Combined management report

of Deutsche Beteiligungs AG and the Deutsche Beteiligungs AG Group for the short financial year 2024

« We are currently in the process of launching a new cycle of Invest – Support – Realise. All of us at DBAG are working on this with the utmost focus. »

Tom Alzin, Spokesman of the Board of Management

Fundamental information about the Group

Structure and business activity

Deutsche Beteiligungs AG ("DBAG") is a listed private equity company with roots dating back to 1965. The Company has been listed on the Frankfurt Stock Exchange since 1985 and its shares are listed in the market segment with the highest transparency requirements, the Prime Standard. DBAG is an SDAX member.

While DBAG has focused on providing equity to mid-sized companies in the past, it also holds a majority stake in ELF Capital Advisory GmbH ("ELF Capital"). ELF Capital initiates and advises closed-end private debt funds. This acquisition has allowed DBAG to expand its range of services to include private debt.

The Company's business model is based on two segments:

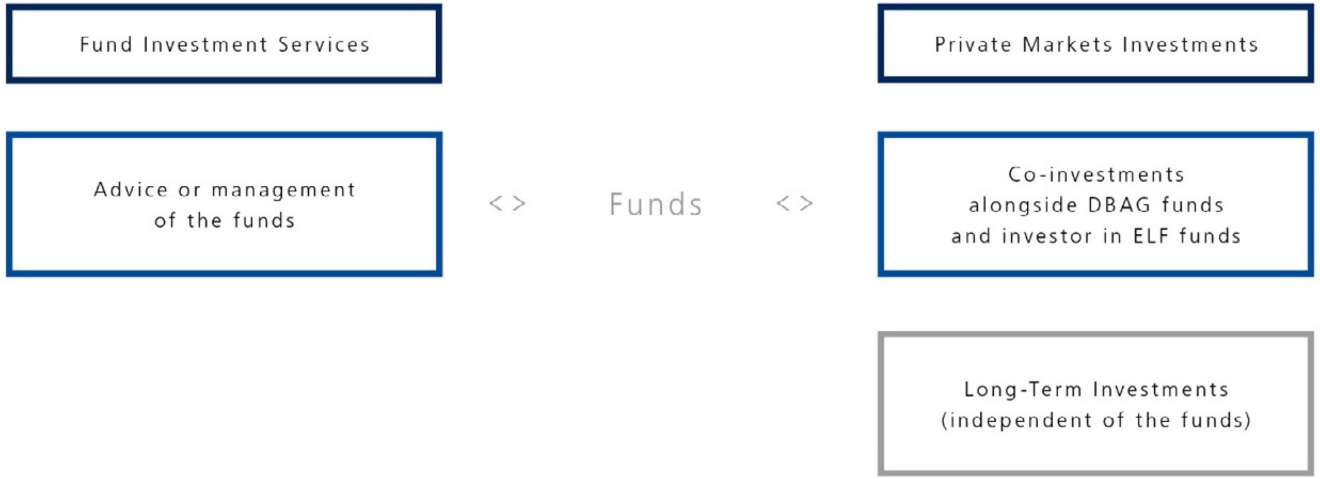
- In its Fund Investment Services segment, DBAG provides advisory services to the closed-end private equity funds which are initiated and structured by DBAG itself ("DBAG funds"). DBAG also holds a stake in ELF Capital. The company initiates and advises private debt funds ("ELF funds").
- In its Private Markets Investments segment, DBAG uses its own assets to provide private equity or private debt to companies in which it has invested.

The Company's management and business processes are conducted at DBAG's registered office in Frankfurt/Main. While DBAG has always focused on mid-market companies in Germany, Austria and Switzerland (the "DACH" region), the Company maintains a local office in Milan and also invests in Italy alongside the DBAG funds. Private equity investments in other European countries are made on a more selective basis. The ELF funds invest in the DACH region and in Northwest Europe. DBAG's office in Luxembourg, which was opened in 2023, provides the DBAG funds' companies there with management and investment-related services.

DBG Managing Partner GmbH & Co. KG, which is registered as a small capital management company (Kapitalverwaltungsgesellschaft – KVG) in accordance with the German Capital Investment Code (Kapitalanlagegesetzbuch – KAGB) is responsible for managing DBAG's German funds. DBG Management GP (Guernsey) Ltd. is registered in Guernsey as a KVG pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, and manages the DBAG funds based in Luxembourg and Guernsey.

Integrated business model

Integrated business model



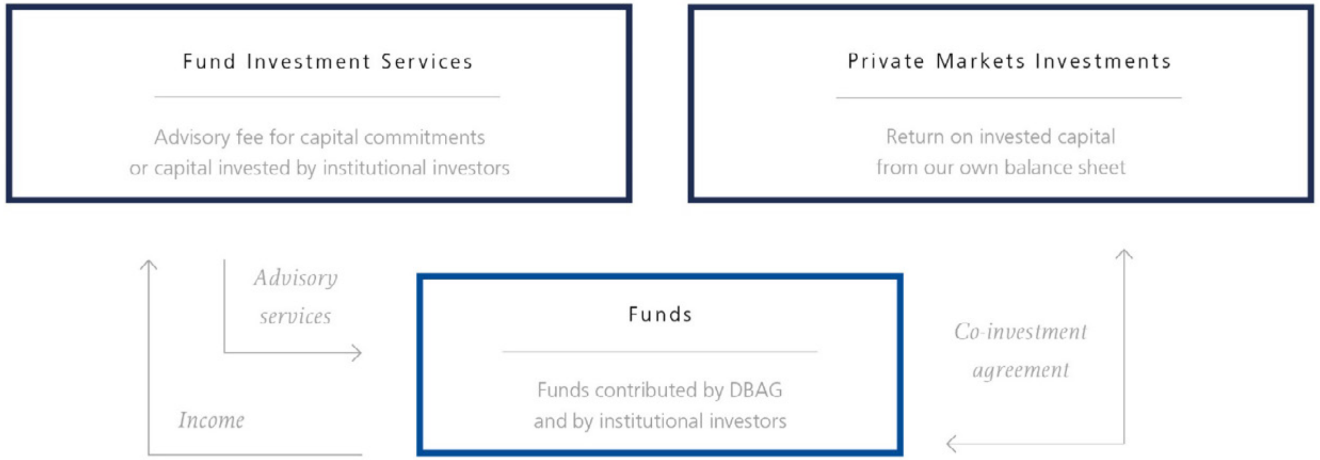
Fundamental information about the Group

DBAG's business model, which is geared towards increasing value for its shareholders, is based on two pillars: the Fund Investment Services segment and the Private Markets Investments segment. The DBAG funds and the ELF funds closely link the two segments, with DBAG providing advisory services to the DBAG funds and ELF Capital to the ELF funds. DBAG also uses its own assets to co-invest alongside the DBAG Funds as well as investing in the ELF funds. Since 2020, DBAG has been purchasing equity investments exclusively using its own financial resources, i.e. without a fund, in what we refer to as Long-Term Investments.

Raising capital for DBAG funds and ELF funds benefits both DBAG and its shareholders, as well as the investors in the funds.

- DBAG's shareholders participate in the fee income earned for advising DBAG funds and ELF funds ("Fund Investment Services"). As well as this, they participate in the value appreciation and income realised via the co-investments into which DBAG enters alongside the DBAG funds and via the ELF fund investments (together with DBAG's Long-Term Investments entered into without the DBAG funds, i.e. "Private Markets Investments").
- The assets from the DBAG funds and ELF funds create a substantially larger capital base, enabling DBAG to invest in larger companies while ensuring that the investments are well diversified.
- Because DBAG invests in the DBAG funds and the ELF funds itself, fund investors can rest assured that their advisor is pursuing the same interests as they are.

Integration between the funds and the two business segments



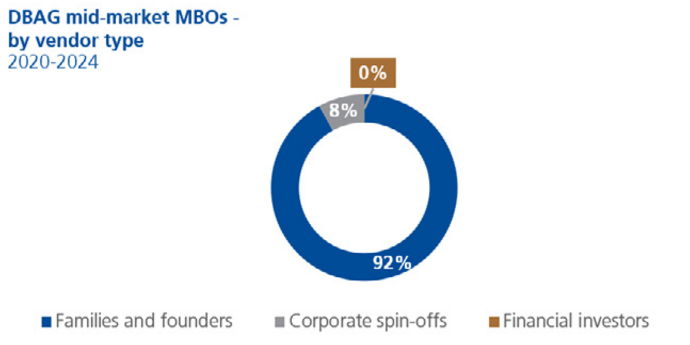
Fundamental information about the Group

Strong brand opens up attractive investment opportunities

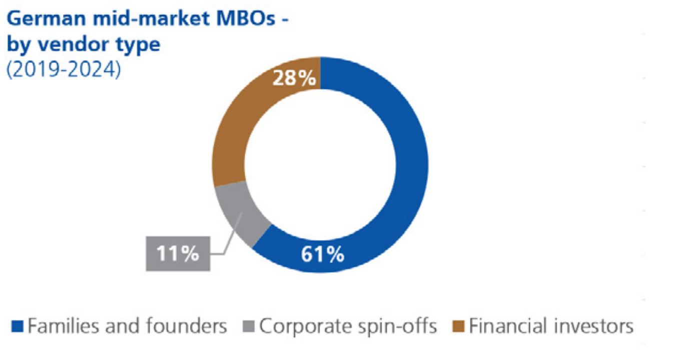
We have every confidence that we have built a strong brand and network that regularly give us direct access to investment opportunities beyond competitive auctions. This can be seen from our extensive track record as outlined below.

Access to family-owned or founder-managed mid-market companies

We believe that we have a comprehensive understanding of the specifics of the mid-market sector and the industries in which we invest – a factor we see as the basis for our market-leading access to family-owned businesses.



According to research conducted by the FINANCE trade magazine, approximately 92 per cent of the MBOs structured by DBAG between 2020 and 2024 involved this type of company, compared with 61 per cent in the overall market during the same period.



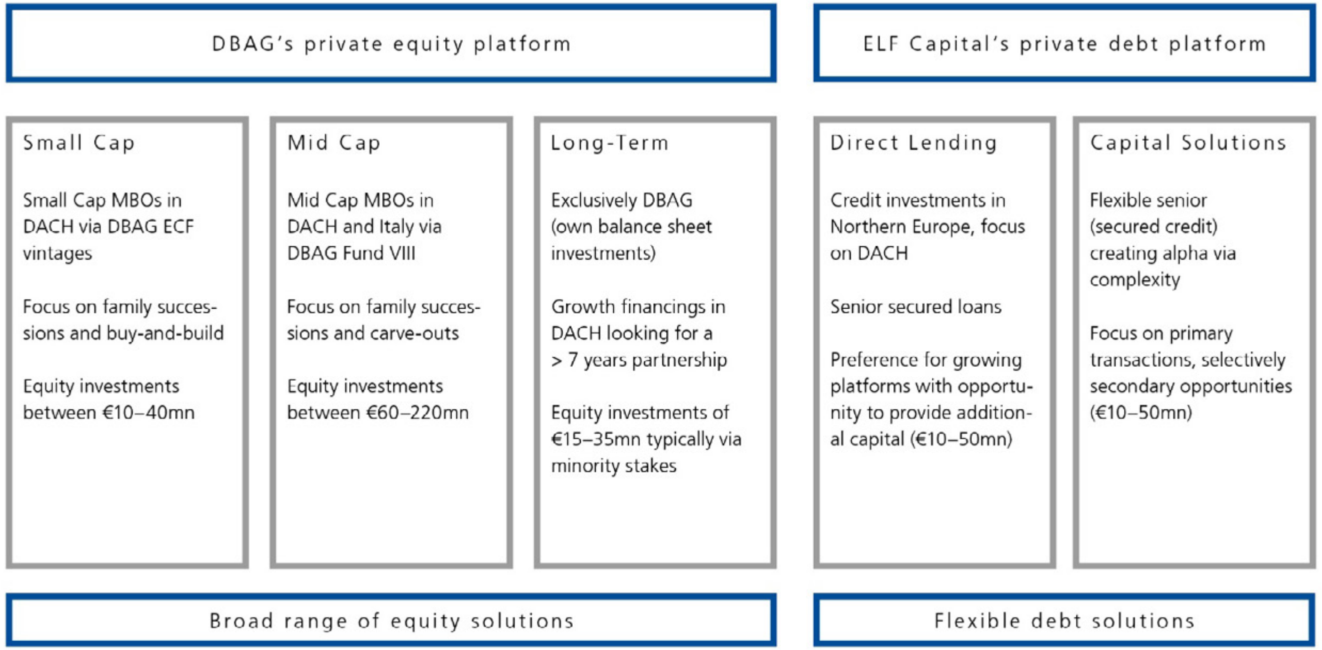
Broad financing portfolio for mid-market companies

We have expanded our financing portfolio for the mid-market sector beyond MBOs to include Long-Term Investments and private debt financing. This allows us to offer mid-sized companies a broad range of services tailored to their financing needs.

We are able to provide customers with equity financing solutions that fit their exact needs in terms of length or scope. We finance MBOs of various sizes. Minority investments structured as Long-Term Investments also open up access to family businesses, which tend to give a wide berth to equity financing with a shorter investment horizon. And we are at hand to assist our portfolio companies as they implement their growth strategies, providing additional capital during the term of our investment.

Our debt financing arrangements include direct loans and other structures (please refer to the “Private debt investments” section for more information). As with private equity financing, growth companies are our preferred investment targets. We provide them with additional debt capital when they are implementing their expansion strategies.

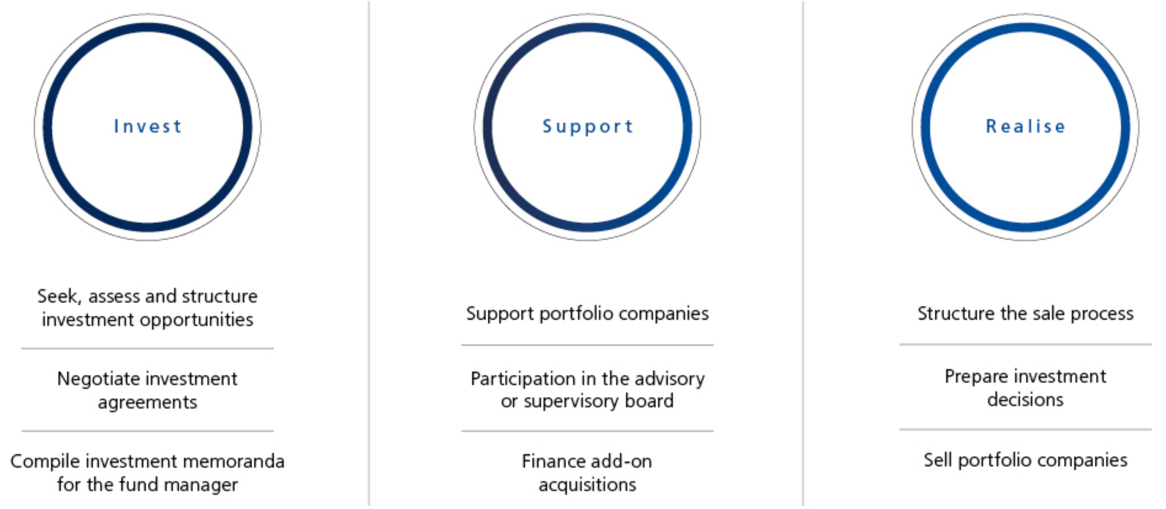
Fundamental information about the Group



Fundamental information about the Group

Fund Investment Services segment

Wide range of Fund Investment Services
DBAG funds

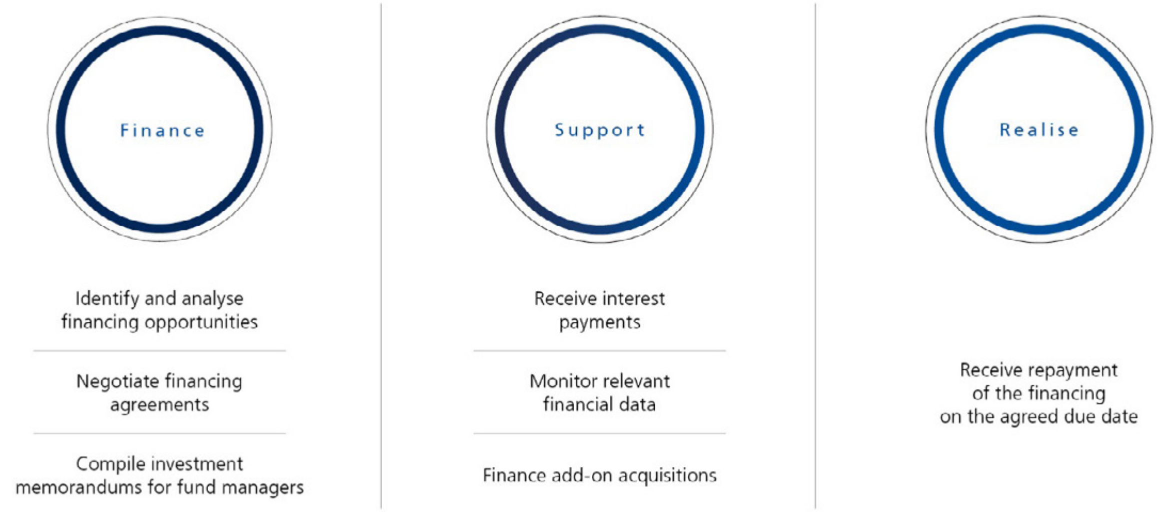


The Fund Investment Services segment comprises advisory services to the DBAG funds and – via the majority stake in ELF Capital – to the ELF funds. We measure our segment's success based on the long-term development of earnings from Fund Investment Services (see the "Financial objectives" section).

DBAG and ELF Capital receive fees for the advisory services they provide over the term of a fund. The launch of new funds and of successor funds to existing ones is a key driver for the continuity and growth of income from Fund Investment Services. While the usual lifetime of a private equity fund is ten years, with the successor fund generally launched four to five years after the predecessor fund, this tends to be only eight to ten years in the case of private debt funds.

Fundamental information about the Group

Wide range of Fund Investment Services
ELF funds



A wide range of services for the DBAG and ELF funds

DBAG's primary task with regard to its funds is to initiate and structure new funds. The charts opposite summarise the advisory services that are provided for the DBAG funds and the ELF funds during their respective terms.

As an advisor for the DBAG funds, DBAG prepares recommendations for the fund manager's investment decisions. The fund manager makes all of the decisions that typically fall to a shareholder, for example electing and appointing members of administrative bodies or approving distributions and capital increases. In order to be absolutely certain that the fund manager and their decisions are impartial, the right to appoint fund managers does not lie with DBAG, but rather with legal entities supervised by the investment advisory team members. The ELF funds are structured similarly. Fund managers are advised by ELF Capital and their rights are stipulated in the credit agreement. As a rule, partner rights are not exercised.

DBAG enters into co-investments alongside the DBAG funds based on co-investment agreements that provide for a fixed investment ratio for the lifetime of a fund. This means that DBAG always invests in the same companies and instruments as the funds, and on the same terms. For the buyout funds (currently DBAG Fund VII, DBAG Fund VIII, DBAG ECF IV and DBAG Solvares Continuation Fund), fees during the investment period are based on the committed capital. After that, they are measured according to the invested capital. The fees for the services provided to the DBAG Fund VII and DBAG Fund VIII top-up funds are based on the capital invested or committed, whichever is lower, during the entire fund term. For DBAG ECF II and DBAG ECF III, DBAG receives a fee based on the capital invested plus additional one-off transaction-related fees.

The terms and conditions applicable to investments in the ELF funds are the same for DBAG and the debt investors. ELF Capital receives fees for

Fundamental information about the Group

advising the ELF funds (currently ELF European Lending Fund I, ELF European Lending Fund II and ELF Capital Solutions Fund I).

The DBAG and ELF investment advisory teams: Interests and incentives

A key element of our strategy is to align the interests of DBAG and its shareholders and of our investment advisory team and investors in the DBAG funds. The members of the DBAG investment advisory team who have greater experience in investing (including the two Board of Management members responsible for investment activities) co-invest alongside the DBAG funds. As is common practice in the industry, the team members co-invest their own money, typically contributing between around one and two per cent of the capital raised by the fund investors and DBAG. In return for their intangible shareholder contribution to the respective fund, these DBAG investment advisory team members participate disproportionately in the fund's performance ("carried interest") after the fund investors and DBAG have recovered their invested capital plus a preferred return.

The incentives granted to the ELF investment advisory team are similar to those of the DBAG investment advisory team. Here, personal investments from their own private funds are coupled with profit-sharing awards, ensuring that the ELF fund investors' interests are aligned with those of the ELF investment advisory team. DBAG and ELF Capital also foster their interaction by including each other in their respective carried interest models.

Supported by a strong network

The DBAG investment advisory team can draw on a strong network of experienced entrepreneurs. The core of this network is an Executive Circle, whose members help the team in identifying and initiating investment opportunities, assessing specific sectors or, prior to making an investment, help to assess the due diligence of a target company. The ELF investment advisory team also has access to the Executive Circle's knowledge and experience.

Private Markets Investments segment

In its Private Markets Investments segment, DBAG provides equity and debt financing to mid-market companies. We measure the success of private markets investments based on the increase in net asset value (NAV) and on NAV per share (see the "Financial objectives" section).

DBAG invests equity either alongside the DBAG funds (co-investments) or without a fund, using exclusively its own financial resources (Long-Term Investments). Together, the co-investments and Long-Term Investments are DBAG's "private equity investments" or its "portfolio". Debt capital is provided via the ELF funds, which in turn are advised by ELF Capital. The ELF fund investments attributable to DBAG are referred to as DBAG's "private debt investments". Private equity investments income is generated via the value appreciation achieved when investments are sold. Income also comes from private equity investments and especially private debt investments, mainly from interest payments and other capital gains during the term of the investment.

Private equity investments

Investment strategy

Our private equity investments are in established, well-positioned companies with a proven and scalable business model and potential for development. We support these companies by providing them with capital, expert advice and the benefit of our experience. This helps them to develop their business (potential) faster than they could on their own. Strategies can include strengthening the companies' strategic positioning, for example by introducing a broader product range or by expanding regionally. These strategies almost invariably involve add-on acquisitions and improving operational processes or adapting them to changing conditions. We also help our portfolio companies to develop and implement their individual sustainability strategies, and to seize the opportunities that arise during the transformation of our economy and society.

As well as this, we attach importance to entrepreneurially-minded management teams that are able to bring about the agreed objectives and respond efficiently to new developments. The companies that are a good fit for our investment universe are also leaders in their (possibly small) markets, and have strong innovative capacity and products with good prospects.

Sector structure

Traditionally, DBAG's investment focus has been on manufacturing companies and their service providers, both of which are at the core of Germany's *Mittelstand* and the excellent reputation it enjoys around the world. This focus applies to the Germany, Austria and Switzerland ("DACH") region and to Italy. Notably, Northern Italy has an economic structure similar to that of the DACH region, i.e. a large number of family-owned mid-market companies.

Our sector focus is on manufacturers, industrial service providers and industrial technology enterprises – businesses whose products facilitate automation, robotics and digitalisation – as well as on companies from

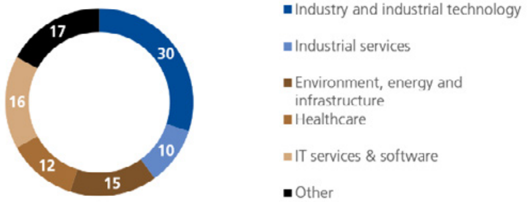
Fundamental information about the Group

the environment, energy and infrastructure, IT services & software, and healthcare sectors.

This means that a significant part of our portfolio focuses on business models that stand to gain from the rapidly accelerating digitalisation of modern societies. These growth sectors are also less exposed to cyclical influences.

The decarbonisation of our way of life also brings about extensive changes, which in turn open up new attractive investment opportunities. This means that companies that contribute to more sustainable lifestyles and business practices are gaining importance in our portfolio.

Sector structure by acquisition costs
%



Geographical focus

Most of our portfolio companies operate internationally. This applies to the markets they serve but in some cases to their production sites as well. In geographical terms, the majority of the portfolio companies have their registered office or main business focus in the German-speaking region of Europe. We have also been investing in Italy since 2020. Up to a quarter of DBAG Fund VIII's volume can be invested there. In exceptional cases, we also invest in companies that operate outside of German-speaking countries and Italy, primarily in sectors in which we have a lot of experience.

As at 31 December 2024, companies domiciled in the Germany, Austria and Switzerland region accounted for 84 per cent of DBAG's portfolio value (30 September 2024: 85 per cent), including 12 per cent domiciled in Switzerland (30 September 2024: 10 per cent). Companies domiciled in Italy accounted for 10 per cent (30 September 2024: 10 per cent).

Fundamental information about the Group

Overview of the DBAG funds

The following table summarises key information about current DBAG funds as at 31 December 2024:

Fund	Target	Start of investment period	End of investment period	Size1	thereof DBAG	Share of DBAG's co-investment
DBAG Fund V (in liquidation)	Buyouts	February 2007	February 2013	€539mn	€105mn	19%
DBAG ECF I: DBAG Expansion Capital Fund	Growth financing	May 2011	May 2017	€201mn	€94mn	47%
DBAG ECF II: DBAG Expansion Capital Fund First New Vintage	Growth financing and small buyouts	June 2017	June 2018	€85mn	€35mn	41%
DBAG ECF III: DBAG Expansion Capital Fund Second New Vintage	Growth financing and small buyouts	June 2018	December 2020	€96mn	€40mn	41%
DBAG ECF IV: DBAG Expansion Capital Fund IV	Small buyouts	December 2022	December 2028	€249mn	€100mn	40%
DBAG Fund VI	Buyouts	February 2013	December 2016	€700mn	€133mn	19%
DBAG Fund VII	Buyouts	December 2016	July 2022	€1,010mn[2]	€200mn[3]	20%[4]
DBAG Fund VIII	Buyouts	August 2020	December 2026	€1,109mn[5]	€255mn[6]	23%
DBAG Solvares Continuation Fund	Single Asset Fund	December 2024	December 2029	€130mn	€22mn[6]	18%

1 DBAG Fund VI, DBAG Fund VII and DBAG Fund VIII: each excluding investments made by experienced Investment Advisory Team members and selected members of DBAG’s senior management.
2 DBAG Fund VII consists of two sub-funds: a principal fund (808 million euros) and a top-up fund (202 million euros).
3 DBAG has committed 183 million euros to the principal fund and 17 million euros to the top-up fund.
4 The proportion of co-investments is 23 per cent for the principal fund and 8 per cent for the top-up fund.
5 DBAG Fund VIII consists of two sub-funds: a principal fund (910 million euros) and a top-up fund (199 million euros).
6 DBAG has committed 210 million euros to the principal fund and 45 million euros to the top-up fund.

Fundamental information about the Group

Private debt investments

ELF Capital also prefers family-owned market leaders with solid, profitable business models and sound growth prospects for the private debt investments realised by the ELF funds – currently European Lending Fund I ("ELF I"), European Lending Fund II ("ELF II") and ELF Capital Solutions Fund I ("ELF CS"). The ELF funds also provide financing to companies in special situations and assist with buyout transactions.
Unlike the banking market, the ELF funds offer tailor-made and flexible private debt solutions. The new ELF CS fund is set to step up this approach and will be used to increase the enterprise value in more complex situations.

ELF Capital pursues a value-based investment approach, selecting investments with a high probability of fulfilling the originally agreed repayments (including interest), even under a worst-case scenario. The safety package may encompass assets, company shares, etc.

The following table summarises key information about current ELF funds:

Fund	Target	Start of investment period	End of investment period	Size	thereof DBAG	Share of DBAG's co-investment
ELF European Lending Fund I	Senior Debt	April 2019	December 2023	€201mn	€0mn	0%[1]
ELF European Lending Fund II	Senior Debt	July 2024	July 2028	€50mn	€25mn	50%
ELF Capital Solutions Fund I	Credit opportunities	July 2024	July 2028	€76mn	€75mn	99%

1 DBAG has not invested in ELF European Lending Fund I.

The stock market: DBAG's main long-term financing option

DBAG performs its refinancing operations for the Company and the Group in a uniform manner; hence, the information provided below applies both to DBAG and the Group.

DBAG finances the bulk of its private market investments over the long term and via the stock market. We manage the amount of DBAG's equity capital via a share buyback programme (that was most recently resolved in 2024 and was still ongoing as at the reporting date) and capital increases (most recently in 2021). Dividend distributions also have an impact on the amount of equity capital.

DBAG uses two revolving credit lines in an aggregate amount of 126.7 million euros to provide any funds required to finance investments until it receives funds from realisations. Please refer to the chapter "Financial position – assets, equity and liabilities" for details on the drawdown of credit lines during the reporting period.

DBAG continued to diversify its debt financing structure and enhanced its matched-maturity profile during the financial year 2023/2024. Convertible bonds due 2030 with a total nominal value of 100 million euros and promissory note loans with remaining terms between three and seven years in the amount of 13.5 million euros were outstanding as at the reporting date. In addition, a loan of 10 million euros is in place.

Target system comprising financial and non-financial objectives

Core business objective: Sustainable increase in the Company's value

We use a uniform target system for managing the business development of DBAG and the Group; hence, the information provided below applies both to DBAG and the Group.

We made no changes to our target system in the short financial year 2024. We aim to increase our Company's value in the long term and have defined financial and non-financial objectives to achieve this. The latter comprise ESG aspects, i.e. environmental and social aspects of our business activities, as well as the principles of good corporate governance. It is consistent with the long-term nature of our business that we take responsibility for the impact that our decisions have on others, both now and in the future.

As is common in the private equity sector, a long period of time is required before DBAG can be judged on its success. This is why we see the term "sustainable" as meaning first and foremost "in the long term". Key indicators can also be headed on a downward trajectory in the short term. To a certain extent, this is a typical feature of the business because, for example, income from Fund Services falls after investments are disposed of. This can also be attributed to external factors that can change significantly at short notice. For instance, this is the case with the valuation levels of listed peer group companies when we measure the fair value of our private equity investments on a quarterly basis.

Fundamental information about the Group

Financial objectives

Objective definitions and key fields of action	Steering and control: Key performance indicators
Financial objective: Increase net asset value	
Building net asset value in the long run requires investments to be made in promising mid-market business models. The higher the increases in value that can be realised with the investments we have made – and the more the gross portfolio value rises increases as a result – the greater the increase in the value of the segment.	The net asset value is the key performance indicator for any increase in DBAG's value. It is determined by subtracting total liabilities from total assets. (For more information, please refer to the "Business performance by segment" section, subsection "Private Markets Investments segment".) The net asset value does not change directly as a result of investments and disposals; to begin with, these merely produce a shift between financial assets and financial resources. Net asset value changes primarily as a result of changes in the value of the portfolio over the holding period of investments. While the dividend allows DBAG's shareholders to participate in its success, the distribution reduces the financial resources and, as a result, the net asset value. In order to make the increase in the net asset value visible in a given financial year, the opening balance of the net asset value is adjusted to reflect the distribution made in that financial year and, where appropriate, the inflow from a capital increase. Moreover, we resolved on a share buyback programme in the financial year 2023/2024 that was still ongoing as at the reporting date. Hence, we report not only net asset value in absolute terms but also net asset value per share ("NAV per share"). The figure will be based on shares outstanding, i.e. the total number of shares issued minus treasury shares held as at the reporting date.
Financial objective: Build the value of the Fund Investment Services segment	
An increase in the value of the Fund Investment Services segment requires substantial assets under management or advisory that increase in the medium term. The higher the growth of income from Fund Services, which tends to be volume-based, and the higher the extent to which it exceeds the corresponding expenses, the greater the long-term increase in the value of the segment.	We measure target achievement based on the development of earnings from Fund Investment Services before taxes. We do not carry out our own valuation for this segment. Instead, by offering the greatest possible degree of transparency, we aim to ensure that market participants can carry out their valuation on the most objective basis possible. Since the majority investment in ELF Capital, earnings from Fund Investment Services have included scheduled amortisation of client relationships capitalised as part of the purchase price allocation. (The client relationships refer to income from existing capital commitments and income from expected capital commitments made by existing investors in ELF funds.) As such, we now measure target achievement for this financial objective based on earnings before interest, taxes and amortisation of intangible assets (EBITA).

Fundamental information about the Group

Non-financial objectives

Greenhouse gas emissions, employee satisfaction and compliance remain essential factors for DBAG's business success. Please see below for the three non-financial objectives derived from these concepts and for more information about the key performance indicators we use to control and steer target achievement:

Objective definitions and key fields of action	Steering and control: Key performance indicators
Non-financial objective: Reduce or avoid greenhouse gas emissions	
We intend to play our part by cutting emissions from operations per employee (FTE). Business travel and company cars account for a major part of DBAG's carbon footprint. To avoid generating climate-damaging greenhouse gas emissions through travel, we encourage our staff to use trains as an alternative to short-haul flights and to use video conferencing to avoid travel wherever possible and wherever it makes sense to do so. Since the financial year 2022/2023, we have not added any new company cars to our fleet and current lease contracts for company cars will not be renewed. Instead, we have been offering employees a transit card since 1 January 2023, making it easier for them to use public transport instead of travelling by private car.	Progress is measured based on total scope 1, scope 2 and scope 3 emissions from business activities at our Frankfurt/Main offices, calculated in compliance with the Greenhouse Gas Protocol. When looking at scope 3, we currently take into account emissions from business travel and commuting; these are emissions we can influence. Further emissions from operations are those stemming from advisory services we purchase. However, as most advisors do not yet provide evidence of their carbon footprint, we are not in a position to align our purchasing decisions with our commitment to reducing emissions.
Non-financial objective: Improve employee satisfaction	
Our success is virtually impossible without the professional and personal skills of our people, their experience and commitment. Accordingly, improving employee satisfaction is a top priority for us. In particular, we are promoting a project organisation based on teamwork and a system that ensures that responsibility is transferred swiftly across all areas of DBAG. The benefits we offer our employees include measures for promoting employee health and options for working remotely. We cultivate a culture of respect, openness and flat hierarchies – just as we set great store by professionalism and stable processes. Our remuneration and incentive system is geared towards encouraging achievement and offering a motivating work environment.	We use software to monitor employee satisfaction, asking our staff for feedback on issues relating to organisational culture, leadership at DBAG, working conditions and other aspects. The software also calculates the employee satisfaction index as the arithmetic mean of all surveys conducted in a given financial year. We use this index as a key performance indicator.
Non-financial objective: Prevent compliance breaches	
We are strictly against all forms of corruption or other unethical business practices. In order to meet these high compliance standards both within DBAG and in our dealings with portfolio companies, we have introduced a comprehensive compliance system that documents and regulates our obligations. Our Code of Conduct sets out our central values and guiding principles. Our Compliance Guideline includes detailed	The target value for fines, penalties or similar expenses imposed for compliance or transparency violations at DBAG amounts to zero euros.

Fundamental information about the Group

regulations and information on implementation, for example with regard to gifts and invitations or working together with sales partners.	

ESG aspects in budget planning for DBAG's portfolio companies

DBAG not only assumes responsibility for how its own business activities impact the environment and society but also the business activities of its portfolio companies. That is why ESG aspects form part of the due diligence we undertake prior to any investment decision. During the investment term, we help our portfolio companies to expand their sustainability strategy and to establish a management system based on non-financial indicators. In addition to DBAG`s three ESG-related fields of action presented above, occupational health and safety and gender parity are relevant fields of action for the portfolio companies.

Business review of the Group

Comparison between actual business developments and forecast

		Actual 2023/2024 and 30 Sep 2024	Original forecast Nov 2024	Actual SFY 2024 and 31 Dec 2024	Degree of fulfillment forecast
Financial performance indicators					
Net asset value[1] (reporting date)	€mn	688.4	645 to 755	649.7	Expectation met
NAV per share (based on the number of shares outstanding)	€	38	35 to 42	35.8	Expectation met
EBITA Fund Investment Services	€mn	16	2 to 4	5.1	Expectations exceeded
Non-financial performance indicators					
Carbon footprint (scope 1-3)[2]	t CO_2/FTE	2.8	0.7[3]	0.5	Expectation exceeded
Employee satisfaction	%	69	70	—	—
Payments from compliance breaches	€	0	0	0.0	Expectation met

1 Defined as total assets minus total liabilities including provisions
2 Scope 3 currently comprises business travel and commuting.
3 One quarter of the 2.8 t CO_2/employee figure disclosed in the annual report 2023/2024 that referred to expected carbon emissions over a 12-month period

We have met the forecasts regarding our financial objectives for the short financial year 2024; we slightly exceeded the forecasts for earnings from Fund Investment Services reflecting a special effect.

As at the reporting date, absolute net asset value and NAV per share were within the ranges expected for the short financial year 2024, albeit at the lower end.

EBITA from Fund Investment Services exceeded the forecast range. This is mainly due to the fact that – following the final closing of DBAG ECF IV in November 2024 – management fees for new fund investors were due for the period between the fund's first and final close of subscriptions, resulting in an effect of 1.8 million euros. Excluding this one-off, EBITA from Fund Investment Services would have been within the forecast range.

As regards our non-financial objectives, we exceeded the forecast for our carbon footprint, meeting the forecast for payments from compliance breaches. We did not conduct an employee satisfaction survey in the short financial year 2024, assuming that employee satisfaction has not changed since the end of the financial year 2023/2024 and remains on a high level.

Macroeconomic and sector-specific environment

Overall economic outlook: Germany lags behind weak euro area growth

In its World Economic Outlook dated October 2024[1], the International Monetary Fund (IMF) expressed the view that the euro area had passed the economic trough in 2023 with GDP growth of 0.4 per cent. The IMF projected moderate economic growth of 0.8 per cent for 2024, driven mainly by higher exports of goods in particular.

According to the IMF, Germany's economic performance is lagging behind: its October report projecting that German GDP will merely remain unchanged, following a 0.3 per cent decline in 2023. The IMF cited persistent weakness in the manufacturing sector as a particular drag on growth, alongside the consolidation of government budgets and sharp declines in real estate prices.

It expected global growth in 2024 to remain stable – albeit not very dynamic – at 3.2 per cent following 3.3 per cent in 2023, According to the IMF, global economic imbalances had diminished since the start of 2024, leading to a closer alignment of economic activity with potential output in major economies. However, growth potential in many economies is hampered by persistent structural headwinds such as weak productivity and an ageing population.

In its January 2025 update, the IMF confirmed these assessments – with the notable exception of Germany, where it reduced its expected growth rate for 2024 to –0.2 per cent.

[1] International Monetary Fund: 2024. World Economic Outlook: Policy Pivot, Rising Threats. Washington, D.C. October.

Business review of the Group

DBAG's portfolio companies are by no means immune to this unsatisfactory macroeconomic environment. Frequent influencing factors are slow demand, a shortage of skilled labour, still-high input costs and demanding supply chain management. By expanding its investment strategy to include sectors outside of the manufacturing industry in recent years, DBAG has been able to reduce the risks arising from economic and structural changes for the entire portfolio.

Private equity market 2023: Number of transactions lower but above long-term average

Due to the limited size and varied structure of the private equity market, comparisons over short periods of time offer only limited informational value. Transparency is also limited – because for every transaction for which a value is published, there are several others for which no quantitative information is released. Because of this, we regularly perform our own market analyses, together with industry magazine FINANCE, in order to examine the market segment in which DBAG is active[2].

According to the latest figures available to FINANCE magazine, market activity in small- and mid-cap buyouts was strong in the calendar year 2023, in spite of the challenging environment. Financial investors structured a total of 34 transactions in 2023, down from 43 in the previous year. Nonetheless, the total number of transactions in 2023 exceeded the average since records began (33).

The long-term trend towards dominating primary transactions – i.e. transactions that are not executed between financial investors – continues unabated. While primaries accounted for a smaller percentage of deals in 2023 than in 2022 (56 per cent versus 67.4 per cent), they still represented the majority on the market. DBAG was also very active here, realising a total of six disposals, most of which were agreed upon with strategic buyers.

The sector focus was yet another striking aspect observed on the market in 2023. With more than 26 per cent of transactions, the IT services and software sector was one of the main areas of focus in the mid-sized MBO market. DBAG's corporate strategy also involves investing in business models that benefit from the economy's digital transition.

Once again, succession arrangements were one of the main reasons for transactions. A total of eight succession transactions took place in the mid-sized MBO market in 2023 (compared to seven in 2022), with DBAG accounting for half of these. This development underscores our exceptional expertise when it comes to generational transitions in family-owned and founder-managed companies.

Price developments: Disinflation on track, while ECB continues to cut key interest rates

At its meeting on 12 December 2024, the Governing Council of the European Central Bank (ECB) decided to cut the ECB's three key interest rates by 25 basis points (bps) each. The decision to lower the deposit facility rate – i.e. the interest rate used by the ECB to steer its monetary policy – to 3.00 per cent reflects the ECB Governing Council's "updated assessment of the inflation outlook, the dynamics of underlying inflation and the strength of monetary policy transmission". The ECB also stated that "the disinflation process is well on track".[3]

This assessment continued to hold true at the beginning of 2025, prompting the ECB to cut its three key interest rates by another 25 bps at its meeting on 30 January 2025.[4] The deposit facility rate is now at 2.75 per cent.

When they published their macroeconomic forecasts for the euro area in December 2024, euro system experts forecast a total average inflation figure of 2.4 per cent in 2024. This was because, even though inflation in the euro area had remained high, they felt that most indicators for the underlying inflation pointed to inflation stabilising at around the ECB Governing Council's medium-term target of 2 per cent in the longer term. According to the experts, the currently high level of euro area inflation is mainly a result of the significantly delayed reaction of salaries and services, such as insurances or rents, to the strong inflation seen in the past.

Financial markets: Subdued demand and tightened credit standards

In the ECB's bank lending survey from January 2025, euro area banks reported a renewed net tightening of credit standards for corporate loans or credit lines in the fourth quarter of 2024.[5] This development follows unchanged credit standards in the third quarter of 2024 and represents the most significant net tightening since the third quarter of 2023. It was driven by higher perceived risks related to the economic outlook and by banks' lower risk tolerance. Amid increased political uncertainty, banks in France and Germany were the main drivers of this development, while Italian banks loosened credit standards.

---

[2] Transactions where financial investors have acquired a majority stake in a German company alongside the management team, and which had a transaction value of between 50 and 250 million euros for the debt-free company. This information was compiled from publicly available sources, together with DBAG's own estimates and research in cooperation with German industry magazine FINANCE.

[3] European Central Bank: Economic Bulletin Issue 8, 2024, dated 9 January 2025

[4] Press release published by the European Central Bank, dated 30 January 2025.

[5] ECB: The euro area bank lending survey – Fourth quarter of 2024

Business review of the Group

Net demand from enterprises for loans continued to follow a slight growth trend in the fourth quarter of 2024, albeit remaining at a low level. This slight increase follows a similar net increase in the previous quarter and numerous net decreases from the fourth quarter of 2022 to the second quarter of 2024; the development is in line with the overall weak lending business from banks to companies in the euro area.

According to data provided by global investment bank Houlihan Lokey in its most recent MidCapMonitor, the supply of acquisition finance – which is key to our business – remained intact in the first nine months of 2024. 92 transactions were executed in this period, compared to 124 in the full year 2023[6]. Of these 92 deals in the nine-month period in 2024, 49 were financed by private debt funds and 43 by banks, i.e. private debt funds once again accounted for more than 50 per cent of transactions.

Houlihan Lokey believes that, while both private debt funds and banks remain prepared to grant new financings and are offering improved lending terms with regard to leverage and interest rates, they are also adhering to their selective approach and are interested mainly in high-quality assets, attractive sectors and companies with strong growth perspectives.

Drawing on our decades of experience, we help the companies in which we invest to adapt their financing structures to changing framework conditions and to optimise their position in the respective environment.

[6] Houlihan Lokey MidCapMonitor Q3 2024, p. 9

Business review of the Group

Review of key events and transactions

Private equity investments: New equity investments

DBAG executed various private equity investments in the short financial year 2024,

It completed the acquisition of an investment (MBO) in UNITY in the period under review. UNITY is a leading management consultancy with an international profile for technology advice and digital transformation processes. The UNITY acquisition was already financed in September 2024 and was already accounted for in the financial year 2023/2024.

DBAG also agreed on and closed the acquisition of an investment (MBO) in Great Lengths, a leading Italian manufacturer of high-quality hair extensions for professional hair stylists.

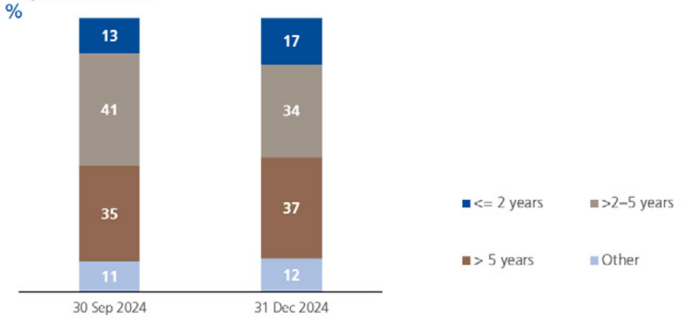
We structured a continuation fund for the first time for our investment in Solvares, a leading provider of software solutions for resource and route optimisation. First of all, we sold a significant stake in the company to investor Five Arrows. Next, the remaining investment of DBAG ECF III was transferred to the DBAG Solvares Continuation Fund. DBAG remains invested in Solvares via this fund. Unlike DBAG ECF III, whose investment period has ended, the DBAG Solvares Continuation Fund has sufficient funds to support Solvares' further growth, thanks to newly acquired capital commitments.

We were able to realise a partial sale of our Long-Term Investment in Hausheld, a developer of smart meters for electricity networks.

DBAG co-financed add-on acquisitions by portfolio companies, namely at Firian (DBAG Fund VIII), operasan (DBAG Fund VII) and Sero (DBAG Fund VII). DBAG disposed of one portfolio company in the short financial year 2024.

Holding period of the portfolio companies

Structure of the portfolio on basis of acquisition costs
%



Around 34 per cent (30 September 2024: 41 per cent) of our portfolio's acquisition costs are attributable to investments that we have already been supporting for two to five years. This is typically the period during which the implementation of the agreed measures for realising the development potential gains momentum. However, the currently challenging macroeconomic environment could delay the companies' performance and lead to a longer holding period.

Business review of the Group

DBAG's portfolio consisted of 36 portfolio companies as at 31 December 2024. The table below provides an overview of key transactions executed during the short financial year 2024.

Name, event, registered office	DBAG fund	Description of company activities	Date	Revenues (€mn, rounded)1	Equity contribution from DBAG (€mn, rounded)
Firian, Germany Add-on acquisition of ASAP, Germany Acquisition of Vanstraelen Sprinkler + Piping, Belgium	DBAG Fund VIII	**Industrial services** Fire protection systems	12/2024 (ASAP closing) 12/2024 (Vanstraelen Sprinkler + Piping closing)	203.9 (2023)	2.5 (ASAP) 3.0 (Vanstraelen Sprinkler + Piping)
Great Lengths, Italy Platform investment	DBAG Fund VIII	**Other** Premium hair extensions	12/2024 (closing)	47.4 (2023)	14.5
Kraft & Bauer, Germany Add-on acquisition of Batec, Germany	DBAG Fund VII	**Industrial services** Fire protection systems	10/2024 (closing)	31.3 (2023)	/
operasan, Germany Add-on aquisition of renal centre (RC) in Moers, Germany Add-on acquisition of renal centre in Schwäbisch Hall, Germany	DBAG Fund VII	**Healthcare** Nephrology and dialysis	10/2024 (RC Moers, closing) 11/2024 (RC Schwäbisch Hall, agreement)	36.9 (2023)	0.6 (RC Moers)
Sero, Germany Add-on acquisition of EPSa, Germany	DBAG Fund VII	**Industrial services** Development and manufacturing services provider for electronic components	11/2024 (closing)	205.4 (2023)	3.1
Solvares, Germany Sale to Five Arrows and to the DBAG Solvares Continuation Fund	DBAG ECF III	**IT services & software** Real-time scheduling and route optimisation software	12/2024 (closing)	43.9 (2023)	/
Solvares, Germany Investment in the DBAG Solvares Continuation Fund	DBAG Solvares Continuation Fund	**IT services & software** Real-time scheduling and route optimisation software	12/2024 (closing)	43.9 (2023)	16.5
UNITY, Germany Platform investment	DBAG ECF IV	**IT services & software** Management consultancy for technology and digital transformation	10/2024 (closing)	72.2 (2023)	6.6[2]

1 Revenue figures always refer to the platform, i.e. to the acquiring entity in the case of acquisitions.
2 The UNITY acquisition was already financed in September 2024 and was accounted for in the financial year 2023/2024.

Fund Investment Services

In November 2024, DBAG announced the successful final closing of DBAG ECF IV. Thanks to investment commitments of roughly 250 million euros, its fund volume is more than twice that of its predecessor fund DBAG ECF III (106 million euros).

DBAG ECF IV invests initial volumes of between 10 and 40 million euros in mid-sized family-run companies. The fund acts as a majority shareholder, focusing on management buyouts of family-run companies that are dealing with succession issues and/or are carrying out capital increases. Five investments have already been executed for this fund.

DBAG also provides advisory and managed services for the newly-established DBAG Solvares Continuation Fund and receives fees for this.

Business review of the Group

Financial performance

At its Annual General Meeting on 22 February 2024, DBAG resolved to change its financial year to the calendar year with effect from 1 January 2025, which is why a short financial year was established for the period from 1 October 2024 to 31 December 2024. As the disclosures below refer to this period, they are only comparable to a limited extent with the previous-year figures covering the period from 1 October 2023 to 30 September 2024.

Overall assessment: Supporting our investments, facing economic headwinds

As expected, the number of transactions in our portfolio was relatively low given that our short financial year 2024 only consisted of three months, including the Christmas holiday season. Nevertheless, we not only succeeded in closing two sizeable transactions (Solvares and Great Lengths) but also assisted our portfolio companies in implementing their value creation strategies and making several add-on acquisitions.

Net income/loss in the reporting period was clearly negative, mainly as a result of lower net income from investment activity due to our portfolio companies' valuations. The decrease in capital market multiples put a significant drag on the portfolio valuation.

On 31 December we adapt the valuations of the portfolio companies to the expectations for the following year. This often leads to a negative earnings contribution from changes in multiples as at this reporting date because the markets tend to price the companies' increased earnings expectations for the forthcoming year into the share price with a time lag. This was also the case for the short financial year 2024. (Please refer to the explanations provided in the section "Analysis of gross gains and losses on measurement and disposal").

Our Fund Investment Services segment is going from strength to strength and we are expanding the base with a view generating income from advisory services. One important milestone we achieved in the short financial year 2024 was the final closing of DBAG ECF IV, which then led to a positive one-off effect in this segment.

Condensed consolidated statement of comprehensive income

€'000	SFY 2024	2023/2024
Net income from investment activity	(34,403)	61,138
Income from Fund Services	13,717	47,543
Income from Fund Services and investment activity	**(20,686)**	**108,681**
Personnel expenses	(8,315)	(31,617)
Other operating income	4,198	4,893
Other operating expenses	(9,142)	(26,792)
Net interest income	(2,254)	(5,198)
Other income/expense items	**(15,512)**	**(58,714)**
Earnings before taxes	**(36,198)**	**49,966**
Income taxes	971	(2,449)
Earnings after taxes	**(35,226)**	**47,518**
Net income attributable to other shareholders	(1)	(4)
Net income	**(35,227)**	**47,514**
Other comprehensive income	171	(518)
Total comprehensive income	**(35,056)**	**46,996**

Other income/expense items: No one-off factors in the short financial year 2024

Net expenses under other income/expense items comprise personnel expenses, other operating income, other operating expenses and net interest income.

We are consistently expanding our business and hiring new staff. In the short financial year 2024, we employed 111 staff members on average, compared to 109 in the financial year 2023/2024. Together with higher salaries for existing employees, this increase impacted expenses for wages and salaries and, in turn, personnel expenses. At the same time, DBAG only recognised a low level of provisions for variable remuneration in the short financial year 2024 because net income from investment activity was negative in this reporting period.

Other operating income is regularly affected by increasing or decreasing income from consultancy expenses that can be passed through, which itself is offset by corresponding expense items. In the short financial year 2024, other operating income was driven by positive effects resulting from the market valuation of securities held and the reversal of provisions.

Other operating expenses mainly comprise the already mentioned consultancy expenses that can be passed through, other deal sourcing-related consultancy expenses, depreciation and amortisation of property, plant and equipment and intangible assets – including scheduled amortisation of client relationships capitalised as part of the purchase price allocation (these refer to income from existing capital commitments and income from expected capital commitments made by existing investors in ELF funds) – plus the regular adjustment of the carried fair value of the existing option for the purchase of the remaining 49 per cent stake in ELF Capital. Financial statement costs for the short financial year 2024 are comparable to those for a 12-month financial year.

Business review of the Group

Net interest income, which remains negative on balance, was mainly driven by interest expenses for the convertible bonds in the short financial year 2024. In the previous financial year, DBAG had only recognised these expenses in the fourth quarter, i.e. for a period of the same length as the entire short financial year 2024.

Net income from investment activity: Result impacted by negative gross gains and losses on measurement and disposal portfolio

The change in net income from investment activity is due primarily to the performance of our investments in the portfolio companies that is reflected in gross gains and losses on measurement and disposal portfolio. This means that the net gains not only depend on the earnings outlook of the portfolio companies but – because they are valued based on multiples of listed reference companies (peer groups) – also on capital market developments.

Net income from investment activity also reflects income from our private debt investments.

Net income attributable to other shareholders of investment entity subsidiaries corresponds to gross gains and losses on measurement and disposal portfolio. Specifically, this relates to carried interest entitlements resulting from private investments made by members of the DBAG investment advisory team and the ELF investment advisory team in the DBAG funds' and ELF funds' investment entity subsidiaries. The carried interest entitlements essentially reflect the net performance of the funds' investments. Entitlements for most DBAG funds were reduced in the short financial year 2024 due to the negative gross gains and losses on measurement and disposal portfolio.

Net income from investment activity

€'000	SFY 2024	2023/2024
Gross gains and losses on measurement and disposal portfolio	(34,058)	67,657
Net income attributable to other shareholders of investment entity subsidiaries	5,129	(5,619)
Net gains and losses on measurement and disposal portfolio	**(28,929)**	**62,038**
Current portfolio income	3,790	18,475
Net portfolio income	**(25,139)**	**80,513**
Net gains and losses from other assets and liabilities of investment entity subsidiaries	(9,460)	(19,926)
Net gains and losses from other financial assets and other financial instruments	196	551
Net income from investment activity	**(34,403)**	**61,138**

Analysis of gross gains and losses on measurement and disposal

Source analysis As at the 31 December 2024 reporting date, we used the multiples method to determine the fair value of 32 portfolio companies (30 September 2024: 31). As usual, we adapted our portfolio company valuations to their new budgets. This means that for the first time we considered new information regarding the companies' expected profits and debt levels, and the capital market valuations and exchange rates as at the reporting date. This often leads to a negative earnings contribution from changes in multiples as at this reporting date because the markets tend to price the companies' increased earnings expectations for the forthcoming year into the share price with a time lag. This was also the case for the short financial year 2024.

One investment was measured based on the discounted cash flow method for the first time as at 31 December 2024, while three companies (as at the 30 September 2024 reporting date: three) are still carried at their original transaction price because they have been held for less than twelve months. These account for 6.3 per cent of the portfolio value (previous year: 6.8 per cent).

The contribution from the companies' change in earnings was slightly negative in the short financial year 2024, with 8 investments (previous year: 15) making a positive and 19 investments (previous year: 12) a negative contribution. While the sluggish economy in many regions is still impacting our portfolio companies, individual investments in the industry and industrial technology sector and the industrial services sector made positive contributions to earnings.

Gross gains and losses on measurement and disposal portfolio by sources: source analysis

€'000	SFY 2024	2023/2024
Fair value of unlisted investments		
Change in earnings	(1,099)	(17,486)
Change in debt	(1,221)	(21,880)
Change in multiples	(41,512)	70,303
Change in exchange rates	6,350	(2,084)
Change – other	(561)	487
Other	1,795	3,092
Subtotal	(36,248)	32,432
Net gains and losses on disposal	2,191	35,226
	(34,058)	**67,657**

As a general rule, we do not receive any current distributions from portfolio companies during the holding period. At the same time, growth through acquisition is a core element of the corporate strategy of many of our portfolio companies, designed to accelerate the expansion of their market presence. This applies especially to our investments in the environment, energy and infrastructure, IT services & software and healthcare sectors. The resulting higher debt levels are offset by positive earnings contributions from the acquisitions. These strategies yielded only a limited effect in the three-month period of the short financial year 2024.

The change in multiples includes two effects. Firstly, we report on the earnings contribution from changes to valuation multiples of listed peer group companies, which we use for the valuation of portfolio companies.

Business review of the Group

Secondly, the changes in multiples are influenced by findings derived from transaction processes. On balance, the change in multiples as at the reporting date of the short financial year 2024 led to a negative earnings contribution in nearly all our sectors.

One major factor was the mentioned adjustment of the portfolio company valuations to the new budgets. While the overall negative contribution from the change in multiples for the portfolio companies from the industry and industrial technology sector was very high, the change in multiples for investments from the IT services & software sector yielded a positive effect overall.

Exchange rate fluctuations impacted above all the value of the congatec investment (US dollar) and, to a lesser extent, that of the duagon investment (Swiss francs) in the short financial year 2024. Changes in the "Other" item had no material impact on net gains and losses on measurement and disposal.

Net gains and losses on disposal were driven above all by value contributions from the disposal of Solvares.

Private equity investments: Portfolio and portfolio value

DBAG's total investment portfolio consisted of 36 equity investments as at 31 December 2024 (previous year: 35), of which three were partially sold (Cloudflight, evidia, Hausheld and Telio). In addition, there are investments in companies through which predominantly representations and warranties on previous disposals are settled, and which are no longer expected to deliver any appreciable value contributions ("Other" investments).

The value of the 36 equity investments, including loans and receivables extended to them and excluding short-term bridge financing, amounted to 574.0 million euros as at the reporting date (30 September 2024: 629.9 million euros). The investments are attributable to 29 management buyouts (including the four partially disposed equity investments, three growth financings and four Long-Term Investments, one of which is a majority investment and three of which are minority investments); in addition, other investments totalled 10.1 million euros (previous year: 8.3 million euros). This brought the portfolio value to a total of 584.1 million euros (30 September 2024: 638.2 million euros).

The reduction of the portfolio value during the course of the reporting year was attributable to changes in value of -36.7 million euros, additions of 40.7 million euros and disposals of 58.0 million euros. The additions relate mainly to Great Lengths and the continued investment in Solvares via the DBAG Solvares Continuation Fund. The disposals relate mainly to our previous investment in Solvares.

The following section outlines the valuation performance of our investments compared with the previous year, broken down by sectors. This is generally impacted by the change in our portfolio composition. As mentioned above, the change in multiples put a strain on almost all our sectors in the short financial year 2024.

On balance, investments allocated to the environment, energy and infrastructure sector were valued at 1.10 times acquisition cost as at the reporting date, i.e. unchanged from the previous reporting date of 30 September 2024. The total valuation of our industry/industrial technology portfolio companies decreased to 1.05 times acquisition cost as at the reporting date, compared with 1.19 times as at 30 September 2024. In addition, the total valuation of investments in the healthcare and IT services & software sectors was reduced to 1.15 times acquisition cost (30 September 2024: 1.25 times).

The share of portfolio companies with leverage (net debt/EBITDA) of 3.0 or more improved as at 31 December 2024, down from 58 per cent as at 30 September 2024 to 52 per cent. This is because EBITDA for 2025 is expected to increase more strongly than the debt levels at these companies, This led to an improvement in leverage ratios which are now based on expectations for 2025, following the conversion explained above. Changes to the structure of our portfolio between the previous year's and this year's reporting date also contributed to the change in this indicator. For further details on the development of the portfolio companies' debt, please refer to the source analysis.

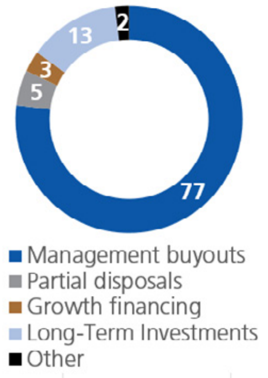
Our portfolio companies are measured at fair value, which corresponds to the acquisition cost in the first twelve months after the investment was made, unless we see indications for a change in value. The bulk of the expected increase in value is often generated in the second to fifth year after entering into the investment. This means that, in absolute terms, the largest share of our portfolio's increase in value is accounted for by investments with this holding period. The valuation of the group of companies that we have held in the investment portfolio for more than five years amounted to 0.97 times their original acquisition cost as at the reporting date (30 September 2024: 1.15 times).

The following information on the portfolio structure is based on the valuations and resulting portfolio value of the 36 equity investments as at the reporting date. The information on leverage (net debt/EBITDA) is based largely on the expectations of the portfolio companies for the financial year 2025.

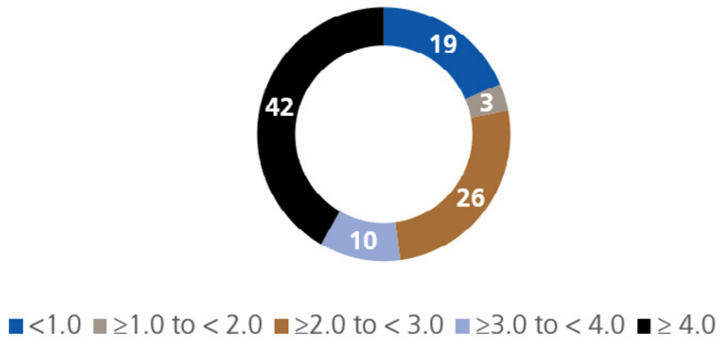
Business review of the Group

Portfolio structure[1]

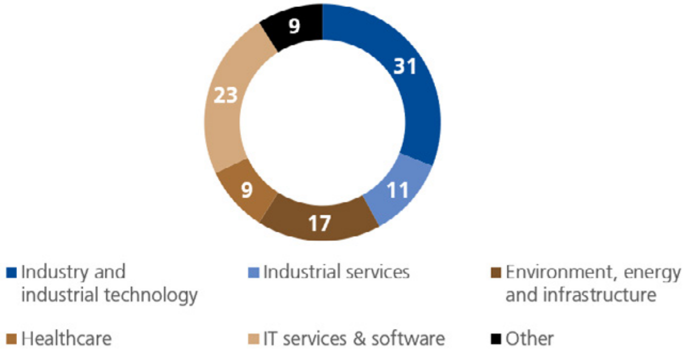
Portfolio value by type of investment
%



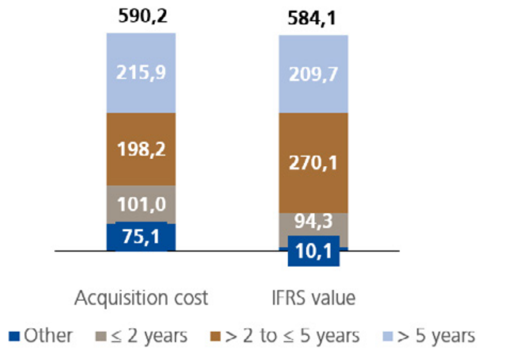
Portfolio value by level of debt
(Net debt/EBITDA), %



Portfolio value by sectors
%



Portfolio value by age structure
€mn at 31 December 2024



[1] Portfolio value by leverage does not include any partial disposals or residual items

Business review of the Group

Business performance by segment

Private Markets Investments segment

Segment earnings statement – Private Markets Investments

€'000	SFY 2024	2023/2024
Net income from investment activity	(34,403)	61,138
Other income/expense items (excl. net interest income and amortisation of intangible assets)	(2,811)	(15,825)
Earnings before interest, taxes and amortisation of intangible assets	**(37,213)**	**45,312**
Net interest income and amortisation of intangible assets	(2,268)	(5,231)
Earnings before taxes	**(39,482)**	**40,081**

Earnings before interest, taxes and amortisation of intangible assets (EBITA) generated in the Private Markets Investments segment was dominated by negative net income from investment activity in the short financial year 2024. Please refer to the explanations on this item in the section on "Financial performance". The negative balance of other income/expense items (the sum of personnel expenses, other operating income and expenses and internal management fees for the Fund Investment Services segment – which today only concern DBAG ECF – excluding net interest income and amortisation of intangible assets) was mainly affected by personnel expenses and other operating expenses (see section on "Financial performance").

Negative net interest income and amortisation of intangible assets also reduced earnings before taxes in the short financial year 2024. Please refer to the section on "Financial performance" for more details. Earnings before taxes was clearly negative on balance.

Net asset value and available liquidity

€'000	31 Dec 2024	30 Sep 2024
Non-current assets	673,801	745,316
Current assets	174,473	168,370
Non-current liabilities	(181,376)	(188,880)
Current liabilities	(17,196)	(36,445)
Net asset value	**649,702**	**688,361**
Financial resources	22,197	23,966
Securities	103,967	126,400
Credit lines	126,660	120,160
Available liquidity	**252,824**	**270,526**
Callable capital commitments	**330,910**	**358,150**

The net asset value as at the reporting date was below the levels seen at the end of the financial year 2023/2024, driven by negative net measurement gains and losses reported in financial assets (and therefore in non-current assets) through portfolio value, and by other changes in financial assets as we continued our investment activities (please also refer to the information provided in the section "Private equity investments: Portfolio and portfolio value").

While current assets and non-current liabilities showed only marginal changes as at the reporting date (compared to 30 September 2024), current liabilities in particular were significantly lower.

The main driver was the lower figure for other provisions related to the disbursement of variable remuneration. Liabilities to co-investment funds and to co-investment vehicles had increased substantially as at the previous reporting date (30 September 2024) because the management fees for DBAG Fund VII and DBAG Fund VIII for the fourth quarter of the calendar year 2024 had been paid in advance. This effect was reversed in the short financial year 2024, i.e. the fourth quarter of the calendar year 2024.

Please refer to the "Financial position – assets, equity and liabilities" and "Financial position – liquidity" sections for information on the changes in financial assets and financial resources.

Available liquidity decreased in the short financial year 2024 as we continued our investing activities (see the section on "Financial position – liquidity"). Part of available liquidity is invested in short-term securities (money market funds).

We also have the option of drawing on two credit lines to compensate for the irregular cash flows typical of our business. Neither credit line was drawn down as at the reporting date. The credit lines increased by 6.5 million euros over the period of the short financial year 2024 (vis-à-vis the end of the financial year 2023/2024) parallel to the redemption of a promissory note loan for the same amount.

The amount of callable capital commitments for investments alongside the DBAG funds and the ELF funds was below the level of the previous reporting date (30 September 2024) as we continued our investing activities. 76.4 per cent of callable capital commitments was covered by available liquidity as at 31 December 2024 (30 September 2024: 75.5 per cent). This high coverage reflects the marked increase in available liquidity in the financial year 2023/2024, following the placement of new funding instruments as well as disposals of portfolio companies.

Business review of the Group

Fund Investment Services segment

Segment earnings statement – Fund Investment Services

€'000	SFY 2024	2023/2024
Income from Fund Services	13,811	48,404
Other income/expense items (excl. net interest income and amortisation of intangible assets)	(8,735)	(32,236)
Earnings before interest, taxes and amortisation of intangible assets	**5,076**	**16,168**
Net interest income and amortisation of intangible assets	(1,004)	(3,322)
Earnings before taxes	**4,072**	**12,846**

Income from Fund Services in the Fund Investment Services segment is generally consistent and highly predictable. The following section contains an overview of the DBAG and ELF funds that generated significant income. It also provides further details in those cases where the result deviates significantly from the expected value of one quarter of the previous year's figure.

Income realised with the DBAG ECF IV fund amounted to 2.8 million euros. A one-off effect came into play here when, after the fund's final closing in November 2024, advisory fees for past periods were due for the new fund investors. We also generated income of 0.1 million euros for advisory services to the new DBAG Solvares Continuation Fund for the first time.

The advisory services rendered by DBAG Luxembourg and the ELF funds remain stable. Income realised with these funds amounted to 0.8 million euros and 0.6 million euros in the short financial year 2024.

At 4.4 million euros and 4.9 million euros, income from DBAG Fund VII and DBAG Fund VIII was in line with expectations.

Because the investment periods for DBAG ECF I, DBAG ECF II and DBAG ECF III had ended in 2017, 2018 and 2020, respectively, income for these three funds was reduced to 0.1 million euros overall. The investment period for DBAG Fund VI had already ended in December 2016; as planned, this fund no longer realised income in the reporting period.

Net interest income and amortisation of assets mainly consist of the amortisation of client relationships capitalised as part of the ELF Capital purchase price allocation. (The client relationships refer to income from existing capital commitments and income from expected capital commitments made by existing investors in ELF funds.)

Assets under management or advisory as at the reporting date exceeded the level seen at the end of the financial year 2023/2024. Specifically, the volume of funds invested in portfolio companies and short-term bridge financings for new investments rose on account of our ongoing investment activity. Conversely, pending capital commitments of third-party investors and DBAG's financial resources decreased. Please refer to the "Financial position – liquidity" section for information on changes in DBAG's financial resources.

Assets under management or advisory

€'000	31 Dec 2024	30 Sep 2024
Funds invested in portfolio companies	2,071,031	2,001,633
Short-term bridge financing for new investments	140,915	20,030
Pending capital commitments of third-party investors	490,588	532,354
Financial resources (of DBAG)	126,165	150,366
Assets under management or advisory	**2,828,698**	**2,704,383**

Financial position – liquidity

Overall assessment: No significant net change in cash and cash equivalents

As at 31 December 2024, DBAG's financial resources totalled 126.2 million euros and comprised cash and cash equivalents as well as short-term securities. The investment entity subsidiaries held additional financial resources – exclusively cash and cash equivalents – amounting to 9.0 million euros. The credit lines totalling 126.7 million euros were undrawn as at the reporting date.

The following condensed statement of cash flows in accordance with IFRS shows the changes in cash and cash equivalents.

Condensed consolidated statement of cash flows

Inflows (+)/outflows (-)

€'000	SFY 2024	2023/2024
Net income	(35,227)	47,514
Measurement gains (-)/losses (+) and gains (-)/losses (+) on disposal of financial assets	35,938	(57,923)
Other non-cash changes	(21,177)	23,454
Cash flow from operating activities	**(20,465)**	**13,045**
Proceeds from disposals of financial assets and other financial instruments	56,542	136,638
Payments for investments in financial assets and other financial instruments	(50,006)	(107,930)
Cash flow from investment activity	**6,536**	**28,708**
Cash inflows and outflows from investments in short-term securities	23,000	(126,400)
Cash inflows and outflows from changes in the scope of consolidation	0	(6,042)
Other cash inflows and outflows	(151)	(714)
Cash flow from investing activities	**29,386**	**(104,448)**
Proceeds from the sale of treasury shares	0	392
Payments for the acquisition of treasury shares	(3,794)	(12,922)
Payments to shareholders (dividends)	0	(18,803)
Proceeds from borrowings	0	210,000
Payments for the redemption of loan liabilities	(6,500)	(81,750)
Payments for lease liabilities	(395)	(1,565)
Cash flow from financing activities	**(10,689)**	**95,352**
Net change in cash and cash equivalents	**(1,769)**	**3,948**
Cash and cash equivalents at start of reporting period	23,966	20,018
Cash and cash equivalents at end of reporting period	**22,197**	**23,966**

Business review of the Group

The balance of cash flow from operating activities was negative in the short financial year 2024. Net income is largely based on the change in value in connection with the fair-value measurement of the portfolio. Realised proceeds from disposals are shown in cash flow from investing activities.

Cash flow from investing activities was positive in the period under review, the main factor being proceeds from the disposal of a short-term securities that are used to temporarily invest surplus financial resources until they are required for investments.

Investment activity resulted in an inflow of funds. The volatility of cash flow from investment activity is typical for our business and attributable to cash flows being concentrated on a smaller number of (albeit large) amounts in the transaction business.

DBAG Fund VII and DBAG Fund VIII structure the financing of their investments in two stages: before structuring of the acquisition financing is finalised, the investments are initially pre-financed using loans over a period of up to nine months. This approach optimises the return on the capital employed for the funds. As a result, DBAG grants short-term loans to its investment entity subsidiaries ("Payments for investments in financial assets and other financial instruments"), which are subsequently refinanced ("Proceeds from disposals of financial assets and other financial instruments").

Proceeds from disposals of financial assets and other financial instruments were related to the transactions outlined in the "Review of key events and transactions" section. Payments for investments in financial assets and other financial instruments resulted from capital calls made by investment entity subsidiaries for the investments and follow-on investments described in this section.

Particularly of note here are cash inflows resulting from the disposal of Solvares and cash outflows for the investment in Great Lengths. In addition, we still see attractive development potential for Solvares and will remain invested in the company via the DBAG Solvares Continuation Fund. Cash outflows for this investment were also recorded in the short financial year 2024.

Cash flow from financing activities was driven by the redemption of one of the outstanding promissory note loans and by payments for the acquisition of treasury shares.

Financial position – assets, equity and liabilities

Overall assessment: Sound equity ratio and matched-maturity funding

Our funding strategy is based on a solid equity ratio and diversified matched-maturity debt financing. This approach mitigates risks in our balance sheet. The equity ratio improved slightly as at the reporting date, rising from 75.3 per cent as at 30 September 2024 to 76.6 per cent. As in the financial year 2023/2024, equity and non-current credit liabilities covered all non-current assets plus 54.1 per cent of current assets (30 September 2024: 40.6 per cent).

Condensed consolidated statement of financial position

€'000	31 Dec 2024	30 Sep 2024
Financial assets	608,510	678,728
Other non-current assets	64,961	66,246
Deferred tax assets	331	343
Non-current assets	**673,801**	**745,316**
Other financial instruments	31,624	3,880
Receivables and other assets	8,631	11,117
Short-term securities	103,967	126,400
Cash and cash equivalents	22,197	23,966
Other current assets	8,052	3,006
Current assets	**174,473**	**168,370**
Total assets	**848,274**	**913,687**
Equity	649,702	688,361
Non-current liabilities	181,376	188,880
Current liabilities	17,196	36,445
Total equity and liabilities	**848,274**	**913,687**

Asset and capital structure: High level of cash and cash equivalents maintained

Total assets as at the reporting date were below the levels seen at the end of the financial year 2023/2024. On the assets side, factors contributing to the decrease in total assets included above all the lower valuation of financial assets, which led to a corresponding decrease in equity.

As we continued our investing activities, a shift was recorded within current assets, from short-term securities to other financial instruments, where we report new investments whose purchase prices are temporarily pre-financed by DBAG after the transaction is closed (see the section on "Financial position – liquidity").

On the equity and liabilities side, equity was reduced by net income/loss for the short financial year and by share buybacks. At the same time, lower figures for other provisions and for liabilities to co-investment

Business review of the Group

funds and to co-investment vehicles resulted in a decrease in current liabilities (see the information on the net asset value provided in the section "Business performance by segment").

The transactions described above are responsible for the asset structure shifting further in favour of current assets, which accounted for 20.6 per cent of total assets as at the reporting date (30 September 2024: 18.4 per cent). Financial assets made up 71.7 per cent of total assets (30 September 2024: 74.2 per cent), while cash and cash equivalents and securities accounted for 14.9 per cent (30 September 2024: 16.4 per cent). As mentioned above, DBAG's capital structure has shifted slightly in favour of equity compared with the end of the financial year 2023/2024.

Net asset value per outstanding share decreased from 37.59 euros at the beginning of the short financial year 2024 to 35.78 euros at the end of the reporting period. Return on equity for the three-month period was minus 4.8 per cent. Please refer to the notes to the consolidated financial statements (note 23) regarding purchases of treasury shares.

Financial assets: Portfolio value falls below the level at the beginning of the short financial year 2024

Financial assets are largely determined by the value of the portfolio. For more information, please refer to the above explanations on the portfolio value.

Interests of other shareholders in investment entity subsidiaries decreased in absolute terms compared with the start of the financial year. This was due to the disbursement of entitlements for DBAG ECF III and to reduced performance-based profit shares from private investments made by members of the DBAG investment advisory team for DBAG ECF I and DBAG Fund VIII (please also refer to the section on "Net income from investment activity").

Other assets and liabilities of investment entity subsidiaries make up the balance of the investment entity subsidiaries' various line items, largely comprising receivables vis-à-vis investments from loans and interest in addition to liabilities vis-à-vis DBAG for the pre-financing of investments. The investment entities had financial resources amounting to 9.0 million euros at their disposal as at the reporting date, all of which were held as cash and cash equivalents.

Financial assets

€'000	**31 Dec 2024**	30 Sep 2024
Value of investments		
gross	599,188	652,723
Interests of other shareholders in investment entity subsidiaries	(24,971)	(36,599)
net	574,216	616,124
Other assets and liabilities of investment entity subsidiaries	33,832	62,146
Other financial assets	461	458
Financial assets	**608,510**	**678,728**

Financial review of Deutsche Beteiligungs AG (commentary based on the German Commercial Code – HGB)

The management report and the Group management report of Deutsche Beteiligungs AG for the short financial year 2024 are presented combined, in conformity with section 315 (5) in conjunction with section 298 (2) sentence 1 of the HGB.

The presentation of DBAG's economic position is based on a condensed statement of financial position and a condensed profit and loss account derived from the statement of financial position and profit and loss account as prescribed by the HGB. The complete annual financial statements of DBAG based on the HGB are published in the German Company Register (Unternehmensregister), together with the consolidated financial statements.

At its Annual General Meeting on 22 February 2024, DBAG resolved to change its financial year to the calendar year with effect from 1 January 2025, which is why a short financial year was established for the period from 1 October 2024 to 31 December 2024. As the disclosures below refer to this period, they are only comparable to a limited extent with the previous-year figures covering the period from 1 October 2023 to 30 September 2024.

Financial performance

Overall assessment: Slightly positive net income

Net income generated in the short financial year 2024 was driven by negative net gains and losses on measurement and disposal. Gains from disposal of investments realised in this three-month period were lower than in the twelve-month period of the financial year 2023/2024. While DBAG once again recognised write-downs on financial assets, it did not – unlike in financial year 2023/2024 – recognise any write-ups.

Income from Fund Services and investment activity: Positive impact from investments and Fund Services

Income from Fund Services and investment activity is largely determined by gains or losses from the disposal of investments and by the balance of write-downs or write-ups on investments. The latter are carried out in accordance with the moderate lower of cost or market principle and the applicable procedure for reversing impairment losses in accordance with the HGB.

This year's net gains and losses on measurement and disposal are influenced in particular by the Solvares disposal and by write-downs on financial assets.

As in the previous year, the result from investments is mainly attributable to profit allocations from affiliated companies.

Income from Fund Services amounted to roughly one quarter of the value reported in the financial year 2023/2024. While the gross income from Fund Investment Services is taken into account in the consolidated financial statements, the same item in the financial statements in accordance with the HGB includes net income less the expenses of the subsidiaries involved in management and fund advisory services.

Condensed profit and loss statement of Deutsche Beteiligungs AG (based on the HGB)

€'000	1 Oct to 31 Dec 2024	1 Oct 2023 to 30 Sep 2024
Net gains and losses on measurement and disposal[1]	(2,919)	36,070
Result from investments	6,190	16,588
Income from Fund Services	9,458	37,592
Total income from Fund Services and investment activity	**12,729**	**90,250**
Personnel expenses	(6,740)	(26,586)
Other operating income (excluding write-ups)	761	5,109
Other operating expenses	(3,609)	(15,930)
Depreciation and amortisation on intangible fixed assets and property, plant and equipment	(154)	(370)
Income from other securities, or loans and advances held as financial assets	22	84
Other interest and similar income	830	1,522
Interest and similar expenses	(2,132)	(4,621)
Total other income/expense items	**(11,022)**	**(40,792)**
Earnings before taxes	**1,707**	**49,458**
Income taxes	2,061	(2,126)
Other taxes	(0)	(2)
Net income	**3,767**	**47,330**

1 Net gains and losses on measurement and disposal comprise the profit and loss account items "Gains from disposal of investments" of 18.3 million euros (previous year: 53.8 million euros) and "Write-downs on financial assets" of -21.2 million euros (previous year: -28.5 million euros). The figure also includes "Write-ups of financial assets" of 0.0 million euros (previous year: 10.8 million euros) reported under other operating income.

Financial review of Deutsche Beteiligungs AG (commentary based on the German Commercial Code – HGB)

Other income/expense items: No one-off factors recorded

Personnel expenses are the largest individual item leading to the negative balance of other income/expense items. The average number of employees increased from 88 in the financial year 2023/2024 to 89 in the short financial year 2024, and fixed remuneration is adjusted upwards periodically. At the same time, DBAG recognised only a low level of provisions for variable remuneration in the short financial year 2024.

Within other operating expenses, financial statement costs in particular rose disproportionately. This is because these costs for the short financial year 2024 are comparable to those for a 12-month financial year.

Interest and similar expenses were mainly driven by interest expenses for the convertible bonds in the short financial year 2024. In the financial year 2023/2024, DBAG had only recognised these expenses in the fourth quarter, i.e. for a period of the same length as the entire short financial year 2024.

Financial position – assets, equity and liabilities

Interests in affiliated companies are the largest item in DBAG's non-current assets. These investment entity subsidiaries bundle the co-investments in the investments made by the individual DBAG funds and those made in the ELF funds. DBAG also enters into Long-Term Investments via one investment entity subsidiary in each case.

In the short financial year 2024, DBAG entered into new investments and made investments to support add-on acquisitions made by its portfolio companies. Disposals had an offsetting effect; this mainly involves disposals that generated returns from investment entity subsidiaries. As at 31 December 2024, write-downs in the amount of 21.2 million euros were recognised on shares in four affiliated companies because the fair value is expected to be permanently below the acquisition costs.

Condensed statement of financial position of Deutsche Beteiligungs AG (based on the HGB)

€'000	31 Dec 2024	30 Sep 2024
Interests in affiliated companies	577,536	612,331
Other non-current assets	6,973	6,996
Non-current assets	**584,510**	**619,327**
Receivables and other assets	60,822	21,023
Securities held as current assets	103,645	126,400
Cash and cash equivalents	7,083	8,022
Current assets	**171,550**	**155,445**
Prepaid expenses	**4,628**	**4,723**
Total assets	**760,687**	**779,496**
Subscribed capital	64,439	64,977
Capital reserve	270,956	270,956
Retained earnings	403	403
Net retained profit	282,319	281,616
Equity	**618,117**	**617,952**
Provisions	**18,604**	**27,945**
Liabilities	**123,966**	**133,598**
Total equity and liabilities	**760,687**	**779,496**

Current assets saw a significant increase in receivables from affiliated companies on the back of higher receivables from loans and profit allocations.

To meet its goal of diversifying the funding mix while maintaining a matched-maturity profile, DBAG issued its first convertible bond and promissory note loans in the financial year 2023/2024. Issuance volumes amounted to a total of 113.5 million euros as at the reporting date. Liabilities reported as at 31 December 2024 comprised mainly these two issues. The decrease in liabilities vis-à-vis 30 September 2024 was due to the redemption of a promissory note loan in the amount of 6.5 million euros.

Financial position – liquidity

Financial resources were high enough at all times during the short financial year 2024 to fulfil existing capital commitments and to finance the Company's operations.

DBAG's cash and cash equivalents amounted to 7.1 million euros (30 September 2024: 8.0 million euros) as at the reporting date. 103.6 million euros were invested in short-term securities (30 September 2024: 126.4 million euros). While the Company can also draw on two revolving credit lines amounting to a total of 126.7 million euros at any time, they had not been tapped as at the reporting date.

We assume that we will be able to cover the anticipated funding needs for the planned investments in the new financial year and the two subsequent years with our financial resources and via returns from disposals and credit lines.

DBAG funded most of its activities in the short financial year 2024 using its own cash flow. The equity ratio improved slightly to 81.3 per cent as at the reporting date, compared to 79.3 per cent at the end of the financial year 2023/2024.

Opportunities and Risks

Objective: To contribute to value creation by consciously balancing opportunities and risks

DBAG is exposed to multiple risks through its business activities. These risks result, among other things, from the expected returns that are customary in our business, from our geographical focus, our sector focus and from the annual investment volume target. DBAG's risk profile is influenced by our risk propensity. We steer this risk profile through our risk management activities. Our risk propensity derives from our objective of sustainably augmenting the value of DBAG. To that end, we pursue a conservative approach which, among other things, is reflected in the high equity ratio in DBAG's statement of financial position. Taking risks that could jeopardise the Group's continued existence is not acceptable. The information provided on the following pages applies both to DBAG and the Group.

Risk management system

We consider risk management to be a proactive and preventive process. In our opinion, risk refers to potentially negative events that ensue from possible hazards. Hazards are either non-predictable events or essentially predictable events that are nevertheless subject to coincidence.

The risk management system is an integral part of our business processes. It takes into account the statutory requirements set out by legislation and resulting from court decisions, the German Corporate Governance Code and international accounting standards. The system serves the objective of contributing to value creation by balancing rewards and risks. To achieve this, our risk management system needs to ensure a comprehensive overview of the Group's risk profile. In particular, risks involving material negative financial implications must be recognised promptly so that we can avoid, mitigate, pass on or control them.

Structures: Decentralised organisation of risk management

Risk management is the direct responsibility of DBAG's Board of Management. It is overseen by the Audit Committee of DBAG's Supervisory Board. Furthermore, the Internal Audit department, as an independent entity, monitors the efficacy of the risk management system. DBAG has delegated the internal audit services to an external service provider.

The Risk Committee plays a key role. It consists of the Board of Management and the Risk Manager, who reports directly to the member of the Board of Management responsible for risk management, and also of risk officers at the level below the Board of Management. The Managing Directors in charge of the individual corporate departments provide assistance to the Risk Manager in identifying and assessing risks.

The Risk Manager develops the risk management system on an ongoing and systematic basis. More extensive additions were last made in the 12 months of the financial year 2023/2024. During the brief three-month time frame of the short financial year 2024, the changes related mainly to the internal control and risk management system (see the "Key features of the accounting-related internal control and risk management system" section).

The objective of our risk management system is to inform the Board of Management and the Supervisory Board about the risks involving high and very high expected values ("material risks", where the expected value is a combination of probability of occurrence and extent of impact). The risk assessment criteria are aligned with the Board of Management's risk strategy. Risks are recorded, monitored and managed on an ongoing basis.

Opportunities and Risks

Processes: Risk identification in individual corporate departments

DBAG's risk management process is structured according to the following procedure:

Risks are identified directly at a departmental level by the Managing Directors responsible for these units. Particular attention is paid to risks that may jeopardise the continuity of the Company and also to risks that are of major significance to the financial position and financial performance of DBAG. To that end, appropriate early warning indicators are employed – i.e. measures that are either themselves indicators of changes to a risk or suitable as measurement tools for identifying changes in risk-driving factors.

During the risk analysis and assessment process, identified risks are classified by the responsible Risk Administrator in coordination with the Risk Manager on the basis of a risk matrix. First, the risks are categorised on a four-point scale according to the probability of their occurrence. In addition, their extent of impact is evaluated based on four criteria, while potential extent of impact is assessed subsequent to the action taken to avoid or mitigate the risk. This risk matrix is detailed in the chart below.

After this, the Risk Manager examines the individual risks and the actions adopted for completeness. Implementing, managing and monitoring these actions is the responsibility of the Risk Administrators in the respective corporate units.

The principal objective for risk management is to keep overall risk at acceptable and manageable levels for DBAG. Measures taken to reduce risk are meant to decrease the probability of the risk occurring and/or to limit the extent of impact. The residual risk is consciously accepted or transferred to third parties.

Risks are reported to the entire Board of Management on a quarterly basis. Risks that are identified outside of these regular intervals must be reported to the Risk Manager or directly to the Board of Management, depending on how significant they are. This ensures a comprehensive and up-to-date analysis of risk exposure at all times. Once every financial year, the Board of Management informs the Audit Committee in detail about DBAG's risk exposure. In the event of an unexpected material

Opportunities and Risks

change in the exposure to risk, the Board of Management informs the Audit Committee of the Supervisory Board immediately.

Probability				Expected value (Combination of probability and impact)			
	> 70%	**likely**	**4**	moderate	high	very high	very high
	> 50–70%	**possible**	**3**	very low	moderate	high	very high
	20–50%	**seldom**	**2**	very low	moderate	high	high
	< 20%	**unlikely**	**1**	very low	very low	moderate	high
				1	**2**	**3**	**4**
				low	**moderate**	**high**	**very high**
		Financial consequences		< €10mn	€10–50mn	> €50–100mn	> €100mn
		Reputational consequences		Isolated negative media coverage	Broader negative media coverage	Extensive negative media coverage and temporary loss of confidence by investors	Extensive negative media coverage and long-term loss of confidence by investors
		Regulatory consequences		Conditional caution	Reorganisation	Reorientation of business activity	Suspension of business activity
		Management action required		Event covered by normal routine	Critical event addressed with existing resources	Critical event requiring more extensive management action	Disaster requiring significant management action
				Impact			

Opportunities and Risks

Instruments: Risk register with 59 individual risks

DBAG's risk management manual contains company-specific principles on the methodology of risk management and describes the risk management instruments and their mode of operation. The risk register is updated on a quarterly basis; as at 31 December 2024, it outlined and evaluated a total of 59 individual risks, the same number as at the end of the financial year 2023/2024. The material risks, their causes and effects, as well as the actions required to manage these risks, are also documented on a quarterly basis in a risk report for DBAG's Board of Management.

The following table outlines the material risks as at the reporting date.

Risk factors with a high and a very high expected value			
	Risk exposure vs FY 2023/2024	Probability of occurrence	Extent of impact
Risks of the Fund Investment Services segment			
Inability to cover the personnel requirement	unchanged	possible	high
Inability to raise capital commitments from external investors for DBAG funds to the extent required	unchanged	possible	very high
Extraordinary termination of investment period or extraordinary liquidation of one or more DBAG funds	unchanged	unlikely	very high
Risks of the Private Markets Investments segment			
Investment strategy proves to be unattractive or its implementation is inadequate	unchanged	low	high
Investment/financing opportunities are not carried out	unchanged	low	high
External risks			
Negative impact of general economy and cyclical development on financial position and financial performance of our investments	unchanged	possible	high
Lower valuation level on the capital markets	unchanged	possible	high
Negative interest rate development	unchanged	low	high
Threat to DBAG's independence	unchanged	unlikely	very high
Operational risks			
Insufficient protection of confidential data against unauthorised access	unchanged	possible	high

Opportunities and Risks

Material changes compared with the financial year 2023/2024

In the short financial year 2024, the probability of occurrence for the risk factor "Insufficient access to new, attractive investment/financing opportunities" was reduced from "low" to "unlikely". We continue to assess the extent of impact as "high", yet the expected value for this risk factor has now been reduced from "high" to "moderate". This also means that the risk is no longer classified as "material".

DBAG has a consistently strong deal flow thanks to its good market position, which – in the opinion of the Board of Management – has improved after DBAG acquired a majority stake in ELF Capital. To drive deal sourcing, we also implemented internal measures related to our team and its tools.

Explanation of individual risks

The following section outlines the material risks as at the reporting date. We allocate operational risks to the business segment that is most strongly affected by the risk in question. However, the consequences of risks allocated to the Fund Investment Services segment would also affect the Private Markets Investments segment in the long term and vice versa.

Risks of the Fund Investment Services segment

Inability to cover the personnel requirement

Performance in the private markets business is closely linked to the people working in the field. Dissatisfied employees or a high staff fluctuation rate can lead to greater workloads for other employees; if DBAG were to acquire a negative reputation as an employer, this would make it more difficult for the Company to recruit new personnel. That is why employee satisfaction is one of our non-financial key performance indicators. In view of the Company's current position, we do not envisage staff shortages over the short or medium term. We actively limit the risk of possible staff turnover, for example by means of a competitive remuneration scheme that conforms to standard industry practice. We regularly offer individualised training programmes and personality-based training activities are included in all career plans. We also believe that it is important for our employees to have a healthy balance between family and working life.

Inability to raise capital commitments from external investors for DBAG funds to the extent required

DBAG will only be able to continue to pursue its strategy in the long term if the Company succeeds in soliciting capital commitments to DBAG funds. Failure to meet the required or planned scope or timeline constitutes a risk.

For this, DBAG and its investment advisory team must establish a proven track record over many years of successful investing activity, yielding attractive returns. In this context, ESG aspects in a company's business activities are becoming increasingly important.

Further influencing factors are the general readiness of private equity investors to make new capital commitments, sentiment on the capital markets and the macroeconomic environment. The latter is currently proving to be far more challenging than in previous years. In this phase of general economic change and uncertainty, investors are more cautious and provide less funds compared with the high level of prior years. As a consequence, we are already seeing some market players withdrawing.

Changes to tax legislation that would lead to taxes being imposed on foreign partners of German fund entities would have serious disadvantages for DBAG.

We actively address the risk of insufficient capital commitments, for example by engaging in a regular dialogue with existing and potential investors in DBAG funds. We are continually expanding this dialogue with regard to both the frequency and intensity of contacts. We have also strengthened our general market coverage, for example by making structural changes to our sales team with the aim of raising DBAG's profile on the market. When selecting investors, we place special emphasis on their ability to potentially invest in follow-on funds as well. Finally, we review our investment strategy on a regular basis.

Extraordinary termination of investment period or extraordinary liquidation of one or more DBAG funds

The investment period of DBAG funds ends automatically when fund investment services are no longer provided by certain key persons defined in the fund agreements. Under different circumstances – for example in the case of unsatisfactory performance of the fund's investments, insufficient investment progress or a fundamental lack of confidence – fund investors have the right (typically with a 75 per cent majority) to end the investment period of that respective fund. In cases involving serious contractual breaches, investors have the right to replace the fund management company or liquidate the fund.

These situations would lead to a reduction or a loss of earnings from advisory services to that fund. Furthermore, DBAG would no longer be able to exert any influence over the management of the investments entered into with the fund in question. Without the funds, DBAG's opportunities to make its own investments would also be limited. Ongoing communication and early response to the concerns of fund investors serve to mitigate this risk.

Risks of the Private Markets Investments segment

Investment strategy proves to be unattractive or its implementation is inadequate

A key prerequisite for our performance is an attractive investment strategy. Without successful investing activity, we would be unable to realise our targets for value appreciation or expected returns. In such a case, investors would also withdraw their committed capital and it would not be possible to raise new commitments to funds. In order to mitigate

Opportunities and Risks

these risks, the Board of Management and the DBAG and ELF investment advisory teams examine the extent to which our sector focus, our geographical emphasis and the financing solutions we offer for the mid-market segment provide a sufficient number of promising investment opportunities. For example, our successful entry into the Italian market and the expansion of our range of services to include private debt financing both contribute to reducing these risks.

In addition, we regularly review our investment strategy and monitor the market. The investment advisory teams discuss experience gleaned from due diligence processes with consultants and service providers on a regular basis in order to prevent incorrect due diligence results. The standardisation of internal processes and the accelerated transfer of knowledge within the two investment advisory teams also help us to achieve this. This does not apply for ongoing transactions, for which Chinese walls have been established between the two investment advisory teams.

Investment/financing opportunities are not carried out

Even if there is a sufficient supply of attractive investment opportunities, there is a risk of these not culminating in concrete investments or financing options. One reason for this may be a lack of competitiveness on our part. For example, this might be because we react too slowly due to inadequate processes, offer too low a price, are unable to arrange the acquisition financing or demand too high an interest rate for financings. To avoid the consequences arising from this risk, we continually strive to improve our internal knowledge transfer and to adapt the relevant processes to a changing competitive environment.

External risks

Negative impact of general economy and economic cycles on the financial position and financial performance of our investments

The performance of our investments is influenced by market factors such as geographical and sector-related economic cycles, political and financial changes, energy and commodity prices, bottlenecks along the supply chain and exchange rate changes. Fundamental technological changes can also have a negative impact on individual companies, or on companies operating in a certain sector.

These factors – either individually or as a whole – could extend the holding periods of private equity investments and result in postponed or reduced gains on disposal In the private debt business, the yield on debt of the companies we have financed could decrease. There could be a default on interest payments or a need for follow-on financings which, in a worst-case scenario, might lead to a total loss of capital for individual investments. In such an event, our reputation would be at stake. Market factors in particular sometimes change at very short notice, and our ability to respond to this is limited.

In general, short-term results are not decisive for success in the private markets business. If appropriate, the value development approach to an individual investment has to be adapted by the management of the portfolio company. In the case of private debt business, the financing structure of an investment has to be modified together with its management. This requires us to monitor the performance of our investments closely. The risks arising from cyclical trends in individual sectors are essentially already countered by the diversification of our investments, which we have continually expanded in recent years.

Lower valuation levels on the capital markets

Valuation levels on the capital markets are reflected in the measurement of the fair value of our portfolio companies and, in turn, the portfolio value. A lower valuation level generally results in a lower portfolio value.

We cannot avert the risk arising from developments on the capital markets. However, we can mitigate that risk by avoiding excessive entry prices. A higher multiple would be justified if the investments achieved an improved strategic position. Since it is rare that sectors are all equally affected by changes on the capital markets, diversifying the portfolio also counters exposure to this risk.

Negative interest rate development

The risk of changed interest rate levels affects our business in various ways.

Falling interest rates are the biggest risk for our private debt business. In the case of ELF Capital, for example, this is because they increase pressure on margins and lead to stronger competition from traditional banks.

In contrast, our private equity business benefits from interest rate cuts as they reduce the financing costs of DBAG and its acquisitions and improve the cash flow buffer for servicing debt. Lower interest rates also increase valuation leeway in the capital markets, often leading to rising capital market multiples.

The development of interest rate levels is beyond our control. Because of this, we monitor the capital market development closely through regular discussions with banks and carefully examine other possible courses of action. Most importantly, we also keep a close eye on the changing investment and financing opportunities, regularly adjusting our positioning in the market to preserve or even improve our standing.

Threat to DBAG’s independence

A sub-par valuation of DBAG shares could enable a major shareholder to come on board and exert control over the Company. However, since the investors in DBAG funds expect our DBAG investment advisory team to provide advisory services free from the influence of third parties, this loss of independence would essentially jeopardise DBAG’s business model. In such a case, it is possible that investors would not commit to

Opportunities and Risks

new DBAG funds – on the contrary, they could terminate existing advisory agreements or end the funds' investment period – and that future capital increases would not be possible at attractive terms.

We mitigate this risk through extensive contact with current and potential equity investors. We have additionally set out a legal structure that shields the Fund Investment Services business from the influence of third parties.

Operational risks

Insufficient protection of confidential data against unauthorised access

Our business not only requires suitable software and hardware but also effective data access by authorised persons at any time. In this context, data backup and protection against unauthorised access are of the utmost importance to us. We review and update our security measures on an ongoing basis to counter the threat of unauthorised access through cyberattacks, weak spots in our network or, for example, through undesirable software installed by our staff.

DBAG has its own qualified IT specialists who are regularly assisted by external consultants. DBAG responds to the ever-growing IT risk by, for example, conducting regular internal and external reviews. We have considerably stepped up the efforts made to protect our systems and data in recent years. In addition, we have continually increased staff training on IT risks. Finally, we conduct recurring security audits for the DBAG systems that can be accessed from the internet, for the software configuration and for our website, implementing any insights gained from these audits without delay.

Description of opportunities

Opportunity management is a key part of our operating business and we improve its processes on an ongoing basis. However, we do not actively pursue opportunity management outside of ordinary business operations, such as optimising investments of cash and cash equivalents.

Fund Investment Services: Higher fees from the DBAG and ELF funds

In the Fund Investment Services segment, fee agreements are largely fixed for a fund's term. Nevertheless, opportunities may arise from the use of the top-up fund of DBAG Fund VIII: the fee for this sub-fund is based not on the amount of funds committed, but rather on either the amount of funds committed or invested, whichever is lower. If we are successful in structuring transactions using the top-up fund, DBAG generates correspondingly higher income from Fund Investment Services.

DBAG Luxembourg, which provides the Luxembourg-based companies of the DBAG funds with management and investment-related services, had a successful business launch. We are now generating visible returns from our advisory services (see the information provided in the "Fund Investment Services segment" section). We aim to continue expanding it in the future.

We expect higher fees from the ongoing expansion of our financing portfolio which, in collaboration with ELF Capital, aims to meet the full spectrum of financing needs for mid-market companies. Following the acquisition of a majority stake in ELF Capital in November 2023, we are only beginning to tap into new market opportunities together.

If the addition of Long-Term Investments to the investment strategy continues as successfully, we could also launch a fund specifically for this investment strategy. Expanding our regional investment focus to include Italy also offers us the opportunity to generate additional advisory fee income. This is provided that the wider geographical footprint helps us raise more funds than for a fund with a stronger focus on the Germany, Austria and Switzerland region.

Private equity investments: Strategic advances with Long-Term Investments and expansion of geographical focus

In the financial year 2019/2020, we added Long-Term Investments to the platform we use to provide equity solutions to the mid-market segment, which have been well received on the market. We were invested in four Long-Term Investments as at the reporting date.

The expansion of our geographical focus to include investments in Italy has opened the door to new investment opportunities. The prospects for further MBOs in Italy are favourable: the number of private equity companies on the Italian market is lower than on the German market, and with its strong focus on companies with industrial business models, coupled with its excellent access to family-owned and founder-managed companies, DBAG stands out in Italy. With our office in Milan, we have a local presence and can serve the Italian market directly and personally.

Private equity investments: Strengthening our competitive edge with the large and experienced DBAG investment advisory team

Competition for attractive investment opportunities remains intense. The ability to come to an agreement with the vendor within a tight time frame is sometimes a crucial competitive advantage. The size of DBAG's investment advisory team, which added more and more new members over the past years, and its entire workflow can open up new opportunities for the Company. After all, the Company is in a position to execute transactions – in some cases several transactions at once – within a short period of time.

Aside from its speed and capacity to act during the investment phase, a large and experienced investment advisory team offers attractive perspectives to future portfolio companies when it comes to helping to implement value creation strategies.

Opportunities and Risks

Private debt investments: Strategic advances thanks to DBAG's broader financing portfolio that now includes private debt solutions

DBAG has held a majority stake in ELF Capital since November 2023. This has allowed the Company to expand its range of flexible financing solutions to include private debt. Debt funds are playing an increasingly important role in financing mid-market enterprises because they are gradually taking over market share from traditional bank lenders. DBAG and ELF Capital jointly offer a broad financing portfolio for the needs of mid-market companies. Both parties contribute attractive, complementary networks and will benefit from economies of scale with regard to financing solutions for mid-market companies and additional investment opportunities for fund investors. DBAG shareholders in turn will benefit from the new investment because income from Fund Investment Services is set to show stronger growth in the medium term and because DBAG will further diversify its range of investments.

General statement on opportunities and risks

In the short financial year 2024, there has been no fundamental change in the opportunity and risk situation compared with the financial year 2023/2024. Based on the information at our disposal today, there are currently still no recognisable individual or cumulative risks that would endanger the continued existence of DBAG or the Group as a going concern. We do not perceive any extraordinary opportunities either.

Key features of the accounting-related internal control and risk management system[7]

The Internal Control System (ICS) is based on the internationally recognised framework document for internal control systems issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The scope and design of an appropriate and effective ICS are within the discretion and responsibility of the Board of Management. The effectiveness of the ICS is overseen by the Audit Committee of DBAG's Supervisory Board.

DBAG's ICS describes measures and controls to minimise the risks inherent in the corporate processes of the Company's different areas, ensuring that DBAG achieves its core business objective. It incorporates the principles, procedures and measures (provisions) aimed at the organisational implementation of management decisions introduced by the Company's management. These serve to ensure:

- The effectiveness and profitability of business activities (including the protection of assets and the prevention and detection of asset misappropriation)
- The proper functioning and reliability of internal and external accounting (bookkeeping, financial statements and management report)
- Compliance with relevant statutory and legal requirements applicable to the Company

The extent and design of the internal control and risk management system are aligned with the special requirements of the Fund Investment Services and financing activity. The task of Internal Audit – which has been delegated to an external service provider – is to monitor the functioning and effectiveness of the ICS independently of processes at Group level and at Deutsche Beteiligungs AG and, in this way, to bring about ongoing improvements to business processes.

Risk management is an ongoing process that is firmly integrated into DBAG's workflows. Please refer to the "Risk management system" section for details on the key features. We are continually developing the ICS in all of DBAG's departments, implementing improvements and documenting new processes. In the short financial year 2024, this concerned above all the additional policies in our House of Governance, which gathers all of the Company's policies relating to the internal control system. New guidelines, for example on digitalising business processes, were developed and implemented and existing guidelines were revised or expanded and then approved by the Board of Management.

During the short financial year 2024, the Board of Management did not receive any information that would suggest material inefficiencies in the effectiveness or inadequacy of the ICS. However, it should be noted that an internal control system, irrespective of its design, cannot provide absolute certainty of detecting flaws in our business processes.

Key features of the accounting-related internal control and risk management system (sections 289 (4) and 315 (4) of the HGB)

The accounting-related part of the ICS is a component of the annual audit within the scope of a risk-oriented audit approach. In addition, the Supervisory Board's Audit Committee oversees the ICS, as required by section 107 (3) of the AktG.

DBAG prepares its separate and consolidated financial statements in conformity with the applicable accounting policies of the HGB and the International Financial Reporting Standards (IFRS). The internal accounting guidelines are set out in an accounting manual and in measurement/valuation guidelines, taking into account the different principles of the IFRS and HGB standards. New accounting rules are regularly reviewed to ascertain the implications for DBAG and its subsidiaries and, if necessary, the accounting guidelines are adapted.

DBAG also has clearly defined organisational, control and surveillance structures. Explicit assignments of responsibility within the accounting process are in place. The IT systems used in accounting are largely

[7] Does not form part of the audited combined management report

Opportunities and Risks

operated with standard software products. These are protected against unauthorised internal and external access by comprehensive access restrictions. The latter are regularly reviewed and any findings are implemented without delay. All individuals involved in the accounting process are qualified for their assignments. The number of individuals working here is sufficient to handle the workflow. The aim is to minimise the risk of erroneous accounting. Staff regularly participate in continuous development programmes on tax- and accounting-related topics. Additionally, advice from external experts is solicited on specific accounting issues.

We regularly analyse material accounting-related processes to determine the availability and operability of the installed internal controls. Here, we focus on different aspects each time and implement any findings without delay. The completeness and validity of accounting data are regularly reviewed manually, based on random samples and plausibility checks. We also employ the principle of dual control.

The internal controls are designed to ensure that external financial reporting by DBAG and the Group is reliable and complies with the valid accounting rules. The aim is to minimise the risk of possible misstatements on the actual financial position and financial performance.

Report on expected developments

Period covered by this report

Our business operates on a medium- to long-term forecast horizon, as the success of private equity investments, private debt investments and our Fund Investment Services business can only be assessed over multi-year periods. For this reason, we not only project key performance indicators for the new financial year but also for two years ahead. This forecast is based on our detailed medium-term planning and liquidity planning up until the end of 2027.

The business performance of Deutsche Beteiligungs AG is generally subject to the same key performance indicators as the DBAG Group. As a result, the statements made below apply to both the DBAG Group and to Deutsche Beteiligungs AG.

We provide projected ranges for the key performance indicators linked to our financial objectives. Here, the breadth of each range reflects the predictability of the indicator in question. By contrast, we use point forecasts for our non-financial KPIs.

Expected development of underlying conditions

Macroeconomic environment: Germany stuck in a structural crisis

Deutsche Bundesbank sees recovery in Germany as being still a long way off[8]. This is because the German economy is not only grappling with persistent economic headwinds but also with structural problems that are weighing above all on the industrial sector and on its export business and investments. According to Deutsche Bundesbank, the labour market is now responding noticeably to the prolonged economic weakness, putting a damper on consumer spending.

As a result, German gross domestic product (GDP) is only expected to start recovering slowly over the course of 2025, with a total growth of 0.2 per cent in that year.

Despite the weak economy, economists predict that inflation – based on the Harmonised Index of Consumer Prices – will only drop slightly in 2025, from an annual average of 2.5 per cent to 2.4 per cent. This is due to the temporarily steeper rise in food prices and the fact that the increase in the price of services is only abating slowly.

By contrast, the European Central Bank (ECB) expects the gradual recovery of the economy in the euro area to continue amid major geopolitical and political uncertainty[9]. ECB economists expect higher real wages and employment levels to favour a recovery, given the robust labour markets in the euro area. According to the December projections, the annual growth rate of real GDP is set to rise to 1.1 per cent in 2025, following an expected 0.7 per cent in 2024.

Inflation in the euro area is also expected to recede. In their macroeconomic forecasts for the euro area, euro system experts believe that the total average inflation figure will decrease from 2.4 per cent in 2024 to 2.1 per cent in 2025.

Real global GDP, on the other hand, is expected to increase from 3.4 per cent in 2024 to 3.5 per cent in 2025. However, it was also noted that the prospects for global growth remained fragile in light of geopolitical tensions, the persistently weak Chinese property sector and the uncertainty regarding the policy of the new US administration.

Our portfolio companies operate in numerous markets and regions. Individual assessments are particularly important; that applies to the economic environment for the different business models and to the development potential of the companies in 2025 that form the basis of our forecasts. Given the variety of business models in our portfolio, we expect these different factors to offset each other, at least in part.

M&A market: DBAG is well positioned

We have excellent access to family-owned companies and are often able to generate bilateral negotiation situations through our network (see the “Strong brand opens up attractive investment opportunities” section). As well as this, we continually invest in improving our deal-sourcing processes.

Thanks to our solid market position, we are now able to assume a lower probability of occurrence for the risk factor “Insufficient access to new, attractive investment/financing opportunities” in the short financial year 2024. This means that the risk is no longer classified as “material”.

We firmly believe that we will be able to continue generating a sufficient number of attractive investment and financing opportunities throughout our planning period and, in turn, to realise our Company’s envisaged performance – regardless of short-term fluctuations on the M&A market.

Borrowings: Financing partners likely to remain selective in their lending approach

We observed further movement towards normalisation of the debt financing market in the calendar year 2024. However, banks and private debt funds remain selective in extending loans, in particular to small and mid-sized companies.

Given the ongoing geopolitical risks and the weak macroeconomic environment, we do not anticipate a fundamental shift before the end of 2025. However, further interest rate cuts by the ECB in particular are expected to have a positive impact on both corporate debt-servicing capacity and on lenders’ readiness to extend loans.

[8] Deutsche Bundesbank: press release regarding its Forecast for Germany, 13 December 2024

[9] European Central Bank: Economic Bulletin Issue 8, 2024, dated 9 January 2025

Report on expected developments

While defensive companies that are not being hit as hard by the current risk factors will probably be able to obtain financing at attractive conditions, the financing market will remain much tighter for companies that are exposed to greater macroeconomic risks, as well as for those whose corporate strategy is more difficult to communicate.
In line with this, we expect financiers to remain open to increasing existing credit lines in a buy-and-build context, as well as to follow-on financing and loan renewals for defensive companies that are not being hit as hard by the current risk factors. On the other hand, if geopolitical risks start to subside and macroeconomic expectations stabilise or even improve, we expect to see a rapid increase in risk appetite again, particularly among banks and also vis-à-vis companies with significantly higher risk profiles.

Expected business performance

		Short FY 2024 or 31 Dec 2024	Expectations for 2025 or 31 Dec 2025	Expectations for 2027 or 31 Dec 2027
Financial performance indicators				
Net asset value (reporting date)[1]	€mn	649.7	665 to 780	815 to 955
NAV per share (based on the number of shares outstanding)	€	35.8	36 to 43	44 to 53
EBITA Fund Investment Services	€mn	5.1	8 to 13	12 to 18
Non-financial performance indicators				
Carbon footprint (scope 1-3)[2]	t CO_2 / employee	0.5	2.8	2.8
Employee satisfaction	%	—	70	70
Payments from compliance breaches	€	0.0	0	0

1 Defined as total assets minus total liabilities
2 Scope 3 currently comprises business travel and commuting.

Our net asset value forecast is based on the assumption that distribution policy remains unchanged. We aim to maintain a cash dividend of at least 1 euro per share for each 12-month financial year. On 25 February 2025, the Board of Management resolved to propose to the Annual General Meeting a dividend of 0.25 euro per share for the short financial year, reflecting one quarter of the annual amount.

We have also assumed that the share buyback programme resolved by the Board of Management will be completed and that the commissioned credit institution will utilise the remaining buyback volume in the financial year 2025.

The forecast for the net asset value per share is based on these assumptions and those relating to the development of our net asset value in absolute terms.

In light of the macroeconomic developments, which are likely to remain challenging in 2025, and having weighed up the risks and opportunities, we expect the development of our portfolio value to remain muted in the financial year 2025, especially in our industrial portfolio. It should, however, recover by year-end 2027 because macroeconomic conditions are likely to improve following the weak performance anticipated for 2025 and the consistent strategic value-enhancing measures

Report on expected developments

implemented at our portfolio companies are likely to unfold their effect as the holding period continues.

We envisage an absolute net asset value of between 665 and 780 million euros and a net asset value per share in a range of between 36 and 43 euros in the financial year 2025.

We then expect to see this value increase further in the following two years. This means that the net asset value is projected to amount to between 815 and 955 million euros by the end of the financial year 2027. On a per-share basis, this means a range of between 44 and 53 euros.

Net income from investment activity is the item that has the greatest impact on the portfolio value and, in turn, on the net asset value. At the same time, net income from investment activity is also the item with the greatest budgetary and forecast uncertainty. It is determined to a considerable degree by gross gains and losses on measurement and disposal portfolio.
Projections of the earnings contribution for the private equity portfolio are mainly based on current assumptions regarding the holding period and on a standardised annual increase in the value of the investments. The assumptions on the holding period include our assessment of the impact that the current macroeconomic environment will have on the individual investments.

Net measurement gains and losses represent the net amount of positive and negative value movements of the portfolio companies. These changes in value derive from the assumptions on the change in the fair value of an investment in comparison to the preceding reporting date. In the past, there were instances when sizeable gains were realised on disposal of investments, for example because industrial buyers were willing to pay premiums on the estimated fair value for strategic reasons or because financial investors paid such premiums after intense competition among bidders. Such events are not predictable. This is why we have assumed that the sale price corresponds to the fair value calculated in each case.

The changes in earnings multiples for the listed reference companies are not predictable either. In line with this, we always assume unchanged multiples from when the forecast is prepared. On the other hand, the value contribution generated from their actual performance can be positive as well as negative during a planning period.

Net income from investment activity also reflects expected income from our private debt investments.

Based on our assumptions, we expect to see an EBITA from Fund Investment Services ranging from 8 to 13 million euros in the financial year 2025. When assessing this forecast, it should be noted that the positive one-off effect seen in the short financial year 2024 cannot be maintained after the closing of DBAG ECF IV in November 2024 when new fund investors were charged a management fee for the period between the fund's first and final close of subscriptions. Moreover, we expect a moderate increase in expenses in the Fund Investment Services segment.

Another factor influencing EBIT from Fund Investment Services is the fact that DBAG Fund VIII has slowed its investment pace in the current economic environment. It also means that successor funds will start investing later than originally planned. Consequently, the inflow of income for advisory services rendered will also be delayed, while expenses naturally continue to accrue. Turning to the last year of the planning period, earnings from Fund Investment Services are expected to be between 12 and 18 million euros.

While we remain committed to generally reducing our carbon footprint, we have reached a point where any further significant reductions now depend on our advisors providing evidence of their own carbon footprints. This information will allow us to factor their emissions into our calculations and adjust our procurement behaviour accordingly. Until we receive this data, we are assuming that our carbon footprint will remain stable.

We make sure to include the feedback we receive from our surveys on employee satisfaction in our business processes, refining the processes in line with the results. As this key performance indicator has reached a point where it will be difficult for us to improve further, our goal for the following years will be to maintain this high level of employee satisfaction.

Our zero tolerance policy for any form of corruption and other unethical business practices remains fully and firmly in place and we continue to adhere to our goal of 0 euros in payments from compliance breaches in any given financial year.

General forecast

Initially muted performance to be succeeded by a recovery towards the end of the planning period

As outlined above, we expect our net asset value to show moderate growth to begin with. Earnings from Fund Investment Services are likely to drop, in line with the life cycle of the funds and as a result of cost developments. However, we believe the current weakness in our key financial performance indicators to be temporary, mainly due to the macroeconomic environment.

We think that DBAG is well positioned to seize the opportunities that may present themselves if the macroeconomic environment proves to be better than currently expected – especially in light of the ample liquidity resources and strategic decisions that were implemented over the past five quarters since the financial year 2023/2024 commenced. This should result in further value increases over the medium term.

Of special note are our consistently high deal flow and strengthened deal sourcing, which also led to an improved risk assessment in terms of

Report on expected developments

sufficient access to new, attractive investment/financing opportunities in the short financial year 2024.

As already explained, the business performance of Deutsche Beteiligungs AG is generally subject to the same key performance indicators as the DBAG Group. As a result, the statements made above apply to both the DBAG Group and to Deutsche Beteiligungs AG.

Frankfurt/Main, 27 February 2025

Takeover-related disclosures

As at 31 December 2024, the share capital of Deutsche Beteiligungs AG amounted to 66,733,328.76 euros. It is divided into 18,804,992 no-par value registered ordinary shares (no-par value shares) with a notional interest in the share capital of 3.55 euros (rounded) each. There is only one class of shares. All shares carry the same rights and obligations. Pursuant to section 67 (2) of the AktG, the rights and obligations arising from shareholdership in relation to the Company exist only for and against the person registered in the share ledger. Each no-par value share shall carry one vote. The Company has no voting rights from treasury shares. The voting right does not commence until the contribution has been made in full. Rights and obligations attached to the shares ensue from statutory provisions, in particular sections 12, 53a et seqq., 118 et seqq., and 186 of the AktG.

In June 2024, the Company was last notified in accordance with section 33 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) that 28.61 per cent of the voting rights were held directly by Rossmann Beteiligungs GmbH, Burgwedel, Germany. An agreement for the relinquishing of control has existed between DBAG and this company since March 2013. This agreement is extended automatically until the end of the subsequent ordinary Annual General Meeting, unless due notice to terminate is given. According to the agreement, Rossmann Beteiligungs GmbH undertakes to exercise, for resolutions concerning the election or dismissal of Supervisory Board members, the voting rights attached to shares in DBAG attributable to the Rossmann Group as a whole, now and in the future, within a scope of no more than 45 per cent of the voting capital present at an Annual General Meeting. The Board of Management is not aware of any other restrictions relating to voting rights or the transfer of shares.

In accordance with DBAG's Articles of Association, the Board of Management consists of at least two individuals. The appointment of these members to the Board of Management requires a simple majority of the votes cast by the Supervisory Board members. In the event of a tie, the Chairman has the casting vote (Article 11 (4) of the Articles of Association). The Supervisory Board may exempt all or individual members of the Board of Management, in general or in individual cases, from the restrictions in section 181 of the German Civil Code (Bürgerliches Gesetzbuch – BGB). So far it has not made use of this option.

Amendments to the Articles of Association may be adopted pursuant to the provisions of sections 179, 133 of the AktG and pursuant to Article 17 of the Articles of Association. Where amendments to the Articles of Association relate merely to wording, the Supervisory Board is authorised to adopt these amendments. The Articles of Association provide that resolutions at the Annual General Meeting shall be generally adopted with a simple majority of the votes, or, insofar as a majority of the share capital is required, by a simple majority of the share capital, except where the law or the Articles of Association demand otherwise.

By virtue of a resolution adopted by the ordinary Annual General Meeting on 22 February 2024, the Board of Management is – with the agreement of the Supervisory Board – authorised to increase, on one or more occasions, the share capital by up to a total amount of 13,346,664.34 euros during the period up to 21 February 2029 in exchange for cash and/or non-cash contributions, whereby shareholders' subscription rights may be excluded under the conditions specified in the authorisation (Authorised Capital 2024). While shareholders are generally entitled to subscription rights, the Board of Management is nonetheless authorised to exclude shareholders' statutory subscription rights in the circumstances set out in the authorising resolution, subject to approval by the Supervisory Board. The Board of Management did not make use of this authorisation in the reporting year.

By way of a resolution passed by the ordinary Annual General Meeting held on 28 February 2023, the Board of Management is authorised up to 27 February 2028, subject to the consent of the Supervisory Board, to acquire treasury shares for purposes other than trading in treasury shares up to a maximum volume of ten per cent of the existing share capital at the time when the Annual General Meeting was held (66,733,328.76 euros) or – if this value is lower – of the share capital existing at the time of exercising this authorisation.

On 22 February 2024, the Board of Management resolved, with the agreement of the Supervisory Board, to launch a share buyback programme with a total volume of up to 20 million euros. DBAG purchased 151,572 no-par value shares in the period under review and held 646,267 (previous year: 494,695) no-par value shares as treasury shares as at the reporting date.

By way of a resolution passed by the ordinary Annual General Meeting held on 22 February 2024, the share capital has been conditionally increased by up to 13,346,664.34 euros by issuing up to 3,760,998 new no-par value registered shares (Conditional Capital 2024/I). This is on condition that the number of shares increases by the same ratio as the share capital. The conditional capital increase serves the purpose of granting new no-par value registered shares to the holders or creditors of bonds cum warrants and/or convertible bonds (collectively referred to as the "Bonds") – in each case with the respective option or conversion rights or option or conversion obligations – that will be issued by 21 February 2029 pursuant to the authorisation resolved upon by the Annual General Meeting on 22 February 2024.

On 28 June 2024, the Board of Management resolved, with the approval of the Supervisory Board, to place a convertible bond issue with a total nominal value of 100 million euros on the market. The Conditional Capital 2024/I will be used for this convertible bond insofar as conversion rights will be exercised for the delivery of shares instead of being fulfilled in another way. The existing authorisations are detailed in the respective resolutions passed at the Annual General Meetings mentioned above. The members of the Board of Management do not have a special right to terminate their service contracts in the event of a change of control at Deutsche Beteiligungs AG. In this event, they are also not entitled to severance payments based on compensation agreements.

Corporate Governance Statement (sections 289f and 315d of the HGB)

The Corporate Governance Statement pursuant to sections 289f and 315d of the HGB is permanently available in the Investor Relations section of our website under Corporate Governance (https://www.dbag.com/investor-relations/corporate-governance/management-declaration). It includes the Declaration of Compliance with the German Corporate Governance Code, pursuant to section 161 of the AktG, information on corporate governance practices and a description of how the Board of Management and the Supervisory Board work, as well as information on targets for the share of female members on the Supervisory Board, the Board of Management and the management level below the Board of Management.