

LETTER TO SHAREHOLDERS

Dear Shareholders,

MLP has completed an exceptional, an intensive and a successful year. Exceptional because – just like the whole of society and the economy – everything changed overnight when the corona pandemic struck. Intensive because these conditions demanded a lot from the entire team, and we had to adapt in an unprecedented intensity. And successful because we were able to record tangible increases in all key performance indicators thanks to a huge effort. My sincere thanks therefore go out to our clients for their trust, as well as to all MLP consultants and employees throughout the Group for their outstanding performance.

2020 was a real stress test – albeit an involuntary one – for our strategy. The company's capacity to adapt, its digitalisation, as well as its stability proved the key success factors over the last twelve months. Although we all surely would rather have not had to go through this, we passed the test with flying colours. The foundations for this were already laid over the last few years.

In the year of its 50th anniversary, MLP is where we wanted it to be when we launched our transformation strategy back in 2005. Building on the core of the founding principle, MLP is now a different company, a new MLP. By developing further client groups, significantly diversifying our revenue streams and networking the business segments, including the new ones, we have made our organisation highly resilient. Alongside this, we have developed additional sources for performance and are continuing to invest massively in our future.

Following a highly dynamic fourth quarter, total revenue in the last financial year increased by 8.3% to € 767.3 million. This means that MLP has now recorded continuous growth in total revenue for seven years in a row.

Despite the negative effects associated with the coronavirus crisis, MLP recorded gains in virtually all fields of consulting. Having enjoyed eleven years of growth in succession, wealth management is now the largest consulting field on an annual basis for the first time. Alongside good operational development among both private and institutional clients, significantly higher performance-linked compensation than in previous years also contributed to this.

MLP has been expanding its real estate brokerage activities since 2014. For the fourth year in succession, this field delivered the greatest percentage growth, with revenue up by 67%. Wealth management recorded the second highest growth rate with an increase of 17%, while non-life insurance displayed the third highest growth rate with an increase of 8%. Thanks to the growth recorded in these and other fields, we were also able to more than make up for the market-wide decline in the old-age provision field caused by the corona pandemic.

With an EBIT of € 59.4 million, we were even able to significantly surpass our own forecast from before the coronavirus pandemic. Group net profit rose to € 43.2 million in the last financial year.

The Executive Board and Supervisory Board propose a dividend of 23 cents per share for the financial year 2020 – which represents yet another increase following 21 cents per share in the previous year. At 58% of Group net profit, the payout ratio is in the middle of the announced corridor. As such, we are once again sharing the success of our company development with you, dear Shareholders.

Following a rather indifferent performance in 2020, the price of the MLP share has already displayed very positive development once again. The capital market has thereby not only honoured our good development over the course of the last year, but is also increasingly recognising our growth prospects for the year 2022.

With our most recent acquisition, RVM, we are developing another segment that is attractive for us and our positioning: industrial insurance. With RVM, we have acquired a vital company that is to continue operating under the same brand and with the same, proven management team. RVM will deliver valuable synergies with both our occupational pension provision business and our private client business. When assessing the transaction it is also important to note that this is only our first step in systematically developing the industrial insurance market. Our mid-term objective is to add small market members to accompany RVM and thereby establish a broker group that can operate at eye level with the top ten in Germany.

For the year 2021, we are anticipating earnings performance in the MLP Group at the same level recorded in 2020. In concrete terms, we are expecting an EBIT level in the corridor between € 55 million at the lower end and € 61 million at the upper end.

The year 2022 remains our general focus in terms of our earnings planning. Our key growth levers are aligned in such a way that we not only expect a significant jump in earnings in 2022 – but can actually already predict this via the key early indicators as things stand today. As such, we are still planning EBIT of between € 75 and 85 million for 2022 and are right on track in the growth fields on which this is based. This applies both to the young segment, in which we are anticipating a break-even in 2021, and to the second crucial block that comprises rising revenues. There is a great deal of tangible potential in our significantly expanded real estate business here. This is flanked by the potential from the new industrial broker segment, in which we are anticipating visible effects on earnings from 2022 onwards. At the same time, we are continuing our strict programme of cost management.

We are therefore delivering a powerful message: We are not only resolute, but also very well prepared to take MLP to the next level in terms of earnings.

We would be delighted if you – our shareholders – continued to accompany us along our path. I would once again like to offer you all sincere thanks on behalf of the entire Executive Board for the trust you have shown in us this year.

Yours,

A handwritten signature in black ink, appearing to read "Uwe S. Wildberg". The signature is fluid and cursive, with a prominent "U" and "S" at the beginning.

Dr Uwe Schroeder-Wildberg