

# Report by the Supervisory Board

In the financial year 2023, the Supervisory Board reviewed the development of the company in depth and comprehensively performed its supervisory duties imposed on it by law and the articles of association. It regularly advised and monitored the Executive Board in running the business of the company.

During the last financial year, the Supervisory Board paid particular attention to the economic development, financial situation, prospects and further strategy of the company, and advised the Executive Board on these topics. Its work in the financial year 2023 focused in particular on supporting the Executive Board in the strategic development of the company and of the MLP Group, implementing further measures to increase efficiency and both assessing and monitoring the opportunity and risk position of the company and the Group.

In terms of business development and operating results, both the company and the MLP Group continued to be less impacted by the effects of the Ukraine crisis and inflationary trends than other sectors during the financial year 2023.

The Supervisory and Executive Boards met regularly in the reporting year for discussions and joint consultations regarding business development, strategy and key events within the company. The Supervisory Board was directly involved in all decisions of fundamental importance to the company. The Executive Board regularly provided the Supervisory Board with written and oral reports in a timely and comprehensive manner on all relevant issues related to corporate planning, strategic development, the business situation and the position and overall development of the Group as a whole, including the risk situation, risk management, risk-bearing capacity and compliance. The Supervisory Board was able to confirm the correctness of the corporate governance by the Executive Board. In 2023, the Executive Board also reported to and advised the Supervisory Board on the content and anticipated effects of legislative or regulatory proposals at national German or EU level.

As scheduled, the Supervisory Board mandates of all employee and shareholder representatives on the Supervisory Board expired in 2023. Dr Lütke-Bornefeld, Dr Dill and Mr. Beer stepped down from the Supervisory Board at the end of the Regular Annual General Meeting held on June 29, 2023. The Annual General Meeting re-elected Ms. Sarah Rössler and Mr. Matthias Lautenschläger, and also elected the new members Dr Andreas Freiling and Mr. Bernd Groß, to the Supervisory Board for a term in office up to the close of the Annual General Meeting resolving on the formal approval of actions for the fourth financial year after the term of office commenced. Ms. Monika Stumpf and Ms. Ursula Blümer were elected to the Supervisory Board as employee representatives by the employees of the MLP Group that are eligible to vote. In a constitutive Supervisory Board meeting held after the Annual General Meeting, Ms. Rössler was elected as Chairwoman of the Supervisory Board and Dr Freiling as Vice Chairman of the Supervisory Board.

The Supervisory Board at MLP SE held five regular meetings and one extraordinary meeting in the financial year 2023. Alongside this, a constitutive Supervisory Board meeting was held on June 29, 2023. These were all held as face-to-face meetings, although video participation was generally also offered as an option. With the exception of one meeting that Dr Dill was unable to attend, all members of the Supervisory Board participated in all meetings. The meetings were predominantly conducted in person, with video live stream used in exceptional cases. The Executive Board generally also informs the Supervisory Board of particularly important or urgent projects outside of the regular meetings. Where necessary, resolutions can also take the form of circular resolutions.

In addition to this, three meetings of the Risk and Audit Committee were also held in this year. All committee members took part in each of these meetings. The Nomination Committee convened four times in the last financial year. All committee members took part in each of these meetings. During the last financial year, a single meeting of the Compensation Oversight Committee was convened, with full attendance by all its members. The following table offers an overview, detailing which members of the Supervisory Board took part in the meetings of the Supervisory Board or its committees in 2023:

	Participation*	in %
<b>Supervisory Board meeting MLP SE</b>		
Dr Peter Lütke-Bornefeld (until June 29, 2023)	3/3	100
Dr Claus-Michael Dill (until June 29, 2023)	2/3	66
Sarah Rössler (Chairwoman of the Supervisory Board as of June 29, 2023)	7/7	100
Matthias Lautenschläger	7/7	100
Dr Andreas Freiling (Member and Vice Chairman as of June 29, 2023)	4/4	100
Bernd Groß (as of June 29, 2023)	4/4	100
Monika Stumpf	7/7	100
Alexander Beer (until June 29, 2023)	3/3	100
Ursula Blümer (as of June 29, 2023)	4/4	100
<b>Nomination Committee MLP SE</b>		
Dr Peter Lütke-Bornefeld (until June 29, 2023)	2/2	100
Matthias Lautenschläger	4/4	100
Monika Stumpf	2/2	100
Dr Claus-Michael Dill (until June 29, 2023)	2/2	100
Sarah Rössler (Chairwoman of the Committee as of June 29, 2023)	4/4	100
Bernd Groß (as of June 29, 2023)	2/2	100
<b>Risk and Audit Committee of MLP SE</b>		
Dr Claus-Michael Dill (until June 29, 2023)	2/2	100
Dr Peter Lütke-Bornefeld (until June 29, 2023)	2/2	100
Matthias Lautenschläger	3/3	100
Alexander Beer (until June 29, 2023)	2/2	100
Dr Andreas Freiling (Member and Chairman of the Committee as of June 29, 2023)	1/1	100
Sarah Rössler	3/3	100
Ursula Blümer (as of June 29, 2023)	1/1	100
<b>Compensation Oversight Committee of MLP SE</b>		
Dr Peter Lütke-Bornefeld (until June 29, 2023)	1/1	100
Dr Andreas Freiling (as of June 29, 2023)	0/0	-
Matthias Lautenschläger	1/1	100
Monika Stumpf	1/1	100
Sarah Rössler (Chairwoman of the Committee as of June 29, 2023)	1/1	100

The Chair of the Supervisory Board also met with the Chairman of the Executive Board on a regular basis in the financial year 2023 to discuss various issues, in particular the business situation, special business transactions, regulatory changes and the overall situation of the Group, yet also the effects of the Ukraine crisis and inflationary trends. The Chair of the Supervisory Board regularly informed the other members about the content of these meetings.

### **Supervisory Board meetings and important resolutions**

Set against the background of the difficult situation in the (nursing care) real estate markets and the associated impact on the company, the Supervisory Board in particular addressed the situation at the subsidiary DI Deutschland.Immobilien AG in an extraordinary meeting of the Supervisory Board held on January 25, 2023.

Following preparation by the Risk and Audit Committee, the Supervisory Board meeting on March 22, 2023 was dedicated to reviewing and adopting the financial statements, as well as reviewing and approving the consolidated financial statements as of December 31, 2022. After in-depth discussion, the Supervisory Board adopted the financial statements and approved the consolidated financial statements as of December 31, 2022. It also approved the separate nonfinancial report. In addition to this, the Supervisory Board also reviewed the appropriateness of the Executive Board compensation – as required in accordance with the German Corporate Governance Code (GCGC) – as well as the variable compensation components of the Executive Board for the financial year 2022 and approved these. The proposed resolutions for the company's Annual General Meeting, which was held as a virtual event, represented another item on the agenda. In addition to this, the Supervisory Board extended the appointment of Mr. Loose as a member of the Executive Board with effect from February 1, 2024 to January 31, 2029.

The regular Supervisory Board meeting on May 10, 2023 focused primarily on discussing the results and business development from the first quarter of 2023.

Directly following the Regular Annual General Meeting of MLP SE, Ms. Rössler was elected as the new Chairwoman of the Supervisory Board and Dr Freiling as the Vice Chairman of the Supervisory Board in the constitutive meeting of the Supervisory Board at the company held on June 29, 2023. In addition to this, the members of the Risk and Audit Committee, the Nomination Committee and the Compensation Oversight Committee were selected.

The results of the second quarter, the business development in the first half of the year, as well as the reporting of the Internal Audit and Risk Controlling departments were all on the agenda of the regular Supervisory Board meeting held on August 9, 2023. Another focus was reporting on the situation at DI Deutschland.Immobilien AG.

The November meeting focused on the business results of the third quarter and the first nine months of the financial year 2023. Alongside the resolution on the Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG), compliance with the provisions of the German Corporate Governance Code (GCGC) in the MLP Group was also a key topic on the meeting's agenda. Extensive reporting was provided on the corporate governance process, and the current Declaration of Compliance was approved.

In the meeting on December 15, 2023, the Supervisory Board addressed in detail and approved the strategy and budget of both the Group and the company for the financial year 2024. The Supervisory Board also approved the Executive Board resolution regarding a share buyback programme.

## **Supervisory Board committees**

The Supervisory Board was regularly informed of the work carried out by its committees in 2023.

Up to June 29, 2023, the members of the Risk and Audit Committee included Dr Claus-Michael Dill, who was also Chairman of the Risk and Audit Committee, Dr Peter Lütke-Bornefeld and Mr. Alexander Beer. Ms. Sarah Rössler and Mr. Matthias Lautenschläger remained members of the Risk and Audit Committee throughout the whole of 2023. Dr Andreas Freiling also became a member of the Risk and Audit Committee as of June 29, 2023 and was elected as Chairman of the Risk and Audit Committee. Ms. Ursula Blümer was elected as a further member on June 29, 2023. The Risk and Audit Committee held three regular meetings in the financial year 2023. Representatives of the audit firm also took part in some of the meetings, providing the committee with detailed reports. In the presence of the auditors, the Chairman of the Executive Board and the Chief Financial Officer, the Risk and Audit Committee discussed the financial statements of MLP SE and the MLP Group, as well as the proposed appropriation of earnings. Furthermore, the relationship to the auditor, proposals for selecting the auditor, audit fees, audit assignment and monitoring of the auditor's independence were the subject of extensive discussions. The Risk and Audit Committee received regular reports on the work of the Internal Audit and of the Compliance and Risk Management department and was informed on legal and regulatory risks and risks to reputation. Among other things, the meeting held in August focused on risk reporting, the report on reviewed capital planning, and on discussing the guidelines for the subsequent year's risk strategy.

The members of the Nomination Committee in the financial year 2023 included Dr Peter Lütke-Bornefeld, who was also Chairman of the Nomination Committee up to June 29, 2023, as well as Mr. Matthias Lautenschläger, Ms. Sarah Rössler and Ms. Monika Stumpf. Mr. Bernd Groß was also elected as a member of the Nomination Committee on June 29, 2023. Ms. Rössler was appointed Chairwoman of the Nomination Committee as of June 29, 2023. The Nominating Committee held four regular meetings and focused particularly on preparing the new elections of Supervisory Board members by the regular Annual General Meeting of MLP SE. In this vein, it examined the requirements for candidates and then prepared candidate proposals for the Annual General Meeting. In the financial year 2023, it also discussed extending the appointment of Mr. Reinhard Loose as a member of the Executive Board and recommended this to the Supervisory Board. Furthermore, the Supervisory Board addressed the revamping of the Executive Board's evaluation system and the self-evaluation of the Supervisory Board, which had been prepared by the Nomination Committee.

In the financial year 2023, the members of the Compensation Oversight Committee were Dr Peter Lütke-Bornefeld (up to June 29, 2023), who was also Chairman of the Compensation Oversight Committee, Ms. Sarah Rössler, Dr Claus-Michael Dill (up to June 29, 2023), Mr. Matthias Lautenschläger and Ms. Monika Stumpf. Dr Andreas Freiling was elected as a member of the Compensation Oversight Committee on June 29, 2023. Ms. Rössler was elected Chairwoman of the Compensation Oversight Committee on June 29, 2023. In the financial year 2023, the Compensation Oversight Committee held one meeting. Among other things, this was to prepare the pay system to be submitted for approval at the Annual General Meeting held on June 29, 2023, as well as to discuss both the compensation report and the bonus pool in the MLP Group. The appropriateness of Executive Board compensation was also discussed.

## **Corporate governance**

During the financial year, the Supervisory Board also addressed the application of the corporate governance principles.

In the past year, the Supervisory Board dedicated its meeting on November 8, 2023 to in-depth discussions on the requirements of the revised German Corporate Governance Code (GCGC) in its version from April 28, 2022.

The meeting held on November 8, 2023 was used to discuss the recommendations of the GCGC and the Declaration of Compliance. The Supervisory Board consulted with the Executive Board regarding the requirements of the GCGC and the deviations that are to be disclosed as per the Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG). The objective here was to

determine which requirements the Executive Board and Supervisory Board have satisfied or will satisfy in future to secure compliance with the recommendations in the form presented in the Declaration of Compliance. In November, the Supervisory Board and Executive Board issued a Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG) and made it permanently available to the shareholders via its website.

In 2023, the Supervisory Board revised the evaluation form for checking the requirements for the Supervisory Board and then also reviewed the efficiency of its own activities in 2023 based on the evaluation form made available to the members of the Supervisory Board in good time ahead of the meeting. Among other things, the Supervisory Board also reviewed the requirements placed on the members of the Supervisory Board, the procedures in the Supervisory Board, the information flow between the Committees and the Supervisory Board, as well as the timeliness of the reporting by the Executive Board to the Supervisory Board and the adequacy of its content. Measures aimed at increasing efficiency were discussed and established.

The Supervisory Board also regularly addresses potential conflicts of interest among the members of the Supervisory Board. To this end, the members of the Supervisory Board are surveyed at least once a year to determine whether any such conflicts existed or still exist. Based on our understanding, and in accordance with the legislator, a conflict of interest exists if there is reason to suspect that any member of the Supervisory Board is taking decisions not solely in the interests of the company, but also potentially seeking to pursue personal or third-party interests. Following the review by the Supervisory Board there were no conflicts of interest in this sense in the last financial year. A summary of further corporate governance aspects at MLP, including presentation of the Declaration of Compliance from November 8, 2023, can be found in the declaration on governance issued by the Executive Board and Supervisory Board. All relevant information is also available on our homepage at [www.mlp-se.com](http://www.mlp-se.com).

The members of the Supervisory Board independently participated in training measures to aid them in fulfilling their responsibilities – as required by the Corporate Governance Code. In this endeavour, they are adequately supported by the company. Members of the Supervisory Board also underwent training on November 8, 2023 in order to maintain the required professional expertise. This training focused in particular on the requirements of MLP SE and Group companies with regard to legal regulations relating to sustainability.

### **Audit of the annual financial statements and consolidated financial statements for 2023**

The financial statements and the joint management report of MLP SE as of December 31, 2023 have been compiled by the Executive Board pursuant to the German Commercial Code (HGB). The consolidated financial statements and the joint management report as of December 31, 2023 have been compiled pursuant to § 315a of the German Commercial Code (HGB) in line with international financial reporting standards (IFRS) as applied in the EU. As at December 31, 2023, BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg audited the financial statements and the joint management report of MLP SE in accordance with the principles of commercial law, as well as the consolidated financial statements and the joint management report in accordance with the principles of IFRS, issuing an unqualified audit opinion in each case. The auditor performed the audit in compliance with the basic principles of sound auditing practices determined by the Institut der Wirtschaftsprüfer (German Institute of Auditors).

The financial statements, together with the joint management report, the auditor's reports and the Executive Board's proposal for use of the unappropriated profit were made available to all Supervisory Board members in good time. The Risk and Audit Committee of the Supervisory Board reviewed these documents in detail, reported to the Supervisory Board on its audit and explained its audit opinion. The auditor also reported on the key results of the audit and on the fact that there are no significant weaknesses in the internal monitoring system, the risk management system nor with regard to compliance. The Risk and Audit Committee also reviewed the risk management system, the accounting processes and the effectiveness of the internal monitoring systems, risk management and auditing systems, as well as the relationship to the auditor, the proposals for selection of the auditor, auditor's

fees, the audit assignment and monitoring of the auditor's independence, as well as the additional services performed by the auditor. The Supervisory Board also checked and discussed the documentation and reports in detail. Within this scope, the Supervisory Board also addressed the key audit matters described in the audit opinion, including the audit procedures undertaken by the auditor on the basis of the auditor's report.

The auditor's reports were comprehensively scrutinised by the Supervisory Board during the Supervisory Board meeting held on March 20, 2024. The Chairman of the Risk and Audit Committee provided information on the auditor's reporting from the meeting of the Risk and Audit Committee, concentrating in particular on the scope, the key focuses, as well as the major findings of the audit and going into particular detail regarding the key audit matters and the audit procedures employed. With regard to the individual financial statements of MLP SE, these key audit matters, as defined and verified by the auditor, encompassed the "impairment testing of shares in affiliated companies", while with regard to the consolidated financial statements of MLP SE they encompassed the "impairment testing of goodwill" and the "recognition of commission income". At this meeting, the Executive Board also explained the financial statements of MLP SE and of the MLP Group, the risk management system, the accounting processes and the effectiveness of the internal monitoring, risk management system, audit system and of the compliance, as well as giving detailed reports on the scope, focuses and costs of the audit.

The Supervisory Board concurred with the outcome of the auditor's audit and, on the basis of the final outcome of the Risk and Audit Committee's audit and its own audit, found no grounds for raising an objection. Accordingly, at its meeting on March 20, 2024, the Supervisory Board approved the annual financial statements and the joint management report MLP SE, as well as the consolidated financial statements and the joint management report in accordance with IFRS prepared by the Executive Board. The annual financial statements are therefore adopted. Alongside this, the Executive Board is also required to submit a report on a non-financial declaration or a non-financial Group declaration as per § 289b, § 315b of the German Commercial Code (HGB). The Supervisory Board reviewed the non-financial report – prepared by a meeting of the Risk and Audit Committee - and did not find any objections.

After performing its own reviews, the Supervisory Board agreed with the Executive Board's proposal to pay out a dividend of €0.30 per share for the financial year 2023. The equity and liquidity situation, future regulatory requirements and the company's budget, as well as the shareholders' interest in an appropriate dividend were included and weighed up against one another in its considerations.

The Supervisory Board would like to thank the Executive Board, the Management of the respective Group companies, as well as all employees and consultants of the MLP Group for their exemplary personal commitment and achievements in the financial year 2023.

Wiesloch, March 2024

The Supervisory Board



Sarah Rössler

Chairwoman of the Supervisory Board