

INVESTOR RELATIONS

Stock market year 2020 – Development of the markets

The stock markets can reflect on a turbulent twelve months. The year 2020 actually began promisingly, initially continuing the upwards trend from 2019. However, the stock exchanges were then brought to an abrupt halt in February. The corona pandemic was spreading at an alarming rate, forcing governments across the globe to implement drastic measures, including restrictions on social contact and going out. The economy nosedived, as global supply chains completely collapsed. At the start of February, Germany's leading index had initially reached a new high at 13,795 points. Accompanied by some historic single-day losses, however, the DAX then buckled by almost 40% in March. Uncertainty regarding the severity of the pandemic and its long-term effects on the economy and society in general made investors run for cover. Even those forms of investment otherwise seen as "safe havens", such as gold and bonds, came under serious pressure. The ongoing economic woes were also felt in the oil market, leading to a historically low price of USD -40 among futures contracts for the US oil WTI at the end of April. The persistent low demand and full warehouses had already driven down the price of the raw material. Despite experiencing a powerful recovery, however, it was still not able to make up completely for its losses by the end of the year. Accordingly, the economic data from the second quarter painted a rather bleak picture with negative growth rates throughout the world and collapses in the employment markets. In the US, the unemployment rate even shot up to 14.7%, its highest level since records began in 1948. In Germany, the unemployment rate rose to over 6%, while gross domestic product (GDP) suffered a 10.1% drop. However, even this decline still appears mild compared with the drastic collapse of 31.4% encountered in the US. Yet, thanks to resolute monetary and fiscal policy measures, the share prices recovered again quickly following the losses recorded early in the year. A decline in the number of coronavirus cases, as well as encouraging economic data and high liquidity served to bolster the stock markets in the summer. In Germany, the economy proved remarkably robust and enjoyed an unexpectedly fast recovery, particularly in the manufacturing sector. Having dropped to 8,255 points in March, the DAX once again reached and, on occasions, even surpassed the level of 13,000 points by the middle of July. In August, the stock exchanges then recorded one of their best months since the 1980s. US technology stocks performed exceptionally well with gains of up to 40%. The anticipated correction of the overheated stock markets then took hold in October with the greatest losses since the collapse observed in March. Rapidly rising numbers of new coronavirus infections, as well as negative factors relating to the Brexit negotiations and the US election campaign served to increase risk aversion among investors. In addition to this, the economic growth curve flattened again significantly, reflecting the downward trend in sentiment indicators. Approval of initial vaccines against the corona pandemic towards the end of the year then once again raised hopes for a faster economic recovery among investors. Support came in the form of good operating results, indicating a significantly faster recovery from the corona pandemic at companies

than anticipated. Moreover, central banks continued to pump liquidity into the markets and thereby secured new record highs on the stock exchanges. The good development was also reflected in German GDP, which once again recorded a rise of 8.2% in the third quarter. Following a drastic decline in the second quarter, economic performance in the US then improved by 33% in Q3. Having looked highly uncertain for a long time, the Brexit negotiations ultimately resulted in a deal being agreed on Christmas Eve, and a coronavirus rescue package, worth billions, was finally approved in the US following months of wrangling. The confidence among investors was also reflected in the good annual summary of the stock market barometers. In Germany, the SDAX was the clear winner with an increase of 18%, followed by the MDAX and TecDAX with gains of 8.77% and 6.56% respectively. The DAX, on the other hand, was "only" able to record a 3.55% gain. The major US indices recorded even more significant gains, above all the NASDAQ with an increase of over 43%. The broad-based S&P 500 Index gained 16.3%, while the Dow Jones Industrial Index was up 7.25%. The gold price also benefited, increasing by 25% overall to USD 1,898.

The MLP share

The year 2020 also proved turbulent for the MLP SE share. The share price was initially able to benefit from the positive stock market sentiment and climb to € 5.98 by mid-February. However, even the MLP share was unable to avoid the massive price slump that then followed in the global financial markets, recording a disproportionately strong fall in value. The surprisingly good results for the fourth quarter of 2019 that were reported at the start of March and the strong outlook for 2020 were only able to halt the downward trend briefly. The corona pandemic had a tight hold on the stock exchanges, generating major uncertainty and, in some cases, even panic-driven selling. Accompanied by extremely high volatility, the share price had decreased to an annual low of € 3.73 by the end of March. This sharp decline in the share price was then followed by a rapid recovery, which helped the MLP share once again reach the € 5.00 mark. By purchasing a 1.8% stake in MLP, the Chief Executive Officer reiterated his commitment to and confidence in the company, not only during this difficult phase. However, MLP was not left unscathed by the effects of the corona pandemic. As such, management was forced to reduce the forecast for 2020 at the end of April, despite having recorded solid Q1 results. The share price reacted to this news with a small amount of profit-taking, which forced it down slightly to the € 4.50 mark. In the run-up to inclusion in the SDAX, the share then recorded significant gains at the end of May and almost reached its pre-crisis level once again. However, having only spent a short time in the SmallCap Index, the MLP share was already forced to exit the stock market barometer again at the start of June. After climbing to € 5.81 at that time, it remained volatile in the further course and reached its low of € 4.97 in the middle of July. Yet in a friendly market environment, the share then displayed further recovery and quickly reached a price of € 5.60. It then initially hovered around this price, before the second great sell-off in the stock market year 2020 also affected the MLP share. The increasing number of new COVID-19 infections, and the economic downturn associated with this, provided a growing cause for concern among investors, many of whom then chose to sell their shares. During October, the share buckled considerably, once again falling to lows of € 4.55. However, the drastic price losses, coupled with the convincing nine-month results of the company, then enticed investors once again. This helped secure strong price gains and the MLP share closed the year at a price of € 5.40. The MLP share therefore achieved a price performance of -3.9% in the 2020 stock market year. Market capitalisation was € 590.4 million at the end of the year.

You can find further information on the MLP share in the "MLP Share" section of our Investor Relations page at www.mlp-se.com.

MLP SE held its Annual General Meeting for the financial year 2019 on 25 June 2020. The event was held entirely online for the first time. In taking this step, the financial services provider reacted to the coronavirus pandemic and made use of the option provided by the legislator to hold purely virtual annual general meetings. Shareholders were able to follow the entire Annual General Meeting live via a shareholder portal. In the run-up to the Annual General Meeting, shareholders in MLP SE were also given the opportunity to submit questions and potential counter motions, which were then answered and addressed in full by the company's Executive Board.

Annual General Meeting held as a completely virtual event

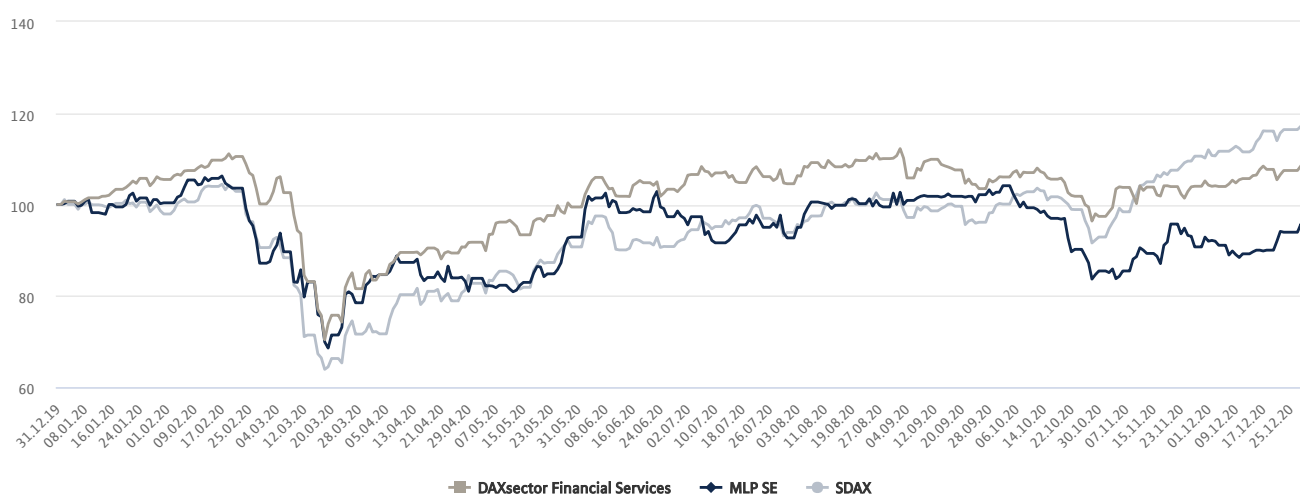
MLP SE has achieved "Prime Status" in the sustainability rating of the Institutional Shareholder Services Inc. (ISS) for the first time. As such, the company now ranks among the first decile in the comparison group. As part of the regular review, MLP was able to improve its ESG Rating to "C". Sustainability ratings are becoming increasingly important for investors. They provide orientation regarding the quality of a company's sustainable actions and increasingly also influence the investment universe of professional investors. Thanks to "Prime Status", the MLP share is now also recommended for portfolios that focus on sustainability.

ISS sustainability rating
significantly improved

As announced during the 2017 Annual General Meeting, MLP established another share-based participation programme at the start of the financial year 2020 for MLP office managers and MLP consultants with the aim of strengthening the collaborative component in the MLP business model. In the period from 2 January until 11 February 2020, a total of 566,000 shares were bought back at an average share price of € 5.6467. 557,886 shares were then issued to the beneficiaries, meaning that MLP SE still held 8,500 shares in its own portfolio as of 31 December 2020.

Share buyback

MLP share, SDAX and DAXsector Financial Services 2020



Dividend

MLP will continue its consistent dividend policy for the financial year 2020. As announced, the dividend proposed by the Executive Board for the financial year 2020 will once again target a distribution rate of between 50% and 70%. In concrete terms, the Executive Board and Supervisory Board will propose a dividend of € 0.23 per share at the Annual General Meeting on 24 June 2021. This corresponds to a distribution rate of around 58% of net profit.

Key figures compared to previous year (2016-2020)

		2020	2019	2018	2017	2016
Shares in circulation at the end of the year	in units	109,334,686	109,334,686	109,334,686	109,334,686	109,334,686
Share price at the beginning of the year	in €	5.61	4.35	5.59	4.11	3.67
Share price at the end of the year	in €	5.40	5.60	4.40	5.63	4.18
Share price high	in €	5.98	5.69	6.06	6.47	4.25
Share price low	in €	3.73	3.86	4.11	4.11	2.57
Market capitalisation at the end of the year	in € million	590.4	612.3	481.1	615.6	456.5
Average daily turnover of shares	in units	58,920	46,854	98,410	171,210	93,390
Dividend per share	in €	0.23*	0.21	0.20	0.20	0.08
Total dividend	in € million	25.1*	23.0	21.9	21.9	8.7
Return on dividend	in %	4.3*	3.8	4.5	3.6	1.9
Earnings per share	in €	0.40	0.34	0.32	0.25	0.13
Diluted earnings per share	in €	0.40	0.34	0.32	0.25	0.13

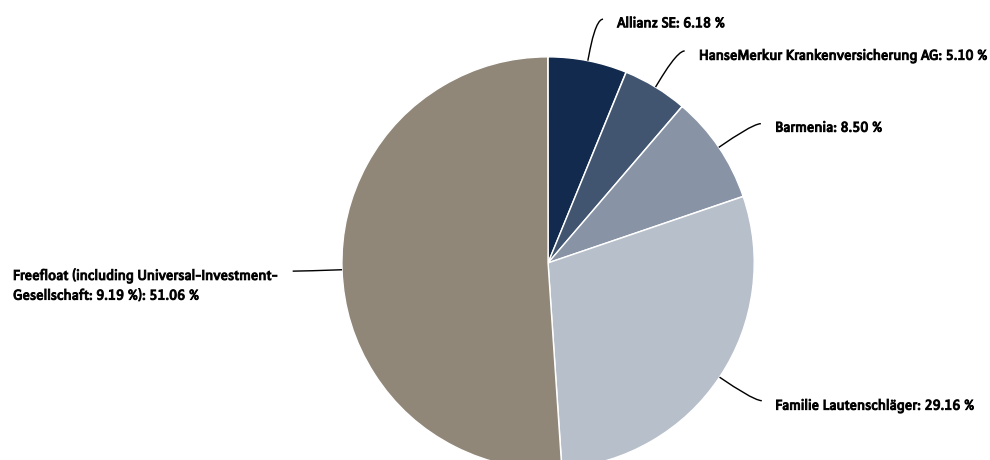
*Subject to the consent of the Annual General Meeting on 24 June 2021

Talanx AG reduced its stake from 9.36% to 4.98% in the first half of 2020 (announcement from 17 February 2020). Barmenia, on the other hand, increased its stake from 7.77% to 8.50% (announcement from 30 March 2020). Dr Uwe Schroeder-Wildberg, Chief Executive Officer at MLP SE, acquired 1,950,000 shares in MLP SE from the founder family Lautenschläger (announcement from 1 April 2020). By taking this step, founder Manfred Lautenschläger and the longstanding CEO and Chairman of the Executive Board are maintaining the sustainable shareholder structure. The share of voting rights held by other shareholders remained virtually unchanged on the reporting date. The Lautenschläger family remains the largest single MLP shareholder with voting rights of more than 25.0%. The free float as of 31 December 2020 is therefore 51.06% as per the definition of the German stock exchange.

Changes to the shareholder structure

The following chart provides an overview of the major shareholders of MLP (with a share of more than 5%).

Shareholder structure as of 31 December 2020



*You can find further information, in particular on the attribution of voting rights, on our website at www.mlp-se.com/investors/mlp-share/shareholder-structure/

Investor relations activities

The goal of our investor relations activities is to establish a continuous and open dialogue with our shareholders, potential investors and the capital market. We want to build stronger confidence and trust among investors and support the market in assessing the value potential of our company. To this end, we provide continuous, timely and transparent information on relevant events and incorporate feedback received from capital market players. We engage in active exchange with both private and institutional investors at regular capital market events, such as roadshows, capital market conferences and our Annual General Meeting. Alongside direct contact, financial reporting is a key basis for our communication. The Annual Report plays a particularly important part here, as it provides comprehensive and transparent information on all aspects of the company.

Investor Relations Services

We also provide a special investor relations newsletter service, whereby anyone interested can sign up to receive e-mails on important events. Interested parties can also keep up to date with news from the company and the sector via twitter (http://twitter.com/MLP_SE). You can find the investor relations section at: mlp-se.com/investors. Please feel free to contact us if you prefer to talk to someone in person.

Key figures

In the following table, we provide you with an overview of a selection of important key figures.

Key figures for business valuation and statement of financial position analysis

		2020	2019
Equity ratio	in %	14.0	15.6
Return on equity	in %	9.9	8.7
Core capital ratio	in %	21.3	19.6
Net liquidity	in € million	197.0	174.0
Market capitalisation at the end of the year	in € million	590.4	612.3
Total revenue	in € million	767.3	708.8
EBIT	in € million	59.4	47.1