

MPC Capital AG
Annual Report 2017



MPC Capital

Profile of MPC Capital

MPC Capital is an internationally active asset and investment manager specialising in real asset investments and investment products.

MPC Capital offers all its services from a single source. These encompass sourcing, launching and structuring an investment in real assets, the active management of the asset and then the development and implementation of an exit strategy that serves the best interests of investors.

Its product and service offering focuses on niche markets in the three core segments Real Estate, Shipping and Infrastructure. With its many years of expertise and a comprehensive international network of partners, MPC Capital enjoys excellent market access that enables it to identify market opportunities and bring investment projects and investors together.

MPC Capital AG has been listed on the stock exchange since 2000. The shares of MPC Capital AG have been traded in the "Scale" segment of Deutsche Börse in Frankfurt since March 2017.

MPC Capital Group in figures

P&L	2017	2016
Revenues (adj.) ⁽¹⁾ in EUR '000	59,627	53,791
EBT in EUR '000	17,353	15,704
Net income in EUR '000	13,150	10,220
Balance Sheet	31/12/17	31/12/16
Total assets in EUR '000	135,478	133,708
Equity in EUR '000	102,240	93,253
Equity ratio in %	75.5%	69.7%
Share	31/12/17	31/12/16
Earnings per share in EUR '000	0.41	0.33
Employees	31/12/17	31/12/16
Average for the year	257	245
Personnel expenses in EUR '000	27,137	26,019

(1) incl. near-sales other operating income

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Mission Statement

Real estate, ships, wind farms and industrial plants are real, tangible, enduring assets. They play an essential part in finding long-term answers to the challenges of modern megatrends such as population growth, rising energy consumption and growing prosperity. The need for investment is therefore huge.

Investing in real assets is an opportunity to participate in this exciting and positive development. Meanwhile there is potential to profit from value gains and regular returns over the coming decades, while remaining almost unaffected by fluctuations in the value of money. We enable investors to access long-term, efficient real asset investments.

The primary objective of our activities is to identify and increase the value of appropriate assets and investment strategies. Our central area of expertise involves introducing investors to investment opportunities, along with the management of the assets from their development right up to the end of their respective service life. Depending on their requirements, investors can accompany us throughout the entire investment and value creation process – or participate flexibly in individual phases. Our role is to manage real asset investments optimally, from their selection and (ongoing) development to a successful exit, with a view to maximising their value.

We focus on long-term trends in demand when selecting the assets. This is how we have identified market niches such as micro living in the Real Estate segment, feeder container ships in the Shipping sector, and plant engineering in certain emerging economies, and have already successfully moved into many of these areas.

We are creating good-quality, affordable housing for students in Germany, playing a part in the energy revolution and helping developing countries to achieve higher industrial value added. Our investors enjoy opportunities to realise above-average returns compared to the market as a whole.

How do we achieve all this? We have been active in the alternative asset sector for over 20 years and have put down deep roots over that period. We have a deep knowledge of the individual markets, sound judgement of their development potential, exclusive access to interesting assets, an extensive network of renowned partners and the expertise needed for the structuring, financing, management and administration of real asset investments and investment products.

Our experience is built on over 300 projects and real assets with a total investment volume of around EUR 20 billion that we have realised since the establishment of MPC Capital in 1994. We want to win you over on the strength of our experience, quality, professionalism, reliability and uniqueness, and become Germany's biggest independent investment manager for real asset investments and investment products in the three core segments of Real Estate, Shipping and Infrastructure.

Your Management Board



Your Management Board



ULF HOLLÄNDER
CEO (Chief Executive Officer)

Ulf Holländer joined MPC Capital in early 2000 and was appointed to the Management Board in July 2000 and in April 2015 as CEO. Previously he held executive positions at the shipping company Hamburg-Süd and its subsidiaries in Australia and the USA.



CONSTANTIN BAACK
CFO (Chief Financial Officer)

Constantin Baack was appointed to the management board of MPC Capital AG as CFO in April 2015. He joined MPC Capital in April 2008 and has held various executive positions since then. Mr. Baack holds a Master`s Degree in international business from the University of Sydney. Before joining MPC Capital he has worked for Hamburg Süd in Sydney and for the accounting firm E&Y.



DR. ROMAN ROCKE
Executive Board Member Real Estate and Infrastructure

Dr. Roman Rocke is member of the Management Board since June 2013. He has been active in the field of M&A and international financing advisory as well as strategic consulting for institutional clients. Dr. Rocke holds a PhD in Business Administration. Before he joined MPC Capital he has been Founding Partner and CEO at KBR Finance Group in Frankfurt/Main.

Foreword by the Management Board

Dear Shareholders,

All the signs again pointed to further growth in the 2017 financial year. We succeeded in onboarding around EUR 1.1 billion in new assets. The total transaction volume in 2017 came to around EUR 2.6 billion.

One project in particular stands out, because we believe it delivers the proof of concept for our business model. At the end of 2017 we disposed of a part of our micro-living portfolio. The buyer is the US investor Harrison Street Real Estate Capital, with which we will extend our micro-living strategy through a joint venture. With more than 73,000 beds in the USA and Europe, Harrison Street is one of the biggest private investors in the field of student housing.

The free cash proceeds from the sale are to be reinvested in new project developments in Germany. We have already identified a stable pipeline here. Since the real estate sold will continue to be operated under the MPC Capital brand STAYTOO, this approach will help us gradually expand the portfolio under our management. We also plan to acquire existing properties through the joint venture with Harrison Street and manage these, too, under the STAYTOO brand.

Further evidence of how successful our niche strategy is proving to be is supplied by the performance of MPC Container Ships ASA, listed on the Oslo Stock Exchange, and in which we hold around 5 % under our co-investment strategy. We launched MPC Container Ships at the start of 2017. The starting point was the favourable market conditions for small to midsize container ships with a capacity of 1,000 to 3,000 TEU: attractive supply/demand patterns in intraregional trade coincide with historically low intrinsic values for ships, which are protected by high recycling prices.

In 2017, MPC Container Ships raised USD 450 million from international institutional investors. By the end of the year, the fledgling company had consequently succeeded in assembling a fleet of over 40 container ships – from which the MPC Capital Group, too, is benefiting. That is because a large part of the fleet is managed by our subsidiaries Ahrenkiel Steamship and the charter company Contchart Hamburg / Leer, which specialised early on in the feeder market segment.

Our very special thanks are due to all employees for their exceptional efforts in 2017. We would also like to thank you, our shareholders, for the confidence you have shown in us and invite you to accompany us through the next stages of the company's development.

Kind regards,

The Management Board of MPC Capital AG



Ulf Holländer, Chairman



Constantin Baack



Dr. Roman Rocke

Your Supervisory Board



Your Supervisory Board



DR. AXEL SCHROEDER
Chairman of the Supervisory Board

Dr. Axel Schroeder has worked for the MPC Group in Germany and abroad since 1990. Since inception in 1994 he is actively involved in developing the skills of the company. He became Chairman of the Management Board in 1999 and took MPC Capital AG public in September 2000. Since 1996, he has been Managing Partner of MPC Holding, a main shareholder of MPC Capital AG. Dr Axel Schroeder was appointed Chairman of the Supervisory Board in April 2015.



JOACHIM LUDWIG

Joachim Ludwig is member of the board at Ferrostaal AG (today: Ferrostaal GmbH). Since joining in 2007 he was in executive positions for various companies of the Ferrostaal Group. Previous to his board membership he was managing director of MAN Ferrostaal Piping Supply GmbH und Senior Vice President of the Ferrostaal AG. Joachim Ludwig was appointed to the supervisory board of MPC Capital AG in April 2015.



DR. ARNT VESPERMANN

Dr. Arnt Vespermann is a member of the Executive Board of Hamburg Süd Shipping Company KG. After studying law at the University of Hamburg, he worked first as a lawyer. From 2006 to 2008 he was responsible for the management of dry tramp tonnage at Hamburg Süd / Rudolf A. Oetker KG. Since June 2016 he has been a member of the supervisory board of MPC Capital AG.

Report of the Supervisory Board 2017

Dear Shareholders,

The MPC Capital Group again performed very well in the past financial year 2017 – both operationally and economically. As well as completing an array of successful transactions MPC Capital kicked off a large number of new projects that will contribute to the future profitability of our company. Standout events include the launch of the Oslo Stock Exchange-listed MPC Container Ships ASA for the creation of a container ship fleet in the feeder segment, the sale of the first STAYTOO portfolio to a joint venture with the US investor Harrison Street, and the development of the renewable energy platform in the CARICOM region. Including the proceeds from the completion of a real estate project in the Netherlands, reported under other operating income in view of the transaction's structure, the MPC Capital Group achieved growth of around 11 % in the 2017 financial year. There was even a markedly disproportional rise in consolidated earnings of 29 % to EUR 13.2 million.

Report on the activities of the Supervisory Board in the 2017 financial year

In the 2017 financial year, the Supervisory Board fulfilled the control and advisory duties required of it by law and the Articles of Association of MPC Capital AG with considerable diligence. The Supervisory Board advised the Management Board on its management of the company and monitored and examined its work and actions on a regular basis. The Supervisory Board maintained a continuous dialogue with the Management Board and received regular, timely and comprehensive verbal, telephone and written reports about the current position of the company.

In our regular consultations we considered in detail our company's financial position, net assets and results of operations as well as its risk management and the compliance requirements. The Management Board was available to the Supervisory Board to discuss and answer further questions at these meetings. The Supervisory Board also received comprehensive information on time-critical measures and decisions between meetings. The Management Board furthermore held regular discussions and consultations with the Supervisory Board Chairman on the prevailing business situation and on material transactions within the company.

We discussed and decided on transactions that required the consent of the Supervisory Board at our scheduled meetings. In addition, written circular resolutions were passed by the Supervisory Board for transactions by the Management Board that require our consent. All resolutions in the period under review were passed unanimously. Because the Supervisory Board of MPC Capital AG comprises three members, no committees were formed. To enable both efficient collaboration and intensive dialogue, the Supervisory Board believes it is helpful to keep the size of the Supervisory Board to the minimum required by law.

Meetings of the Supervisory Board

Four scheduled Supervisory Board meetings took place in the presence of the Management Board in the period under review, each of which was attended by all three Supervisory Board members.

The first ordinary Supervisory Board meeting on 13 February 2017 was also the meeting to approve the annual accounts for the 2016 financial year. The Management Board explained the financial, accounting and fiscal aspects of the annual financial statements for 2016. The auditor presented the findings of the audit of the 2016 annual financial statements. In the further course of the meeting the Management Board gave us a detailed status report on current projects as well as on planned investments in the Real Estate, Shipping and Infrastructure segments. By way of supplementary information the Management Board commented on the current economic development of the Group and on further plans for the 2017 financial year. The Management Board in addition provided a current overview of the principal risks and compliance issues for MPC Capital AG.

The second ordinary Supervisory Board meeting took place on 8 June 2017 following on from the Annual General Meeting. Ample time was set aside in our deliberations for the discussion of current projects in the core segments. We discussed at length the further development and financing of MPC Container Ships ASA, which was successfully launched in April. At this meeting, the Management Board also provided an overview of the economic development of the MPC Capital Group as well as a status report on the risk management and compliance area.

At the third ordinary Supervisory Board meeting on 7 September 2017, we mainly considered current projects and new investment plans. Alongside the development of the micro-living segment and the planned expansion of the business model into new European markets, the Management Board reported on other pipeline projects in the Real Estate, Shipping and Infrastructure areas. The economic development and topics in the risk management and compliance areas were then discussed.

The final meeting of the financial year took place on 20 December 2017. At it, the Management Board gave us a detailed report of the development of the "Paradise Park" solar PV project in Jamaica, which serves as the seed investment for a broad-based strategy for renewable energies in the CARICOM region. Further time was allocated to discussing the expansion of the micro-living platform into new markets and with new partners. The economic development in 2017, planning for 2018 as well as risk, planning and compliance matters were also discussed at this meeting.

Audit of the financial statements

BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, was appointed as the auditor of the annual and consolidated financial statements by resolution of the Annual General Meeting on 8 June 2017 and mandated by the Supervisory Board accordingly. BDO AG Wirtschaftsprüfungsgesellschaft audited the annual financial statements of MPC Capital AG and the consolidated financial statements of the MPC Capital Group, including the bookkeeping and the combined management report, and issued them with an unqualified audit opinion. The annual and consolidated financial statements were prepared in accordance with the German Commercial Code (HGB). The auditor conducted the audit in accordance with the German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, "IDW") and additionally the provisions of the International Standards on Auditing (ISA). The annual financial statements, the combined management report and the full audit reports by BDO AG Wirtschaftsprüfungsgesellschaft for the 2017 financial

year were provided to all of the members of the Supervisory Board, enabling the Supervisory Board to fulfil its auditing and supervisory duties in full.

At its meeting to approve the annual accounts on 14 February 2018, the Supervisory Board discussed the audit reports and the annual and consolidated financial statements in detail in the presence of the Management Board and the auditor. The auditor provided a comprehensive report on the findings of its audit and was available to answer additional questions.

Following its detailed examination, the Supervisory Board of MPC Capital AG approved the annual and consolidated financial statements including the combined management report and the corresponding audit report and endorsed the annual and consolidated financial statements for the year ended 31 December 2017. The financial statements have thereby been adopted.

Dependent company report by the Management Board in accordance with Section 312 of the German Stock Corporation Act (Aktiengesetz, "AktG")

In accordance with Section 312 AktG the Management Board of MPC Capital AG submitted a report on its relationships with dependent companies for the past financial year. This report has been unreservedly approved by the independent auditor, which has filed the following audit opinion:

"On the basis of our duly performed audit and assessment, we confirm that

- 1) the factual statements made in the report are correct;
- 2) the company's consideration in respect of the transactions listed in the report was not inappropriately high."

The dependent company report was examined by the Supervisory Board. Based on the results of its examination, the Supervisory Board concurs with the assessment of the auditor and does not raise any objections with respect to the report itself or the concluding declaration of the Management Board on relationships with dependent companies.

The success of the 2017 financial year was based on the sustainable, long-term oriented strategy of the company, in conjunction with the commitment shown by Management Board and employees alike, for which the Supervisory Board expresses its particular thanks.

Hamburg, 14 February 2018



The Supervisory Board
Dr. Axel Schroeder, Chairman

**The 2017
financial year →**

2017

Bijlmer Prison, Amsterdam

REAL ESTATE



In the Real Estate asset unit, MPC Capital focuses on specially chosen niches of the real estate sector. The 2017 financial year brought a number of successful exits as well as new partnerships and projects in the Netherlands and in the micro-living area.



STAYTOO, Nuremberg

CAIRN REAL ESTATE

Cairn Real Estate is the subsidiary of MPC Capital that specialises in the Dutch market. In 2017, the Amsterdam-based company was able to realise several successful exits on behalf of international institutional investors. These projects involved office complexes that had been comprehensively revitalised over the past few years in readiness for their sell-off. In autumn 2017, Cairn accomplished one milestone achievement with a high international profile: with an innovative concept blending modern architecture above all with sustainability, the real estate specialist fought off international competitors to secure the contract for one of the Dutch capital's most spectacular real estate development projects. In close collaboration with the housing developer AM, Cairn will transform the former "Bijlmer Prison" site (large photo, left) into a new neighbourhood.

MICRO LIVING

MPC Capital has moved into a niche with growth potential with the micro living segment. In 2014, a partnership with a Danish investor marked the launch of the "STAYTOO" brand, which has since specialised in creating modern housing for students in German university cities. The concept, and the successful way in which it has been managed over recent years, attracted additional international investors at the end of 2017. The disposal of the portfolio with 1,000 student apartments to Harrison Street Real Estate Capital marked a further step in the systematic expansion of this segment. With MPC Capital continuing to provide asset and facility management for the apartments, the US investor Harrison Street will be a key strategic partner for the expansion of the micro living segment in Europe.

MICRO LIVING

EXPANSION

2017 saw MPC Capital embark on the expansion of the micro living strategy into Spain and Portugal with the establishment of branches in Lisbon and Barcelona.



2.85

MILLION STUDENTS
2017/2018 WINTER SEMESTER





1,400
APARTMENTS



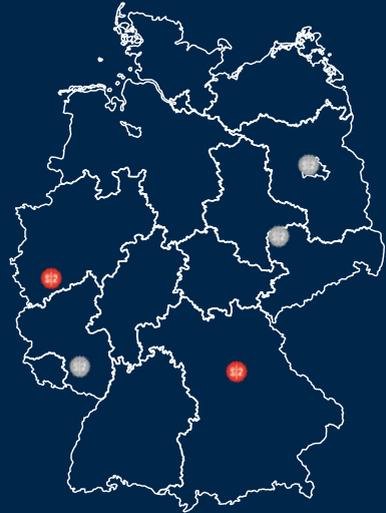
7
LOCATIONS

EUR

150 MILLION
INVESTMENT VOLUME



STAYTOO



OPENING

Following on from the successful opening of the Staytoo micro apartment blocks in Nuremberg and Bonn, the 2017 winter semester saw the apartment buildings in Leipzig and Kaiserslautern welcome their first tenants.



2017

SHIPPING

The Shipping area of MPC Capital experienced a dynamic, counter-cyclical development in 2017. With the creation of a new fleet of container ships in the feeder segment, the asset unit made successful progress with repositioning its shipping activities.

MPC CONTAINER SHIPS ASA

In April 2017, MPC Capital launched a new shipping company which recently went public under the name of MPC Container Ships ASA on the Oslo Stock Exchange. Starting with an initial private placement (USD 100 million) in the spring, over the course of the year the company raised a total of USD 450 million on the international capital market by way of further capital increases and the placement of a bond. It invested this within the space of

a few months to assemble a fleet of feeder vessels. Because of the shifts in supply and demand, precisely this segment represents a niche investment with yield potential – and one that is independent of the global situation on shipping markets. The portfolio comprises over 40 container vessels purchased on the second-hand market. For the most part, the feeder ships are managed by the two MPC Capital subsidiaries: Ahrenkiel Steamship and Contchart, which possess many years of experience in the field of technical and commercial ship management.



SUBSIDIARIES



AHRENKIEL STEAMSHIP

The technical ship manager conducted over 70 inspections and technical appraisals of potential investment objects in 2017.



The commercial ship manager concluded a total of 200 charter contracts with over 20 different charterers in 2017.

MPC MARITIME

More than 150 ships analysed and over 60 transactions concluded.



41



VESSELS
ACQUIRED



A fleet vessel can carry
1,000 TO 3,000
STANDARD CONTAINERS.

USD

450

MILLION IN
CAPITAL RAISED



2017

INFRASTRUCTURE

The Infrastructure business concentrated on opening up new markets in 2017. In the area of renewable energies, these were in South and Central America and the Caribbean. All these activities are coordinated by MPC Renewables Panama S.A., which was established in the past year. In Mongolia, construction work started on a wind farm that will go live in 2018.



SOLAR

MPC Capital is realising the Caribbean's first solar park in the shape of the Paradise Park project in Jamaica. As co-investor, we are responsible for structuring the project. The region is an attractive prospect for further projects not merely because of its geographical location, but also thanks to the growth potential for renewable energies.

WIND

Last year MPC Capital, together with Ferrostaal, the Danish Climate Investment Fund (DCIF) and other partners, clinched agreements with the European Investment Bank (EIB) and European Bank for Reconstruction and Development (EBRD) for the financing of a wind farm in Mongolia. Construction work commenced in summer 2017 on a 55 MW onshore wind farm in the Gobi Desert, for which we are drawing on our expertise gleaned in the conception, realisation and management of the Ancora wind farm project in Portugal.



20  **YEARS**

Based on an agreement with the Jamaican authorities, the solar farm will supply power to the country's grid for at least 20 years.

 **1,800 KWH/M²**



**SOLAR
RADIATION**

EUR
50 MILLION
IN CAPITAL RAISED



SOLAR PARK PARADISE PARK

**⚡ 50 MWP
PEAK OUTPUT**

PARADISE PARK,
WESTMORELAND, JAMAICA



ENERGY DEMAND

Jamaica has seen both the number of solar power customers and their consumption levels rise significantly in recent years.



MPC Capital shares



Record year for stock markets worldwide

The German share index DAX rose for the sixth successive year in 2017. Based on the continuing relaxed monetary policy of central banks, and bolstered by robust general economic data for the world's main markets, the DAX reached a record level of 13,525 points in 2017. In the USA, this was mirrored by a string of record highs for the Dow Jones Index, notwithstanding risks such as important elections in Europe, uncertainty over Brexit, terror attacks, the political events in Turkey and Trump's isolationist and North Korea policy. The DAX rose by 12.5% overall in 2017. The US lead index Dow Jones even gained 25.1%. The German second-tier indices MDAX (+18.1%) and SDAX (+24.9%) also performed very positively.

MPC Capital shares up 8.1%

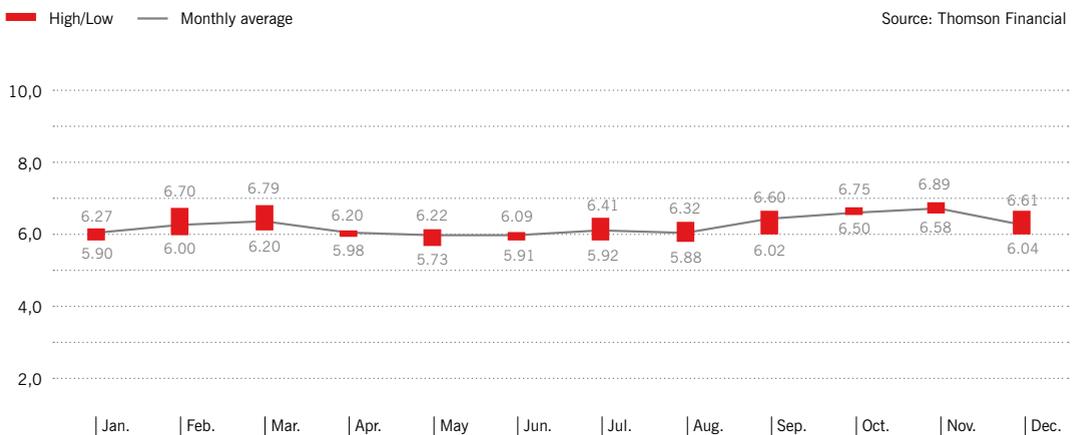
The performance of MPC Capital shares in 2017 was unable to repeat their successful development in the previous two years, when they had easily outperformed

the indices. The shares nevertheless again achieved solid growth of 8.1%. The shares opened the 2017 stock market year trading at EUR 5.90. The low point of EUR 5.73 was reached on 18 May. Underpinned by positive corporate news and a string of roadshows and conferences at which the management presented the company's strategy to investors, the shares experienced very dynamic growth to reach a year-high of EUR 6.89 on 11 November. The shares surrendered some of their price gains in the final trading weeks to close the year at EUR 5.97 on 29 December. The market capitalisation of the company at the end of the year was around EUR 196 million. It had started the year at around EUR 180 million, peaking at just under EUR 210 million. The average trading volume (Xetra) of MPC Capital shares in 2017 was around 13,900 units per day (previous year: approx. 18,300).

Resolutions of the Annual General Meeting

The Annual General Meeting of MPC Capital AG was held on 8 June 2017 in Hamburg. All motions were

HIGH, LOW AND AVERAGE PRICES FOR 2017 (XETRA), 1. JANUARY TO 31 DECEMBER 2017 in EUR



2017 PERFORMANCE, INDEXED



carried by clear majorities. The parties attending and voting results as well as all other documents concerning the Annual General Meeting are permanently available on the Investor Relations web page of MPC Capital AG (www.mpc-capital.com).

Capital market activities

MPC Capital AG further increased its capital market activities in the 2017 financial year. For example, the Management Board and Investor Relations held talks with around 100 investors at 10 roadshows and conferences and in various individual meetings. Its focus was on Germany, the United Kingdom, Switzerland and Scandinavia. In November 2017, Kepler Cheuvreux initiated coverage of MPC Capital AG with a buy recommendation.

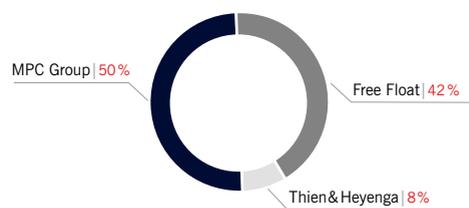
Entry Standard becomes “Scale”

Since 1 March 2017, the shares of MPC Capital AG have been listed in the “Scale” segment of Deutsche Börse AG (DBAG). “Scale” takes the place of the former Entry Standard and is intended to represent a new quality segment for small and medium enterprises (SME) with access to the capital market.

The new segment is more highly regulated than the Entry Standard in terms of both admission and subsequent

obligations. “Scale” is intended to improve access to investors for growing companies by placing the emphasis on transparency and qualitative criteria. Issuers in the “Scale” Segment must achieve certain levels with their key performance indicators, work with a capital market partner of DBAG and give an undertaking to achieve elevated transparency.

SHAREHOLDER STRUCTURE (DECEMBER 2017)



Shareholders of companies whose shares are listed in the Entry Standard of the Frankfurt Stock Exchange are not subject to the obligation to submit voting rights notifications in accordance with the German Securities Trading Act (WpHG). The shareholder structure is therefore presented to the best of the company's knowledge.
As at: December 2017

KEY SHARE DATA OF MPC CAPITAL AG

WKN / ISIN	A1TNWJ / DE000A1TNWJ4
Share capital / number of shares	EUR 30,427,916.00 / 30,427,916 units
Share class	Bearer shares with notional capital share of EUR 1.00 each
Trading venues	Open Market in Frankfurt am Main; electronic trading on Xetra; OTC in Berlin-Bremen, Düsseldorf, Hanover, Munich and Stuttgart
Market segment	Scale
Capital market partner	M.M.Warburg & CO
Designated sponsors	M.M.Warburg & CO, Oddo Seydler Bank AG
Analysts	Baader Helvea, Berenberg, Edison Research, Kepler Cheuvreux, Warburg Research
First day of trading	28 September 2000
Reuters code	MPCG.DE
Bloomberg	MPC GR
Datastream	D:MPC

KEY RATIOS OF MPC CAPITAL SHARES

	2015	2016	2017
Earnings per share in EUR	0.33	0.33	0.41
Price at year-end in EUR (Xetra)	4.63	5.97	6.45
High in EUR (Xetra)	5.70	8.95	6.89
Low in EUR	1.23	4.40	5.73
Number of shares*	22,129,394	30,427,916	30,427,916
Market capitalisation* in EUR million	102	182	196

*based on year-end price

Investor Relations – your contact

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**Combined
Management
Report and
Group Manage-
ment Report
as at 31 December
2017**



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1.

Basis of the Group and of MPC Capital AG

BUSINESS MODEL

The MPC Münchmeyer Petersen Capital Group (“MPC Capital”, “MPC Capital Group”) is an internationally active asset and investment manager specialising in real asset investments and investment products. MPC Münchmeyer Petersen Capital AG (“MPC Capital AG”) is the Group parent. It has been quoted on the stock exchange since 2000 and has been listed in the “Scale” Standard of Deutsche Börse in Frankfurt since March 2017.

Together with its subsidiaries, MPC Capital develops, markets and manages real asset investments and investment products for international institutional investors, family offices and professional investors.

MPC Capital offers all its services from a single source. These encompass sourcing, launching and structuring an investment in real assets, the active management of the asset and then the development and implementation of an exit strategy that serves the best interests of investors.

Its product and service offering focuses on niche markets in the three core segments Real Estate, Shipping and Infrastructure. With its many years of expertise and a comprehensive international network of partners, MPC Capital enjoys excellent market access that enables it to identify market opportunities and bring investment projects and investors together.

MPC Capital in addition offers a comprehensive range of services for the management and administration of investments for professional investors (institutional business) and of existing investment products for private investors (legacy business). In addition to its long-standing, deep knowledge of fiduciary services for investors, MPC Capital holds a licence to operate

as an alternative investment fund manager through its subsidiary DSC Deutsche SachCapital GmbH.

MPC Capital generates a stream of management fees from investment projects, as well as one-off transaction fees from the onboarding and sale of assets. MPC Capital is also routinely involved in investment projects as co-investor, through which channel it generates other operating income or income from equity investments.

ORGANISATIONAL AND MANAGEMENT STRUCTURES

The business operations of MPC Capital extend across three **asset units**, which are managed by three central holding companies. The Group parent MPC Capital AG handles the functions of corporate management and of the staff departments. These, along with the regulation and investment services units and the sales unit, are shared functions that serve all asset units and together form the **Corporate Centre**.

Asset Units

Real Estate

The **Real Estate** asset unit is the centre of competence for real estate within the MPC Capital Group. This unit is responsible for identifying promising investment projects and market opportunities in addition to designing and structuring them as investments. The unit also manages a large number of existing funds. **MPC Real Estate Holding GmbH** acts as the pivotal company.

Beneath it, various companies concentrate on niches within the investment strategies “Residential” and “Commercial”, which seek to identify above-average market demand. These niches include micro-living (student housing in selected European markets), retail (shopping centres in

the Netherlands), logistics & light industrials (logistics and commercial real estate in Germany and the Netherlands), office (office properties in Germany and the Netherlands) as well as the development of residential properties focusing on the Netherlands.

Shipping

MPC Maritime Holding GmbH brings together the MPC Capital Group's expertise in the shipping sector. The unit develops maritime investments and investment products for institutional investors, family offices and other professional investors, and provides technical and commercial ship management for fleets. The MPC Capital Group focuses on container ships and bulk carriers in the medium size category, which the MPC Capital Group considers to offer useful market potential.

The companies **Ahrenkiel Steamship GmbH & Co. KG** and **Contchart Hamburg-Leer GmbH & Co. KG** as well as the joint venture **Ahrenkiel Vogemann Bulk GmbH & Co. KG** (referred to collectively as the "Ahrenkiel Steamship Group") offer services right along the value chain, comprising technical and commercial management, chartering, restructuring and financing. The Ahrenkiel Steamship Group currently manages 105 ships (position as at 31 December 2017).

MPC Maritime Investments GmbH also provides financial management for a further 59 ships (position as at 31 December 2017). This unit bundles the shipping competencies of the MPC Capital Group in order to structure shipping financing tailored to the requirements of ship owners and market conditions. Some of these ships still remain in closed-end fund structures launched in the past by the MPC Capital Group and categorised as legacy business.

Infrastructure

Under the umbrella company **MPC Infrastructure Holding GmbH**, **MPC Renewable Energies GmbH**

and **MPC Industrial Projects GmbH** constitute the "Infrastructure" asset unit of the MPC Capital Group. Within the renewable energies area, it handles the structuring and management especially of wind and solar energy projects, currently in Europe and emerging economies. To a minor extent it also manages solar funds classed as legacy business. The industrial and infrastructure projects area focuses on the financial structuring of equity investments in industrial opportunities in developing and emerging economies.

The MPC Capital Group works together closely with third-party industrial enterprises. The MPC Capital Group sees the purpose of this collaboration as securing access to projects for the Infrastructure area, including renewable energies and industrial opportunities, because the MPC Capital Group previously enjoyed only limited access to such projects in view of their scale and relative scarcity compared with projects in other asset classes. At the same time it is important for the MPC Capital Group to keep the risks of non-completion manageable, in view of precisely this scale of the projects in question. The expertise of the industrial partners both assures access to suitable projects and limits the risks associated with such projects for investors and the MPC Capital Group.

Corporate Center

MPC Investment Partners GmbH devises suitable sales concepts according to the nature and structure of the asset. An international team of experienced investment specialists continually analyses the market conditions with the goal of pairing investor requirements with suitable assets.

MPC Investment Services GmbH and **TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH & Co. KG** provide investment and investment-product related services and fiduciary activities within the MPC Capital Group. These units operate

together as the key interface between investor, investment company and the respective initiator. Their tasks include investor support and communications work for German and international funds, as well as compiling trustee and annual reports for the fund companies.

Since the German Investment Code (Kapitalanlagegesetzbuch, "KAGB") came into effect in July 2013, fund-based real asset investments – for both institutional and private investors – have needed to be issued and managed by a regulated investment fund manager as "alternative investment funds". Within the MPC Capital Group, this function is performed by **DSC Deutsche SachCapital GmbH**.

GOALS AND STRATEGIES

MPC Capital's goal is to become one of the leading independent asset and investment managers for real investments and investment products. As at 31 December 2017, MPC Capital had assets under management (AUM) totalling approximately EUR 5.1 billion. MPC Capital aims to onboard a volume of around EUR 1.0 billion in new assets annually for business with institutional customers.

The cornerstones of the corporate strategy are to generate sustained cash flows, to guarantee solid corporate financing and in particular to ensure healthy liquidity and capitalisation.

Link between asset and investor

The primary objective of these activities is to identify and increase the value of suitable investment targets. The central area of expertise of MPC Capital involves introducing investors to investment opportunities, along with the management of the assets up to the point of exit. Customers can participate in the entire investment and value creation process with MPC Capital, or flexibly use individual phases and services for their investment and business activities in line with their own needs.

MPC Capital's role is to manage real asset investments from the three asset units optimally throughout the selection, active (further) development and successful exit phases, with a view to maximising their value.

Asset selection based on market requirements (needs-based)

In selecting assets, MPC Capital focuses on current market requirements and works hard to identify market trends at an early stage. In doing so, MPC Capital has identified and already successfully occupied market niches such as micro-living in the Real Estate segment, feeder ships in the Shipping sector or renewable energies in emerging markets in the Infrastructure sector. All of these niches offer scope to gain a competitive edge over the market as a whole.

Co-investment: MPC Capital contributes equity

MPC Capital contributes part of the equity itself (co-investment) to ensure that the interests of the investors are in line with those of the fund manager. Depending on the volume and type of asset, the co-investment amounts to a maximum of 10% of the equity of the investment vehicle concerned, or more in individual cases. The co-investments are recognised in other equity investments under financial assets.

Investment vehicle based on the investor's strategy

The type of investment vehicle – alternative investment fund, market listing, direct investment or other legal form – is based on the strategy pursued by the investor. The investment vehicle is structured by the Group company DSC Deutsche SachCapital GmbH as required.

MPC Capital's sales activities are primarily focused on international institutional investors, family offices and other professional investors. Its customers also include third-party companies and high net worth retail investors, existing customers and sales partners. The various phases of the asset's life cycle are suited to investors with different risk profiles: for example, the development

phase of a project is appropriate for investors with expectations of higher returns and a pronounced risk profile, while investors with expectations of lower returns and a balanced risk profile generally participate in established projects with stable cash flows.

Competitive advantage – asset expertise and access to real investments

MPC Capital's competitive advantages stem not just from its comprehensive, long-standing expertise in its core asset classes, but also from a broad network of partners that affords excellent access to attractive real assets.

MANAGEMENT SYSTEM

The management of the MPC Capital Group is geared to long-term value added. The key management performance indicators are **revenue** and **near-market other operating income**, which comprises recurring income from the management and administration of existing funds, asset management, advisory and agency for real investments, as well as project and transaction income and income generated as part of exit strategies for existing funds and investments. Earnings before taxes (EBT) is a further financial performance indicator which includes income from equity investments and the share of profit of associates.

The foundations for solid and sustainable business planning also include adequate capitalisation and maintaining sufficient liquidity in the Group over an appropriate planning period.

EBT, capitalisation and **liquidity** serve as the management performance indicators for MPC Capital AG.

Non-financial performance indicators are not used for internal management.

At Group level, the Management Board is responsible for the initiation, management, compliance and monitoring of business activities; at operating level, this function is assigned to the managing directors of the individual subsidiaries. The management system is also a part of the controlling and planning processes in the MPC Capital Group.

The consolidated financial statements and annual financial statements of MPC Capital AG have been prepared on the basis of the German Commercial Code (Handelsgesetzbuch, "HGB").

2. Economic Report

MACROECONOMIC AND INDUSTRY-SPECIFIC ENVIRONMENT

The global economy is currently experiencing a vigorously buoyant phase. Meanwhile economic development reveals an upward direction in almost all major national economies. In its winter forecast published on 14 December 2017, the Institute for the World Economy (“IfW”) anticipates 3.8 percent growth in global output for 2017. The economic upturn in the eurozone continues; economic expansion gained considerably in breadth and strength in 2017, reflected in the growing strength of the euro against the US dollar, among other factors. Economic development in emerging markets equally continued to solidify as 2017 progressed. This is mainly attributable to a revival in output in commodity-exporting countries, which had suffered considerably from the slump in commodity prices in the past two years and are now profiting from the notable rebound in prices.

The Federal Reserve increased its base rate several times in the past two years. On 13 December 2017 it implemented its sixth increase in the target range, to 1.25 % to 1.5 %. In Europe, by contrast, there have not yet been any interest rate moves. The European Central Bank has extended its bond-buying programme again, albeit with a reduction in the volume of securities it aims to purchase each month. An initial interest rate rise is not expected before 2019 at the earliest.

Recent years have witnessed a shift in the assets managed by institutional investors, to the benefit especially of alternative investments, which also include the investment strategies of the MPC Capital Group. According to the “Global Pension Asset Study” by Willis Towers Watson published on 30 January 2017, pension funds

worldwide have steadily been reducing their asset allocation in bonds, equities and cash since 1997 while at the same time significantly increasing their share of alternative investments from 4 % in 1997 to approx. 24 % in 2016.

According to the “Global Alternative Survey 2017” study published by Willis Towers Watson in July 2017, the assets managed by the biggest 100 investment managers climbed by over 10 % to around USD 3.7 trillion in 2016. Accordingly, the total volume of alternative assets under management reached around USD 6.5 trillion at the end of 2016 (2015: USD 6.3 trillion). North America remains the major destination for alternative asset manager allocations (54 %). In total, 33 % of alternative assets are invested in Europe and 8 % in Asia-Pacific, with the rest of the world accounting for 6 %.

BUSINESS PERFORMANCE

The performance in the 2017 financial year lived up to the expectations of the management. Overall, around EUR 1.1 billion in new assets could be onboarded. The total transaction volume in 2017 came to around EUR 2.6 billion.

Real Estate

In February 2017 the Dutch subsidiary Cairn Real Estate (“Cairn”), in partnership with an international institutional investor, acquired six properties in medium-sized Dutch cities. The six office buildings, which complement the transit portfolio acquired in the previous year, have a total floor space of 63,400 m². The purchase price was around EUR 60 million.

In March 2017 Cairn sold the Amsterdam office complex “La Guardia” with a total floor space of 64,000 m² to an

international institutional investor for a price in excess of EUR 130 million. The IRR (internal rate of return) for the project is around 23% after tax. Cairn Real Estate had acquired the ensemble of four buildings in 2014 on behalf of an investor and had subsequently conducted a comprehensive revitalisation project.

In September 2017, Cairn won the contract for the development of the former site of a prison in Amsterdam in close cooperation with the housing developer AM. The “Bajes Kwartier” is one of the last inner-city development areas and extends over nearly 73,000 m². Over the next few years the site is to be developed into a new, traffic-calmed quarter with around 1,350 homes, office space, retail space, healthcare facilities, a school and a museum. The purchase price for the land was EUR 84 million.

In mid-December, Cairn completed one of its biggest revitalisation projects in the Dutch real estate market. On behalf of an institutional investor, the office complex “The Cloud” with a total floor area of more than 20,000 m² in the centre of Amsterdam was comprehensively renovated over the past three years and sold on to a long-term investor. Beyond the sale, Cairn continues to act as property manager for the building and its tenants. The new tenants include the mobility provider Uber, the storage specialist Spaces and the online retailer Amazon.

At the end of December, MPC Capital set up a joint venture with the US investor Harrison Street Real Estate Capital for the development of a student housing portfolio in Europe. With more than 73,000 beds in the USA and Europe, Harrison Street is one of the biggest private investors in the field of student housing. Six properties with around 1,000 student apartments from the “Student Housing Venture I” development fund managed by MPC Capital were sold to the joint venture by way of seed investment. The apartment blocks are situated in Berlin (2 locations), Bonn, Kaiserslautern, Leipzig and Nuremberg. The buildings in Nuremberg and Bonn

already opened their doors for the 2016/2017 winter semester. STAYTOO Leipzig and STAYTOO Kaiserslautern have been ready for occupation since autumn 2017. The two Berlin locations are scheduled to open in 2018.

Under the terms of the joint venture, the properties operated under the STAYTOO brand will continue to be managed by MPC Capital's Micro-Living team following the sale. MPC Capital is also actively seeking to expand the portfolio under management. The free cash proceeds from the sale are to be reinvested in project developments in Germany and a stable pipeline has already been identified. Existing properties are also to be acquired for the new investor and managed under the STAYTOO brand.

For the micro-living area, MPC Capital has acquired land in a central location in Lisbon for the construction of student apartments. Construction work is planned to start before the end of the year. Portugal is the first country for the expansion of the STAYTOO platform into southern Europe. Further locations on the Iberian peninsula are currently being analysed.

MPC Capital is also planning to roll out the STAYTOO model in other markets. To that end, MPC Capital has already established representative offices in Spain and Portugal and installed a project pipeline in each country.

Shipping

In the early part of 2017 MPC Capital launched an investment company to develop and operate a portfolio of container ships focusing on slot capacities of between 1,000 and 3,000 TEU. By the end of the year, “MPC Container Ships ASA” had succeeded in raising around USD 350 million in equity from institutional investors by way of three private placements. The further placement of a bond with a volume of USD 100 million increased the capital for investment to USD 450 million, which was gradually invested in the creation of a fleet

of container ships. In 2017, MPC Container Ships ASA acquired a total of 41 ships, which for the most part were managed by the MPC Capital subsidiaries Ahrenkiel Steamship and Contchart.

In keeping with its investment strategy, MPC Capital AG operates as co-investor in the company. Following the capital increases, MPC Capital AG still maintains a participation of approx. 5%. The shares of MPC Container Ships ASA are traded on the Oslo Stock Exchange.

MPC Capital also participated in various other shipping transactions both in the container and bulkier segment and arranged maritime projects on behalf of third-party investors.

Infrastructure

In the Infrastructure business unit, MPC Capital has laid the foundations for the further development and expansion of the company's renewable energy projects in the Caribbean in establishing MPC Renewables Panama S.A. MPC Renewables Panama will work closely together with the global Renewable Energies team at MPC Capital to develop and manage renewable energies projects on behalf of institutional investors.

The projects handled in 2017 include the sale of the 172 MW onshore wind farm project in Portugal, the construction of another wind farm in Portugal, the achievement of financial closing for a 54 MW onshore wind farm in Mongolia and the acquisition of a 50 MWp PV project in Jamaica by way of seed asset for a broader strategy in the Caribbean. Groundbreaking for the plant's construction took place according to schedule in December 2017.

Other infrastructure projects that mainly involve industrial opportunities in emerging countries are currently in the analysis phase.

Development of assets under management (AUM)

The assets under management (AUM) of the MPC

Capital Group as at 31 December 2017 totalled EUR 5.1 billion (31 December 2016: EUR 5.1 billion).

New business resulted in asset additions of EUR 1.1 billion. Measurement effects led to an addition of EUR 0.3 billion. The strong euro had a value-reducing effect because a large proportion of the assets in the Shipping area are denominated in US dollars. The disposal of assets or expiry of mandates resulted in disposals amounting to EUR 1.4 billion.

AUM in the **Real Estate** segment of EUR 2.1 billion were slightly down on the prior-year figure of EUR 2.2 billion. Acquisitions in the Dutch market (transit portfolio, Bajes Kwartier) and in the micro-living segment were offset by the sale of the La Guardia office complex and the expiry of an asset management mandate.

In the **Shipping** segment, purchases by MPC Container Ships ASA and valuation adjustments prompted a rise in AUM from EUR 1.8 billion to EUR 2.2 billion. This was offset in part by asset disposals of EUR 0.3 billion.

In the **Infrastructure** segment, AUM declined from EUR 0.5 billion to EUR 0.3 billion principally as a result of the sale of the Portuguese wind farm project Ancora. Additions were mainly the result of a follow-on project in Portugal as well as the positive development of the Paradise Park solar PV project in Jamaica.

The **Corporate Centre** manages existing funds from the former business model that do not belong in any of the three core asset classes. The AUM here declined slightly from EUR 0.7 billion to EUR 0.5 billion as a result of scheduled asset disposals.

As at 31 December 2017 approx. 47% (previous year: 44%) of AUM involved institutional business and approx. 53% (previous year: 56%) legacy business.

3.

Net assets, financial position and results of operations**RESULTS OF OPERATIONS OF THE GROUP**

Consolidated revenue of EUR 47.3 million was down on the prior-year figure (EUR 53.8 million). However an additional EUR 12.3 million resulted from the sale of the real estate “The Cloud” in Amsterdam, which, due to its structure, was not classified as revenue but as other operating income. Including this transaction resulting from MPC Capital’s operating business, year-on-year growth in the 2017 financial year came to around 11 %.

Income from **management services** amounted to EUR 36.5 million (2016: EUR 40.2 million). Revenue from asset management and development management in institutional business was unable to make up for the fall in income from the management of existing funds from legacy business.

Income from **transaction services** was EUR 10.4 million in the 2017 financial year (2016: EUR 12.8 million) and was generated for example by the disposals of the Ancora wind farm in Portugal, the La Guardia office complex in Amsterdam, the first German student housing portfolio and a number of transactions in the Shipping segment. The prior-year figure mainly comprised transaction fees from the sale of a real estate portfolio in Asia and of a container ship portfolio.

Other operating income for the 2017 financial year came to EUR 22.7 million (2016: EUR 11.9 million). The healthy rise was driven mainly by the sale of “The Cloud” in Amsterdam. Because of the way the transaction was structured, the sales-related income of EUR 12.3 million from the disposal of real estate that structurally came under associates was realised as income from asset disposals, by way of the sale of shares, rather

than as revenue as had originally been planned. In keeping with their economic character, the proceeds are treated in the cash flow statement as proceeds from the disposal of non-current assets held in the course of business operations.

Through the expansion of institutional business, projects that stem from the company’s legacy business have also regularly been analysed. By optimising project structures, involving new partners and onboarding new investors, income from the reversal of write-downs on receivables amounting to EUR 4.9 million (2016: EUR 1.4 million) was realised in 2017.

Additional other operating income resulted from the reversal of provisions and from changes in exchange rates. The expenses from changes in exchange rates for services settled principally in US dollars moved by a corresponding degree.

Personnel expenses rose to EUR 27.1 million (2016: EUR 26.0 million) as a result of the increased employee total. The Group employed an average of 257 people in 2017. The average figure for the previous year was 245. The personnel expenses ratio for the Group climbed to 57 % as a result of the lower revenue level (2016: 48 %).

Other operating expenses amounted to EUR 24.2 million, around 8 % down on the prior-year level (2016: EUR 26.4 million). Legal and consultancy costs in 2017 climbed to EUR 8.0 million, up from EUR 4.5 million in the previous year, as a result of the high level of transactions and the further expansion of institutional business. Changes in exchange rates resulted in an expense of EUR 2.6 million (2016: EUR 1.5 million). The prior-year figure still included

costs for capital increases in the amount of EUR 2.5 million, as well as expenses for services to shipping limited partnerships that were reclassified to the cost of materials

The **income from equity investments** declined from EUR 3.4 million in the previous year to EUR 1.7 million in the 2017 financial year. Income comprised mainly reflexes of capital from existing funds.

The **result of associates carried at equity** was EUR 1.8 million for the 2017 financial year. The previous year's high income (EUR 6.4 million) was mainly attributable to income from the financing of real estate projects in Japan.

Write-downs on financial assets in the amount of EUR 0.8 million (2016: EUR 0.4 million) were made.

Interest and similar expenses came to EUR 0.4 million and mostly consisted of interest expenses for the refinancing of a real estate project. The prior-year figure of EUR 4.7 million was dominated by expenses for the refinancing of real estate projects in Japan.

The **earnings before taxes** climbed by 11% from EUR 15.7 million in the previous year to EUR 17.4 million in the 2017 financial year.

Thanks to a lower tax expense, **consolidated earnings** climbed by 28% from EUR 10.2 million in the previous year to EUR 13.2 million in the 2017 financial year.

Earnings per share based on shares outstanding as at the balance sheet date came to EUR 0.41 for 2017 (2016: EUR 0.33).

RESULTS OF OPERATIONS OF THE GROUP PARENT

MPC Capital AG realised revenue amounting to EUR 11.1 million in the 2017 financial year (2016:

EUR 15.2 million). This comprised EUR 2.0 million from management and transaction income, and EUR 9.1 million from charges allocated among Group companies, mainly in respect of administrative services provided for the subsidiaries by MPC Capital AG as the holding company.

Other operating income amounted to EUR 10.0 million in 2017 (2016: EUR 8.4 million) and was substantially attributable to the reversal of write-downs and write-downs on receivables, as well as the reversal of provisions.

Personnel expenses came to EUR 7.3 million for the financial year (2016: EUR 8.2 million). The number of employees of MPC Capital AG averaged 51 (previous year: 45).

Other operating expenses amounted to EUR 14.7 million (2016: EUR 15.9 million). This item mainly comprised valuation allowances and write-downs on receivables totalling EUR 6.2 million (2016: EUR 7.0 million) as well as legal and consultancy costs in the amount of EUR 2.8 million (2016: EUR 3.1 million).

MPC Capital AG generated income from equity investments amounting to EUR 2.7 million in the 2017 financial year (2016: EUR 12.8 million), income from profit transfer agreements in the amount of EUR 8.4 million (2016: EUR 4.1 million) as well as interest and similar income amounting to EUR 0.9 million (2016: EUR 0.9 million). Write-downs on financial assets and on marketable securities came to EUR 1.0 million (2016: EUR 4.3 million).

Overall, MPC Capital AG generated net profit of EUR 5.7 million in the 2017 financial year. Net profit for the previous year was EUR 5.1 million. The net profit corresponds to the net retained profits. In the previous year, the net retained profits after allocation of net profit to retained earnings came to EUR 0.

NET ASSETS AND FINANCIAL POSITION OF THE GROUP

The **total assets** of the Group amounted to EUR 135.5 million as at 31 December 2017, on a par with the previous year (2016: EUR 133.7 million).

As a result of the increased investing activity, **fixed assets** rose by EUR 23.8 million to EUR 61.7 million as at the balance sheet date of 31 December 2017 (2016: EUR 38.0 million). Intangible assets accounted for EUR 6.8 million (2016: 8.4 million) of this amount and comprised primarily the capitalised goodwill for the Ahrenkiel Steamship Group.

The **financial assets**, which mainly comprise equity investments in joint ventures, associates and other equity investments, amounted to EUR 54.5 million as at 31 December 2017, well above the level of 31 December 2016 (EUR 29.3 million). Co-investments in new business with institutional investors (institutional business) easily outweighed disposals from legacy business.

As a result of the investing activity, **current assets** were reduced from EUR 95.6 million as at the end of 2016 to EUR 73.6 million as at 31 December 2017. **Receivables and other assets** rose from EUR 30.1 million as at 31 December 2016 to EUR 44.8 million as at 31 December 2017 mainly because of the rise in receivables from other long-term investees and investors. However the Group's liquidity (**cash in hand and bank balances**) declined to EUR 28.9 million (31 December 2016: EUR 65.6 million) mainly as a result of the co-investments.

Equity was increased by the net retained profits from EUR 93.3 million as of 31 December 2016 to EUR 102.2 million as of 31 December 2017. The equity ratio rose from 69.7 % to 75.5 %.

Provisions in the amount of EUR 20.8 million were recognised as at 31 December 2017 (31 December 2016:

EUR 29.0 million). The decrease is primarily attributable to the reduction in the provisions for expected losses as well as for costs associated with the completed restructuring. The company had created provisions amounting to EUR 7.2 million as at 31 December 2017 for legal and consultancy costs (31 December 2016: EUR 7.5 million). The company considers this to be an adequate precaution for potential costs in connection with legal disputes.

Liabilities edged up to EUR 12.4 million (31 December 2016: EUR 11.4 million). Liabilities to banks came to EUR 1.8 million (31 December 2016: EUR 2.3 million) and comprise bank loans for non-recourse project financing. Liabilities to other long-term investees and investors in the amount of EUR 1.6 million (31 December 2016: EUR 2.5 million) primarily comprise capital commitments to co-investments not yet drawn down, as well as distributions received. The rise in other liabilities to EUR 7.7 million (31 December 2016: EUR 6.3 million) stemmed primarily from project financing.

In the period under review the MPC Capital Group reported a negative **cash flow from operating activities** of EUR -1.3 million (2016: EUR +1.4 million). It is determined mainly by changes in inventories, trade receivables, provisions and other assets that are not allocable to investing and financing activities. The book profit from the sale of „The Cloud“ amounting to EUR 12.3 million was offset by proceeds from the sale of assets held as part of operating activities amounting to EUR 13.3 million.

The **cash flow from investing activities** in the period under review came to EUR -31.9 million (2016: EUR +4.2 million). Mainly as a result of the involvement as co-investor in various investment projects, there were payments for investments in financial assets amounting to EUR -37.1 million (2016: EUR -5.6 million). Proceeds from the disposal of financial assets came to EUR 25.6 million (2016: EUR 1.9).

The **cash flow from financing activities** was EUR -3.5 million (2016: EUR 42.9 million) due to the repayment of financial liabilities. The previous year was dominated by the successful placement of two capital increases with a volume of EUR 46.6 million (after deduction of the costs of the capital increase).

Overall, **cash and cash equivalents** at the end of the year declined to EUR 28.9 million (2016: EUR 65.6 million).

NET ASSETS AND FINANCIAL POSITION OF THE GROUP PARENT

The total assets of MPC Capital AG as at 31 December 2017 came to EUR 111.5 million, slightly up on the prior-year level (31 December 2016: EUR 107.9 million). Fixed assets, which mainly comprise shares in affiliated companies and equity investments (financial assets) and, to a lesser extent, tangible assets, increased to EUR 57.7 million as a result of the strong increase in co-investments (31 December 2016: EUR 35.1 million).

Current assets consist of receivables in the amount of EUR 44.6 million (31 December 2016: EUR 38.8 million), for the most part from affiliated companies and from other long-term investees and investors. Cash in hand and bank balances were down on the previous year's level of EUR 33.7 million, at EUR 8.9 million as at 31 December 2017, as a result of the investing activity.

On the equity and liabilities side of the balance sheet, equity increased to EUR 89.1 million by virtue of the net profit (31 December 2016: EUR 83.4 million). The equity ratio improved from 77,3 % to 80,3 %.

Provisions declined to EUR 7.3 million as at the balance sheet date primarily from the reduction in the provisions for expected losses as well as for

costs associated with the completed restructuring (31 December 2016: EUR 14.2 million). Liabilities grew to EUR 15.0 million (31 December 2016: EUR 10.2 million); in the main, they relate to liabilities to associated companies and other non-current liabilities from project financing.

PRINCIPLES AND GOALS OF FINANCIAL MANAGEMENT

The goal of financial management at MPC Capital AG is to secure the financial stability and business flexibility of the Group. Liquidity management within the MPC Capital Group maps the Group's short and long-term liquidity requirements on the basis of a planning model. Liquidity planning and the liquidity situation are central factors within the risk management approach of the MPC Capital Group.

FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

The financial performance indicators developed as follows in the period under review:

Financial performance indicators	MPC Capital Group			MPC Capital AG		
	2017	2016	Change	2017	2016	Change
	in EUR '000		in %	in EUR '000		in %
Revenue	47,318	53,791	-12.0%			
plus "The Cloud" accounting profit	12,309	-	-	<i>No financial performance indicator</i>		
Adjusted revenue	59,627	53,791	+10.8%			
Earnings before taxes (EBT)	17,353	15,704	+10.5%	7,180	8,415	-14.7%
Liquidity (cash in hand and bank balances)	28,873	65,581	-56.0%	8,891	33,735	-73.6%
Equity ratio	75.5%	69.7%	+5.8 pps	80.3%	77.3%	+3,0 pp

No analysis of non-financial performance indicators is carried out as they are not used for internal management purposes.

SUMMARY OF THE ECONOMIC SITUATION

Although the MPC Capital Group saw its revenue for the 2017 financial year fall by 12 % to EUR 47.3 million, taking account of the "The Cloud" transaction year-on-year growth in the 2017 financial year came to around 11 %. Earnings before taxes were consequently likewise increased by almost 11 %. Even taking into account income from the reversal of provisions and the reversal of write-downs on written-down receivables, consolidated net income rose disproportionately by 29% to EUR 13.2 million.

In all, the economic position of the MPC Capital Group showed a stable development in the 2017 financial year. Balance sheet quality improved yet again as a result of a rise in the equity ratio from 69.7 % in the previous year to 75.5 % as at the 2017 balance sheet date. Liquidity again fell from EUR 65.6 million in the previous year to EUR 28.9 million as at

31 December 2017 mainly because of increased investing activity.

The key challenge for the MPC Capital Group is to continue identifying and acquiring attractive institutional investors and therefore to compensate for the decline in proceeds from portfolio business through income from its repositioning in the institutional environment. Projects realised and kicked off in 2017 as well as a well-filled project pipeline nevertheless point towards a sustained positive development.

4. Other disclosures

ENTRY STANDARD BECOMES “SCALE”

Since 1 March 2017, the shares of MPC Capital AG have been listed in the “Scale” segment of Deutsche Börse AG (DBAG). “Scale” takes the place of the former Entry Standard and is intended to represent a new quality segment for small and medium enterprises (SME) with access to the capital market.

The new segment is more highly regulated than the Entry Standard in terms of both admission and subsequent obligations. “Scale” is intended to improve access to investors for growing companies by placing the emphasis on transparency and qualitative criteria. Issuers in the “Scale” segment must achieve certain levels with their key performance indicators, work with a capital market partner of DBAG and give an undertaking to achieve elevated transparency.

EMPLOYEES

The employees of the MPC Capital Group contributed to the successful business performance in the 2017 financial year through their exceptional dedication. A long-term commitment on the part of highly qualified employees is the basis for the long-term successful development of the MPC Capital Group. MPC Capital pursues the goal of retaining employees even more effectively and keeping them performing at a high level by offering both performance-related remuneration components and non-financial incentives. Non-monetary instruments include more flexible working hours and scope to achieve a work/life balance.

Over the 2017 financial year the MPC Capital Group had an average of 257 employees. On the reporting date of 31 December 2017, the Group had 268

employees. MPC Capital AG employed an average of 51 people in the financial year, and 52 people on the reporting date.

PERSONNEL CHANGES ON THE MANAGEMENT BOARD

Peter Ganz, Management Board member of MPC Capital AG with responsibility for the Shipping area, left the company with the expiry of his contract as at 31 December 2017. Constantin Baack has assumed responsibility for the Shipping portfolio.

DEPENDENT COMPANY REPORT BY THE MANAGEMENT BOARD IN ACCORDANCE WITH SECTION 312 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

In the 2017 financial year, MPC Capital AG was a dependent company of MPC Münchmeyer Petersen & Co. GmbH, Hamburg, Germany, within the meaning of Section 312 AktG. The Management Board of MPC Capital AG has therefore prepared a report in accordance with Section 312 (1) AktG on relationships with dependent companies that contains the following closing statement:

“The Management Board of MPC Capital AG hereby declares that for the transactions listed in the dependent company report for the period 1 January to 31 December 2017, under the circumstances known to the Management Board at the time at which the transactions were performed, the company received appropriate consideration for each transaction and was not disadvantaged in any way. No actions were taken or not taken at the instigation or in the interests of the controlling company or a dependent company.”

CORPORATE CITIZENSHIP: THE ELBSTIFTUNG

In 2005 the company set up the Elbstiftung, which works to improve the education prospects and career-starting conditions for young people in Hamburg. Through the Elbstation Academy educational initiative, the Elbstiftung has now been supporting young people from socially vulnerable families and/or of a migrant background for over ten years. By offering media and

drama projects and providing coaching, it helps them gain self-confidence, build on their knowledge of languages and develop key skills that are fundamental to a successful educational and vocational biography.

Building on this experience and the available infrastructure, since 2016 Elbstation has been offering free German courses and everyday advice for refugees to facilitate their arrival in Hamburg, thus paving the way for their successful integration.

5. Report on risks and opportunities

BASIC PRINCIPLES

Our policy on risks reflects our efforts to grow consistently and increase our corporate value, while managing or avoiding inordinate risks. Our risk management work is an integral part of planning and implementing our business strategies; the fundamental risk policy is laid down by the Management Board.

Risk management system

Risk management works to identify risks in the MPC Capital Group in addition to analysing, assessing, monitoring and controlling them.

A Group-wide risk inventory is carried out at regular intervals, but at least once per year, in the context of risk management. The risk inventory is performed by the individual units in line with a bottom-up principle. The people in charge of this are the risk management officers within the respective units, who assign probabilities of occurrence and loss levels to the potential risks. This information is aggregated in the Group Controlling department, and recorded and passed on in reporting.

Thanks to integrated, regular reporting, the Management Board is kept informed about the development of the risk situation of the individual units and the MPC Capital Group as a whole. The Management Board is also to be informed immediately of extraordinary or unscheduled changes in the risk position via the risk early warning system; the Management Board must then also notify the Supervisory Board of the change in the risk situation without delay.

The risk management system of the MPC Capital Group enables Group-wide, systematic risk controlling and early and sufficient risk provisioning. Risk management is a dynamic, evolving process. Lessons learned from the daily handling of risks and risk provisioning make an important contribution to the continuous optimisation of the system.

Presentation of opportunities and risks

Categorisation of the principal opportunities and risks of the MPC Capital Group reflects the structure laid down internally for risk management purposes and adopts the gross approach. MPC Capital AG, as the parent company of the MPC Capital Group, is included

in the risk management system. The disclosures fundamentally also apply to the annual financial statements of MPC Capital AG.

The following principal opportunities and risks for the business of the MPC Capital Group were identified:

OPPORTUNITIES

Business environment and market-related opportunities

The continuing low interest rate regime of central banks increases the appeal of investing in real assets such as real estate, ships and infrastructure projects. Meanwhile demand for interest-linked investments remains low.

By contrast, there is high demand for investment opportunities from institutional investors worldwide and from private investors. In view of the still-high returns being sought, there is an overall increase in the importance of real asset investments for institutional investors.

MPC Capital therefore sees considerable market potential for real investments and investment products, as well as for services that intelligently bring together investors and investment projects and provide long-term advisory and support.

In the shipping sector, the principal opportunities include increasing our enterprise value through additional income growth and the recovery of the shipping markets, especially in the feeder segment – a focus for Ahrenkiel Steamship and its fleet. The combination of the three uncorrelated or at most only marginally correlated asset areas of Real Estate, Shipping and Infrastructure makes it possible to spread risks, realise economies of scale and, as a consequence, increase the profitability of MPC Capital.

Competitive opportunities

MPC Capital is an independent asset and investment

manager specialising in real asset investments and their management. Together with its subsidiaries, it develops and offers individual investment opportunities and services for national and international institutional investors, family offices and third-party companies.

Its product and service offering systematically focuses on the three core segments of Real Estate, Shipping and Infrastructure. The company has an extensive and proven track record, particularly in the Real Estate and Shipping segments. MPC Capital also has access to several decades of expertise in infrastructure thanks to its close cooperation with Ferrostaal, a member of the MPC group of companies, and with other industry partners.

The company can also call on an extensive international network of business partners and partner companies to secure and implement attractive projects.

It therefore has a clear niche strategy with exclusive market access, proven expertise and years of experience, as well as specialised services along the entire asset and investment management value chain.

Opportunities from the co-investment strategy

To ensure that the interests of the investor are in line with those of the asset and investment manager, in consultation with the investors for the specific project in question the MPC Capital Group provides up to 10% of the equity for the investment project, by way of co-investment. The essence of this strategy is fundamentally to account for merely the co-investment share, rather than for any assets in full, in order to keep dependence on possible market and valuation fluctuations as low as possible (asset-light approach). The proceeds achieved from the value gains of the equity investments are reflected in the income statement as other operating income or income from equity investments.

Based on the aim of increasing the assets under management and shifting from lower-margin legacy

business towards higher-margin new business, especially in the Real Estate and Infrastructure segments, the company expects to see overproportional growth in proceeds. In the company's assessment, economies of scale from more efficient utilisation of the Group's platforms and service areas should then result in an overproportional improvement in consolidated earnings.

RISKS

Business environment and market-related risks

Market-related risks

The MPC Capital Group's business success is heavily dependent on developments in the global financial and capital markets. Major market disruptions, such as those experienced in the financial crisis following the collapse of Lehman, may threaten companies such as MPC Capital as going concerns. Negative developments may not only endanger the launch of new investment projects and services; they can also undermine the performance of existing real investments and investment products and cause reputational damage to the MPC Capital brand.

In addition, (further) interest rate hikes by the Federal Reserve and the European Central Bank (ECB) could have a positive impact on other forms of investment and cause demand for real asset investments and investment products to stagnate or even backtrack.

There are currently no discernible indications of a renewed global economic crisis or of disruptions to the financial and capital markets. Equally, the ECB recently stressed its intention to adhere to its ultrarelated monetary policy and leave the base rate in the eurozone at zero percent.

MPC Capital counters market-related risks by constantly observing the need for diversification and taking into account cyclical patterns when identifying investment targets. Merely by spreading its exposure

more evenly across the three asset categories Real Estate, Shipping and Infrastructure, MPC Capital already reduces its market-related risks compared with sector specialists who focus on individual industries.

In addition, the MPC Capital Group's restructuring and the way in which it handled the impact of the financial crisis demonstrate that it can also deal with difficult market situations. Consequently, the MPC Capital Group believes it has acquired a reputation among investors, and institutional investors in particular, as a reliable partner for real investments and investment products.

Availability of real assets

As an investment manager for real investments and investment products, MPC Capital is reliant on a suitable selection of attractive real assets in the core segments of Real Estate, Shipping and Infrastructure. Global economic and regulatory changes can have a significant influence on their availability. The risk of a shortage of products is classified as low at MPC Capital thanks to its diversification across three segments, an extensive portfolio of existing funds, a broad network of partners and good market access.

Demand for real investment products

The MPC Capital Group is dependent on future demand for real investment products. A drop in demand for real investment products, for example due to a significant interest rate hike in the USA and the eurozone, could have an adverse effect on the development of the MPC Capital Group.

Regulatory risks

The regulatory risks are comparable to the previous year. Regulatory measures are significantly influenced by the European Union and continue to develop. Efforts to combat the financing of terrorism and to implement the MiFID II standards correspondingly increase the volume of implementation work. There are currently no indications that legislators are planning any significant regulation of the financial markets.

Performance-related, organisational and strategic risks to the company

Competition risk

MPC Capital aspires to be one of Germany's leading independent investment managers for real investments and investment products. As such, the company competes with other providers of real asset financial products and services. As a result of orienting its sales activities towards international institutional investors, family offices and third-party companies, the field of competitors now includes similar international companies. By contrast, regulatory changes have removed issuing houses from among its competitors.

There is a fundamental business risk that, following its strategic reorientation, MPC Capital will not be sufficiently successful at repositioning and establishing itself among new customer groups, at offering target group-oriented products and services or at consistently generating income.

MPC Capital counters this risk by concentrating on real asset products and services in special niche markets within its core segments. By diversifying into various asset categories, it can reduce the risk of cyclical dependence on one single segment. The special expertise and experience within the company, its broad network spanning major shareholders, business partners and the MPC Capital Group and its targeted recruitment of employees with years of experience, particularly in business with institutional investors, have helped to reduce this risk and enable the company to do business with institutional clients.

Operating risks

During planning and development, the MPC Capital Group incurs expenses when seeking out suitable assets, analysing the opportunities and risks of assets and structuring the real investment products. These costs are incurred in part through the use of own staff and also through the use of external service providers,

consultants and advisers. The majority of these costs incurred by the MPC Capital Group are only compensated for when a certain investment product materialises and the MPC Capital Group has received the corresponding fees. If a real investment product fails to materialise, any costs incurred during planning and development must be borne by the MPC Capital Group itself.

The MPC Capital Group launches projects with well-known and reliable partners, in particular in the Real Estate and Infrastructure sectors, and often participates in these projects as a minority shareholder. Partners could demand a larger co-investment share from the MPC Capital Group, negative project developments could result in losses on the part of the MPC Capital Group, and the loss of such partners could adversely affect the MPC Capital Group's ability to acquire suitable assets.

Because the MPC Capital Group manages investment products in the Real Estate sector and through its co-investments in investment products in this sector, it is exposed to construction risks and risks relating to environmental law. Right from the planning and implementation stage, real estate projects require compliance with a wide range of rules and regulations and their development is dependent on whether the relevant permits have been obtained. This process can still be frustrated by statutory or regulatory requirements during the realisation phase, or such requirements can result in delays, the need for modifications and significant cost increases.

For project financing, the MPC Capital Group is sometimes dependent on obtaining financing from lending institutions and, going forward, might not be able to obtain sufficient financing or follow-on financing for expiring financing from credit institutions.

In the shipping asset category, risks arise from operating activities (breakdowns, damage, maritime accidents) and the underutilisation of the ships, which

could lead to lower fees or the loss of the charter/ship management contract. Both risks are assessed as minor based on the long-standing management experience of the teams

HR risks

MPC Capital's future development and repositioning are particularly dependent on the expertise and experience of the company's employees. The company must in particular retain key employees. MPC Capital has achieved this not least through a corporate culture based on partnership and various essentially non-financial incentives. The company has avoided losing key employees.

Legal risks

The consolidated financial statements as at 31 December 2017 include provisions for legal and consultancy costs of approximately EUR 7.2 million (31 December 2016: EUR 7.5 million). The provisions constitute adequate risk provisioning for the MPC Capital Group's pending legal risks.

There was a further increase in the number and volume of lawsuits brought against the MPC Capital Group in Germany in 2017, even if the situation remains that there are no final judgements against the MPC Capital Group. Private placements, for which no prospectus is required, are associated with the risk of claims for violation of pre-contractual information obligations. However such funds are generally subscribed by highly experienced investors who have lower requirements with regard to the volume of information to be supplied.

The MPC Capital Group seeks to use insurance protection to cover foreseeable risks, including liability risks arising from its activities as an asset manager. However, this insurance protection may potentially prove insufficient to fully cover the risks to which the MPC Capital Group is exposed.

Prospectus liability risk

Prospectuses are generally issued for sales of the funds launched by MPC Capital. In the event of inaccurate or incomplete disclosures in the prospectuses, there is a possibility that the MPC Capital Group could be held liable. Furthermore, the higher average placement period required for real asset-based equity investments since the end of 2008 has increased the likelihood of supplements to reflect material changes in the circumstances on which the prospectus is based. Missing, late or incomplete supplements can lead to liability risks.

MPC Capital addresses these risks by carrying out appropriate controls and requiring high quality standards for the preparation of prospectuses and subsequent obligations. The prospectuses are prepared in accordance with the "Standards for the proper assessment of prospectuses for publicly offered investments" (IDW S 4), a standard published by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, "IDW"). An auditor reviews the prospectuses with reference to this standard. When compiling the supplements, MPC Capital proceeds with the same care and quality that it applies in preparing the prospectuses themselves.

Since 22 July 2013 the requirements for the prospectus and the contents of the key investor information (KII) have been specified in the KAGB. The provisions contained in the KAGB do not constitute any material change in the prospectus requirements for the company.

Further proceedings under the German Capital Investors' Test Cases Act (Kapitalanleger-Musterverfahrensgesetz, "KapMuG") were again initiated in 2017. In these proceedings, the prospectuses in particular are subjected to advance scrutiny by the Higher Regional Court. The Higher Regional Court conducts a binding examination for the pending proceedings at the District Court to establish whether or not prospectuses contain errors. The decision of the Higher Regional Court can initially be reviewed by the Federal Supreme Court

before the proceedings continue at the District Court. A condition of the investigation procedure being opened at the Higher Regional Court is essentially that ten plaintiffs file identical petitions for examination of the legal conformity of prospectuses. A submission to the Higher Regional Court therefore takes place without substantive appraisal and is of no significance for the outcome of the examination. Such proceedings are nevertheless gaining a higher profile among investors and as a whole lead to a higher volume of lawsuits.

Risks relating to Section 172 (4) HGB

TVP Treuhand und Verwaltungsgesellschaft für Publikumsfonds mbH & Co. KG (TVP) holds a large volume of limited partner shares in trust for a wide range of funds, and is entered on the Commercial Register as the limited partner. To the extent that payments not covered by profits under German commercial law were made to investors in the past, this may constitute a liability risk to the trust company. In the case of distressed or insolvent fund companies, creditors can claim such payments not covered by profits back from the companies. They do so by asserting their claims against the trust company by virtue of its trust status. The trust company then bears the risk of having to individually assert its claims for compensation under the trust agreement against the respective fund investors. Cumulative recourse under this liability situation could significantly impair the MPC Capital Group's liquidity position. Although TVP has entered into an agreement with the fund companies' creditors for claims to be asserted primarily against the investors, it cannot be ruled out that the creditors may terminate the agreement. In addition, these agreements are not in place for all fund companies, and it is uncertain whether the creditors of the remaining fund companies will also enter into a corresponding agreement with TVP. Furthermore, while offsetting is not possible in Germany, in Austria the legal position is unclear as to whether investors can offset a claim by creditors from an assigned right against compensation claims which they maintain they have against TVP.

Financial risks

Measurement risks from equity investments

The MPC Capital Group holds various equity investments in enterprises, companies and assets. As part of its comprehensive and regular risk management, MPC Capital reviews the intrinsic value of these equity investments and/or assets and where necessary adjusts their carrying amounts on the balance sheet of MPC Capital AG.

There is no need to adjust the carrying amounts of the indirect equity investments HCI Deepsea Oil Explorer GmbH & Co. KG and MPC Deepsea Oil Explorer GmbH & Co. KG. This is based on the assumption that it will be possible to extend the charter contract which expires in 2019 as well as agree a continuation of the credit lines or new loans for the financing which falls due in 2019. However it cannot be ruled out that future changes in the charter conditions may render an adjustment necessary. If follow-on or new chartering proves not possible beyond that date or if only significantly poorer conditions are possible, an adjustment in the carrying amount could become necessary, thus weighing on the earnings of MPC Capital AG and on consolidated earnings. If follow-on financing should not be possible beyond 2019, it would probably be necessary to write down the carrying amount totalling EUR 9.6 million in full.

A large portion of the income realised in 2017 from the reversal of write-downs on receivables is based on particular market expectations. Partial or full write-down of the receivables would fundamentally be necessary in the future if the forecasts underlying the measurement do not or only partially materialise.

Liquidity risk

Liquidity risk monitoring is managed centrally in the MPC Capital Group. To ensure solvency, sufficient liquidity reserves are maintained so that payment obligations can be satisfied throughout the Group as they mature.

The MPC Capital Group has appropriate liquidity.

The liquidity available as at the balance sheet date of 31 December 2017 is reported in the notes to the consolidated financial statements, as are the Group's financial liabilities as at the reporting date and their maturity structure.

Interest rate risk

Risks from interest rate changes are rated as low for the MPC Capital Group. The company had not entered into any interest rate hedges as at the balance sheet date.

Risk of additional tax payments

It cannot be ruled out that the assessment reached by the tax authorities as part of future tax audits or based on a change in the administration of justice by the supreme court may differ from that reached by the MPC Capital Group or alter previous measurements, and that they may claim additional tax payments in respect of past assessment periods. The same applies to future assessment periods. The risk of additional tax payments is likewise associated with a not inconsiderable interest rate risk, since late additional tax payments in Germany fundamentally attract interest at 6.0 % p.a.

Currency risks

The MPC Capital Group is exposed to currency risks as part of its business activities. These arise from changes in exchange rates between the corporate currency (EUR) and other currencies, and mainly relate to a significant strengthening in the EUR/USD exchange rate.

Ahrenkiel Steamship and Contchart generate a large proportion of their revenues in USD. By contrast, their expenses are mainly incurred in EUR, meaning that exchange rate movements could have a significant impact on their earnings.

To hedge against currency risks, currency options have been taken out on a portion of the contractually fixed USD revenues for 2018. Based on the remaining USD exposure, an increase of 10 % in the EUR/USD

exchange rate assumed by the MPC Capital Group would have an effect of roughly 1 % on the forecast revenue for the 2018 financial year.

Risk of bad debt and loss of income

The MPC Capital Group's business activities also include financing and management services for fund companies and subsidiaries. MPC Capital has built up receivables in connection with this and regularly conducts impairment testing on them. Write-downs are recognised in the accounts and reported under other operating expenses; they amounted to approximately EUR 1.3 million as at 31 December 2017 (31 December 2016: EUR 1.9 million).

Given the persistently difficult economic conditions, in particular in the shipping markets, it cannot be ruled out that MPC Capital will also have to write down receivables in the future.

Contingent liabilities

Contingent liabilities in accordance with Section 251 HGB amounted to EUR 16.5 million as at 31 December 2017 (31 December 2016: EUR 27.0 million); these mainly comprised directly enforceable warranties and guarantees. There are currently no indications that contingent liabilities will crystallise. The Management Board of MPC Capital AG therefore classifies the economic risk as low.

If one or more contingent liabilities were to crystallise, contrary to the assessment made by the company's Management Board, this would have a material impact on the financial position of the MPC Capital Group.

Overall assessment of risk and opportunity situation

The MPC Capital Group's overall risk and opportunity situation is the net result of the individual risks and opportunities presented above. The company has implemented an extensive risk management system to ensure that these risks are controlled. The risk situation

of the MPC Capital Group has not changed materially since the previous year.

Based on the information available to us today, there are no risks that could present a threat to major Group companies or to the MPC Capital Group overall as going concerns.

Key features of the internal control and risk management system in terms of the accounting process

In terms of the accounting process, the risk management system is geared towards compliance with legal and industry standards, the correct recognition of items in the accounts and the appropriate assessment and consideration of accounting risks. Where the accounting process is concerned, therefore, the internal control and risk management system aims to ensure proper bookkeeping and accounting and guarantee the reliability of the financial reporting.

Ongoing monitoring takes place as part of an accounting-related internal control system (ICS), which is an integral part of the risk management system. The ICS contains legal and internal rules and procedures, as well as controls designed for prevention and detection.

The integrated safeguards are intended to prevent errors. Controls are designed to reduce the probability of errors occurring in workflows and to identify errors that may have occurred. In particular, these measures include the separation of functions, approval processes and the dual-control principle, IT controls, access restrictions and permissions concepts in the IT system.

Qualified employees, the use of standard industry software and clear internal standards and compliance with statutory provisions form the primary basis for a uniform and continuous accounting process within the MPC Capital Group.

Supplementary information on the annual financial statements of MPC Capital AG

As the parent company of the MPC Capital Group, MPC Capital AG is included in the accounting-related internal control system presented above. The above disclosures also apply in principle to the annual financial statements of MPC Capital AG.

6. Report on expected developments

The following forecasts contain assumptions that are not certain to materialise. If one or more assumptions fail to materialise, the actual events and developments may differ significantly from the forecasts presented.

GENERAL ECONOMIC CONDITIONS

Market experts believe the environment for alternative asset classes will remain favourable in 2018. It is favoured by the continuing relaxed monetary policy of central banks, coinciding with global growth, a rebound in global trade as well as the strong fundamentals of businesses and rising corporate profits.

In its winter forecast published on 13 December 2017 the Kiel Institute for the World Economy anticipates that global economic growth will rise to 3.9% and 3.6% in 2018 and 2019. The analysts identified stimuli in only a slow tightening of expansionary monetary policy, along with a strengthening of demand in developing and emerging economies.

According to a study published in December 2017 by the French investment bank Natixis, a majority of institutional investors will stay in shares and uncorrelated alternative investments in 2018. 60% of investors believe the correlation between traditional assets is now too close. 78% are therefore aiming to increase their alternative investments and 70% are considering alternatives to be indispensable to the diversification of the portfolio risk.

In a study published in June 2017, the auditing firm PricewaterhouseCoopers (PwC) forecasts that globally managed assets (AUM) will reach a value of USD 111.2 trillion in 2020. Whereas alternative investments accounted for 11% of AUM worldwide in 2015,

the share is forecast to reach 13% by 2020. PwC forecasts above-average growth for the SAAME group of countries (South America, Asia, Africa, Middle East).

ANTICIPATED BUSINESS PERFORMANCE

The MPC Capital group has set itself the goal of onboarding around EUR 1 billion in new assets each year. The project pipeline for 2018 is again well filled, with a total volume of over EUR 6 billion. Around one-third of projects are currently undergoing due diligence or are in the negotiation phase, and are spread evenly across the three asset strategies. Compared to the previous year, the 2018 financial year is likely to be shaped more by new investments than by exit transactions. MPC Capital is fundamentally also looking to expand its business through takeovers of businesses or business units.

Real Estate: In the newly established joint venture with the US investor Harrison Street, MPC Capital plans to expand the existing portfolio through the acquisition of existing properties in the student housing area. Further project developments are planned for the development fund, for which capital was unlocked through the sale of a sub-portfolio to the joint venture and made available once more for new investments. In addition, the Micro-Living team at MPC Capital is working on expansion into new markets, especially Spain and Portugal.

In the Netherlands, construction work is about to begin on the "Bajes Kwartier", one of Amsterdam's biggest inner-city real estate development projects. Over the coming years the Dutch subsidiary of MPC Capital, Cairn Real Estate, will be deeply involved in the revitalisation of the former prison site as co-investor and asset manager. MPC Capital is also pursuing the expansion of

its retail strategy and other office property projects in Germany and the Netherlands.

In the **Shipping** segment, MPC Capital will profit from the planned expansion of the MPC Container Ships fleet. A substantial proportion of them could be managed by Ahrenkiel and Contchart. If the recovery in the container markets that started last year should continue longer-term, an improvement in charter rates can be expected; this would impact management fees in MPC Capital's Shipping segment positively.

In the **Infrastructure** segment, activities for 2018 focus on the further expansion of the Caribbean and Latin America strategy. The team is examining the onboarding of further assets in the area of renewable energies and is involved in intensive negotiations with international investors on both the financing of individual projects and the structuring of an investment platform tailored to the region. The priority for industrial opportunities is to analyse green and brown field industrial opportunities. MPC Capital is working closely with industry partners such as Ferrostaal and Haldor Topsoe on these. There are plans to step up individual partnerships in 2018.

Whereas the 2017 financial year saw a number of significant exits, the onboarding of new projects takes centre stage in 2018. For the MPC Capital Group, the Management Board expects revenue growth of at least 10% coupled with overproportional EBT growth in the 2018 financial year, based on the planned expansion of assets under management. The equity ratio should remain at a level in excess of 70%, while liquidity is likely to fall as a result of the planned co-investments in financial assets. In light of the company's highly promising development, MPC Capital is currently examining various financing alternatives, including capital market options, in order to unlock further growth opportunities.

For the Group parent company, MPC Capital AG, the Management Board expects lower dividends from subsidiaries in the financial year 2018 and thus a lower, but still slightly positive EBT. In addition, the Management Board expects liquidity and equity ratio to be comparable with the previous year.

Hamburg, 5 February 2018



Ulf Holländer, Chairman



Constantin Baack



Dr. Roman Rocke

Consolidated Financial Statements



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1. Responsibility Statement

To the best of our knowledge, and in accordance with the applicable accounting standards, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and result of operations of the Group, and the Group management report 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.

Hamburg, 5 February 2018



Ulf Holländer, Chairman



Constantin Baack



Dr. Roman Rocke

2. Consolidated Balance Sheet

Assets	31 Dec 2017 EUR '000	31 Dec 2016 EUR '000
A. Fixed assets	61,743	37,986
I. Intangible assets	6,790	8,368
1. Purchased concessions, industrial rights and software	33	27
2. Goodwill	6,757	8,341
II. Tangible assets	467	349
1. Land, land rights and buildings, including buildings on third-party land	4	17
2. Other fixtures and fittings, operating and office equipment	463	332
III. Financial assets	54,486	29,268
1. Shares in affiliated companies	627	301
2. Equity investments	43,399	23,795
3. Other loans	10,461	5,173
B. Current assets	73,634	95,639
I. Receivables and other assets	44,762	30,058
1. Trade receivables	5,336	3,086
2. Receivables from affiliated companies	328	116
3. Receivables from other long-term investees and investors	23,086	13,424
4. Other assets	16,012	13,432
II. Cash in hand and bank balances	28,873	65,581
C. Prepaid expenses	101	83
Total assets	135,478	133,708

Note: Rounding differences may arise.

Equity and liabilities	31 Dec 2017 EUR '000	31 Dec 2016 EUR '000
A. Equity	102,240	93,253
I. Subscribed capital	30,428	30,428
II. Capital reserves	40,691	47,904
III. Other retained earnings	10,803	5,082
IV. Net retained profits/net accumulated losses	12,825	6,519
V. Difference in equity from currency translation	37	73
VI. Minority interest	7,456	3,247
B. Provisions	20,808	29,037
1. Provisions for taxes	5,120	4,872
2. Other provisions	15,688	24,164
C. Liabilities	12,431	11,419
1. Liabilities to banks	1,763	2,282
2. Trade payables	1,372	347
3. Liabilities to affiliated companies	21	11
4. Liabilities to other long-term investees and investors	1,603	2,473
5. Other liabilities	7,673	6,306
Total equity and liabilities	135,478	133,708

Note: Rounding differences may arise.

3. Consolidated Income Statement

from 1 January to 31 December 2017

	2017 EUR '000	2016 EUR '000
1. Revenue	47,318	53,791
2. Other operating income	22,716	11,875
3. Cost of materials: cost of purchased services	-3,110	-1,618
4. Personnel expenses	-27,137	-26,019
a) Wages and salaries	-23,888	-22,893
b) Social security, post-employment and other employee benefit costs	-3,249	-3,126
5. Amortisation of intangible assets and depreciation of tangible assets	-1,772	-1,758
6. Other operating expenses	-24,219	-26,356
7. Operating result	13,796	9,915
8. Income from equity investments	1,744	3,376
9. Other interest and similar income	1,250	1,073
10. Write-downs on financial assets	-787	-362
11. Interest and similar expenses	-444	-4,709
12. Share of profit of associates	1,794	6,410
13. Earnings before tax	17,353	15,704
14. Taxes on income	-4,192	-5,484
15. Result after tax	13,161	10,221
16. Other taxes	-11	0
17. Consolidated net profit	13,150	10,220
18. Minority interest	-795	-262
19. Changes in consolidation	-328	-1,101
20. Net retained profits	6,519	2,743
21. Allocations to retained earnings	-5,721	-5,082
22. Net retained profits	12,825	6,519

Note: Rounding differences may arise.

4.

Consolidated Statement of Changes in Equity

from 1 January to 31 December 2017

**Capital and reserves attributable to the shareholders
of the parent company**

	Share capital EUR '000	Own shares at nominal amount EUR '000	Capital reserves EUR '000	Other retained earnings EUR '000
As at 1 January 2017	30,428	0	47,904	5,082
Successive acquisition	0	0	-7,213	0
Changes in the group of consolidated companies	0	0	0	0
Consolidated net profit	0	0	0	0
Allocations to retained earnings	0	0	0	5,721
Dividends	0	0	0	0
Currency translation differences	0	0	0	0
Total comprehensive income	0	0	0	5,721
As at 31 December 2017	30,428	0	40,691	10,803

Note: Rounding differences may arise.

from 1 January to 31 December 2016

**Capital and reserves attributable to the shareholders
of the parent company**

	Share capital EUR '000	Own shares at nominal amount EUR '000	Capital reserves EUR '000	Other retained earnings EUR '000
As at 1 January 2016	22,129	-59	6,855	0
Capital increase	8,299	0	40,829	0
Changes in the group of consolidated companies	0	0	0	0
Sale of treasury sales	0	59	221	0
Consolidated net profit	0	0	0	0
Allocations to retained earning	0	0	0	5,082
Currency translation differences	0	0	0	0
Total comprehensive income	0	0	0	5,082
As at 31 December 2016	30,428	0	47,904	5,082

Note: Rounding differences may arise.

Minority interest

Net retained profits EUR '000	Difference in equity from currency translation EUR '000	Equity EUR '000	Share capital EUR '000	Capital reserves EUR '000	Net retained profits EUR '000	Equity EUR '000	Consolidated equity EUR '000
6,519	73	90,006	1,528	1,808	-89	3,247	93,253
0	0	-7,214	-379	-1,801	-155	-2,335	-9,549
-328	0	-328	17	5,062	1,011	6,090	5,761
12,355	0	12,355	0	0	795	795	13,150
-5,721	0	0	0	0	0	0	0
0	0	0	0	0	-341	-341	-341
0	-36	-36	0	0	0	0	-36
6,634	-36	12,319	0	0	454	454	12,773
12,825	37	94,784	1,166	5,069	1,221	7,456	102,240

Minority interest

Net retained profits EUR '000	Difference in equity from currency translation EUR '000	Equity EUR '000	Share capital EUR '000	Capital reserves EUR '000	Net accumulated losses EUR '000	Equity EUR '000	Consolidated equity EUR '000
2,743	65	31,733	388	1,822	-45	2,165	33,898
0	0	49,128	0	0	0	0	49,128
-1,101	0	-1,101	1,140	-14	-306	820	-282
0	0	280	0	0	0	0	280
9,958	0	9,958	0	0	262	262	10,220
-5,082	0	0	0	0	0	0	0
0	8	8	0	0	0	0	8
4,876	8	9,966	0	0	262	262	10,228
6,519	73	90,006	1,528	1,808	-89	3,247	93,253

5. Consolidated Cash Flow Statement

from 1 January to 31 December 2017

	2017 EUR '000	2016 EUR '000
Cash flow from operating activities	-1,332	1,406
Consolidated net profit after minority interest	13,150	10,220
Amortisation of intangible assets and depreciation of tangible assets	1,772	1,756
Write-downs on financial assets	787	362
Share of profit of associates (non-cash effective)	-1,794	-651
Gain / loss on the disposal of intangible and tangible assets	0	0
Gain / loss on the disposal of financial assets	-12,309	-129
Proceeds from the sale of assets held as part of operating activities	13,290	0
Changes in inventories, trade receivables / payables and other assets and liabilities	-6,122	-13,890
Changes in trade payables and other liabilities not allocable to investing and financing activities	1,660	-1,884
Changes in other provisions	-6,054	-2,897
Proceeds from dividends	418	606
Income tax expense / benefit	4,188	5,484
Income taxes paid	-3,626	-4,123
Interest expenses and interest income	-806	3,636
Payments for costs of the capital increases	0	2,525
Other non-cash expenses / income	-5,886	391
Cash flow from investing activities	-31,853	4,232
Payments for investments in intangible and tangible assets	-312	-327
Payments for investments in financial assets	-28,533	-5,585
Payments for acquisition of shares in consolidated companies (successive acquisition)	-8,583	0
Proceeds from the disposal of intangible and tangible assets	0	87
Proceeds from the disposal of financial assets	5,575	1,910
Interest received	0	398
Proceeds from dividends	0	7,749
Cash flow from financing activities	-3,524	42,924
Proceeds of new borrowings	346	2,312
Repayments of borrowings	-3,484	-1,718
Interest paid	-45	-4,273
Proceeds from minority shareholders	-341	0
Capital increases of MPC Capital AG (less costs of the capital increases)	0	46,603
Change in cash and cash equivalents	-36,709	48,562
Cash and cash equivalents at the start of the period	65,581	16,935
Effects of changes in the group of consolidated companies	0	84
Cash and cash equivalents at the end of the period	28,873	65,581

Note: Rounding differences may arise.

Cash and cash equivalents corresponds to the balance sheet item "Cash in hand and bank balances".

The other non-cash expenses and income arise in particular from the reversal of write-downs on receivables in the course of optimising existing project structures.

6. Notes to the Consolidated Financial Statements

of MPC Münchmeyer Petersen Capital AG, Hamburg, as at 31 December 2017

1. BASIC INFORMATION

The MPC Münchmeyer Petersen Capital Group (“MPC Capital”, “MPC Capital Group”) is an independent asset and investment manager for real asset investments. MPC Münchmeyer Petersen Capital AG (“MPC Capital AG”) is the Group parent. Together with its subsidiaries, MPC Capital develops and manages real asset investments and investment products for international institutional investors, family offices and professional investors.

MPC Münchmeyer Petersen Capital AG (“MPC Capital AG”) is entered in the Commercial Register of the Hamburg District Court, Department B, under 72691 and was listed in the Entry Standard segment of the Open Market of Deutsche Börse AG from 28 June 2012 to 28 February 2017. Since the start of March 2017, the shares of MPC Capital AG have been traded in the “Scale” segment of Deutsche Börse AG. “Scale” replaces the Entry Standard.

The company’s registered office is Hamburg, Germany.

Its address is: MPC Münchmeyer Petersen Capital AG, Palmaille 67, 22767 Hamburg, Germany.

These consolidated financial statements were approved by the Management Board and released for publication on 5 February 2018.

The management report of the MPC Capital Group was combined with the management report of MPC Capital AG in application of Section 315 (5) HGB in conjunction with Section 298 (2) HGB.

2. SUMMARY OF KEY ACCOUNTING POLICIES

The key accounting policies applied in the preparation of these consolidated financial statements are presented below. Unless stated otherwise, the policies described were applied consistently in the reporting periods presented.

2.1 PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of the MPC Capital Group for the 2017 financial year were prepared in accordance with German commercial law and the additional requirements of the German Stock Corporation Act (AktG).

The financial statements of the companies included in the consolidated financial statements were prepared using uniform accounting principles. The accounting policies of subsidiaries were amended as necessary to ensure uniform Group accounting.

The realisation and imparity principle was observed.

The consolidated financial statements have been prepared in euros. Unless stated otherwise, all amounts are shown in thousand euros (EUR thousand, EUR '000). Commercial practice was followed in the rounding of individual items and percentages. As a result, minor rounding differences can occur.

The consolidated income statement is structured according to the nature of expense method.

To enhance the clarity of the consolidated financial statements, we have provided the additional disclosures required for individual items of the consolidated balance sheet and consolidated income statement in the Notes.

The financial year for these consolidated financial statements is the same as the calendar year.

The consolidated financial statements were prepared on the assumption of business continuation.

2.2 PRINCIPLES AND METHODS OF CONSOLIDATION

2.2.1 Consolidation

All domestic and international companies in which the MPC Capital Group can directly or indirectly influence financial and operating policy are included in the consolidated financial statements.

Subsidiaries: Subsidiaries are all companies (including special purpose entities) where the MPC Capital Group can exercise a controlling influence over financial and operating policy (control). This is usually accompanied by a share in the voting rights of more than 50%. Subsidiaries are included in the consolidated financial statements from the date at which the MPC Capital Group assumes control. They are deconsolidated at the date on which control ends.

Companies founded by MPC Capital or acquired from third parties are included in the consolidated financial statements as at the acquisition date in line with the purchase method in accordance with Section 301 HGB. Under the remeasurement method applied, the acquisition cost of the shares acquired is offset against the applicable share of the assets, liabilities, prepaid expenses, deferred income and special reserves of the subsidiary measured at fair value as at the acquisition date. Any positive difference resulting from this, if deemed sound, is capitalised as derivative goodwill. Negative goodwill arising on consolidation as at the acquisition date is reported under equity as a difference arising on consolidation.

The subsidiaries previously not included in the consolidated financial statements in accordance with Section 296 HGB are reported at fair value at the time of first-time inclusion.

Special purpose entities (SPE): An SPE is a company formed for a clearly defined and limited purpose. If the MPC Capital Group bears the majority of the risks and rewards of its companies formed for limited and narrowly defined purposes, these companies are fully consolidated in accordance with Section 290 (2) No. 4 HGB.

Non-controlling interests: In accordance with Section 307 HGB, an adjustment item is recognised in equity for shares in a subsidiary included in the consolidated financial statements held by a third-party shareholder in the amount of the pro rata equity. This item is updated in subsequent periods.

Associates: Associates are those companies over which MPC Capital exercises significant influence but does not control, usually entailing a share of voting rights of between 20 % and 50 %. Investments in associates are accounted for using the equity method in accordance with Section 312 HGB and recognised at amortised cost. The MPC Capital Group's investments in associates include the goodwill arising on acquisition (after taking into account accumulated impairment).

The MPC Capital Group's share in the profits and losses of associates is recognised in profit or loss from the date of acquisition. If the MPC Capital Group's share of the loss in an associate is equal to or exceeds the MPC Capital Group's share in that company, the MPC Capital Group does not recognise any further losses unless it has entered into commitments for or made payments on behalf of the associate.

The key accounting policies of associates are amended if necessary to ensure standardised accounting throughout the Group. Dilution gains and losses resulting from investments in associates are recognised in profit or loss.

2.2.2 Consolidated companies

In addition to MPC Capital AG, 231 (previous year: 195) German and 25 (previous year: 17) international subsidiaries are included in consolidation.

The following table shows all fully consolidated companies in accordance with Section 313 (2) No. 1 sentence 1 HGB:

Equity investments	Shareholding
Administración Solarpark Campanet S.L., Campanet / Spain	100.00 %
Ahrenkiel Steamship B.V., Amsterdam / Netherlands	100.00 % ²⁾
Ahrenkiel Steamship GmbH & Co. KG, Hamburg	100.00 % ¹⁾
Ahrenkiel Vogemann Bulk GmbH & Co. KG, Hamburg	75.10 % ¹⁾²⁾³⁾
Anteil Austria an der Verwaltung "Michelangelo Star" Schiffahrtsgesellschaft mbH, Hamburg	100.00 %
Anteil Austria an der Verwaltung "Miro Star" Schiffahrtsgesellschaft mbH, Hamburg	100.00 %
Anteil Austria an der Verwaltung Vierzigste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
BB Amstel B.V., Amsterdam / Netherlands	100.00 % ²⁾
Beteiligungsverwaltungsgesellschaft MPC Solarpark mbH, Hamburg	100.00 %
Bluewater Investments GmbH & Co. KG, Hamburg	79.61 % ¹⁾²⁾
Cairn KS Management Services Real Estate B.V., Amsterdam / Netherlands	100.00 %
Cairn Real Estate Services B.V., Amsterdam / Netherlands	100.00 %
Contchart B.V., Amsterdam / Netherlands	100.00 % ²⁾
Contchart Hamburg / Leer GmbH & Co. KG, Hamburg	100.00 % ¹⁾
CPM Anlagen Vertriebs GmbH i.L., Vienna / Austria	100.00 %
Deepsea Oil Explorer Plus GmbH & Co. KG, Hamburg	100.00 % ¹⁾
Deutsche SachCapital GmbH, Hamburg	100.00 %
Dutch REAM B.V., Amsterdam / Netherlands	100.00 %
ELG Erste Liquidationsmanagement GmbH, Hamburg	100.00 %
EREC Investment GmbH & Co.KG, Hamburg	68.80 % ¹⁾²⁾³⁾
EREC Investment Holding GmbH & Co.KG, Hamburg	100.00 % ¹⁾²⁾
EREC Investment Holding Verwaltungs GmbH, Hamburg	100.00 % ²⁾
EREC Investment Verwaltungs GmbH, Hamburg	100.00 % ²⁾
GFR Restrukturierung GmbH, Hamburg (previously: GFR Beteiligungs GmbH, Hamburg)	100.00 %
Immobilienmanagement MPC Student Housing Venture GmbH, Quickborn	100.00 %
Immobilienmanagement Sachwert Rendite-Fonds GmbH, Hamburg	100.00 %
Management Sachwert Rendite-Fonds Immobilien GmbH, Hamburg	100.00 %
Managementgesellschaft Deepsea Oil Explorer Protect mbH i. L., Hamburg	50.00 %
Managementgesellschaft Ikura Investment GmbH, Hamburg	100.00 %
Managementgesellschaft MPC Bioenergie mbH, Hamburg	100.00 %
Managementgesellschaft MPC Global Maritime Opportunity Private Placement mbH, Hamburg	100.00 %

Managementgesellschaft MPC Solarpark mbH, Hamburg	100.00 %
Managementgesellschaft Oil Rig Plus mbH, Hamburg	100.00 %
Managementgesellschaft Sachwert Rendite-Fonds Indien mbH, Hamburg	100.00 %
MIG Maritime Invest Managementgesellschaft mbH, Hamburg	100.00 %
MIG Maritime Invest Verwaltungsgesellschaft mbH, Hamburg	100.00 %
Mokum Invest B.V., Amsterdam / Netherlands	100.00 %
Mokum Invest C.V., Amsterdam / Netherlands	100.00 %
MPC Achte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Achte Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Best Select Company Plan Managementgesellschaft mbH, Quickborn	100.00 %
MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00 % ¹⁾²⁾
MPC Capital Fund Management GmbH, Hamburg	100.00 %
MPC Capital Investments GmbH, Hamburg	100.00 %
MPC CCEF Participation GmbH, Hamburg	100.00 % ²⁾
MPC Dritte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Elfte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Erste Vermögensverwaltungsgesellschaft mbH, Quickborn	100.00 %
MPC Fünfte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Industrial Projects GmbH, Hamburg	100.00 %
MPC Infrastructure Holding GmbH, Hamburg	100.00 %
MPC Investment Partners GmbH, Hamburg	100.00 %
MPC Investment Services GmbH, Hamburg	100.00 % ¹⁾
MPC Lux Investments SARL, Luxemburg	100.00 % ²⁾
MPC Maritime Holding GmbH, Hamburg	100.00 % ¹⁾
MPC Maritime Investments GmbH, Hamburg	100.00 %
MPC Micro Living Development GmbH, Hamburg (previously: MPC Microliving Development GmbH, Hamburg)	100.00 %
MPC Micro Living Services GmbH, Hamburg	100.00 %
MPC Multi Asset Schiff Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Multi Asset Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Münchmeyer Petersen Real Estate Consulting GmbH, Hamburg	100.00 %
MPC Neunte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Palmaille Ship Invest GmbH, Hamburg	34.00 % ²⁾³⁾
MPC Real Estate Holding GmbH, Hamburg	100.00 % ¹⁾
MPC Real Estate Management Services GmbH, Hamburg	100.00 %
MPC Real Estate Solutions GmbH, Hamburg	100.00 %
MPC Real Value Fund Verwaltungsgesellschaft mbH, Quickborn	100.00 %
MPC Rendite-Fonds Leben plus Management GmbH, Quickborn	100.00 %
MPC Renewable Energies GmbH, Hamburg	95.00 %
MPC Renewable Panama S.A., Panama	95.00 % ²⁾

MPC Schiffsbeteiligung Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Nielbuehl	100.00 %
MPC Sechste Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Siebte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Student Housing Beteiligungs UG & Co. KG, Quickborn	100.00 %
MPC Synergy Real Estate AG, Jona / Switzerland	50.00 % ³⁾
MPC Venture Invest AG, Vienna / Austria	100.00 %
MPC Vermögensstrukturfonds Managementgesellschaft mbH, Hamburg	100.00 %
MPC Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Vierte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Zehnte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Zweite Holland Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Zweite Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MS STADT RAVENSBURG ERSTE T + H Verwaltungs GmbH, Hamburg	100.00 %
PB BS GMO Verwaltungs GmbH, Hamburg	100.00 %
Real Estate Growth Fund Management B.V., Amsterdam / Netherlands	100.00 %
Real Estate Management B.V., Amsterdam / Netherlands	60.00 %
RES Fund Management B.V., Amsterdam / Netherlands	100.00 %
RES GF Fund Management B.V., Amsterdam / Netherlands	100.00 %
RES Participations B.V., Amsterdam / Netherlands	100.00 %
RES Retail B.V., Amsterdam / Netherlands	100.00 %
RES Transit B.V., Amsterdam / Netherlands	58.33 %
RES Transit II B.V., Amsterdam / Netherlands	58.66 % ²⁾
Sachwert Rendite-Fonds Deutschland GmbH i.L., Hamburg	100.00 %
Salmon Investment Beteiligungs GmbH, Hamburg	100.00 %
Staytoo Micro Living Portugal Lda., Lisbon / Portugal	60.00 % ²⁾
Staytoo Micro Living Spain S.L., Barcelona / Spain	100.00 % ²⁾
TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH & Co. KG, Hamburg	100.00 % ¹⁾
TVP Trustmaatschappij B.V., Amsterdam / Netherlands	100.00 %
Verwaltung "Mahler Star" Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung "Manet Star" Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung "Mendelssohn Star" Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung "Menotti Star" Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung "Michelangelo Star" Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung "Miro Star" Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung "Monteverdi Star" Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung "Rio Adour" Schifffahrtsgesellschaft mbH i.L., Hamburg	100.00 %
Verwaltung "Rio Blackwater" Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung "Rio Taku" Schifffahrtsgesellschaft mbH, Hamburg	100.00 %
Verwaltung "Rio Thompson" Schifffahrtsgesellschaft mbH, Hamburg	100.00 %

Verwaltung Achte Sachwert Rendite-Fonds Canada GmbH i.L., Quickborn	100.00 %
Verwaltung Achte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00 %
Verwaltung Achte Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Achtunddreißigste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Achtundsechzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Achtundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Achtundzwanzigste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Ahrenkiel Steamship GmbH, Hamburg	100.00 %
Verwaltung AIP Alternative Invest Private Equity GmbH, Hamburg	100.00 %
Verwaltung Asien Opportunity Real Estate GmbH, Hamburg	100.00 %
Verwaltung BBG Bulk Beteiligungs GmbH, Hamburg	100.00 % ²⁾
Verwaltung Beteiligungsgesellschaft Reefer-Flottenfonds mbH, Hamburg	100.00 %
Verwaltung Beteiligungsgesellschaft Vorzugskapital Rio - Schiffe mbH i.L., Hamburg	100.00 %
Verwaltung Bluewater Investments GmbH, Hamburg	100.00 % ²⁾
Verwaltung Dreißigste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Dreiundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Dreiundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Dreiundzwanzigste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Dritte MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	100.00 %
Verwaltung Dritte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00 %
Verwaltung Dritte Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Einundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Einundsiebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Elfte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00 %
Verwaltung Elfte Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Erste Sachwert Rendite-Fonds Canada GmbH i.L., Hamburg	100.00 %
Verwaltung Erste Sachwert Rendite-Fonds USA GmbH i.L., Hamburg	100.00 %
Verwaltung Fünfte Sachwert Rendite-Fonds Canada GmbH i.L., Hamburg	100.00 %
Verwaltung Fünfte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00 %
Verwaltung Fünfte Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Fünfunddreißigste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Fünfzehnte Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Fünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung MPC Bioenergie Brasilien GmbH, Hamburg	100.00 %
Verwaltung MPC Capital Beteiligungsgesellschaft mbH, Hamburg	100.00 % ²⁾
Verwaltung MPC Global Maritime Opportunity Private Placement GmbH, Hamburg	100.00 %
Verwaltung MPC Real Estate Opportunity Private Placement Amerika GmbH, Quickborn	100.00 %
Verwaltung MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	100.00 %
Verwaltung MPC Sachwert Rendite-Fonds Opportunity Asien GmbH, Hamburg	100.00 %

Verwaltung MPC Solarpark GmbH, Hamburg	100.00 %
Verwaltung MPC Student Housing Beteiligung UG, Quickborn	100.00 %
Verwaltung MPC Student Housing Venture GmbH, Quickborn	100.00 %
Verwaltung Neunte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00 %
Verwaltung Neunte Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Neunundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Neunundsechzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Neunundzwanzigste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Private Placement Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Reefer-Flottenfonds GmbH, Hamburg	100.00 %
Verwaltung Sachwert Rendite-Fonds England GmbH, Hamburg	100.00 %
Verwaltung Sachwert Rendite-Fonds Europa GmbH, Hamburg	100.00 %
Verwaltung Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Sachwert Rendite-Fonds Indien 2 GmbH, Hamburg	100.00 %
Verwaltung Sachwert Rendite-Fonds Indien GmbH, Hamburg	100.00 %
Verwaltung Sachwert Rendite-Fonds Japan GmbH, Quickborn	100.00 %
Verwaltung Sachwert Rendite-Fonds Österreich GmbH, Hamburg	100.00 %
Verwaltung Schiffahrtsgesellschaft MS "PEARL RIVER" mbH, Hamburg	100.00 %
Verwaltung Schiffahrtsgesellschaft MS "YANGTZE RIVER" mbH, Hamburg	100.00 %
Verwaltung Sechste Sachwert Rendite-Fonds Deutschland (Private Placement) GmbH, Hamburg	100.00 %
Verwaltung Sechste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Sechsendreißigste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Sechsendfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Sechsendsechzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Sechsendvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Sechszwanzigste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Sechzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung SHV Management Participation GmbH, Quickborn	100.00 %
Verwaltung Siebente Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Siebenunddreißigste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Siebenundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Siebenundsechzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Siebenundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Siebte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00 %
Verwaltung Siebzehnte Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %
Verwaltung Siebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung TVP Treuhand GmbH, Hamburg	100.00 %
Verwaltung Vierte Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00 %

Verwaltung Vierundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung Vierundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung Vierzehnte Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00%
Verwaltung Vierzigste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00%
Verwaltung Zehnte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00%
Verwaltung Zehnte Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00%
Verwaltung Zweite MPC Real Estate Opportunity Private Placement Amerika GmbH, Quickborn	100.00%
Verwaltung Zweite MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	100.00%
Verwaltung Zweite Reefer-Flottenfonds GmbH, Hamburg	100.00%
Verwaltung Zweite Sachwert Rendite-Fonds Canada GmbH i.L., Hamburg	100.00%
Verwaltung Zweite Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00%
Verwaltung Zweite Sachwert Rendite-Fonds England GmbH, Hamburg	100.00%
Verwaltung Zweiunddreißigste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00%
Verwaltung Zweiundsiebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00%
Verwaltung Zweiundvierzigste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00%
Verwaltung Zweiundzwanzigste Sachwert Rendite-Fonds Holland GmbH i.L., Hamburg	100.00%
Verwaltungsgesellschaft Achte MPC Global Equity mbH, Hamburg	100.00%
Verwaltungsgesellschaft Contchart Hamburg mbH, Hamburg	100.00%
Verwaltungsgesellschaft Deepsea Oil Explorer Protect mbH, Hamburg	100.00% ³⁾
Verwaltungsgesellschaft Dritte MPC Rendite-Fonds Britische Leben plus mbH, Hamburg	100.00%
Verwaltungsgesellschaft Elfte Private Equity GmbH, Hamburg	100.00%
Verwaltungsgesellschaft Jüngerhans-MPC mbH, Hamburg	100.00% ³⁾
Verwaltungsgesellschaft MPC Global Equity Step by Step II mbH, Hamburg	100.00%
Verwaltungsgesellschaft MPC Global Equity Step by Step III mbH, Hamburg	100.00%
Verwaltungsgesellschaft MPC Global Equity Step by Step IV mbH, Hamburg	100.00%
Verwaltungsgesellschaft MPC Global Equity Step by Step mbH, Hamburg	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Britische Leben plus II mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Britische Leben plus mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus II mbH i.L., Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus III mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus IV mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus mbH i.L., Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial II mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial III mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial IV mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial V mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial VI mbH, Quickborn	100.00%
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus V mbH, Quickborn	100.00%

Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus VI mbH, Quickborn	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus VII mbH, Quickborn	100.00 %
Verwaltungsgesellschaft Neunte Global Equity mbH, Hamburg	100.00 %
Verwaltungsgesellschaft Oil Rig Plus mbH, Hamburg	100.00 %
Verwaltungsgesellschaft Siebte MPC Global Equity mbH, Hamburg	100.00 %
Zweite MPC Best Select Company Plan Managementgesellschaft mbH, Quickborn	100.00 %

1) This companies are applying the exempting provisions of section 264 (3) and/or section 264b HGB.

2) Companies fully consolidated in the financial year for the first time.

3) Corporate-law agreements result in control over these companies.

In total, 35 (previous year: ten) German and one (previous year: one) international subsidiaries were not included in the consolidated financial statements. These companies perform no significant business operations, and even combined they are not material to the presentation of a true and fair view of the net assets, financial position and results of operations of the MPC Capital Group in accordance with Section 296 (2) HGB and are therefore recognised at acquisition cost.

The following table shows all non-consolidated companies in accordance with Section 313 (2) No. 1 sentence 2 HGB:

	Shareholding
"AS PALINA" Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	100.00 %
"AS PALINA" und "AS PETRA" Holding GmbH & Co. KG, Hamburg	100.00 %
"AS PALINA" und "AS PETRA" OpCo GmbH, Hamburg	100.00 %
"AS PETRA" Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	100.00 %
"AS P-Schiffe" Holding Verwaltung GmbH, Hamburg	100.00 %
"AS SARA" Schifffahrtsgesellschaft mbH & Co. KG, Hamburg (previously Palmaille 75 Vierundsechzigste Beteiligungsgesellschaft mbH & Co. KG)	100.00 %
"AS SERAFINA" Schifffahrtsgesellschaft mbH & Co. KG, Hamburg (previously Palmaille 75 Fünfundsechzigste Beteiligungsgesellschaft mbH & Co. KG)	100.00 %
Asien Opportunity Real Estate GmbH & Co. KG, Hamburg	100.00 %
CRA Cargo Rail Assets Verwaltungs GmbH, Hamburg	100.00 %
Emerald Beteiligungsmanagement GmbH, Quickborn	100.00 %
Emerald Verwaltungsgesellschaft mbH, Quickborn	100.00 %
Living Amoras, Imobiliária, S.A, Lisbon / Portugal	60.00 %
LP Investor GmbH, Hamburg	100.00 %
MD Rail Management GmbH, Hamburg	100.00 %
MFD Trading Verwaltungs GmbH, Hamburg	100.00 %
MPC Rail GmbH, Hamburg	100.00 %
MSV Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %

Palmaille 75 Achtundsechzigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00 %
Palmaille 75 Achtundsechzigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
Palmaille 75 Achtundvierzigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
Palmaille 75 Dreiundsechzigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00 %
Palmaille 75 Dreiundsechzigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
Palmaille 75 Fünfundsechzigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
Palmaille 75 Neunundvierzigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
Palmaille 75 Sechsendsechzigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00 %
Palmaille 75 Sechsendsechzigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
Palmaille 75 Siebenundsechzigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00 %
Palmaille 75 Siebenundsechzigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
Palmaille 75 Vierundsechzigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
Palmaille 75 Zweiundsechzigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00 %
PBH Maritime Verwaltungsgesellschaft mbH, Hamburg (previously Palmaille 75 Sechsendfünfzigste Vermögensverwaltungsgesellschaft mbH)	100.00 %
Talleur GmbH, Hamburg	50.10 %
TK 1025 Verwaltungs GmbH, Hamburg (previously Palmaille 75 Siebenundfünfzigste Vermögensverwaltungsgesellschaft mbH)	100.00 %
UOC Erste Abwicklungsgesellschaft mbH, Hamburg	100.00 %
Verwaltung BBG Bulk Beteiligungs GmbH, Hamburg (previously Palmaille 75 Achtundfünfzigste Vermögensverwaltungsgesellschaft mbH)	100.00 %

a) Associates:

The following companies are associates and are included in consolidation at equity in accordance with Section 312 HGB:

Equity investments	Shareholding
Aurum Insurance Ltd., Isle of Man	50.00% ¹⁾
BHK Bionergie Holding GmbH & Co. KG, Hamburg	20.00%
BBG Bulk Beteiligungs GmbH & Co. KG, Hamburg	50.00% ¹⁾
Breakwater Insurance Brokers Limited, Cyprus	50.00% ¹⁾
Breakwater Shipbrokers GmbH, Hamburg	40.00%
CSI Beteiligungsgesellschaft mbH, Hamburg	29.60%
Eight River Energy Company Limited, Jamaica	49.99%
Global Vision AG Private Equity Partners, Rosenheim	31.88%
Ikura Investment GmbH & Co. KG i.L., Hamburg	38.65%
MPC Global Maritime Opportunities S.A., SICAF, Luxemburg	12.31%
MPC Münchmeyer Petersen Steamship Beteiligungsgesellschaft mbH, Hamburg	25.10%
MPC Münchmeyer Petersen Steamship GmbH & Co. KG, Hamburg	25.10%

1) These companies are included in the Consolidated Financial Statements at cost pursuant to Section 311 (2) HGB. The balance sheet total and net profit in relation to the overall balance sheet total/net profit for the Group are well below one percent and therefore of minor significance.

2.2.3 Changes in consolidation

a) Additions:

The following companies were fully consolidated for the first time in the financial year:

- Ahrenkiel Vogemann Bulk GmbH & Co. KG, Hamburg (shareholding: 75.1 percent)
- Ahrenkiel Steamship B.V., Amsterdam / Netherlands (shareholding: 100.0 percent)
- BB Amstel B.V., Amsterdam / Netherlands (shareholding: 100.0 percent)
- Bluewater Investments GmbH & Co. KG, Hamburg (shareholding: 79.61 percent)
- Contchart B.V., Amsterdam / Netherlands (shareholding: 100.0 percent)
- EREC Investment Holding GmbH & Co.KG, Hamburg (shareholding: 100.0 percent)
- EREC Investment GmbH & Co.KG, Hamburg (shareholding: 68.8 percent)
- EREC Investment Holding Verwaltungs GmbH, Hamburg (shareholding: 100.0 percent)
- EREC Investment Verwaltungs GmbH, Hamburg (shareholding: 100.0 percent)
- MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg (shareholding: 100.0 percent)
- MPC CCEF Participation GmbH, Hamburg (shareholding: 100.0 percent)
- MPC Lux Investments SARL, Luxemburg (shareholding: 100.0 percent)
- MPC Palmaille Ship Invest GmbH, Hamburg (shareholding: 34.0 percent)*
- MPC Renewable Panama S.A., Panama (shareholding: 95.0 percent)
- RES Transit II B.V., Amsterdam (shareholding: 58.7 percent)
- Staytoo Micro Living Spain S.L., Barcelona / Spain (shareholding: 100.0 percent)
- Staytoo Micro Living Portugal Lda., Lisbon / Portugal (shareholding: 60.0 percent)
- Verwaltung BBG Bulk Beteiligungsgesellschaft GmbH, Hamburg (shareholding: 100.0 percent)
- Verwaltung Bluewater Investments GmbH, Hamburg (shareholding: 100.0 percent)
- Verwaltung MPC Capital Beteiligungsgesellschaft mbH, Hamburg (shareholding: 100.0 percent)

* corporate-law agreements result in control over these companies

The following table shows the assets and liabilities added to the consolidated balance sheet as a result of first-time consolidation:

	EUR '000
A. Fixed assets	18,595
B. Current assets	6,437
B. Provisions	346
C. Liabilities	4,413

2.2.4 Consolidation of intragroup balances, consolidation of income and expenses, elimination of intragroup profits

Receivables and liabilities, revenues, expenses and income are eliminated within the consolidated group. This also includes contingent liabilities and other financial obligations within the consolidated group.

There were no material intragroup profits between the companies included in consolidation.

2.3 CURRENCY TRANSLATION

a) Transactions

Transactions in foreign currencies are translated into the reporting currency at the exchange rate on the date of the transaction.

Foreign currency receivables and liabilities with a remaining term of less than one year are measured using the respective middle spot rate on the balance sheet date in accordance with Section 256a HGB. The resulting translation differences are recognised as other operating income or other operating expenses in the reporting period. All foreign currency receivables and liabilities with a remaining term of more than one year are translated in compliance with the realisation principle (Section 252 (1) No. 4, second half of sentence, HGB) and the historical cost convention (Section 253 (1) HGB).

b) Group companies

The modified closing rate method is used in accordance with Section 308a HGB to translate the financial statements of subsidiaries whose reporting currency differs from the euro. Asset and liability items are translated using the respective middle spot rate on the balance sheet date, and expense and income items using the average rate. Items of equity are translated using the historic rates that applied on first-time inclusion in consolidation. Accounting currency translation differences are recognised directly in equity under reserves as "Difference in equity from currency translation" until the foreign operation is sold.

The same principles are used to translate the financial statements of international subsidiaries measured using the equity method as for subsidiaries included in consolidation.

c) Exchange rates

Exchange rates for the currencies significant to the MPC Capital Group:

	Closing rate		Average rate	
	31 Dec 2017 per EUR	31 Dec 2016 per EUR	2017 per EUR	2016 per EUR
British pound sterling	0.8877	0.8562	0.8763	0.8195
Brazilian real	3.9664	3.4248	3.6049	3.8540
Canadian dollar	1.5034	1.4188	1.4626	1.4659
Norwegian krone	9.8386	9.0799	9.4791	9.2906
Swiss franc	1.1693	1.0739	1.1110	1.0902
US dollar	1.1979	1.0541	1.1298	1.1069

The rates represent the interbank rates as at 31 December 2017 and 31 December 2016, respectively.

2.4 INTANGIBLE ASSETS

Acquired intangible assets with a temporally limited useful life are recognised at cost. They are amortised in line with their respective useful lives. With the exception of goodwill, amortisation is recognised on a straight-line basis over a period of three to 5 years. Impairment losses are recognised by way of write-downs. If the reasons for write-downs no longer apply, they are reversed up to a maximum of amortised cost for the intangible assets in question, with the exception of goodwill.

Goodwill is the excess of the cost of company acquisitions over the fair value of the Group's interest in the net assets of the company acquired as at the date of acquisition. In accordance with Section 314 (1) No. 20 HGB, goodwill arising from company acquisitions is amortised annually over seven instead of five years in line with the expected useful life. If there are indications of expected permanent impairment, write-downs are recognised in accordance with Section 309 (1) in conjunction with Section 253 (3) sentence 3 HGB. Reversals of write-downs are prohibited under Section 309 (1) in conjunction with Section 253 (5) sentence 2 HGB.

2.5 TANGIBLE ASSETS

Leasehold improvements as well as as operating and office equipment are reported at cost less accumulated depreciation and any write-downs. Depreciation is usually recognised by the straight-line method over the anticipated, normal useful life of the asset. The anticipated, normal useful life is three to ten years.

Leasehold improvements in rented premises are depreciated on a straight-line basis over the shorter of the tenancy or anticipated useful life of the leasehold improvements, usually three to 15 years.

Depreciation of operating and office equipment as well as of leasehold improvements is reported under depreciation and amortisation expense. Costs for maintenance and repairs are expensed as incurred. Gains or losses from disposals are recognised under other operating income or other operating expenses.

2.6 FINANCIAL ASSETS

Financial assets are non-depreciable. Write-downs are recognised if there are indications of impairment that is likely to be lasting.

2.7 RECEIVABLES AND OTHER ASSETS

Receivables and other assets are measured at nominal amount, possibly less impairment for specific risks.

Impairment losses are recognised on receivables for specific risks if there is objective evidence that the amounts due by a debtor are not fully recoverable. Considerable financial difficulties or an increased likelihood that a debtor will enter insolvency or other restructuring proceedings are regarded as indicators of impairment. Conversely, if the probability of a bad debt is considered to be low, a receivable that is already impaired is written up again. Impairment losses and write-ups on receivables are recognised in other operating expenses or income.

2.8 BANK BALANCES AND CASH IN HAND

Bank balances and cash in hand are carried at nominal amount.

2.9 PREPAID EXPENSES AND DEFERRED INCOME

Prepaid expenses and deferred income are recognised for expenses and income in each case before the balance sheet date that represent expenses and income for the period after the balance sheet date.

2.10 PROVISIONS

Provisions take into account all identifiable risks and uncertain obligations at the time of preparation of the financial statements, as well as expected losses from pending transactions relating to the past financial year.

They are measured at the settlement amount determined in line with reasonable commercial judgement in accordance with Section 253 (1) sentence 2 HGB, taking account of expected price and cost increases.

Long-term provisions with a remaining term of over one year are discounted in accordance with Section 253 (2) sentence 1 HGB using the average market interest rate for the last seven financial years appropriate to their remaining term. Increases in the amounts of provisions resulting from interest are recognised in profit and loss under net interest income.

The provisions for expected losses which may arise in connection with the measurement of derivative financial instruments are determined according to the closing-out method.

2.11 LIABILITIES

Liabilities are carried at settlement amount in accordance with Section 253 (1) sentence 2 HGB.

2.12 CURRENT AND DEFERRED TAXES

Tax expense comprises current and deferred taxes.

Deferred tax expense or income is reported for temporary differences between the figures reported in the tax accounts and the figures reported in the HGB consolidated financial statements and for tax loss carryforwards. Deferred tax assets are reported if it is likely that there will be taxable income against which the deductible temporary difference can be used. Deferred tax liabilities, which arise as a result of temporary differences in connection with investments in subsidiaries and associates, are reported unless the date of the reversal of the temporary differences can be determined by the MPC Capital Group and it is likely that the temporary differences will not reverse on the basis of this influence for the foreseeable future.

Deferred taxes are measured using the tax rates and tax legislation applicable on the balance sheet date or which have in essence been legally adopted and are expected to apply on the date the deferred tax assets are realised or the deferred tax liability is settled. The option to capitalize according to Section 274 HGB for the asset surplus of primary deferred taxes was not exercised. Deferred tax assets and liabilities resulting from the consolidation of capital are reported offset. A tax rate of 32.28 % is used as the basis.

3. NOTES TO THE CONSOLIDATED BALANCE SHEET

3.1 DEVELOPMENT OF FIXED ASSETS

	Costs				As at 31 Dec 2017
	As at 1 Jan 2017	Additions	Disposals	Adjustments	
	EUR '000	EUR '000	EUR '000	EUR '000	
I. Intangible assets					
Purchased concessions, industrial rights and software	2,120	19	75	0	2,064
Goodwill	26,754	0	0	0	26,754
	28,874	19	75	0	28,818
II. Tangible assets					
Land, land rights and buildings, including buildings on third-party land	1,157	1	0	0	1,158
Other fixtures and fittings, operating and office equipment	2,802	292	17	0	3,077
	3,959	293	17	0	4,235
III. Financial assets					
Shares in affiliated companies	4,250	427	101	0	4,576
Equity investments	48,790	23,497	4,356	0	67,931
Other loans	5,173	3,722	2,562	10,526	16,859
	58,213	27,646	7,019	10,526	89,366
Fixed assets	91,046	27,958	7,111	10,526	122,419

Note: Rounding differences may arise

Depreciation, amortisation and writedowns					Carrying amount		
As at 1 Jan 2017	Additions	Disposals	Adjustments	As at 31 Dec 2017	As at 31 Dec 2017	As at 31 Dec 2016	
EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	
2,093	12	75	0	2,030	33	27	
18,413	1,584	0	0	19,997	6,757	8,341	
20,506	1,596	75	0	22,027	6,790	8,368	
1,140	14	0	0	1,154	4	17	
2,470	162	17	0	2,614	463	332	
3,610	176	17	0	3,768	467	349	
3,949	0	0	0	3,949	627	301	
24,995	0	463	0	24,532	43,399	23,795	
0	787	0	-5,611	6,398	10,461	5,173	
28,944	787	463	-5,611	34,879	54,486	29,268	
53,060	2,559	555	-5,611	60,674	61,743	37,986	

3.2 INTANGIBLE ASSETS

The intangible assets are predominantly made up of the goodwill that resulted from the integration of Ahrenkiel Steamship GmbH & Co. KG during first-time consolidation in the 2015 financial year. This goodwill is amortised on a scheduled straight-line basis over its period of use of seven years because it is expected to be recouped over that period.

3.3 TANGIBLE ASSETS

Leasehold improvements and operating and office equipment account for the bulk of tangible assets. No write-downs were made.

3.4 FINANCIAL ASSETS

3.4.1 Equity investments

Equity investments are made up as follows:

	31 Dec 2017	31 Dec 2016
	EUR '000	EUR '000
1. Investments in associates	18,418	1,604
CSI Beteiligungsgesellschaft mbH*	14,656	0
BBG Bulk Beteiligungs GmbH & Co. KG*	1,244	0
Aurum Insurance Ltd.	661	661
MPC Global Maritime Opportunités S.A., SICAF	608	0
Global Vision AG	496	496
Breakwater Insurance Brokers Ltd.	395	385
Breakwater Shipbrokers GmbH	160	0
Miscellaneous equity investments in associates	197	62

	31 Dec 2017	31 Dec 2016
	EUR '000	EUR '000
2. Other equity investments	24,981	22,191
HCI Deepsea Oil Explorer GmbH & Co. KG and MPC Deepsea Oil Explorer GmbH & Co. KG	9,620	9,620
MPC Student Housing Venture I geschl. Investment-GmbH & Co. KG	4,000	4,000
ABN Amro Mees Pierson Real Estate Growth Fund N.V.	3,612	0
Njord Handy AS	1,571	0
Stille Beteiligungen MPC IT Services GmbH & Co. KG	840	680
Transit Holding B.V.*	761	0
AT&C Amstel Holdings B.V.	746	746
Kapitaal Transit Holding	605	605
Zestien B.V.	600	600
Mr. T. Holding B.V.**	0	1,439
US Opportunity Partners Fonds	269	632
Other equity investments, in particular various fund companies	2,357	3,868
Equity investments	43,399	23,795

Note: Rounding differences may arise.

* = These equity investments were acquired in the 2017 financial year

** = These equity investments were disposed in 2017

In the second quarter of the financial year MPC Capital AG achieved the launch of a Norwegian investment company, MPC Container Ships AS, Oslo, with a focus on smaller container ships between 1,000 and 3,000 TEU and placed it with a volume totalling USD 175 million. By the end of the year, equity was increased to a total of USD 350 million through further private placements. MPC Capital AG participated in this company as co-investor through CSI Beteiligungsgesellschaft mbH, Hamburg, in keeping with its investment strategy.

The following table shows the aggregate key data of associates included in the consolidated financial statements using the equity method. No negative equity values were included.

	2017
	EUR '000
A. Fixed assets	47,243
B. Current assets	16,677
Assets	63,920
A. Equity	56,836
B. Provisions	175
C. Liabilities	6,909
Equity and liabilities	63,920
Revenue	5,923
Income	55,693
Expenses	-56,30
Result	5,312

3.4.2 List of other shareholdings

	Registered office	Capital share	Result for the year EUR '000	Equity Tsd. EUR	Foot-note
ABN AMRO MeesPierson Real Estate Growth Fund N.V.	Amsterdam	1.75%	4,452	58,262	2)
AT&C Amstel Holdings B.V.	Amsterdam	5.00%	132	15,047	3)
HCI Deepsea Oil Explorer GmbH & Co. KG	Hamburg	22.49%	-553	21,292	3)
MPC Deepsea Oil Explorer GmbH & Co. KG	Hamburg	5.38%	-579	21,424	3)
MPC Student Housing Venture I geschl. Investment-GmbH & Co. KG	Quickborn	6.00%	-4,856	17,078	3)
Njord Handy AS	Oslo	18.55%	n/a	n/a	
Stille Beteiligungen MPC IT Services GmbH & Co. KG	Hamburg	0.00%	-15	46	4)
Transit Holding B.V.	Amsterdam	2.91%	-276	12,045	2)
Transit Holding II B.V.	Amsterdam	5.00%	-154	15,145	2)
Zestien B.V.	Amsterdam	6.05%	-1,303	10,600	1)
Zweite MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH & Co. KG	Quickborn	1.00%	3,300	84,615	3)

1) According to annual financial statements for the financial year from 1 January to 31 December 2017

2) According to half-year financial statements for the period from 1 January to 30 June 2017

3) According to annual financial statements for the financial year from 1 January to 31 December 2016

4) According to annual financial statements for the financial year from 1 January to 31 December 2015

3.4.3 Commercial partnerships

A company included in the consolidated financial statements is personally liable partner in the following partnerships.

.....
Achte MPC Best Select Immobilien GmbH & Co. KG, Hamburg

.....
Achte MPC Global Equity GmbH & Co. KG, Hamburg

.....
Achte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg

.....
Achtundsechzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg

.....
Africa Blue Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

.....
AIP Alternative Invest Private Equity - geschlossene GmbH & Co. Investment-KG, Hamburg

.....
America Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

.....
Anteil Austria an der "Miro Star" Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

.....
Asia Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

.....
Atlantic Mermaid Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

.....
Beteiligungsgesellschaft "Rio D-Schiffe" mbH & Co. KG, Hamburg

.....
Beteiligungsgesellschaft CPO Nordamerika-Schiffe 1 mbH & Co. KG, Hamburg

Beteiligungsgesellschaft CPO Nordamerika-Schiffe 2 mbH & Co. KG, Hamburg
 Beteiligungsgesellschaft MS "SANTA L-Schiffe" mbH & Co. KG, Hamburg
 Beteiligungsgesellschaft MS "SANTA P-Schiffe" mbH & Co. KG, Hamburg
 Beteiligungsgesellschaft MS "SANTA VANESSA" mbH & Co. KG, Hamburg
 Beteiligungsgesellschaft MS "SANTA VICTORIA" und MS "SANTA VIRGINIA" mbH & Co. KG, Hamburg
 Beteiligungsgesellschaft MS "Santa-B Schiffe" mbH & Co. KG, Hamburg
 Beteiligungsgesellschaft MS "SANTA-R Schiffe" mbH & Co. KG, Hamburg
 Beteiligungsgesellschaft Reefer-Flottenfonds mbH & Co. KG, Hamburg
 Beteiligungsgesellschaft Vorzugskapital Rio-Schiffe mbH & Co. KG, Hamburg
 Buzzard Bay Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Caribbean Mermaid Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Colombo Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
 Comoros Stream Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Coral Mermaid Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Dreiundfünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., Hamburg
 Dreiundvierzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., Hamburg
 Dritte Best Select Deutschlandimmobilien II GmbH & Co. KG, Hamburg
 Dritte MPC Best Select Deutschlandimmobilien GmbH & Co. KG, Hamburg
 Dritte MPC Best Select Leben GmbH & Co. KG, Hamburg
 Dritte MPC Best Select Schiffsbeteiligungen GmbH & Co. KG, Hamburg
 Dritte MPC Global Equity GmbH & Co. KG i. L., Hamburg
 Dritte MPC Rendite-Fonds Britische Leben plus GmbH & Co. KG, Quickborn
 Dritte MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH & Co. KG, Quickborn
 Dritte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg
 Eagle Bay Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Eastern Bay Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Einundfünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg
 Einundsiebzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg
 Elfte MPC Private Equity GmbH & Co. KG, Hamburg
 Elfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg
 Elsebeth Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Elvira Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Emerald Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Erste Beteiligungsgesellschaft CPO Produktentanker mbH & Co. KG, Hamburg
 Erste Schifffahrtsgesellschaft "Mercur Sky" mbH & Co. KG, Bremen
 Esmeralda Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Europa Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
 Falcon Bay Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Fortuna Bay Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

Fünfte Best Select Deutschlandimmobilien GmbH & Co. KG, Hamburg

Fünfte Best Select Deutschlandimmobilien II GmbH & Co. KG, Hamburg

Fünfte Best Select Leben GmbH & Co. KG, Hamburg

Fünfte Best Select Schiffsbeteiligungen GmbH & Co. KG, Hamburg

Fünfte MPC Global Equity GmbH & Co. KG i.L., Hamburg

Fünfte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg

Fünzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., Hamburg

Hawk Bay Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

HCI Deepsea Oil Explorer GmbH & Co. KG, Hamburg

Hong Kong Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

Honshu Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

Jervis Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

JMS Schifffahrtsgesellschaft mbH & Co. KG MS "Corona J" i. L., Haren

JMS Schifffahrtsgesellschaft mbH & Co. KG MS "Crux J" i. L., Haren

Kommanditgesellschaft MS "CPO BALTIMORE" Offen Reederei UG (haftungsbeschränkt) & Co., Hamburg

Kommanditgesellschaft MS "CPO BOSTON" Offen Reederei GmbH & Co. i. L., Hamburg

Kommanditgesellschaft MS "CPO CHARLESTON" Offen Reederei GmbH & Co., Hamburg

Kommanditgesellschaft MS "CPO Hamburg" Offen Reederei UG (haftungsbeschränkt) & Co., Hamburg

Kommanditgesellschaft MS "CPO JACKSENVILLE" Offen Reederei GmbH & Co., Hamburg

Kommanditgesellschaft MS "CPO MIAMI" Offen Reederei UG (haftungsbeschränkt) & Co., Hamburg

Kommanditgesellschaft MS "CPO New York" Offen Reederei UG (haftungsbeschränkt) & Co., Hamburg

Kommanditgesellschaft MS "CPO NORFOLK" Offen Reederei UG (haftungsbeschränkt) & Co., Hamburg

Kommanditgesellschaft MS "CPO PHILADELPHIA" Offen Reederei GmbH & Co. i. L., Hamburg

Kommanditgesellschaft MS "CPO RICHMOND" Offen Reederei GmbH & Co. i. L., Hamburg

Kommanditgesellschaft MS "CPO SAVANNA" Offen Reederei UG (haftungsbeschränkt) & Co., Hamburg

Kommanditgesellschaft MS "SAN ALBANO" Offen Reederei GmbH & Co. i. L., Hamburg

Kommanditgesellschaft MS "SAN ALFREDO" Offen Reederei GmbH & Co. i. L., Hamburg

Kommanditgesellschaft MS "SAN ALLESSANDRO" Offen Reederei GmbH & Co. i. L., Hamburg

Kommanditgesellschaft MS "SAN ANDRES" Offen Reederei GmbH & Co. i. L., Hamburg

Kommanditgesellschaft MS "SANTA BALBINA" Offen Reederei GmbH & Co. i. L., Hamburg

Kommanditgesellschaft MS "SANTA BELINA" Offen Reederei GmbH & Co. i. L., Hamburg

Kommanditgesellschaft MS "SANTA BETTINA" Offen Reederei GmbH & Co. i. L., Hamburg

Kommanditgesellschaft MS "SANTA BIANCA" Offen Reederei GmbH & Co. i. L., Hamburg

Kommanditgesellschaft MS "SANTA BRUNELLA" Offen Reederei GmbH & Co. i. L., Hamburg

Kommanditgesellschaft MS "SANTA FABIOLA" Offen Reederei GmbH & Co., Hamburg

Kommanditgesellschaft MS "SANTA FEDERICA" Offen Reederei GmbH & Co., Hamburg

Kommanditgesellschaft MS "SANTA FELICITA" Offen Reederei GmbH & Co., Hamburg

Kommanditgesellschaft MS "SANTA FIORENZA" Offen Reederei GmbH & Co., Hamburg

Kommanditgesellschaft MS "SANTA FRANCESCA" Offen Reederei GmbH & Co., Hamburg

Kommanditgesellschaft MS "SANTA GIANNINA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA GIORGINA" Offen Reederei GmbH UG (haftungsbeschränkt) & Co. i. L., Hamburg
 Kommanditgesellschaft MS "SANTA GIOVANNA" Offen Reederei UG (haftungsbeschränkt) & Co. i. L., Hamburg
 Kommanditgesellschaft MS "SANTA GIULIANA" Offen Reederei UG (haftungsbeschränkt) & Co. i. L., Hamburg
 Kommanditgesellschaft MS "SANTA GIULIETTA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA LAETITIA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA LARISSA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA LAURENTIA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA LEONARDA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA LEOPOLDA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA LIANA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA LINEA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA LORENA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA LORETTA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA LUCIANA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA PAOLA" Offen Reederei GmbH & Co. i. L., Hamburg
 Kommanditgesellschaft MS "SANTA PATRICIA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA PHILIPPA" Offen Reederei GmbH & Co. i. L., Hamburg
 Kommanditgesellschaft MS "SANTA PRISCILLA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "Santa Rafaela" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "Santa Rebecca" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA REGINA" Offen Reederei GmbH & Co. i. L., Hamburg
 Kommanditgesellschaft MS "SANTA REGULA" Offen Reederei GmbH & Co. i. L., Hamburg
 Kommanditgesellschaft MS "Santa Ricarda" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "Santa Roberta" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "Santa Romana" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "Santa Rosanna" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "Santa Rufina" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft MS "SANTA VIOLA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft TS "CPO ENGLAND" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft TS "CPO FINLAND" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft TS "CPO FRANCE" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft TS "CPO GERMANY" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft TS "CPO ITALY" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft TS "CPO NORWAY" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft TS "CPO RUSSIA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft TS "CPO SWEDEN" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft Zweite MS "SANTA PAMINA" Offen Reederei GmbH & Co., Hamburg
 Kommanditgesellschaft Zweite MS "SANTA PELAGIA" Offen Reederei GmbH & Co., Hamburg

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 Kommanditgesellschaft Zweite MS "SANTA PETRISSA" Offen Reederei GmbH & Co., Hamburg

 Kommanditgesellschaft Zweite MS "SANTA PLACIDA" Offen Reederei UG (haftungsbeschränkt) & Co., Hamburg

 Lombok Strait Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

 Luzon Strait Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

 Mahler Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

 Manet Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

 MARE Schifffahrtsgesellschaft mbH & Co. KG MS "POLLUX J" i. L., Haren

 Marex Schifffahrtsgesellschaft mbH & Co. MS "WELLINGTON EXPRESS" KG, Jork

 Mendelssohn Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

 Menotti Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

 Mexican Bay Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

 Michelangelo Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

 Miro Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

 Mondriaan Star Beteiligungsgesellschaft mbH & Co. KG, Hamburg

 Mondriaan Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

 MPC Best Select Company Plan GmbH & Co. KG, Hamburg

 MPC Best Select Dynamik GmbH & Co. KG, Hamburg

 MPC Best Select Hollandimmobilien GmbH & Co. KG i.L., Hamburg

 MPC Best Select Rente GmbH & Co. KG, Hamburg

 MPC Best Select Schiffsbeteiligungen GmbH & Co. KG, Hamburg

 MPC Best Select Wachstum GmbH & Co. KG, Hamburg

 MPC Bioenergie Brasilien GmbH & Co. KG i. L., Hamburg

 MPC Deepsea Oil Explorer GmbH & Co. KG, Hamburg

 MPC Flottenfonds I GmbH & Co. KG, Hamburg

 MPC Flottenfonds II GmbH & Co. KG, Hamburg

 MPC Flottenfonds III Beteiligungsgesellschaft mbH & Co. KG i. L., Hamburg

 MPC Global Equity GmbH & Co. KG i. L., Hamburg

 MPC Global Equity Step by Step GmbH & Co. KG, Hamburg

 MPC Global Equity Step by Step II GmbH & Co. KG, Hamburg

 MPC Global Equity Step by Step III GmbH & Co. KG, Hamburg

 MPC Global Equity Step by Step IV GmbH & Co. KG, Hamburg

 MPC Global Maritime Opportunity Private Placement GmbH & Co. KG, Hamburg

 MPC Real Estate Opportunity Private Placement Amerika GmbH & Co. KG, Quickborn

 MPC Real Value Fund GmbH & Co. KG, Quickborn

 MPC Rendite-Fonds Britische Leben plus GmbH & Co. KG, Quickborn

 MPC Rendite-Fonds Britische Leben plus II GmbH & Co. KG, Quickborn

 MPC Rendite-Fonds Leben plus III GmbH & Co. KG, Quickborn

 MPC Rendite-Fonds Leben plus IV GmbH & Co. KG, Quickborn

 MPC Rendite-Fonds Leben plus spezial III GmbH & Co. KG, Quickborn

MPC Rendite-Fonds Leben plus spezial IV GmbH & Co. KG, Quickborn
 MPC Rendite-Fonds Leben plus spezial V GmbH & Co. KG, Quickborn
 MPC Rendite-Fonds Leben plus V GmbH & Co. KG, Quickborn
 MPC Rendite-Fonds Leben plus VI GmbH & Co. KG, Quickborn
 MPC Rendite-Fonds Leben plus VII GmbH & Co. KG, Quickborn
 MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH & Co. KG, Quickborn
 MPC Sachwert Rendite-Fonds Opportunity Asien GmbH & Co. KG, Hamburg
 MPC Solarpark GmbH & Co. KG, Hamburg
 MPC Student Housing Venture I geschlossene Investment-GmbH & Co. KG, Hamburg
 Neunte MPC Best Select I GmbH & Co. KG, Hamburg
 Neunte MPC Best Select II GmbH & Co. KG, Hamburg
 Neunte Global Equity GmbH & Co. KG, Hamburg
 Neunte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg
 Neunundfünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg
 Neunundsechzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg
 Newport Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
 Objektgesellschaft MPC München Gräfelfing GmbH & Co. KG, Hamburg
 Oceania Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
 Pacific Mermaid Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 PB BS GMO GmbH & Co. KG, Hamburg
 Polarlight Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Polarstream Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Prince of Seas Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Prince of Tides Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Prince of Waves Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Providence Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
 Repulse Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
 Rio Adour Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
 Rio Alster Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Rio Ardeche Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Rio Blackwater Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Rio Dauphin Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Rio Dawson Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
 Rio Taku Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
 Rio Thompson Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg
 Rio Valiente Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Rio Verde Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Sachwert Rendite-Fonds England GmbH & Co. KG i. L., Hamburg
 Sachwert Rendite-Fonds Indien 2 GmbH & Co. KG i. L., Hamburg

Sachwert Rendite-Fonds Indien GmbH & Co. KG, Hamburg

Sachwert Rendite-Fonds Japan GmbH & Co. KG, Quickborn

Sachwert Rendite-Fonds Österreich GmbH & Co. KG i. L., Hamburg

Santa Lucia Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

Santa Maria Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

Schiffahrtsgesellschaft MS "MERKUR STAR" mbH & Co. KG i. L., Bremen

Schiffahrtsgesellschaft MS "PEARL RIVER" mbH & Co. KG i. L., Hamburg

Schiffahrtsgesellschaft MS "PRIWALL" mbH & Co. KG i. L., Grabow

Schiffahrtsgesellschaft MS "VALBELLA" mbH & Co. KG i. L., Hamburg

Schiffahrtsgesellschaft MS "VALDEMOSA" mbH & Co. KG i. L., Hamburg

Schiffahrtsgesellschaft MS "VALDIVIA" mbH & Co. KG i. L., Hamburg

Schiffahrtsgesellschaft MS "VALPARAISO" mbH & Co. KG i. L., Hamburg

Schiffahrtsgesellschaft MS "YANGTZE RIVER" mbH & Co. KG, Hamburg

Schiffahrtsgesellschaft MS "MERKUR SKY" mbH & Co. KG i. L., Bremen

Schiffahrtsgesellschaft MS "RIO KONAN" mbH & Co. KG i. L., Hamburg

Schiffahrtsgesellschaft MS "RIO KUSAN" mbH & Co. KG i. L., Hamburg

Sechste Best Select Deutschlandimmobilien GmbH & Co. KG, Hamburg

Sechste Best Select Deutschlandimmobilien II GmbH & Co. KG, Hamburg

Sechste Best Select Leben GmbH & Co. KG, Hamburg

Sechste Best Select Schiffsbeteiligungen GmbH & Co. KG, Hamburg

Sechste MPC Global Equity GmbH & Co. KG, Hamburg

Sechste Sachwert Rendite-Fonds Deutschland (Private Placement) GmbH & Co. KG, Hamburg

Sechsfünfundzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg

Sechsendsechzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., Hamburg

Sechsendvierzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., Hamburg

Sechzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg

Shenzhen Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

Siebenundfünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg

Siebenundsechzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg

Siebenundvierzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., Hamburg

Siebte Best Select Deutschlandimmobilien GmbH & Co. KG, Hamburg

Siebte Best Select Deutschlandimmobilien II GmbH & Co. KG, Hamburg

Siebte Best Select Leben GmbH & Co. KG, Hamburg

Siebte Best Select Schiffsbeteiligungen GmbH & Co. KG, Hamburg

Siebte MPC Global Equity GmbH & Co. KG, Hamburg

Siebte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg

Siebzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg

Singapore Star Schifffahrtsgesellschaft mbH & Co. KG i. L., Hamburg

Southern Bay Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

Tasman Mermaid Schifffahrtsgesellschaft mbH & Co. KG, Hamburg

Timor Stream Schifffahrtsgesellschaft mbH & Co. KG, Hamburg
 Vierte Best Select Deutschlandimmobilien II GmbH & Co. KG, Hamburg
 Vierte MPC Best Select Deutschlandimmobilien GmbH & Co. KG, Hamburg
 Vierte MPC Best Select Leben GmbH & Co. KG, Hamburg
 Vierte MPC Best Select Schiffsbeteiligungen GmbH & Co. KG, Hamburg
 Vierte MPC Global Equity GmbH & Co. KG i. L., Hamburg
 Vierundfünfzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG i. L., Hamburg
 Vierundvierzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg
 Youniq Greifswald GmbH & Co. KG, Hamburg
 Youniq Karlsruhe GmbH & Co. KG, Hamburg
 Youniq München II GmbH & Co. KG, Hamburg
 Zehnte MPC Best Select GmbH & Co. KG, Hamburg
 Zehnte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg
 Zweite Beteiligungsgesellschaft Reefer-Flottenfonds mbH & Co. KG, Hamburg
 Zweite MPC Best Select Company Plan GmbH & Co. KG, Hamburg
 Zweite MPC Best Select Deutschlandimmobilien GmbH & Co. KG, Hamburg
 Zweite MPC Best Select Hollandimmobilien GmbH & Co. KG, Hamburg
 Zweite MPC Best Select Schiffsbeteiligungen GmbH & Co. KG, Hamburg
 Zweite MPC Best Select Venture Capital GmbH & Co. KG, Hamburg
 Zweite MPC Global Equity GmbH & Co. KG i. L., Hamburg
 Zweite MPC Real Estate Opportunity Private Placement Amerika GmbH & Co. KG, Quickborn
 Zweite MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH & Co. KG, Quickborn
 Zweite Sachwert Rendite-Fonds Deutschland Technology GmbH & Co. KG, Hamburg
 Zweite Sachwert Rendite-Fonds England GmbH & Co. KG i. L., Hamburg
 Zweiundsiebzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg

3.4.4 Other loans

The other loans are predominantly loans with a medium term of up to five years.

Because of the adjusted maturities of existing loan agreements, in a change from the previous year the corresponding receivables were reported under other loans, and not as current receivables. In addition, other loans were increased by loans to new projects launched in the financial year where the refinancing structure envisages refinancing from both equity and loans.

3.5 RECEIVABLES AND OTHER ASSETS

The statement of changes in receivables is as follows:

		Maturities			
		Total	up to 1 year	1 to 5 years	over 5 years
		EUR '000	EUR '000	EUR '000	EUR '000
Trade receivables	31/12/17	5,336	5,336	0	0
	31/12/16	3,086	3,086	0	0
Receivables from affiliated companies	31/12/17	328	328	0	0
	31/12/16	116	116	0	0
<i>of which other assets</i>	31/12/17	328	328	0	0
	31/12/16	116	116	0	0
Receivables from other long-term investees and investors	31/12/17	23,086	23,086	0	0
	31/12/16	13,424	10,118	3,306	195
<i>of which from joint ventures</i>	31/12/17	250	250	0	0
	31/12/16	238	238	0	0
<i>of which from associates</i>	31/12/17	3,314	3,314	0	0
	31/12/16	465	465	0	0
<i>of which from fund companies</i>	31/12/17	15,111	15,111	0	0
	31/12/16	12,391	9,085	3,306	195
<i>of which from other equity investments</i>	31/12/17	4,411	4,411	0	0
	31/12/16	330	330	0	0
<i>of which trade receivables</i>	31/12/17	13,693	13,693	0	0
	31/12/16	8,804	8,804	0	0
<i>of which other assets</i>	31/12/17	9,393	9,393	0	0
	31/12/16	4,620	4,620	0	0
Other assets	31/12/17	16,012	15,730	282	0
	31/12/16	13,433	12,711	722	0
Receivables and other assets	31/12/17	44,762	44,480	282	0
	31/12/16	30,058	26,031	4,028	195

Note: Rounding differences may arise.

The receivables from other long-term investees and investors essentially comprise trade receivables, loans and disbursements. The year-on-year rise stems partly from the extending of further short-term loans to project companies and partly from outstanding remuneration that was realised in particular through the disposal of the first German student housing portfolio in the transaction services area shortly before the reporting date.

3.6 OTHER ASSETS

Other assets are composed as follows:

	31 Dec 2017	31 Dec 2016
	EUR '000	EUR '000
Guarantees	7,267	5,108
Income tax receivables	2,394	2,708
Loan receivables	1,929	2,411
Advances	967	762
Receivables from insurance cases	750	751
Receivables from VAT	408	20
Receivables from employees	269	223
Cash deposits for new projects	257	333
Creditors with debit balances	131	70
Miscellaneous assets	1,640	1,046
Other assets	16,012	13,432

Note: Rounding differences may arise.

3.7 BANK BALANCES, CASH IN HAND

Bank balances and cash in hand are made up as follows:

	31 Dec 2017	31 Dec 2016
	EUR '000	EUR '000
Cash in hand	14	8
Bank balances	28,859	65,574
Bank balances, cash in hand	28,873	65,581

A detailed analysis of changes in cash and cash equivalents is shown in the consolidated cash flow statement.

3.8 EQUITY

The details of the changes in equity are shown in the consolidated statement of changes in equity.

Subscribed capital

The share capital of the company as at 31 December 2017 remains unchanged at EUR 30.4 million.

Authorised Capital 2016

The authorisation of the Management Board by the Annual General Meeting on 21 June 2016 to increase the share capital of the company, with the approval of the Supervisory Board, on one or several occasions until 20 June 2021 by the remaining amount of up to a total of EUR 6.1 million through the issuance of up to 6,085,583 new no-par-value shares against cash or non-cash contributions (Authorised Capital 2016) was cancelled at the Annual General Meeting on 8 June 2017.

Authorised Capital 2017

The Management Board was authorised by the Annual General Meeting on 8 June 2017 to increase the share capital of the company, with the approval of the Supervisory Board, on one or several occasions until 7 June 2022 by up to a total of EUR 15,213,958.00 by the issuance of up to 15,213,958 new no-par-value shares against cash or non-cash contributions (Authorised Capital 2017).

In a capital increase, the shareholders are fundamentally to be granted a pre-emptive right; the statutory pre-emptive right may also be granted in such a form that the new shares are taken on wholly or in part by a bank or consortium of banks designated by the Management Board with the obligation to offer them to the shareholders of the company for subscription (indirect pre-emptive right pursuant to Section 186 (5) sentence 1 AktG). The Management Board is also authorised, with the approval of the Supervisory Board, to disapply pre-emptive rights

- (i) For capital increases against non-cash contributions, particularly in connection with the acquisition of companies, business units, equity investments or economic assets;
- (ii) To the extent necessary to grant pre-emptive rights to the bearers of bonds with conversion or option rights or with conversion obligations for shares of the company that were previously issued by the company or by its subordinate group companies, to the same extent as would be granted to them as shareholders after exercising their conversion rights or options, or after satisfying conversion requirements;
- (iii) For fractional amounts;
- (iv) If the shares are issued at an issue amount not significantly less than the market price and the capital increase does not exceed 10 % of the total share capital, either at the time this authorisation takes effect or is exercised. The number of treasury shares sold shall be added to this limit, provided the sale takes place during the term of this authorisation excluding the pre-emptive right pursuant to Section 186 (3) sentence 4 AktG. Those shares that have been or will be issued to service bonds with conversion or option rights or with a conversion obligation shall also be added to this limit, provided the bonds were issued during the term of this authorisation excluding the pre-emptive right applicable mutatis mutandis in accordance with Section 186 (3) sentence 4 AktG;

(v) To implement a scrip dividend where the shareholders are offered the option of contributing their dividend entitlement (in whole or part) to the company as a contribution in kind in exchange for the granting of new shares from the Authorised Capital 2017.

Additional paid-in capital

Additional paid-in capital as at 31 December 2017 was EUR 40.7 million (31 December 2016: EUR 47.9 million). The gradual acquisition of minority interest in companies that were already fully consolidated reduced additional paid-in capital by EUR 7.2 million.

Other retained earnings

The net retained profits for 2017 in the individual financial statements of MPC Capital amounting to EUR 5.7 million were allocated in full to retained earnings on the basis of the Management Board's proposal on the appropriation of profit. The retained earnings thus increased to EUR 10.8 million as at 31 December 2017 (31 December 2016: EUR 5.1 million).

Subscription rights pursuant to Section 160 (1) No. AktG:

“Stock Option Plan 2015”

During the financial year the Management Board and the Supervisory Board resolved to establish a stock option plan for those employees of MPC Capital and its affiliated companies who participate in profit-sharing (“Stock Option Plan 2015”). The primary objectives of the Stock Option Plan 2015 are to increase the commitment of employees (in particular senior executives) to the company, to motivate them and to enable them to participate directly in the company's success. An additional aim of the plan is to enhance the attractiveness of MPC Capital AG to qualified employees.

The plan was approved by the shareholders at the Annual General Meeting. In addition, the Annual General Meeting authorised the Management Board until the conclusion of 24 June 2018 to issue further subscription rights up to a total volume of 666,581 with a total notional interest in the share capital of up to EUR 666,581.00, each subscription right carrying an entitlement to purchase one no-par value bearer share.

Further conditional capital amounting to EUR 666,581.00 arising from the issuance of 666,581 new bearer shares (“Conditional Capital 2015/II”) was created for the purposes of the Stock Option Plan 2015. This new authorisation is intended to enable up to a total of 666,581 stock options to be issued.

The principal provisions and conditions relating to the share option plan are described in the following:

a) Eligible Participants

Under the Stock Option Plan 2015, subscription rights may be issued to employees of MPC Capital AG and employees of its affiliated companies (“Eligible Participants”).

b) Grant period

The subscription rights may be granted to the Eligible Participants from 15 February 2015 onward, subject to the

condition precedent that this resolution becomes effective. Further subscription rights may be granted up to the conclusion of 24 June 2020.

c) Vesting Period, Exercise Period

The subscription rights granted under the Stock Option Plan 2015 may be exercised for the first time on the fourth anniversary of their grant to the respective Eligible Participant ("Vesting Period"). After the end of the Vesting Period, the subscription rights may be exercised up to the fifth anniversary of the grant ("Exercise Period"). During the Exercise Period, the subscription rights may only be exercised at certain times ("Exercise Windows"). An Exercise Window begins in each case on the eleventh banking day in Hamburg ("Banking Day") following the publication of a quarterly, first-half or annual financial report of the company and ends at the conclusion of the tenth banking day after that date. If company does not publish quarterly or first-half financial reports, the number of Exercise Windows within the Exercise Period is reduced accordingly. The company may refuse to accept exercise notices from the Eligible Participants in the event that, during an Exercise Window, an ad hoc announcement is imminent as a result of national or European legal requirements corresponding to the present Section 15 of the German Securities Trading Act (Wertpapierhandelsgesetz, "WpHG") or stock exchange regulations reflecting those requirements (e.g. in the terms and conditions regulating the Open Market on the Frankfurt Stock Exchange). In such cases, the exercise notice is deemed to have been accepted one day following publication of the ad hoc announcement. The Exercise Period is extended by one day if it expires on the day on which acceptance is refused by the company as a result of an ad hoc announcement.

d) Exercise price

The exercise price of a subscription right is equal to the average closing price for the company's shares of the same class in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange during the three months prior to the date on which the stock option agreement is entered into. The minimum exercise price is EUR 1.00.

e) Performance targets

The subscription rights may only be exercised if the quoted price corresponding to the exercise price has at least doubled when compared to the average closing rate for the company's shares of the same class in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange during three months prior to the date on which the subscription right is exercised.

A total of 203,125 subscription rights were granted.

As no equity settled options arise through exercise of the options, the option plan is regarded as a transaction between lenders and is therefore only reflected in the financial statements to the extent that options are in fact exercised.

"Stock Option Plan 2016"

In the first half of the 2016 financial year the Management Board and the Supervisory Board resolved to establish a stock option plan for those employees of MPC Capital and its affiliated companies who participate in profit-sharing ("Stock Option Plan 2016"). The primary objectives of the Stock Option Plan 2016 are to increase

the commitment of employees (in particular senior executives) to the company, to motivate them and to enable them to participate directly in the company's success. An additional aim of the plan is to enhance the attractiveness of MPC Capital AG to qualified employees.

The plan was approved by the shareholders at the Annual General Meeting in 2015 (see under "Stock Option Plan 2015").

The principal provisions and conditions relating to the share option plan are described in the following:

a) Eligible Participants

Under the Stock Option Plan 2016, subscription rights may be issued to employees of MPC Capital AG and employees of its affiliated companies ("Eligible Participants").

b) Grant period

The subscription rights could be granted to the Eligible Participants from 15 February 2016. Further subscription rights may be granted up to the conclusion of 15 February 2021.

c) Vesting Period, Exercise Period

The subscription rights granted under the Stock Option Plan 2016 may be exercised for the first time on the fourth anniversary of their grant to the respective Eligible Participant ("Vesting Period"). After the end of the Vesting Period, the subscription rights may be exercised up to the fifth anniversary of the grant ("Exercise Period"). During the Exercise Period, the subscription rights may only be exercised at certain times ("Exercise Windows"). An Exercise Window begins in each case on the eleventh banking day in Hamburg ("Banking Day") following the publication of a quarterly, first-half or annual financial report of the company and ends at the conclusion of the tenth banking day after that date. If company does not publish quarterly or first-half financial reports, the number of Exercise Windows within the Exercise Period is reduced accordingly. The company may refuse to accept exercise notices from the Eligible Participants in the event that, during an Exercise Window, an ad hoc announcement is imminent as a result of national or European legal requirements corresponding to the present Section 15 of the German Securities Trading Act (Wertpapierhandelsgesetz, "WpHG") or stock exchange regulations reflecting those requirements (e.g. in the terms and conditions regulating the Open Market on the Frankfurt Stock Exchange). In such cases, the exercise notice is deemed to have been accepted one day following publication of the ad hoc announcement. The Exercise Period is extended by one day if it expires on the day on which acceptance is refused by the company as a result of an ad hoc announcement.

d) Exercise price

The exercise price of a subscription right is equal to the average closing price for the company's shares of the same class in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange during the three months prior to the date on which the stock option agreement is entered into. The minimum exercise price is EUR 1.00.

e) Performance targets

The subscription rights may only be exercised if the quoted price corresponding to the exercise price has at least doubled when compared to the average closing rate for the company's shares of the same class in Xetra trading

(or a comparable successor system) on the Frankfurt Stock Exchange during three months prior to the date on which the subscription right is exercised.

A total of 44,694 subscription rights were granted.

As no equity settled options arise through exercise of the options, the option plan is regarded as a transaction between lenders and is therefore only reflected in the financial statements to the extent that options are in fact exercised.

“Stock Option Plan 2017”

In the first half of the 2017 financial year the Management Board and the Supervisory Board resolved to establish a stock option plan for those employees of MPC Capital and its affiliated companies who participate in profit-sharing (“Stock Option Plan 2017”). The objectives of the Stock Option Plan 2017 remain to increase the commitment of employees (in particular senior executives) to the company, to motivate them and to enable them to participate directly in the company’s success. A further aim of the plan is to enhance the attractiveness of MPC Capital AG to qualified employees.

The plan was approved by the shareholders at the Annual General Meeting in 2015 (see under “Stock Option Plan 2015”).

The principal provisions and conditions relating to the share option plan are described in the following:

a) Eligible Participants

Under the Stock Option Plan 2017, subscription rights may be issued to employees of MPC Capital AG and employees of its affiliated companies (“Eligible Participants”).

b) Grant period

The subscription rights could be granted to the Eligible Participants from 02 January 2017. Further subscription rights may be granted up until 15 February 2022.

c) Vesting Period, Exercise Period

The subscription rights granted under the Stock Option Plan 2017 may be exercised for the first time on the fourth anniversary of their grant to the respective Eligible Participant (“Vesting Period”). After the end of the Vesting Period, the subscription rights may be exercised up to the fifth anniversary of the grant (“Exercise Period”). During the Exercise Period, the subscription rights may only be exercised at certain times (“Exercise Windows”). An Exercise Window begins in each case on the eleventh banking day in Hamburg (“Banking Day”) following the publication of a quarterly, first-half or annual financial report of the company and ends at the conclusion of the tenth banking day after that date. If company does not publish quarterly or first-half financial reports, the number of Exercise Windows within the Exercise Period is reduced accordingly. The company may refuse to accept exercise notices from the Eligible Participants in the event that, during an Exercise Window, an ad hoc announcement is imminent as a result of national or European legal requirements corresponding to the present Section 15 of the German

Securities Trading Act (Wertpapierhandelsgesetz, "WpHG") or stock exchange regulations reflecting those requirements (e.g. in the terms and conditions regulating the Open Market on the Frankfurt Stock Exchange). In such cases, the exercise notice is deemed to have been accepted one day following publication of the ad hoc announcement. The Exercise Period is extended by one day if it expires on the day on which acceptance is refused by the company as a result of an ad hoc announcement.

d) Exercise price

The exercise price of a subscription right is equal to the average closing price for the company's shares of the same class in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange during the three months prior to the date on which the stock option agreement is entered into. The minimum exercise price is EUR 1.00.

e) Performance targets

The subscription rights may only be exercised if the quoted price corresponding to the exercise price has at least doubled when compared to the average closing rate for the company's shares of the same class in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange during three months prior to the date on which the subscription right is exercised.

A total of 19,692 subscription rights were granted.

As no equity settled options arise through exercise of the options, the option plan is regarded as a transaction between lenders and is therefore only reflected in the financial statements to the extent that options are in fact exercised.

3.9 PROVISIONS

Depreciation and amortisation are made up as follows:

	31 Dec 2017	31 Dec 2016
	EUR '000	EUR '000
1. Provisions for taxes		
for current taxes	5,120	4,872
2. Other provisions	15,688	24,164
a) Provisions for legal and consultancy expenses	7,152	7,519
b) Provisions for personnel expenses	3,870	4,004
c) Provisions for expected losses	2,964	4,529
d) Provisions for outstanding invoices	470	597
e) Provisions for audit of annual financial statements	430	331
f) Provisions for commissions	218	237
g) Provisions for restructuring costs	0	5,445
h) Miscellaneous provisions	583	1,502
Provisions	20,808	29,037

Note: Rounding differences may arise.

The decrease in other provisions results in particular from the success of MPC Capital AG in negotiating early release from the obligations to meet restructuring costs at project level. This move reduced the provisions created for that purpose by EUR 5.4 million.

3.10 LIABILITIES

The liabilities schedule below shows the maturity structure of liabilities:

		Maturities			
		Total	up to 1 year	between 1 and 6 years	over 5 years
		EUR '000	EUR '000	EUR '000	EUR '000
1. Liabilities to banks	31/12/17	1,763	227	1,536	0
	31/12/16	2,282	401	1,881	0
2. Trade payables	31/12/17	1,372	1,372	0	0
	31/12/16	347	347	0	0
3. Liabilities to affiliated companies	31/12/17	21	21	0	0
	31/12/16	11	11	0	0
<i>of which from other assets</i>	31/12/17	21	21	0	0
	31/12/16	11	11	0	0
4. Liabilities to other long-term investees and investors	31/12/17	1,603	1,603	0	0
	31/12/16	2,473	2,473	0	0
<i>of which from trade payables</i>	31/12/17	0	0	0	0
	31/12/16	0	0	0	0
<i>of which from other liabilities</i>	31/12/17	1,603	1,603	0	0
	31/12/16	2,473	2,473	0	0
5. Other liabilities	31/12/17	7,673	3,593	4,080	0
	31/12/16	6,306	3,451	2,855	0
<i>of which taxes</i>	31/12/17	1,171	1,171	0	0
	31/12/16	2,415	2,415	0	0
<i>of which social security</i>	31/12/17	13	13	0	0
	31/12/16	0	0	0	0
Liabilities	31/12/17	12,431	6,815	5,616	0
	31/12/16	11,419	6,683	4,736	0

Note: Rounding differences may arise.

3.11 LIABILITIES TO BANKS

The liabilities to banks in particular comprise project financing loans for opportunistic US equity investments in the overall amount of EUR 1.5 million. Repayment is tied to the future returns from these investments.

Collateral provided

These claims for payment are pledged to the financing banks by way of collateral. The collateral will be held until the full repayment of these loans.

3.12 TRADE PAYABLES

Trade payables essentially include liabilities from legal and consultancy costs as well as from ongoing shipping operations. These payables were higher than in the previous year for reporting date reasons.

3.13 LIABILITIES TO OTHER LONG-TERM INVESTEES AND INVESTORS

Liabilities to other long-term investees or investors result in particular from unpaid contributions to project companies and from distributions received.

The decrease is attributable to further capital calls, the payment of which led to a reduction in the unpaid contributions.

3.14 OTHER LIABILITIES

Other liabilities are composed as follows:

	31 Dec 2017	31 Dec 2016
	EUR '000	EUR '000
Liabilities from project financing loans	4,414	2,835
VAT liabilities	1,165	609
Wage tax liabilities (capital gains tax and solidarity surcharge)	0	1,740
Miscellaneous	2,094	1,122
Other liabilities	7,673	6,306

Note: Rounding differences may arise.

Collateral provided

The loans for project financing are collateralised by the refinanced shares in the project companies. This collateral will be held until the full repayment of these loan liabilities.

3.15 DEFERRED TAXES

Deferred tax assets in the amount of EUR 3.7 million essentially result from the following balance sheet items:

- a) Receivables from other long-term investees and investors (EUR 1.4 million)
- b) Other assets (EUR 0.5 million)
- c) Other provisions (EUR 1.8 million)

As in the previous year, the write-downs in the reporting year on receivables from other long-term investees and investors as well as on other assets essentially relate to future deductible temporary differences from the different measurement of receivables. Temporary differences also resulted from the recognition of provisions for expected losses.

As in the previous year, there are no substantial temporary differences giving rise to deferred tax liabilities.

Primary deferred taxes have not been recognised as the corresponding disclosure option under commercial law has been exercised.

3.16 DERIVATIVE FINANCIAL INSTRUMENTS

To hedge against future currency risks which arise particularly in the context of normal business operations in the shipping sector, hedges were concluded.

For example Ahrenkiel Steamship GmbH & Co. KG and Contchart Hamburg/Leer GmbH & Co. KG realise a large portion of their revenue in US dollars, while expenditure is incurred largely in euros, so a movement in the exchange rate can have a major impact on the result. To hedge these currency risks, the following currency hedges have been taken out on a portion of the contractually fixed USD revenues for 2018:

Currency forwards on a monthly basis were concluded for the monthly fees for January and December 2018 with a volume averaging USD 1.1 million. The method for determining the market value was based on a market-to-market valuation, taking into account the relevant forward valuation rates. Their market value at the balance sheet date is EUR 0.3 million.

Currency options on a monthly basis were concluded for a large portion of the monthly fees for January 2018 to December 2018 with an average volume of USD 0.3 million. The fair value was determined on the basis of the Black & Scholes model. Their market value at the balance sheet date is EUR 0.1 million.

There are no valuation units in this case.

The option premiums paid are reported in the amount of EUR 0.08 million under other assets.

3.17 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

There are contingent liabilities as defined in Section 251 HGB. These are default and fixed liability guarantees.

There are warranties and guarantees totalling EUR 16.5 million (previous year: EUR 27.0 million) essentially relating to directly enforceable warranties and guarantees. Their utilisation depends on a number of factors.

There are currently no indications that the MPC Capital Group will utilise the existing contingent liabilities, as there was no significant deterioration in the economic situation of the companies for which corresponding contingent liabilities were entered into. Utilisation of one or more contingent liabilities would have a considerable impact on the financial position of the MPC Capital Group.

Other financial obligations relate to rent and lease obligations in the amount of EUR 6.1 million (previous year: EUR 7.7 million).

Contributions by limited partners held in trust amount to EUR 1.8 billion (previous year: EUR 1.9 billion). They essentially relate to the amounts entered on the Commercial Register for TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds GmbH & Co. KG, Hamburg. If and to the extent that payments that are not covered by profits are made by funds on these contributions by limited partners held in trust, the risk of being sued is within the limits of Section 172 (4) HGB. TVP has scope for recourse against the respective trustors for the greater part of these contingent liabilities.

In addition, MPC Investment Services manages bank deposits in trust in the amount of EUR 25.1 million (previous year: EUR 21.0 million).

4. NOTES ON THE CONSOLIDATED INCOME STATEMENT

4.1 REVENUE

Revenue essentially results from the provision of services.

The table below shows a breakdown by segment and region:

	2017 EUR '000	2016 EUR '000
By revenue types		
Management Services	36,497	40,178
Transaction Services	10,445	12,752
Other	376	861
Revenue	47,318	53,791
By region		
Germany	53,699	58,450
Netherlands	9,177	6,133
Spain	256	922
Austria	0	46
Consolidation adjustments	-15,814	-11,760
Revenue	47,318	53,791

Note: Rounding differences may arise.

4.2 OTHER OPERATING INCOME

Other operating income is made up as follows:

	2017	2016
	EUR '000	EUR '000
Income from asset disposals	12,309	185
Income from the reversal of write-downs on receivables	4,907	1,426
Income from the reversal of provisions	3,357	4,188
Income from changes in exchange rates	1,374	2,154
<i>realised income from changes in exchange rates</i>	975	1,112
<i>unrealised income from changes in exchange rates</i>	399	1,042
Other prior-period income	70	1,468
Income from the reversal of the negative difference from capital consolidation	0	1,465
Miscellaneous	700	990
Other operating income	22,716	11,875

Note: Rounding differences may arise.

The healthy rise in other operating income was driven mainly by the sale of the property "The Cloud" in Amsterdam. Because of the way the transaction is structured, the income was realised not as originally planned as revenue from transaction services, but instead as income from asset disposals amounting to EUR 12.3 million by way of the sale of shares.

Incoming payments relating to receivables that had been impaired in previous years out of due commercial prudence as well as optimizations to project structures brought in exceptional high income in the financial year from the reversal of write-downs on receivables.

4.3 COST OF MATERIALS – COST OF PURCHASED SERVICES

Costs of purchased services in connection with the management and maintenance of real estate and ships are a major component of this item. For improved presentation of the results of operations, in a change from the previous year the expenses for services to shipping limited partnerships amounting to EUR 2.0 million are now reported under cost of materials, within the cost of purchased services, instead of under other operating expenses. The previous year's figures were not adjusted. If the corresponding expenses of the previous year had been reclassified, the purchased services would have been EUR 2.3 million higher in the cost of materials and other operating expenses would have been EUR 2.3 million lower.

4.4 PERSONNEL EXPENSES

Personnel expenses are composed as follows:

	2017	2016
	EUR '000	EUR '000
Wages and salaries	-23,888	-22,893
Social security contributions	-3,249	-3,126
Personnel expenses	-27,137	-26,019

Note: Rounding differences may arise.

The average number of employees relates solely to salaried employees and is made up as follows:

	Annual average	Annual average
	2017	2016
Germany	239	232
Netherlands	14	12
Austria	1	1
Portugal	1	0
Spain	2	1
Employees	257	245

As at 31 December 2017 there were 267 employees.

4.5 OTHER OPERATING EXPENSES

Other operating expenses are composed as follows:

	2017	2016
	EUR '000	EUR '000
Legal and consulting costs	-7,957	-4,494
IT costs	-2,693	-2,812
Expenses from currency translation differences	-2,635	-1,546
Cost of premises	-1,870	-1,897
Other personnel expenses	-1,327	-1,061
Write-downs on receivables	-1,286	-1,857
Insurance and subscriptions	-1,214	-1,137
Services	-1,074	-1,118
Travel and hospitality expenses	-979	-786
Advertising expenses	-821	-584
Communication costs	-540	-430
Vehicle costs	-478	-420
Prior-period expenses	-133	-454
Costs for the capital increase	0	-2,525
Expenses for services to shipping limited partnerships	0	-2,230
Miscellaneous	-1,212	-3,004
Other operating expenses	-24,219	-26,356

Note: Rounding differences may arise.

As a result of the intensive transaction activity and the further expansion of institutional business, legal and consultancy costs went up by EUR 3.5 million. Changes in exchange rates also created an expense of EUR 2.6 million, a substantial portion of which results from foreign currency valuation required as at the reporting date and is therefore allocable to unrealised expensed from changes in exchange rates.

For improved presentation of the results of operations, in a change from the previous year the expenses for services to shipping limited partnerships are reported under cost of materials, within the cost of purchased services.

4.6 INCOME FROM EQUITY INVESTMENTS

Income from equity investments amounting to EUR 1.7 million (previous year: EUR 3.4 million) originated in particular from profit distributions by US real estate funds.

4.7 OTHER INTEREST AND SIMILAR INCOME

Other interest and similar income essentially relates to loans and disbursements to project companies totalling EUR 1.1 million (previous year: EUR 0.8 million), and also to compounding and discounting effects on long-term receivables and provisions in the amount of EUR 0.2 million (previous year: EUR 0.3 million).

4.8 WRITE-DOWNS ON FINANCIAL ASSETS

Especially in the case of long-term loan receivables from companies from legacy business, write-downs amounting to EUR 0.8 million needed to be made because permanent impairment can be assumed to apply in this case.

There was no further critical knowledge in the financial year that results in additional write-downs on financial assets.

4.9 INTEREST AND SIMILAR EXPENSES

Interest and similar expenses essentially comprise interest expenses from the refinancing of a real estate project in the amount of EUR 0.4 million (previous year: EUR 0.3 million).

The higher prior-year figure resulted especially from non-recurring interest expenses from the refinancing of a project in the Real Estate area amounting to EUR 4.0 million.

4.10 RESULT OF ASSOCIATES CARRIED AT EQUITY

The breakdown of the result of associates and joint ventures carried at equity is as follows:

	2017	2016
	EUR '000	EUR '000
MPC Global Maritime Opportunities S.A., SICAF	1,481	-526
Breakwater Insurance Brokers Limited	300	370
IKURA Investment GmbH & Co. KG	0	5,759
Aurum Ltd. Insurance	0	427
Global Vision Private Equity Partners AG	0	354
Miscellaneous	13	26
Share of profit of associates	1,794	6,410

Note: Rounding differences may arise.

In the previous year, the result of associates carried at equity was influenced in particular by the income from Ikura Investment GmbH & Co. KG, which participated in its financing operations in Japanese real estate projects.

4.11 TAXES ON INCOME

Taxes on income paid or owed in the individual countries and deferred taxes are reported as taxes on income.

Taxes on income comprise German and international taxes made up as follows:

	2017	2016
	EUR '000	EUR '000
Current taxes	-4,192	-5,484
<i>Germany</i>	-3,154	-6,325
<i>International</i>	-1,038	841
Deferred taxes	0	0
<i>Germany</i>	0	0
<i>International</i>	0	0

In the 2017 financial year, corporations based in Germany were subject to corporation tax of 15 %, a solidarity surcharge of 5.5 % of corporation tax as well as trade tax, the amount of which depends on the various assessment rates levied by individual municipalities.

Group income taxes are also influenced by the possibility in Germany, subject to certain conditions, when operating merchant vessels internationally, of determining profit as a lump-sum tax on the basis of the net storage space of the ship instead of by comparing operating assets.

The Group tax rate corresponds to the German tax rate for the parent company MPC Capital AG and is 32.28 % (previous year: 32.28 %). This tax rate comprises corporation tax of 15 %, a solidarity surcharge of 5.5 % on corporation tax, and trade tax with an assessment rate of 470 %. The application of the income tax rate for Group companies of 32.28 % to consolidated earnings before taxes would result in an expected tax expense of EUR 5.6 million (previous year: EUR 5.1 million). The following reconciliation statement shows the difference between this amount and the effective tax expense of EUR 4.2 million (previous year: EUR 5.5 million).

	2017	2016
	EUR '000	EUR '000
Consolidated earnings before tax	17,353	15,704
Expected taxes on income (32.28 % (previous year: 32.28 %))	-5,601	-5,069
Differing tax rates	390	233
Temporary differences and loss carry forwards for which no deferred taxes were recognised	-1,792	-1,157
Non-tax-deductible expenses	-122	-98
Tax-exempt income	5,101	501
Differing bases of assessment to trade tax	-19	343
Effects of changes in the group of consolidated companies	0	0
Current taxes on income for previous years	-1,972	-1,364
Withholding tax / foreign tax	-261	1,122
Other differences	84	5
Taxes on income	-4,192	-5,484

The differences shown under the item "Different tax rates" are attributable to the differences between the tax rates of the German and international group companies on the one hand and the tax rate of MPC Capital AG on the other.

5. OTHER DISCLOSURES

5.1 NAME AND REGISTERED OFFICE OF THE PARENT COMPANY

MPC Capital AG, as the parent company, is obliged to prepare consolidated financial statements pursuant to Section 290 HGB. These have been prepared under the regulations of German commercial law in accordance with Section 290 ff. HGB. The consolidated financial statements are announced in the Federal Gazette.

The parent company of MPC Capital AG, which prepares the consolidated financial statements for the largest group of consolidated companies, is MPC Münchmeyer Petersen & Co. GmbH, Hamburg. The consolidated financial statements of MPC Münchmeyer Petersen & Co. GmbH, Hamburg, are submitted to the Federal Gazette for publication under the number HRB 149498 Hamburg.

5.2 GOVERNING BODIES OF THE COMPANY

a) Members of the Management Board in the reporting year:

Ulf Holländer, Management Board, Hamburg (Chairman)
(CEO; Chief Executive Officer)

Constantin Baack, Management Board, Hamburg
(CFO; Chief Financial Officer)

Dr. Roman Rocke, Management Board, Hamburg
(Executive Board Member Real Estate and Infrastructure)

Peter Ganz, Management Board, Hamburg
(Executive Board Member Shipping)
Member of the Management Board until 31 December 2017

b) Members of the Supervisory Board in the reporting year:

Dr. Axel Schroeder (Chairman)
Managing Director of MPC Münchmeyer Petersen & Co. GmbH, Hamburg

Joachim Ludwig
Managing Director of Ferrostaal GmbH, Essen

Dr. Arnt Vespermann
Director of Hamburg Südamerikanische Dampfschiffahrts-Gesellschaft KG, Hamburg

c) Remuneration of governing bodies:

The members of the Management Board of MPC Capital AG were granted total remuneration of EUR 3.1 million (previous year: EUR 3.5 million) for the 2017 financial year. In the same period, total gross remuneration of EUR 163 thousand (previous year: EUR 160 thousand) was granted to the members of the Supervisory Board. All remuneration for governing bodies is classified as current.

5.3 VOTING RIGHTS NOTIFICATIONS IN ACCORDANCE WITH SECTION 20 AKTG

MPC Capital AG has not received any voting rights notifications in accordance with Section 20 AktG for the 2017 financial year.

5.4. PROFIT APPROPRIATION

The Management Board will propose to the Supervisory Board that the net profit of MPC Capital AG in the amount of EUR 5.7 million be allocated in full to other retained earnings.

5.5 AUDITORS' FEES

The auditor's fees are made up as follows:

	2017 EUR '000	2016 EUR '000
Auditing services for the financial statements	188	255
Tax consultancy services	93	118
Other assurance services	25	147
Other services	40	1
Auditors' Fees	346	521

5.6. REPORT ON POST-BALANCE SHEET DATE EVENTS

After 31 December 2017 there were no further significant transactions with a material effect on the net assets, financial position or results of operations of the MPC Capital Group.

Hamburg, 5 February 2018



Ulf Holländer, Chairman



Constantin Baack



Dr. Roman Rocke

7. Auditor's report

We have audited the consolidated financial statements prepared by MPC Münchmeyer Petersen Capital AG, Hamburg, comprising the balance sheet, income statement, notes, cash flow statement and statement of changes in equity – and the Group management report, which is combined with the management report of the company, for the financial year from 1 January 2017 to 31 December 2017. The preparation of the consolidated financial statements and the combined management report in accordance with the German Commercial Code is the responsibility of the officers of the company. Our responsibility is to express an opinion on the consolidated financial statements and on the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW – Institute of Public Auditors in Germany). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting information of those entities included in consolidation, the determination of the departments to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the legal representatives, as well as evaluating the overall presentation of the consolidated financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the consolidated financial statements comply with the legal provisions and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The combined management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hamburg, 13 February 2018

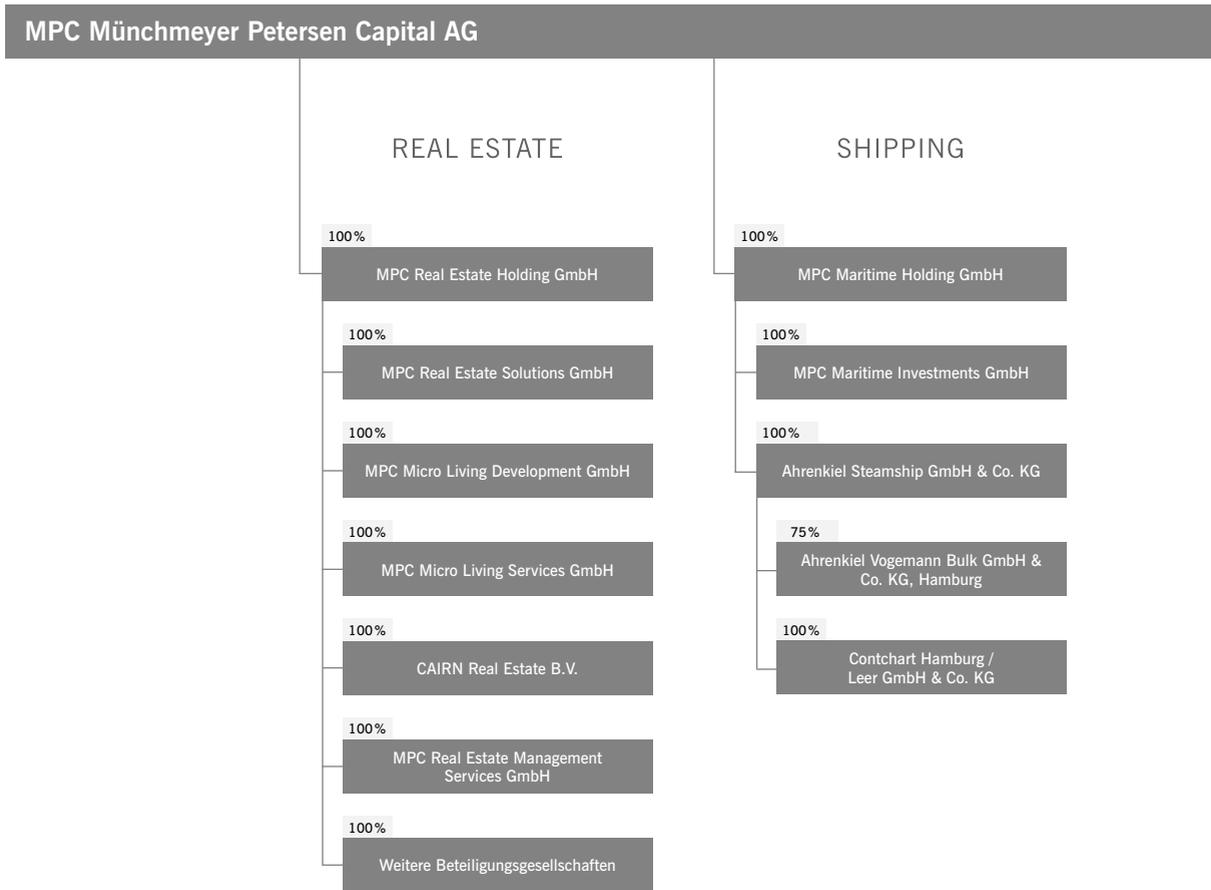
BDO AG
Wirtschaftsprüfungsgesellschaft

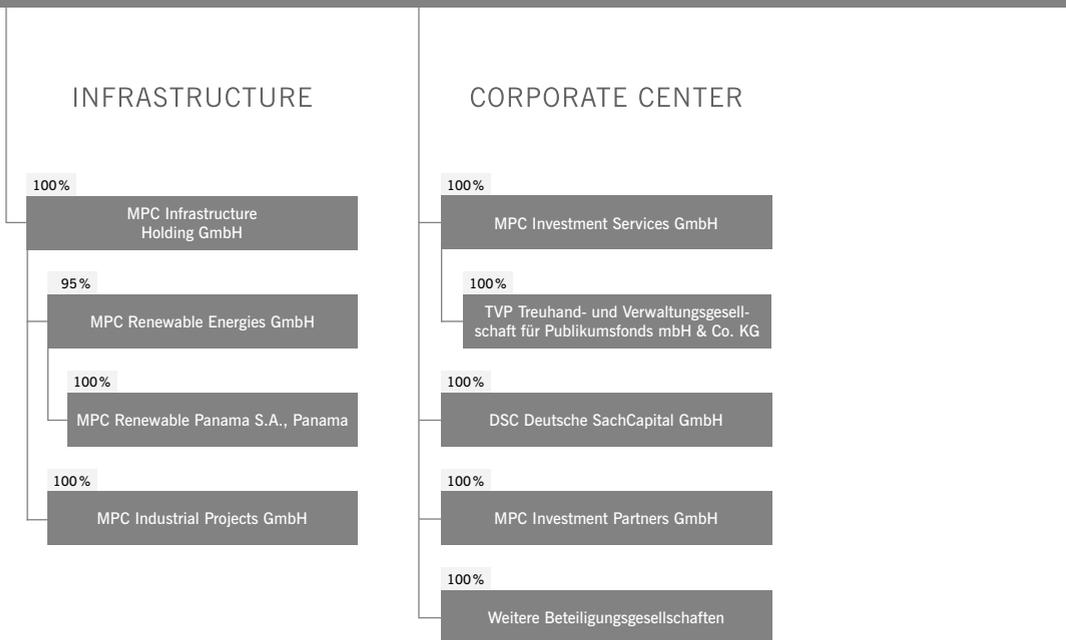
gez. Glaser
Auditor

gez. Kaletta
Auditor

Organisational structure

MPC Capital AG is the parent company of the MPC Capital Group. The chart below gives an overview of some selected subsidiaries of the MPC Capital Group (as of February 2017).





Financial calendar 2017

15 February 2018

Publication of Annual Report 2017

12 April 2018

Annual General Meeting in Hamburg

17 May 2018

Publication of Q1 2018 key figures

30 August 2018

Publication of Interim Financial Report 2018

16 November 2018

Publication of Q3 2018 key figures

November 2018

Analyst conference in Frankfurt at the Equity Forum 2018

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