

Disclosure of inside information acc. to Article 17 MAR

**MBB SE acknowledges FREP error finding regarding the disclosure of transaction costs in connection with the Aumann IPO in 2017**

Berlin, 27 January 2020 – MBB SE (ISIN DE000A0ETBQ4) today decided to acknowledge an error detection by the German Financial Reporting Enforcement Panel (FREP). Within the scope of a random sample audit of the consolidated financial statements of Aumann AG, the FREP determined that the disclosure of one-time transaction costs in connection with the IPO of Aumann AG in 2017 was partially incorrect. As a result, the FREP also determined that the earnings before taxes reported in the consolidated financial statements of MBB for fiscal year 2017 were too high. The need for change identified by the FREP has no effect on the total amount of equity, liquidity and net liquidity of MBB in the consolidated financial statements for 2017 and subsequent consolidated financial statements. MBB therefore accepts the FREP's error detection and will make corresponding corrections.

Of the gross proceeds of the IPO of Aumann AG in the amount of €251 million, €176 million were attributable to the placement by MBB. The equity of MBB thus increased to €385 million in the fiscal year 2017. The increase in equity resulting from the transaction was not reflected in the consolidated income statement of MBB in accordance with the relevant IFRS rules. In accordance with its interpretation of the IFRS rules, MBB also did not show the related transaction costs in the consolidated income statement, but deducted them from equity with no effect on income. Not recognizing some of these transaction costs in the consolidated income statement of MBB was found to be erroneous by the FREP.

The FREP states in its wording:

*"In the consolidated income statement for the 2017 fiscal year of MBB SE, Berlin, consolidated earnings before taxes are shown approximately EUR 29.5 million too high, as costs in connection with the majority shareholding reduction within the scope of IFRS 10.23 in the course of the IPO of the subsidiary Aumann AG, Beelen, in March 2017 were not recognized as an expense but deducted directly from equity as transaction costs (IAS 39.9). Approximately EUR 28.0 million of this amount relate primarily to compensation to management and employees and did not meet the requirements of IAS 32.35 and IAS 32.37 for recognition in equity. Further costs of around EUR 1.5 million were attributable to the listing of shares already issued in accordance with IAS 32.35 and IAS 32.38."*

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