if it were based on the time-to-maturity factor. The consolidated financial statements are prepared on a going concern basis.

The income statement is prepared in accordance with the nature of expense method.

The consolidated financial statements are drawn up in euros (€), which is the functional currency of the parent company. Unless otherwise specified, all amounts are stated in thousands of euros (€'000). Both single and cumulative figures are values with the smallest rounding difference. As a result, differences to reported total amounts may arise when adding up the individual values.

The term "branch office manager", which is used in the following section of the report, encompasses the branch office managers at MLP Finanzberatung SE and the sales agents at MLP Banking AG. We use the term "MLP consultants" to refer to all consultants of the MLP Group. We use the term "employees" to refer to all employees.

3. Amendments to the accounting policies

The accounting policies applied are the same as those used in the previous year, with the following exceptions.

In the financial year 2023, the following new or amended accounting principles from the IFRS standards are to be used for MLP for the first time:

- Amendments to IAS 1 Disclosure obligations in accordance with the accounting principles
- Amendments to IAS 8 Definition of accounting estimates
- Amendment to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- 17 Insurance contracts (including amendments as of 2020)

The amended standards do not result in any or any significant effects on the consolidated financial statements of MLP SE.

Adoption of the following new or revised standards and interpretations was not yet binding for the financial year commencing on January 1, 2023:

Amendments to IAS 1 [1,3]	Classification of liabilities as current or non-current
Amendments to IAS 7 [1,3]	Change regarding supplier financing agreements
Amendments to IAS 21 [2,3]	Clarification of accounting treatment when there is a lack of exchangeability
Amendments to IFRS 16 [1]	Leasing liabilities in connection with sale and leaseback transactions

[1] To be applied for financial years beginning on or after January 1, 2024.
[2] To be applied for financial years beginning on or after January 1, 2025.
[3] EU endorsement still pending.

MLP did not adopt any standards or interpretations ahead of time that have already been issued but have not yet come into force. The Group will apply the new/revised standards and interpretations at the latest when their adoption becomes binding following endorsement by the EU. The amendments to the standards are not expected to have any significant effects on the consolidated financial statements of MLP SE.

4. Business combinations and start-ups

No company acquisitions were made in the financial year 2023.

In the first quarter 2023, MLP Finanzberatung SE, Wiesloch, founded a 100% subsidiary called MLP Startup GmbH, with its registered office in Wiesloch and concluded a control and profit transfer agreement with it on February 20, 2023. The entry in the commercial register was made on March 13, 2023.

MLP Startup GmbH, which serves as a training company for the new consultant trainee model, commenced operations in Q3 2023 and has been included in the scope of consolidation from that point in time.

5. Scope of consolidation, as well as shares in associates and disclosures on non-consolidated structured entities

MLP SE and all significant subsidiaries that are controlled by MLP SE are included in the consolidated financial statements. Associated companies included in the consolidated financial statements are measured using the equity method.

Changes to the scope of consolidation:
Within the Deutschland.Immobilien segment, Web Deutschland.Immobilien GmbH, Hanover, was merged with and into Vertrieb Deutschland.Immobilien GmbH, Hanover, with effect from January 1, 2023. The merger was entered into the commercial register of the absorbing company on April 26, 2023.

With effect from January 1, 2023, Pflegeprojekt Rosenberg UG, Minden, was merged with and into Projekte Deutschland.Immobilien GmbH, Hanover. The merger was entered into the commercial register of the absorbing company on November 1, 2023.

On February 21, 2023, a control and profit transfer agreement was also concluded between RVM GmbH, Wiesloch, and Dr. Schmitt GmbH Würzburg, Würzburg. The entry in the commercial register of the transferring company was made on May 9, 2023.

On February 28, 2023, the insolvency proceedings of Projekte 2 Deutschland.Immobilien Lauben GmbH, Hanover, were initiated, and entry in the commercial register was made on March 9, 2023. The company was deconsolidated.

On April 3, 2023, MLP Banking AG, Wiesloch, concluded a control agreement with MLP SE. The agreement became effective following approval by the Annual General Meetings of MLP SE and MLP Banking AG and upon entry into the relevant Commercial Register for MLP Banking AG on September 27, 2023.

In May 2023 and with economic effect from January 1, 2023, the non-consolidated Bavaria-Assekuranz Versicherungsmakler GmbH, Nuremberg, and Dr. Schmitt Versicherungsmakler GmbH, Würzburg were merged with and into Dr. Schmitt GmbH Würzburg, Würzburg, in the Industrial Broker segment. The entry in the Commercial Register of the absorbing company was made on April 19, 2023 for Dr. Schmitt Versicherungsmakler GmbH, Würzburg, and on July 25, 2023 for Bavaria-Assekuranz Versicherungsmakler GmbH, Nuremberg. This resulted in a merger loss of €2,770 thsd.

The merger of the non-consolidated company Limmat Wealth GmbH, Zurich, with and into FERI (Switzerland) AG, Zurich was performed in the FERI segment in June 2023, with economic effect from January 1, 2023. However, this did not have any significant effect on earnings.

With the contract dated September 22, 2023, Projekte Deutschland.Immobilien GmbH, Hanover sold its remaining 11% stakes in Projekte Deutschland.Immobilien Moosthenning GmbH, Bocholt, in Projekte Deutschland.Immobilien Kißlegg GmbH, Bocholt and in STW Magdeburg GmbH, Bocholt. The companies were deconsolidated.

On March 16, 2023, the Annual General Meeting of DOMCURA Aktiengesellschaft approved an exemption pursuant to § 264 (3) of the German Commercial Code (HGB) from the need to draft a management report as per § 289 of the German Commercial Code (HGB) for the financial year 2023. The company is included in the 2023 consolidated financial statements of MLP SE with its registered office in Wiesloch. The consolidated financial statements are transmitted electronically to the body keeping the company register within the statutory time limits for entry in the company register. A single-entity relationship is in place between the company and MLP SE which obliges MLP SE to the assumption of losses and liability and DOMCURA Aktiengesellschaft to the transfer of profit as per § 302 of the German Stock Corporation Act (AktG).

Alongside MLP SE as the parent company, the consolidated financial statements as of December 31, 2023 included 38 (previous year: 44) fully consolidated subsidiaries, thereof 2 fully consolidated foreign subsidiaries, (previous year: 2) and 2 associated companies (previous year: 2).

Listing of shareholdings for the consolidated financial statements as per § 313 of the German Commercial Code (HGB)

As of December 31, 2023	Registered office	Share of capital in %
Fully consolidated subsidiaries		
MLP Finanzberatung SE (100% held by MLP SE)	Wiesloch	100.00%
MLPdialog GmbH (100% held by MLP Finanzberatung SE)	Wiesloch	100.00%
ZSH GmbH Finanzdienstleistungen (100% held by MLP Finanzberatung SE)	Heidelberg	100.00%
MLP Startup GmbH (100% held by MLP Finanzberatung SE)	Wiesloch	100.00%
DI Deutschland.Immobilien AG (75.10% held by MLP Finanzberatung SE)	Hanover	75.10%
IT Deutschland.Immobilien GmbH (100% held by DI Deutschland.Immobilien AG)	Hanover	100.00%
Vertrieb Deutschland.Immobilien GmbH (100% held by DI Deutschland.Immobilien AG)	Hanover	100.00%
Projekte Deutschland.Immobilien GmbH (100% held by DI Deutschland.Immobilien AG)	Hanover	100.00%
22. Projekte Deutschland.Immobilien GmbH (100% held by Projekte Deutschland.Immobilien GmbH)	Hanover	100.00%
32. Projekte Deutschland.Immobilien GmbH (100% held by Projekte Deutschland.Immobilien GmbH)	Hanover	100.00%
33. Projekte Deutschland.Immobilien GmbH (80% held by Projekte Deutschland.Immobilien GmbH)	Hanover	80.00%
41. Projekte Deutschland.Immobilien GmbH (100% held by Projekte Deutschland.Immobilien GmbH)	Hanover	100.00%
53. Projekte Deutschland.Immobilien GmbH (100% held by Projekte Deutschland.Immobilien GmbH)	Hanover	100.00%
54. Projekte Deutschland.Immobilien GmbH (80% held by Projekte Deutschland.Immobilien GmbH)	Hanover	80.00%
62. Projekte Deutschland.Immobilien GmbH (100% held by Projekte Deutschland.Immobilien GmbH)	Hanover	100.00%
Neunte Projekte 2 Deutschland.Immobilien GmbH (100% held by Projekte Deutschland.Immobilien GmbH)	Hanover	100.00%
Pflegeprojekt Haus Netzschkau GmbH (100% held by Projekte Deutschland.Immobilien GmbH)	Hanover	100.00%
Projekte Deutschland.Immobilien Bad Münder GmbH (100% held by Projekte Deutschland.Immobilien GmbH)	Hanover	100.00%
Projekte Deutschland.Immobilien Göggingen GmbH (100% held by Projekte Deutschland.Immobilien GmbH)	Hanover	100.00%
Projekte Deutschland.Immobilien Stetten GmbH (100% held by Projekte Deutschland.Immobilien GmbH)	Grünwald	100.00%
Projekte Deutschland.Immobilien Waldmössingen GmbH & Co. KG (100% held by Projekte Deutschland.Immobilien GmbH)	Hanover	100.00%
Zwölfte Projekte 2 Deutschland.Immobilien GmbH (100% held by Projekte Deutschland.Immobilien GmbH)	Hanover	100.00%

Sechste Projekte Deutschland.Immobilien GmbH (100% held by Projekte Deutschland.Immobilien GmbH)	Hanover	100.00%
Seniorenwohnpark Ehingen GmbH (0% held by Projekte Deutschland.Immobilien GmbH)*	Bocholt	0.00%
Seniorenzentrum Albstadt GmbH (11% held by Projekte Deutschland.Immobilien GmbH)*	Bocholt	11.00%
Zehnte Projekte 2 Deutschland.Immobilien GmbH (100% held by Projekte Deutschland.Immobilien GmbH)	Hanover	100.00%

* Despite holding fewer than 50% of the share-based voting rights, MLP exercises control of these real estate project enterprises on the basis of contractual agreements in place regarding the development and sale of the respective real estate projects.

DOMCURA Aktiengesellschaft (100% held by MLP SE)	Kiel	100.00%
NORDVERS GmbH (100% held by DOMCURA Aktiengesellschaft)	Kiel	100.00%

FERI Management AG (formerly FERI AG) (100% held by MLP SE)	Bad Homburg v.d. Höhe	100.00%
FERI (Switzerland) AG (100% held by FERI Management AG (formerly FERI AG))	Zurich	100.00%
FERI (Luxembourg) S.A. (formerly FERI Trust (Luxembourg) S.A.) (100% held by FERI Management AG (formerly FERI AG))	Luxembourg	100.00%
FERI AG (formerly FERI Trust GmbH) (100% held by FERI Management AG (formerly FERI AG))	Bad Homburg v.d. Höhe	100.00%

RVM GmbH (100% held by MLP SE)	Wiesloch	100.00%
Jahn & Sengstack GmbH (100% held by RVM GmbH)	Hamburg	100.00%
Dr. Schmitt GmbH Würzburg (100% held by RVM GmbH)	Würzburg	100.00%
RVM Versicherungsmakler GmbH (100% held by RVM GmbH)	Eningen unter Achalm	100.00%
RISConsult GmbH (100% held by RVM Versicherungsmakler GmbH)	Eningen unter Achalm	100.00%

MLP Banking AG (100% held by MLP SE)	Wiesloch	100.00%

Associates consolidated at equity		
MLP Hyp GmbH (49.80% held by MLP Finanzberatung SE)	Wiesloch	49.80%
Projekte 2 Deutschland.Immobilien GmbH (50% held by DI Deutschland.Immobilien AG)	Hanover	50.00%

Subsidiaries not consolidated and associates not accounted for using the equity method due to immateriality		
DIFA Research GmbH i.L. (49% held by MLP Finanzberatung SE)	Berlin	49.00%
Uniwunder GmbH (39.70% held by MLP Finanzberatung SE)	Dresden	39.70%
pxtra GmbH (78.50% held by MLP Finanzberatung SE)	Rostock	78.50%
amaravia GmbH (20% held by DI Deutschland.Immobilien AG)	Überlingen	20.00%
WD Immobilien Management GmbH (formerly WD Wohnungsverwaltung Deutschland GmbH) (100% held by DI Deutschland.Immobilien AG)	Hanover	100.00%
Convivo Wohnparks Deutschland Immobilien GmbH i.I. (50% held by DI Deutschland.Immobilien AG)	Hanover	50.00%
Projekte 2 Deutschland.Immobilien Lauben GmbH i.I. (75% held by Projekte Deutschland.Immobilien GmbH)	Hanover	75.00%
WiD Wohnungen in Deutschland GmbH & Co. KG (50% held by Projekte Deutschland.Immobilien GmbH)	Mainz	50.00%
30. Projekte Deutschland.Immobilien GmbH (50% held by Projekte Deutschland.Immobilien GmbH)	Hanover	50.00%
Convivo Wohnparks Deutschland.Immobilien Wittmund GmbH & Co. KG i.I. (50% held by Projekte Deutschland.Immobilien GmbH)	Hanover	50.00%
CP 135. Grundstücks GmbH & Co. KG i.I. (50% held by Projekte Deutschland.Immobilien GmbH)	Bremen	50.00%
Grundstücksgesellschaft Berlin Methfesselstraße 29/31 GmbH & Co. KG (50% held by Projekte Deutschland.Immobilien GmbH)	Schöneiche bei Berlin	50.00%
Patricius Wohnbaugesellschaft mbh (40% held by Projekte Deutschland.Immobilien GmbH)	Bocholt	40.00%
Projekt Deutschland.Immobilien Tengen GmbH (50% held by Projekte Deutschland.Immobilien GmbH)	Hanover	50.00%
Projekte Deutschland.Immobilien Bad Goegging GmbH (50% held by Projekte Deutschland.Immobilien GmbH)	Neustadt an der Donau	50.00%
Achte Projekte 2 Deutschland.Immobilien GmbH (100% held by Projekte 2 Deutschland.Immobilien GmbH)	Hanover	37.55%
Care Beteiligungs GmbH (50% held by Projekte 2 Deutschland.Immobilien GmbH)	Gießen	18.78%
Seniorenresidenz "Dr.-Unruh-Str. Wismar" Immobilien GmbH & Co. KG (41% held by Projekte 2 Deutschland.Immobilien GmbH)	Gießen	15.40%
Seniorenresidenz Velten GmbH & Co. KG (41% held by Projekte 2 Deutschland.Immobilien GmbH)	Gießen	15.40%
DIEASS GmbH (100% held by DOMCURA Aktiengesellschaft)	Kiel	100.00%
innoAS GmbH (formerly innoAssekuranz GmbH) (50% held by DOMCURA Aktiengesellschaft)	Kiel	50.00%
asspario Versicherungsdienst GmbH (51% held by DOMCURA Aktiengesellschaft)	Bad Kreuznach	51.00%
AIF Komplementär GmbH i.L. (25% held by FERI Management AG (formerly FERI AG))	Munich	25.00%
AIF Register-Treuhand GmbH i.L. (100% held by FERI Management AG (formerly FERI AG))	Bad Homburg v.d. Höhe	100.00%

FERI Private Equity GmbH & Co. KG (100% held by FERI AG (formerly FERI TRUST GmbH))	Munich	100.00%
FERI Private Equity Nr.2 GmbH & Co. KG (100% held by FERI AG (formerly FERI TRUST GmbH))	Munich	100.00%
FPE Direct Coordination GmbH (100% held by FERI AG (formerly FERI TRUST GmbH))	Munich	100.00%
FPE Malip GmbH & Co. Beteiligungs KG (100% held by FPE Direct Coordination GmbH)	Munich	100.00%
FPE Private Equity Beteiligungs-Treuhand GmbH (100% held by FERI Management AG (formerly FERI TRUST GmbH))	Munich	100.00%
FPE Private Equity Koordinations GmbH (100% held by FERI Management AG (formerly FERI TRUST GmbH))	Munich	100.00%

Hans L. Grauerholz GmbH (100% held by RVM GmbH)	Hamburg	100.00%
RVM Verwaltungs GmbH (100% held by RVM GmbH)	Eningen unter Achalm	100.00%
Allkuranz Versicherungsmakler GmbH & Co. KG (27.80% held by RVM Versicherungsmakler GmbH)	Münster	27.80%
BIG Versicherungsmakler mbH (25% held by RVM Versicherungsmakler GmbH)	Tiefenbronn	25.00%
Vetter Versicherungsmakler GmbH (25% held by RVM Versicherungsmakler GmbH)	Kressbronn am Bodensee	25.00%
Erich Schulz GmbH (100% held by Jahn & Sengstack GmbH)	Hamburg	100.00%
Hartmann Versicherungsmakler GmbH (100% held by Jahn & Sengstack GmbH)	Mannheim	100.00%

Disclosures on non-consolidated structured entities

Structured entities are companies at which the voting rights or comparable rights are not the dominant factor when determining control, such as when voting rights refer exclusively to administrative duties and the relevant activities are governed by contractual agreements. Examples of structured companies include securitisation companies, asset-backed finance companies and private equity companies. As is also the case with subsidiaries, the structured entities need to be consolidated whenever MLP SE controls them.

Non-consolidated structured entities of the MLP Group are private equity companies. Due to the fact that they engage in similar activities, disclosures on non-consolidated structured entities are bundled.

The activities of the entities focus on establishing, maintaining and managing a portfolio of passive investments (target companies), in particular by acquiring shareholdings. The investments primarily comprise shareholdings and are regularly financed by shareholders' equity. The business model prescribes utilisation of potential returns for equity suppliers through investments in shareholdings via an umbrella fund concept. The objective is to generate income for the equity suppliers on the basis of two different approaches: firstly through regular dividend payouts from profitable target companies, and secondly by selling participations for a profit towards the end of the shareholding. The companies generally do not have any business operations of their own or employ any staff.

The carrying amounts of non-consolidated structured entities in the MLP Group are €3,824 thsd as of December 31, 2023 (previous year: €4,217 thsd). In the financial year 2023, MLP SE recorded an income of €1,516 thsd from non-consolidated structured entities (previous year: €660 thsd).

The MLP Group's maximum risks of loss from non-consolidated structured entities corresponds to the total of its investment carrying amounts.

6. Significant discretionary decisions, estimates and changes in estimates

On occasions, the preparation of the financial statements included in IFRS-consolidated financial statements requires discretionary decisions, assumptions and estimates, which influence the level of the disclosed assets and debts, the disclosures of contingent liabilities and receivables, the income and expenses of the reporting period and the other disclosures in the consolidated financial statements.

The estimates include complex and subjective measurements, as well as assumptions, some of which are uncertain due to their very nature and can be subject to changes. The actual values may deviate from the estimates.

Information on significant discretionary decisions, assumptions and estimation uncertainties that have the greatest impact on the amounts disclosed in the consolidated financial statements when applying the accounting policies is provided in the following notes:

- Note 5
  – Aggregation principles for structured entities
  – Definition of the group of consolidated companies
  – Inclusion of special purpose entities
- Notes 7 and 9
  – Recognition of sales revenue at a point in time or over time, as well as determination of the sales revenue level with variable transaction prices
- Notes 7 and 23
  – Measurement of intangible assets
  – Impairment test (discounted cash flow forecasts and significant assumptions applied)
- Notes 7, 25, 26, 27, 29, 31, 32 and 38
  – Classification and measurement of financial instruments, as well as fair value disclosures
  – Allowances for bad debts
- Notes 7 and 28
  – Measurement of inventories
- Notes 7, 32 and 37
  – Provisions and corresponding refund claims as well as contingent assets and liabilities
- Notes 7 and 32
  – Measurement of pension and jubilee provisions
- Note 7
  – Measurement of leasing liabilities
- Note 21
  – Recognition of tax receivables/tax reserves

7. Accounting policies

The application scope of **IFRS 15 "Revenue from Contracts with Customers"** includes mutual contracts in which the other contracting party qualifies as a client, i.e. concludes a contract with MLP regarding receipt of services or real estate objects from ordinary business activities in return for payment. The identification of a client with regard to MLP's transactions can be performed regularly and easily.

IFRS 15 standardises the following cumulative requirements of contracts with clients:

- The contracting parties have approved the contract and are obligated to fulfil their mutual services.
- The rights of each party and the payment conditions with regard to the goods to be delivered /services to be provided can all be identified.
- The contract has commercial substance (in the sense of anticipated effects on the company's future cash flows).
- The company is likely to receive the payment.

Pursuant to IFRS 15, recognition of revenue is tied to fulfilment of independent benefit obligations, according to which the services are transferred to the client if the client gains control of the respective assets. Accordingly, MLP only recognises sales revenue when the client gains the "authority of disposal".

Depending on the way in which control is transferred to the client, IFRS 15 provides recognition of revenue at a point in time or over time. MLP recognises revenue from pure brokerage services (in particular acquisition commission and dynamic commission) at a point in time. Recognition of revenue over time is, in particular, performed for sustainable services (for example portfolio management, fund management). In these cases, MLP recognises revenue at the level of the fixed and performance-linked compensation for the services performed for clients in the period.

In the fields of **old-age provision, non-life insurance and health insurance**, commission income is generated from the brokering of insurance products. Acquisition commission is recorded at the time of contract conclusion. Commission income from unit-linked old-age provision products that is paid on a pro rata basis is recognised at a specific point in time, taking into account a probable percentage of completion.

MLP receives dynamic commissions for contract adjustments that involve extended insurance coverage. As is the case with commissions from the brokerage of the basic policy, these are recognised when the dynamic increase takes effect.

In the old-age provision and health insurance consulting field, MLP receives commission payments pertaining to the management of contracts for ongoing support of the policyholder. The service is performed over a time period, which leads to a situation in which sales revenue is to be recognised over time.

Due to the obligation to refund portions of the commission received if brokered insurance policies are terminated prematurely, the amount of commission to which brokers are entitled is tied to uncertainties. Pursuant to IFRS 15, there is a **variable transaction price**. MLP estimates the transaction price on the basis of statistical empirical values for the risk of termination and mortality. Revenue is recorded to the extent that it is highly probable that there will be no significant cancellations in a future period. Insofar as the insurers pay brokerage commission in advance but with a right to reversal, MLP establishes provisions for cancellation risks on the basis of empirical values and capitalises the associated refund claims against MLP consultants and branch office managers. The change in provisions is disclosed under sales revenue, while the change in the refund claim associated with this is disclosed under commission expenses.

The contractual assets, as well as the liabilities to MLP consultants and branch office managers associated with these, are disclosed at the face value of the commission still to be anticipated.

Sales revenue from **wealth management** contains both revenue to be recognised at a point in time and over time. Revenue recognised at a point in time includes issue surcharges/premiums, custody fees, account management fees, mutual fund brokerage fees, as well as brokerage and trailer commissions from wealth management mandates. Other wealth management revenue recognised at a point in time results from research services. Revenue is recognised over time, in particular, for services performed in the fields of fund management and investment consulting. Alongside fixed compensation, MLP also records variable payments in these fields of business, the level of which is based on the performance achieved in the respective accounting period (performance-linked compensation). The agreed term of payment is set at an average of 30 days.

Commission income from the brokering of loans (credit brokering commission) is attributed to sales revenue from the **loans and mortgages** business. MLP realises brokerage commissions for loan brokerage after concluding the respective loan agreement. The same applies to **real estate brokerage** where revenue is realised when signing the notarised purchase contract. When selling portfolio properties, revenue is recognised at the time when the respective real estate is handed over to the purchaser. In the case of **real estate development**, sales revenue is recognised on the basis of the degree of completion and the anticipated revenue over time. Pursuant to IFRS 15, this recognition of revenue over time must always be performed when a contract is in place with the client, an asset is created as a result of the services provided by MLP that does not present MLP with any alternative opportunity for use and MLP has a right to payment (including a profit margin) on the performance completed to date, which is normally the case with property development. The progress of a real estate project is measured based on the ratio of the costs already accrued relative to the estimated total cost of construction (cost-to-cost method). This is the most reliable way to measure the performance progress, since the customer's rights to payment are based on the degree of completion of the construction project.

Insofar as the cumulative performance (contract costs and, where relevant, results of the contract) exceed the advance payments in individual cases, the construction contracts are recognised on the assets side of the balance sheet under **contract assets**. The contract asset represents the Group's claim for counterperformance. In accordance with the German Ordinance on Estate Agents and Property Developers (MaBV), payments are typically made in parallel to performance provision on the basis of regular invoices. If a negative balance remains following deduction of the advance payments from the disclosed contract asset, this is disclosed on the liabilities side of the balance sheet under **contract liabilities** as a performance obligation. At the project-based level, this is presented on a net basis.

The contract initiation costs are determined on the basis of the invoiced brokerage commission of the respective entity, insofar as they were not to be eliminated within the scope of the group accounting process. The contract initiation costs are recognised on the assets side of the balance sheet under contract assets and amortised based on the degree of completion.

Other commission and fees are generated at the level to which consulting services are performed. They are paid in particular for consulting services to companies on setting up occupational pension provision schemes, for consulting services in connection with medical practice financing and business start-ups.

In addition to this, **revenue is generated from the interest rate business**. Revenue from the interest rate business also includes interest income from the investment of funds of MLP Banking AG.

Interest income is earned by MLP for the duration of the capital investment in line with the effective interest method. Commissions that are part of the effective interest return of a receivable are treated as interest income and recorded in those periods in which they are actually earned. They include commitment interest for giving loan commitments or taking over an existing liability. The company realises fees for other current handling and processing services (for example prematurity compensation) after providing these services.

Interest income from the investment of money from other Group companies is a constituent of the finance cost and is earned for the duration of the capital investment in line with the effective interest method, while dividends are recognised the moment an entitlement to payment arises.

Currency translation

Foreign currencies are converted to the corresponding functional currency of the Group companies at the spot rate on the day of the transaction. The Group operates virtually exclusively in Germany, Luxembourg and Switzerland.

Monetary assets and debts held in a foreign currency on the closing date are converted to the functional currency using the market price on the reporting date. Non-monetary assets and debts which are measured at fair value in a foreign currency are converted using the rate that is applicable at the time of determining the fair value. Non-monetary items that are measured at historical costs in a foreign currency are converted using the exchange rate in place on the day of the transaction. Currency translation differences are generally recorded as profit or loss for the period and disclosed under other expenses and other income.

Assets and debts of foreign operations, including goodwill and fair value adjustments arising from the acquisition are converted to €using the exchange rate on the closing date. The income and expenses of foreign operations are converted using the exchange rate in place at the time of the respective transaction. Any currency translation differences occurring are recognised under other expenses and other income and are disclosed under currency translation reserve in shareholders' equity, insofar as the currency translation difference is not assigned to minority interests.

The relevant closing rate / average exchange rate of the Swiss Franc used for the currency translation was €1.0334 as at December 31, 2023, and €1.0408 for the year 2023.

Fair value

A range of accounting policies and Group disclosures require determination of the fair value.

For the determination of the fair value, MLP uses data observed in the market insofar as possible. If there is no active market on the closing date, the fair value is determined using recognised valuation models. Based on the input factors used in the valuation models, the fair values are classified in various tiers within the fair value hierarchy as per IFRS 13:

1. Fair values at hierarchy level 1 are determined using prices available in active markets for the respective valuation object (quoted market prices).
2. The fair values at hierarchy level 2 are either determined using prices on active markets for comparable but not identical valuation objects or using valuation techniques based primarily on data from observable markets.
3. When using valuation techniques, which incorporate a key parameter that cannot be observed in the market, fair values are assigned to hierarchy level 3.

If the input factors used to determine the fair value can be assigned to various tiers in the fair value hierarchy, the entire measurement of fair value is assigned to the tier in the fair value hierarchy that corresponds to the lowest input factor of overriding importance for the measurement.

The Group recognises re-assignments between the various tiers in the fair value hierarchy at the end of the reporting period in which the respective amendment was implemented.

You can find further information on the assumptions made when determining fair values in Note 38.

Intangible assets

Intangible assets are disclosed at their acquisition or manufacturing costs minus all accumulated depreciation and amortisation charges as well as accumulated impairment losses. MLP does not apply the revaluation method.

Definite-lived intangible assets need to be estimated with regard to the depreciation methods and duration. At MLP this mainly concerns client relations and software. The respective useful life periods are defined on the basis of empirical values. Due to changed overall economic circumstances, the amortisation period may need to be adjusted, which can have significant effects on the level of amortisation expenses. Definite-lived intangible assets are usually written down on a straight-line basis over their economic life.

Intangible assets generated internally are only capitalised at their cost of conversion if the conditions required pursuant to IAS 38 are fulfilled. The cost of conversion includes all costs directly attributable to the development process and appropriate portions of development-related overheads.

Goodwill and other **indefinite-lived intangible assets** are not amortised. The indefinite-lived intangible assets are subjected to an impairment test once a year or when there are indications of an impairment. These tests are either performed individually or at the level of a cash-generating unit. At MLP, this in particular affects the trademarks acquired within the scope of business combinations.

Business combinations require estimates of the fair value of the assets acquired, assumed debts and contingent liabilities purchased. Property, plant and equipment are usually valued by independent experts, while marketable securities are shown at their stock market price. If intangible assets are to be valued, MLP either consults an independent external expert or calculates the fair value based on a suitable valuation method, depending on the type of asset and the complexity involved in calculating the value. Depending on the type of asset and the availability of information, various valuation techniques are applied (market-price-oriented, capital-value-oriented and cost-oriented methods). For instance, when valuing trademarks and licences, the relief-from-royalty method may be appropriate, whereby the value of intangible assets is assessed on the basis of royalties saved for trademarks and licences held by the company itself.

Insofar as cash-generating units are restructured, a re-allocation of the goodwill assigned to these units is performed on the basis of the relative revenue values. Trademarks are re-allocated on the basis of sustainable revenue or relative earnings values.

MLP tests **goodwill** from business combinations for impairment at least once a year. For the purpose of the impairment test, goodwill is allocated to cash-generating units at the acquisition date. The impairment test compares the carrying amount of the cash-generating units with their recoverable amount. The recoverable amount is the higher amount of either the fair value less costs of sale or the value in use of the cash-generating unit. This requires an estimate of the value in use of the cash-generating unit, to which the goodwill is allocated. To this end, corporate management must estimate the likely future cash flow of the cash-generating units. The calculation of the present value of anticipated future cash flows is based on assumptions on the portfolio development, future sales volumes and expenses. The cash flow estimate is based on detailed planning periods with a planning horizon of four years. In addition to this, an appropriate discount rate must be selected to determine the present value of this cash flow.

Property, plant and equipment

Items of property, plant and equipment are measured at cost and, if applicable, less straight-line depreciation and impairment losses. MLP does not apply the revaluation method. For further details, please refer to Note 16.

The profits or losses resulting from the disposal of assets are determined as the difference between the net disposal proceeds and the carrying amount and are recognised in the income statement as other income or other expenses in the period in which the item is derecognised. Maintenance work and small repairs in the context of upkeep expenses, are recognised directly in the income statement when incurred.

Impairment test

The carrying amount of all indefinite-lived intangible assets, intangible assets that are not yet ready for use and goodwill is tested at the end of each financial year.

The significant assumptions that are used when calculating the recoverable amount in the form of the use value are the discount rates, terminal value growth rates and growth rate of earnings before tax. The discount rate is based on a risk-free basic interest rate plus a company-specific risk premium, which is derived from the systematic market risk (beta factor) and the current market risk premium. The discounted cash flow model is based on future cash flows over a period of four years. Cash flows after this time period are extrapolated using a growth rate, which is based on the management's estimate of the long-term average annual growth rate in earnings before tax. For further details, please refer to Note 23.

Inventories

Inventories comprise developed and undeveloped land that is held for resale. With the exception of undeveloped land, inventories are recognised in the balance sheet at the lower value of acquisition/manufacturing costs and net realisable value. Undeveloped land is recognised at the lower value of either acquisition costs or net realisable value.

The capital borrowed for six project developments of the Deutschland.Immobilien Group is secured by land charges. As of the balance sheet date, registered land charges in the low double-digit million range exist as was the case in the previous year. As of the balance sheet date, we consider future utilisation unlikely.

Leasing

The Group rents office buildings and vehicles in particular. The rental agreements for office buildings are typically concluded for up to ten years, while the rental agreements for vehicles have an average term of between three and four years. To maintain operational flexibility with regard to the portfolio of agreements, MLP incorporates extension and termination options as a contractual strategy element.

For lessees, IFRS 16 dictates a uniform approach for the accounting of leases, based on which right-of-use assets and liabilities for payment obligations are to be recognised for all leases in the balance sheet. For lease objects of low value and for short-term leases (fewer than 12 months), the simplified application rules are applied. The option to capitalise non-lease components (service) as per IFRS 16.15 is not applied. Non-leasing components are not taken into account in the recognised right-of-use asset.

Lease payments are discounted at the underlying implicit interest rate, provided it can be readily determined. Otherwise – and this is generally the case in the Group – discounting is performed at the group-wide uniform lessee's incremental borrowing rate on the basis of Group-wide uniform maturity bands, i.e. the interest rate that the respective lessee would have to pay if he needed to borrow funds in order to acquire a comparable value for a comparable term with comparable security under comparable conditions. For further details, please refer to Note 20.

The Group is exposed to potential future increases in variable lease payments that can result from a change to an index or an interest rate. These potential changes in leasing rates are not taken into account in the leasing liability until they come into effect. As soon as a change to an index or interest rate have an effect on the leasing rates, the leasing liability is adjusted to the right of use. Leasing rates are split into principal and interest payments.

Rights of use are amortised on a straight-line basis over the shorter of the two time periods of the term of use and the term of the underlying lease agreement. If exercising an option to buy is reasonably certain from the perspective of the Group, the underlying asset is amortised over either the extended term of the basic leasing agreement or the asset's useful life, whichever is shorter.

MLP sublets a small number of properties in the financial year. For further details, please refer to Note 24.

Investments accounted for using the equity method

The acquisition costs are adjusted on an annual basis by the corresponding changes in equity of the associated company. The change in pro rata shareholders' equity is performed either according to MLP's capital share or on a disquotal basis. Unrealised gains and losses from transactions with associates are eliminated based on the percentage of shares held. The changes of the pro rata shareholders' equity are shown in the company’s income statement under earnings from investments accounted for using the equity method. Dividends received reduce the carrying amount. For further details, please refer to Note 19.

Financial instruments

Financial assets are initially measured at fair value. The MLP Group applies the date of settlement for determining the fair value.

Under IFRS 9, financial assets are **classified** in three categories in accordance with a uniform model:

1. financial assets measured at **amortised cost (AC)**,
2. financial assets measured at **fair value through other comprehensive income (FVOCI)** and
3. financial assets measured at **fair value through profit or loss (FVPL)**.

Financial assets whose cash flows exclusively comprise interest and principal payments are classified on the basis of the business model. The assessment as to whether a financial asset comprises solely interest and principal payments is based on the commercial substance of the cash flows and not on the contractual designations. All contractual agreements, which increase the risk or volatility in the contractual cash flows, are not consistent with an elementary credit agreement and therefore represent a violation of the cash flow criterion. However, those contractual conditions that either have a de minimis effect on contractual cash flows or are non-genuine can be disregarded for the assessment of the cash flow criterion.

MLP purchases financial assets in the "Hold" business model exclusively with the objective of collecting contractual cash flows. This means that divestments prior to the end of the term will generally be excluded. Divestments performed due to deterioration of the credit quality of individual assets, divestments performed near to the end of the term, as well as rare/irregular divestments or divestments of insignificant levels would not present any risk for the assignment to the "Hold" business model. MLP uses the "Hold and Sell" business model to purchase financial assets, albeit in a limited scope. With this business model, the objective is both to collect contractual cash flows and to make a profit through divestment. The asset assigned to this business model does not meet the cash flow condition and is rated at fair value through profit or loss (FVPL).

Financial assets whose cash flows do not exclusively comprise interest and principal payments, such as shares, units in investment funds and profit participation certificates, are measured at fair value through profit or loss (FVPL). Debentures are structured debt instruments that do not fulfil the cash flow criterion and are also measured at fair value through profit or loss.

On initial recognition, the Group may irrevocably elect to classify its equity instruments as fair value through other comprehensive income (FVOCI) if they meet the definition of equity as per IAS 32 Financial Instruments and are not held for trading. The classification is made individually for each instrument. Gains and losses on these financial assets are never reclassified to the income statement. Dividends are recognised in the income statement as other income when the legal right to payment exists, unless the dividends recover part of the acquisition cost of the financial asset. In this case, gains are recognised in other comprehensive income. Equity instruments measured at fair value through other comprehensive income are not tested for impairment. MLP applies this option for measurement at fair value through other comprehensive income at the individual case level. As of December 31, 2023, the option was exercised for the first time regarding two investments in ordinary shares, which are strategic investments with a long-term holding intention.

IFRS 9.4.1.5 allows the optional measurement of assets at fair value to avoid or significantly reduce an accounting mismatch. MLP did not make any use of the Fair Value Option (FVO) as of December 31, 2023 as was the case on the previous year's closing date.

The **impairment model** under IFRS 9 includes expectations regarding the future and is based on the anticipated credit losses. The impairment model under IFRS 9 provides three levels and can be applied to all financial assets (debt instruments) that are measured either at amortised costs or at fair value through other comprehensive income.

Stage 1: Contains all contracts with no significant increase in the credit risk as well as such contracts as remain in Stage 1 due to the use of the Low Credit Risk Exemption. Presence of an investment-grade rating is assumed here. The impairment is determined on the basis of the anticipated credit loss, which is expected from default events over the next 12 months.

Stage 2: Contains financial assets that have experienced a significant rise in credit risk since their initial recognition, but whose creditworthiness has not yet been compromised. The impairment is determined on the basis of the anticipated credit loss throughout the entire time remaining to maturity.

MLP considers the following conditions/characteristics to represent a significant rise in credit risk:

- More than 30 days in arrears
- Deterioration of the rating by at least two grades compared to the 12-month-forward rating and transfer to non-investment grade
- Transferral to intensified loan management

Stage 3: Contains financial assets that display objective indications of credit impairments or have default status. The anticipated credit losses are recorded as impairments throughout the entire term of the financial assets. Objective indications that a financial asset is compromised in its value include arrears of more than 90 days, as well as further qualitative information that indicates significant financial difficulties on the part of the debtor. If a client is more than 90 days in arrears, this client is assigned default status. Once the default status is removed, the asset is only transferred back out of Stage 3 following a three-month good conduct period.

MLP uses the simplified method (loss rate method) for other receivables and assets. These do not have any significant financing component pursuant to IFRS 15. Based on this, these receivables are already assigned to Stage 2 during initial recognition and no estimate is performed regarding a significant increase of the credit risk. If the assets display any objective indications of credit impairments, they are transferred to Stage 3.

MLP applies various models for measurement of the anticipated credit losses, depending on the asset in question and the availability of data:

- **Determination using the credit risk parameter method:**
  The Expected Credit Loss (ECL) is determined through multiplicative linking of the Exposure at Default (EaD), Probability of Default (PD) and Loss Given Default (LGD) credit risk parameters. The parameters are determined in such a way that they reflect relevant events in the past, the current situation, as well as information regarding the future. In principle this can be performed using an economic model that contains all of the information gathered or by adjusting existing parameters so that the current economic environment and forecasts with regard to its future development are taken into account. This information encompasses macroeconomic factors (primarily GDP performance, unemployment rate, interest rate and inflation rate) and forecasts regarding future economic framework conditions in the core market of Germany. The forecast horizon used to determine the macroeconomic factors included is 12, 36 or 60 months, depending on the scenario used. For 2023, the MLP Group anticipates a slight increase in the gross domestic product to from -0.3% to 0.1%, a slight increase in the unemployment rate from 5.2% to 5.6%, a reduction in the inflation rate from 9.5% to 2.5% and an increase in the yield of 10-year German government bonds from 1.98 to 2.3%. These expectations are included with the same weighting in the determination of the shift factor applied in the credit risk parameter approach.

  The effects of the war in Ukraine and high inflation on the MLP Group's loan loss provisions are still not precisely quantifiable on the basis of current and historical data. On the one hand, this is due to the fact that there are no historical empirical values on the influence of such extraordinary macroeconomic events on the MLP Group's client loan portfolio, and on the other hand there are no current or forward-looking indications of increased default risks for individual client receivables at the time of the consolidated financial statements were prepared. In order to account for this latent risk of increased default risks in light of macroeconomic special factors, a so-called post model adjustment of €1,009 thsd was recognised and charged to expense in 2022 in accordance with IFRS 9.5.5.15 in conjunction with IFRS 7.35 G as well as IAS 1.129. The calculation was made using probability-weighted stress scenarios derived on the basis of expert estimates. The post model adjustment is the difference between the expected loss on the client loan portfolio calculated in the standard scenario and the accumulated expected loss with scenario-based assessment, taking into account the respective estimated probabilities of occurrence. There has been no significant change in the past fiscal year.

To secure approximate consistency between the risk measurement and the recording of credit losses in the balance sheet, the PD models currently used are applied and suitably extended. In the first step, through-the-cycle PDs are derived from the existing supervisory models. Migration matrices are used for this, as a result of which future changes in creditworthiness are anticipated at portfolio level over the term. Using rating classes, the migration matrices are based on observable loan loss histories of the portfolios in question. In the second step, the through-the-cycle PDs are adjusted using a shift factor method in such a way that the current economic environment, as well as the future-oriented factors required by IFRS 9 are taken into account. Here, the through-the-cycle PDs derived from rating data are transformed into point-in-time PDs through a multiplicative factor, the shift factor. Inclusion of a one-year, three-year and five-year outlook ensures that short-term developments are not overweighted.

In order to examine the sensitivity of the model to possible future developments in macroeconomic factors, the effects were examined in a potential stress scenario. A 100% deterioration in each of the macroeconomic factors used in the model was assumed. This would result in only insignificant effects on the expected credit loss of the MLP Group's loan portfolio.

- **Loss rate method:**
  Under certain conditions, IFRS 9 allows use of a loss rate method that is based on the default rates for determining anticipated losses. Here, historical credit default rates are determined for defined portfolios with the same risk characteristics. Criteria for portfolio creation are contractual terms of the same design for assets, comparable counterparty characteristics, as well as similar credit ratings of the assets in the portfolio. The anticipated losses are estimated on the basis of historical losses. In contrast to the first process described, there is no explicit subdivision into the components of probability of default (PD) and loss given default (LGD). The determination period of the anticipated losses is the entire term remaining to maturity of the respective asset. When determining the loss rates, forward-looking information is considered by weighting the historic loss rates used.

- **Expert-based ECL determination:**
  Expert-based ECL determination is performed individually using a scenario analysis, to which the expert adds the circumstances of the respective individual case. Both general values based on past experience and the specific characteristics are therefore continually considered in the calculation.

  In the event of substantial contract adjustments, the original asset is derecognised and a new asset recognised (modification).

Derecognition of a financial instrument (write-off) is performed if an appropriate estimate indicates that a financial asset cannot be fully or partially realised, for example following completion of insolvency proceedings or following judicial decisions.

"Purchased or originated credit impaired financial assets" (POCI) are generally financial assets that fulfil the "credit-impaired" definition on receipt. This is the case when an allocation to a default class is performed. Assets that are classified as POCI are not part of MLP's business model.

Subsequent to their initial recognition, **financial liabilities** are to be recognised at their amortised costs using the effective interest method. Profits or losses are recognised in the income statement on derecognition and through the amortisation process. Subsequent to their initial recognition, **financial liabilities at fair value through profit or loss** are measured at their fair value. Profits or losses from the change in fair value are recognised in the income statement.

Tax liabilities are due to taxes on the income and profit of the individual companies based on the corresponding national tax regime. In principle, the income tax assessment is carried out at the level of the individual item, taking into account potential correlations. If the approval of the tax treatment is probable, current and deferred taxes are to be recognised on this basis. If, on the other hand, approval is not probable, the amount most probable to meet tax approval will generally be used, unless the expected value for a specific scenario leads to a more meaningful result. It is always assumed that the tax authorities have complete knowledge of the circumstances. Finally, the assumptions and decisions made are reviewed on each reporting date and adjusted if necessary on the basis of new information.

Pension provisions

Old-age provision in the Group is performed on the basis of the defined-benefit and defined contribution old-age provision plans.

In the **defined contribution plans**, MLP pays premiums to statutory or private pension insurance institutions based on legal or contractual provisions or on a voluntary basis. After payment of the premiums, MLP has no further benefit obligations.

Commitments to pay premiums into defined contribution schemes are recognised as expenses as soon as the related service has been rendered. Pre-paid premiums are recognised as assets insofar as a right to reimbursement or reduction of future payments arises.

In accordance with IAS 19 "Employee Benefits", the provisions for pension obligations from **defined benefit plans** are measured using the projected-unit credit method.

The benefit obligations are partly covered by reinsurance. Virtually all reinsurance policies fulfil the conditions of pension scheme assets. For this reason the claims from reinsurance policies are netted against corresponding pension provisions in the balance sheet as per IAS 19.

The Group's net obligation with regard to defined benefit plans is calculated separately for each plan by estimating future benefits that the employees have earned in the current period and in earlier periods. This amount is discounted and the fair value of any pension scheme assets subtracted from this.

For the measurement of pension obligations, MLP uses actuarial calculations to estimate future events for the calculation of the expenses, obligations and entitlements in connection with these plans. These calculations are based on assumptions with regard to the discount rate, mortality and future salary, as well as pension increases. The interest rate used to discount post-employment benefit obligations is derived from the interest rates of senior, fixed-rate corporate bonds.

Revaluations of net liabilities from defined benefit plans are recognised directly under other comprehensive income. The revaluation encompasses actuarial gains and losses, income from pension scheme assets (without interest) and the effects of any upper asset limit (without interest). The Group calculates net interest expenses (income) on net liabilities (assets) from defined benefit plans for the reporting period through application of the discount rate used for valuation of the defined benefit obligations at the start of the annual reporting period. This discount rate is applied to net liabilities (assets) from defined benefit plans at this time. Any changes to net liabilities (assets) from defined benefit plans that occur as a result of premium and benefit payments over the course of the reporting period are taken into account. Net interest expenses and other expenses for defined benefit plans are recognised in the income statement.

Further details of pension provisions can be found in Note 32.

Provisions for anniversaries

Various companies of the MLP Group offer their active employees anniversary bonuses every five years after they join the company. The measurement as of December 31, 2023 is performed using the projected unit credit method stipulated pursuant to IAS 19.

For the measurement of pension obligations, MLP uses actuarial calculations. These calculations are based on assumptions with regard to the discount rate, mortality and staff turnover rate.

Please refer to Note 32 for a more detailed explanation.

Provisions for lifetime working accounts
MLP offers its employees the opportunity to take compensation components that have not been paid out (for example overtime worked but not paid or holiday days not taken) and assign these to lifetime working accounts, which can then be used to shorten the total duration of their working life, to take a sabbatical or similar. When certain conditions are met, MLP also grants a subsidy on the amounts paid in, although in some cases only when the credit balance is actually redeemed. With the exception of forfeitable subsidies, the money is invested using a trustee model with insolvency protection. Changes in the present value of the liabilities are recognised in the income statement in the financial year. The provision stated in the balance sheet corresponds to the balance of the present value of the liabilities and the insolvency-protected portion of plan assets.

Other provisions
In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets" other provisions are recognised when the Group has a present obligation (legal or constructive) resulting from a past event, settlement is expected to result in an outflow of resources and the obligation’s amount can be estimated reliably. They represent uncertain obligations that are measured at the amount that represents the best possible estimate of the expenditure required to fulfil the obligations.

Insofar as the level of the provision can only be determined within a range, the most likely value (expected value) is used. If the probability of occurrence is equal, the weighted average is taken.

Where the effect of the time value of money is material, provisions with a time of more than one year remaining to maturity are discounted at market interest rates that correspond to the risk and the time remaining to maturity.

Reversals of provisions are always recognised under other income.

If the Group expects to receive a reimbursement of at least part of a practically certain provision from an identifiable third party (e.g. in case of an approved insurance policy), MLP recognises the reimbursement as a separate asset. The expenditure required to set up the provision is recognised in the income statement after deduction of the reimbursement. Accordingly, the reversal of provisions is also shown net in the income statement.

For the liability arising due to the premature loss of brokered insurance policies whereby commission that has been earned need to be refunded in part, MLP sets up **provisions for cancellation risks**. MLP estimates the cancellation rate by product group and the period of the underlying policy that has already run on the basis of empirical values. The period in which MLP is obliged to refund portions of the commissions due to the premature loss of a policy is determined either by the statutory provisions of the German Insurance Act or the distribution agreements that have been concluded with the product providers.

If MLP has an onerous contract, the current contractual obligation is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs (i.e. the costs that MLP cannot avoid because the contract is in place) for fulfilment of the contractual obligations are higher than the anticipated economic benefit. However, before a separate provision is recorded for an onerous contract, MLP records the impairment losses for assets that are associated with the contract.

Share-based payments
Share-based payments in line with IFRS 2 "Share-Based Payment" comprise pay systems paid for in cash and using equity instruments.

The proportion of the fair value of share-based payments settled in cash attributable to services provided up to the valuation date is recognised as personnel expenses or as commission expenses and at the same time as a provision. The fair value determined based on the Monte-Carlo simulation or another suitable valuation model is recalculated on each balance sheet date and on the payment date. The recognition of the anticipated expenditure arising from this system demands that assumptions be made about turnover and exercise rates. Any change to the fair value is to be recognised in profit or loss. At the payment date, the fair value of the liability corresponds to the amount which is to be paid to the eligible employee.

Share-based payments also include those made through equity instruments (participation programme for MLP consultants and office managers). The participation programme applies to the calendar year 2023, as well as to MLP consultants and MLP branch office managers whose contracts remained unterminated and in place on December 31, 2023. The compensation to be made in the form of MLP SE shares is determined on the basis of the annual commission of the MLP consultant/branch office manager, applying various performance parameters, and is recorded in the 2023 consolidated financial statements as an expense with a corresponding increase in shareholders' equity.

You can find further details on the share-based payments in Note 36.

8. Reportable business segments

The division of MLP into business segments follows the structure in place for internal reporting. The MLP Group is subdivided into the following reportable business segments:

- Financial Consulting
- Banking
- FERI
- DOMCURA
- Deutschland.Immobilien
- Industrial Broker
- Holding

Due to the similarity of the products and services offered, as well as reliance on the same client base and identical sales channels, MLP pooled "financial consulting" and "occupational pension provision" under the reportable "**Financial Consulting**" business segment in accordance with IFRS 8.12. The object of the reportable Financial Consulting business segment is the provision of consulting services for academics and other discerning clients, particularly with regard to insurance, investments, occupational pension provision and the brokering of contracts in connection with these financial services. In 2023, the segment is made up of MLP Finanzberatung SE, ZSH GmbH Finanzdienstleistungen, MLPdialog GmbH, MLP Startup GmbH as well as the associate MLP Hyp GmbH.

The object of the reportable **Banking** business segment is to advise on and operate the banking business, including the securities custody business, the commission business, investment consulting and investment brokerage as well as the brokerage of insurance policies that are related to these activities. MLP Banking AG is included in this segment.

The business operations of the reportable **FERI** business segment cover wealth and investment consulting. This segment is made up of FERI Management AG (formerly: FERI AG), FERI AG (formerly: FERI Trust GmbH), FERI (Switzerland) AG and FERI (Luxembourg) S.A. (formerly: FERI Trust (Luxembourg) S.A.).

The business operations of the reportable **DOMCURA** business segment encompass the design, development and implementation of comprehensive coverage concepts in the field of non-life insurance as a so-called underwriting agency. The segment also engages in brokerage activities. In 2023 this segment is made up of DOMCURA Aktiengesellschaft and NORDVERS GmbH.

The reportable **Deutschland.Immobilien** business segment focuses on the brokerage of real estate assets and the development and sale of real estate projects. This segment comprises DI Deutschland.Immobilien AG, Vertrieb Deutschland.Immobilien GmbH, Projekte Deutschland.Immobilien GmbH, IT Deutschland.Immobilien GmbH and Projekte 2 Deutschland.Immobilien GmbH accounted for using the equity method. In addition, the segment also includes all consolidated project enterprises.

The object of the new reportable **Industrial Broker** business segment is to provide consulting services and insurances for industrial and commercial clients as well as the brokerage of insurance policies. This segment comprises RVM GmbH, RVM Versicherungsmakler GmbH, RISConsult GmbH, Jahn & Sengstack GmbH and Dr. Schmitt GmbH Würzburg, Würzburg, which was acquired in 2022.

In 2023, the **Holding** segment comprises essential internal services and activities of MLP SE.

Intrasegment supplies and services are settled in principle at normal market prices. In the case of intra-group allocations, an appropriate general overhead surcharge is levied on the direct costs actually incurred.

The management makes decisions on the allocation of resources and determines segment performance on the basis of the income statement for that segment. MLP employs the accounting policies applied in the consolidated financial statements to determine financial information on the segments.

The Financial Consulting, Banking, DOMCURA, Deutschland.Immobilien and Industrial Broker segments perform their economic activities predominantly in Germany. The FERI segment conducts its business activities above all in Germany, Luxembourg and in Switzerland.

In the business segments of Financial Consulting and FERI at least 10% of aggregated sales revenue of €189,830 thsd was generated with one product partner in the financial year. In the previous year, sales revenue of €175,984 thsd was generated in the Financial Consulting segment and with one product partner in the FERI segment.

Information regarding reportable business segments

All figures in €'000	Financial Consulting 2023	Financial Consulting 2022	Banking 2023	Banking 2022	FERI 2023	FERI 2022	DOMCURA 2023	DOMCURA 2022	Deutschland.Immobilien 2023	Deutschland.Immobilien 2022	Industrial Broker 2023	Industrial Broker 2022	Holding 2023	Holding 2022	Consolidation 2023	Consolidation 2022	Total 2023	Total 2022
Sales revenue	**386,895**	**393,269**	**174,490**	**132,661**	**206,754**	**211,748**	**125,648**	**107,792**	**51,596**	**87,720**	**33,572**	**26,748**	**-**	**-**	**-37,830**	**-46,148**	**941,125**	**913,790**
of which total inter-segment revenue	29,027	37,875	8,171	7,461	-	-	-	-	611	-	-	812	-	-	-37,810	-46,148	-	-
Other revenue	35,878	35,294	6,531	4,404	5,858	5,014	3,068	4,447	5,326	4,819	1,364	1,300	16,174	11,617	-41,824	-31,541	32,373	35,354
of which total inter-segment revenue	20,708	13,965	4,868	3,338	-	-	2	1,030	1,328	2,748	-	146	14,918	10,315	-41,824	-31,541	-	-
Total revenue	**422,772**	**428,562**	**181,021**	**137,065**	**212,612**	**216,763**	**128,716**	**112,238**	**56,921**	**92,539**	**34,935**	**28,048**	**16,174**	**11,617**	**-79,654**	**-77,689**	**973,498**	**949,144**
Inventory changes	-	-	-	-	-	-	-	-	-11,262	17,818	-	-	-	-	-	-	-11,262	17,818
Commission expenses	-179,989	-196,787	-52,907	-56,602	-128,356	-128,258	-82,100	-71,670	-15,755	-28,128	-1,101	-991	-	-	33,506	44,030	-426,701	-438,405
Real estate development expenses	-	-	-	-	-	-	-	-	-19,437	-58,275	-	-	-	-	760	937	-18,676	-57,339
Interest expenses	-	-	-18,450	-459	-	-	-	-	-	-	-	-	-	-	2,117	18	-16,333	-440
Valuation result/ Loan loss provisions	-240	-342	-2,298	-3,332	-246	217	-163	-29	810	-9,447	-	-	-103	-	1,203	-	-1,037	-12,933
Personnel expenses	-88,732	-81,648	-16,289	-14,269	-43,879	-40,832	-20,936	-18,668	-9,361	-9,128	-20,378	-16,970	-9,503	-6,385	-	-	-209,078	-187,899
Depreciation and impairments	-17,271	-19,138	-581	-491	-3,649	-3,579	-3,093	-2,646	-5,715	-4,456	-3,412	-2,801	-2,099	-1,897	-	-	-35,820	-35,008
Other expenses	-110,732	-102,184	-48,907	-38,397	-16,852	-16,049	-13,649	-11,083	-11,476	-10,276	-8,654	-4,355	-16,371	-11,355	42,328	31,451	-184,312	-162,249
Earnings from investments accounted for using the equity method	454	2,933	-	-	-	-	-	-	-8	-8	-	-	-	-	-	-	446	2,924
Segment earnings before interest and taxes (EBIT)	**26,263**	**31,396**	**41,588**	**23,515**	**19,631**	**28,261**	**8,776**	**8,143**	**-15,282**	**-9,361**	**1,390**	**2,931**	**-11,902**	**-8,020**	**261**	**-1,252**	**70,724**	**75,613**
Other interest and similar income	3,306	2,231	131	138	1,308	14	736	-174	2,701	1,590	220	-3	5,445	220	-5,423	-1,233	8,423	2,783
Other interest and similar expenses	-3,750	-1,983	-165	-56	-1,070	-458	-17	-5	-8,877	-5,031	-1,121	-1,029	-1,065	-444	6,432	3,579	-9,633	-5,427
Valuation result not relating to operating activities	-0	-40	-	-	-589	147	-	-	-	13	-	-	50	-1	-	-	-539	119
Finance cost	**-445**	**208**	**-34**	**83**	**-351**	**-296**	**718**	**-179**	**-6,176**	**-3,429**	**-901**	**-1,033**	**4,431**	**-226**	**1,010**	**2,346**	**-1,749**	**-2,526**
Earnings before taxes (EBT)	**25,818**	**31,604**	**41,554**	**23,598**	**19,280**	**27,965**	**9,494**	**7,964**	**-21,458**	**-12,790**	**489**	**1,898**	**-7,471**	**-8,246**	**1,270**	**1,093**	**68,976**	**73,088**
Income taxes																	-24,853	-24,442
Net profit																	**44,123**	**48,645**
of which attributable to																		
owners of the parent company																	48,582	51,486
non-controlling interests																	-4,459	-2,841
Investments accounted for using the equity method	**2,093**	**4,571**	**-**	**-**	**-**	**-**	**-**	**-**	**109**	**118**	**-**	**-**	**-**	**-**	**-**	**-**	**2,202**	**4,689**
Major non-cash expenses:																		
Impairment/ reversal of impairments on receivables	-240	-342	-2,374	-2,219	145	124	-163	-29	810	-9,447	-	-	-103	-	1,203	-	-721	-11,912
Increase/- decrease of provisions/ accrued liabilities	58,355	45,505	3,396	3,377	17,750	15,677	4,315	3,136	1,774	647	312	647	4,539	3,249	-	-	90,442	72,239

9. Sales revenue

All figures in €'000	2023	2022
Wealth management	308,156	316,531
Old-age provision	233,606	228,797
Non-life insurance	200,952	174,264
Health insurance	60,198	55,848
Real estate brokerage	20,221	37,833
Loans and mortgages	14,380	22,293
Other commissions and fees	7,001	6,799
Total commission income	**844,514**	**842,365**
Real estate development income	**30,902**	**50,168**
Interest income	**65,709**	**21,257**
Total	**941,125**	**913,790**

The commission income disclosed under sales revenue is recognised on a regular and point-in-time basis. Sales revenue recognised over time totalling €386,873 thsd (previous year: €404,266 thsd) was generated from the old-age provision business in the Financial Consulting segment, from the health insurance business in the Financial Consulting segment, from the wealth management business in the Financial Consulting, Banking and FERI segments and from the real estate development business in the Deutschland.Immobilien segment.

Interest income includes negative interest from lending and money market transactions of €200 thsd (previous year: €2,438 thsd). This decline can essentially be attributed to the change in the interest rate.

10. Other revenue

All figures in €'000	2023	2022
Cost transfer to MLP consultants and branch office managers	4,629	5,925
Income from the reversal of deferred obligations	3,059	3,088
Income from investments	3,001	3,497
Income from the reversal of provisions	2,431	12,675
Offset remuneration in kind	1,779	1,674
Rent	537	734
Compensation of management	267	97
Income from currency translation	72	280
Income from the disposal of fixed assets	24	24
Income from the sales tax (VAT) adjustment	0	130
Sundry other income	16,574	7,227
Total	**32,373**	**35,354**

Cost transfers to MLP consultants and branch office managers essentially comprise income from cost transfers of insurance premiums, services and material costs.

Income from the reversal of deferred obligations essentially results from the reversal of obligations for outstanding invoices.

Income from investments results from dividends from non-consolidated subsidiaries.

For more information on income from the reversal of provisions, please refer to Note 32. Income from the reversal of provisions for economic loss, which is offset by expenses from the derecognition of liability insurance refund claims, is disclosed net under income from the reversal of provisions. Income from the reversal of provisions does not contain any income from provisions for the lending business or provisions for anticipated losses from the lending business. These are part of the loan loss provisions. We make reference to Note 15 here.

Offset remuneration in kind results from non-cash benefits granted to employees.

Rental income results from the subletting of real estate.

Management compensation includes profit allocations from management activities for private equity companies.

Among other things, sundry other income includes advertising subsidies, income from the performance of IT services, as well as income from cost reimbursement claims.

11. Inventory changes

Inventory changes result from construction work and divestment of residential units in the DI Group. In addition to this, impairment charges on inventories of €2,282 thsd (previous year: €0 thsd) were recognised in the changes in inventories in the financial year. Please refer to Note 28 for information on the composition of inventories.

12. Commission expenses

Commission expenses mainly consist of the commission payments and other compensation components for the self-employed MLP consultants as well as the compensation for sales partners at the remaining subsidiaries. For further details, please refer to the "Results of operations" section in the joint management report.

13. Real estate development expenses

Real estate development expenses for the period from January 1 to June 31, 2023 declined from -€57,339 thsd to -€18,676 thsd compared to the same period of the previous year. Essentially, they include expenses incurred in connection with the building activities of the DI project enterprises. For further details, please refer to the "Results of operations" section in the joint management report.

14. Interest expenses

All figures in €'000	2023	2022
Interest and similar expenses		
Financial instruments measured at amortised cost	16,333	440
Liabilities due to clients in the banking business	15,804	33
Liabilities due to financial institutions in the banking business	528	407
Total	**16,333**	**440**

Due to higher interest rates, interest expenses resulting from liabilities due on demand of €13,844 thsd (previous year: €0 thsd) and interest expenses from liabilities with agreed terms of €1,796 thsd (previous year: €18 thsd) were accrued in the financial year.

15. Valuation result/loan loss provisions

All figures in €'000	2023	2022
Provisions for risks from potential bad debts	-608	-12,133
Provisions for risks from the lending business	-113	221
Valuation result	-315	-1,021
Total	**-1,037**	**-12,933**

As of December 31, 2023, loan loss provisions of -€721 thsd (previous year: -€11,912 thsd) were recognised in accordance with IFRS 9. The figure is made of expenses for the recognition of impairments of receivables of -€608 thsd (previous year: -€12,133 thsd), and income from the adjustment of provisions for anticipated losses from the lending business of -€113 thsd (previous year: €221 thsd).

Write-downs of financial instruments measured at fair value through profit or loss result in remeasurement losses of -€315 thsd (previous year: -€1,021 thsd).

See Notes 25, 26, 29 and 32 for detailed explanations on the development of loan loss provisions. See Note 27 for details on remeasurement gains from financial instruments measured at fair value through profit or loss.

16. Personnel expenses

All figures in €'000	2023	2022
Salaries and wages	180,048	161,868
Social security contributions	25,101	22,292
Expenses for old-age provisions and benefits	3,929	3,740
Total	**209,078**	**187,899**

Personnel expenses essentially include salaries and wages, compensation and other payments to employees. The social security contributions include the statutory contributions to be borne by the company in the form of social security insurance premiums. Expenses for old-age provisions and benefits mainly include the employer's shares of supplementary occupational pension provision.

17. Depreciation and impairments

All figures in €'000	2023	2022
Depreciation	**31,236**	**32,160**
of which property, plant and equipment	20,624	20,084
of which intangible assets	10,612	12,076
Impairment	**4,585**	**2,848**
of which property, plant and equipment	-	-
of which intangible assets	4,585	2,848
Total	**35,820**	**35,008**

In the financial year 2023, the depreciation of property, plant and equipment include amortisation of rights of use as per IFRS 16 of €13,282 thsd (previous year: €13,101 thsd), some €11,447 thsd of which (previous year: €11,432 thsd) can be attributed to amortisation of rights of use for real estate, €1,738 thsd (previous year: €1,572 thsd) can be attributed to amortisation of rights of use for vehicles and €97 thsd (previous year: €97 thsd) can be attributed to the depreciation of other operating and office equipment, in particular IT. The impairment on intangible assets is primarily attributable to the goodwill of the cash-generating unit DI Vertrieb within the reportable Deutschland.Immobilien segment. In the previous year, an impairment loss of €2,848 thsd was recognised for the DI Projekte cash-generating unit.

18. Other expenses

All figures in €'000	2023	2022
IT operations	49,409	46,669
Consultancy	28,064	23,879
Other external services	15,949	16,238
Administration operations	13,797	11,428
External services – banking business	11,394	10,545
Representation and advertising	9,238	8,419
Premiums and fees	6,327	6,322
Maintenance	5,828	4,306
Other employee-related expenses	4,448	3,745
Insurance	4,312	4,486
Training and further education	4,226	2,647
Expenses for MLP consultants and branch office managers	4,068	2,986
Travel expenses	3,731	2,334
Entertainment	3,446	1,965
Audit	2,338	1,818
Rental and leasing	1,984	1,416
Supervisory Board compensation	1,090	913
Goodwill and damages	625	1,345
Cooperation partners	-	2,028
Sundry other operating expenses	14,038	8,762
Total	**184,312**	**162,249**

IT operation expenses are mainly attributable to IT services and data centre services that have been outsourced to external service providers. These include expenses for low-value leases of €211 thsd (previous year €64 thsd) that do not require capitalisation according to IFRS 16.

The consulting expenses are made up of IT consulting fees as well as tax advice, legal advice and general advice fees.

Other external services essentially comprise expenses for the online acquisition of potential new clients, client support services, property management expenses for the Group HQ, expenses for HR services and expenses in relation to the purchase of climate protection certificates.

Expenses for administration operations include building management costs, office costs and communication costs.

The item "External services - banking business" mainly contains securities settlement and transaction costs in connection with the MLP credit card.

Expenses in connection with representation and advertising, training and further education, business trips and entertainment include costs for the Anniversary Main Seminar that was held in 2023. It had not been possible to hold a Main Seminar in 2022 due to coronavirus-related restrictions. In addition, expenses for representation and advertising also include costs for media presence and client information activities.

Premiums and fees essentially comprise premiums paid to the compensation scheme and deposit protection of German banks, premiums and fees paid to the European Central Bank, premiums and fees paid to the Federal Financial Supervisory Authority, as well as postage and freight costs.

The expenses for MLP consultants and branch office managers essentially comprise the expenses in connection with sales campaigns and recruiting measures.

Rental and lease expenses comprise expenses that do not require capitalisation according to IFRS 16. This includes expenses for short-term leases of €287 thsd (previous year: €137 thsd) and expenses for low-value leases of €474 thsd (previous year: €564 thsd). In the financial year, expenses for variable lease payments, which were not included in the measurement of leasing liabilities (for example payments at the end of a vehicle leasing agreement) were €51 thsd (previous year: €10 thsd).

Expenses for cooperation partners includes the pro rata project profits for specific projects to which the cooperation partners are entitled.

Among other things, sundry other expenses include expenses for other taxes, the merger loss in the Industrial Broker segment, expenses resulting from impairment losses on shares in non-consolidated subsidiaries, expenses relating to provisions for contingent losses from the real estate development business of the Deutschland.Immobilien Group, as well as donations and vehicle costs.

19. Earnings from investments accounted for using the equity method

Earnings from investments accounted for using the equity method were €446 thsd in the financial year (previous year: €2,924 thsd) and are made up from the share of earnings in MLP Hyp GmbH of €454 thsd (previous year: €2,933 thsd) and in Projekte 2 Deutschland.Immobilien GmbH of -€8 thsd (previous year: -€8 thsd).

Investments accounted for using the equity method relate to the 49.8% stake in MLP Hyp GmbH, Wiesloch and the 50% stake in Projekte 2 Deutschland.Immobilien GmbH, Hanover. MLP Hyp GmbH operates the joint mortgage financing business of MLP Finanzberatung SE, Wiesloch, and Interhyp AG, Munich. Projekte 2 Deutschland.Immobilien GmbH is an intermediate holding company within the DI Group. It holds shares in project enterprises in which real estate developments are executed.

The shares of MLP Hyp developed as follows:

All figures in €'000	2023	2022
Share as of Jan. 1	**4,571**	**5,961**
Dividend payouts	-2,933	-4,322
Pro rata profit after tax	454	2,933
Share as of Dec. 31	**2,093**	**4,571**

The following table contains summarised financial information on MLP Hyp GmbH:

All figures in €'000	Dec. 31, 2023	Dec. 31, 2022
Non-current assets	**123**	**146**
Current assets	5,653	11,936
Non-current liabilities	-	-
Current liabilities	**2,083**	**4,759**
Net assets (100%)	3,694	7,322
of which MLP's share in net assets	1,839	3,647
Incidental acquisition costs	151	151
Dividend payout	**-7,229**	**-6,449**
Cumulative disproportionate profit	**7,332**	**7,223**
Carrying amount of the investment	**2,093**	**4,571**
Sales revenue	**12,966**	**27,846**
Total comprehensive income (100%)	694	4,322
MLP's share in total comprehensive income	**454**	**2,933**

The shares of Projekte 2 Deutschland.Immobilien GmbH developed as follows:

All figures in €'000	2023	2022
Share as of Jan. 1	**118**	**126**
Dividend payouts	-	-
Pro rata profit after tax	-8	-8
Share as of Dec. 31	**109**	**118**

The table below contains summarised financial information on Projekte 2 Deutschland.Immobilien GmbH:

All figures in €'000	Dec. 31, 2023	Dec. 31, 2022
Non-current assets	38	38
Current assets	192	199
Non-current liabilities	-	-
Current liabilities	12	3
Net assets (100%)	218	235
of which MLP's share in net assets	109	117
Incidental acquisition costs	**-**	**-**
Dividend payout		**-**
Carrying amount of the investment	**109**	**117**
Sales revenue	**-**	**-**
Total comprehensive income (100%)	-16	-17
MLP's share in total comprehensive income	**-8**	**-8**

20. Finance cost

All figures in €'000	2023	2022
Other interest and similar income	**8,423**	**2,783**
Interest expenses from financial instruments	-5,545	-3,505
Interest expenses from net obligations for defined benefit plans	-1,436	-578
Other interest costs	-2,652	-1,343
Other interest and similar expenses	**-9,633**	**-5,427**
Valuation result not relating to operating activities	**-539**	**119**
Finance cost	**-1,749**	**-2,526**

Other interest and similar income relates to income from the discounting of provisions of €1,185 thsd (previous year: €895 thsd). Furthermore, this item includes interest income from receivables from non-consolidated affiliated companies, associates and companies in which participations are held of €2,724 thsd (previous year: €1,582 thsd). Other interest and similar income includes negative interest on bank deposits of -€54 thsd (previous year: -€478 thsd).

Other interest and similar expenses include expenses from the accrued interest of other provisions totalling €498 thsd (previous year: €205 thsd). This item also includes interest expenses on borrowings of €5,023 thsd (previous year: €3,234 thsd).

In addition, the item comprises expenses from the accrued interest of leasing liabilities pursuant to IFRS 16 of €1,968 thsd (previous year: €1,120 thsd). For further details, please refer to Note 7.

21. Income taxes

All figures in €'000	2023	2022
Income taxes	24,853	24,442
of which current taxes on income and on profit	22,714	19,617
of which deferred taxes	2,139	4,825

Current taxes on income and profit include income of €3,378 thsd (previous year: expenses of €2 thsd) which relate to previous periods.

The current and deferred tax is calculated using the relevant country-specific income tax rate. The anticipated combined income tax rate for domestic companies is 29.15% (previous year: 29.27%) and is made up of corporation tax at 15.0% (previous year: 15.0%), solidarity surcharge at 5.5% (previous year: 5.5%) and an average municipal trade tax rate of 13.32% (previous year: 13.44%).

The taxation rates likely to be applicable at their time of implementation should be used to calculate deferred income taxes. The taxation rates used here are those that are valid or have been announced for the periods in question as of the balance sheet date.

The following reconciliation statement shows the relationship between the earnings before tax and the taxes on income and profit in the financial year:

All figures in €'000	2023	2022
Earnings before tax	68,976	73,088
Group income tax rate	**29.15%**	**29.27%**
Calculated income tax expenditure in the financial year	20,106	21,393
Tax-exempt earnings and permanent differences	724	-3,216
Non-deductible expenses	1,863	1,231
Divergent trade taxation charge	836	440
Effects of other taxation rates applicable abroad	-912	-914
Income tax not relating to the period (current and deferred)	-3,321	2,324
Loss forfeiture	1,611	-
Change in impairments of unused losses	4,231	3,241
Other	-285	-57
Income taxes	**24,853**	**24,442**

The effective income tax rate applicable to the earnings before tax is 36.03% (previous year: 33.44%).

The item of tax-exempt earnings and permanent differences in earnings includes profit contributions from FERI and the RVM companies, the tax-free dividends of MLP Hyp GmbH and Uniwunder GmbH as well as the impairment of shares in associated and affiliated companies and the elimination of shares in associated companies due to merger.

Non-deductible expenses result from consultancy fees in connection with Group restructuring measures, entertainment expenses, gifts, as well as non-deductible operating expenses incurred in the context of tax-exempt dividends and capital gains, Supervisory Board compensation and other relevant factors.

As of December 31, 2023, the MLP Group recognised deferred tax assets from temporary differences of €165 thsd (previous year: €37 thsd) that exceed deferred tax liabilities in entities which have suffered a loss in either the current or preceding period.

At companies with taxable unrecognised differences, deferred tax assets were recorded on tax loss carryforwards, taking into account the minimum level of taxation. Legal or economic restrictions were in place with regard to the usability of corporation tax losses of €50,373 thsd (previous year: €24,209 thsd) and business tax losses of €56,285 thsd (previous year: €28,720 thsd). No deferred tax assets were therefore recognised. If full utilisation of the losses had been possible, it would have theoretically been necessary to recognise deferred tax assets of €12,416 thsd (previous year: €8,058 thsd).

The tax deferrals result from the balance sheet items as follows:

All figures in €'000	**Deferred tax assets**		**Deferred tax liabilities**	
	Dec. 31, 2023	**Dec. 31, 2022**	**Dec. 31, 2023**	**Dec. 31, 2022**
Intangible assets	-	-	17,077	15,880
Property, plant and equipment	-	-	5,923	5,627
Financial assets	9	43	1,356	1,699
Other assets	3,988	3,300	10,945	6,037
Provisions	11,027	9,011	1	50
Liabilities	3,096	3,772	594	4,645
Tax loss carryforwards	16,769	11,478	-	-
Impairment of loss carryforwards	-12,416	-8,058	-	-
Impairment of unrecognised differences	-168	-1,354	-	-
Other liabilities	-	-	-	-
Gross value	**22,305**	**18,192**	**35,896**	**33,938**
Netting of deferred tax assets and liabilities	18,636	14,661	18,636	14,661
Total	**3,669**	**3,531**	**17,260**	**19,277**

The deferred tax revenue recognised under other comprehensive income outside the income statement was €1,557 thsd (previous year: deferred tax expense of -€5,846 thsd).

Tax refund claims include €3,716 thsd (previous year: €3,384 thsd) of corporation tax and €3,692 thsd (previous year: €4,981 thsd) of trade tax. Tax refund claims of €865 thsd (previous year: €865 thsd) are attributable to MLP SE, €4,296 thsd (previous year: €5,997 thsd) to MLP Finanzberatung SE, €1,000 thsd (previous year: €1 thsd) to FERI Trust (Luxembourg) S.A., €1,066 thsd (previous year: €1,240 thsd) to DI Deutschland.Immobilien AG Group and €181 thsd (previous year: €262 thsd) to RVM GmbH.

Tax liabilities include €9,254 thsd (previous year: €10,824 thsd) of corporation tax and €8,291 thsd (previous year: €7,758 thsd) of trade tax. Tax liabilities of €7,632 thsd (previous year: €6,707 thsd) are attributable to MLP SE, €4,716 thsd (previous year: €1,130 thsd) to MLP Finanzberatung SE, €3,183 thsd (previous year: €7,751 thsd) to FERI (Luxembourg) S.A., €397 thsd (previous year: €390 thsd) to FERI

(Switzerland) AG, €1,568 thsd (previous year: €1,811 thsd) to DI Deutschland.Immobilien AG and €49 thsd (previous year: 792 thsd) to RVM GmbH.

The tax liabilities are due to taxes on the income and profit of the individual companies based on the corresponding national tax regime. Contingent tax liabilities are shown under deferred tax liabilities.

As of December 31, 2023, MLP had undistributed profits of subsidiaries of around €113,926 thsd (previous year: €91,914 thsd), for which no deferred tax liabilities were formed, as MLP is in a position of controlling the timing of the reversal of the temporary difference and it is unlikely that the temporary difference will be reversed in the foreseeable future.

22. Earnings per share

The calculation for the basic earnings per share is based on the following data:

All figures in €'000	2023	2022
Basis of the basic net profit per share	48,582	51,486

All figures in number of units	2023	2022
Weighted average number of shares for the basic net profit per share	109,208,394	109,207,378

The basic earnings per share is €0.44 (previous year: €0.47).

The calculation for the diluted earnings per share is based on the following data:

All figures in €'000	2023	2022
Basis of the diluted net profit per share	48,582	51,486

All figures in number of units	2023	2022
Weighted average number of shares for the diluted net profit per share	109,334,686	109,334,686

The diluted earnings per share is €0.44 (previous year: €0.47).

23. Intangible assets

All figures in €'000	Goodwill	Software (developed in-house)	Software (purchased)	Advance payments and developments in progress	Other intangible assets	Total
Acquisition/manufacturing costs						
As of Jan. 1, 2022	**138,762**	**19,544**	**106,180**	**4,998**	**96,041**	**365,526**
Additions	-	649	3,362	1,541	34	5,586
Addition to the scope of consolidation*	459	-	2	-	16,613	17,074
Disposals	-	-	-2,452	-	-17	-2,470
Transfers	-	1,457	4,355	-5,812	-	-
As of Dec. 31, 2022	**139,221**	**21,650**	**111,448**	**727**	**112,670**	**385,716**
Additions	-	105	3,215	1,997	19	5,336
Addition to the scope of consolidation*	899	-	-	-	-	899
Disposals	-	-	-174	-72	-13	-260
Transfers	-	500	126	-626	-	-
As of Dec. 31, 2023	**140,120**	**22,255**	**114,614**	**2,026**	**112,676**	**391,691**
Depreciation and impairments						
As of Jan. 1, 2022	**3**	**16,032**	**94,580**	**-**	**28,131**	**138,747**
Depreciation	-	1,473	7,569	-	3,034	12,076
Impairment	2,848	-	-	-	-	2,848
Disposals	-	-	-2,452	-	-17	-2,470
As of Dec. 31, 2022	**2,850**	**17,506**	**99,698**	**-**	**31,147**	**151,202**
Depreciation	-	1,659	6,100	-	2,853	10,612
Impairment	4,344	-	-	-	240	4,585
Disposals	-	-	-163	-	-2	-166
Current currency difference	-	-	1	-	-	1
As of Dec. 31, 2023	**7,195**	**19,165**	**105,635**	**-**	**34,238**	**166,233**
Carrying amount Jan. 1, 2022	**138,760**	**3,512**	**11,600**	**4,998**	**67,910**	**226,780**
Carrying amount Dec. 31, 2022	**136,371**	**4,144**	**11,750**	**727**	**81,523**	**234,514**
Carrying amount Jan. 1, 2023	**136,371**	**4,144**	**11,750**	**727**	**81,523**	**234,514**
Carrying amount Dec. 31, 2023	**132,925**	**3,090**	**8,978**	**2,026**	**78,438**	**225,458**

Intangible assets comprise definite-lived and indefinite-lived assets. Depreciation/amortisation and impairment of intangible assets are presented in Note 17.

Useful lives of intangible assets

	Useful life as of Dec. 31, 2023	Useful life as of Dec. 31, 2022
Acquired software/licences	3-7 years	3-7 years
Software developed in-house	3-5 years	3-5 years
Acquired trademark rights	-	-
Client relations / existing contracts	10-25 years; 40 years	5; 10-25 years; 40 years
Favourable lease	5 years	5 years
Goodwill / trademarks	undefinable	undefinable

The goodwill originating from company acquisitions was allocated by MLP at the level of the cash-generating units. The reportable Financial Consulting business segment contains the following groups of cash-generating units: (1) financial consulting, (2) occupational pension provision and (3) ZSH. No goodwill has been allocated to the reportable Banking business segment. The reportable FERI business segment includes the cash-generating unit FERI Assetmanagement. The reportable DOMCURA business segment contains the DOMCURA cash-generating unit. The reportable business segment Deutschland.Immobilien contains DI Projekte and DI Vertrieb as cash-generating units. The goodwill arising from the acquisition of RVM, the Jahn Group and the DSV Group was allocated to a cash-generating Industrial Broker unit, which in turn is allocated to the reportable Industrial Broker segment. Cash-generating units were allocated the following goodwill values arising from business combinations:

All figures in €'000	Dec. 31, 2023	Dec. 31, 2022
Financial Consulting	22,042	22,042
Occupational pension provision	9,955	9,955
ZSH	4,072	4,072
Financial Consulting	**36,069**	**36,069**
FERI Asset Management	56,940	56,032
FERI	**56,940**	**56,032**
DOMCURA	5,663	5,663
DOMCURA	**5,663**	**5,663**
DI Projects	11,706	11,716
DI Sales	8,630	12,974
Deutschland.Immobilien	**20,336**	**24,690**
Industrial Broker	13,917	13,917
Industrial Broker	**13,917**	**13,917**
Total	**132,925**	**136,371**

The recoverable amount is determined on the basis of the value in use of the cash-generating units. This requires an estimate by the management of the anticipated future cash flows over a detailed planning horizon of four years.

The significant assumptions presented in the following were based on the impairment test performed.

Reportable Financial Consulting business segment

Financial Consulting		
Weighted average (in %)	**2023**	**2022**
Discount rate (before tax)	11.6	11.4
Growth rate of the terminal value	1.2	1.4
Planned EBT growth rate (relative average EBT increase per year)	3.8	5.0

Occupational pension provision		
Weighted average (in %)	**2023**	**2022**
Discount rate (before tax)	11.5	11.6
Growth rate of the terminal value	1.2	1.4
Planned EBT growth rate (relative average EBT increase per year)	13.0	16.6

ZSH		
Weighted average (in %)	**2023**	**2022**
Discount rate (before tax)	10.9	11.1
Growth rate of the terminal value	1.2	1.4
Planned EBT growth rate (relative average EBT increase per year)	*	119.6

* Growth rate cannot be arithmetically determined due to a negative starting basis.

Reportable FERI business segment

FERI Asset Management		
Weighted average (in %)	**2023**	**2022**
Discount rate (before tax)	14.8	13.7
Growth rate of the terminal value	1.2	1.4
Planned EBT growth rate (relative average EBT increase per year)	15.8	7.0

Reportable DOMCURA business segment

DOMCURA		
Weighted average (in %)	**2023**	**2022**
Discount rate (before tax)	11.3	11.6
Growth rate of the terminal value	1.2	1.4
Planned EBT growth rate (relative average EBT increase per year)	7.4	7.8

Reportable Deutschland.Immobilien business segment

DI Projects		
Weighted average (in %)	**2023**	**2022**
Discount rate (before tax)	15.3	14.1
Growth rate of the terminal value	1.2	1.4
Planned EBT growth rate (relative average EBT increase per year)	*	-6.4

DI Sales		
Weighted average (in %)		
Discount rate (before tax)	14.9	11.6
Growth rate of the terminal value	1.2	1.4
Planned EBT growth rate (relative average EBT increase per year)	*	*

* Growth rate cannot be arithmetically determined due to a negative starting basis.

Reportable Industrial Broker business segment

Industrial Broker		
Weighted average (in %)	**2023**	**2022**
Discount rate (before tax)	11.0	11.1
Growth rate of the terminal value	1.2	1.4
Planned EBT growth rate (relative average EBT increase per year)	33.9	20.8

In line with the assumptions guiding our statements, similar to the previous year, MLP is anticipating additional constraints stemming from the ongoing impact of the Ukraine conflict on the geopolitical and macroeconomic landscape. MLP also assumes certain uncertainties for the further business development as a result of this.

The capitalisation rate is made up of a risk-free interest rate of 2.80% (previous year: 2.00%), a market risk premium of 6.82% (previous year: 7.18%), as well as an individual beta factor for each cash-generating unit in the range from 0.82 to 1.19 (previous year: 0.92 to 1.15).

In the project development business of Deutschland.Immobilien, projects are implemented with an average project duration of up to four years. Due to the finite lifecycle of a real estate project, the corporate planning includes not only specific project initiatives that are already concrete as of the balance sheet date, but also those projects that have neither commenced nor been sufficiently concretised as of the balance sheet date. In the planning authorised and approved by the Supervisory Board, such "non-concrete" real estate projects are planned with an average purchase price volume in the mid-double-digit million range and an average EBT in the low single-digit million range.

As of the balance sheet date, the following assumptions are incorporated into the planning of the anticipated future cash flows for the DI Projekte cash-generating unit:

- Completion of the real estate projects that are underway and concrete as of the balance sheet date by the end of the detailed planning period 2027, and
- three projects that are not yet concrete, with project completion by the end of 2027.

For the impairment test, the anticipated future cash flows of the 2024-2027 detailed planning period are extrapolated into perpetuity using a rough planning phase. The management expects the start of two to three new real estate projects per year, leading to the assumption of ten real estate projects being simultaneously implemented by the DI Group in what is referred to as the "perpetual annuity". This is accordingly included in the estimation of future cash flows.

As was already the case in the previous year, the weak overall economic development in Germany, the uncertainties relating to the geopolitical conditions, as well as the changed interest rate environment are presenting significant challenges for the German real estate market. In the reporting year, the German real estate market suffered historic market slumps as a result of the interest rate shock, as well as the macroeconomic challenges being faced. Alongside declining revenues throughout Germany, the transaction volume also displayed a pronounced downward trend. The weaker future prospects consequently resulted in the recognition of an impairment loss of €4,344 thsd for capitalised goodwill as of December 31, 2023 within the Deutschland.Immobilien segment for the DI Projekte cash-generating unit. The value in use of the cash-generating unit DI Vertrieb amounts to €5,639 thsd as of December 31, 2023. In the previous year, an impairment loss of €2,848 thsd was recorded for the DI Projekte cash-generating unit.

Within the scope of its impairment testing MLP conducted sensitivity analyses. A so-called adverse scenario was developed in order to simulate an economic downturn that potentially continues beyond the year 2024. This scenario leads to a reduction of the planned annual results before taxes in the four detailed planning years of up to 37% (previous year: up to 29%) in the cash-generating units FERI Asset Management and Financial Consulting. In this respect, a corresponding reduction in the planned EBT in these two cash-generating units was examined. The reduction of the planned earnings before taxes leads to the carrying amount exceeding the fair value in the FERI Asset Management cash-generating unit. However, this does not account for a significant proportion of total goodwill (less than 20%).

In addition to this, the effects of an increase to the risk-free interest rate of 70 basis points (previous year: 100 basis points) were investigated alongside a reduction of the terminal value growth rates from 1.2% to 1.0% (previous year: 1.4% to 1.0%). Both scenarios would lead to a situation in which the carrying amount exceeds the recoverable amount in the DI Vertrieb cash-generating unit. However, this would not account for a significant proportion of total goodwill.

In addition, MLP has performed further sensitivity analyses for the DI Projekte cash-generating unit. In this regard, the number of future projects that were not specifically planned as of the reporting date but were extrapolated indefinitely was adjusted. A reduction in the number of ongoing real estate projects from ten to three, along with a corresponding decrease in future cash flows, would not result in the carrying amount exceeding the recoverable amount for the DI Projekte cash-generating unit.

The underlying assumptions for future projects include interest expenses for the necessary planned debt capital. While a reduction in borrowing costs would have a positive effect on the value in use of the DI Projekte cash-generating unit, a 50% increase in the interest rate, coupled with unchanged financing requirements or a 50% increase in borrowing requirements, would have a negative impact on the planned future cash flow, and thereby also the value in use, if the interest rate remained the same. This scenario would result in no impairment loss of the capitalised goodwill of the DI Projekte cash-generating unit. The carrying amount of the DI Projekte cash-generating unit would then also not exceed the recoverable amount.

In addition to this, the impact of a deterioration in the individual beta factor of the DI Projekte cash-generating unit was investigated within the scope of the sensitivity analyses. Doubling the individual beta factor, as well as the increase in the discount rate before taxes from 15.3% to 30.6% resulting from this, would not lead to a situation in which the carrying amount exceeds the recoverable amount in the DI Projekte cash-generating unit.

The item "Other intangible assets" essentially contains acquired trademark rights, client relationships/existing contracts with a defined term, as well as indefinite-lived trademark names acquired within the scope of company acquisitions. In view of the recognition of these trademarks, at present no definite end of their useful lives can be specified.

The acquired trademarks are attributed to the following cash-generating units:

The "FERI" trademark is fully attributed to the cash-generating unit of the "FERI" reportable business segment:

All figures in €'000	2023	2022
FERI Asset Management	15,829	15,829
FERI	15,829	15,829

The "DOMCURA" trademark is fully attributed to the cash-generating unit of the "DOMCURA" reportable business segment:

All figures in €'000	2023	2022
DOMCURA	7,023	7,023

There are no restraints on disposal or pledges with regard to intangible assets. Contractual obligations for the purchase of intangible assets have a net total of €128 thsd as of December 31, 2023 (previous year: €279 thsd).

24. Property, plant and equipment

All figures in €'000	Land, leasehold rights and buildings*	Other fixtures, fittings and office equipment*	Payments on account and assets under construction*	Total
Acquisition/manufacturing costs				
As of Jan. 1, 2022	**93,252**	**55,404**	**524**	**149,181**
Translation effects	-	12	-	12
Additions	10,353	5,224	1,101	16,678
Addition to the scope of consolidation*		214		214
Disposals	-61	-2,516	-26	-2,603
Transfers	409	460	-868	-
As of Dec. 31, 2022	**103,952**	**58,798**	**731**	**163,482**
Translation effects	-	24	-	24
Additions	1,036	6,730	3,669	11,434
Addition to the scope of consolidation*	-	-	-	-
Disposals	-228	-3,070	-6	-3,304
Transfers	269	506	-774	-
As of Dec. 31, 2023	**105,029**	**62,987**	**3,620**	**171,635**
Depreciation and impairments				
As of Jan. 1, 2022	**34,804**	**41,200**	**-**	**76,005**
Translation effects	-	3	-	3
Depreciation	2,276	4,706	-	6,983
Addition depreciation	-	22	-	22
Impairment	-	-	-	-
Disposals	-61	-2,508	-	-2,569
As of Dec. 31, 2022	**37,020**	**43,423**	**-**	**80,443**
Translation effects	-	10	-	10
Depreciation	2,334	5,008	-	7,342
Addition depreciation	-	-	-	-
Impairment	-	-	-	-
Disposals	-228	-3,026	-	-3,254
Current currency-related value changes	-	2	-	2
As of Dec. 31, 2023	**39,126**	**45,418**	**-**	**84,543**
Carrying amount Jan. 1, 2022	58,448	14,204	524	73,176
Carrying amount Dec. 31, 2022	**66,933**	**15,375**	**731**	**83,039**
Carrying amount Jan. 1, 2023	66,933	15,375	731	83,039
Carrying amount Dec. 31, 2023	**65,903**	**17,569**	**3,620**	**87,092**

*excluding leases

Useful lives of property, plant and equipment

	Useful life/residual value Dec. 31, 2023	Useful life/residual value Dec. 31, 2022
Administration buildings	33 years to residual value (30% of original cost)	33 years to residual value (30% of original cost)
Land improvements	15-20 years	15 - 25 years
Leasehold improvements	10 years or duration or the respective tenancy agreement	10 years or duration or the respective tenancy agreement
Furniture and fittings	3 - 25 years	4 - 25 years
IT hardware	1 - 11 years	3 - 11 years
Office equipment, office machines	2 - 23 years	3 - 23 years
Cars	2 - 6 years	2 - 6 years
Other means of transport	6 - 7 years	6 - 7 years
Works of art	15-20 years	15-20 years

Depreciation/amortisation and impairment of property, plant and equipment are disclosed in Note 17.

The payments on account and assets under construction refer to acquired property, plant and equipment and construction costs in connection with construction services. There are no restraints or pledges with regard to property, plant and equipment. Contractual obligations for the purchase of property, plant and equipment amount to €5,052 thsd net as of December 31, 2023 (previous year: €248 thsd).

Leases

Rights of use from leases are disclosed under the "property, plant and equipment" item. As of December 31, 2023, rights of use of €55,242 thsd are in place (previous year: €53,514 thsd), €52,250 thsd (previous year: €50,859 thsd) thereof is attributable to rented properties, €2,799 thsd (previous year: €2,366 thsd) to vehicle leases and €193 thsd (previous year: €290 thsd) to operating and office equipment.

In the financial year, rights of use from leases developed as follows. There were additions of €15,851 thsd (previous year: €14,156 thsd) and disposals of €3,745 thsd (previous year: €6,385 thsd). Amortisation of rights of use from leases of €2,737 thsd (previous year: €3,787 thsd) were recognised in the financial year. The changes are mainly due to rented properties. Translation effects increased the rights of use from leases by €167 thsd (previous year: €134 thsd) and resulted in particular from the appreciation of the Swiss franc against the euro.

Depreciation/amortisation and impairment are disclosed in Note 17.

In the financial year 2023 some properties were sublet, resulting in an income of €395 thsd (previous year: €446 thsd).

The table below shows a maturity analysis of inflows from the sub-lease of rights of use and reflects the undiscounted payments received after the balance sheet date of the financial year and of the previous year.

All figures in €'000	Up to 1 year	1 – 5 years	>5 years	Total
Sublettings 2023	148	122	-	270
Sublettings 2022	206	194	-	400

25. Receivables from clients in the banking business

Receivables from clients in the banking business

All figures in €'000	Dec. 31, 2023	Dec. 31, 2022
Originated loan	980,389	856,879
Corporate bond debts	127,980	182,440
Receivables from credit cards	103,034	94,560
Receivables from current accounts	24,982	25,043
Receivables from wealth management	1,042	1,089
Other	4,768	1,691
Total, gross	**1,242,195**	**1,161,702**
Impairment	-11,206	-12,408
Total, net	**1,230,989**	**1,149,294**

As of December 31, 2023, receivables (net) with a term of more than one year remaining to maturity are €996,644 thsd (previous year: €474,205 thsd).

The gross carrying amounts of receivables from clients in the banking business developed as follows in the financial year:

Reconciliation statement for gross carrying amounts of receivables from clients in the banking business for 2023

All figures in €'000	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL – not credit impaired)	Stage 3 (lifetime ECL – impaired credits)	Purchased or originated credit-impaired financial instruments (POCI)	Total
As of Jan. 1, 2023	**1,093,390**	**55,971**	**12,315**	**27**	**1,161,702**
Transfer to Stage 1	17,440	-17,153	-287	-	-
Transfer to Stage 2	-63,106	63,256	-150	-	-
Transfer to Stage 3	-323	-6,613	6,937	-	-
Allocation	209,064	7,124	574	1,652	218,414
of which newly acquired or issued financial assets	100,436	5,531	-	1,652	107,619
of which existing business	108,628	1,594	574	-	-
Disposals	-128,105	-3,997	-5,814	-4	-137,920
of which derecognised financial assets	-78,629	-2,027	-269	-	-80,925
of which existing business	-49,476	-1,970	-5,277	-	-56,723
of which write-offs	-	-	-268	-	-268
As of Dec. 31, 2023	**1,128,360**	**98,588**	**13,574**	**1,674**	**1,242,195**

Reconciliation statement for gross carrying amounts of receivables from clients in the banking business for 2022

All figures in €'000	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL – not credit impaired)	Stage 3 (lifetime ECL – impaired credits)	Purchased or originated credit-impaired financial instruments (POCI)	Total
As of Jan. 1, 2022	**895,368**	**65,970**	**11,032**	**31**	**972,401**
Transfer to Stage 1	40,078	-40,031	-47	-	-
Transfer to Stage 2	-23,619	23,646	-27	-	-
Transfer to Stage 3	-1,803	-1,358	3,161	-	-
Allocation	326,884	8,610	274	-	334,091
of which newly acquired or issued financial assets	209,323	6,933	-	-	216,256
of which existing business	117,560	1,678	274	-	-
Disposals	-143,518	-865	-2,079	-4	-146,467
of which derecognised financial assets	-79,145	-1,508	-1,238	-4	-81,894
of which existing business	-64,374	643	-345	-	-64,076
of which write-offs	-	-	-497	-	-497
As of Dec. 31, 2022	**1,093,390**	**55,971**	**12,315**	**27**	**1,161,702**

Receivables from clients in the banking business to collect contractual cash flows held by MLP are carried at amortised costs using the effective interest method. Assuming no bad debts are in place, all financial assets are recorded in Stage 1 on their date of acquisition and then written down over the next twelve months with an anticipated default.

If the credit risk increases significantly, a transfer from Stage 1 to Stage 2 is performed. This involves a calculation of the impairment on the basis of the expected credit loss over the entire remaining term. If there are objective indications of a credit impairment or a default status, the financial asset is recognised in Stage 3.

Due to a restructuring measure by the issuer of a promissory note bond issued in 2018, a substantial contract adjustment of the recognised asset was made in the fiscal year 2023. As a result, the existing promissory note loan was to be derecognised, and a new asset classified as POCI was to be recognised. A modification loss of €315 thsd was incurred due to the substantial contract adjustment.

See Note 7 for further details on the impairment methods used and calculation of the impairment.

Loan loss provisions for receivables from clients in the banking business developed as follows in the reporting year:

Development of loan loss provisions pursuant to IFRS 9 2023

All figures in €'000	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL – not impaired)	Stage 3 (lifetime ECL – impaired credits)	Purchased or originated credit-impaired financial instruments (POCI)	Total
As of Jan. 1, 2023	**1,762**	**4,353**	**6,292**	**2**	**12,408**
Transfer to Stage 1	29	-29	-	-	-
Transfer to Stage 2	-188	192	-4	-	-
Transfer to Stage 3	-2	-690	692	-	-
Allocation	542	1,476	2,170	-	4,188
of which newly acquired or issued financial assets	225	254	-	-	479
of which existing business	317	1,222	2,170	-	3,709
Disposals	-742	-1,829	-2,819	-	-5,390
of which usage	-112	-241	-2,800	-	-3,153
of which reversals	-631	-1,588	-19	-	-2,238
As of Dec. 31, 2023	**1,402**	**3,473**	**6,330**	**2**	**11,206**

Development of loan loss provisions pursuant to IFRS 9 2022

All figures in €'000	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL – not impaired)	Stage 3 (lifetime ECL – impaired credits)	Purchased or originated credit-impaired financial instruments (POCI)	Total
As of Jan. 1, 2022	**2,060**	**4,473**	**4,464**	**2**	**10,999**
Transfer to Stage 1	69	-69	-	-	-
Transfer to Stage 2	-74	75	-1	-	-
Transfer to Stage 3	-7	-107	113	-	-
Allocation	700	3,121	3,287	-	7,108
of which newly acquired or issued financial assets	430	419	-	-	848
of which existing business	270	2,702	3,287	-	6,260
Disposals	-986	-3,141	-1,572	-	-5,698
of which usage	-	-	-990	-	-990
of which reversals	-986	-3,141	-582	-	-4,709
As of Dec. 31, 2022	**1,762**	**4,353**	**6,292**	**2**	**12,408**

Loan loss provisions declined from €12,408 thsd to €11,206 thsd in the financial year. Loan loss provision on existing business decreased by €2,170 thsd (previous year: €3,287 thsd) as a result of credit rating upgrades, as well as transfers to Stage 3.

In the previous year, €1,009 thsd was recognised as a post-model adjustment to account for the potential risks from the Ukraine crisis and higher inflation. In the financial year, the post model adjustment did not change significantly. For further details, please refer to Note 7.

Allocations to Stage 2 of €1,476 thsd (previous year: €3,121 thsd) are mainly attributable to credit rating downgrades resulting in a transfer from Stage 1 to Stage 2. These are offset by Stage 2 reversals of -€1,588 thsd (previous year: -€3,141 thsd) and Stage 3 reversals of -€2,819 thsd (previous year: -€1,572 thsd) as a result of credit rating upgrades and the reversal of an impairment due to a substantial contract adjustment of the promissory note loan that hast been derecognised.

Taking into account direct write-offs of €268 thsd (previous year: €497 thsd) as well as income recovered from written off receivables of -€193 (previous year: -€262 thsd), allocations of €4,188 thsd (previous year: €7,108 thsd) and reversals of -€2,238 thsd (previous year: -€4,709 thsd) recognised in income resulted in a net loan loss provision of €2,025 thsd in the reporting year (previous year: €2,634 thsd).

Qualitative and quantitative information on contributions from anticipated losses 2023

All figures in €'000	Max. default risk without taking into account collateral or other measures aimed at enhancing credit ratings as of Dec. 31, 2023	Financial instruments of Stage 1		Financial instruments of Stage 2		Financial instruments of Stage 3 and POCI	
		of which max. default risk of Stage 1	of which risk reduction by collateral*	of which max. default risk of Stage 2	of which risk reduction by collateral*	of which max. default risk of Stage 3 / POCI	of which risk reduction by collateral*
Receivables from clients in the banking business (AC)	1,230,989	1,144,988	336,929	77,822	26,865	8,179	1,738
Receivables from financial institutions in the banking business (AC)	779,074	779,074	-	-	-	-	-
Financial assets (AC)	162,093	162,093	-	-	-	-	-
Other receivables (AC)	208,030	-	-	203,207	-	4,824	-
Sureties and guarantees	2,096	2,007	-	59	-	29	-
Irrevocable credit commitments	131,137	127,769	-	3,369	-	-	-
Total	**2,513,419**	**2,215,931**	**336,929**	**284,456**	**26,865**	**13,032**	**1,738**

*Land charges are recognised as collateral to reduce the maximum default risk.

Qualitative and quantitative information on contributions from anticipated losses 2022

All figures in €'000	Max. default risk without taking into account collateral or other measures aimed at enhancing credit ratings as of Dec. 31, 2022	Financial instruments of Stage 1		Financial instruments of Stage 2		Financial instruments of Stage 3 and POCI	
		of which max. default risk of Stage 1	of which risk reduction by collateral*	of which max. default risk of Stage 2	of which risk reduction by collateral*	of which max. default risk of Stage 3 / POCI	of which risk reduction by collateral*
Receivables from clients in the banking business (AC)	1,149,294	1,090,235	299,717	53,004	17,268	6,054	295
Receivables from financial institutions in the banking business (AC)	753,225	753,225	-	-	-	-	-
Financial assets (AC)	208,134	205,751	-	2,384	-	-	-
Other receivables (AC)	200,875	-	-	196,052	-	4,824	-
Sureties and guarantees	2,602	2,505	-	51	-	23	-
Irrevocable credit commitments	123,359	120,751	-	2,422	-	0	-
Total	**2,437,489**	**2,172,466**	**299,717**	**253,913**	**17,268**	**10,901**	**295**

*Land charges are recognised as collateral to reduce the maximum default risk.

As of the balance sheet date, the maximum default risk corresponds to the carrying amount after impairment of each of the categories of financial assets listed above. Credit impaired or defaulted receivables from clients in the banking business disclosed in Stage 3 as of December 31, 2023 of €8,179 thsd (previous year: €6,054 thsd) are secured by land charges of €1,738 thsd (previous year: €295 thsd). The maximum default risk of sureties, guarantees and irrevocable credit commitments corresponds to the face value of €133,233 thsd (previous year: €125,961 thsd).

The Group holds forwarded loans of €140,088 thsd (previous year: €136,998 thsd) in the form of collateral for liabilities due to refinancing banks.

Due to defaults of debtors, ownership of financial and non-financial assets of €184 thsd (previous year: €7 thsd) serving as collateral for originated loans and receivables, was acquired. The assets mainly consist of receivables from utilised deposits and the liability release from sureties.

Information on the fair value of financial assets is provided in Note 38.

26. Receivables from financial institutions in the banking business

All figures in €'000	Dec. 31, 2023	Dec. 31, 2022
Due on demand	117,194	120,761
Other receivables	661,880	632,464
Total	**779,074**	**753,225**

All receivables from banks in the banking business are due from domestic credit institutions. As of December 31, 2023 receivables with a term of more than one year remaining to maturity are €45,177 thsd (previous year: €117,214 thsd). The receivables are not collateralised. At the closing date there are no receivables from banks which are overdue. As was the case in the previous year, there are no receivables with a high risk of default which are assigned to Stage 2 as of the closing date. All receivables from banks totalling to €779,074 thsd (previous year: €753,225 thsd) are disclosed in Stage 1 and an anticipated 12-month loss is determined. The anticipated losses on receivables from banks are €156 thsd in the financial year (previous year: €172 thsd). This leads to a net loan loss provision expense of -€17 thsd in the reporting year (previous year: net loan loss provision: -€13 thsd).

Further information on receivables from financial institutions in the banking business is disclosed in Note 38.

27. Financial assets

All figures in €'000	Dec. 31, 2023	Dec. 31, 2022
By public-sector issuers	65,167	42,672
By other issuers	81,889	97,776
Debenture and other fixed income securities	**147,056**	**140,448**
Shares and certificates	3,487	2,331
Investment fund shares	1,535	2,782
Shares and other variable yield securities	**5,022**	**5,114**
Other investments (fixed and time deposits)	**20,075**	**77,598**
Investments in non-consolidated subsidiaries	**5,241**	**13,355**
Shares in associates (not at equity)	**2,652**	**2,566**
Investments	**4,081**	**4,477**
Total	**184,127**	**243,558**

As of December 31, 2023, debentures and other fixed income securities of €105,356 thsd (previous year: €110,006 thsd), one promissory note bond of €10,000 thsd (previous year: €10,000 thsd) as well as fixed-term deposits of €0 thsd (previous year: €10,000 thsd) are due after more than twelve months.

As per the measurement categories for financial instruments defined in IFRS 9, the financial investment portfolio breaks down as follows:

All figures in €'000	Dec. 31, 2023	Dec. 31, 2022
AC	142,018	130,536
FVPL	5,037	9,912
Debenture and other fixed income securities	**147,056**	**140,448**
FVPL	2,391	3,107
Shares and other variable yield securities (FVPL)	**2,391**	**3,107**
FVOCI	2,632	2,006
Shares and other variable yield securities (FVOCI)	**2,632**	**2,006**
Fixed and time deposits (AC)	**20,075**	**77,598**
Investments in non-consolidated subsidiaries (N/A)	**5,241**	**13,355**
Shares in associates (not at equity) (N/A)	**2,652**	**2,566**
Investments (FVPL)	**4,081**	**4,477**
Total	**184,127**	**243,558**

Debentures and other fixed income securities with a net carrying amount of €142,018 thsd (previous year: €130,536 thsd) are measured at amortised costs. The anticipated 12-month loss on debentures and other fixed income securities measured at amortised costs is €32 thsd in the financial year (previous year: €30 thsd). The gross carrying amount of debentures measured at amortised cost in Stage 1 is €141,453 thsd (previous year: €128,181 thsd). As of the closing date, two debentures are in place with increased default risk in Stage 2 (previous year: two debentures with a lifetime expected loss of €19 thsd). Their gross carrying amount was €0 thsd (previous year: €2,404 thsd). Overall, the change from the previous year resulted in reversals of loan loss provisions in the amount of -€20 thsd (previous year: allocations to loan loss provisions in the amount of -€57 thsd).

In addition, debentures and other fixed income securities of €5,037 thsd (previous year €9,912 thsd) are measured at fair value through profit or loss in the financial year. This leads to valuation differences from exchange losses of €64 thsd (previous year: -€155 thsd), which are also recognised in the valuation result. The changes to the fair value of fixed income securities triggered by a change in creditworthiness are €4 thsd (previous year: -€14 thsd).

In the financial year 2023, shares and other variable yield securities of €2,391 thsd (previous year: €3,107 thsd) are measured at fair value through profit or loss. The shares are equity instruments, while other non-fixed-income securities are debt instruments that do not meet the cash flow criterion and are therefore recognised at fair value through profit or loss. Calculation of the fair value results in valuation differences from price losses of -€11 thsd (previous year: price losses of -€959 thsd), which are recognised as remeasurement gains or losses.

In the financial year 2023, there are two equity stakes amounting to €2,632 thsd are held, which are measured at fair value through other comprehensive income (FVOCI). At the time of acquisition, the optional recognition of market value fluctuations in other comprehensive income was chosen for both equity instruments. Thus, only dividends from these shares are recognised in the income statement under other income.

Write-downs of €2,084 thsd (previous year: €91 thsd) and one write-up of €91 (previous year: €16 thsd) were recognised on the holdings in non-consolidated subsidiaries. The impairment loss was recognised in other expenses and the write-up in other income.

The investments essentially comprised private equity investments. These are assigned to the "Hold" business model. They are debt instruments which do not satisfy the cash flow criterion and are measured at fair value of €3,416 thsd (previous year: €4,477 thsd). This results in gains from valuation differences of -€391 thsd (previous year: €92 thsd), which are recognised as remeasurement gains or losses.

Assets pledged as collateral

As at the closing date, the availability of liquidity facilities provided by Deutsche Bundesbank is collateralised by marketable securities of €99,675 thsd (previous year: €68,339 thsd) with a face value of €107,700 thsd (previous year: €78,300 thsd).

For further disclosures regarding financial assets, please refer to Note 38.

28. Inventories

Inventories break down as follows:

All figures in €'000	Dec. 31, 2023	Dec. 31, 2022
Inventories – land	11,381	13,338
Inventories – buildings	28,174	38,561
Total	**39,555**	**51,899**

Due to the sale of residential units, €22,464 thsd (previous year €30,625 thsd) of inventories were accounted for as an expense in the item "Inventory changes" in the last financial year. In addition to this, impairment losses of €2,282 thsd (previous year: €0 thsd) on inventories were recognised in the item "Inventory changes" in the income statement.

29. Other receivables and assets

All figures in €'000	Dec. 31, 2023	Dec. 31, 2022
Trade accounts receivable	106,607	107,241
Contractual assets	46,755	44,851
Receivables from underwriting business	25,315	22,646
Refund receivables from recourse claims	22,698	20,818
Receivables from MLP consultants	6,030	6,584
Advance payments	1,086	1,823
Other assets	51,508	48,066
Total, gross	**259,999**	**252,030**
Impairment	-11,273	-14,300
Total, net	**248,726**	**237,730**

As of December 31, 2023, other receivables and other assets (net) with a term of more than one year remaining to maturity are €44,481 thsd (previous year: €42,186 thsd). Other receivables of €204,246 thsd are current receivables falling due in less than one year.

The main items included in trade accounts receivable are commission receivables from insurance companies. They are generally non-interest-bearing and have an average term of payment of 30 days.

Refund receivables from recourse claims are due to MLP consultants and branch office managers, as well as insurance companies.

Receivables from the underwriting business comprise unpaid receivables from clients, as well as receivables from insurance companies for claims settlement.

The contractual assets in the context of unit-linked life insurance policies developed as follows:

All figures in €'000	2023	2022
As of Jan. 1	**36,332**	**35,596**
Additions from new contracts	6,278	6,622
Payments received	-8,525	-7,512
Change of transaction price	-	1,661
Gross receivable as of Dec. 31	34,086	36,366
Impairments pursuant to IFRS 9	**-34**	**-34**
As of Dec. 31	**34,052**	**36,332**

The contractual assets of the newly acquired Dr. Schmitt GmbH Würzburg result from the brokerage of unit-linked life insurance policies and developed as follows:

All figures in €'000	2023	2022*
As of Jan. 1	**709**	**979**
Additions from new contracts including contract initiation costs	0	114
Payments received	-470	-384
Gross receivable as of Dec. 31	240	709
As of Dec. 31	**240**	**709**

*as of April 1, 2022

The contractual assets relating to projects of Deutschland.Immobilien developed as follows:

All figures in €'000	2023	2022
As of Jan. 1	**7,776**	**5,493**
Additions from new contracts including contract initiation costs	38,614	53,077
Payments received	-32,143	-47,606
Changes to the scope of consolidation	-70	-
Gross receivable as of Dec. 31	**14,177**	**10,964**
Amortisation of contract initiation costs	-1,748	-3,188
Impairment	-8	-
As of Dec. 31	**12,421**	**7,776**

The contractual assets shown in the table include contract initiation costs of €53 thsd in the context of the Deutschland.Immobilien projects (previous year: €724 thsd). The amortisation of contract initiation costs is based on the completion progress of the respective real estate project.

Other receivables and assets are usually not collateralised. With regard to receivables and other assets, which are neither impaired nor overdue, there are no signs at the closing date that debtors will not meet their payment obligations. On the closing date there were no receivables and other assets for which new terms were agreed and which would otherwise have been overdue or written down.

As part of a project development of the Deutschland.Immobilien Group, there are receivables due from this non-consolidated project enterprise as of the balance sheet date, for which four subordination agreements are in place. As of December 31, 2023, these are in the low double-digit million range. The likelihood of utilisation as of the balance sheet date is low.

The loan loss provisions for expected losses on other receivables and other assets have developed as follows in the financial year:

Development of loan loss provisions pursuant to IFRS 9 2023

All figures in €'000	Stage 2	Stage 3	Total
As of Jan. 1, 2023	**3,931**	**10,369**	**14,300**
Changes to the scope of consolidation	-	-	-
Allocation	1,567	1,263	2,831
Disposals	-3,311	-2,547	-5,858
of which usage	-167	-1,133	-1,300
of which reversal	-3,144	-1,414	-4,558
As of Dec. 31, 2023	**2,187**	**9,086**	**11,273**

Development of loan loss provisions pursuant to IFRS 9 2022

All figures in €'000	Stage 2	Stage 3	Total
As of Jan. 1, 2022	**2,489**	**2,647**	**5,136**
Changes to the scope of consolidation	-	-	-
Allocation	2,006	8,116	10,122
Disposals	-565	-393	-958
of which usage	-196	-185	-380
of which reversal	-370	-209	-578
As of Dec. 31, 2022	**3,931**	**10,369**	**14,300**

MLP uses the simplified approach described in IFRS 9.5.5.15 to determine the loan loss provisions on anticipated losses from other receivables. Based on this, these receivables are already assigned to Stage 2 during initial recognition and no estimate is performed regarding a significant increase of the credit risk. If the assets display any objective indications of credit impairments, they are transferred to Stage 3.

MLP uses a loss rate approach to determine the losses anticipated throughout the entire term of the contract. Here, historical credit default rates are determined for defined portfolios with the same risk characteristics. The anticipated losses are estimated on the basis of historical losses.

In cases where MLP institutes enforcement or where insolvency proceedings are imminent or have already started, receivables are written down based on empirical values. The same applies to receivables which are disputed and where legal action is pending.

Taking into account direct write-offs of €836 thsd (previous year: €132 thsd), allocations of €2,831 thsd (previous year: €10,122 thsd) and reversals of €4,558 (previous year: €578 thsd) recognised in income resulted in a net loan loss provision of €892 thsd in the reporting year (previous year: €9,676 thsd). The allocations in Stage 3 are largely attributable to the Financial Consulting and Deutschland.Immobilien segments. As of December 31, 2023, the total volume of receivables recognised in Stage 2 is €198,749 thsd (previous year: €187,055 thsd). An impairment loss of €2,187 thsd (previous year: €3,931 thsd) was recognised for this. As of December 31, 2023, the total volume of receivables recognised in Stage 3 is €9,335 thsd (previous year: €14,544 thsd). There are objective indications of an impairment or default status for these receivables. An impairment loss of €9,086 thsd was recognised for this (previous year: €10,369 thsd).

Additional disclosures on other receivables and assets can be found in Note 38.

30. Cash and cash equivalents

All figures in €'000	Dec. 31, 2023	Dec. 31, 2022
Bank deposits and cash on hand	90,164	95,501
Deposits at Deutsche Bundesbank	963,752	865,731
Total	**1,053,916**	**961,231**

All cash and cash equivalents are assigned to Stage 1 and do not contain any holdings with increased default risk. As was the case in previous years, cash and cash equivalents include deposits at the Deutsche Bundesbank. Changes in cash and cash equivalents during the financial year are shown in the statement of cash flow.

31. Shareholders' equity

All figures in €'000	Dec. 31, 2023	Dec. 31, 2022
Share capital	109,335	109,335
Treasury stock	-1	-47
Share capital	**109,333**	**109,288**
Capital reserves	149,623	150,052
Retained earnings	279,575	268,038
Statutory reserves	3,129	3,129
Other retained earnings and net profit	283,189	268,536
Gains/losses from changes in the fair value of financial assets	638	16
Revaluation gains/losses related to defined benefit obligations after taxes	-7,381	-3,642
Equity attributable to MLP SE shareholders	**538,531**	**527,379**
Non-controlling interests	**-6,326**	**-1,855**
Total shareholders' equity	**532,205**	**525,524**

Share capital

As of December 31, 2023, the share capital of MLP SE is made up of 109,333,358 (previous year: 109,288,088) no-par-value shares with a par value of €1 per share. 509,920 own shares were acquired in the financial year. These will be issued to MLP consultants and branch office managers within the scope of a share-based payment.

Authorised capital

A resolution passed by the Annual General Meeting on June 2, 2022 authorised the Executive Board, with the consent of the Supervisory Board, to increase the company's share capital by up to €21,500,000 in exchange for cash or non-cash contributions on one or more occasions until June 1, 2027.

Acquisition of treasury stock

The Annual General Meeting on June 24, 2021 authorised the Executive Board to buy back own shares on one or more occasions with a pro rata amount of capital stock represented by such shares of up to €10,933,468 until June 23, 2026. This corresponds to slightly less than 10% of the share capital at the time of the resolution. On December 15, 2022, the Executive Board at MLP SE approved a share buyback, which was carried out by MLP Finanzberatung SE. The shares were to be used exclusively for share-based payments in 2023 under the 2022 participation programme. As of the balance sheet date, MLP Finanzberatung SE holds a residual number of 1,328 MLP SE shares (previous year: 46,598 MLP SE shares) with a nominal amount of €1. Due to the dedicated use and short holding period of the shares, the company elected not to disclose detailed information as per §160 (1) No. 2 of the German Stock Corporation Act (AktG). For further details, please refer to Note 36.

The share buyback for the 2023 participation programme will start in 2024.

Capital reserves

The capital reserves include increases/decreases in capital stock in MLP SE from previous years. The capital reserves are subject to the restraints on disposal as per § 150 of the German Stock Corporation Act (AktG). The change in capital reserves in the financial year is the result of recording share-based payment in line with IFRS 2. For further details, please refer to Note 36.

Other retained earnings and net profit

Other retained earnings comprise retained earnings of the MLP Group and a reserve for treasury shares of €566 thsd (previous year: €682 thsd).

Gains/losses from changes in the fair value of financial assets

The retained earnings contain gains or losses from the fair value measurement of equity instruments (FVOCI) of €648 thsd (previous year: €23 thsd) and deferred taxes attributable to these of €10 thsd (previous year: €7 thsd).

Revaluation gains/losses related to defined benefit obligations after taxes

The retained earnings contain losses from the revaluation of defined benefit obligations of €10,474 thsd (previous year: €5,175 thsd) and deferred taxes attributable to these of €3,093 thsd (previous year: €1,533 thsd).

Non-controlling interests

Non-controlling interests comprise minority interests held by third parties in the equity of subsidiaries MLP SE.

Appropriation of profits from the previous year

In the financial year, a dividend of €32,800 thsd was paid. This corresponds to €0.30 per share.

Proposed appropriation of profit

The Executive Board and Supervisory Board of MLP SE will propose a dividend of €32,800 thsd (previous year: €32,800 thsd) for the financial year 2023. This corresponds to €0.30 (previous year: €0.30) per share.

32. Provisions

Pension provisions

At MLP, executive members of staff have been granted direct pension benefits subject to individual contracts in the form of defined benefit plans which guarantee the beneficiaries the following pension payments:

- Old-age pension upon reaching 60, 62 or 65 years of age
- Disability pension
- Widow’s and widower's pension of 60% of the pension of the original recipient
- Orphan’s benefit of 10% of the pension of the original recipient.

The benefit obligations are partially financed through reinsurance policies, which essentially fulfil the prerequisites of pension scheme assets.

The defined benefit obligation for retirement income, funded only by means of provisions, amounts to €14,001 thsd (previous year: €12,697 thsd). Reinsurance policies are in place for all other pension obligations (defined benefit obligation of €29,561 thsd; previous year: €26,032 thsd).

The change in net liability from defined benefit plans is summarised in the following table:

All figures in €'000	Defined benefit obligation		Fair value of pension scheme assets		Net liability from defined benefit plans	
	2023	2022	2023	2022	2023	2022
As of Jan. 1	**38,135**	**58,097**	**-27,231**	**-26,852**	**10,904**	**31,245**
Current service cost	268	422	-	-	268	422
Past service cost	-	-	-	-	-	-
Interest expenses (+)/ income (-)	1,436	578	-1,054	-274	382	304
Recognised in profit or loss	1,704	1,000	-1,054	-274	650	726
Actuarial gains (-)/ losses (+) from:						
financial assumptions	3,371	-16,439	-	-	3,371	-16,439
experience adjustments	1,608	-2,809	-	-	1,608	-2,809
Gains (-)/ losses (+) from pension scheme assets without amounts recognised as interest income	-	-	320	-256	320	-256
Gains (-)/ losses (+) from revaluations*	**4,979**	**-19,248**	**320**	**-256**	**5,299**	**-19,504**
Contributions paid by the employer	-	-	-602	-643	-602	-643
Payments made	-1,850	-1,715	799	794	-1,051	-921
Other	**-1,850**	**-1,715**	**197**	**152**	**-1,654**	**-1,563**
As of Dec. 31	**42,968**	**38,135**	**-27,769**	**-27,231**	**15,199**	**10,904**

*Recognised in other comprehensive income

In addition to this, one asset value of €187 thsd (previous year: €236 thsd) does not satisfy the prerequisite for pension scheme assets as per IAS 19. To this end, matching coverage has been capitalised.

In total, €6,251 thsd (previous year: €5,219 thsd) of net liabilities recognised in the balance sheet are attributable to members of the Executive Board that were active on the reporting date.

With regard to net pension provisions, payments of €1,914 thsd are anticipated for 2024 (previous year: €1,878 thsd). Some €1,114 thsd of this total (previous year: €1,083 thsd) is attributable to direct, anticipated pension payments of the company, while €801 thsd (previous year: €794 thsd) is attributable to anticipated premiums for reinsurance policies.

Actuarial calculations incorporate the following assumptions:

	2023	2022
Assumed interest rate	3.20%	3.80%
Anticipated annual pension adjustment	2.2%/3.0%	2.2%/3.0%

The assumptions made regarding future mortality are based on published statistics and mortality tables (2018 G Heubeck mortality tables).

On December 31, 2023, the weighted average term of defined benefit obligations was 18 years (previous year: 18 years).

Sensitivity analysis

If the other assumptions all remained the same, changes to one of the key actuarial assumptions, which would have been realistically possible on the closing date, would have influenced the defined benefit obligations by the following amounts:

All figures in €'000	Change of parameter	Reduction/ increase of defined obligation
	0.5%	-2,839
Assumed interest rate	-0.5%	3,172
	0.5%	2,986
Pension trend	-0.5%	-2,711
Mortality	80.0%	1,558

In order to define the sensitivity of mortality, all mortality rates stated in the mortality table were reduced to 80%. By extending life expectancy, this leads to an increase in the scope of defined benefit obligations. Although the analysis does not take into account the full distribution of anticipated cash flow based on the plan, it does provide an approximation of the sensitivity of the assumptions presented. A staff turnover of 0% was taken into account in the calculation.

Alongside defined benefit plans, defined contribution plans are also in place. With these types of plans the company pays premiums to state or private pension insurance institutions in line with legal or contractual regulations or on a voluntary basis. The regular premiums paid for employees are disclosed as personnel expenses. In the financial year 2023 they total €10,996 thsd (previous year: €14,716 thsd).

Other provisions are made up as follows:

All figures in €'000	Dec. 31, 2023			Dec. 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
Cancellation risks	15,515	22,730	38,245	14,456	20,533	34,989
Bonus schemes	29,610	641	30,251	31,347	-	31,347
Litigation risks/ costs	877	7,007	7,883	890	6,906	7,796
Anniversaries	230	2,559	2,789	213	2,464	2,677
Share-based compensation	-	-	-	1,308	-	1,308
Claim settlement contributions/commission reductions	653	-	653	1,195	-	1,195
Provisions for off-balance-sheet transactions	330	560	889	579	198	777
Economic loss	369	-	369	736	-	736
Phased retirement	331	422	753	349	370	719
Rent	-	-	-	31	-	31
Other	5,307	1,875	7,182	3,912	1,203	5,115
Total	**53,221**	**35,794**	**89,015**	**55,016**	**31,673**	**86,689**

Other provisions have changed as follows:

All figures in €'000	Jan. 1, 2023	Utilisa-tion	Reversal	Com-pounding / Discounting	Allocation	Addition to the scope of con-solidation	Netting	Dec. 31, 2023
Cancellation risks	34,989	-13,632	-	22	16,866	-	-	38,245
Bonus schemes	31,347	-28,238	-1,874	-	29,016	-	-	30,251
Litigation risks/ costs	7,796	-158	-	100	145	-	-	7,883
Anniversaries	2,677	-213	-	218	107	-	-	2,789
Share-based compensation	1,308	-1,287	-39	-	18	-	-	-
Claim settlement contributions/commission reductions	1,195	-629	-292	-	379	-	-	653
Provisions for off-balance-sheet transactions	777	-	–676	-	788	-	-	889
Economic loss	736	-248	-194	-	74	-	-	369
Phased retirement	719	-377	-	6	407	-	-	753
Rent	31	-15	-15	-	-	-	-	-
Other	5,115	-3,119	-120	-1	9,468	-	-4,162	7,182
Total	**86,689**	**-47,916**	**-3,210**	**346**	**57,267**	**-**	**-4,162**	**89,015**

The provisions for cancellation risks allow for the risk of having to refund earned commissions due to a premature loss of brokered insurance policies. Should this be the case, commissions already paid will be reclaimed from MLP consultants and branch office managers. See Note 29 for further details regarding reimbursement rights resulting from recourse claims.

Provisions for bonus schemes are recognised for client support commissions and incentive agreements for MLP consultants and branch office managers.

Provisions for litigation risks/costs are recognised to cover any remaining points relating to the purchase price settlement in connection with the acquisition of the DI Group and other risks as a result of current or pending litigation and legal disputes.

Special provisions are established for jubilee benefits for members of staff. The actuarial calculations are based on an assumed interest rate of 3.2% (previous year: 3.8%).

Provisions for share-based payments are recognised for incentive agreements and for profit-sharing schemes for Executive Board members, employees, MLP consultants and branch office managers.

Due to contractual obligations towards insurance companies, provisions for claim settlement contributions/ commission reductions are to be recognised in accordance with the current estimate of the development of claims and premiums of in-force portfolios.

Provisions for off-balance sheet transactions comprise, as was the case in the previous year, provisions for off-balance sheet transactions of €476 thsd (previous year: €777 thsd) as well as loan loss provisions of €413 thsd (previous year: €0 thsd) for a surety that was granted in 2023 by MLP Finanzberatung SE to a project enterprise of the DI Group but had not yet been utilised as of the balance sheet date. Pursuant to IFRS 9, a loan loss provision must be formed for this off-balance sheet transaction.

Provisions for economic loss due to liability risks are offset by claims for reimbursement from liability insurance policies with a value of €351 thsd (previous year: €399 thsd).

The provision for phased retirement is established for obligations resulting from partial retirement agreements.

Other provisions are recognised, inter alia, for obligations in connection with incentive trips. This item also comprises provisions for contingent losses of €883 thsd (previous year: €166 thsd) for contingent losses due to the real estate development business of the Deutschland.Immobilien Group.

The provisions classed as short-term are likely to be utilised within the next financial year. Payments for long-term provisions are essentially likely to be incurred within the next 2 to 50 years.

Provisions for off-balance sheet transactions have changed as follows in the financial year:

All figures in €'000	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL - not impaired)	Stage 3 (lifetime ECL - impaired credits)	Total
As of Jan. 1, 2023	**261**	**176**	**341**	**778**
Transfer to Stage 1	2	-2	0	-
Transfer to Stage 2	-61	61	0	-
Transfer to Stage 3	-0	-4	5	-
Allocation	512	105	112	728
of which newly acquired or issued financial assets	78	38	-	116
of which existing business	433	67	112	612
Disposals	-132	-142	-343	-617
of which usage/consumption	-	-	-	-
of which reversals	-132	-142	-343	-617
As of Dec. 31, 2023	**580**	**193**	**115**	**889**

Provisions for off-balance sheet transactions have changed as follows in the previous year:

All figures in €'000	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL - not impaired)	Stage 3 (lifetime ECL - impaired credits)	Total
As of Jan. 1, 2022	**371**	**442**	**185**	**998**
Transfer to Stage 1	12	-12	-	-
Transfer to Stage 2	-8	9	-	-
Transfer to Stage 3	-	-3	-4	-
Allocation	117	117	278	512
of which newly acquired or issued financial assets	88	72	-	160
of which existing business	29	45	278	352
Disposals	-231	-376	-126	-733
of which usage/consumption	-	-	-	-
of which reversals	-231	-376	-126	-733
As of Dec. 31, 2022	**261**	**176**	**341**	**778**

33. Liabilities due to banking business

This summary includes the balance sheet items Liabilities due to clients in the banking business and Liabilities due to banks in the banking business.

All figures in €'000			Dec. 31, 2023			Dec. 31, 2022
	Current	Non-current	Total	Current	Non-current	Total
Liabilities due to clients	2,544,410	220,214	2,764,624	2,627,838	5,644	2,633,482
Liabilities due to banks	3,542	137,069	140,611	3,852	133,182	137,035
Total	**2,547,953**	**357,283**	**2,905,235**	**2,631,690**	**138,826**	**2,770,517**

Liabilities of €23,797 thsd due to clients from savings deposits with an agreed notice period of three months were in place as of December 31, 2023 (previous year: €28,942 thsd).

The liabilities due to clients or due to other banks do not comprise any large individual items.

Further information on liabilities due to banking business is disclosed in Notes 38 and 39.

34. Other liabilities

All figures in €'000		Dec. 31, 2023			Dec. 31, 2022	
	Current	Non-current	Total	Current	Non-current	Total
Liabilities due to banks and lenders	6,406	60,523	66,929	11,316	70,859	82,175
Liabilities due to MLP consultants and branch office managers	51,563	8,984	60,547	54,141	13,957	68,098
Leasing liabilities	12,269	45,279	57,548	11,905	43,257	55,162
Trade accounts payable	47,164	-	47,164	44,475	-	44,475
Liabilities due to underwriting business	39,495	-	39,495	31,421	-	31,421
Personnel-related liabilities	25,524	5,649	31,173	30,821	6,027	36,848
Liabilities due to other taxes	9,177	-	9,177	5,360	-	5,360
Contract liabilities	318	-	318	-	-	-
Liabilities due to social security contributions	187	-	187	18	-	18
Purchase price liabilities	-	-	-	1,523	-	1,523
Other liabilities	23,951	4,510	28,461	23,612	4,405	28,017
Total	**216,054**	**124,946**	**341,000**	**214,592**	**138,505**	**353,097**

The liabilities due to banks and creditors include borrowings of MLP Finanzberatung SE and the Deutschland.Immobilien Group.

Liabilities due to MLP consultants and branch office managers represent unsettled and future commission claims. Usually they are non-interest-bearing and due on the 15th of the month following the settlement with the insurance company.

Leasing liabilities of €57,548 thsd (previous year: €55,162 thsd) include liabilities for lease payments on real estate of €54,507 thsd (previous year: €52,492 thsd), liabilities for lease payments on vehicles of €2,848 thsd (previous year: €2,380 thsd) and liabilities for lease payments for operating and office equipment of €194 thsd (previous year: €290 thsd). The total outflow of cash and cash equivalents for leases was €14,601 thsd in the financial year 2023 (previous year: €13,841 thsd).

Liabilities from the underwriting business include collection liabilities due to insurance companies, open third-party commission claims, as well as liabilities from claims settlement.

Other liabilities essentially comprise deferred obligations of €13,784 thsd (previous year: €7,922 thsd), deferred income of €8,614 thsd (previous year: €8,878 thsd) and commissions withheld from MLP consultants for cancellations of €3,113 thsd (previous year: €2,918 thsd). Commissions withheld are charged with interest. Their term is mainly indefinite.

MLP has agreed-upon and non-utilised lines of credit amounting to €209,633 thsd (previous year: €201,340 thsd).

Further disclosures on other liabilities can be found in Note 37 and 38.

Contract liabilities relating to DI projects developed as follows:

All figures in €'000	2023	2022
As of Jan. 1	**-**	**-**
Payments received	2,602	-
Changes to the scope of consolidation	-2,284	-
As of Dec. 31	**318**	**-**

35. Notes to the statement of cash flow

Reconciliation statement of liabilities from financing activities

All figures in €'000	Jan. 1, 2023	Cash-effective changes	Non-cash-effective changes	Dec. 31, 2023
Liabilities from the assumption of financing loans	69,650	-8,604	2,955	64,001
Leasing liabilities	55,162	-14,601	16,986	57,548
Total	**124,813**	**-23,205**	**19,942**	**121,549**

Liabilities from financing activities essentially comprise non-current liabilities from the assumption of financing loans of €64,001 thsd (previous year: €69,650 thsd) and leasing liabilities of €57,548 thsd (previous year: €55,162 thsd). The change in liabilities resulting from the utilisation of financing loans of €5,649 thsd comprises cash-relevant utilisations less redemptions, as well as interest paid of -€8,604 thsd and non-cash interest of €2,955 thsd. The change in leasing liabilities of €2,386 thsd contains cash-relevant repayments of leasing liabilities of -€14,601 thsd, as well as other changes resulting from new leases and interest rate effects of €16,986 thsd.

Cash and cash equivalents with a term to maturity of not more than three months are recorded under cash and cash equivalents. Cash equivalents are short-term financial assets which can be converted into cash at any time and which are only subject to minor value fluctuation risks.

Cash and cash equivalents

All figures in €'000	Dec. 31, 2023	Dec. 31, 2022
Cash and cash equivalents	1,053,916	961,231
Liabilities to banks due on demand (excluding the banking business)	-	-3,592
Cash and cash equivalents	**1,053,916**	**957,640**

Receivables of MLP Banking AG due from banks are included in cash and cash equivalents, insofar as they are separable as own-account investing activities. Inseparable elements are allocated to the operating business of the Banking business segment and therefore to cash flow from operating activities. All deposits at the Deutsche Bundesbank are disclosed under cash and cash equivalents.

36. Share-based compensation

Participation programme

The participation programme with cash settlement for branch office managers, MLP consultants and employees was launched in 2008 and came to an end in 2022 with payment of the final tranche in 2023.

All figures in €'000	Tranche 2009	Tranche 2010	Tranche 2011	Total
Holdings as of Jan. 1, 2023 (units)	-	-	84,844	84,844
SARs expired in 2023 (units)	-	-	-	-
Paid out in 2023 (units)	-	-	-84,844	-84,844
Holdings as of Dec. 31, 2023 (units)	-	-	-	-
Expenses recognised in 2023 (€'000)	-	-	18	18
Income recognised in 2023 (€'000)	-	-	-39	-39
	-	-	-21	-21
Expenses recognised in 2022 (€'000)	-	-	9	9
Income recognised in 2022 (€'000)	-	-95	-731	-826
	-	-95	-722	-817
Provision as of Dec. 31, 2022 (€'000)	-	-	1,311	1,311
Provision as of Dec. 31, 2023 (€'000)	-	-	-	-

The expense and the provision from the participation programme were recognised pro rata temporis throughout the individual phases (vesting period). The provision was measured at fair value through profit or loss. The provision accrued on the respective closing date depended on the price of the MLP SE share, the number of SARs issued and the length of the remaining vesting period.

The participation programme for MLP consultants and MLP branch office managers was launched in 2017. Its objective was to extend recognition of extraordinary and sustainable performance, as well as the performance and client focus of MLP consultants and MLP branch office managers, while also making a contribution to keeping high performers both motivated and loyal to the company. Set against this background MLP consultants and MLP branch office managers are to be enabled to acquire shares in MLP SE within the scope of the participation programme and in line with its conditions without having to make any additional payments.

Assuming all eligibility requirements are met, those MLP consultants entitled to participate are each granted a number of bonus shares, determined pursuant to the provisions of the participation programme (taking into account income tax effects where applicable). This number is calculated by dividing the "bonus amount" by the average closing price of the MLP SE share. The "bonus amount" is calculated on the basis of the MLP consultant's annual commission, as well as various performance factors. The key average closing auction price used for determining the number of bonus shares to be awarded is the arithmetic mean of the closing auction prices of the MLP SE share in XETRA trading on the Frankfurt Stock Exchange (or a comparable successor system that replaces XETRA) in the reference period comprising all trading days on the Frankfurt Stock Exchange from the start of January up to and including March 2023. In the financial year, 650,062 shares were issued (previous year: 483,520). An expense of €2,896 thsd (previous year: €3,325 thsd) was recognised for the 2023 bonus amount in the consolidated financial statements with a reserve-increasing effect.

37. Contingent assets and liabilities, as well as other liabilities

As it is composed of companies operating in different lines of business, MLP is exposed to a variety of legal risks. These include, in particular, risks in the fields of warranty, taxes and litigation. The outcome of currently pending or future legal actions cannot be forecast with any degree of certainty and it follows that expenses could be incurred as a result of unexpected decisions, which has not been fully covered by loan loss provisions or insurance policies and which is liable to have a material impact on the business and its results. In MLP's opinion, decisions producing a major negative effect on the net assets, financial position and results of operations at the Group's expense are not anticipated with regard to the currently pending legal actions.

Reinsurance has been arranged for benefit obligations for branch office managers. Final liability for the benefit obligation lies with MLP in accordance with § 1 (1) Sentence 3 of the German Company Pension Law (BetrAVG). MLP does not currently anticipate any financial consequences as a result of this.

MLP Banking AG is a member in the Depositors' Guarantee Fund of the Association of German Banks (BdB e.V.), Berlin, and in the Compensation Scheme of German Banks (EdB GmbH), also in Berlin. Obligations to make additional payments could potentially arise from the allocation obligation here.

On the balance sheet date, there are €2,096 thsd (previous year: €2,602 thsd) in contingent liabilities on account of sureties and warranties (face value of the obligation) and irrevocable credit commitments (contingent liabilities) of €131,137 thsd (previous year: €123,359 thsd). In addition to this, MLP Finanzberatung SE took on a surety of €15,000 thsd in the financial year for a loan liability of a project enterprise of the Deutschland.Immobilien Group. In terms of sureties and warranties, any utilisation remains unlikely as in the past. The irrevocable credit commitments are generally utilised. Furthermore, within the scope of real estate sales, MLP had undertaken to acquire the residential units in four real estate projects that had not been sold by a contractually agreed date. For three of these five real estate projects, the corresponding unsold residential units were transferred to inventory assets as of June 30 and July 1, 2023 respectively. This led to cash outflow of €4,442 thsd in July. In the case of a real estate project, there was no longer any obligation to purchase, due to the complete sale of the residential units by June 30, 2023. In the case of one other real estate project, as was the case at the end of 2022, no significant outflow of cash is expected.

As of the balance sheet date, other financial commitments were as follows:

All figures in €'000	Up to 1 year	1 – 5 years	>5 years	Total
Licence contracts	22,299	24,908	-	47,207
Outsourcing IT technology	24,314	7,176	-	31,490
Commitment due to the construction project for the RVM Group's administration building	10,419	9,956	-	20,375
Project development for ongoing building projects	18,715	-	-	18,715
Purchase commitments	13,606	-	-	13,606
Other obligations	6,107	2,326	-	8,433
Land purchases contracted under a condition precedent	-	-	-	-
Total	**95,460**	**44,366**	**-**	**139,826**

As of December 31, 2022, other financial commitments were as follows:

All figures in €'000	Up to 1 year	1 – 5 years	>5 years	Total
Licence contracts	21,069	38,875	261	60,205
Outsourcing IT technology	23,847	20,959	-	44,806
Project development for ongoing building projects	43,115	-	-	43,115
Purchase commitments	10,031	-	-	10,031
Other obligations	6,003	2,596	111	8,710
Land purchases contracted under a condition precedent	5,348	-	-	5,348
Total	**109,413**	**62,429**	**372**	**172,215**

Lease contracts concluded in the financial year 2023 which were not included in the leasing liability as of December 31, 2023, as the lease only commences in the following year, will lead to future outflows of cash and cash equivalents of €305 thsd (previous year: €2,419 thsd).

38. Additional information on financial instruments

Classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their (hierarchical) tiers, are grouped into financial instrument classes and categories as shown in the following tables.

							Dec. 31, 2023
	Carrying amount					Fair value	No financial instruments according to IFRS 9
All figures in €'000		Carrying amount corresponds to fair value	Stage 1	Stage 2	Stage 3	Total	
Financial assets at fair value through profit or loss (FVPL)	**18,970**	**265**	**423**	**5,037**	**13,244**	**18,970**	**-**
Financial assets (structured bonds)	5,037	-	-	5,037	-	5,037	-
Financial assets (investment fund shares)	1,958	-	423	-	1,535	1,958	-
Investments	4,081	265	-	-	3,816	4,081	-
Investments in non-consolidated subsidiaries	5,241	-	-	-	5,241	5,241	-
Shares in associates (not at equity)*	2,652	-	-	-	2,652	2,652	-
Financial assets measured at fair value (FVOCI)	**2,632**	**-**	**2,632**	**-**	**-**	**2,632**	**-**
Equity instruments(FVOCI)	2,632	-	2,632	-	-	2,632	-
Financial assets measured at amortised cost (AC)	**3,434,102**	**1,531,886**	**103,387**	**700,662**	**979,356**	**3,315,291**	**40,696**
Receivables from banking business – clients	1,230,989	132,670	-	-	979,356	1,112,026	-
Receivables from banking business – banks	779,074	117,195	-	666,679	-	783,874	-
Financial assets (fixed and time deposits)	10,068	10,068	-	-	-	10,068	-
Financial assets (loans)	10,007	10,007	-	-	-	10,007	-
Financial assets (bonds)	142,018	-	103,387	33,983	-	137,370	-
Other receivables and assets	208,030	208,030	-	-	-	208,030	40,696
Cash and cash equivalents	1,053,916	1,053,916	-	-	-	1,053,916	-
Financial liabilities measured at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other liabilities	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost	**3,185,518**	**2,801,419**	**-**	**367,346**	**-**	**3,168,765**	**59,641**
Liabilities due to banking business – clients	2,764,624	2,520,613	-	244,239	-	2,764,852	-
Liabilities due to banking business – banks	140,611	523	-	123,107	-	123,630	-
Other liabilities	280,283	280,283	-	-	-	280,283	59,641
Sureties and warranties*	**2,096**	**2,096**	**-**	**-**	**-**	**2,096**	
Irrevocable credit commitments *	**131,137**	**131,137**	**-**	**-**	**-**	**131,137**	

*Off balance sheet items. Nominal value before loan loss provision.

All figures in €'000	Carrying amount	Fair value: Carrying amount corresponds to fair value	Fair value: Stage 1	Fair value: Stage 2	Fair value: Stage 3	Fair value: Total	Dec. 31, 2022 No financial instruments according to IFRS 9
Financial assets at fair value through profit or loss (FVPL)	**33,417**	**270**	**325**	**9,912**	**22,910**	**17,496**	**-**
Financial assets (structured bonds)	9,912	-	-	9,912	-	9,912	-
Financial assets (investment fund shares)	3,107	-	325	-	2,782	3,107	-
Investments	4,477	270	-	-	4,207	4,477	-
Investments in non-consolidated subsidiaries	13,355	-	-	-	13,355	-	-
Shares in associates (not at equity)*	2,566	-	-	-	2,566	-	-
Financial assets measured at fair value (FVOCI)	**2,006**	**-**	**2,006**	**-**	**-**	**2,006**	**-**
Equity instruments(FVOCI)	2,006	-	2,006	-	-	2,006	-
Financial assets measured at amortised cost (AC)	**3,272,760**	**1,480,425**	**95,732**	**646,997**	**863,558**	**3,086,713**	**36,854**
Receivables from banking business – clients	1,149,294	119,958	-	-	863,558	983,516	-
Receivables from banking business – banks	753,225	120,762	-	620,115	-	740,878	-
Financial assets (fixed and time deposits)	67,605	67,605	-	-	-	67,605	-
Financial assets (loans)	9,993	9,993	-	-	-	9,993	-
Financial assets (bonds)	130,536	-	95,732	26,881	-	122,614	-
Other receivables and assets	200,875	200,875	-	-	-	200,875	36,854
Cash and cash equivalents	961,231	961,231	-	-	-	961,231	-
Financial liabilities measured at fair value	1,523	-	-	-	1,523	1,523	-
Other liabilities	1,523	-	-	-	1,523	1,523	-
Financial liabilities measured at amortised cost	**3,055,303**	**2,883,885**	**-**	**146,165**	**-**	**3,030,050**	**64,759**
Liabilities due to banking business – clients	2,633,482	2,598,896	-	32,899	-	2,631,794	-
Liabilities due to banking business – banks	137,035	202	-	113,267	-	113,469	-
Other liabilities	284,787	284,787	-	-	-	284,787	64,759
Sureties and warranties*	**2,602**	**2,602**	**-**	**-**	**-**	**2,602**	
Irrevocable credit commitments *	**123,359**	**123,359**	**-**	**-**	**-**	**123,359**	

*Off balance sheet items. Nominal value before loan loss provision.

Cash and cash equivalents, receivables and liabilities due to banking business without agreed terms to maturity, trade receivables, from companies in which the Group holds an interest and other assets all predominantly have short terms to maturity. Their carrying amounts on the balance sheet date are therefore almost identical to the fair values. The same applies to the trade accounts payable. For some investments, the acquisition costs represent a reasonable estimate of fair value. As of the balance sheet date there is no indication of fair values being lower than carrying amounts. There are also no plans to dispose of these investments.

On the reporting date, MLP held financial guarantees valued pursuant to IFRS 9 in the form of sureties and warranties of €2,096 thsd (previous year: €2,602 thsd). These financial guarantees are measured on the basis of the impairment provisions defined in IFRS 9. Impairments of €425 thsd (previous year: €24 thsd) resulting from this are disclosed under other provisions.

Determining fair value

Insofar as there is an active market for financial assets and financial liabilities, the prices of the market with the greatest trading volume on the closing date are used as the basis for determining the fair value.

In the case of investment shares, the redemption prices published by the capital management companies correspond to the fair value. If there is no active market on the closing date, the fair value is determined using recognised valuation models.

For shares in private equity companies that are disclosed under financial investments and holdings, the fair value is determined on the basis of the so-called net asset values of the respective investments as at the balance sheet date, which are determined and provided by the capital and fund management companies. For private equity companies with variable returns, the measurement is performed in line with the International Private Equity and Venture Capital (IPEV) Valuation Guidelines under the assumption of a full liquidation hypothesis.

For equity instruments of financial investments not listed on an active market, the fair value is generally determined on the basis of the gross rental method using non-observable parameters such as beta factors or risk-equivalent discount interest rates. If it is not possible to reliably determine the fair value, in particular due to a lack of necessary data on earning projections, equity instruments not listed on an active market are recognised at their acquisition costs, minus any impairments. As of the balance sheet date there is no indication of fair values being lower than carrying amounts. There are also no plans to dispose of these investments.

The valuation model for assets and liabilities assigned to tier 2 takes into account the present value of the anticipated future cash inflows/outflows throughout the remaining term, which are discounted using a risk-free discount rate. The discount rate is based on the current yield curve. The anticipated cash flows are adjusted for the effects of credit and default risks. When determining the fair value of financial investments, on the other hand, the discount rate is adjusted to include a credit spread.

The table below shows the valuation techniques that were used to determine tier 3 fair values, as well as the significant, non-observable input factors applied:

Type	Valuation technique	Significant, non-observable input factors	Relationship between significant, non-observable input factors and measurement at fair value
Receivables from banking business – clients with agreed maturity	The valuation model takes into account the present value of the anticipated future cash inflows/outflows throughout the remaining term, which are discounted using a risk-free discount rate. The discount rate is based on the current yield curve. Credit and default risks, administration costs and expected return on equity are taken into account when determining future cash flows.	Adjustment of cash flows by: • credit and counterparty default risks • administration costs • expected return on equity	The estimated fair value would increase (decrease) if: • the credit and default risk were to fall (rise) • the admin costs were to fall (rise) • the expected return on equity were to fall (rise).
Determining the fair value of private equity investments with variable returns	As per the IPEV Valuation Guidelines, measurement is performed at the net asset value under the assumption of a full liquidation hypothesis.	Net asset values of the respective investments	Direct correlation between change in net asset value and fair value
Determining the fair value of private equity investments	Measurement at the pro rata net asset value	Net asset values of the respective investments	Direct correlation between change in net asset value and fair value
Determination of fair value for non-consolidated investments and associated companies not accounted for using the equity method	Equity approach as part of a (simplified) DCF process	Development of sales revenue and earnings for the planning period	The fair value would increase (decrease) if the planned revenue and earnings were exceeded (not met).

Net gains and losses from financial instruments are distributed among the categories for financial assets and financial liabilities at the amounts specified:

All figures in €'000	2023	2022
Assets measured at amortised cost	69,439	9,524
Assets measured at fair value (FVTPL)	878	6,872
Assets measured at fair value (FVOCI)	648	23
Liabilities measured at amortised cost	-21,720	-2,173
Liabilities measured at fair value (FVTPL)	-288	-1,805
Liabilities measured at fair value (FVOCI)	-	-

Net gains or net losses comprise gains and losses on fair value measurement through profit or loss, impairment losses and reversals of impairment losses, and gains and losses on the sale of the financial instruments concerned.

These items also include interest income and expenses, as well as dividends and income from financial assets derecognised in their entirety.

For financial instruments that were not measured at fair value through profit or loss, interest income of €44,038 thsd (previous year: €19,614 thsd) and interest expenses of €21,720 thsd (previous year: €3,757 thsd) were incurred.

For impairment losses, we refer to the note on the items "Receivables from the banking business", "Other receivables and assets" and "Financial investments". Commission income and expenses that were not included in the process for determining the effective interest rate can primarily be attributed to early repayment penalties to a negligible extent.

The maximum default risk of the financial instruments held by MLP corresponds to the carrying amount.

39. Financial risk management

With the exception of the disclosures in line with IFRS 7.35-39 (b), the disclosures on the type and severity of risks resulting from financial instruments (IFRS 7.31-42) are included in the risk report of the joint management report and in Note 37.

In the maturity analysis below, contractual cash inflows are shown with a plus-sign and contractual cash outflows with a minus-sign. For financial guarantees and credit commitments, the potential outflow of cash and cash equivalents is disclosed. The contractually agreed maturities do not correspond to the inflows and outflows of cash and cash equivalents actually expected – in particular in the case of the financial guarantees and credit commitments. Management of the default and liquidity risk is disclosed in the risk report of the joint management report. The tables below show the maturity structure of financial liabilities with their contractual terms to maturity:

Total cash flow (principal and interest) in €'000 as of Dec. 31, 2023

	Due on demand	Up to 1 year	1 to 5 years	More than 5 years	Total
Financial liabilities	**2,514,648**	**449,857**	**186,528**	**84,635**	**3,235,668**
Liabilities due to banking business – clients	2,511,042	231,924	7,467	3,625	2,754,058
Liabilities due to banking business – banks	3,606	1,880	54,115	81,010	140,611
Other liabilities	-	203,784	79,667	-	283,451
Leasing liabilities	-	12,269	45,279	-	57,548
Financial guarantees and credit commitments	**133,233**	**-**	**-**	**-**	**133,233**
Sureties and warranties	2,096	-	-	-	2,096
Irrevocable credit commitments	131,137	-	-	-	131,137
Total	**2,647,881**	**449,857**	**186,528**	**84,635**	**3,368,901**

Total cash flow (principal and interest) in €'000 as of Dec. 31, 2022

	Due on demand	Up to 1 year	1 to 5 years	More than 5 years	Total
Financial liabilities	**2,605,620**	**237,867**	**188,956**	**78,524**	**3,110,967**
Liabilities due to banking business – clients	2,590,011	19,847	8,826	4,160	2,622,843
Liabilities due to banking business – banks	15,609	5,435	41,626	74,365	137,035
Other liabilities	-	200,679	95,248	-	295,927
Leasing liabilities	-	11,906	43,257	-	55,162
Financial guarantees and credit commitments	**125,961**	**-**	**-**	**-**	**125,961**
Sureties and warranties	2,602	-	-	-	2,602
Irrevocable credit commitments	123,359	-	-	-	123,359
Total	**2,731,580**	**237,867**	**188,956**	**78,524**	**3,236,927**

40. Declaration of Compliance with the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act (AktG)

The Executive Board and Supervisory Board have issued a Declaration of Compliance with the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act (AktG) and made it permanently available to shareholders on its website at https://mlp-se.com/investors/corporate-governance/declaration-of-compliance/ and in the Declaration of Corporate Governance included in this Annual Report.

41. Related parties

MLP has identified the persons listed in the following as management in key positions:

Executive Board	Mandates in other statutory Supervisory Boards of companies based in Germany	Memberships in comparable domestic and foreign supervisory bodies of commercial enterprises
Dr Uwe Schroeder-Wildberg, Heidelberg CEO Responsible for Strategy, Clients and Sales, Digitalisation, Marketing, Communication, Human Resources & Sustainability	• FERI AG, Bad Homburg v. d. Höhe (Chairman) MLP Finanzberatung SE, Wiesloch (Chairman)	–
Reinhard Loose, Berlin Responsible for Compliance, Controlling, Internal Audit, IT, Accounting, Legal Affairs, Risk Management	• DOMCURA Aktiengesellschaft, Kiel • DI Deutschland.Immobilien AG, Hanover	–
Manfred Bauer, Leimen Responsible for Product Purchasing and Management, Infrastructure	• DOMCURA Aktiengesellschaft, Kiel (Chairman) • DI Deutschland.Immobilien AG, Hanover (Chairman)	• MLP Hyp GmbH, Wiesloch (Supervisory Board)

Supervisory Board	Mandates in other statutory Supervisory Boards of companies based in Germany	Memberships in comparable domestic and foreign supervisory bodies of commercial enterprises
Sarah Rössler, Heiden (Switzerland) Chairwoman (since June 29, 2023) Formerly member of the Executive Board at HUK-COBURG VvaG, HUK-COBURG-Holding AG, HUK-COBURG-Allgemeine Versicherung AG, HUK-COBURG Lebensversicherung AG, HUK-COBURG-Krankenversicherung AG, each based in Coburg	• VHV Holding AG, Hanover • VHV Vereinigte Hannoversche Versicherung a.G., Hanover • VHV Allgemeine Versicherung AG, Hanover • Hannoversche Lebensversicherung AG, Hanover • MLP Banking AG (Chairwoman) - since June 28, 2023	• Member of the Shareholders' Committee at Thüga GmbH & Co.KGaA
Dr Peter Lütke-Bornefeld, Everswinkel Chairman (until June 29, 2023) Formerly Chairman of the Executive Board of General Reinsurance AG, Cologne	• VHV Vereinigte Hannoversche Versicherung a. G., Hanover (Chairman) • VHV Holding AG, Hanover (Chairman) • MLP Banking AG, Wiesloch (Chairman) – until June 28, 2023 • VHV digital services AG, Hanover (Chairman)	• VAV Versicherung-AG, Vienna
Dr Andreas Freiling, Bad Vilbel Vice Chairman (since June 29, 2023) Auditor	• Die Haftpflichtkasse VVaG, Roßdorf • VPV Lebensversicherungs-AG, Stuttgart - since May 26, 2023	• Versorgungswerk der Wirtschaftsprüfer und der vereidigten Buchprüfer im Lande Nordrhein-Westfalen (Honorary member of the Executive Board)
Dr Claus-Michael Dill, Murnau Vice Chairman (until June 29, 2023) Formerly Chairman of the Executive Board at AXA Konzern AG, Cologne	• HUK-COBURG Holding AG, Coburg • HUK-COBURG Haftpflicht-Unterstützungskasse kraftfahrender Beamter Deutschlands a. G., Coburg • HUK-COBURG-Allgemeine Versicherung AG, Coburg • HUK-COBURG Lebensversicherung AG, Coburg • HUK-COBURG Krankenversicherung AG, Coburg	• CONVEX Group Ltd., Hamilton, Bermuda (Independent Non-Executive Director) • CONVEX Re Ltd., Hamilton, Bermuda (Independent Non-Executive Director) • CONVEX Insurance UK Ltd, London, UK (Independent Non-Executive Director) • CONVEX Europe SE, Luxembourg (Chairman)
Matthias Lautenschläger, Heidelberg Managing Partner at USC Heidelberg Spielbetrieb GmbH, Heidelberg Managing Partner at LEC Capital GmbH, Heidelberg	• wob AG, Viernheim • PREIG AG, Berlin	–
Monika Stumpf, Schriesheim Employees' representative Employee of MLP Finanzberatung SE, Wiesloch	• MLP Finanzberatung SE, Wiesloch (Employees' Representative)	–

Ursula Blümer, Konstanz Employees' Representative (since June 29, 2023) Employee of MLP SE, Wiesloch	–	–
Alexander Beer, Karlsruhe Employees' representative (until June 29, 2023) Employee of MLP Banking AG, Wiesloch	–	–
Bernd Groß, Düsseldorf (since June 29, 2023) Chief Technology Officer of Software AG based in Darmstadt, Managing Director of Cumulocity GmbH based in Düsseldorf	–	• Advisory Board – Stihl Digital GmbH • Advisory Board - Talent:Digital GmbH

Related persons

In comparison with December 31, 2022, the composition of the Supervisory Board has changed due to the new elections. We refer to the table above.

Within the scope of the ordinary business, legal transactions were made between individual Group companies and members of the Executive Board and the Supervisory Board of MLP SE as well as related parties. The legal transactions are deposits received of €3,062 thsd (previous year: €3,060 thsd). The legal transactions were completed under standard market or employee conditions.

As of December 31, 2023, members of the Executive Bodies had current account credit lines, surety loans and loans totalling €2,996 thsd (previous year: €3,034 thsd). Surety loans are charged an interest rate of 1.0% (previous year: 1.0%), current account debits 8.10% to 9.9% (previous year: 6.25% to 8.50%) and loans 0.90%.

The total compensation for members of the Executive Board active on the reporting date is made up of

- regular pay including fixed and variable components €2,425 thsd (previous year: €2,697 thsd);
- post-employment benefits €564 thsd (previous year: €717 thsd);
- other long-term benefits €1,347 thsd (previous year: €1,468 thsd).

In the financial year no members retired from the Executive Board. As of December 31, 2023, pension provisions of €11,098 thsd (previous year: €8,913 thsd) were in place for former members of the Executive Board.

The members of the Supervisory Board received non-performance-linked compensation of €670 thsd for their activities in 2023 (previous year: €576 thsd). In addition, €29 thsd (previous year: €17 thsd) was paid as compensation for expenses and training measures.

For the detailed structure of the pay system and the compensation of MLP SE's Executive Board and Supervisory Board, please refer to the compensation report.

Related companies

Alongside the consolidated subsidiaries, MLP SE comes into direct and indirect contact and has relations with a large number of companies within the scope of its ordinary business. This also includes subsidiaries, which are non-consolidated for reasons of materiality, as well as associates. All business dealings are concluded at conditions and terms customary in the industry and which as a matter of principle do not differ from delivery and service relationships with other companies. Payments to related companies for services performed essentially concern wealth management and consulting, as well as brokerage, sales and trailer commission.

Transactions were carried out with major related companies, which led to the following items in the consolidated financial statements:

Related companies 2023

	Dec. 31, 2023		Jan. 1 - Dec. 31, 2023	
All figures in €'000	**Receivables**	**Liabilities**	**Income**	**Expenses**
MLP Hyp GmbH, Wiesloch (associate)	863	108	7,707	970
Uniwunder GmbH, Dresden	-	281	417	6,021
FPE Private Equity Beteiligungs-Treuhand GmbH, Munich	1	-	1	-
FERI Private Equity GmbH & Co. KG, Munich	-	-	-	6
FERI Private Equity Nr. 2 GmbH & Co. KG, Munich	-	-	-	5
DIEASS GmbH, Kiel	-	14	11	14
innoAS GmbH	-	135	1,737	-
DIFA Research GmbH i. L., Berlin	-	107	46	5
WD Immobilienmanagement GmbH, Hanover	300	5	163	31
Projekt Deutschland.Immobilien Tengen GmbH, Saarbrücken	1,953	360	1,945	-
Convivo Wohnparks Deutschland.Immobilien Wittmund GmbH & Co. KG i.I., Hanover	31	199	0	-
Projekte Deutschland.Immobilien Bad Goegging GmbH, Neustadt a.d. Donau	21,076	-	1,934	-
30. Projekte Deutschland.Immobilien GmbH, Hanover	2,733	-	269	-
RVM Verwaltungs GmbH, Eningen unter Achalm	-	15	-	-
Erich Schulz GmbH, Hamburg	62	-	-	-
Hartmann Versicherungsmakler GmbH, Mannheim	-	-	19	-
Hans L. Grauerholz GmbH, Hamburg	43	-	44	-
BIG Versicherungsmakler GmbH, Tiefenbronn	1	-	152	-
Vetter Versicherungsmakler GmbH, Kressbronn	-	-	62	-
Allkuranz Versicherungsmakler GmbH & Co. KG, Münster	27	-	29	-
CP 135. Grundstücks GmbH & Co. KG i. I., Bremen	23	-	18	-
asspario Versicherungsdienst GmbH, Bad Kreuznach	9	-	292	0
pxtra GmbH, Rostock	3,542	25	238	-
Total	**30,664**	**1,249**	**15,084**	**7,051**

Related companies 2022

	Dec. 31, 2022		Jan. 1 - Dec. 31, 2022	
All figures in €'000	**Receivables**	**Liabilities**	**Income**	**Expenses**
MLP Hyp GmbH, Wiesloch (associate)	2,542	55	17,266	1,180
Uniwunder GmbH, Dresden	-	216	417	8,107
FPE Private Equity Beteiligungs-Treuhand GmbH, Munich	1	-	20	-
FPE Private Equity Koordinations GmbH, Munich	-	-	10	-
FERI Private Equity GmbH & Co. KG, Munich	-	-	-	6
FERI Private Equity Nr. 2 GmbH & Co. KG, Munich	-	-	-	5
DIEASS GmbH, Kiel	-	14	11	14
innoAS GmbH	137	-	1,600	-
DIFA Research GmbH, Berlin	-	501	27	24
WD Wohnungsverwaltung Deutschland GmbH, Hanover	320	-	89	-
Projekt Deutschland.Immobilien Tengen GmbH, Saarbrücken	1,347	360	2	-
Convivo Wohnparks Deutschland.Immobilien Wittmund GmbH & Co. KG, Hanover	60	-	14	-
Projekte Deutschland.Immobilien Bad Goegging GmbH, Neustadt a.d. Donau	16,619	-	902	-
30. Projekte Deutschland.Immobilien GmbH, Hanover	2,311	-	160	-
Grundstücksgesellschaft Berlin Methfesselstraße 29/31 GmbH & Co. KG, Berlin	22	-	-	10
Limmat Wealth AG, Zurich	12	-	122	-
RVM Verwaltungs GmbH, Stuttgart	-	17	-	20
Erich Schulz GmbH, Hamburg	72	-	-	-
Hartmann Versicherungsmakler GmbH, Mannheim	-	-	13	-
Hans L. Grauerholz GmbH, Hamburg	134	394	134	-
BIG Versicherungsmakler GmbH, Mannheim	-	9	154	-
Vetter Versicherungsmakler GmbH, Ulm	-	-	59	-
Allkuranz Versicherungsmakler GmbH & Co. KG, Münster	27	-	26	-
CP 135. Grundstücks GmbH & Co. KG, Bremen	707	-	3	-
asspario Versicherungsdienst GmbH, Bad Kreuznach	105	-	138	-
pxtra GmbH, Rostock	1,155	25	-	55
Dr. Schmitt Versicherungsmakler GmbH, Würzburg	45	-	45	-
Bavaria-Assekuranz Versicherungsmakler GmbH, Nuremberg	61	-	61	-
Total	**25,677**	**1,592**	**21,273**	**9,421**

42. Auditor's fees

The total fees for services performed by the auditing firm BDO AG Wirtschaftsprüfungsgesellschaft in the financial year 2023 (including expenses, but excluding statutory value added tax) are as follows:

All figures in €'000	2023	2022
Audit services	1,402	902
Other audit-related services	44	8
Other services	6	7
Total	**1,452**	**917**

The item "Audit services" includes the invoiced fees for the statutory audit of the individual and consolidated financial statements of MLP SE, as well as for the statutory and voluntary audits of the individual financial statements of the German subsidiaries. Of the audit services, €383 thsd relate to the statutory and voluntary audits of the annual financial statements as per HGB of various DI companies for the financial years 2021 and 2022, which were commissioned in the financial year 2023.

The other attestation services relate to the audit performed in accordance with the terms and conditions of the Deutsche Bundesbank as part of the requirements for using loan receivables as collateral for central bank loans for the calendar year 2022 of €8 thsd, as well as €36 thsd for the foundation audit of FERI AG (formerly FERI Trust GmbH).

Other services relate to consulting services performed in 2023 for the implementation of the EU Taxonomy Regulation.

43. Disclosures on equity / capital control

The majority of shareholders' equity of the MLP Group under IFRS is found in the companies comprised in a regulatory group (MLP Financial Holding Group) in accordance with CRR. Since capital control of this MLP financial holding group under CRR is based on own funds derived from shareholders' equity, we consider capital control for the MLP Group to be fulfilled overall. For details, please refer to the management report, risk report, the sections entitled "Risk-bearing capacity & capital requirement" and "Capital adequacy requirements and capital control under banking supervisory law".

44. Number of employees

The average number of staff employed at the MLP Group increased from 2,252 in the financial year 2022 to 2,338 in the financial year 2023.

	2023			2022		
		of which executive employees	of which marginal part-time employees		of which executive employees	of which marginal part-time employees
Financial Consulting	1,091	31	19	1,100	34	21
Banking	222	5	4	210	6	4
FERI	275	6	41	260	8	37
DOMCURA	311	11	26	297	10	21
Deutschland.Immobilien	109	-	6	113	-	7
Industrial Broker	267	20	18	249	19	9
Holding	64	4	1	24	3	2
Total	**2,338**	**77**	**113**	**2,252**	**79**	**99**

An average of 159 people (previous year: 117) underwent vocational training in the financial year. This includes 34 individuals (previous year: 0) that are being trained as part of the trainee model at MLP Startup GmbH and prepared for their future roles as self-employed commercial agents.

45. Events after the balance sheet date

With the share purchase and transfer contract dated November 29, 2023 and taking effect from January 1, 2024, MLP Finanzberatung SE acquired 41.35% of the shares in Uniwunder GmbH, Dresden. The total holding in Uniwunder GmbH, Dresden therefore increased to 81.08% in 2024. The purchase price is in the low single-digit million range and will be paid in three instalments between 2024 and 2027.

A letter of comfort, issued by Projekte Deutschland.Immobilien GmbH to a non-consolidated project enterprise and initially limited to December 31, 2023, was extended up to December 31, 2024 at the start of March 2024. It is limited to a figure in the low single-digit million range.

The Executive Board of DI Deutschland.Immobilien AG presented a restructuring plan to the company's Supervisory Board at its meeting on March 11, 2024. The Supervisory Board approved the initiation of a restructuring process based on the presented restructuring plan by resolution on the same day. As part of this process, MLP Finanzberatung SE intends to provide DI Deutschland.Immobilien AG with the necessary funds of €23 million in the form of cash and in-kind contributions to the capital reserve, aimed at achieving a sustainable reorganisation.

There were no appreciable events after the balance sheet date affecting the net assets, financial position or results of operations of the Group.

46. Release of consolidated financial statements

The Executive Board prepared the consolidated financial statements on March 15, 2024 and will present them to the Supervisory Board on March 20, 2024 for publication.

Wiesloch, March 15, 2024

MLP SE

Executive Board

Dr Uwe Schroeder-Wildberg

Manfred Bauer

Reinhard Loose

Responsibility statement

"To the best of our knowledge and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the joint management report gives a fair view of the performance of the business including business results and the overall position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group."

Wiesloch, March 15, 2024

MLP SE

Executive Board

Dr Uwe Schroeder-Wildberg

Manfred Bauer

Reinhard Loose

INDEPENDENT AUDITOR'S REPORT

To MLP SE, Wiesloch

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE JOINT MANAGEMENT REPORT

OPINIONS

We have audited the consolidated financial statements of MLP SE, Wiesloch, and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from January 1, 2023 to December 31, 2023 as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the joint management report (report on the situation of the Company and the Group) of MLP SE for the financial year from January 1, 2023 to December 31, 2023. In accordance with the German legal requirements we have not audited the content of the components of the joint management report referred to under "Other information".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply in all material respects with the IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB), and in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2023, and of its financial performance for the financial year from January 1, 2023 to December 31, 2023, and
- the accompanying joint management report as a whole provides a true and fair view of the Group's position. In all material respects, this joint management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the joint management report does not cover the content of the components of the joint management report referred to under "Other information".

Pursuant to Section 322 (3) Sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the joint management report.

BASIS FOR THE OPINIONS

We conducted our audit of the consolidated financial statements and of the joint management report in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW). Our responsibility in accordance with these regulations and principles is described in greater depth in the section "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE JOINT MANAGEMENT REPORT". We are independent of the Group companies in accordance with European law and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements.

In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the joint management report.

EMPHASIS OF MATTER

We draw attention to the disclosures in Note 7 "Accounting policies", subsection "Intangible assets“ and Note 23 "Intangible assets" to the consolidated financial statements, where the Executive Board of MLP SE has disclosed the assumptions underlying the impairment testing of the goodwill of the cash-generating unit DI Projekte and DI Vertrieb. Furthermore, we refer to the information in the forecast report in the section "Anticipated business development" in the "Revenue forecast" subsection of the joint management report, where the Executive Board of MLP SE confirms its intention to initiate suitable capital strengthening measures to enable the further financing needed for the realisation of 2-3 new projects per year. Our audit opinions on the consolidated financial statements and the joint management report are not modified in this respect.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from January 1, 2023 to December 31, 2023. These audit matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We have determined the following matters as the particularly important audit matters to be notified in our auditor's report:

1. Impairment testing of goodwill
2. Realisation of commission income

IMPAIRMENT TESTING OF GOODWILL

Audit matter

"In the consolidated financial statements of MLP SE as of December 31, 2023, goodwill amounting to €132.9 million is reported, which represents 3.4% of the consolidated balance sheet total. This goodwill was assigned to eight different cash-generating units.

Cash-generating units with goodwill are subjected to an impairment test by the Company at least once a year, as well as whenever there are indications of an impairment. Measurement is based on a valuation model using the so-called discounted cash flow method. If the carrying amount of a cash-generating unit is higher than the recoverable amount, an impairment loss is recorded at the level of the difference between the two figures.

The assessment of the impairment of goodwill is complex and requires numerous estimates and discretionary decisions on the part of the legal representatives, above all with regard to the level of the future cash flow surpluses, the growth rate for forecasting the cash flow beyond the detailed planning period and the discount interest rate to be employed. Due to the significance of the level of goodwill for the consolidated financial statements of MLP SE and the considerable uncertainties associated with its valuation, it represents a particularly important audit matter.

The disclosures of MLP SE regarding goodwill are contained in Note 7 "Accounting policies" in subsection "Intangible assets" and in Note 23 "Intangible assets" to the consolidated financial statements.

Audit approach

Within the scope of our audit, we assessed the appropriateness of the valuation method applied and of the key measurement assumptions for deriving the recoverable amount, as well as correct and continuous application of the valuation method, for which we incorporated our own valuation specialists.

To this end, we acquired an understanding of both the planning system and the planning process employed and can confirm its appropriateness. We have reconciled the forecast of future cash surpluses for the financial year 2024 with the corporate planning prepared by the legal representatives and discussed with the Supervisory Board. We discussed significant assumptions used in the planning with the legal representatives, as well as further persons responsible for planning. Additionally, we have further analysed the variances between planned and actual figures in the past and the current financial year. We have reconstructed the assumptions underlying the planning and the growth rates assumed in the forecast for the perpetual annuity by comparing them with past developments and current industry-specific market expectations. In addition to this, we critically scrutinised the discount interest rates used on the basis of the average capital costs of a peer group. Our audit also encompassed the sensitivity analyses performed by MLP SE. We also carried out our own sensitivity analyses with regard to the effects of possible changes in capital costs and the growth rates assumed. Furthermore, we are satisfied of the completeness and accuracy of the disclosures in the notes to consolidated financial statements regarding the key assumptions used in impairment testing of goodwill.

REALISATION OF COMMISSION INCOME

Audit matter

The consolidated financial statements of MLP SE recognise sales revenue of €941.1 for the period from January 1, 2023 to December 31, 2023. Alongside interest income of €65.7 million and proceeds from real estate development of €30.9 million, this includes commission income of €844.5 million. The range and level of commission income is largely taken from the notifications/statements of numerous insurance companies, fund companies, real estate developers and other external third parties. The approach for reporting contractual data to the Group varies significantly between the various contracting parties, in particular with regard to the insurance companies, which leads to a complex handling process with various interfaces. The recognition of revenue is then performed either with reference to a point in time or a time period, depending on the respective contract arrangement and the pattern of receipt of the benefit of services provided to clients. The Group recognises revenue from pure brokerage services at a point in time, while revenue for services (particularly for sustainable services such as portfolio management, fund management) is recorded over a time period. In the case of time period-based services, manual commission accruals are performed as at the balance sheet date.

In the event of premature loss of brokered insurance policies, commission that has been earned needs be refunded in part (cancellation risk). In this respect, there is a variable transaction price, whose level is estimated on the basis of statistical empirical values for the risk of termination and death.

The materiality of commission income for presenting the results of operations in the consolidated financial statements, the complexity of the handling process, as well as the estimation uncertainties in terms of the level of commission income, represent a particularly important audit matter.

The disclosures of MLP SE regarding recognition of commission income are contained in the sections 7 "Accounting policies" and 9 "Revenue" of the Notes to the consolidated financial statements.

Audit approach

Within the scope of our audit, we used a test of design to gain extensive understanding of the processes and the internal control/monitoring system with regard to ensuring the existence and level of commission income and assessed the related control/monitoring measures to ensure their appropriateness and actual implementation. To this end, we analysed the process documentation and corresponding records, and also conducted surveys with employees from Commission Settlement and Accounting. At significant Group companies we then reviewed the effectiveness of selected control/monitoring measures for determining and ensuring the existence and the correct level of commission income, using performance tests.

In addition to this, we gained an understanding of the development of commission income over time on the basis of our analytical audit procedures within the scope of the statement-based audit procedures. In this regard, we formed our own expected values, set out limits for acceptable deviations and checked whether the recognised commission income in the reporting year is within a tolerable bandwidth - in particular on the basis of year-on-year comparisons and ratios. Additionally, we obtained selected external confirmations for individual commission statements from contracting parties. We also took random samples and compared individual revenue transactions with the underlying invoicing data, as well as incoming payments. In cases where commission statements, in particular from insurance companies were not available at the time of preparing the consolidated financial statements, we have manually traced the accrual postings for a selected range of transactions as at the balance sheet date.

We gained an understanding of how provisions for cancellation risks are calculated and the corresponding level of commission income is adjusted. We also assessed the relevant calculation parameters, in particular the cancellation rate applied, in terms of their appropriateness and compared them with information made available by the insurance companies.

OTHER INFORMATION

The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises:

- the separate nonfinancial report pursuant to § 289b (3) of the German Commercial Code (HGB), which is referred to in the joint management report and which will most likely be made available to use after the date of this audit opinion
- the Group Declaration of Corporate Governance contained in the section "Declaration on Corporate Governance pursuant to §§ 315D, 289F of the German Commercial Code (HGB)" of the consolidated management report
- the non-management report disclosures listed in the joint management report and in the appendix to the audit opinion
- the remaining parts of the annual report, with the exception of the audited consolidated financial statements and the joint management report and our audit opinion

Our opinions on the consolidated financial statements and on the joint management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the joint management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Should we conclude on the basis of the work we have conducted that there is a material misstatement of this other information, we are obliged to report on this fact. We have nothing to report in this connection.

RESPONSIBILITIES OF THE LEGAL REPRESENTATIVES AND OF THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE JOINT MANAGEMENT REPORT

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB) and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. Furthermore, the legal representatives are responsible for establishing internal controls, as deemed necessary to enable the preparation of consolidated financial statements that are free from material misstatements resulting from fraudulent activities (i.e., accounting manipulations and asset misappropriations) or errors.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for accounting on a going concern basis unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative to doing so.

Furthermore, the legal representatives are responsible for the preparation of the joint management report that, as a whole, provides a true and fair view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a joint management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the joint management report.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE JOINT MANAGEMENT REPORT

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to assess whether the joint management report as a whole provides a true and fair view of the Group's position, and in all material respects, is consistent with the consolidated financial statements and the findings from our audit, whether it complies with the German legal requirements and presents a fair view of the opportunities and risks of future development, as well as to issue an audit opinion that includes our findings on the consolidated financial statements and on the joint management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements may result from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of recipients taken on the basis of these consolidated financial statements and the joint management report.

We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- identify and assess the risks of material misstatements in the consolidated financial statements and in the joint management report as a result of fraud or error, plan and conduct audit activities in response to these risks and obtain audit certificates that are sufficient and suitable to use as the basis for our audit opinions. The risk of not detecting material misstatements resulting from fraud is higher than the risk of not detecting material misstatements resulting from errors, as fraud may involve collusion, falsifications, intentional omissions, misleading representations or override of internal controls.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the joint management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.
- draw conclusions about the appropriateness of the going concern basis of accounting used by the legal representatives and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the joint management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB).
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the joint management report. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our opinions.
- evaluate the consistency of the joint management report with the consolidated financial statements, its conformity with law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the legal representatives in the joint management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not

express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance, inter alia regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be expected to affect our independence, and, where applicable, the actions taken or safeguards applied to eliminate independence threats. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current reporting period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE AUDIT OF THE ELECTRONIC REPRODUCTIONS OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE JOINT MANAGEMENT REPORT FOR PUBLICATION PURSUANT TO SECTION 317 (3A) OF THE GERMAN COMMERCIAL CODE (HGB)

Opinion

We have performed assurance work in accordance with Section 317 (3a) of the German Commercial Code (HGB) to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the joint management report (hereafter the "ESEF documents) contained in the file "MLP_SE_KA_KLB-2023-12-31.zip" and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) of the German Commercial Code (HGB) for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the joint management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the joint management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) of the German Commercial Code (HGB) for the electronic reporting format. Other than this opinion and our opinions on the accompanying consolidated financial statements and on the accompanying joint management report for the financial year from January 1, 2023, to December 31, 2023, included in the preceding "REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE JOINT MANAGEMENT REPORT", we do not express any opinion on the information contained in these reproductions or on the other information included in the aforementioned file.

Basis for the opinion

We conducted our assurance work of the reproductions of the consolidated financial statements and the joint management report contained in the above-mentioned file in accordance with Section 317 (3a) of the German Commercial Code (HGB) and in compliance with the IDW Assurance Standard: Assurance in accordance with Section § 317 (3a) of the German Commercial Code (HGB) on the electronic reproduction of financial statements and management reports prepared for publication purposes (IDW PS 410 (06.2022)). Accordingly, our responsibilities are further described in the section "Auditor's responsibilities for the audit of the consolidated financial statements and of ESEF documents". Our audit firm has applied the requirements of the IDW Quality Management Standards, which implement the IAASB's International Standards on Quality Management.

Responsibilities of the legal representatives and of the Supervisory Board for the ESEF documents

The Company's legal representatives are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the joint management report in accordance with Section 328 (1) Sentence 4 No. 1 of the German Commercial Code (HGB) and for the tagging of the consolidated financial statements in accordance with Section 328 (1) Sentence 4 No. 2 of the German Commercial Code (HGB).

In addition, the Company's Management is responsible for the internal controls they consider necessary to enable the preparation of ESEF documents that are free from material – intentional or unintentional – non-compliance with the requirements of Section 328 (1) of the German Commercial Code (HGB) for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements of ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material – intentional or unintentional – non-compliance with the requirements of Section 328 (1) of the German Commercial Code (HGB). We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- identify and assess the risks of material – intentional or unintentional – non-compliance with the requirements of Section 328 (1) of the German Commercial Code (HGB), design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance of the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the electronic file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 in the version applicable as at the balance sheet date on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited joint management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction in accordance with Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815 in the version applicable as at the balance sheet date.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor by the annual general meeting on June 29, 2023. We were engaged by the Supervisory Board on December 13, 2023. We have been the group auditor of MLP SE without interruption since the financial year 2021.

We declare that the opinions expressed in this auditor’s report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTERS — USE OF THE AUDITOR'S REPORT

Our auditor’s report should always be read in conjunction with the audited consolidated financial statements and the audited joint management report as well as the audited ESEF documents. The consolidated financial statements and the joint management report converted to ESEF format – including the versions to be entered in the company register – are merely electronic reproductions of the audited consolidated financial statements and the audited joint management report and do not replace them. In particular, the ESEF report and our assurance opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German public auditor responsible for the engagement is Alexander Gießler.

APPENDIX TO THE AUDITOR'S REPORT: UNAUDITED COMPONENTS OF THE JOINT MANAGEMENT REPORT

We did not audit the content of the following components of the joint management report:

- P. 1: The MLP Group – The partner for all financial matters
- P. 1: An intensive transfer of knowledge and expertise takes place within the network. The specialists support one another in the areas of research and concept development, as well as in client consulting. This valuable and targeted interaction generates additional value for our clients, for the company and for its shareholders. Economic success also forms the basis for accepting social responsibility.
- P. 1: MLP places great emphasis on the use of objective and transparent criteria and the independence of our product partners when selecting partners and products.
- P. 4: MLP Finanzberatung SE is a German financial consulting firm that operates as a broker. As such, it is independent of product interests and can focus fully on clients and their needs.
- P. 4: By adopting this approach, we enable our clients to reach better financial decisions.
- P. 6: DOMCURA is considered one of the leading providers throughout this sector.
- P. 46: Overall, regulatory developments were challenging, although MLP considers itself very well positioned in relative comparison to other market participants.
- P. 79: Its broadly diversified positioning gives MLP an important USP in the private client business.

Frankfurt am Main, March 20, 2024

BDO AG
Wirtschaftsprüfungsgesellschaft

signed Otte Auditor	signed Gießler Auditor

Executive Bodies of MLP SE

Executive Board

Dr Uwe Schroeder-Wildberg, CEO
Digitalisation
Communication (incl. Investor Relations)
Clients and Sales
Marketing
Sustainability
Human Resources
Strategy
Appointed until December 31, 2027

Manfred Bauer
Infrastructure
Product Purchasing and Management
Appointed until April 30, 2025

Reinhard Loose
Compliance
Controlling
Internal Audit
IT
Group Accounting
Legal Affairs
Risk Management
Appointed until January 31, 2029

Supervisory Board

Sarah Rössler, Chairwoman
Elected until 2028

Dr Andreas Freiling, Vice Chairman
Elected until 2028

Bernd Groß
Elected until 2028

Matthias Lautenschläger
Elected until 2028

Ursula Blümer
Employees Representative
Elected until 2028

Monika Stumpf
Employees Representative
Elected until 2028

Financial calendar 2024

March

March 7, 2024
Publication of the results for the financial year 2023
Online annual press and analyst conference

March 28, 2024
Publication of the annual report for the financial year 2023

May

May 15, 2024
Publication of the results for Q1 2024

June

June 27, 2024
Annual General Meeting of MLP SE

August

August 14, 2024
Publication of the results for H1 and Q2 2024

November

November 14, 2024
Publication of the results for the first nine months and Q3 2024

Imprint and Contact

Imprint

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Appropriate Regulatory Authorities

Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin)[1]
Graurheindorfer Str. 108
D-53117 Bonn
Marie-Curie-Str. 24-28
D-60439 Frankfurt am Main
www.bafin.de
[1] Appropriate regulatory authority according to German Banking Act (Kreditwesengesetz, KWG)

European Central Bank[2]
Sonnemannstraße 22
D-60314 Frankfurt am Main
www.ecb.europa.eu
[2] Appropriate regulatory authority according to CRR