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To the management board of
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Date

06.11.2020

To the management board of
msg life ag
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Interim declaration regarding the audit of the control agreement between msg systems AG, Ismaning, and msg life ag, Leinfelden-Echterdingen, in accordance with Section 293b (1) German Stock Corporation Act (AktG)

Dear sirs:

by the decision of the Regional Court of Stuttgart of 3 August 2020 Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf (hereafter also referred to as "MAZARS"), was appointed in accordance with Section 293c (1) AktG as the contract auditor for the planned inter-company agreement (either a control agreement alone, or a combined control agreement and profit transfer agreement) between the two entities making the application.

MAZARS conducted the audit from 5 August 2020 to 18 September 2020 and issued the report on the audit of the control agreement between msg systems AG, Ismaning (hereafter also referred to as "msg systems AG"), and msg life ag, Leinfelden-Echterdingen (hereafter also referred to as "msg life ag"), in accordance with Section 293b (1) AktG dated 18 September 2020 and verified the appropriateness of the proposed compensation in accordance with Section 304 AktG and the proposed settlement in accordance with Section 305 AktG on the basis of the final draft of the control agreement dated 17 September 2020 (Section 291 AktG) between msg systems AG as the controlling enterprise and msg life ag as the controlled enterprise.

Sitz der Gesellschaft Hamburg · Amtsgericht Hamburg · HRA 114496 · USt-IdNr. DE136456066

Komplementärin Mazars Geschäftsführungs-GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Sitz der Gesellschaft Hamburg · Amtsgericht Hamburg · HRB 121920

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For the period between the release of our audit report and today, we verified that the valuation parameters were up to date. The purpose of this review was, in particular, to determine whether there were changes in the assets, financial and earnings position of msg life ag in the aforementioned period that would lead to a change in the proposed settlement in accordance with Section 305 AktG and / or the proposed compensation in accordance with Section 304 AktG.

To carry out this review, we asked msg life ag to present us the company's further economic development with a timely presentation as of the valuation date. In particular, the effects of the developments that have occurred in the meantime on the earnings projection and the financial planning on which the valuation is based were discussed. The management board of msg life ag and the persons involved in providing the information provided us with the information required for our assessment.

In this regard, msg life ag has informed us that since the release of the report dated 18 September 2020 to the present day, neither new events nor findings have become aware in the sphere of msg life ag, in particular with regard to the planned earnings projections, which have an impact on the result of our report on the audit of the control agreement between msg systems AG and msg life ag in accordance with Section 293b (1) AktG dated 18 September 2020.

On the basis of current capital market data, however, there is currently a lower risk-free rate (before personal income tax) of rounded -0.1% instead of rounded 0.0%, which leads to an adjustment of the discount rate in the valuation as of 10 November 2020. The lower risk-free rate was determined using the method explained in our report dated 18 September 2020 (p. 64) as of today and rounded in accordance with professional requirements.

On the basis of the updated risk-free rate the Appraiser determined a higher settlement in accordance with Section 305 AktG of 2.48 EUR per share as well as an annual gross compensation of 0.03 EUR (before deduction of current corporation tax and solidarity surcharge per share) per share in msg life ag. Taking the current tax situation into account, this corresponds to an annual net compensation of 0.03 EUR per share in msg life ag.

Against this background, the contracting parties intend to increase the settlement in accordance with Section 305 AktG to 2.48 EUR per share in msg life ag. With regard to the compensation in accordance with Section 304 AktG no adjustment is intended to be made.

We have verified the calculations of the settlement in accordance with Section 305 AktG and the compensation in accordance with Section 304 AktG updated by the Appraiser and, in addition, reconstructed the appropriate settlement and the appropriate compensation mathematically based on our own valuation model.

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The settlement and the compensation must take the circumstances of the company into account at the time its general meeting passes a resolution (10 November 2020). If the fundamental premises of the valuation should change since today until the general meeting, the settlement and the compensation would have to be adjusted.

I. Equity value and value per share of msg life ag

1. Earnings to be discounted

Based on the changed risk-free rate the updated earnings to be discounted of msg life Group are as follows:

| msg life Group Earnings to be discounted in EUR k | 2020 | 2021 | 2022 | 2023 | 2024 | Terminal Value |
|--|---------------|--------------|--------------|--------------|--------------|---------------------------|
| EBIT | 12,363 | 8,100 | 8,392 | 8,860 | 9,304 | 9,545 |
| Financial result | -560 | -575 | -405 | -255 | -150 | 23 |
| Earnings before corporate taxes | 11,803 | 7,525 | 7,987 | 8,605 | 9,154 | 9,568 |
| Corporate taxes | -1,811 | -1,332 | -1,394 | -1,628 | -1,773 | -2,120 |
| Earnings after corporate taxes | 9,992 | 6,193 | 6,593 | 6,978 | 7,381 | 7,448 |
| Genuine retention | -9,992 | -6,193 | -1,236 | 0 | 0 | 0 |
| Growth retention | | | | | | -546 |
| <i>Distribution ratio</i> | <i>47.0%</i> | <i>47.0%</i> | <i>47.0%</i> | <i>47.0%</i> | <i>47.0%</i> | <i>47.0%</i> |
| Value contribution from distribution | 0 | 0 | 2,518 | 3,279 | 3,469 | 3,244 |
| Income tax on distribution | 0 | 0 | 0 | 0 | 0 | -850 |
| Value contribution from retention | 0 | 0 | 2,839 | 3,698 | 3,912 | 3,658 |
| Effective income tax on retention | 0 | 0 | -374 | -488 | -516 | -482 |
| Earnings to be discounted | 0 | 0 | 4,983 | 6,490 | 6,866 | 5,569 |

As the tax saving resulting from the tax loss carryforwards was reflected in a lower tax ratio as an annuity in the terminal value phase, the discount rate updated by the changed risk-free rate leads to changes of the corporate taxes in the terminal value phase.

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2. Discount rate

Based on the changed risk-free rate the updated discount rate is as follows:

| msg life Group Discount rate | 2020 | 2021 | 2022 | 2023 | 2024 | Terminal Value |
|--|---------------|---------------|---------------|---------------|---------------|----------------|
| Risk-free rate before personal taxes | -0.10% | -0.10% | -0.10% | -0.10% | -0.10% | -0.10% |
| Personal taxes | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Risk-free rate after personal taxes | -0.10% | -0.10% | -0.10% | -0.10% | -0.10% | -0.10% |
| Market risk premium after personal taxes | 5.75% | 5.75% | 5.75% | 5.75% | 5.75% | 5.75% |
| <i>Unlevered beta factor</i> | 1.30 | 1.30 | 1.30 | 1.30 | 1.30 | 1.30 |
| <i>Tax Shield</i> | 31.50% | 31.50% | 31.50% | 31.50% | 31.50% | 31.50% |
| <i>Debt-equity ratio</i> | -0.11 | -0.21 | -0.27 | -0.27 | -0.27 | -0.31 |
| Relevered beta factor | 1.20 | 1.11 | 1.06 | 1.06 | 1.06 | 1.03 |
| Risk premium | 6.90% | 6.40% | 6.09% | 6.07% | 6.09% | 5.90% |
| Growth rate | | | | | | -1.00% |
| Discount rate | 6.80% | 6.30% | 5.99% | 5.97% | 5.99% | 4.80% |

3. Discounted earnings value

The discounted earnings value of the business assets of msg life Group as of 10 November 2020 is as follows:

| msg life Group Discounted earnings value in EUR k | 2020 | 2021 | 2022 | 2023 | 2024 | Terminal Value |
|--|----------------|----------|--------------|--------------|--------------|----------------|
| Earnings to be discounted | 0 | 0 | 4,983 | 6,490 | 6,866 | 5,569 |
| <i>Discount rate</i> | 6.80% | 6.30% | 5.99% | 5.97% | 5.99% | 4.80% |
| Present value factor | 0.936 | 0.881 | 0.831 | 0.784 | 0.740 | 15.405 |
| Present value | 0 | 0 | 4,141 | 5,089 | 5,080 | 85,791 |
| Discounted earnings value as of 31.12.2019 | 100,101 | | | | | |
| Compounded value | 5,830 | | | | | |
| Discounted earnings value as of 10.11.2020 | 105,931 | | | | | |

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4. Equity value and value per share

On the basis of the discounted earnings value and the special item, the equity value of msg life ag and the value per share based on our current research from today's perspective as of 10 November 2020 is as follows:

| msg life Group I Equity value and value per share as of 10 November 2020 | |
|--|----------------|
| Equity value (in EUR k) | 105,931 |
| Non-operating asset (in EUR k) | 258 |
| Equity value (in EUR k) | 106,189 |
| Number of shares | 42,802,453 |
| Value per share (in EUR) | 2.48 |

According to our calculations, this results in a value of 2.48 EUR per msg life ag share.

The determination of the compensation payment is based on an updated annuity rate after personal income tax of 0.79%. On this basis, an annual gross compensation of 0.03 EUR (before deduction of current corporation tax and solidarity surcharge per share) per share in msg life ag and an annual net compensation of 0.03 EUR per share in msg life ag was determined.

II. Share price

Concerning the question of the relevant reference period, the Federal Court of Justice in its ruling of 19 July 2010 (case no. II ZB 18/09, printed, eg. in NZG 2010, 939) – notwithstanding its ruling of 12 March 2001 – case no. II ZB 15/00 (in this case the average share price in the three months immediately before the general meeting was relevant) – decided that the share price that serves as the lower limit for the settlement must be determined on the basis of an average, volume-weighted price in the three-month period preceding the announcement of a restructuring measure.

The announcement that msg systems AG and msg life ag concluded a control agreement was made with the publication of the convocation of the ordinary general meeting of msg life ag in the Federal Gazette (Bundesanzeiger) on 1 October 2020.

For this reason, we took the three-month period from 1 July 2020 to 30 September 2020 inclusive as the relevant reference period for determining the average share price of msg life ag. Due to the relative short period between the date of the announcement and the date of the general meeting there is no need to extrapolate the price data.

With regard to the relevance of the share price we refer to our statements in chapter C.IV.2.3 of our report dated 18 September 2020.

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The trading days, volumes and prices in this period are shown in the following table:

| Traded shares from 1 July 2020 to 30 September 2020 | | | |
|---|--------------------|------------------------|---------------------------|
| Date and time | Share price in EUR | Change in share price* | Trading volume (in units) |
| 01.07.2020 08:01 | 2.16 | | 66 |
| 02.07.2020 13:05 | 2.16 | 0.00% | 52 |
| 03.07.2020 11:25 | 2.16 | 0.00% | 1 |
| 03.07.2020 11:25 | 2.16 | 0.00% | 100 |
| 06.07.2020 09:15 | 2.16 | 0.00% | 30 |
| 06.07.2020 17:37 | 2.16 | 0.00% | 100 |
| 07.07.2020 11:12 | 2.16 | 0.00% | 26 |
| 07.07.2020 15:29 | 2.14 | -0.93% | 2,000 |
| 07.07.2020 17:00 | 2.14 | 0.00% | 10,000 |
| 09.07.2020 12:16 | 2.16 | 0.93% | 760 |
| 09.07.2020 12:16 | 2.16 | 0.00% | 100 |
| 10.07.2020 12:08 | 2.26 | 4.63% | 3,378 |
| 13.07.2020 15:01 | 2.26 | 0.00% | 266 |
| 13.07.2020 15:50 | 2.26 | 0.00% | 1,356 |
| 14.07.2020 11:00 | 2.28 | 0.88% | 7,125 |
| 15.07.2020 08:00 | 2.28 | 0.00% | 180 |
| 15.07.2020 11:11 | 2.28 | 0.00% | 1,500 |
| 15.07.2020 13:55 | 2.30 | 0.88% | 2,024 |
| 15.07.2020 18:31 | 2.34 | 1.74% | 4,261 |
| 16.07.2020 10:56 | 2.28 | -2.56% | 2,032 |
| 17.07.2020 13:43 | 2.28 | 0.00% | 25 |
| 17.07.2020 16:01 | 2.28 | 0.00% | 1,728 |
| 20.07.2020 12:28 | 2.30 | 0.88% | 440 |
| 20.07.2020 16:29 | 2.28 | -0.87% | 433 |
| 21.07.2020 08:03 | 2.26 | -0.88% | 332 |
| 21.07.2020 11:44 | 2.26 | 0.00% | 81 |
| 21.07.2020 15:40 | 2.26 | 0.00% | 1,333 |
| 22.07.2020 09:14 | 2.26 | 0.00% | 5,000 |
| 22.07.2020 09:32 | 2.26 | 0.00% | 10,000 |
| 22.07.2020 10:31 | 2.26 | 0.00% | 10,000 |
| 22.07.2020 12:23 | 2.26 | 0.00% | 3,000 |
| 22.07.2020 13:37 | 2.28 | 0.88% | 100 |
| 23.07.2020 10:25 | 2.28 | 0.00% | 150 |
| 23.07.2020 10:26 | 2.26 | -0.88% | 2,000 |
| 23.07.2020 10:47 | 2.28 | 0.88% | 75 |
| 23.07.2020 17:02 | 2.28 | 0.00% | 25 |
| 24.07.2020 13:09 | 2.28 | 0.00% | 2,054 |
| 27.07.2020 08:09 | 2.30 | 0.88% | 60 |
| 27.07.2020 09:34 | 2.32 | 0.87% | 3,000 |
| 27.07.2020 10:18 | 2.32 | 0.00% | 4,000 |
| 27.07.2020 19:43 | 2.32 | 0.00% | 2,273 |
| 28.07.2020 10:53 | 2.32 | 0.00% | 3,728 |
| 28.07.2020 14:30 | 2.32 | 0.00% | 132,000 |

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| Traded shares from 1 July 2020 to 30 September 2020 | | | | |
|---|--------------------|------------------------|---------------------------|--|
| Date and time | Share price in EUR | Change in share price* | Trading volume (in units) | |
| 28.07.2020 14:32 | 2.32 | 0.00% | 272 | |
| 28.07.2020 14:35 | 2.34 | 0.86% | 36,733 | |
| 28.07.2020 15:39 | 2.32 | -0.85% | 14,500 | |
| 28.07.2020 15:50 | 2.32 | 0.00% | 20,000 | |
| 29.07.2020 11:06 | 2.28 | -1.72% | 450 | |
| 29.07.2020 11:43 | 2.32 | 1.75% | 32,000 | |
| 29.07.2020 14:51 | 2.32 | 0.00% | 4,000 | |
| 29.07.2020 14:51 | 2.32 | 0.00% | 7,000 | |
| 29.07.2020 18:16 | 2.28 | -1.72% | 400 | |
| 30.07.2020 11:35 | 2.28 | 0.00% | 1,000 | |
| 03.08.2020 12:16 | 2.30 | 0.88% | 20,000 | |
| 04.08.2020 09:22 | 2.32 | 0.87% | 4,272 | |
| 04.08.2020 14:03 | 2.32 | 0.00% | 21 | |
| 04.08.2020 19:43 | 2.32 | 0.00% | 7,000 | |
| 04.08.2020 19:43 | 2.32 | 0.00% | 200 | |
| 06.08.2020 15:21 | 2.32 | 0.00% | 9 | |
| 07.08.2020 08:05 | 2.32 | 0.00% | 119 | |
| 07.08.2020 10:36 | 2.32 | 0.00% | 70 | |
| 07.08.2020 15:35 | 2.30 | -0.86% | 10,309 | |
| 10.08.2020 19:21 | 2.32 | 0.87% | 4,000 | |
| 12.08.2020 10:45 | 2.30 | -0.86% | 10,057 | |
| 12.08.2020 13:45 | 2.30 | 0.00% | 14,675 | |
| 12.08.2020 16:09 | 2.32 | 0.87% | 178 | |
| 13.08.2020 08:08 | 2.30 | -0.86% | 9,959 | |
| 14.08.2020 12:32 | 2.30 | 0.00% | 800 | |
| 18.08.2020 10:07 | 2.26 | -1.74% | 500 | |
| 18.08.2020 10:19 | 2.30 | 1.77% | 1,000 | |
| 19.08.2020 12:39 | 2.28 | -0.87% | 220 | |
| 19.08.2020 13:50 | 2.26 | -0.88% | 5 | |
| 20.08.2020 15:32 | 2.30 | 1.77% | 4,858 | |
| 24.08.2020 15:34 | 2.24 | -2.61% | 495 | |
| 25.08.2020 16:59 | 2.24 | 0.00% | 246 | |
| 25.08.2020 17:31 | 2.24 | 0.00% | 1,100 | |
| 27.08.2020 08:00 | 2.24 | 0.00% | 10 | |
| 27.08.2020 15:46 | 2.24 | 0.00% | 200 | |
| 31.08.2020 08:53 | 2.24 | 0.00% | 10 | |
| 31.08.2020 17:29 | 2.24 | 0.00% | 100 | |
| 04.09.2020 17:55 | 2.20 | -1.79% | 213 | |
| 04.09.2020 17:55 | 2.28 | 3.64% | 220 | |
| 08.09.2020 11:50 | 2.22 | -2.63% | 50 | |
| 08.09.2020 14:52 | 2.20 | -0.90% | 357 | |
| 10.09.2020 15:46 | 2.20 | 0.00% | 100 | |
| 11.09.2020 10:03 | 2.28 | 3.64% | 100 | |
| 14.09.2020 13:54 | 2.20 | -3.51% | 1,900 | |
| 15.09.2020 09:33 | 2.28 | 3.64% | 50 | |

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| Traded shares from 1 July 2020 to 30 September 2020 | | | |
|--|---------------------------|-------------------------------|----------------------------------|
| Date and time | Share price in EUR | Change in share price* | Trading volume (in units) |
| 21.09.2020 17:18 | 2.20 | -3.51% | 1,186 |
| 21.09.2020 17:18 | 2.20 | 0.00% | 30 |
| 23.09.2020 08:49 | 2.28 | 3.64% | 10 |
| 23.09.2020 10:42 | 2.20 | -3.51% | 78 |
| 23.09.2020 12:56 | 2.22 | 0.91% | 2,000 |
| 24.09.2020 11:08 | 2.20 | -0.90% | 5,000 |
| 24.09.2020 11:37 | 2.18 | -0.91% | 1,335 |
| 30.09.2020 09:24 | 2.20 | 0.92% | 50 |
| Cumulative trading volume | | | 436,641 |
| <i>Weighted share price</i> | | | 2.30 |
| <i>Unweighted share price</i> | | | 2.26 |

* compared to the last trade

Source: Bloomberg LP

In accordance with the legislative judgement in Section 5 (1) and (3) WpÜG-Angebotsverordnung, which can be applied to the calculation of the settlement amount in the context of a control agreement pursuant to Section 291 AktG, we consider that the volume-weighted, average share price for msg life ag is relevant.

Since the shares in msg life ag are not listed on the regulated market, there is no valid minimum price determined by the BaFin in accordance with Section 31 (1), (7) WpÜG in conjunction with Section 5 WpÜG-Angebotsverordnung available. Based on the trading volume and the share prices from Bloomberg LP we have therefore determined a weighted average price for the three-month period until 30 September 2020 inclusive for the shares in msg life ag listed on the over-the-counter market. We calculated the average weighted price of the share in msg life ag in this period to be 2.30 EUR.

Since the valuation of msg life ag by means of the discounted earnings method produces a higher value per share than this average price, it is a moot point whether the price for the share in msg life ag is relevant for determining the cash settlement or not.

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III. Appropriateness of the compensation and settlement

Finally, from today's perspective we come to the result that the proposed (unchanged) annual net compensation of 0.03 EUR (gross compensation: 0.04 EUR before deduction of current corporation tax and solidarity surcharge) per share in msg life ag, Leinfelden-Echterdingen, and the proposed increased settlement of 2.48 EUR per share in msg life ag, Leinfelden-Echterdingen, are appropriate.

Düsseldorf, 6 November 2020

Mazars GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft

Steuerberatungsgesellschaft

Susann Ihlau
German Public auditor

pp. Hendrik Duscha
German Public auditor