

## *Business performance*

The business performance of the MLP Group in the last financial year was significantly better than expected at the start of the year and, in particular, better than in the updated forecast published in April 2020 in view of the coronavirus pandemic. With a positive overall development of operations, the high level of performance-linked compensation in wealth management made a particular contribution to this.

Diversification of revenue streams – a key success factor

The corona pandemic meant that the various fields of consulting developed differently than anticipated at the start of the year. However, MLP was able to more than compensate for weaker developments in one field with gains in other consulting fields. This underlines the robustness that we have established in the last few years through significant diversification of our service offering and thereby also our revenue basis.

In particular, the wealth management consulting field has developed into a key revenue pillar of the MLP Group. FERI continued its successful course of the last few years in the reporting period and reinforced its position as a leading independent investment company. Despite operating in volatile markets, FERI was able to record organic growth in all core business segments for the seventh year in succession, and even set a new all-time high for performance-linked compensation. FERI was able to win new mandates and expand existing business relations among both private and institutional clients. The consulting and service portfolio was consistently expanded, above all in the areas of investment management, alternative assets and real assets (for example private equity and real estate). In the last financial year, we also recorded highly positive development in MLP's private client business in the field of wealth management, where we were able to significantly increase both net cash inflows and assets under management. The total assets under management in the MLP Group were € 42.7 billion. Wealth management revenue and assets under management were therefore both above the previous year's level.

Assets under management climb to a new record level

The effects of the corona pandemic could especially be felt in the area of old-age provision. Not only did companies hold back on signing up to new occupational pension provision concepts, the changed circumstances resulting from the coronavirus pandemic also impeded new client acquisition and had a negative impact on new business in the field of private old-age provision. This development was already discernible in the second quarter and had a negative influence on sales revenue throughout 2020. The situation was compounded even further by the perception of economic risk among the general population, which led to clients displaying even more reservations about signing long-term contracts. Old-age provision revenue declined by 5.0% overall and thereby displayed weaker development than we anticipated. This can be attributed to the effects of the corona pandemic.

The non-life insurance business displayed positive development, both at DOMCURA and in MLP's private client business. The premium volume under joint management increased by 6.2% to € 430.8 million. Revenue therefore improved by 8.4% and was, as anticipated, slightly above that of the previous year.

In the health insurance consulting area, we continued to encounter reservations throughout the market with regard to signing new comprehensive private insurance policies. Factors such as premium increases and critical media coverage contributed to this development. In line with expectations, revenue in the health insurance business remained at the level of the previous year despite the difficult market conditions.

As forecast, we were able to significantly increase our revenue in the real estate brokerage business in 2020 compared with the previous year. The main reasons for this positive development were the

systematic expansion and ongoing diversification of our real estate portfolio. Alongside the listed buildings sector, we also considerably extended our portfolio of new buildings, as well as existing and concept-driven properties (microliving, properties with nursing care). This development was supported by our majority stake in DEUTSCHLAND.Immobilien.

Once again, we saw a significant increase in our revenue in the brokerage of property financing (+5.0%) – primarily as a result of the high demand associated with the low interest rate environment.

The company-wide roll-out of our online consulting tool took place in January. As such, a whole host of services is now available to our consultants and clients online, including:

Online consulting tool rolled out

- Video/audio chat, also with multiple participants.
- Desktop sharing: screen content (for example consultation programmes) can be shared and discussed with clients.
- Whiteboard: during an online meeting with clients, consultants have the option to write or draw on a whiteboard. Consultation slides can, for example, also be uploaded to the whiteboard and then edited or annotated by hand.
- Text chat: a chat function – including the option to exchange files – is available in parallel to a consultation/session.
- Online appointment arrangement: clients can view available time slots in their consultant's scheduler online and are therefore able to arrange for a specific appointment date and time.

Thanks to our digital services, we were able to maintain close proximity to our clients, despite the ongoing corona pandemic.

We significantly optimised our online client portal in 2020. For example, the new "News" function facilitates secure, bidirectional communication between clients and their consultants. Clients can now also send their consultant a message directly from the client portal. The portal offers our clients all financial information at a glance, and provides them with a user-friendly overview of their income and expenditure in a personal budget book. Moreover, it contains an overview of all insurance policies and even allows clients to incorporate contracts with third parties. A further systematic expansion of the functionality is planned for the next few years.

Online client portal further optimised

Within the scope of its digitalisation strategy, the MLP Group continued to expand and intensify its presence on social media platforms such as Facebook, YouTube and Twitter in the financial year 2020. Uniwunder GmbH, in which we hold a 39.7% stake, continues to support us in the field of online acquisition. Uniwunder has platforms for students and, in addition to other partners and advertising activities, helps to ensure that our workshop programmes reach the right target group.

Digital presence further expanded

Acquiring new consultants continued to be a key topic in 2020. The young segment enjoyed very successful development. The total net year-on-year rise was 107 consultants, which corresponds to a gain of 5.5% and represents another increase over the previous year. This increasingly reflects the success we are enjoying thanks to the realignment of our recruitment activities.

Consultant acquisition successfully continued

The number of clients in the MLP Group displayed further positive development in 2020, despite the social distancing associated with the corona pandemic serving to restrict new client acquisition. MLP was able to acquire 18,400 (19,300) new family clients in 2020. Around 24% (25%) of these initiated new clients were acquired online. As of 31 December 2020, the MLP Group served a total of 554,900 (549,600) family clients and 22,500 (21,900) corporate and institutional clients.

Number of clients still displaying positive trend despite corona pandemic

Since 2016, MLP has implemented comprehensive efficiency measures to reduce the cost base significantly. A consistent cost management approach was also applied in the last financial year to flank our growth strategy.

Consistent efficiency management programme supports growth strategy