Interim Group report for the first half year and second quarter of 2023

MLP

MLP key figures

All figures in € million	Q2 2023	Q2 2022	H1 2023	H1 2022	Change in %
MLP Group					
Total revenue	212.2	217.9	475.0	472.6	0.5%
Revenue	205.2	211.6	459.6	461.5	–0.4%
Other revenue	7.0	6.4	15.3	11.1	38.0%
Earnings before interest and taxes (EBIT)	5.0	9.5	37.4	44.1	–15.1%
EBIT margin (in %)	2.4%	4.4%	7.9%	9.3%	–
Net profit	0.7	6.8	23.6	31.0	–23.8%
Earnings per share (diluted/basic) (in €)	0.02	0.05	0.24	0.28	–14.3%
Cash flow from operating activities	27.8	–49.0	–48.6	–86.1	43.5%
Capital expenditure	3.2	3.5	7.0	6.8	3.0%
Shareholders' equity	–	–	547.1	525.5 [1]	4.1%
Equity ratio (in %)	–	–	14.4%	13.9% [1]	–
Balance sheet total	–	–	3,799.4	3,784.6 [1]	0.4%
Private clients (families)	–	–	575,500	569,200 [1]	1.1%
Corporate and institutional clients	–	–	27,600	28,400 [1]	–2.8%
Consultants	–	–	2,055	2,100 [1]	–2.1%
Branch offices	–	–	128	130 [1]	–1.5%
University teams	–	–	106	102 [1]	3.9%
Employees	–	–	2,319	2,258	2.7%
Brokered new business					
Old-age provision (premium sum)	905.8	782.5	1,664.9	1,368.2	21.7%
Borrowings (loan volumes)	295.9	657.0	604.2	1,514.6	–60.1%
Assets under management (in € billion)	–	–	56.7	54.3 [1]	4.4%
Non-life insurance (premium volume)	–	–	682.2	632.2 [1]	7.9%
Real estate (brokered volume)	48.7	117.0	71.8	269.1	–73.3%

[1] As of December 31, 2022

Contents

Introductory notes

This interim Group report presents significant events and business transactions of the first half year and second quarter of 2023 and updates forecast-oriented information contained in the last joint management report. The Annual Report is available on our website at www.mlp-se.com and also at www.mlp-annual-report.com. In the description of the MLP Group's financial position, net assets and results of operations pursuant to International Financial Reporting Standards (IFRS), the previous year's figures are given in brackets. The information in this interim Group report has neither been verified by an auditor nor subjected to a review.

The 1st half year and 2nd quarter 2023 at a glance

- MLP holds its ground in an environment that remains difficult
- At € 475.0 million, total revenue hit a new record level (H1 2022: € 472.6 million) – the broad and strategically interlinked positioning is securing the stability of the overall business, strong growth recorded particularly in the interest rate business and occupational pension provision
- Distinct increase in non-life insurance, substantial gains in old-age provision and health insurance – real estate and loans & mortgages significantly down due to difficult market environment
- Earnings before interest and taxes (EBIT) at € 37.4 million, despite operating in framework conditions that remained challenging (H1 2022: € 44.1 million) – one-off effect of –€ 2.8 million due to mergers in the Industrial Broker segment processed
- Assets under management at new record level – although revenue still slightly below the previous year's figure after the first six months
- Forecast for 2023 confirmed: EBIT of € 75 to 85 million in an environment that remains difficult
- Mid-term planning to the end of 2025 reaffirmed: significant increase in EBIT planned

Profile

The MLP Group is 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 technology 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 – Investment management for institutional investors and high net worth individuals
- MLP – Financial consulting for discerning clients
- RVM – The insurance broker for SMEs
- TPC – The consultant for employers in all questions relating to benefits

Since its foundation, MLP has consistently striven to establish long-term relationships with its clients. This requires profound understanding of their individual requirements. An intensive transfer of knowledge and expertise takes place within the MLP 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. Economic success also forms the basis for accepting social responsibility.

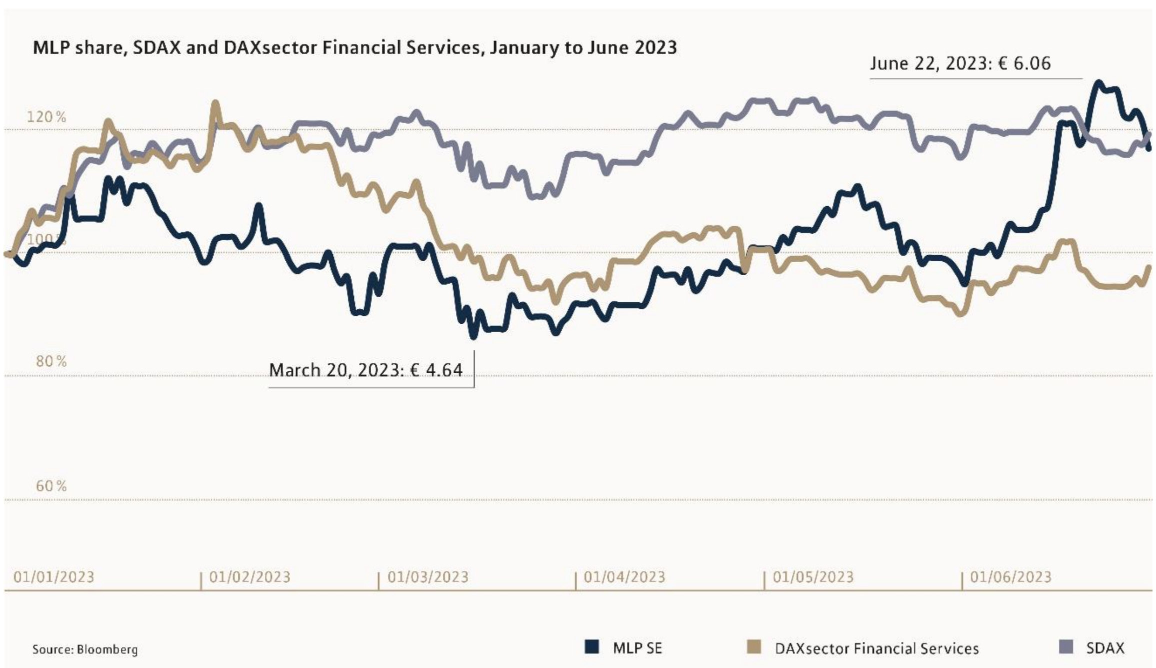
The Group was founded in 1971 and manages assets of € 56.7 billion for around 575,500 private and 27,600 corporate and institutional clients as well as non-life insurance portfolio volumes of around € 682 million.

Investor Relations

Despite all of the crises, the stock markets performed well in the first half of 2023. Energy prices and inflation rates dropped, the German DAX and US NASDAQ exchanges both recorded pronounced gains from January to June and the economy in Germany, Europe and the US proved surprisingly robust. Declining inflation rates led to a sense of hope among investors of a less restrictive monetary policy at central banks. The end of the zero-COVID strategy in China reduced fears of a recession and motivated many to believe that the global economy would rebound better than originally expected.

The bond markets reacted to the ongoing discussions regarding interest rates with price declines, some of which were quite significant, and generated a sharp rise in yields. At 2.75 %, the yield on ten-year German federal bonds rose to its highest level for 12 years, while US government bonds once again hit the 4 % mark.

The banking crisis that emerged in the US in March and the collapse of small regional banks associated with this, only put pressure on the financial markets for a short time. Concerns relating to the collapse of Swiss banking giant Credit Suisse could also be averted when it was announced that it would be taken over by UBS, the largest bank in Switzerland. Germany's leading index then reached new record highs in June, gaining a total of 16 % in the first half of the year, while the NASDAQ Composite recorded even greater gains and rose by just under 32 %. Technology stocks in particular were able to benefit from the marked increase in public interest in the topic of "artificial intelligence". The small-cap SDAX index rose by 12.4 %, while the DAXSector Financial Services Index recorded a decline of 1.4 % in the first half of the year.



The MLP share

The MLP SE share displayed pleasing development in the first half of 2023. It started with a strong upwards trend in the first few months of the year. At € 5.65, the share price hit its highest level since mid-September 2022 in January 23, although it then declined again over the course of subsequent weeks. Following the announcement of the provisional figures for the financial year 2022 at the start of March, some investors engaged in profit-taking. As a result of this, the share price declined significantly and hit its lowest level in the reporting period of € 4.64 on March 20. This lower share price then led to increased interest among investors and the price recovered to a level of € 5.51 by mid-May.

In May, MLP presented solid earnings for the first quarter of 2023. Yet despite this, the share surrendered some of the gains it had made and declined to € 4.98 by the end of May. However, the share price then began to rise again sharply in the run-up to the dividend payment, which was scheduled for the end of June. At a price of € 6.06 on June 22, the share not only hit its high for the first half of the year, but also its highest level since mid-June 2022. The closing price of € 5.70 as of June 30 ultimately resulted in a significant gain of 10.9 % for the reporting period.

Key figures on the MLP share

in €	H1 2023	H1 2022
Share capital as of June 30	109,334,686 [1]	109,334,686 [2]
Share price at the end of the year	5.14	8.57
Highest price	6.06	8.70
Lowest price	4.64	5.40
Share price as of June 30	5.70	5.72
Dividends for the previous year	0.30	0.30
Market capitalisation (end of reporting period)	**623,207,710**	**625,394,403**

[1] As of June 30, MLP SE held 1,328 shares in treasury.

[2] As of June 30, MLP SE held 46,598 shares in treasury.

Share buyback

In 2023, MLP continued its share-based participation programme for its self-employed branch office managers and commercial agents. The programme for strengthening the collaborative components in MLP's business model is based on the resolution of the Annual General Meeting from June 24, 2021 to buy back own shares. In the period from January 2, 2023 to March 1, 2023, a total of 604,792 shares were bought back via the stock exchange at a pro rata amount of € 1.00 in the share capital. The average purchase price was € 5.21 per share. The total number of shares bought back corresponds to 0.55 % of our share capital of € 109,334,686. All of the details relating to the buybacks were and continue to be presented on our website. Following transfer of the shares to the eligible participants, a total of 1,328 shares remain in the company's own portfolio.

Shareholder structure

There were no significant changes to the shareholder structure in the first six months of the current year. The Lautenschläger family remains the largest single MLP shareholder with a total share of the voting rights of 29.16 %. The next largest shareholder is then 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 per the definition of the German stock exchange, was therefore 45.24 % as of June 30, 2023.

MLP Annual General Meeting

MLP SE held its Regular Annual General Meeting for the financial year 2022 on June 29, 2023. The event was held entirely online again. 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.

All items on the agenda were approved by shareholders with a large majority. 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 67 % 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. With an approval rate of 88.80 %, the shareholders also accepted the proposal to appoint BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, Germany as auditor and Group auditor for the financial year 2023.

The compensation report was accepted with a majority of 72.64 %. The Annual General Meeting also approved the resolution on approval of the compensation system for the members of the Executive Board with a majority of 72.62 %, while a majority of 99.24 % approved the resolution on amendment of the compensation system for the Supervisory Board, a corresponding amendment to § 14 in the company's articles of association and the system for compensation of the members of the Supervisory Board. The Annual General Meeting also approved a control agreement with MLP Banking AG with a majority of 99.99 %.

The resolutions on the amendment of § 19 of the company's articles of association with regard to the virtual Annual General Meeting were also approved with clear majorities of 96.20 % and 97.85 %.

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.

You can find further information on the composition of the new Supervisory Board in the chapter entitled "Corporate profile".

In total, around 72 % of the share capital was represented.

All information on the Annual General Meeting is available at www.mlp-agm.com.

Interim Group management report for the first half year and second quarter of 2023

The values disclosed in the following interim Group report have been rounded to one decimal place. As a result, differences to reported total amounts may arise when adding up the individual values.

FUNDAMENTAL PRINCIPLES OF THE GROUP

You can find detailed information on our business model, our corporate structure and our control system in the 2022 Annual Report of the MLP Group at www.mlp-annual-report.com.

Changes in organisation and administration

Compared to the basic principles of the Group described in the 2022 MLP Annual Report the following changes occurred during the reporting period.

On the basis of the resolution of the Annual General Meeting from June 24, 2021 to buy back own shares, a total of 604,792 shares with a pro rata amount of € 1.00 each in the share capital were bought back at an average price of € 5.21 per share in the time period from January 2 to March 1, 2023. This corresponds to around 0.55 % of our share capital of € 109,334,686. The buyback was used to serve a participation programme for our self-employed commercial agents and branch office managers. The respective buybacks were published in detail on our company's website. Following transfer of the shares to the eligible participants, a total of 1,328 shares remain in the company's own portfolio.

As scheduled, the membership on the MLP SE Supervisory Board of Dr. Peter Lütke-Bornefeld and Dr. Claus-Michael Dill, as well as Ms. Sarah Rössler and Mr. Matthias Lautenschläger as shareholder representatives, ended with conclusion of the Annual General Meeting on June 29, 2023. The Annual General Meeting elected Ms. Sarah Rössler, Dr. Andreas Freiling, Mr. Bernd Groß and Mr. Matthias Lautenschläger to the Supervisory Board as shareholder representatives. At the same time, the term in office of Mr. Alexander Beer and Ms. Monika Stumpf as employee representatives also ended. The workforce elected Ms. Ursula Blümer and Ms. Monika Stumpf to the Supervisory Board as employee representatives. In the constitutive meeting of the newly elected Supervisory Board, the members elected Ms. Sarah Rössler as Chairperson and Dr. Andreas Freiling as Vice Chairperson. You can find the CVs of all newly elected members of the Supervisory Board on our website at: mlp-se.com/investors/corporate-governance/executive-board-and-supervisory-board/.

Changes in corporate structure

Compared to the basic principles of the Group described in the 2022 MLP Annual Report the following changes occurred during the reporting period.

In the first quarter of 2023, MLP Finanzberatung SE founded a 100 % subsidiary called MLP Startup GmbH, with its registered office in Wiesloch and then concluded a control and profit transfer agreement with this new company on February 20, 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 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. This was entered in the Commercial Register responsible for Dr. Schmitt GmbH Würzburg on May 9, 2023. Within the Deutschland.Immobilien Group, insolvency proceedings were initiated at Convivo Wohnparks Deutschland.Immobilien Wittmund GmbH & Co. KG on March 9, 2023, as well as at Convivo Wohnparks Deutschland.Immobilien GmbH on April 4, 2023.

In the second quarter, Dr. Schmitt GmbH Würzburg concluded a merger agreement with both Dr. Schmitt Versicherungsmakler GmbH 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 in the second quarter and the third quarter, respectively.

Within the Deutschland.Immobilien Group, Web Deutschland.Immobilien GmbH, Hannover, was merged with Vertrieb Deutschland.Immobilien GmbH, Hannover, with effect from January 1, 2023. As of May 25, 2023, Projekte Deutschland.Immobilien GmbH, Hannover, once again holds a 100 % stake in each Sechste Projekte Deutschland.Immobilien GmbH, Hannover, and Zehnte Projekte 2 Deutschland.Immobilien GmbH, Hannover. Insolvency proceedings were initiated at CP 135. Grundstücks GmbH & Co. KG, Bremen, on June 21, 2023.

MLP SE signed a control agreement with MLP Banking AG on April 3, 2023. The control agreement only comes into effect following approval of the Annual General Meetings of MLP SE and MLP Banking AG and its entry into the Commercial Register of MLP Banking AG. The stated Annual General Meetings already approved the agreement, although its entry into the Commercial Register is still pending.

Research and development

Since MLP is a service provider, we are not engaged in any research or development in the classic sense of the term. We also make other resources available, for example to develop our own software or refine acquired software.

ECONOMIC REPORT

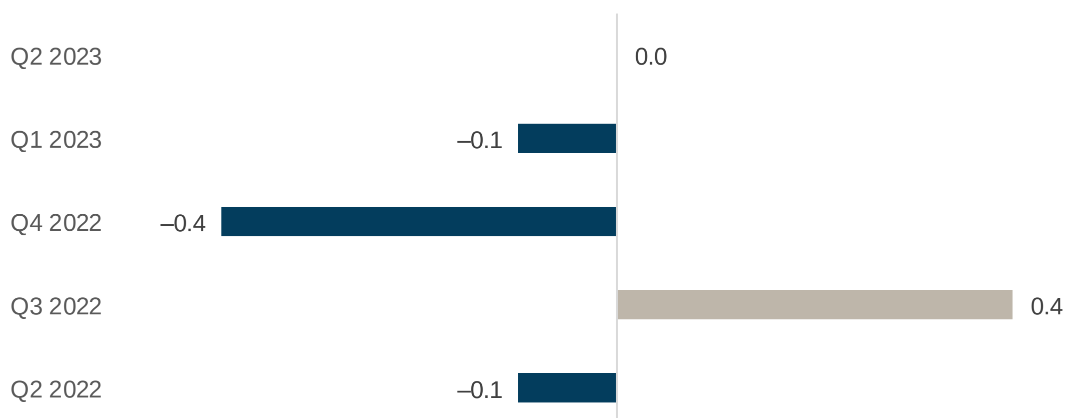
Overall economic climate

The greatest stress factors hindering the growth dynamic in the eurozone are the losses in purchasing power resulting from the high rate of inflation, as well as the restrictive monetary policy, which is serving to dampen investment. The ongoing war in Ukraine is also continuing to negatively impact the European economy. In terms of inflation, it appears as though the peak has now been reached and that numbers are slowly starting to decline again worldwide. As things stand, supply constraints are no longer playing any appreciable part in terms of inflationary trends. In the US, a drop in the inflation rate was already observed in the first half of 2023, although it is unlikely to fall below the 2 % mark in the long term. In the European Economic Union, inflation was at 5.5 % in June, and core inflation is likely to remain above 4 % at the end of the year according to FERI Investment Research. Increasing wages, coupled with energy prices that could potentially start rising again, suggest that a return to the 2 % level is unlikely in 2024.

In Germany, the inflation rate rose to +6.4 % in June 2023, although it is likely to fall again in the second half of the year according to FERI Investment Research. Germany displayed the weakest growth dynamic of the large European countries in the first quarter. The building sector is in particular suffering from the price rises and higher interest rates. Industrial production is stagnating overall, with the chemicals industry particularly suffering from a pronounced downward trend.

According to the German Federal Statistical Office, inflation-adjusted gross domestic product (GDP) in Germany neither increased nor decreased in the second quarter relative to the preceding quarter, remaining at the level of the first quarter (–0.1 % over the same quarter in the previous year).

Economic growth in Germany (change in % over the preceding quarter)



Source: Federal Statistical Office, FERI Investment Research

Industry situation and competitive environment

As per the estimate submitted by the German Insurance Association (GDV e.V.), insurers are anticipating only slight gains in the current year. In fact, the German Insurance Association (GDV e.V.) is predicting growth in all insurance sectors of just 0.4 % for 2023 over the previous year.

Old-age provision

According to the German Insurance Association (GDV e.V.), declines in real income and an unusually high degree of uncertainty are currently having a negative impact on the business with life insurance policies. Indeed, figures provided by the German Insurance Association (GDV e.V.) indicate that total premiums paid in new business in the first quarter of 2023 declined to € 42.16 billion from € 47.24 billion in the same quarter of the previous year. Classic endowment life insurance policies have also become less attractive in the last few years, not least due to the low interest rate environment. It will likely take some time before clients see any improvements in interest rates for new contract conclusions resulting from the European Central Bank (ECB) raising the prime rate. As was already highlighted in the 2022 Annual Report with reference to Assekurata, however, the industry is likely to benefit from the turnaround in interest rates in the long term.

The overall industry situation in this consulting field has not changed materially compared to the statements made in the 2022 MLP Group Annual Report.

Wealth management

Despite stagnating economic growth, fund companies recorded robust net inflows into funds of € 15 billion in the first quarter of 2023 (Q1 2022: € 45 billion). According to the German Association of Investment and Asset Management (BVI e.V.), mutual equity funds in particular recorded significant inflows of € 6.6 billion and thereby enjoyed their second best start to a year since 2015. At the end of March, the German fund industry was managing total funds of € 3,899 billion. This represents 0.25 % less than at the start of the year (€ 3,805 billion). In the first half of 2023, the DAX was able to record gains of 16 % in total, while the S&P 500 rose by 16.4 %.

The overall industry situation in this consulting field has not changed materially compared to the statements made in the 2022 MLP Group Annual Report.

Non-life insurance

According to a forecast published in April by the German Insurance Association (GDV e.V.), growth in the field of property and casualty insurance is lower than previously assumed. The industry is still anticipating an increase of 5.7 % here, which is 0.4 percentage points less than in the autumn forecast. The figures presented by the German Insurance Association (GDV e.V.) suggest that vehicle insurance policies in particular suffered an unexpectedly weak start to 2023. In 2022, this segment was still considered a growth driver with growth of 4 %.

The overall industry situation in this field of consulting has not changed significantly for MLP.

Health insurance

According to figures published by the Association of Private Health Insurers (PKV), private health insurance recorded slight growth in 2022 with a premium volume of € 37.8 million. Despite inflation and the turnaround in interest rates, the general sentiment among insurance companies in the current year remains positive overall according to Assekurata. The sector is proving stable. Yet the trend of more citizens making the switch from the statutory health insurance system to the private health insurance system than vice versa is continuing in the current year. However, those looking to make the switch to comprehensive private insurance still face high access requirements. The income threshold for leaving the statutory system and signing up for private health insurance rose once again in 2023, which makes the switch even more difficult.

In a survey conducted by Assekurata, the current business situation in the field of comprehensive private health insurance is still considered slightly positive. Alongside supplementary insurance policies for inpatient care, particular focus is also on occupational health insurance as a growth driver.

The overall industry situation in this field of consulting has not changed significantly for MLP.

Real estate

The Real Estate Price Index of the Association of German Pfandbrief Banks (vdp) declined by 3.3 % in the first quarter of 2023 compared to the same quarter in the previous year. In comparison with the directly preceding quarter, prices declined by 2.3 %. At the end of the first quarter, the index was at 184.5 points (Q1/2022: 190.8 points). The vdp states the high rate of inflation, the changed interest rate environment and uncertainty regarding future economic development as the main factors behind the price decline.

According to the vdp, the current stress factors also led to a price decline across all object classes. However, the severity of the price decline varies. In terms of residential properties, prices fell by 2.1 % over the same quarter in the previous year and by 2.0 % over the previous quarter. Although the prices for residential properties therefore declined relatively moderately, the price drops for commercial property were more significant at 8.3 % year-on-year or 3.6 % over the previous quarter. As such, the overall industry situation in this consulting field has further deteriorated compared with the statements made in the 2022 MLP Group Annual Report.

Loans and mortgages

The central banks continued their restrictive monetary policy in the first half of 2023. At the end of July 2023, the prime rate at the US central bank (Fed) was between 5.25 % and 5.50 %. The ECB most recently raised the prime rate to 4.25 % at the end of July. According to the experts at Interhyp, the interest rates for property loans at the end of the first half of 2023 were within the range from 3.5 % to 4 % for a ten-year loan.

As such, the industry situation in this consulting field is characterised by even greater challenges than those presented in the 2022 MLP Group Annual Report.

Competition and regulation

Neither the competitive conditions nor the regulatory environment saw any significant changes in the first half of the year in comparison with the description provided in the MLP Group Annual Report 2022.

In her draft that was officially presented at the end of May, 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 held a meeting during the reporting period and has since presented its final report. Alongside the German Federal Ministry of Finance (BMF), the German Federal

Ministry of Labour and Social Affairs (BMAS) and the German Federal Ministry for Economic Affairs and Climate Action (BMWK), the focus group also includes representatives from provider associations, consumer protection agencies, social partners and the field of science. The majority of the focus group members agree that the objective of a reform to tax-privileged private old-age provision should be to create an efficient offering that enables large parts of the population to maintain their living standards on retirement, provided they have sufficient savings capacities. This was also accompanied by reform proposals for the Riester pension. The overall aim is to simplify the incentivisation and, at the same time, extend it to include investment funds. This also eliminates the annuity obligation.

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.

Business performance

The MLP Group performed well in the first half of 2023, while operating in an environment that remained difficult. Despite persistent market burdens resulting from dynamically rising interest rates, high inflation and uncertainty relating to political decisions, total revenue hit a new high at € 475.0 million. MLP's broad and strategically interlinked positioning once again distinctly ensured the stability of the overall business.

Above all, it was possible to record a significant increase in revenue from the interest rate business (+266.4 %). Due to current market developments, however, revenue from real estate development displayed a significant downward trend compared with the very strong equivalent period in the previous year (–43.3 %). In terms of commission income, the consulting fields displayed differing development. However, this had an overall balancing effect, meaning that it was possible to maintain commission income at virtually the same good level recorded in the previous year (–2.4 %).

Non-life insurance revenue improved significantly by 13.3 % and the premium volume rose to a new all-time high of € 682.2 million. Old-age provision revenue also increased considerably (+8.0 %), as did health insurance revenue (+5.2 %).

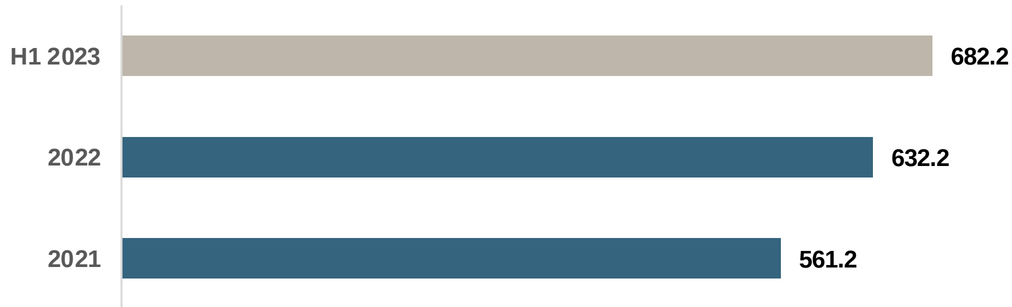
Wealth management revenue declined by –6.9 %. In light of the volatility encountered on the capital markets in the preceding quarters, performance fees also remained at a low level. However, assets under management rose to a new record level of € 56.7 billion as of June 30, 2023.

The particularly challenging market developments currently being encountered once again led to a significant decline in revenue in the consulting fields of real estate brokerage (–77.0 %) and loans & mortgages (–39.4 %).

Other income rose by 38.0 %.

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

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



While administration costs rose, both real estate development expenses and commission expenses declined in line with the respective revenue development.

Despite operating in these challenging market conditions, earnings before interest and taxes (EBIT) were € 37.4 million (€ 44.1 million).

The first half of the year has become more significant in the last few years as a result of MLP's strategic further development. However, due to the seasonality of our business the fourth quarter continues to deliver significant profit contributions, particularly in the field of old-age provision.

New clients

In the period from January 1 to June 30, 2023, MLP was able to acquire 9,300 (January 1 to June 30, 2022: 8,700) new family clients.

As per the end of June 30, 2023, the MLP Group served a total of 575,500 family clients (December 31, 2022: 569,200) and 27,600 corporate and institutional clients (December 31, 2022: 28,400).

Results of operations

Development of total revenue
Total revenue generated by the MLP Group rose to a new all-time high of € 475.0 million (€ 472.6 million) in the first half year of 2023. This represents an increase of 0.5 % over the same period in the previous year.

Sales revenues declined slightly by –0.4 % to € 459.6 million (€ 461.5 million). As a result of the higher interest rate, interest income increased significantly to € 27.5 million (€ 7.5 million). On the other hand, revenue from real estate development declined significantly to € 14.9 million due to current market developments (€ 26.3 million). At € 417.2 million (€ 427.7 million), commission income almost reached the good level recorded in the previous year. In an environment that remained challenging, the various consulting fields performed differently, but overall they balanced each other out.

Wealth management revenue declined by –6.9 % to € 150.3 million (€ 161.4 million), not least due to the volatility observed on the capital markets in preceding quarters and the low performance fees resulting from this. Assets under management recorded a new all-time high of € 56.7 billion as of June 30, 2023 (December 31, 2022: € 54.3 billion).

Thanks to the good development particularly in the field of occupational pension provision, old-age provision revenue rose by a total of 8.0 % to € 93.2 million (€ 86.3 million). At € 1,664.9 million (€ 1,368.2 million), total premiums were 21.7 % above the same period of the previous year.

Non-life insurance business also showed strong growth, recording an increase of 19.6 % to € 127.8 million (€ 112.8 million). This can be attributed to the positive effect of premium indexations due to increased building costs and premium adjustments. The fact that Dr. Schmitt GmbH Würzburg was included for the first time in the figures for six full months represented another positive factor, having only been consolidated for the first time on April 1, 2022 in the previous year. As of June 30, 2023, the premium volume in the MLP Group increased to a new record level of € 682.2 million (December 31, 2022: € 632.2 million).

At € 29.6 million (€ 28.1 million), revenue in the health insurance business was up by 5.2 % over the previous year. This once again reflects the heightened awareness of the importance of health provision.

It is important to consider the market conditions, which are currently particularly challenging, when examining revenue development in real estate brokerage and loans & mortgages. Revenue from real estate brokerage mortgages declined significantly by –77.0 % to € 5.5 million (€ 24.1 million). The brokered real estate volume fell sharply to € 71.8 million (€ 269.1 million). Revenue from loans and mortgages also declined significantly by –39.4 % to € 7.0 million (€ 11.5 million). The financing volume dropped significantly to € 604.2 million (€ 1,514.6 million).

Other commission and fees were € 3.9 million, following € 3.5 million in the previous year.

Other income rose significantly to € 15.3 million (€ 11.1 million). This figure includes payments from product partners for attending and participating in the Main Seminar, as well as a rise in rental income.

Looking at the second quarter alone, total revenue decreased by –2.6 % to € 212.2 million (€ 217.9 million).

Sales revenues declined by –3.0 % to € 205.2 million (€ 211.6 million). At the same time interest income rose sharply to € 15.7 million (€ 3.9 million). On the other hand, revenue from real estate development declined significantly by –73.9 % to € 4.9 million (€ 18.8 million). At € 184.7 million (€ 188.9 million), commission income was almost on par with the previous year's level. The differing developments in the various consultancy fields once again served to virtually balance one another out in the second quarter.

Revenue from the wealth management business of € 76.6 million (€ 80.3 million) was only slightly below the previous year's level. Old-age provision revenue rose to € 49.6 million (€ 45.9 million). Non-life insurance displayed strong revenue growth to € 36.1 million (€ 30.6 million). Revenue from health insurance increased to € 14.2 million (€ 13.5 million). The particularly challenging market conditions continued to be felt in the second quarter in the real estate brokerage and loans & mortgages business, with revenue from real estate brokerage declining to € 3.7 million (€ 11.6 million) and loans & mortgages declining to € 3.0 million (€ 5.8 million).

Other commission and fees were € 1.5 million, following € 1.2 million in the previous year.

Other income increased to € 7.0 million (€ 6.4 million).

Breakdown of revenue

All figures in € million	Share in %	H1 2023	Share in %	H1 2022	Change in %
Wealth management	36.0%	150.3	37.7%	161.4	–6.9%
Non-life insurance	30.6%	127.8	26.4%	112.8	13.3%
Old-age provision	22.3%	93.2	20.2%	86.3	8.0%
Health insurance	7.1%	29.6	6.6%	28.1	5.2%
Loans and mortgages	1.7%	7.0	2.7%	11.5	–39.4%
Real estate brokerage	1.3%	5.5	5.6%	24.1	–77.0%
Other commissions and fees	0.9%	3.9	0.8%	3.5	11.7%
Total commission income		**417.2**		**427.7**	**–2.4%**
Revenue from real estate development		**14.9**		**26.3**	**–43.3%**
Interest income		**27.5**		**7.5**	**266.4%**
Total		**459.6**		**461.5**	**–0.4%**

Analysis of expenses

Inventory changes were –€ 1.2 million (+€ 0.9 million) in the reporting period. These 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.

Commission expenses primarily comprise performance-linked commission payments to our MLP consultants. They represent the largest item under expenses. This item also includes non-life insurance commissions paid in the DOMCURA segment, as well as commissions paid in the Industrial Broker segment. 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 the depository bank and fund sales. Commission expenses from real estate brokerage are also accrued in the Deutschland.Immobilien segment. Similarly to commission income, commissions paid were below the previous year's level at € 211.7 million (€ 225.3 million). Real estate development expenses decreased to € 10.9 million (€ 21.0 million), in line with revenue development. Interest expenses, on the other hand, increased to € 4.7 million (€ 0.2 million) due to the dramatic rise in interest rates.

Gross profit (defined as total revenue less commission expenses, real estate development expenses and interest expenses, plus inventory changes) improved to € 246.4 million (€ 227.0 million).

The "Remeasurement gains or losses/loan loss provisions" item was –€ 1.0 million, following –€ 0.2 million in the previous year.

The administrative expenses of the MLP Group (defined as the sum of personnel expenses, depreciation/amortisation and impairment, as well as other operating expenses) were € 208.1 million (€ 184.9 million) and therefore above the previous year's level. Overall, MLP continued its investments in digitalisation and further expansion of its business areas in the first six months of 2023. The figure also includes the expenses from Dr. Schmitt GmbH Würzburg, which was only consolidated on April 1, 2022 in the previous year, as well as a one-off balance sheet effect resulting from the mergers of individual companies. It also includes expenses relating to an inflation bonus and salary rises paid to employees, as well as expenses incurred in connection with the Anniversary Main Seminar event. In the previous year, the Main Seminar could not take place due to the coronavirus pandemic. The individual items developed as follows: Personnel expenses rose to € 102.3 million (€ 93.5 million). Depreciation/amortisation and impairments remained unchanged at € 15.6 million (€ 15.6 million). Other expenses increased significantly to € 90.1 million (€ 75.8 million).

Total earnings from investments accounted for using the equity method were € 0.1 million (€ 2.1 million). In the previous year, this figure included higher earnings of MLP Hyp. As a joint venture with Interhyp, these earnings are disclosed as earnings from investments accounted for using the equity method.

Looking at the second quarter alone, commission expenses were € 96.1 million and therefore below the previous year's figure (€ 100.9 million). Expenses from real estate development fell sharply to € 4.8 million (€ 12.4 million), whereas interest expenses rose to € 3.4 million (€ 0.1 million).

The item Remeasurement gains or losses/Loan loss provisions stood at –€ 0.6 million, following –€ 0.8 million in the previous year.

At € 102.4 million, administration costs in the second quarter were above the previous year's figure (€ 93.4 million). Personnel expenses rose to € 50.3 million (€ 47.2 million). Depreciation and impairment expenses declined to € 7.8 million (€ 7.9 million). Other expenses increased to € 44.3 million (€ 38.2 million).

Total earnings from investments accounted for using the equity method were € 0.1 million (€ 0.9 million).

Earnings trend

Despite continuing to operate in challenging framework conditions, earnings before interest and taxes (EBIT) in the first half of 2023 were € 37.4 million (€ 44.1 million).

EBIT development (all figures in € million)

The finance cost in the reporting period was –€ 2.4 million (–€ 1.4 million). Earnings before tax (EBT) were therefore € 35.1 million, following € 42.7 million in the previous year. The tax rate was 32.6 % (27.5 %). Group net profit was € 23.6 million (€ 31.0 million). The diluted and basic earnings per share were € 0.24 (€ 0.28).

EBIT in Q2 was € 5.0 million (€ 9.5 million). This figure was particularly impacted by the negative developments in the real estate and the loans & mortgages business as well as by the one-off balance sheet effect resulting from mergers in the industrial broker business. Finance cost fell slightly to –€ 1.3 million (–€ 0.7 million). Earnings before tax (EBT) were therefore € 3.7 million, following € 8.7 million in the previous year. Group net profit was € 0.7 million (€ 6.8 million).

Structure and changes in earnings in the Group

All figures in € million	H1 2023	H1 2022	Change in %
Total revenue	475.0	472.6	0.5%
Gross profit [1]	246.4	227.0	8.5%
Gross profit margin (in %)	51.9%	48.0%	–
EBIT	37.4	44.1	–15.1%
EBIT margin (in %)	7.9%	9.3%	–
Finance cost	–2.4	–1.4	73.4%
EBT	35.1	42.7	–17.9%
EBT margin (in %)	7.4%	9.0%	–
Income taxes	–11.4	–11.7	–2.3%
Net profit	23.6	31.0	–23.8%
Net margin (in %)	5.0%	6.6%	–

[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.

Financial position

Aims of financial management

You can find detailed information on the objectives of financial management in the 2022 Annual Report of the MLP Group at www.mlp-annual-report.com.

Financing analysis

At present, we are using only a very limited amount of borrowed funds for the long-term financing of the Group in the form of securities, promissory note bond issues or loans. Our 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 us in the long term.

As of June 30, 2023, liabilities due to clients and financial institutions in the banking business of € 2,799.6 million (December 31, 2022: € 2,770.5 million) were offset on the assets side of the balance sheet by receivables from clients and financial institutions in the banking business of € 2,001.0 million (December 31, 2022: € 1,902.5 million). In addition to this, MLP maintains a high level of cash and cash equivalents of € 953.1 million (December 31, 2022: € 961.2 million).

We did not perform any increase in capital stock in the reporting period.

Liquidity analysis

Cash flow from operating activities increased to –€ 48.6 million following –€ 86.1 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 –€ 79.0 million to € 49.2 million. In the reporting period, maturing fixed and time deposits were reinvested only in a limited scope.

Cash flow from financing activities changed from –€ 44.0 million to –€ 9.2 million. This is due to the fact that the dividend payout was not made until July and therefore recorded in Q3, whereas last year's payout was already made in June and was therefore disclosed as cash outflow in Q2.

Condensed statement of cash flow

All figures in € million	Q2 2023	Q2 2022	H1 2023	H1 2022
Cash and cash equivalents at beginning of period	**885.0**	**1,307.9**	**957.6**	**1,374.0**
Cash flow from operating activities	27.8	–49.0	–48.6	–86.1
Cash flow from investing activities	43.0	–60.3	49.2	–79.0
Cash flow from financing activities	–3.3	–33.5	–9.2	–44.0
Changes in cash and cash equivalents	**67.5**	**–142.9**	**–8.7**	**–209.1**
Change in cash and cash equivalent due to changes in the scope of consolidation	0.6	0.0	0.6	0.0
Change in cash and cash equivalents due to exchange rate movements	–0.0	–0.1	–0.0	–0.1
Change in liabilities to banks due on demand (excluding the banking business)	–3.5	–18.6	0.1	–18.4
Cash and cash equivalents at end of period	**949.6**	**1,146.3**	**949.6**	**1,146.3**

As at the end of the first half year of 2023, the MLP Group has access to cash holdings of around € 1,031.2 million. A good level of liquid funds therefore remains available. There are sufficient cash reserves available to the MLP Group. Alongside cash holdings, free lines of credit are also in place.

Capital expenditure analysis

The investment volume of the MLP Group was € 7.0 million (€ 6.8 million) in the first six months of 2023. The majority of this investment volume was channelled into the Financial Consulting segment at € 3.1 million (€ 2.2 million) and the DOMCURA segment at € 2.1 million (€ 2.0 million). Investments in operating and office equipment, as well as software and IT represented one focus here.

Net assets

Analysis of the asset and liability structure

As of June 30, 2023, the balance sheet total of the MLP Group increased to € 3,799.4 million (December 31, 2022: € 3,784.6 million) On the assets side of the balance sheet, intangible assets were € 231.7 million (December 31, 2022: € 234.5 million). Property, plant and equipment totalled € 138.7 million (December 31, 2022: € 136.6 million). Investments accounted for using the equity method remained almost unchanged at € 4.8 million (€ 4.7 million).

Receivables from clients in the banking business were € 1,211.7 million (December 31, 2022: € 1,149.3 million). This rise is essentially the result of the increase in own-resource loans, as well as a higher level of receivables due on demand. Receivables from banks in the banking business increased to € 789.2 million (December 31, 2022: € 753.2 million). This rise can in particular be attributed to an increased investment volume in time deposits.

Financial investments declined to € 185.8 million (December 31, 2022: € 243.6 million), largely due to the mergers of Dr. Schmitt Versicherungsmakler GmbH and Bavaria-Assekuranz Versicherungsmakler GmbH with Dr. Schmitt GmbH Würzburg.

The "Inventories" item in the balance sheet essentially represents assets of the project enterprises within the DI Group. As of June 30, 2023, € 50.7 million were reported under this balance sheet item (December 31, 2022: € 51.9 million).

Other receivables and assets decreased slightly to € 222.0 million (December 31, 2022: € 237.7 million). This item essentially contains commission receivables from insurers and other product partners resulting from the brokerage of insurance products. The decrease can therefore be attributed to lower commission receivables due from insurance companies, as well as lower receivables from the underwriting business. Due to the typically strong year-end business, these commission receivables increase considerably at the end of the year and then decline again during the course of the following financial year.

At € 953.1 million, cash and cash equivalents remained at the level recorded at the end of 2022 (December 31, 2022: € 961.2 million).

Assets as of June 30, 2023

All figures in € million	June 30, 2023	Dec. 31, 2022	Change in %
Intangible assets	231.7	234.5	–1.2%
Property, plant and equipment	138.7	136.6	1.5%
Investments accounted for using the equity method	4.8	4.7	2.1%
Deferred tax assets	4.4	3.5	25.7%
Receivables from clients in the banking business	1,211.7	1,149.3	5.4%
Receivables from financial institutions in the banking business	789.2	753.2	4.8%
Financial assets	185.8	243.6	–23.7%
Inventories	50.7	51.9	–2.3%
Tax refund claims	7.3	8.4	–13.1%
Other receivables and assets	222.0	237.7	–6.6%
Cash and cash equivalents	953.1	961.2	–0.8%
Total	**3,799.4**	**3,784.6**	**0.4%**

On the reporting date of June 30, 2023, the shareholders' equity of the MLP Group increased to € 547.1 million (December 31, 2022: € 525.5 million). This is largely due to the positive net profit in 2023. Since the acquisition of a majority stake in the DI Group in 2019, non-controlling interests in shareholders' equity have been disclosed in the balance sheet. As of June 30, 2023, they were –€ 3.3 million (December 31, 2022: –€ 1.9 million). The balance sheet equity ratio was 14.4 % (December 31, 2022: 13.9 %).

Provisions fell slightly to € 85.6 million (December 31, 2022: € 97.6 million). This decrease is mainly attributable to the reductions in provisions for client support commission after they were paid. Liabilities due to clients in the banking business increased to € 2,660.5 million (December 31, 2022: € 2,633.5 million) and in particular reflect a rise in deposits on current accounts. Liabilities due to banks in the banking business rose to € 139.1 million (December 31, 2022: € 137.0 million). Other liabilities declined to € 322.6 million (December 31, 2022: € 353,1 million). This decrease can predominantly be attributed to lower liabilities due to MLP consultants, banks and other providers of debt capital.

Liabilities and shareholders' equity as of June 30, 2023

All figures in €'000	June 30, 2023	Dec. 31, 2022	Change in %
Shareholders' equity	547.1	525.5	4.1%
thereof minority interests	–3.3	–1.9	73.7%
Provisions	85.6	97.6	–12.3%
Deferred tax liabilities	21.0	19.3	8.8%
Liabilities due to clients in the banking business	2,660.5	2,633.5	1.0%
Liabilities due to financial institutions in the banking business	139.1	137.0	1.5%
Tax liabilities	23.3	18.6	25.3%
Other liabilities	322.6	353.1	–8.6%
Total	**3,799.4**	**3,784.6**	**0.4%**

Comparison of actual and forecast business performance

Despite operating in framework conditions that remained challenging and actually became even more acute in individual consulting fields, revenue performance remained stable in the first half of 2023. This again demonstrated the compensatory effect among the various business fields. Yet despite this, sales revenue after the first six months have not yet delivered the slight increase anticipated for the year as a whole.

In wealth management, revenue displayed a slight decline in the first half of the year and is therefore still below our expectations for the year, which assumed consistent revenue. This can largely be attributed to the fact that we are currently still collecting only very low performance fees.

In old-age provision, the anticipated slightly positive revenue development is already materialising, as is the strong anticipated increase in non-life insurance revenue. Health insurance revenue rose slightly in the first half of the year, contrary to our expectation of stable development.

At the start of the year, we were still anticipating a slight increase in annual revenue from real estate brokerage and development, as well as in loans and mortgages. Yet in light of market developments and after reviewing the results for the first three months of the year, we revised this estimate downwards. However, the significant decline in revenue in the real estate business after the first six months of the year is still below our previously adjusted expectation. The pronounced decline in revenue from loans and mortgages, on the other hand, is in line with our revised expectations after the first three months of the year.

In the interest rate business, we were anticipating a slight increase in total annual revenue at the start of the year, but then corrected this expectation upwards after reviewing the results for the first three months. As such, the significant increase in revenue in the first half of the year is in line with our adjusted expectations.

In terms of administration costs, we had anticipated an increase in the upper single-digit percentage range, among other things due to further expenses for future investments, as well as additional recruitment and salary rises. Administration costs rose more than anticipated in the first half of the year, among other things due to the one-off balance sheet effect of mergers in the Industrial Broker segment. However, expenses from real estate development and commission expenses were much lower than expected. Instead of the significant or slight increase that was anticipated, each of these two expense items was below the previous year's figure in the first half of the year in line with the respective revenue items.

EBIT was € 37.4 million in the first half of 2023 and was therefore significantly below the previous year's figure, not least due to the adverse one-off effect relating to mergers in the Industrial Broker segment. We forecast EBIT of between € 75 and 85 million for the year.

Segment report

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 both private and corporate clients, from wealth management, through accounts and cards, to the interest rate business, are brought together in the Banking segment. As such, 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 are 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 development of the segments in the first half of 2023 and/or the second quarter of 2023 is explained in the following. The following provides an overview of the earnings performance and development of revenue and expenses in the segments within the first half of 2023 and the second quarter of 2023. You can find detailed figures on the development of earnings, revenue and expenses in the individual segments in the Notes under point 6 "Reportable business segments".

Financial Consulting segment

At € 191.9 million, total revenue in the Financial Consulting segment for the first six months of 2023 remained at virtually the same good level recorded in the previous year (€ 193.7 million). However, sales revenues declined to € 175.3 million (€ 181.0 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 old-age provision, non-life insurance and health insurance. Other income rose to € 16.6 million (€ 12.7 million), in particular due to higher internal Group allocations relating to the sales infrastructure, as well as payments from product partners for attending and participating in the Main Seminar.

Due to lower revenue, commission expenses were € 82.5 million (€ 94.2 million). Loan loss provisions stood at € 0.2 million (–€ 0.4 million). Personnel expenses rose to € 44.4 million (€ 40.7 million). This increase can be attributed to expenses relating to an inflation bonus for employees, as well as salary rises. At € 9.1 million (€ 9.5 million), depreciation/amortisation and impairment was virtually unchanged. Other expenses increased to € 54.4 million (€ 49.3 million), primarily due to expenses accrued in the context of holding the previously postponed Anniversary Main Seminar. In the previous year, the Main Seminar could not take place due to the coronavirus pandemic.

EBIT rose slightly to € 1.8 million, following € 1.7 million in the previous year. The finance cost was –€ 0.4 million (€ 0.4 million). EBT declined to € 1.4 million (€ 2.1 million).

Looking at the second quarter on its own, total revenue rose to € 88.4 million (€ 88.1 million). Sales revenue was € 80.7 million (€ 81.6 million) while other revenue was € 7.7 million (€ 6.5 million). Commission expenses declined to € 38.6 million (€ 41.4 million) due to lower commission income. Personnel expenses rose to € 21.4 million (€ 20.5 million). At € 4.5 million (€ 4.8 million), depreciation/amortisation and impairment remained virtually unchanged. Operating expenses were € 25.3 million (€ 24.2 million) and as such slightly higher than in the previous year. EBIT was –€ 1.1 million (–€ 2.1 million) in Q2. With a finance cost of –€ 0.2 million (€ 0.2 million), EBT was –€ 1.3 million (–€ 1.9 million).

Banking segment

Total revenue in the Banking segment rose to € 82.9 million (€ 64.4 million) in the first six months of 2023, with sales revenue increasing significantly to € 80.4 million (€ 62.8 million). This can be attributed to the strong interest rate business resulting from the turnaround in interest rates. At € 2.6 million (€ 1.6 million), other revenue was slightly up on the previous year.

Commission expenses were € 25.1 million (€ 29.2 million). Interest expenses rose to € 5.5 million due to the significant increase in revenue (€ 0.2 million). Loan loss provisions totalled –€ 1.6 million (–€ 0.5 million). Personnel expenses were € 8.2 million (€ 7.3 million), while depreciation/amortisation and impairment remained virtually unchanged at € 0.3 million (€ 0.2 million). Other expenses increased to € 22.6 million (€ 19.0 million), in particular due to higher internal Group allocations in connection with the sales infrastructure.

EBIT rose to € 19.7 million (€ 7.9 million) mainly due to higher sales revenue. At a finance cost of –€ 0.0 million (€ 0.1 million), EBT stood at € 19.7 million (€ 8.0 million).

Total revenue rose to € 44.4 million (€ 34.2 million) in the second quarter. Sales revenue increased to € 42.8 million (€ 33.4 million). Other income was € 1.6 million (€ 0.8 million). The loan loss provisions rose to –€ 0.6 million following a contribution of –€ 1.3 million in the previous year. Commission expenses were € 12.9 million (€ 16.0 million). Interest expenses increased to € 4.0 million (€ 0.3 million). Personnel expenses were € 3.9 million (€ 3.7 million). Depreciation/amortisation and impairments remained unchanged at € 0.1 million (€ 0.1 million). Other expenses increased to € 11.3 million (€ 9.8 million). EBIT therefore reached € 11.5 million (€ 3.0 million). With a finance cost of –€ 0.0 million (€ 0.1 million), EBT was €11.5 million (€ 3.1 million).

FERI segment

At € 103.5 million (€ 111.9 million), total revenue in the FERI segment was slightly below the previous year's level. Sales revenue declined from € 109.7 million to € 101.1 million. This can be attributed to lower performance fees, as well as reservations among clients resulting from the poor stock market year in 2022. Other income rose slightly from € 2.2 million to € 2.4 million.

Commission expenses fell slightly to € 63.2 million (€ 65.7 million). Loan loss provisions increased to –€ 0.4 million (€ 0.9 million). Personnel expenses were € 21.4 million (€ 20.8 million). Depreciation/amortisation and impairments were € 1.8 million (€ 1.7 million). Other expenses were € 7.1 million (€ 7.9 million).

As a result, EBIT declined to € 9.7 million (€ 16.7 million). At a finance cost of € 0.0 million (–€ 0.5 million), EBT stood at € 9.7 million (€ 16.1 million).

Looking at the second quarter alone, total revenue declined slightly to € 53.4 million (€ 54.1 million). At € 51.3 million, sales revenues were below the previous year (€ 52.8 million). Other income was € 2.0 million (€ 1.3 million). Commission expenses declined to € 31.8 million (€ 32.2 million). Personnel expenses were € 11.3 million, following € 10.8 million in the previous year. Depreciation/amortisation and impairments remained virtually unchanged at € 0.9 million (€ 0.9 million). Other expenses fell slightly to € 3.6 million (€ 3.7 million). This resulted in a decline in EBIT to € 5.2 million (€ 7.2 million) in the second quarter. With a finance cost of € 0.0 million (–€ 0.4 million), EBT was € 5.2 million (€ 6.8 million).

DOMCURA segment

Total revenue increased to € 78.1 million (€ 70.0 million). Sales revenue rose to € 76.7 million (€ 67.9 million) in the first six months of 2023. This can be attributed to the positive effect of premium indexations due to increased building costs and premium adjustments. Other income was € 1.5 million (€ 2.0 million).

Commission expenses rose to € 50.6 million (€ 45.1 million) as a result of higher revenue. Personnel expenses were € 10.2 million (€ 9.4 million). Depreciation/amortisation and impairments remained virtually unchanged at € 1.5 million (€ 1.3 million). Other expenses increased to € 6.3 million (€ 4.6 million), among other things due to higher IT expenses, as well as expenses for client support services.

EBIT reached € 9.4 million (€ 9.6 million). At a finance cost of € 0.3 million (–€ 0.2 million), EBT was € 9.7 million (€ 9.4 million).

Considering only the second quarter, total revenue reached € 23.6 million (€ 21.0 million), while sales revenue increased to € 22.9 million (€ 19.8 million). Other income was € 0.7 million (€ 1.2 million). Commission expenses increased to € 16.0 million (€ 14.2 million). Personnel expenses rose slightly to € 4.9 million (€ 4.5 million). Depreciation/amortisation and impairments remained virtually unchanged at € 0.8 million (€ 0.7 million). Other expenses increased to € 3.3 million, following € 2.4 million in the previous year. EBIT was –€ 1.2 million (–€ 0.7 million). With a finance cost of € 0.2 million (–€ 0.0 million), EBT was –€ 1.0 million (–€ 0.7 million).

Deutschland.Immobilien segment

Total revenue fell sharply to € 24.9 million (€ 52.5 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 € 20.4 million in the first half of 2023 (€ 50.2 million). Other income was € 4.5 million (€ 2.2 million).

Commission expenses decreased to € 4.6 million (€ 16.6 million) as a result of lower sales revenue. Due to the declining volume in real estate development, real estate development expenses fell to € 11.2 million (€ 21.4 million). Personnel expenses were € 4.4 million (€ 4.2 million). Depreciation/amortisation and impairments were € 0.6 million (€ 0.9 million). Other expenses rose to € 7.0 million (€ 2.5 million).

EBIT was –€ 3.0 million (€ 7.6 million). Other interest and similar expenses were –€ 4.5 million (–€ 2.1 million). With a finance cost of –€ 3.6 million (–€ 1.6 million), EBT was –€ 6.6 million (€ 6.1 million).

Looking at the second quarter alone, total revenue fell to € 9.9 million (€ 31.4 million). Sales revenue declined to € 8.6 million (€ 30.2 million). Other income was € 1.3 million (€ 1.2 million). Commission expenses declined to € 3.0 million (€ 4.1 million). Real estate development expenses decreased to € 4.9 million (€ 14.3 million). Personnel expenses rose to € 2.3 million (€ 1.9 million). Depreciation/amortisation and impairments were € 0.2 million (€ 0.5 million). Other expenses amounted to € 2.4 million, following € 1.2 million in the previous year. EBIT was therefore € 2.9 million (€ 7.5 million). With a finance cost of –€ 2.1 million (–€ 0.8 million), EBT was –€ 4.9 million (€ 6.6 million).

Industrial Broker segment

Total revenue in the Financial Consulting segment was € 22.3 million (€ 17.4 million) in the first six months of 2023. Sales revenues were € 22.1 million (€ 17.0 million). Among other things, the fact that Dr. Schmitt GmbH Würzburg was included for the first time in the figures for six full months represented a positive factor here, having only been consolidated for the first time on April 1, 2022 in the previous year. Other income was € 0.2 million (€ 0.3 million).

Commission expenses were € 0.5 million (€ 0.4 million). Personnel expenses amounted to € 9.9 million (€ 7.8 million). Depreciation/amortisation and impairments were € 1.4 million (€ 1.1 million). Other expenses increased to € 4.9 million (€ 1.9 million). This increase can mainly be attributed to a one-off balance sheet effect resulting from the merger of Dr. Schmitt Versicherungsmakler GmbH and Bavaria-Assekuranz Versicherungsmakler GmbH with Dr. Schmitt GmbH Würzburg.

EBIT was € 5.6 million (€ 6.1 million). This decline can essentially be explained by the rise in other expenses as a result of the aforementioned one-off balance sheet effect. With a finance cost of –€ 0.5 million (–€ 0.5 million), EBT was € 5.1 million (€ 5.7 million).

Considering only the second quarter, total revenue reached € 6.5 million (€ 4.8 million), while sales revenue increased to € 6.4 million (€ 4.6 million). Other income was € 0.1 million (€ 0.2 million). Commission expenses decreased to € 0.1 million (€ 0.2 million). Personnel expenses rose to € 5.0 million (€ 4.5 million). Depreciation/amortisation and impairments were € 0.7 million (€ 0.6 million). Other expenses were € 3.8 million, following € 0.9 million in the previous year. This rise is mainly due to the aforementioned one-off balance sheet effect. EBIT was therefore –€ 3.1 million (–€ 1.4 million). With a finance cost of –€ 0.2 million (–€ 0.3 million), EBT was –€ 3.4 million (–€ 1.7 million).

Holding segment

Total revenue generated in Q2 2023 in the Holding and Other segment was € 7.0 million (€ 4.6 million) higher than in the previous year. No revenue is generated in this segment. Other income was € 7.0 million (€ 4.6 million). This rise can be attributed to greater revenue from Group allocations, as well as 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 € 4.0 million, personnel expenses were higher than in the previous year (€ 3.3 million). This is largely due to restructuring measures and the transfer of employees from other Group companies to MLP SE. Depreciation/amortisation and impairment was € 1.0 million (€ 0.9 million). Other expenses rose to € 7.2 million (€ 5.1 million).

EBIT was –€ 5.3 million (–€ 4.6 million). Finance cost rose to € 1.2 million (–€ 0.4 million). EBT therefore reached –€ 4.1 million (–€ 5.0 million).

Looking at the second quarter alone, total revenue of € 3.1 million (€ 2.3 million) was higher than in the same period of the previous year. No revenue is generated in this segment. Other income increased to € 3.1 million (€ 2.3 million). Personnel expenses rose to € 1.6 million (€ 1.3 million). Depreciation/amortisation and impairments were € 0.5 million (€ 0.4 million). Other expenses were € 4.2 million (€ 2.8 million). EBIT therefore totalled –€ 3.1 million (–€ 2.3 million).

With a finance cost of € 0.8 million (–€ 0.2 million), EBT was –€ 2.3 million (–€ 2.5 million).

Employees and self-employed client 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. Recruitment of new consultants as well as their qualification and further development therefore represents an important focus along with a continuous development of our HR work.

The number of employees rose slightly to 2,319 (June 30, 2022: 2,258) in the reporting period. 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.

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

Segment	June 30, 2023	June 30, 2022
Financial Consulting [1]	1,107	1,099
Banking	220	205
FERI	271	259
DOMCURA	301	296
Industrial Broker [2]	263	266
Holding	40	21
Deutschland.Immobilien	117	112
Total	**2,319**	**2,258**

1 Including ZSH GmbH Finanzdienstleistungen and MLP Dialog GmbH.

2 Since April 1, 2022: Dr. Schmitt GmbH Würzburg

At 2,055, the number of self-employed client consultants at the end of H1 was below the figure at the end of 2022 (December 31, 2022: 2,100) and slightly above the level of the same quarter in the previous year (June 30, 2022: 2,042). As of June 30, 2023, MLP operated 128 branch offices (December 31, 2022: 130). There were 106 university teams at the end of H1 (December 31, 2022: 102).

RISK AND OPPORTUNITY REPORT

MLP's group-wide early risk detection and monitoring system is used as the basis for a group-wide active risk management. This system ensures appropriate identification, assessment, controlling, monitoring and communication of the major risks. 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.

The high rate of inflation, caused by various factors including the ongoing military conflict between Russia and the Ukraine, led to a turning point in the interest rate policy of the ECB, manifesting in multiple and significant interest rate rises. Germany is also expected to fall into recession, which will gradually change the macroeconomic risk position alongside the transformation to a sustainable economy that is already underway. Since it has very few commitments in the affected countries, the war in Ukraine is unlikely to have any significant direct effects for MLP. There have not been any fundamental changes to the risk/opportunity profile of the MLP Group due to inflation remaining high, the expectation that Germany is likely to fall into recession or the fact that the interest rate is likely to remain high for some time following the turnaround in interest rates. The Deutschland.Immobilien segment continues to face increased risks, which have been taken into account within the scope of risk management. There were no other extraordinary charges within the scope of our counterparty default, market price, liquidity, operational or other risks in the first half of 2023.

The changeover from the previous going-concern and liquidation approach for calculating the risk bearing capacity to the so-called economic and normative risk control perspective was performed in the reporting period. Our core capital ratio was 20.5 % on the reporting date of June 30, 2023 (December 31, 2022: 20.1 %) and therefore remained above the regulatory 8 % plus 2.5 % capital conservation buffer. As was also the case on December 31, 2022, the equity method was applied pursuant to Art. 18 (7) of the Capital Requirements Regulation (CRR) to qualified investments outside the financial sector, which was essentially the cause of the rise in the total capital ratio.

The MLP Group still has adequate capital resources from both control perspectives. The liquidity situation also remains adequate. There are currently no identifiable risks that threaten the going-concern of the MLP Group.

You can find a detailed description of our risk and opportunity management system in our risk and opportunity report in the 2022 Annual Report of the MLP Group.

FORECAST

Future overall economic development

Geopolitical risks remain highly relevant for the macroeconomic situation. On a global scale, these include the hegemonic conflict between the US and China, the Taiwan question and also the domestic political situation in the United States. The upcoming presidential election campaign in the US is also increasingly influencing international politics due to its fundamental significance. With regard to Europe, the war in Ukraine is still extremely important.

The dynamics of the global economy remain weak and recessive trends are likely. The European Economic Union is not displaying any internal growth dynamics and is highly dependent on the global economy. The US is likely to face a mild recession, although this may not actually take effect until 2024.

FERI is anticipating a reduction in German GDP of –0.4 % for 2023 over the previous year (2022: 1.9 %). Private consumption is suffering from the reduction in purchasing power as a result of high inflation, while the restrictive monetary policy is having a negative effect on construction investment. Industrial enterprises are facing persistently high energy prices, which is negatively impacting their competitiveness. At the same time, the scenario of a "double-dip" recession starting at the end of the year remains a distinct possibility due to the risk of a recession in the US and only very limited positive stimulus coming from China.

Recessive trends in the mid-term will likely lead to lower interest rates in the long term. However, there are currently no concrete signs of interest rate cuts by the ECB. Inflation rates are also only falling slowly. In Europe, stronger wage increases could serve to drive inflation even higher. Indeed, the inflation rate in the Eurozone is likely to exceed 4 % at the end of the year based on estimates provided by FERI.

Future industry situation and competitive environment

Neither the competitive conditions nor the regulatory environment saw any significant changes in the first half of the year in comparison with the description provided in the MLP Group Annual Report 2022.

In old-age provision, the situation on the client side is characterised by declines in real income and a high degree of uncertainty. From the perspective of the German Insurance Association (GDV e.V.), this could lead to ongoing reservations in terms of signing long-term contracts. However, more attractive returns due to the end of the low interest rate era are likely to provide positive stimulus. Based on estimates provided by Assekurata, life insurers are likely to benefit from the turnaround in interest rates in the long term. Indeed, the current interest rate yield is set to enjoy a slight increase across all common product types and tariffs in 2023. This will also give a welcome boost over the previous year in terms of surplus-sharing. In addition, occupational pension provision is increasingly gaining ground as another pillar of old-age provision strategies. In the Willis Towers Watson Global Benefits Attitudes Survey 21/22, some 55 % of employees confirmed that having access to occupational pension provision is more important than ever. This figure is up from the 45 % recorded in 2020.

In light of the current situation on the capital markets, MLP is still anticipating a marked increase in the need for wealth management consultancy services in future. However, the upwards trend observed on the stock markets in the first few months of the current year should be interpreted cautiously. Recessionary tendencies continue to spill over from the US to Europe, while core inflation remains stubborn. Volatile market conditions should therefore be anticipated. In fact, Deutsche Bank is forecasting further setbacks over the remainder of the year.

In non-life insurance, the German Insurance Association (GDV e.V.) is anticipating a 5.7 % increase in revenue for the current year, despite the challenging overall economic climate. The GDV is also expecting an increase in potential claims in the mid-term. However, growth potential remains strong, for example in the field of elementary insurance or cyber security policies. According to AssCompact, the market for commercial and industrial insurance products is on the up.

The general sentiment in the field of private health insurance is slightly positive. Assekurata continues to see growth potential here, above all for supplementary insurance policies. This reflects the heightened awareness among the population regarding the importance of healthcare provision. According to Assekurata, key growth areas are occupational health insurance and supplementary dental insurance policies, which have both seen an increase in demand recently.

The real estate sector is characterised by rapidly increasing costs for new buildings and modernisations, although the trend of rising property prices has now been reversed. The current interest rate development, the fact that building materials remain expensive, as well as the prevalence of supply and service bottlenecks are together leading to a price adjustment. According to a recent survey conducted by DZ, however, the demand for housing is likely to further increase significantly due to the influx of foreign specialists and also people fleeing conflict. In light of the demographic development, retirement and care properties are also set to become significantly more important in the mid-term. At the end of July, the US central bank (FED) raised the prime rate by 25 basis points to the new range of 5.25 % to 5.50 %. In its meeting held at the end of July, the ECB also raised the prime rate by a further 25 basis points to 4.25 %. Further interest rate increases in the coming months have not been ruled out and will depend largely on how inflation progresses.

In terms of ten-year mortgages, Interhyp is anticipating lending rates in a corridor from 3.5 % to 4 % for 2023. However, peaks above the 4 % mark are also possible. In particular the massive collapse in mortgage lending and the weak demand for new real estate loans are serving to dampen the overall mood among finance brokers.

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.

The trilogue procedure of the European institutions involved in drafting the EU Retail Investment Strategy is now underway. As previously noted, the draft no longer contains a general ban on commission. Whether this legislative process can be completed in Europe before the EU Parliament elections scheduled for 2024 remains unclear.

In addition, a draft bill on the share-based pension scheme that was announced in the coalition agreement is still anticipated. 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. The German government is setting aside € 10 billion for this. The objective here is to establish the institutional prerequisites that will enable the funds to be set up for investment of the € 10 billion. Irrespective of any such measure relating to the statutory state pension, supplementary old-age provision remains essential for citizens in Germany.

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.

Anticipated business development

You can find details on our forecast for the financial year 2023 in the 2022 Annual Report of the MLP Group at www.mlp-annual-report.com.

Our EBIT forecast for the year 2023, which we issued at the start of the year together with the publication of the annual figures for the financial year 2022, still applies. Despite significant and persistent negative effects in parts of our markets, as well as ongoing extensive investments, MLP is still expecting to record EBIT in a corridor between € 75 million and € 85 million for the financial year 2023.

We had already partially adjusted our revenue expectations for individual consulting fields after reviewing the results for the first three months of the year. Now that the results for the first six months are available, we will be making another adjustment. We will also be making corresponding adjustments in terms of our expectations regarding expenses.

We are still anticipating consistent revenue in wealth management. Likewise, we expect to see a slight increase in old-age provision revenue, while non-life insurance revenue is expected to rise sharply and health insurance is likely to deliver consistent revenue. In line with current market trends, prospects for the fields of real estate and loans/mortgages have increasingly deteriorated since the start of the year, whereas the interest rate business is benefiting from the significant interest rate increases implemented by central banks. In the real estate brokerage and development consulting field, we are therefore now anticipating a significant downward trend in revenue, having initially expected only a slight downward trend following the results for the first three months (at the start of the year: slight increase). In the loans and mortgages consulting field, we are reaffirming our revised expectation of recording a significant decline in revenue after reviewing the results from the first three months of the year (at the start of the year: slight increase). On the other hand, we had already revised our expectations in the interest rate business upwards following the results for the first three months of the year and are still expecting to record a significant increase in revenue (at the start of the year: slight increase), also based on the clearly positive developments of the second quarter.

With regard to administration costs, we are reaffirming our expectation of achieving an increase in the upper single-digit percentage range. However, based on the adjusted expectations with regard to certain types of commission income, as well as revenue from real estate development, we are revising our expenditure forecast. For commission expenses, we are anticipating a figure at around the previous year's level at the end of the year (at the start of the year: slight increase), while for expenses from real estate development we are currently anticipating a significant reduction over the previous year (at the start of the year: significant increase).

We also reaffirm our mid-term plan of achieving a significant increase in EBIT by the end of 2025.

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.

Condensed interim statements of the MLP Group

CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Income statement for the period from January 1 to June 30, 2023

All figures in €'000	Notes	Q2 2023	Q2 2022	H1 2023	H1 2022
Revenue	(7)	205,239	211,570	459,645	461,503
Other revenue		6,972	6,369	15,325	11,104
Total revenue		212,211	217,938	474,970	472,606
Inventory changes		–78	–1,788	–1,175	914
Commission expenses[1]	(8)	–96,108	–100,911	–211,739	–225,308
Expenses from real estate devlopment[1]	(9)	–4,766	–12,373	–10,944	–21,016
Interest expenses		–3,353	–109	–4,703	–213
Valuation result/loan loss provisions		–568	–811	–1,026	–207
Personnel expenses	(10)	–50,335	–47,248	–102,334	–93,452
Depreciation and impairments	(11)	–7,780	–7,947	–15,584	–15,641
Other expenses	(12)	–44,309	–38,196	–90,136	–75,777
Earnings from investments accounted for using the equity method		98	929	87	2,149
Earnings before interest and taxes (EBIT)		**5,011**	**9,484**	**37,415**	**44,056**
Other interest and similar income		1,353	744	2,313	1,266
Other interest and similar expenses		–2,699	–1,248	–4,687	–2,381
Valuation result not relating to operating activities		10	–240	17	–244
Finance cost	(13)	**–1,336**	**–744**	**–2,358**	**–1,360**
Earnings before taxes (EBT)		**3,676**	**8,740**	**35,058**	**42,697**
Income taxes		–2,943	–1,948	–11,444	–11,718
Net profit		**732**	**6,792**	**23,614**	**30,979**
of which attributable to					
owners of the parent company		2,386	5,336	25,892	30,073
non-controlling interests		–1,653	1,456	–2,278	905
Earnings per share in €[1,2]					
basic/diluted		**0.02**	**0.05**	**0.24**	**0.28**

[1] Basis of calculation (basic): average number of ordinary shares outstanding as of June 30, 2023: 109,185,759

[2] Basis of calculation (diluted): average number of ordinary shares outstanding as of June 30, 2023: 109,334,686

Statement of comprehensive income for the period from January 1 to June 30, 2023

All figures in €'000	Q2 2023	Q2 2022	H1 2023	H1 2022
Net profit	**732**	**6,792**	**23,614**	**30,979**
Gains/losses due to the revaluation of defined benefit obligations	–1,112	10,201	–1,645	16,991
Gains/losses due to equity instruments measured at fair value through other comprehensive income	815	–53	1,219	–53
Deferred taxes on non-reclassifiable gains/losses	86	–3,014	123	–5,021
Non-reclassifiable gains/losses	**–211**	**7,133**	**–302**	**11,917**
Gains/losses due to currency translation differences	59	161	36	282
Deferred taxes on reclassifiable gains/losses	-	-	-	-
Reclassifiable gains/losses	**59**	**161**	**36**	**282**
Other comprehensive income	**–152**	**7,295**	**–266**	**12,198**
Total comprehensive income	**580**	**14,087**	**23,348**	**43,177**
Of which attributable to				
owners of the parent company	2,234	12,631	25,626	42,272
minority interests	–1,653	1,456	–2,278	905

STATEMENT OF FINANCIAL POSITION

Assets as of June 30, 2023

All figures in €'000	Notes	June 30, 2023	Dec. 31, 2022
Intangible assets		231,681	234,514
Property, plant and equipment	(14)	138,711	136,553
Investments accounted for using the equity method		4,776	4,689
Deferred tax assets		4,394	3,531
Receivables from clients in the banking business		1,211,749	1,149,294
Receivables from financial institutions in the banking business		789,248	753,225
Financial assets	(15)	185,757	243,558
Inventories		50,652	51,899
Tax refund claims		7,327	8,365
Other receivables and assets	(16)	222,006	237,730
Cash and cash equivalents		953,090	961,231
Total		**3,799,391**	**3,784,590**

Liabilities and shareholders' equity as of June 30, 2023

All figures in €'000	Notes	June 30, 2023	Dec. 31, 2022
Equity attributable to MLP SE shareholders		550,454	527,379
Non-controlling interests		–3,308	–1,855
Total shareholders' equity	**(17)**	**547,146**	**525,524**
Provisions		85,627	97,593
Deferred tax liabilities		21,046	19,277
Liabilities due to clients in the banking business		2,660,514	2,633,482
Liabilities due to financial institutions in the banking business		139,123	137,035
Tax liabilities		23,325	18,582
Other liabilities	(16)	322,609	353,097
Total		**3,799,391**	**3,784,590**

CONSOLIDATED STATEMENT OF CASH FLOW

Consolidated statement of cash flow for the period from January 1 to June 30, 2023 and from April 1, to June 30, 2023

All figures in €'000	Q2 2023	Q2 2022	H1 2023	H1 2022
Net profit (total)	**732**	**6,792**	**23,614**	**30,979**
Income taxes paid/reimbursed	–4,085	–4,209	–6,417	–7,149
Interest received	11,241	6,551	20,527	8,878
Interest paid	–4,600	–1,416	–6,505	–1,769
Adjustments not affecting cash and changes to operating assets and liabilities	24,556	–56,752	–79,856	–117,055
Cash flow from operating activities	**27,845**	**–49,034**	**–48,636**	**–86,116**
Purchase of intangible assets and property, plant and equipment	–3,242	–3,547	–7,023	–6,825
Proceeds from disposal of intangible assets and property, plant and equipment	6	716	17	918
+ Repayment of / – investments in other investments and fixed income securities	46,339	–40,248	56,353	–53,386
– Cash outflow from the acquisition /+ cash inflow from the sale and disposal of other financial assets	–150	–238	–185	–2,768
Cash outflows from the acquisition of subsidiaries (net of cash acquired)	-	–16,987	-	–16,987
Cash flow from investing activities	**42,952**	**–60,303**	**49,162**	**–79,048**
Dividends paid to shareholders of MLP SE	-	–32.786	-	–32.786
Acquisition of treasury stock	-	3,231	-	–381
– Cash outflows from repaying /+ cash inflows from taking out (financial) credits	392	–452	–2,075	–2,924
Principal payments of leasing liabilities	–3,646	–3,514	–7,158	–6,865
– Cash outflows from the repayment of purchase price liabilities	-	-	-	–1,000
Cash flow from financing activities	**–3,253**	**–33,521**	**–9,233**	**–43,956**
Cash and cash equivalents at beginning of period	**884,993**	**1,307,856**	**957,640**	**1,373,953**
Changes in cash and cash equivalents	67,543	–142,858	–8,707	–209,120
Change in cash and cash equivalent due to changes in the scope of consolidation	572	-	572	-
Change in cash and cash equivalents due to exchange rate movements	–19	–108	–6	–125

Change in liabilities to banks due on demand (excluding the banking business)	–3,494	–18,604	97	–18,422
Cash and cash equivalents at end of period	**949,595**	**1,146,286**	**949,595**	**1,146,286**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity for the period from January 1 to June 30, 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 January 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	-	–1,887	-	-	-	-	–1,887	-	–1,887
Dividend	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	–825	–825	825	-
Transactions with owners	**45**	**–1,887**	**-**	**-**	**-**	**–709**	**–2,550**	**825**	**–1,725**
Net profit	-	-	-	-	-	25,892	25,892	–2,278	23,614
Other comprehensive income	-	-	857	–1,159	36	-	–266	-	–266
Total comprehensive income	**-**	**-**	**857**	**–1,159**	**36**	**25,892**	**25,626**	**–2,278**	**23,348**
Changes to the scope of consolidation	-	-	-	-	-	-	-	-	-
As of June 30, 2023	**109,333**	**148,166**	**873**	**–4,801**	**266**	**296,618**	**550,454**	**–3,308**	**547,147**

Consolidated statement of changes in equity for the period from January 1 to June 30, 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 January 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	-	–2,092	-	-	-	-	–2,092	-	–2,092
Dividend	-	-	-	-	-	–32,786	–32,786	-	–32,786
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-
Transactions with owners	**–26**	**–2,092**	**-**	**-**	**-**	**–33,142**	**–35,260**	**-**	**–35,260**
Net profit	-	-	-	-	-	30,073	30,073	905	30,979
Other comprehensive income	-	-	–53	11,970	281	-	12,198	-	12,198
Total comprehensive income	**-**	**-**	**–53**	**11,970**	**281**	**30,073**	**42,271**	**905**	**43,176**
Changes to the scope of consolidation	-	-	-	-	-	-	-	-	-
As of June 30, 2022	**109,288**	**148,354**	**–53**	**–5,576**	**222**	**250,023**	**502,256**	**1,891**	**504,147**

NOTES TO THE INTERIM FINANCIAL STATEMENTS OF THE GROUP

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, sale, development and management of real estate properties and banking services.

2 Principles governing the preparation of the financial statements

The interim financial report has been prepared in line with the regulations set out in IAS 34 (Interim financial reporting). It is based on the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as applicable within the European Union (EU). In accordance with the provisions of IAS 34, the scope of the report has been reduced compared to the consolidated financial statements as of December 31, 2022.

Except for the changes presented in Note (3), the condensed consolidated interim financial statements are based on the accounting and valuation methods as well as the consolidation principles that were applied to the Group financial statements for the financial year 2022. These are presented in the Group notes of the Annual Report 2022 that can be downloaded from the company's website (www.mlp-se.com).

The interim financial statements have been 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.

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

4 Seasonal influences on business operations

Due to the seasonal development of its business, the Group generally expects earnings to be higher in the second half-year than in the first half-year.

5 Changes to the scope of consolidation

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. This resulted in a merger loss of € 2,770 thsd.

Furthermore, MLP Finanzberatung SE, Wiesloch, founded a 100 % subsidiary called MLP Startup GmbH, with its registered office in Wiesloch in the first quarter of 2023 and then concluded a control and profit transfer agreement with this new company on February 20, 2023. The company commenced operations on July 1, 2023.

On March 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.

6 Reportable business segments

Apart from the mergers, disclosed in Note 5, there were no significant changes in comparison with December 31, 2022.

Information regarding reportable business segments (quarterly comparison)

	Financial Consulting		Banking		FERI		DOMCURA		Deutschland.Immobilien		Industrial Broker		Holding		Consolidation		Total	
All figures in €'000	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022
Revenue	80,717	81,579	42,760	33,403	51,347	52,798	22,934	19,791	8,557	30,234	6,391	4,634	-	-	–7,467	–10,869	205,239	211,570
of which total inter-segment revenue	5,422	8,614	2,045	2,256	-	-	-	-	-	-	-	-	-	-	–7,467	–10,869	-	-
Other revenue	7,690	6,537	1,594	794	2,005	1,312	696	1,222	1,316	1,189	75	193	3,147	2,335	–9,551	–7,213	6,972	6,369
of which total inter-segment income	4,838	3,563	1,188	666	-	-	2	257	482	534	-	50	3,042	2,143	–9,551	–7,213	-	-
Total revenue	88,407	88,116	44,354	34,196	53,353	54,110	23,630	21,013	9,873	31,423	6,466	4,828	3,147	2,335	–17,018	–18,082	212,211	217,938
Inventory changes	-	-	-	-	-	-	-	-	–78	–1,788	-	-	-	-	-	-	–78	–1,788
Commission expenses	–38,603	–41,434	–12,920	–15,968	–31,848	–32,224	–16,032	–14,210	–3,024	–4,067	–145	–225	-	-	6,464	7,217	–96,108	–100,911
Real estate development expenses	-	-	-	-	-	-	-	-	–4,899	–14,329	-	-	-	-	133	1,956	–4,766	–12,373
Interest expenses	-	-	–4,001	–309	-	-	-	-	-	-	-	-	-	-	649	200	–3,353	–109
Valuation result/ Loan loss provisions	199	–211	–598	–1,259	–472	696	157	171	147	–207	-	-	-	-	-	-	–568	–811
Personnel expenses	–21,401	–20,550	–3,879	–3,703	–11,323	–10,757	–4,911	–4,514	–2,273	–1,936	–4,964	–4,493	–1,584	–1,295	-	-	–50,335	–47,248
Depreciation and impairments	–4,541	–4,780	–135	–115	–891	–880	–769	–696	–217	–452	–730	–576	–497	–448	-	-	–7,780	–7,947
Other expenses	–25,299	–24,162	–11,279	–9,809	–3,638	–3,740	–3,250	–2,418	–2,378	–1,188	–3,774	–937	–4,207	–2,850	9,516	6,908	–44,309	–38,196
Earnings from investments accounted for using the equity method	100	931	-	-	-	-	-	-	–2	–2	-	-	-	-	-	-	98	929
Earnings before interest and taxes (EBIT)	**–1,138**	**–2,089**	**11,541**	**3,034**	**5,180**	**7,205**	**–1,176**	**–655**	**–2,851**	**7,453**	**–3,147**	**–1,404**	**–3,141**	**–2,258**	**–257**	**–1,801**	**5,011**	**9,484**
Other interest and similar income	763	751	23	83	272	–34	172	–46	540	263	48	–2	1,068	–116	–1,533	–155	1,353	744
Other interest and similar expenses	–944	–509	–36	–14	–261	–120	–3	–1	–2,625	–1,074	–275	–271	–233	–91	1,677	832	–2,699	–1,248
Valuation result not relating to operating activities	-	–4	-	-	-	–223	-	-	-	-	-	-	10	–13	-	-	10	–240
Finance cost	**–181**	**237**	**–13**	**69**	**11**	**–377**	**169**	**–47**	**–2,085**	**–811**	**–227**	**–273**	**846**	**–220**	**144**	**677**	**–1,336**	**–744**
Earnings before taxes (EBT)	**–1,319**	**–1,852**	**11,528**	**3,102**	**5,191**	**6,829**	**–1,007**	**–702**	**–4,936**	**6,642**	**–3,373**	**–1,677**	**–2,295**	**–2,478**	**–113**	**–1,124**	**3,676**	**8,740**
Income taxes																	–2,943	–1,948
Net profit																	**732**	**6,792**
of which attributable to																		
owners of the parent company																	2,386	5,336
non-controlling interests																	–1,653	1,456

Information regarding reportable business segments (half-yearly comparison)

All figures in €'000	Financial Consulting H1 2023	Financial Consulting H1 2022	Banking H1 2023	Banking H1 2022	FERI H1 2023	FERI H1 2022	DOMCURA H1 2023	DOMCURA H1 2022	Deutschland.Immobilien H1 2023	Deutschland.Immobilien H1 2022	Industrial Broker H1 2023	Industrial Broker H1 2022	Holding H1 2023	Holding H1 2022	Consolidation H1 2023	Consolidation H1 2022	Total H1 2023	Total H1 2022
Revenue	175,282	181,002	80,352	62,819	101,134	109,723	76,694	67,948	20,422	50,207	22,111	17,034	-	-	–16,348	–27,231	459,645	461,503
of which total inter-segment revenue	12,443	22,376	3,905	4,083	-	-	-	-	0	-	-	772	-	-	–16,348	–27,231	-	-
Other revenue	16,596	12,652	2,589	1,589	2,409	2,159	1,455	2,028	4,486	2,249	214	325	6,971	4,649	–19,395	–14,547	15,325	11,104
of which total inter-segment income	9,695	7,221	2,039	1,362	-	-	2	515	998	1,068	-	86	6,660	4,296	–19,395	14,547	29,095	-
Total revenue	191,878	193,654	82,940	64,408	103,543	111,882	78,149	69,976	24,907	52,457	22,324	17,359	6,971	4,649	–35,743	–41,778	474,970	472,606
Inventory changes	-	-	-	-	-	-	-	-	–1,175	914	-	-	-	-	-	-	–1,175	914
Commission expenses	–82,491	–94,190	–25,073	–29,215	–63,184	–65,703	–50,617	–45,055	–4,598	–16,583	–511	–437	-	-	14,734	25,875	–211,739	–225,308
Real estate development expenses	-	-	-	-	-	-	-	-	–11,240	–21,446	-	-	-	-	296	431	–10,944	–21,016
Interest expenses	-	-	–5,459	–213	-	-	-	-	-	-	-	-	-	-	756	-	–4,703	–213
Valuation result/ Loan loss provisions	178	–446	–1,620	–504	–439	900	–131	–38	986	–120	-	-	-	-	-	-	–1,026	–207
Personnel expenses	–44,362	–40,710	–8,186	–7,345	–21,371	–20,779	–10,177	–9,405	–4,359	–4,173	–9,853	–7,781	–4,028	–3,258	-	-	–102,334	–93,452
Depreciation and impairments	–9,079	–9,519	–269	–212	–1,780	–1,716	–1,451	–1,320	–552	–866	–1,449	–1,097	–1,003	–910	-	-	–15,584	–15,641
Other expenses	–54,415	–49,261	–22,606	–18,985	–7,113	–7,919	–6,341	–4,586	–6,961	–2,540	–4,925	–1,900	–7,197	–5,082	19,422	14,496	–90,136	–75,777
Earnings from investments accounted for using the equity method	91	2,153	-	-	-	-	-	-	–4	–4	-	-	-	-	-	-	87	2,149
Segment earnings before interest and taxes (EBIT)	**1,801**	**1,680**	**19,727**	**7,935**	**9,656**	**16,664**	**9,432**	**9,572**	**–2,996**	**7,638**	**5,586**	**6,143**	**–5,256**	**–4,601**	**–534**	**–976**	**37,415**	**44,056**
Other interest and similar income	1,429	1,242	53	125	491	–87	287	–155	884	513	49	–3	1,592	–194	–2,471	–175	2,313	1,266
Other interest and similar expenses	–1,785	–826	–73	–28	–468	–209	–8	–1	–4,478	–2,093	–554	–463	–453	–232	3,131	1,471	–4,687	–2,381
Valuation result not relating to operating activities	2	–9	-	-	–5	–223	-	-	-	-	-	-	19	–13	-	-	17	–244
Finance cost	**–353**	**407**	**–20**	**98**	**18**	**–519**	**280**	**–157**	**–3,594**	**–1,580**	**–505**	**–466**	**1,158**	**–439**	**659**	**1,297**	**–2,358**	**–1,360**
Earnings before taxes (EBT)	**1,447**	**2,087**	**19,707**	**8,032**	**9,673**	**16,145**	**9,712**	**9,415**	**–6,590**	**6,058**	**5,081**	**5,677**	**–4,099**	**–5,039**	**125**	**321**	**35,058**	**42,697**
Income taxes																	–11,444	–11,718
Net profit																	**23,614**	**30,979**
of which attributable to																		
owners of the parent company																	25,892	30,073
non-controlling interests																	–2,278	905

7 Revenue

All figures in €'000	Q2 2023	Q2 2022	H1 2023	H1 2022
Wealth management	76,572	80,259	150,339	161,420
Non-life insurance	36,103	30,591	127,767	112,778
Old-age provision	49,582	45,925	93,194	86,318
Health insurance	14,156	13,480	29,558	28,098
Loans and mortgages	3,029	5,830	6,954	11,475
Real estate brokerage	3,719	11,581	5,533	24,100
Other commissions and fees	1,502	1,220	3,875	3,468
Total commission income	**184,662**	**188,886**	**417,219**	**427,657**
Revenue from real estate development	**4,896**	**18,753**	**14,946**	**26,346**
Interest income	**15,681**	**3,931**	**27,479**	**7,500**
Total	**205,239**	**211,570**	**459,645**	**461,503**

The commission income disclosed under revenue is recognised on a regular and point-in-time basis. Revenue recognised over time totalling € 187,957 thsd (previous year: € 194,599 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.

The increase in interest income year on year is essentially due to the change in the ECB's interest policy. Interest income includes negative interest from lending and money market transactions of € 192 thsd (previous year: € 2,497 thsd). Interest expenses also changed in line with the development of interest rate anomalies.

8 Commission expenses

Commission expenses for the period from January 1 to June 30, 2023 declined from € 225,308 thsd to € 211,739 thsd compared to the same period of the previous year. Primarily they include commission payments and other compensation components for self-employed MLP consultants, as well as compensation for sales partners at the remaining subsidiaries. For further details, please refer to the "Results of operations" section in the interim Group management report.

9 Real estate development expenses

Real estate development expenses for the period from January 1 to June 30, 2023 declined from € 21,016 thsd to € 10,944 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 interim Group management report.

10 Personnel expenses/Number of employees

Personnel expenses for the period from January 1 to June 30, 2023 increased from € 93,452 thsd to € 102,334 thsd compared to the same period in the previous year. For further details, please refer to the "Employees and self-employed client consultants" section of the interim Group management report.

As of June 30, 2023, the number of employees by business segment are as follows:

	June 30, 2023			June 30, 2022		
		Thereof executive employees	Thereof marginal part-time employees		Thereof executive employees	Thereof marginal part-time employees
Financial Consulting	1,107	36	19	1,099	38	20
Banking	220	5	4	205	6	3
FERI	271	8	41	259	9	37
DOMCURA	301	10	24	296	9	20
Deutschland.Immobilien	117	-	6	112	-	7
Industrial Broker	263	20	18	266	21	9
Holding	40	4	1	21	3	2
Total	**2,319**	**83**	**113**	**2,258**	**86**	**98**

11 Depreciation and impairments

All figures in €'000	Q2 2023	Q2 2022	H1 2023	H1 2022
Intangible assets	–2,677	–2,874	–5,513	–5,579
Property, plant and equipment	–5,103	–5,073	–10,072	–10,061
of which property, plant and equipment	–1,807	–1,763	–3,511	–3,472
of which rights of use	–3,297	–3,309	–6,560	–6,589
Depreciation	**–7,780**	**–7,947**	**–15,584**	**–15,641**

In the first six months of 2023, depreciation of property, plant and equipment include amortisation of rights of use as per IFRS 16 of € 6,560 thsd (previous year: € 6,589 thsd), some € 5,694 thsd of which (previous year: € 5,765 thsd) can be attributed to amortisation of rights of use for real estate, € 818 thsd (previous year: € 776 thsd) can be attributed to amortisation of rights of use for vehicles and € 48 thsd (previous year: € 48 thsd) can be attributed to amortisation of rights of use for other operating and office equipment, in particular IT.

12 Other expenses

All figures in €'000	Q2 2023	Q2 2022	H1 2023	H1 2022
IT operations	12,429	11,361	24,733	22,752
Consultancy	7,041	5,431	12,707	11,339
Other external services	3,290	4,041	7,748	8,255
Administration operations	3,281	2,788	6,364	5,405
External services – banking business	2,919	2,589	5,473	5,069
Representation and advertising	1,854	1,876	3,604	3,689
Premiums and fees	1,406	1,632	3,234	3,356
Training and further education	850	754	2,815	1,148
Maintenance	1,514	823	2,740	1,551
Travel expenses	542	596	2,287	957
Insurance	1,010	990	2,165	2,417
Entertainment	557	433	2,098	634
Expenses for MLP consultants and branch office managers	830	620	1,646	1,289
Other employee-related expenses	971	1,090	1,602	1,943
Audit	699	452	1,086	753
Rental and leasing	454	305	1,016	616
Supervisory Board compensation	235	270	490	539
Goodwill and damages	87	573	72	1,123
Sundry other operating expenses	4,339	1,574	8,254	2,944
Total	**44,309**	**38,196**	**90,136**	**75,777**

The costs of IT operations are mainly attributable to IT services and computer centre services that have been outsourced to external service providers.

Consulting costs are made up of IT consulting fees, tax advice costs, legal advice costs as well as general consulting fees.

Other external services essentially comprise expenses for the online acquisition of potential new clients, client support services and expenses for HR services.

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 for representation and advertising include costs incurred due to 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.

Sundry other operating expenses include the merger loss in the Industrial Broker segment, costs for other taxes, donations as well as vehicle costs and costs for magazines and literature.

13 Finance cost

All figures in €'000	Q2 2023	Q2 2022	H1 2023	H1 2022
Other interest and similar income	1,353	744	2,313	1,266
Other interest and similar expenses	–2,699	–1,248	–4,687	–2,381
Valuation result not relating to operating activities	10	–240	17	–244
Finance cost	**–1,336**	**–744**	**–2,358**	**–1,360**

Other interest and similar income includes negative interest on bank deposits of € 41 thsd (previous year: € 339 thsd). Other interest and similar expenses comprise interest expenses from net obligations for defined benefit obligations of € 718 thsd (previous year: € 289 thsd). In addition, the item comprises expenses from the accrued interest of leasing liabilities pursuant to IFRS 16 of € 939 thsd (previous year: € 407 thsd). This item also includes interest expenses on borrowings of € 2,620 thsd (previous year: € 1,138 thsd).

14 Property, plant and equipment

Rights of use from leases are disclosed under the "property, plant and equipment" item. As of June 30, 2023, rights of use of € 54,852 thsd (December 31, 2022: € 53,514 thsd) are in place, € 52,345 thsd (December 31, 2022: € 50,859 thsd) thereof is attributable to rented properties, € 2,266 thsd (December 31, 2022: € 2,366 thsd) to vehicle leases and € 241 thsd (December 31, 2022: € 290 thsd) to other operating and office equipment, in particular IT.

15 Financial assets

Financial assets

All figures in €'000	June 30, 2023	Dec. 31, 2022
AC	130,246	130,536
FVPL	4,995	9,912
Debenture and other fixed income securities	135,241	140,448
FVPL	2,621	3,107
Equity instrument (FVOCI)	3,226	2,006
Shares and other variable yield securities	5,846	5,114
Fixed and time deposits (loans and receivables)	27,614	77,598
Investments in non-consolidated subsidiaries	8,323	11,355
Shares in associates (not at equity)	4,576	4,566
Investments	4,156	4,477
Total	**185,757**	**243,558**

16 Other accounts receivables and assets/other liabilities

Due to the seasonal nature of the business with strong year-end performance, high receivables from insurance companies, as well as high liabilities due to commercial agents that were settled in the first quarter of 2023 were to be disclosed as at December 31, 2022. Through the seasonal influences a lower amount of receivables and liabilities were built up in the first half-year of 2023.

Other liabilities contain payment obligations resulting from leases in the context of IFRS 16 of € 56,862 thsd (December 31, 2022: € 55,162 thsd).

17 Shareholders' equity

Share capital

The share capital of MLP SE is made up of 109,333,358 (December 31, 2022: 109,288,088) no-par-value shares. Retained earnings comprise a statutory reserve of € 3,131 thsd (previous year: € 3,131 thsd).

Dividend

In accordance with the resolution passed at the Annual General Meeting on June 29, 2023 a dividend of € 32,800 thsd (previous year € 32,786 thsd) was to be paid for the financial year 2022. This corresponds to € 0.30 per share (previous year: € 0.30 per share). Dividends were paid at the beginning of July 2023.

18 Notes to the consolidated statement of cash flow

Changes in liabilities from financing activities

Liabilities from financing activities essentially comprise the long-term liabilities from the assumption/repayment of financing loans of € 66,766 thsd (December 31, 2022: € 69,650 thsd), as well as from leasing liabilities of € 56,862 thsd (December 31, 2022: € 55,162 thsd). The change in liabilities from the assumption/repayment of financing loans of € 2,884 thsd contains cash-relevant assumptions less repayments of –€ 2,075 thsd and non-cash interest of –€ 809 thsd. The change in leasing liabilities of € 1,700 thsd contains cash-relevant repayments of leasing liabilities of € 7,158 thsd, as well as other changes resulting from new leases and interest rate effects of € 8,858 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	June 30, 2023	Dec. 31, 2022
Cash and cash equivalents	953,090	961,231
Liabilities to banks due on demand (excluding the banking business)	–3,495	–3,592
Cash and cash equivalents	949,595	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.

19 Contingent assets and liabilities, as well as other liabilities

Contingent liabilities arising from sureties and guarantees (face value of the obligation) declined from € 2,602 thsd as at December 31, 2022 to € 2,569 thsd, while the irrevocable credit commitments (contingent liabilities) decreased from € 123,359 thsd as at December 31, 2022 to € 115,543 thsd.

Furthermore, within the scope of real estate sales, MLP had undertaken to acquire the residential units in five real estate projects that had not been sold by a contractually agreed date. For two of these five real estate projects, the corresponding unsold residential units were transferred to inventory assets as of June 30, 2023. This led to cash outflow of € 3,592 thsd in July 2023. For one real estate project, there is no longer a purchase obligation due to a complete sale of the residential units as of June 30, 2023. For two other real estate projects, as was the case at the end of 2022, no significant cash outflow is expected.

Beyond this there were no significant changes compared to December 31, 2022.

20 Additional information on financial instruments

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:

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	June 30, 2023: No financial instruments according to IFRS 9
Financial assets at fair value through profit or loss (FVPL)	**11,772**	**265**	**-**	**38**	**6,144**	**6,447**	**12,899**
Financial assets (structured bonds)	4,995	-	-	38	-	38	-
Financial assets (investment fund shares)	2,621	-	-	-	2,253	2,253	-
Investments	4,156	265	-	-	3,891	4,156	-
Investments in non-consolidated subsidiaries	-	-	-	-	-	-	8,323
Shares in associates (not at equity)	-	-	-	-	-	-	4,576
Financial assets measured at fair value (FVOCI)	**3,226**	**-**	**3,226**	**-**	**-**	**3,226**	**-**
Equity instruments(FVOCI)	3,226	-	3,226	-	-	3,226	-
Financial assets measured at amortised cost (AC)	**3,287,790**	**1,391,777**	**-**	**675,653**	**926,130**	**2,993,560**	**46,163**
Receivables from banking business – clients	1,211,749	127,599	-	-	926,130	1,053,729	-
Receivables from banking business – banks	789,248	107,631	-	675,653	-	783,284	-
Financial assets (fixed and time deposits)	17,614	17,614	-	-	-	17,614	-
Financial assets (loans)	10,000	10,000	-	-	-	10,000	-
Financial assets (bonds)	130,246	-	-	-	-	-	-
Other receivables and assets	175,843	175,843	-	-	-	175,843	46,163
Cash and cash equivalents	953,090	953,090	-	-	-	953,090	-
Financial liabilities measured at fair value	**1,534**	**-**	**-**	**-**	**1,534**	**1,534**	**-**
Other liabilities	1,534	-	-	-	1,534	1,534	-
Financial liabilities measured at amortised cost	**3,059,377**	**2,881,896**	**-**	**153,640**	**-**	**3,035,536**	**61,335**
Liabilities due to banking business – clients	2,660,514	2,621,360	-	37,766	-	2,659,126	-
Liabilities due to banking business – banks	139,123	796	-	115,874	-	116,670	-
Other liabilities	259,740	259,740	-	-	-	259,740	61,335

Sureties and warranties*	**2,569**	**2,569**	**-**	**-**	**-**	**2,569**	**-**
Irrevocable credit commitments *	**115,543**	**115,543**	**-**	**-**	**-**	**115,543**	**-**

*Off balance sheet items. Figures before loan loss provisions.

							Dec. 31, 2022
	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)	**17,496**	**270**	**325**	**9,912**	**6,989**	**17,496**	**15,921**
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	-	-	-	-	-	-	11,355
Shares in associates (not at equity)	-	-	-	-	-	-	2,566
Financial assets measured at fair value (FVOCI)	**2,006**	**-**	**2,006**	**-**	**-**	**2,006**	**-**
Equity instruments(FVOCI optional)	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 at fair value through profit and loss	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. Figures before loan loss provisions.

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. Insofar as fair values for investments in companies cannot be reliably determined, they are measured at their cost of acquisition 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.

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. With investment shares, the fair value corresponds to the redemption prices published by the capital investment companies. If there is no active market on the closing date, the fair value is determined using recognised valuation models. The underlying accounting and valuation principles with respect to financial instruments remain unchanged compared to the previous year and are contained in the Annual Report 2022.

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).
Variable purchase price liability resulting from the acquisition of Limmat Wealth AG	Calculated on the basis of contractual agreements	Growth in sales revenue as of December 31, 2023	The purchase price liability can develop as follows: • With growth in sales revenue <23 %: fair value is zero. • With growth in sales revenue 23 %-30 %: maximum € 1,000 thsd. • With growth in sales revenue >30 %: maximum fair value € 1,534 thsd.
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

21 Related party disclosures

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 in line with market conditions.

There were no significant changes in comparison with December 31, 2022.

22 Events after the balance sheet date

In the FERI segment, 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 then ultimately completed on July 19, 2023.

There were no appreciable events after the balance sheet date affecting the net assets, financial position or results of operations of the Group.

Wiesloch, August 10, 2023

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 for interim financial reporting of the Group, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Wiesloch, August 10, 2023

MLP SE

Executive Board

Dr. Uwe Schroeder-Wildberg	Manfred Bauer	Reinhard Loose

Executive Bodies of MLP SE

Executive Board

Dr. Uwe Schroeder-Wildberg, Chairman and 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 Maria Blümer
Employees Representative
Elected until 2028

Monika Stumpf
Employees Representative
Elected until 2028

Financial Calendar

September

September 05, 2023
Company presentation at the German Fall Conference (Equity Forum)

October

October 16 - 18, 2023
Roadshow USA

November

November 09, 2023
Publication of the results for the first 9M and
Q3 2023

November 28, 2023
Company presentation at the German Equity Forum

Contact

Investor Relations
investorrelations@mlp.de
Phone +49 (0) 6222 308 8320
Fax +49 (0) 6222 308 1131

Media Relations
publicrelations@mlp.de
Phone +49 (0) 6222 308 8310
Fax +49 (0) 6222 308 1131

MLP SE

Alte Heerstraße 40

69168 Wiesloch

www.mlp-se.com