PROSPECTUS

**for the public offering
in the Federal Republic of Germany**

of

3,760,998 new, ordinary registered shares with no par value (*auf den Namen lautende Stückaktien*) from the capital increase against cash contributions from authorized capital with indirect subscription rights (*mittelbare Bezugsrechte*) pursuant to Section 186 para. 5 of the German Stock Corporation Act (*Aktiengesetz*), resolved by the Board of Management (*Vorstand*) on April 12, 2021 with approval of the Supervisory Board (*Aufsichtsrat*) on the same date

and

for the admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*)

of

up to 3,760,998 new, ordinary registered shares with no par value
(*auf den Namen lautende Stückaktien*)

– each such share representing a notional value in the share capital of (rounded) EUR 3.55 and carrying full dividend rights from October 1, 2020 –

of

Deutsche Beteiligungs AG
Frankfurt am Main
Germany

International Securities Identification Number (ISIN): DE000A1TNUT7
German Securities Code (*Wertpapierkennnummer*, WKN): A1TNUT
Common Code: 094793475
Trading Symbol: DBAN

Joint Global Coordinators

Jefferies GmbH UniCredit Bank AG

The date of this Prospectus is April 13, 2021

The validity of this prospectus is expected to expire at the end of the day on May 3, 2021. The obligation to supplement a prospectus in the event of any significant new factors, material mistakes or material inaccuracies no longer applies when the prospectus is no longer valid.

The obligation to supplement the prospectus pursuant to Article 23 of the Regulation (EU) 2017/1129 of the Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC relating to every significant new factor, material mistake or material inaccuracy relating to the information included in a prospectus, which may affect the assessment of the securities and which arises or is noted between the time when this prospectus is approved and the time when trading on a regulated market begins will no longer apply following the expiration of the validity of this prospectus.

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1 SUMMARY OF THE PROSPECTUS

1.1 Introduction and Warnings

This prospectus (the "**Prospectus**") relates to New Shares (as defined below under 1.3(a)) of Deutsche Beteiligungs AG, Frankfurt am Main, Federal Republic of Germany ("**Germany**"), a German stock corporation (*Aktiengesellschaft*), Legal Entity Identifier ("**LEI**") 529900I88AOT7YXRMQ23 (the "**Issuer**", "**DBAG**" or the "**Company**", and together with its consolidated subsidiaries, the "**DBAG Group**", the "**Group**", "**we**", "**us**" or "**our**"). The Company can be contacted at its registered seat at Börsenstraße 1, 60313 Frankfurt am Main, Germany (telephone: +49 69 95787-01). The International Securities Identification Number ("**ISIN**") of the Company's shares is DE000A1TNUT7.

The New Shares will be offered by Jefferies GmbH, Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Germany, LEI 5493004I3LZM39BWHQ75 ("**Jefferies**") and UniCredit Bank AG, Arabellastraße 12, 81925 Munich, LEI 2ZCNRR8UK83OBTEK2170 ("**UniCredit**", and together with Jefferies, the "**Underwriters**"). UniCredit is also acting as listing agent (the "**Listing Agent**") in connection with the admission of the New Shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*).

This Prospectus is dated April 13, 2021 and has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**") as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC on that date. BaFin can be contacted at Marie-Curie-Str. 24-28, 60439 Frankfurt am Main, Germany, by telephone +49 228 4108-0, or via its website: http://www.bafin.de.

This summary should be read as an introduction to this Prospectus. Any decision to invest in the New Shares or in the existing shares of the Company (together, the "**Shares**") should be based on consideration of this Prospectus as a whole by the investor. Investors could lose all or part of their invested capital. Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

1.2 Key Information on the Issuer

(a) Who is the Issuer of the Securities?

The legal and commercial name of the issuer is "Deutsche Beteiligungs AG". The Company is incorporated as a stock corporation (*Aktiengesellschaft*) under German law. The Company's registered office is at Börsenstraße 1, 60313 Frankfurt am Main, Germany. The Company is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany under HRB 52491. The Company's LEI is 529900I88AOT7YXRMQ23.

(i) Principal Activities

We believe we are a leading publicly listed private equity company. We offer shareholders a strategy aiming for long-term capital appreciation in combination with an attractive dividend by providing access to medium-sized companies (the "**Portfolio Companies**") in which we invest alongside the DBAG Funds (as defined below) or independently of the DBAG Funds. At the same time, we provide fund investment services. Our integrated business model is centred around closed-end private equity funds (the "**DBAG Funds**") for investments in equity or equity-like instruments predominantly in privately held companies and represented by our two business segments: the private equity investments segment ("**Private Equity Investments Segment**") and the fund investment services segment ("**Fund Investment Services Segment**"). In our Fund Investment Services Segment we initiate, structure and advise the DBAG Funds. In our Private Equity Investments Segment we enter into investments, employing our own financial resources, predominantly as a co-investor alongside the DBAG Funds ("**Co-Investments**") and also, since 2020, independently of these funds ("**Long-term Investments**").

Our primary investment focus, as an investor and fund advisor, is on companies within the German *Mittelstand* with value enhancement potential. We believe that Germany's *Mittelstand* has a large concentration of medium-sized companies from the industrial sector that occupy leadership positions in niche markets (so-called "Hidden Champions"), and growth businesses, which are driven by global megatrends.

We focus on investments in companies that are headquartered, principally conduct their business, or have substantial operations in Germany, Austria and Switzerland. Furthermore, in 2020, we expanded our regional investment focus by including investments in industrial companies in Northern Italy, which is home to a large number of mid-sized companies, many of which are family-owned.

We invest in mid-sized companies that we believe are well-positioned with potential for growth. Manufacturing businesses and related service providers, which we believe are the foundation for the excellent reputation that Germany's Mittelstand enjoys around the world, have been a focal part of our investments for many years. A growing portion of our portfolio is deployed in the sectors of broadband/telecommunications, IT services/software and healthcare.

(ii) Our Main Shareholders

Based on publicly available information, in particular a shareholder notification dated November 25, 2019, Rossmann Beteiligungs GmbH holds 3,762,493 or 25.01% (direct shareholdings pursuant to Section 33 of the German Securities Trading Act (Wertpapierhandelsgesetz, "**WpHG**")), of the existing shares. Based on publicly available information, in particular a shareholding notification dated December 18, 2017, Taiko SA holds 1,000,000, or 6.65%, of the existing shares (indirect shareholdings pursuant to Sections 33, 34 WpHG). As of the date of this Prospectus, none of the Company's main shareholders has control over the Company within the meaning of Section 29 para. 2 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*).

(iii) Key Managing Directors

The Company's board of management (the "**Board of Management**") (*Vorstand*) has four members: Torsten Grede (Spokesman of the Board of Management – *Specher des Vorstands*), Susanne Zeidler (Chief Financial Officer – *Finanzvorstand*), Tom Alzin (Member of the Board of Management – *Mitglied des Vorstands*) and Jannick Hunecke (Member of the Board of Management – *Mitglied des Vorstands*).

(iv) Statutory Auditors

BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, Germany, with its office in charge located at Hanauer Landstraße 115, 60314 Frankfurt am Main, Germany ("**BDO**"), was the independent auditor of the Company for the financial years ended September 30, 2020 and 2019.

KPMG AG Wirtschaftsprüfungsgesellschaft, Klingelhöferstraße 18, 10785 Berlin, Germany, Niederlassung Frankfurt am Main, Germany, The Squaire, Am Flughafen, 60549 Frankfurt am Main, Germany ("**KPMG**"), was the independent auditor of the Company for the financial year ended September 30, 2018.

(b) What is the Key Financial Information Regarding the Issuer?

The audited consolidated financial statements of DBAG Group as of September 30, 2020, 2019, and 2018 (the "**Audited Consolidated Financial Statements**") were prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and the additional requirements of German commercial law pursuant to Section 315e para. 1 of the German Commercial Code (*Handelsgesetzbuch*; "**HGB**"). The consolidated financial statements as of September 30, 2020 and 2019 have been audited in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer*, "**IDW**") (the "**IDW Auditing Standards**") and the Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements regarding statutory audit of public-interest entities by BDO, who issued unqualified independent auditors' reports thereon. The consolidated financial statements as of September 30, 2018 have been audited in accordance with Section 317 HGB and in compliance with IDW Auditing Standards and the Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements regarding statutory audit of public-interest entities by KPMG, who issued an unqualified independent auditors' report thereon. The unaudited condensed consolidated interim financial statements of DBAG Group as of December 31, 2020 (the "**Unaudited Condensed Consolidated Interim Financial Statements**") were prepared in accordance with IFRS on interim financial reporting (IAS 34).

In the summary of this Prospectus, where financial information is labeled "audited" in tables, this information was taken from the Audited Consolidated Financial Statements. The label "unaudited" is used in tables in the summary of this Prospectus to indicate financial information that was taken from the Unaudited Condensed Consolidated Interim Financial Statements, or from our accounting records or internal management reporting systems or has been calculated based on figures from the above-mentioned sources.

The financial information presented in this summary for the financial years 2019/2020 and 2018/2019 has been taken from the Audited Consolidated Financial Statements as of September 30, 2020 and September 30, 2019.

The financial information presented in this summary for the financial year 2017/2018 was taken from the comparative prior-year figures contained in the Audited Consolidated Financial Statements as of September 30, 2019. As these figures were restated in accordance with IAS 8, they can be compared with the figures included in the Audited Consolidated Financial Statements as of September 30, 2018 only to a limited extent.

The financial information presented in this summary for the three-month periods ended December 31, 2020 and 2019 has been taken from the Unaudited Condensed Consolidated Interim Financial Statements (with comparative figures as of December 31, 2019).

(i) Key Financial Information from the Statement of Comprehensive Income

(in EUR thousand, except as otherwise indicated)	**For the three-month period from**		**For the financial year from**		
	October 1, 2020 to December 31, 2020	**October 1, 2019 to December 31, 2019**	**October 1, 2019 to September 30, 2020**	**October 1, 2018 to September 30, 2019**	**October 1, 2017 to September 30, 2018 (restated)**
	(unaudited)		*(audited, except as otherwise noted)*		
Income from fund services and investment activity	34,520	7,156	12,440	76,599	59,953
Change from prior period (in %)	—	—	(83.8)*	27.7*	—
Earnings after taxes	24,892	(186)	(16,747)	45,742	29,714
Net income attributable to other shareholders	*(3)*	*(2)*	*(9)*	*114*	*(25)*
Net income	24,890	(188)	(16,757)	45,856	29,688
Earnings per share (in EUR) (diluted and basic)(1)	1.65	(0.01)	(1.11)	3.05	1.97

* Unaudited.

(1) The earnings per share calculated in accordance with IAS 33 are based in the net income divided by the average number of DBAG shares outstanding in the respective reporting period.

(ii) Key Financial Information from the Consolidated Statements of Financial Position

(in EUR thousand)	**As of December 31,**	**As of September 30**		
	2020	**2020**	**2019**	**2018 (restated)**
	(unaudited)	*(audited)*		
Total assets	517,291	474,587	491,615	481,319
Total equity	448,651	423,531	460,152	443,790
Total liabilities	68,640	51,056	31,463	37,529
Total equity and liabilities	517,291	474,587	491,615	481,319

(iii) Key Financial Information from the Consolidated Statements of Cash Flows

(in EUR thousand)	For the three-month period from		For the financial year from		
	October 1, 2020 to December 31, 2020	October 1, 2019 to December 31, 2019	October 1, 2019 to September 30, 2020	October 1, 2018 to September 30, 2019	October 1, 2017 to September 30, 2018 (restated)
	(unaudited)		*(audited)*		
Cash flow from operating activities	(7,972)	(6,632)	(6,696)	(12,298)	9,858
Cash flow from investing activities	(17,603)	(24,072)	(8,385)	54,475	(93,200)
Cash flow from financing activities	23,545	(242)	(10,486)	(21,814)	(21,062)
Net change in cash and cash equivalents	(2,030)	(30,945)	(25,567)	20,363	(104,404)
Cash and cash equivalents at start of period	18,367	43,934	43,934	23,571	127,976
Cash and cash equivalents at end of period	16,338	12,989	18,367	43,934	23,571

(iv) Alternative Performance Measures and Financial Performance Indicators

The table below shows selected financial performance indicators of the DBAG Group for the dates and periods indicated:

(in EUR thousand)	For the three-month period from		For the financial year from		
	October 1, 2020 to December 31, 2020	October 1, 2019 to December 31, 2019	October 1, 2019 to September 30, 2020	October 1, 2018 to September 30, 2019	October 1, 2017 to September 30, 2018 (restated)
	(unaudited)		*(audited)*		
Private Equity Investments Segment					
NAV	437,299	465,110	421,997	472,126	470,727
Net income from investment activity(1)	23,744	59	(16,864)	49,629	31,098
Cash flow from investment activity(2)	(17,562)	(43,848)	(33,490)	(15,465)	(30,641)
Fund Investment Services Segment					
Income from fund services	10,776	7,097	29,304	26,970	28,855
Earnings from fund investment services(3)	4,832	1,712	9,459	3,033	5,568
Volume of assets under management or advisory	2,533,336	1,678,549	2,582,562	1,704,434	1,831,378
Net income in accordance with IFRS	24,890	(188)	(16,757)	45,856	29,688

(1) Figures for financial year 2018/2019 are presented under "net gain or loss from investment activities" in the segment reporting in the Audited Consolidated Financial Statements as of September 23, 2019.
(2) Figures for financial year ended September 30, 2019 and 2018 are presented under "cash flow from investing activities" in the Company's consolidated statement of cash flows in the Audited Consolidated Financial Statements as of September 30, 2019.
(3) "Earnings from fund investment services" are represented as "earnings before taxes from fund investment services" in the segment reporting of the Company's Audited Consolidated Financial Statements.

We present the net asset value of the Private Equity Investments Segment ("**NAV**"), earnings from fund investment services and volume of assets under management or advisory as alternative performance measures ("**APMs**") as defined in the guidelines issued by the European Securities and Markets Authority (ESMA) on October 5, 2015 on alternative performance measures. We present these APMs as supplemental information due to the particularities arising from our activities as a financial investor and fund advisor. We use these figures – in addition to net income from investment activity, cash flow from investment activity and income from fund services– as financial performance indicators for our Private Equity Investments Segment and Fund Investment Services Segment as we believe these are meaningful measures to evaluate the financial performance of our business activities over time. In addition, we believe these measures are widely used by certain investors, securities analysts, and other parties as supplemental measures of financial performance. These APMs are not required by or defined in accordance with IFRS or any other internationally accepted accounting principles. The APMs, as we define them, may not be comparable to similarly titled measures as presented by other companies due to differences in the way our APMs are calculated. Even though the APMs are used by our Board of Management to assess our ongoing financial performance, and though these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for the analysis of our results, cash flows or assets and liabilities as reported under IFRS.

The following table shows the calculation of our net asset value for the dates indicated:

(in EUR thousand)	As of December 31,	As of September 30		
	2020	2020	2019	2018 (restated)
	(unaudited)	*(audited)*		
Financial assets	404,273	390,741	385,693	318,931
Other financial instruments	53,589	25,988	17,002	32,766
Financial resources(1)	16,338	18,367	69,432	119,029
Thereof:				
Cash and cash equivalents	*16,338*	*18,367*	*43,934*	*23,571*
Long-term securities	—	—	—	*55,458*
Short-term securities	—	—	*25,498*	*40,000*
Loan liabilities	(36,900)	(13,100)	—	—

(in EUR thousand)	As of December 31,	As of September 30		
	2020	2020	2019	2018 (restated)
	(unaudited)	*(audited)*		
Net asset value	**437,299**	**421,997**	**472,126**	**470,727**

(1) The financial resources are used by DBAG for investments in equity or equity-like instruments.

The following table shows the calculation of our volume of assets under management or advisory for the dates indicated:

(in EUR thousand)	As of December 31,	As of September 30		
	2020	2020	2019	2018 (restated)
	(unaudited)	*(audited, except as otherwise noted)*		
Funds invested in Portfolio Companies	1,329,816	1,403,316*	1,088,298*	862,076*
Thereof:				
Funds invested by DBAG	*340,135*	*353,463**	*278,183**	*214,667**
Funds invested by third-party investors	*989,681*	*1,049,853**	*810,115**	*647,410**
Funds drawn but not yet invested	—	—	—	23,387*
Thereof:				
Funds drawn but not yet invested by DBAG	—	—	—	*9,676**
Funds drawn but not yet invested by third-party investors	—	—	—	*13,711**
Short-term bridge financing for new investments	260,898	135,856*	94,492*	145,086*
Thereof:				
Short-term bridge financing DBAG(1)	*53,589*	*25,988*	*17,002*	*32,766*
Short-term bridge financing DBAG Funds	*207,309*	*109,868**	*77,490**	*112,320**
Outstanding capital commitments of third-party investors	926,285	1,025,023*	452,212*	681,799*
Financial resources	16,338	18,367	69,432	119,029
Thereof:				
Cash and cash equivalents	*16,338*	*18,367*	*43,934*	*23,571*
Long-term securities	—	—	—	*55,458*
Short-term securities	—	—	*25,498*	*40,000*
Volume of assets under management or advisory	**2,533,336**	**2,582,562**	**1,704,434**	**1,831,378**

* Unaudited.

(1) "Short-term bridge financing DBAG" is presented under "other financial assets" in the consolidated statements of financial position in the Company's Audited Consolidated Financial Statements.

The following table shows the reconciliation of our income from fund services to earnings from fund investment services for the periods indicated:

(in EUR thousand)	For the three-month period from		For the financial year from		
	October 1, 2020 to December 31, 2020	October 1, 2019 to December 31, 2019	October 1, 2019 to September 30, 2020	October 1, 2018 to September 30, 2019	October 1, 2017 to September 30, 2018 (restated)
	(unaudited)		*(audited, except as otherwise noted)*		
Income from fund services	10,776	7,097	29,304	26,970	28,855
Other income/expense items	(5,944)	(5,385)	(19,845)	(23,937)	(23,286)
Thereof:					
Internal management fees	*341*	*325*	*1,285**	*1,211**	*852**
Personnel expenses	*(4,979)*	*(3,953)*	*(15,197)**	*(17,787)**	*(15,051)**
Other operating income	*1,283*	*616*	*3,971**	*5,304**	*3,435**
Other operating expenses	*(2,590)*	*(2,373)*	*(9,903)**	*(12,665)**	*(12,522)**
Earnings from fund investment services(1)	**4,832**	**1,712**	**9,459**	**3,033**	**5,568**

* Unaudited.

(1) "Earnings from fund investment services" are represented as "earnings before taxes from fund investment services" in the segment reporting of the Company's Audited Consolidated Financial Statements.

(c) ***What are the Key Risks that are specific to the Issuer?***

An investment in the Company's shares is subject to a number of risks, some of which are presented in this section and under section "*1.3 Key Information on the Securities—(c) What are the Key Risks that are specific to the Securities?*" of this summary. If any of these risks were to materialize, investors could lose all or part of their investments.

The following risks are key risks specific to the Company:

- Ongoing adverse developments in the global economic environment and volatility in the capital markets due to the COVID-19 pandemic may materially and adversely affect our business, financial condition and results of operations.

- Difficult market conditions could adversely affect our business in many ways, including by reducing the value or performance of our investments, reducing the ability to raise or deploy capital and reducing the volume of our fund investment services business, each of which could materially reduce our income and cash flows and adversely affect our financial condition.
- Our business is dependent on the operational performance of our and the DBAG Fund's Portfolio Companies. Should one or more of these Portfolio Companies not develop as planned or develop negatively, our investments may not appreciate in value or generate investment income or gains, or may lose some or all of their value.
- Our business model and strategy are dependent on our ability to access and execute attractive investment opportunities that match our investment strategy. Our future growth and profitability could be harmed if we fail to identify, source and execute a sufficient number of suitable investment opportunities on attractive terms.
- Our business model is to a significant extent based on Co-Investments alongside the DBAG Funds and management fees for fund investment services. Our future growth and profitability could be impaired if our ability to raise capital commitments from investors to funds would be limited or the economic terms of future funds would be less favorable than those of the existing funds.
- Our success depends to a material degree on our Investment Team and other key employees. We may not be able to retain our key personnel, or may not be able to replace them, which could impair our investment objectives and strategy. Moreover, we will need to retain and recruit additional qualified employees and the inability to do so when required or at all may impair our further growth.
- There is a risk that we lose a substantial number of key employees in the event a disruption event related to key persons was triggered by us.
- Our net income, which depends to a very large extent on the fair-value measurement of the portfolio, and cash flow are all highly variable, which may make it difficult for us to achieve steady earnings growth on a quarterly and annual basis and may temporarily cause considerable fluctuations in the price of our Shares.
- We are subject to restrictive covenants in our financing agreements that may limit our ability to make certain investments, including the financing of our future operations, capital needs and business opportunities that may be in our interest.
- We are subject to compliance risks and may face significant liabilities and damage to our professional reputation as a result of compliance violations.
- We are subject to the risk that competition law violations by Portfolio Companies may lead to significant fines against DBAG, and may adversely affect DBAG's reputation.
- Changes in laws or regulations, or a failure to comply with any laws or regulations, may adversely affect our business model or operations, prevent our Portfolio Companies from operating successfully and prevent us from making certain investments.

1.3 Key Information on the Securities

(a) What are the Main Features of the Securities?

The Offering (as defined below under 1.4(a)) relates to 3,760,998 new, ordinary registered shares with no par value (*auf den Namen lautende Stückaktien*), each with a notional par value of (rounded) EUR 3.55 in the Company's share capital and with full dividend rights as from October 1, 2020 (each a "**New Share**" and together the "**New Shares**"), with the ISIN DE000A1TNUT7. All Shares of the Company are of the same class. Each Share entitles the shareholder to one vote at the general shareholders' meeting of the Company. There are no restrictions on voting rights. Voting rights are the same for all the Company's Shares. Subject to lock-up commitments, as well as selling restrictions applicable to sales in certain jurisdictions, the Company's Shares are freely transferable in accordance with the legal requirements for registered shares (*Namensaktien*). The Company's Shares are subordinated to all other securities and claims in case of an insolvency of the Company. The New Shares will be entitled to a share of any liquidation proceeds or insolvency surpluses at the ratio of their notional share in the share capital.

We measure and manage the participation of the shareholders in our performance using dividend per share and dividend yield. Because we believe that our shareholders should also expect to achieve an attractive dividend yield, we aim for a stable dividend per share in euros, which increases whenever possible. This means that we also take the capital markets environment into consideration when determining the dividend proposal. EUR 1.50 per share was distributed to shareholders as dividend in February 2020 for the financial year ended September 30, 2019. Although our dividend policy remains valid as a general matter, we reduced the dividend due to the COVID-19 pandemic and its unpredictable consequences for the financial year 2019/2020. The general shareholders' meeting resolved a dividend of EUR 0.80 per share for the financial year ended September 30, 2020. The dividend payment is at the upper end of market expectations and represents a dividend yield of 2.4%, based on the annual average share price. We expect to return to a dividend of EUR 1.00 and EUR 1.20 per share and to our policy of stable dividends, which increase whenever possible, once the COVID-19 pandemic flattens and the economic environment returns to normal.

(b) Where will the Securities be traded?

The Company will apply for admission of the New Shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) and the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*) (the "**Listing**").

(c) What are the Key Risks that are specific to the Securities?

The following risks are key risks specific to the New Shares:

- The Company's major shareholder may use its voting rights at general shareholders' meetings (*Hauptversammlungen*) to adopt resolutions or may otherwise exercise material influence over DBAG Group thereby serving its own interests, which may conflict with the interests of other shareholders.
- The share price and trading volume of the Company's Shares may fluctuate significantly and could decline.

1.4 Key Information on the Offer of Securities to the Public and Admission to Trading on a Regulated Market

(a) Under which Conditions and Timetable Can I Invest in this Security?

(i) Scope of the Offering

The Offering (as defined below) relates to 3,760,998 New Shares from a capital increase against cash contributions from authorized capital resolved by the Board of Management on April 12, 2021, with approval of the supervisory board of the Company (*Aufsichtsrat*) on the same date to increase the share capital from EUR 53,386,664.43 by up to EUR 13,346,664.33 to up to EUR 66,733,328.76 by issuing up to 3,760,998 New Shares. The existing shareholders of the Company will be granted indirect subscription rights (*mittelbare Bezugsrechte*) (the "**Subscription Rights**") pursuant to Section 186 para. 5 of the German Stock Corporation Act (*Aktiengesetz*) in this process. Subscription Rights have been excluded for a fractional amount of two New Shares. The New Shares will be offered to the existing shareholders at a subscription ratio of 4:1 (the "**Subscription Ratio**"). This means that one New Share may be acquired at the Subscription Price (as defined below) for every 4 existing shares (the "**Subscription Offer**").

Subscription Rights that remain unexercised will expire and become worthless. Any New Shares that are not subscribed for in the Subscription Offer (the "**Rump Shares**") will be offered by the Underwriters in a rump placement by way of private placements at a price at least equivalent to the Subscription Price (i) in certain jurisdictions outside the United States of America ("**United States**") to selected qualified investors other than U.S. persons as defined in, and in reliance on, Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and (ii) to "qualified institutional buyers" ("**QIBs**", as defined in Rule 144A under the Securities Act) that are also "qualified purchasers" ("**QPs**", as defined in the U.S. Investment Company Act of 1940) (the "**Rump Placement**" and together with the Subscription Offer, the "**Offering**"). If all Rump Shares cannot be placed at a price at least equivalent to the Subscription Price in the Rump Placement, the size of the capital increase will be reduced to reflect the aggregate number of New Shares subscribed in the Subscription Offer and placed in the Rump Placement at a price at least equivalent to the Subscription Price.

The Subscription Offer will (i) in Germany, take the form of a public offering exclusively to existing shareholders of the Company and holders of Subscription Rights to the New Shares, (ii) in certain jurisdictions outside Germany and the United States, be in the form of a private placement to existing shareholders of the Company and holders of Subscription Rights to the New Shares other than U.S. persons as defined in, and in reliance on, Regulation S, and (iii) in the United States or when made to U.S. persons, be in the form of a private placement pursuant to an exemption from registration under the Securities Act, to QIBs that are also QPs. The New Shares and the Subscription Rights have not been and will not be registered under the Securities Act, or the securities laws of any other jurisdiction of the United States, its territories and possessions, any state of the United States or the District of Columbia, and may not be offered, sold or otherwise transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirement of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

Key shareholders have expressed their support for the capital increase, indicating that they will subscribe to approximately 22% of the New Shares. The members of the Board of Management intend to exercise their subscription rights in full.

(ii) Expected Timetable of the Offering

The scheduled timetable, which remains subject to change, for the Offering is as follows:

April 13, 2021	Approval of this Prospectus by BaFin Publication of this Prospectus on the Company's website Publication of the Subscription Offer in the German Federal Gazette (*Bundesanzeiger*)
April 14, 2021	Commencement of the Subscription Period (as defined below in 1.4(a)(iii)) "Ex-rights" trading of shares Commencement of trading of Subscription Rights Application for the admission to trading of the New Shares on the regulated market segment of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment thereof with additional post-admission obligations (Prime Standard) and the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*)
April 16, 2021	Credit of the Subscription Rights by the depositary banks to the depositary accounts of the Company's shareholders based on their holdings in the Company's shares as of 11.59 p.m. CEST April 15, 2021 (Record date)
April 22, 2021	End of trading in Subscription Rights
April 27, 2021	End of the Subscription Period (as defined below in 1.4(a)(iii)) Last day for payment of the Subscription Price (as defined below in 1.4(a)(iii)) Placement of the Rump Shares
April 28, 2021	Announcement of the final results of the Subscription Offer and the Offering on the Company's website
April 29, 2021	Expected registration of the implementation of the capital increase from authorized capital with the commercial register (*Handelsregister*) Admission of the New Shares to trading on the regulated market segment of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment thereof with additional post-admission obligations (Prime Standard) and on the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*) Publication of the admission of the New Shares by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) in the German Federal Gazette (*Bundesanzeiger*) and on the website of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (https:// www.boerse-frankfurt.de)
May 3, 2021	Commencement of trading in the New Shares by inclusion in the Company's current stock quotation on the regulated market segment of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the sub-segment thereof with

additional post-admission obligations (Prime Standard) and the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*)

Book-entry delivery of the New Shares

(iii) Terms of the Offering

Subscription rights must be exercised during the period from and including April 14, 2021, up to and including April 27, 2021 (the "**Subscription Period**"). Instructions by investors regarding the exercise of Subscription Rights have to be addressed to their respective depository banks. Investors are recommended to follow the instructions by their depository banks. The subscription price per New Share to be paid by investors is EUR 28.00 (the "**Subscription Price**").

(iv) Trading in Subscription Rights

The subscription rights for the New Shares are freely transferable and can be traded during the period from and including April 14, 2021 up to and including April 22, 2021 (until the respective closing auction for subscription rights) on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (Xetra and Xetra Specialist).

(v) Dilution

Shareholders who fully exercise their subscription rights for the New Shares will maintain their nearly unchanged percentage of ownership of the Company's share capital and voting rights following the implementation of the capital increase. To the extent that shareholders do not exercise any of their subscription rights, based on 15,043,994 shares immediately prior to the Subscription Offer, each shareholder's percentage ownership in the Company's share capital and its voting rights will decrease by 20.0% per existing share.

(vi) Total Expenses

The Company expects to incur fees and other Offering-related expenses in the amount of approximately EUR 5.6 million. No expenses will be charged to investors by the Company or the Underwriters. Investors may, however, have to bear customary transaction and handling fees charged by their account-keeping financial institutions.

(b) Who is the Offeror and/or the Person Asking for Admission to Trading?

The New Shares will be offered by Jefferies GmbH, a limited liability company with its registered seat at Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Germany, incorporated in and operating under German law, and UniCredit Bank AG, a stock corporation with its registered seat at Arabellastraße 12, 81925 Munich, Germany, incorporated in and operating under German law. Jefferies International Limited, 100 Bishopsgate, London EC2N 4JL, United Kingdom will perform any and all regulated services outside the European Union on behalf of Jefferies GmbH as may be required in connection with the Offering. Regulated services within the European Union or any EEA member state will be undertaken by Jefferies GmbH only and not by Jefferies International Limited.

The Company expects to apply for the Listing together with the Listing Agent.

(c) Why is this Prospectus being produced?

(i) Reasons for the Offering, estimated Net Amount, and Use of Proceeds

With the Offering, the Company aims to finance the further growth of its business. Assuming a sale of all New Shares at the Subscription Price of EUR 28.0, the net proceeds of the Company from the Offering would amount to approximately EUR 99.7 million. The Company intends to use the estimated net proceeds from the Offering as follows, in decreasing order of priority: (i) EUR 24.6 million for financing investments, which, as of the date of this Prospectus, have been signed but not yet been closed; and (ii) EUR 75.1 million will be used for financing future Co-Investments alongside the DBAG Funds, in particular alongside the newly established DBAG Fund VIII, as well as Long-term Investments, and for general corporate purposes. If and to the extent payments will have been made with respect to ongoing investments described in (i) above prior to the completion of the Offering out of funds received from previous investments (*e.g.* following disposals or recapitalizations), the excess proceeds will be used to finance future investments as described in (ii) above.

(ii) Underwriting Agreement

The Company and the Underwriters entered into an underwriting agreement dated April 12, 2021 (the "**Underwriting Agreement**") in which the Underwriters have agreed, subject to certain conditions, to subscribe for the New Shares and to offer such shares in a public offering to the Company's shareholders in connection with an indirect subscription right at the Subscription Ratio and at the Subscription Price. Any New Shares for which subscription rights were not exercised in the Subscription Period shall be placed in the Rump Placement and at a placement price corresponding to at least the Subscription Price.

(iii) Most Material Conflicts of Interest Pertaining to the Offer or the Admission to Trading

In connection with the Offering and the Listing, the Underwriters have entered into contractual relationships with the Company. The Underwriters are advising the Company on the Offering and coordinate the structuring and execution of the Offering. UniCredit has been appointed to act as subscription agent and Listing Agent. Upon successful execution of the Offering, the Underwriters will receive a commission. As a result of these contractual relationships, the Underwriters have a financial interest in the success of the Offering. Furthermore, UniCredit and its respective affiliates have and Jefferies and its respective affiliates may have engaged in transactions with, and provided various commercial banking, investment banking, financial advisory transactions and services in the ordinary course of their business with the Company and/or its affiliates for which they would have received customary fees and commissions. Each of the Underwriters and their respective affiliates may provide such services to the Company and/or its affiliates in the future, and therefore have a financial interest in the outcome of the Offering, which constitutes a potential conflict of interest.

2 ZUSAMMENFASSUNG DES PROSPEKTS (GERMAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS)

2.1 Einleitung mit Warnhinweisen

Dieser Prospekt (der "**Prospekt**") bezieht sich auf Neue Aktien (wie nachstehend unter 2.3(a) definiert) der Deutsche Beteiligungs AG, Frankfurt am Main, Deutschland, einer deutschen Aktiengesellschaft, Rechtsträgerkennung (*Legal Entity Identifier*, "**LEI**") 529900I88AOT7YXRMQ23 (die "**Emittentin**", "**DBAG**" oder die "**Gesellschaft**" und gemeinsam mit ihren konsolidierten Tochtergesellschaften die "**DBAG-Gruppe**", die "**Gruppe**", "**wir**", "**uns**" oder "**unsere**"). Die Gesellschaft kann an ihrem registrierten Sitz unter Börsenstraße 1, 60313 Frankfurt am Main, Deutschland (Telefon: +49 69 95787-01) kontaktiert werden. Die internationale Wertpapier-Identifikationsnummer (*International Securities Identification Number*, "**ISIN**") der Aktien der Gesellschaft ist DE000A1TNUT7.

Die Neuen Aktien werden von Jefferies GmbH, Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Deutschland, LEI 5493004I3LZM39BWHQ75 ("**Jefferies**") und der UniCredit Bank AG, Arabellastraße 12, 81925 München, Deutschland, LEI 2ZCNRR8UK83OBTEK2170 ("**UniCredit**", und zusammen mit Jefferies die "**Underwriter**") angeboten. UniCredit fungiert ebenfalls als Listing Agent (der "**Listing Agent**") im Zusammenhang mit der Zulassung der Neuen Aktien zum Handel im regulierten Markt der Frankfurter Wertpapierbörse und im regulierten Markt der Börse Düsseldorf.

Dieser Prospekt datiert vom 13. April 2021 und wurde von der Bundesanstalt für Finanzdienstleistungsaufsicht (die "**BaFin**") als zuständige Behörde gemäß der Verordnung (EU) 2017/1129 des Europäischen Parlaments und des Rates vom 14. Juni 2017 über den Prospekt, der beim öffentlichen Angebot von Wertpapieren oder bei deren Zulassung zum Handel an einem geregelten Markt zu veröffentlichen ist und zur Aufhebung der Richtlinie 2003/71/EG an diesem Tag gebilligt. Die BaFin ist erreichbar unter Marie-Curie-Str. 24-28, 60439 Frankfurt am Main, Deutschland, telefonisch unter +49 228 4108-0 oder über ihre Webseite http://www.bafin.de.

Diese Zusammenfassung sollte als Einleitung zu diesem Prospekt verstanden werden. Bei jeder Entscheidung, in die Neuen Aktien oder die bereits existierenden Aktien der Gesellschaft (zusammen, die "**Aktien**") zu investieren, sollte sich der Anleger auf den Prospekt als Ganzes stützen. Die Anleger können ihr investiertes Kapital ganz oder teilweise verlieren. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in einem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben. Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen würden.

2.2 Basisinformationen über die Emittentin

(a) Wer ist die Emittentin der Wertpapiere?

Der rechtliche und kommerzielle Name der Emittentin lautet "Deutsche Beteiligungs AG". Die Gesellschaft ist eine Aktiengesellschaft nach deutschem Recht. Die Gesellschaft hat ihren Sitz in Börsenstraße 1, 60313 Frankfurt am Main, Deutschland. Die Gesellschaft ist im Handelsregister des Amtsgerichts Frankfurt am Main, Deutschland unter HRB 52491 eingetragen. Die LEI der Gesellschaft lautet 529900I88AOT7YXRMQ23.

(i) Haupttätigkeiten

Wir glauben, dass wir eine führende börsennotierte Private-Equity-Gesellschaft sind. Wir bieten unseren Aktionären einen langfristigen Kapitalzuwachs in Kombination mit einer attraktiven Dividende, indem wir Zugang zu mittelständischen Unternehmen (die "**Portfoliounternehmen**") bieten, in die wir entweder neben den DBAG-Fonds (wie untenstehend definiert) oder unabhängig von den DBAG-Fonds investieren. Gleichzeitig bieten wir ein Fondsberatungsleistungen. Unser integriertes Geschäftsmodell fokussiert sich auf geschlossene Private-Equity-Fonds (die "**DBAG-Fonds**") für Investitionen in Eigenkapital oder eigenkapitalähnliche Instrumente an vorwiegend nicht börsennotierten Unternehmen und wird von unseren beiden Geschäftssegmenten, dem Segment Private-Equity-Investments ("**Segment Private-Equity-Investments**") und dem Segment Fondsberatung ("**Segment Fondsberatung**") repräsentiert. In unserem Segment Fondsberatung initiieren, strukturieren und beraten wir die DBAG-Fonds. In unserem Segment Private-Equity-Investments investieren wir, unter Einsatz unserer eigenen finanziellen Mittel, vorwiegend als Co-Investor neben den DBAG-Fonds ("**Co-Investments**") und seit 2020 auch unabhängig von diesen Fonds ("**Langfristige Beteiligungen**").

Als Investor und Fondsberater konzentrieren wir uns vorwiegend auf Unternehmen im deutschen Mittelstand mit Wertsteigerungspotenzial. Wir glauben, dass der deutsche Mittelstand eine große Konzentration mittelständischer Unternehmen aus dem Industriesektor aufweist, die globale Führungspositionen in Nischenmärkten einnehmen (sogenannte "Hidden Champions"), sowie Wachstumsunternehmen, die von globalen Megatrends angetrieben werden.

Wir konzentrieren uns auf Beteiligungen an Unternehmen, die entweder ihren Hauptsitz in Deutschland, Österreich oder der Schweiz haben oder vorwiegend ihr Geschäft dort betreiben oder dort tätig sind. Darüber hinaus haben wir im Jahr 2020 unseren regionalen Investitionsschwerpunkt um Beteiligungen an Industrieunternehmen in Norditalien erweitert, wo eine große Anzahl mittelständischer Unternehmen ansässig ist, von denen sich viele in Familienbesitz befinden.

Wir beteiligen uns an mittelständischen Unternehmen, die unserer Ansicht nach gut positioniert sind und Wachstumspotenzial bieten. Die Fertigungsindustrie und verwandte Dienstleister, von denen wir glauben, dass sie die Grundlage für den hervorragenden Ruf des deutschen Mittelstands auf der ganzen Welt bilden, sind seit vielen Jahren ein zentraler Bestandteil unserer Investitionen. Ein wachsender Teil unseres Portfolios umfasst die Bereiche Breitband / Telekommunikation, IT-Dienstleistungen / Software und Gesundheitswesen.

(ii) Hauptanteilseigner

Beruhend auf öffentlich zugänglichen Informationen, insbesondere einer Stimmrechtsmitteilung vom 25. November 2019, hält die Rossmann Beteiligungs GmbH 3.762.493 Stück oder 25,01% der bestehenden Aktien (unmittelbare Beteiligung gemäß § 33 Wertpapierhandelsgesetz; "**WpHG**"). Beruhend auf öffentlich zugänglichen Informationen, insbesondere einer Stimmrechtsmitteilung vom 18. Dezember 2017, hält die Taiko SA 1.000.000 Stück oder 6,65% der bestehenden Aktien (indirekte Beteiligung gemäß §§ 33, 34 WpHG). Keiner der

Hauptanteilseigner hat zum Datum dieses Prospekts Kontrolle über die Gesellschaft im Sinne von § 29 Abs. 2 des Wertpapiererwerbs- und Übernahmegesetzes.

(iii) Hauptgeschäftsführer

Der Vorstand der Gesellschaft (der "**Vorstand**") besteht aus vier Mitgliedern: Herr Torsten Grede (Sprecher des Vorstands), Frau Susanne Zeidler (Finanzvorstand), Herr Tom Alzin (Mitglied des Vorstands) und Herr Jannick Hunecke (Mitglied des Vorstands).

(iv) Abschlussprüfer

BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, Deutschland, mit ihrem zuständigen Büro in der Hanauer Landstraße 115, 60314 Frankfurt am Main, Deutschland ("**BDO**") war der unabhängige Abschlussprüfer der Gesellschaft für die zum 30. September 2020 und 2019 beendeten Geschäftsjahre.

KPMG AG Wirtschaftsprüfungsgesellschaft, Klingelhöferstraße 18, 10785 Berlin, Deutschland, Niederlassung Frankfurt am Main, Deutschland, The Squaire, Am Flughafen, 60549 Frankfurt am Main, Deutschland ("**KPMG**") war der unabhängige Abschlussprüfer der Gesellschaft für das zum 30. September 2018 beendete Geschäftsjahr.

(b) Welches sind die wesentlichen Finanzinformationen der Emittentin?

Die geprüften Konzernabschlüsse der DBAG-Gruppe für die zum 30. September 2020, 2019 und 2018 beendeten Geschäftsjahre (die "**Geprüften Konzernabschlüsse**") wurden in Übereinstimmung mit den International Financial Reporting Standards, wie sie in der Europäischen Union anzuwenden sind ("**IFRS**"), und den ergänzend nach § 315e Abs. 1 HGB anzuwendenden handelsrechtlichen Vorschriften aufgestellt. Die Konzernabschlüsse zum 30. September 2020 und 2019 wurden in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer ("**IDW**") festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung (die "**IDW-Prüfungsstandard**") sowie unter Beachtung der Verordnung (EU) Nr. 537/2014 des Europäischen Parlaments und des Rates vom 16. April 2014 über spezifische Anforderungen an die Abschlussprüfung bei Unternehmen von öffentlichem Interesse von BDO geprüft, und BDO hat diese Abschlüsse mit einem uneingeschränkten Bestätigungsvermerk des unabhängigen Abschlussprüfers versehen. Der Konzernabschluss zum 30. September 2018 wurde in Übereinstimmung mit § 317 HGB unter Beachtung der IDW-Prüfungsstandard sowie unter Beachtung der Verordnung (EU) Nr. 537/2014 des Europäischen Parlaments und des Rates vom 16. April 2014 über spezifische Anforderungen an die Abschlussprüfung bei Unternehmen von öffentlichem Interesse von KPMG geprüft, und KPMG hat diesen Abschluss mit einem uneingeschränkten Bestätigungsvermerk des unabhängigen Abschlussprüfers versehen. Der ungeprüfte verkürzte Konzernzwischenabschluss der Gesellschaft zum 31. Dezember 2020 (der "**Ungeprüfte Verkürzte Konzernzwischenabschluss**") wurde in Übereinstimmung mit den IFRS für Zwischenberichterstattung (IAS 34) erstellt.

Wo die Finanzinformationen in dieser Zusammenfassung des Prospekts in Tabellen als "geprüft" bezeichnet werden, wurden diese Informationen den Geprüften Konzernabschlüssen entnommen. Mit der Kennzeichnung "ungeprüft" werden in den Tabellen in dieser Zusammenfassung des Prospekts Finanzinformationen bezeichnet, die aus dem Ungeprüften Verkürzten Konzernzwischenabschluss, unserer Buchhaltung oder dem internen Berichtswesen stammen oder auf Grundlage von Zahlen aus den vorgenannten Quellen berechnet wurden.

Die in dieser Zusammenfassung dargestellten Finanzinformationen für die Geschäftsjahre 2019/2020 und 2018/2019 wurden dem geprüften Konzernabschluss zum 30. September 2020 und dem geprüften Konzernabschluss zum 30. September 2019 entnommen.

Die in dieser Zusammenfassung dargestellten Finanzinformationen für Geschäftsjahr 2017/2018 wurden den im geprüften Konzernabschluss zum 30. September 2019 enthaltenen Vergleichszahlen des Vorjahres entnommen. Da diese Zahlen gemäß IAS 8 angepasst wurden, können sie mit den in dem geprüften Konzernabschluss zum 30. September 2018 enthaltenen Zahlen nur in begrenztem Umfang verglichen werden.

Die in dieser Zusammenfassung dargestellten Finanzinformationen für die zum 31. Dezember 2020 und 2019 beendeten Dreimonatszeiträume wurden dem Ungeprüften Verkürzten Konzernzwischenabschluss (mit Vergleichszahlen zum 31. Dezember 2019) entnommen.

(i) Wesentliche Finanzinformationen aus der Gesamtergebnisrechnung

(in EUR Tausend, sofern nicht anders angegeben)	**Für den Dreimonatszeitraum vom**		**Für das Geschäftsjahr vom**		
	1. Oktober 2020 bis 31. Dezember 2020	**1. Oktober 2019 bis 31. Dezember 2019**	**1. Oktober 2019 bis 30. September 2020**	**1. Oktober 2018 bis 30. September 2019**	**1. Oktober 2017 bis 30. September 2018 (angepasst)**
	(ungeprüft)		*(geprüft, sofern nicht anders angegeben)*		
Erträge aus dem Fonds- und dem Beteiligungsgeschäft	34.520	7.156	12.440	76.599	59.953
Veränderung gegenüber dem Vorjahr (in %)*	—	—	(83,8)*	27,7*	—
Ergebnis nach Steuern	24.892	(186)	(16.747)	45.742	29.714
Ergebnis für Anteile anderer Gesellschafter	*(3)*	*(2)*	*(9)*	*114*	*(25)*
Konzernergebnis	24.890	(188)	(16.757)	45.856	29.688
Ergebnis je Aktie (in EUR) (verwässert und unverwässert)(1)	1,65	(0,01)	(1,11)	3,05	1,97

* Ungeprüft.

(1) Das nach IAS 33 errechnete Ergebnis je Aktie basiert auf dem Konzernergebnis dividiert durch die im jeweiligen Berichtszeitraum durchschnittlich im Umlauf befindliche Zahl von DBAG-Aktien.

(ii) Wesentliche Finanzinformationen aus den Konzernbilanzen

	Zum 31. Dezember	**Zum 30. September**		
	2020	**2020**	**2019**	**2018 (angepasst)**
	(ungeprüft)	*(geprüft)*		
Summe Aktiva	517.291	474.587	491.615	481.319
Summe Eigenkapital	448.651	423.531	460.152	443.790

	Zum 31. Dezember	Zum 30. September		
	2020	2020	2019	2018 (angepasst)
	(ungeprüft)	*(geprüft)*		
Summe Fremdkapital	68.640	51.056	31.463	37.529
Summe Passiva	517.291	474.587	491.615	481.319

(iii) Wesentliche Finanzinformationen aus den Konzern-Kapitalflussrechnungen

(in EUR Tausend)	Für den Dreimonatszeitraum vom		Für das Geschäftsjahr vom		
	1. Oktober 2020 bis 31. Dezember 2020	1. Oktober 2019 bis 31. Dezember 2019	1. Oktober 2019 bis 30. September 2020	1. Oktober 2018 bis 30. September 2019	1. Oktober 2017 bis 30. September 2018 (angepasst)
	(ungeprüft)		*(geprüft)*		
Cashflow aus betrieblicher Tätigkeit	(7.972)	(6.632)	(6.696)	(12.298)	9.858
Cashflow aus der Investitionstätigkeit	(17.603)	(24.072)	(8.385)	54.475	(93.200)
Cashflow aus der Finanzierungstätigkeit	23.545	(242)	(10.486)	(21.814)	(21.062)
Zahlungswirksame Veränderung des Finanzmittelbestands	(2.030)	(30.945)	(25.567)	20.363	(104.404)
Finanzmittelbestand am Anfang der Periode	18.367	43.934	43.934	23.571	127.976
Finanzmittelbestand am Ende der Periode	16.338	12.989	18.367	43.934	23.571

(iv) Alternative Leistungskennzahlen und Steuerungskennzahlen für finanzielle Ziele

Die folgende Tabelle zeigt ausgewählte Steuerungskennzahlen für finanzielle Ziele der DBAG-Gruppe für die angegebenen Daten und Zeiträume:

(in EUR Tausend)	Für den Dreimonatszeitraum vom		Für das Geschäftsjahr vom		
	1. Oktober 2020 bis 31. Dezember 2020	1. Oktober 2019 bis 31. Dezember 2019	1. Oktober 2019 bis 30. September 2020	1. Oktober 2018 bis 30. September 2019	1. Oktober 2017 bis 30. September 2018 (angepasst)
	(ungeprüft)		*(geprüft)*		
Segment Private-Equity-Investments					
NAV	437.299	465.110	421.997	472.126	470.727
Erträge aus dem Beteiligungsgeschäft (netto)	23.744	59	(16.864)	49.629	31.098
Cashflow aus dem Beteiligungsgeschäft	(17.562)	(43.848)	(33.490)	(15.465)	(30.641)
Segment Fondsberatung					
Erträge aus dem Fondsgeschäft	10.776	7.097	29.304	26.970	28.855
Ergebnis aus der Fondsberatung[(1)]	4.832	1.712	9.459	3.033	5.568
Verwaltetes und beratenes Vermögen	2.533.336	1.678.549	2.582.562	1.704.434	1.831.378
Konzernergebnis nach IFRS	24.890	(188)	(16.757)	45.856	29.688

(1) Das "Ergebnis aus der Fondsberatung" wird in der Segmentberichterstattung der geprüften Konzernabschlüsse der Gesellschaft als "Ergebnis vor Steuern Fondberatung" dargestellt.

Wir präsentieren den Nettovermögenswert des Segments Private-Equity-Investments (*Net Asset Value*; "**NAV**"), das Ergebnis aus der Fondsberatung und das verwaltete und beratene Vermögen als alternative Leistungskennzahlen (*Alternative Performance Measures*; "**APMs**") gemäß den Richtlinien der Europäischen Wertpapier- und Marktaufsichtsbehörde (ESMA) vom 5. Oktober 2015 zu alternativen Leistungskennzahlen. Wir präsentieren diese APMs – zusätzlich zu den Erträgen aus dem Beteiligungsgeschäft (netto), dem Cashflow aus dem Beteiligungsgeschäft und den Erträgen aus dem Fondsgeschäft – als ergänzende Informationen aufgrund der Besonderheiten, die sich aus unseren Aktivitäten als Finanzinvestor und Fondsberater ergeben. Wir verwenden diese Zahlen als Steuerungskennzahlen für die finanziellen Ziele unseres Segments Private-Equity-Investments und dem Segment Fondsberatung, da wir der Ansicht sind, dass dies sinnvolle Kennzahlen zur Bewertung der finanziellen Leistung unserer Geschäftstätigkeit im Zeitverlauf sind. Zudem glauben wir, dass diese Kennzahlen von bestimmten Anlegern, Wertpapieranalysten und anderen Parteien häufig als ergänzende Kennzahlen für die finanzielle Leistung verwendet werden. Diese APMs sind nicht nach IFRS erforderlich und werden nicht gemäß IFRS oder anderen international anerkannten Rechnungslegungsgrundsätzen berechnet. Die von uns definierten APMs sind möglicherweise nicht mit Kennzahlen mit ähnlichen Titeln vergleichbar, wie sie von anderen Unternehmen dargestellt werden, da sich die Berechnung unserer APMs unterscheidet. Obwohl die APMs von unserem Vorstand zur Bewertung unserer laufenden finanziellen Leistung verwendet werden und diese Arten von Kennzahlen üblicherweise von Anlegern verwendet werden, können sie nur eingeschränkt als Analysewerkzeuge verwendet werden, und sollten nicht isoliert oder als Ersatz für die Analyse unserer Ergebnisse, Cashflows oder Vermögenswerte und Schulden gemäß IFRS betrachtet werden.

Die folgende Tabelle zeigt die Berechnung unseres Nettovermögenswerts für die angegebenen Daten:

(in EUR Tausend)	Zum 31. Dezember,	Zum 30. September		
	2020	2020	2019	2018 (angepasst)
	(ungeprüft)	*(geprüft)*		
Finanzanlagen	404.273	390.741	385.693	318.931
Sonstige Finanzinstrumente	53.589	25.988	17.002	32.766

(in EUR Tausend)	Zum 31. Dezember,	Zum 30. September		
	2020	2020	2019	2018 (angepasst)
	(ungeprüft)		*(geprüft)*	
Finanzmittel[(1)]	16.338	18.367	69.432	119.029
Davon:				
Flüssige Mittel	*16.338*	*18.367*	*43.934*	*23.571*
Langfristige Wertpapiere	—	—	—	*55.458*
Kurzfristige Wertpapiere	—	—	*25.498*	*40.000*
Kreditverbindlichkeiten	(36.900)	(13.100)	—	—
Nettovermögenswert	**437.299**	**421.997**	**472.126**	**470.727**

(1) Die Finanzmittel werden von der DBAG für Investitionen in Eigenkapital oder eigenkapitalähnliche Instrumente verwendet.

Die folgende Tabelle zeigt die Berechnung unseres verwalteten oder beratenen Vermögens zu den angegebenen Daten:

(in EUR Tausend)	Zum 31. Dezember	Zum 30. September		
	2020	2020	2019	2018 (angepasst)
	(ungeprüft)		*(ungeprüft)*	
In Portfoliounternehmen investierte Mittel	1.329.816	1.403.316*	1.088.298*	862.076*
Davon:				
Investierte Mittel der DBAG	*340.135*	*353.463**	*278.183**	*214.667**
Investierte Mittel der Fremdinvestoren	*989.681*	*1.049.853**	*810.115**	*647.410**
Abgerufene, aber noch nicht investierte Mittel	—	—	—	23.387*
Davon:				
Abgerufene, aber noch nicht investierte Mittel der DBAG	—	—	—	*9.676**
Abgerufene, aber noch nicht investierte Mittel der Fremdinvestoren	—	—	—	*13.711**
Kurzfristige Zwischenfinanzierung neuer Investments	260.898	135.856*	94.492*	145.086*
Davon:				
Kurzfristige Zwischenfinanzierung DBAG[(1)]	*53.589*	*25.988*	*17.002*	*32.766*
Kurzfristige Zwischenfinanzierung DBAG Fonds	*207.309*	*109.868**	*77.490**	*112.320**
Abrufbare Kapitalzusagen der Fremdinvestoren	926.285	1.025.023*	452.212*	681.799*
Finanzmittel	16.338	18.367	69.432	119.029
Davon:				
Flüssige Mittel	*16.338*	*18.367*	*43.934*	*23.571*
Langfristige Wertpapiere	—	—	—	*55.458*
Kurzfristige Wertpapiere	—	—	*25.498*	*40.000*
Verwaltetes und beratenes Vermögen	**2.533.336**	**2.582.562**	**1.704.434**	**1.831.378**

* Ungeprüft.
(1) Die "kurzfristige Zwischenfinanzierung DBAG" wird in der Segmentberichterstattung der geprüften Konzernabschlüsse der Gesellschaft unter "Sonstige Finanzanlagen" ausgewiesen.

Die folgende Tabelle zeigt die Überleitung unserer Erträge aus dem Fondsgeschäft zu unserem Ergebnis aus der Fondsberatung für die angegebenen Zeiträume:

(in EUR Tausend)	Für den Dreimonatszeitraum vom		Für das Geschäftsjahr vom		
	1. Oktober 2020 bis 31. Dezember 2020	1. Oktober 2019 bis 31. Dezember 2019	1. Oktober 2019 bis 30. September 2020	1. Oktober 2018 bis 30. September 2019	1. Oktober 2017 bis 30. September 2018 (angepasst)
	(ungeprüft)		*(geprüft, sofern nicht anders angegeben)*		
Erträge aus dem Fondsgeschäft	10.776	7.097	29.304	26.970	28.855
Sonstige Ertrags- / Aufwandsposten	(5.944)	(5.385)	(19.845)	(23.937)	(23.286)
Davon:					
Interne Verwaltungsvergütung	*341*	*325*	*1.285**	*1.211**	*852**
Personalaufwand	*(4.979)*	*(3.953)*	*(15.197)**	*(17.787)**	*(15.051)**
Sonstige betriebliche Erträge	*1.283*	*616*	*3.971**	*5.304**	*3.435**
Sonstige betriebliche Aufwendungen	*(2.590)*	*(2.373)*	*(9.903)**	*(12.665)**	*(12.522)**
Ergebnis aus der Fondsberatung[(1)]	**4.832**	**1.712**	**9.459**	**3.033**	**5.568**

* Ungeprüft.
(1) Das "Ergebnis aus der Fondsberatung" wird in der Segmentberichterstattung der geprüften Konzernabschlüsse der Gesellschaft als "Ergebnis vor Steuern Fondberatung" dargestellt.

(c) Welches sind die zentralen Risiken, die für die Emittentin spezifisch sind?

Eine Investition in die Aktien der Gesellschaft unterliegt einer Reihe von Risiken, von denen einige in diesem Abschnitt und unter Abschnitt "*—2.3 Basisinformationen über die Wertpapiere—(c) Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?*" dieser

Zusammenfassung dargestellt werden. Wenn sich eines oder mehrere der genannten Risiken verwirklichen sollten, könnten Anleger ihre Investition ganz oder teilweise verlieren.

Die folgenden Risiken sind zentrale Risiken, die für uns spezifisch sind:

- Anhaltende nachteilige Entwicklungen im globalen Wirtschaftsumfeld und die Volatilität an den Kapitalmärkten aufgrund der COVID-19-Pandemie könnten unsere Geschäfts-, Finanz- und Ertragslage erheblich und nachteilig beeinflussen.
- Schwierige Marktbedingungen könnten sich in vielerlei Hinsicht nachteilig auf unser Geschäft auswirken, unter anderem durch die Verringerung des Werts oder der Wertentwicklung unserer Investitionen, die Verringerung der Fähigkeit, Kapital zu beschaffen oder einzusetzen, und die Verringerung des Volumens unseres Fondsberatungsgeschäfts, welche jeweils unsere Erträge und Cashflows erheblich verringern und unsere Finanzlage nachteilig beeinflussen könnten.
- Unser Geschäft hängt von der operativen Performance unserer Portfoliounternehmen und der Portfoliounternehmen der DBAG-Fonds ab. Sollte sich eines oder mehrere dieser Portfoliounternehmen nicht wie geplant entwickeln oder negativ entwickeln, könnten unsere Investitionen möglicherweise nicht an Wert gewinnen oder Kapitalerträge oder -gewinne erzielen oder einen Teil ihres oder den gesamten Wert verlieren.
- Unser Geschäftsmodell und unsere Strategie hängen von unserer Fähigkeit ab, Zugang zu attraktiven Investitionsmöglichkeiten zu erhalten, die unserer Investitionsstrategie entsprechen, und diese umzusetzen. Unser zukünftiges Wachstum und unsere Rentabilität könnten beeinträchtigt werden, wenn wir nicht ausreichend geeignete Investitionsmöglichkeiten zu attraktiven Konditionen identifizieren, beschaffen und umsetzen.
- Unser Geschäftsmodell basiert in erheblichem Maße auf Co-Investitionen neben den DBAG-Fonds und auf Verwaltungsgebühren für die Fondberatung. Unser zukünftiges Wachstum und unsere Rentabilität könnten beeinträchtigt werden, wenn unsere Fähigkeit, Kapital von Investoren einzusammeln, eingeschränkt wäre oder die wirtschaftlichen Bedingungen zukünftiger Fonds ungünstiger wären als die der bestehenden Fonds.
- Unser Erfolg hängt in erheblichem Maße von unserem Investmentteam und anderen wichtigen Mitarbeitern ab. Wir sind möglicherweise nicht in der Lage, unser Schlüsselpersonal zu halten oder es zu ersetzen, was unsere Investitionsziele und -strategie beeinträchtigen könnte. Darüber hinaus müssen wir zusätzliche qualifizierte Mitarbeiter halten und einstellen, und die Unfähigkeit, dies bei Bedarf oder überhaupt zu tun, könnte unser weiteres Wachstum beeinträchtigen.
- Es besteht das Risiko, dass wir eine erhebliche Anzahl von Schlüsselmitarbeitern verlieren, falls wir ein Störungsereignis in Bezug auf Schlüsselpersonen auslösen.
- Unser Nettogewinn, der zu einem sehr großen Teil von der Marktbewertung des Portfolios abhängt, und der Cashflow sind sehr variabel, was es uns erschweren könnte, vierteljährlich und jährlich ein stetiges Gewinnwachstum zu erzielen, und vorübergehend erhebliche Kursschwankungen unserer Aktien auslösen könnte.
- Wir unterliegen restriktiven Bestimmungen in unseren Finanzierungsverträgen, die unsere Fähigkeit einschränken könnte, bestimmte Investitionen zu tätigen, einschließlich der Finanzierung unserer zukünftigen Geschäftstätigkeit, unseres Kapitalbedarfs und in unserem Interesse liegender Geschäftsmöglichkeiten.
- Wir sind Compliance-Risiken ausgesetzt und könnten aufgrund von Compliance-Verstößen erheblichen Verbindlichkeiten und Rufschädigungen ausgesetzt sein.
- Wir sind dem Risiko ausgesetzt, dass Verstöße gegen das Wettbewerbsrecht von Portfoliounternehmen zu erheblichen Bußgeldern gegen die DBAG führen und den Ruf der DBAG schädigen könnten.
- Änderungen von Gesetzen oder Vorschriften oder die Nichteinhaltung von Gesetzen oder Vorschriften könnten sich nachteilig auf unser Geschäftsmodell oder unsere Geschäftstätigkeit auswirken, und verhindern, dass unsere Portfoliounternehmen erfolgreich tätig sind, und wir bestimmte Investitionen tätigen.

2.3 Basisinformationen über die Wertpapiere

(a) Welches sind die wichtigsten Merkmale der Wertpapiere?

Das Angebot (wie nachstehend unter 2.4(a) definiert) bezieht sich auf 3.760.998 neu ausgegebene auf den Namen lautende Stückaktien ohne Nennwert mit der ISIN DE000A1TNUT7, jeweils mit einem anteiligen Betrag am Grundkapital der Gesellschaft von (gerundet) EUR 3,55 und voller Gewinnberechtigung ab dem 1. Oktober 2020 (jede für sich eine "**Neue Aktie**" und zusammen die "**Neuen Aktien**"). Alle Aktien der Gesellschaft sind Aktien derselben Gattung. Jede Aktie gewährt in der Hauptversammlung der Gesellschaft eine Stimme. Es bestehen keine Beschränkungen des Stimmrechts. Sämtliche Aktien der Gesellschaft verfügen über die gleichen Stimmrechte. Vorbehaltlich von Lock-Up-Verpflichtungen sowie Verkaufsbeschränkungen, die für Verkäufe in bestimmten Jurisdiktionen gelten, sind die Aktien der Gesellschaft gemäß der für die Übertragung von Namensaktien geltenden rechtlichen Anforderungen frei übertragbar. Die Aktien der Gesellschaft sind im Falle einer Insolvenz der Gesellschaft allen anderen Wertpapieren und Ansprüchen nachrangig. Die Neuen Aktien haben Anspruch auf einen Anteil am Liquidationserlös oder Insolvenzüberschuss im Verhältnis ihres rechnerischen Anteils am Grundkapital.

Die Teilhabe der Aktionäre am Erfolg messen und steuern wir anhand der Dividende je Aktie sowie der Dividendenrendite. Wir streben eine stabile, wann immer möglich steigende Dividende in Euro je Aktie an. Darüber hinaus sollen unsere Aktionäre eine attraktive Dividendenrendite erzielen; d.h. wir berücksichtigen auch das Kapitalmarktumfeld bei der Festlegung des Dividendenvorschlags. Ende Februar 2020 wurde für das Geschäftsjahr 2018/2019 eine Dividende in Höhe von EUR 1,50 je Aktie an die Aktionäre ausgezahlt. Trotz unverändert gültiger Dividendenpolitik wurde die Dividende angesichts der COVID-19 Pandemie und ihrer unabsehbaren Folgen für das Geschäftsjahr 2019/2020 reduziert. Die Hauptversammlung hat für das Geschäftsjahr 2019/2020 eine Dividende in Höhe von EUR 0,80 je Aktie beschlossen. Die Dividendenzahlung liegt am oberen Ende der Markterwartung und entspricht, bezogen auf den Jahresdurchschnittskurs, einer Dividendenrendite von 2,4%. Wir erwarten, dass wir mit einer Normalisierung des wirtschaftlichen Umfelds nach einem Abflachen der COVID-19 Pandemie zu einer Dividende zwischen EUR 1,00 und EUR 1,20 je Aktie und unserer Politik stabiler und, wenn möglich, steigender Dividenden zurückkehren können.

(b) Wo werden die Wertpapiere gehandelt?

Die Gesellschaft wird die Zulassung der Neuen Aktien zum Handel im regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zu dessen Teilbereich mit weiteren Zulassungsfolgepflichten (Prime Standard) und zum Handel im regulierten Markt der Düsseldorfer Wertpapierbörse beantragen (die "**Börsennotierung**").

(c) ***Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?***

Die folgenden Risiken sind zentrale Risiken, die für die Neuen Aktien spezifisch sind:

- Der Hauptaktionär der Gesellschaft kann seine Stimmrechte in den Hauptversammlungen nutzen, um Beschlüsse zu fassen, oder auf andere Weise einen wesentlichen Einfluss auf die DBAG-Gruppe ausüben, um so seine eigenen Interessen zu verfolgen, die den Interessen anderer Aktionäre entgegenstehen könnten.
- Der Aktienkurs und das Handelsvolumen der Aktien der Gesellschaft könnten erheblich schwanken und sinken.

2.4 Basisinformationen über das öffentliche Angebot von Wertpapieren und die Zulassung zum Handel an einem geregelten Markt

(a) ***Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?***

(i) Angebotsumfang

Das Angebot (wie nachstehend definiert) bezieht sich auf 3.760.998 Neue Aktien aus einer vom Vorstand am 12. April 2021 mit Zustimmung des Aufsichtsrats der Gesellschaft vom gleichen Tag beschlossenen Kapitalerhöhung gegen Bareinlagen aus genehmigtem Kapital zur Erhöhung des Grundkapitals von EUR 53.386.664,43 um bis zu EUR 13.346.664,33 auf bis zu EUR 66.733.328,76 durch Ausgabe von bis zu 3.760.998 Neuen Aktien. Den bestehenden Aktionären der Gesellschaft wird dabei ein mittelbares Bezugsrecht gemäß § 186 Abs. 5 Aktiengesetz eingeräumt (die "**Bezugsrechte**"). Für einen Spitzenbetrag von zwei neuen Aktien ist das Bezugsrecht ausgeschlossen worden. Die Neuen Aktien werden den bestehenden Aktionären zum Bezug im Verhältnis von 4:1 (das "**Bezugsverhältnis**") angeboten. Dies bedeutet, dass eine Neue Aktie zum Bezugspreis (wie nachfolgend definiert) für jeweils 4 bestehende Aktien erworben werden kann (das "**Bezugsangebot**").

Bezugsrechte, die nicht ausgeübt werden, verfallen und werden wertlos. Jegliche Neuen Aktien, die nicht im Rahmen des Bezugsangebots gezeichnet werden (die "**Restaktien**"), werden von den Underwritern in einer Rumpfplatzierung im Wege von Privatplatzierungen zu einem Preis, der mindestens dem Bezugspreis entspricht, (i) in bestimmten Jurisdiktionen außerhalb der Vereinigten Staaten von Amerika (die "**Vereinigten Staaten**") bestimmten qualifizierten Anlegern, die keine U.S. Personen wie in der *Regulation S* ("**Regulation S**") des U.S. Securities Act von 1933 (in der jeweils gültigen Fassung) (der "**Securities Act**") definiert sind, unter Berufung auf Regulation S und (ii) qualifizierten institutionellen Käufern (*qualified institutional buyers*; "**QIBs**") gemäß *Rule 144A* des Securities Act, die auch qualifizierte Käufer (*qualified purchasers*; "**QPs**") gemäß dem Investment Company Act von 1940 sind, angeboten (die "**Rumpfplatzierung**" und zusammen mit dem Bezugsangebot das "**Angebot**"). Sofern nicht sämtliche Restaktien in der Rumpfplatzierung zu einem Preis, der mindestens dem Bezugspreis entspricht, platziert werden können, wird der Umfang der Kapitalerhöhung reduziert, um der Gesamtzahl der Neuen Aktien zu entsprechen, die im Bezugsangebot gezeichnet und in der Rumpfplatzierung zu einem Preis, der mindestens dem Bezugspreis entspricht, platziert wurden.

Das Bezugsangebot wird (i) in Deutschland in Form eines öffentlichen Angebots ausschließlich an Altaktionäre der Gesellschaft und Inhaber von Bezugsrechten auf Neue Aktien, (ii) in bestimmten Jurisdiktionen außerhalb Deutschlands und den Vereinigten Staaten in Form einer Privatplatzierung an Altaktionäre der Gesellschaft und Inhaber von Bezugsrechten auf Neue Aktien, die keine U.S. Personen wie in der Regulation S definiert sind, unter Berufung Regulation S, und (iii) in den Vereinigten Staaten, oder wenn es an U.S. Personen gerichtet ist, in Form einer Privatplatzierung gemäß einer Ausnahme von der Registrierungspflicht unter dem Securities Act an QIBs, die auch QPs sind, erfolgen. Die Neuen Aktien und die Bezugsrechte wurden und werden nicht gemäß dem Securities Act oder den Wertpapiergesetzen einer anderen Jurisdiktion der Vereinigten Staaten, ihrer Territorien und Besitztümer oder eines Bundesstaates der Vereinigten Staaten oder des District of Columbia registriert und dürfen dort weder angeboten, verkauft noch anderweitig übertragen werden, es sei denn, es liegt eine Ausnahme von den Registrierungsanforderungen des Securities Act oder anderen anwendbaren Wertpapiergesetzen eines Staates oder einer anderen Jurisdiktion innerhalb der Vereinigten Staaten vor oder es handelt sich um eine Transaktion, die deren Registrierungsanforderungen nicht unterfällt.

Wesentliche Aktionäre haben angekündigt, die Kapitalmaßnahme zu unterstützen und rund 22 Prozent der Neuen Aktien zu beziehen. Die Mitglieder des Vorstands beabsichtigen, ihre Bezugsrechte vollumfänglich auszuüben.

(ii) Vorgesehener Zeitplan des Angebots

Der vorgesehene Zeitplan für das Angebot, welcher Änderungen ausgesetzt sein kann, ist wie folgt:

13. April 2021	Billigung des Prospekts durch die BaFin
	Veröffentlichung des Prospekts auf der Internetseite der Gesellschaft
	Veröffentlichung des Bezugsangebots im Bundesanzeiger
14. April 2021	Beginn der Bezugsfrist (wie nachstehend in 2.4.(a)(iii) definiert)
	"Ex-Bezugsrecht" Handel der Aktien
	Beginn des Bezugsrechtshandels
	Antrag auf Zulassung der Neuen Aktien zum Handel im regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) und zum regulierten Market der Börse Düsseldorf
16. April 2021	Gutschrift der Bezugsrechte durch die jeweiligen Depotbanken auf die Depotkonten der Aktionäre der Gesellschaft auf Basis derer Beteiligung am Grundkapital der Gesellschaft am 15. April 2021, 23.59 Uhr MESZ (Record Date)
22. April 2021	Ende des Handels mit Bezugsrechten
27. April 2021	Ende der Bezugsfrist (wie nachstehend in 2.4(a)(iii) definiert)
	Letzter Tag zur Zahlung des Bezugspreises (wie nachstehend in 1.4(a)(iii) definiert)
	Rumpfplatzierung
28. April 2021	Veröffentlichung des Ergebnisses des Bezugsangebots und des Angebots auf der Internetseite der Gesellschaft
29. April 2021	Erwartete Eintragung der Durchführung der Kapitalerhöhung im Handelsregister

	Zulassung der Neuen Aktien zum Handel im regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zu dessen Teilbereich mit weiteren Zulassungsfolgepflichten (Prime Standard) und zum regulierten Markt der Börse Düsseldorf Veröffentlichung des Zulassungsbeschlusses der Neuen Aktien durch die Frankfurter Wertpapierbörse im Bundesanzeiger und auf der Internetseite der Börse Düsseldorf (https://www.boerse-frankfurt.de)
3.Mai 2021	Beginn des Handels in den Neuen Aktien durch Aufnahme in die Börsennotierung der Gesellschaft im regulierten Markt der Frankfurter Wertpapierbörse und dem Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) sowie im regulierten Markt der Börse Düsseldorf Einbuchung der Neuen Aktien

(iii) Konditionen des Angebots

Bezugsrechte müssen in der Zeit vom 14. April 2021 (einschließlich) bis 27. April 2021 (einschließlich) (die "**Bezugsfrist**") ausgeübt werden. Anweisungen von Investoren bezüglich der Ausübung von Bezugsrechten müssen an ihre jeweiligen Depotbanken gerichtet werden. Anlegern wird empfohlen, die Anweisungen ihrer Depotbanken zu befolgen. Der von den Investoren zu zahlende Bezugspreis je Neuer Aktie beträgt EUR 28,00 ("**Bezugspreis**").

(iv) Handel von Bezugsrechten

Die Bezugsrechte auf Neue Aktien sind frei übertragbar und können in der Zeit vom 14. April 2021 bis einschließlich 22. April 2021 (bis zur jeweiligen Schlussauktion für Bezugsrechte) im regulierten Markt der Frankfurter Wertpapierbörse (Xetra und Xetra-Spezialist) gehandelt werden.

(v) Verwässerung

Aktionäre, die ihre Bezugsrechte für die Neuen Aktien vollständig ausüben, werden ihren nahezu unveränderten prozentualen Anteil am Grundkapital und an den Stimmrechten der Gesellschaft nach der Durchführung der Kapitalerhöhung beibehalten. Soweit Aktionäre ihre Bezugsrechte nicht ausüben, verringert sich, bezogen auf 15.043.994 Aktien unmittelbar vor dem Bezugsangebot, der prozentuale Anteil eines jeden Aktionärs am Grundkapital der Gesellschaft und an den Stimmrechten um 20,0% je bestehender Aktie.

(vi) Gesamtkosten

Die Gesellschaft rechnet mit entstehenden Gebühren und anderen mit dem Angebot zusammenhängenden Ausgaben von etwa EUR 5,6 Mio. Die Gesellschaft und die Underwriter werden den Anlegern keine Kosten in Rechnung stellen. Anleger müssen jedoch unter Umständen übliche Transaktions- und Bearbeitungsgebühren tragen, die von ihren kontoführenden Finanzinstituten erhoben werden.

(b) Wer ist der Anbieter und/oder die die Zulassung zum Handel beantragende Person?

Die Neuen Aktien werden von der Jefferies GmbH, Gesellschaft mit beschränkter Haftung, mit Sitz in der Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Deutschland, eingetragen in Deutschland und deutschem Recht unterliegend, und der UniCredit Bank AG, einer Aktiengesellschaft mit Sitz in der Arabellastraße 12, 81925 München, Deutschland, eingetragen in Deutschland und deutschem Recht unterliegend, angeboten. Jefferies International Limited, 100 Bishopsgate, London EC2N 4JL, United Kingdom wird etwaige regulierte Dienstleistungen außerhalb der Europäischen Union für die Jefferies GmbH erbringen, die in Zusammenhang mit dem Angebot erforderlich werden. Regulierte Dienstleistungen innerhalb der Europäischen Union und den Mitgliedstaaten des Europäischen Wirtschaftsraums werden von der Jefferies GmbH und nicht der Jefferies International Limited erbracht.

Die Gesellschaft geht davon aus, gemeinsam mit der UniCredit, die als Listing Agent fungiert, die Börsennotierung zu beantragen.

(c) Weshalb wird dieser Prospekt erstellt?

(i) Gründe für das Angebot, geschätzter Nettoerlös und Erlösverwendung

Mit dem Angebot zielt die Gesellschaft darauf ab, das weitere Wachstum ihrer Geschäftstätigkeit zu finanzieren. Unter der Annahme des Verkaufs der Neuen Aktien zum Bezugspreis von EUR 28,00 wird erwartet, dass sich der Nettoerlös der Gesellschaft auf rund EUR 99,7 Mio. belaufen wird. Die Gesellschaft beabsichtigt den durch das Angebot zu erwartenden Nettoerlös folgendermaßen, nach absteigender Priorität, zu verwenden: (i) EUR 24,6 Mio. für die Finanzierung von zum Prospektbilligungsdatum unterzeichneten, jedoch noch nicht abgeschlossenen Investitionen; und (ii) EUR 75,1 Mio. für die Finanzierung zukünftiger Co-Investitionen an der Seite der von ihr beratenen bzw. verwalteten DBAG-Fonds, insbesondere des jüngst aufgelegten DBAG Fund VIII, sowie von langfristigen Unternehmensbeteiligungen, und für allgemeine Unternehmenszwecke. Wenn und soweit Zahlungen in Bezug auf die oben unter (i) beschriebenen laufenden Investitionen vor dem Abschluss des Angebots aus Mitteln früherer Investitionen (z. B. nach Veräußerungen oder Rekapitalisierungen) erfolgt sind, werden die überschüssigen Erlöse zur Finanzierung künftiger Investitionen wie oben unter (ii) beschrieben verwendet.

(ii) Übernahmevertrag

Die Gesellschaft und die Underwriter schlossen am 12. April 2021 einen Übernahmevertrag (der "**Übernahmevertrag**"), in dem sich die Underwriter verpflichtet haben, unter bestimmten Bedingungen die Neuen Aktien zu zeichnen und diese den Aktionären der Gesellschaft in einem öffentlichen Angebot in Verbindung mit einem indirekten Bezugsrecht zum Bezugsverhältnis und zum Bezugspreis anzubieten. Jegliche Neuen Aktien, für welche die Bezugsrechte nicht während der Bezugsfrist ausgeübt wurden, werden im Rahmen der Rumpfplatzierung und zu einem Platzierungspreis, der mindestens dem Bezugspreis entspricht, angeboten.

(iii) Wesentliche Interessenkonflikte in Bezug auf das Angebot oder die Zulassung zum Handel

Im Zusammenhang mit dem Angebot haben die Underwriter vertragliche Beziehungen mit der Gesellschaft. Die Underwriter beraten die Gesellschaft hinsichtlich des Angebots und koordinieren die Strukturierung und Durchführung des Angebots. Zudem wurde UniCredit als Zeichnungsstelle und Listing Agent ernannt. Bei erfolgreicher Durchführung des Angebots erhalten die Underwriter eine Provision. Aufgrund dieser vertraglichen Beziehungen haben die Underwriter ein finanzielles Interesse am Erfolg des Angebots. Darüber hinaus hat sich UniCredit und ihre jeweiligen verbundenen Unternehmen und Jefferies und ihre jeweiligen verbundenen Unternehmen haben sich möglicherweise im regulären Geschäftsverlauf mit der Gesellschaft und/oder mit ihren verbundenen Unternehmen an Transaktionen beteiligt oder verschiedene Geschäftsbank-, Investmentbanking- und Finanzberatungsleistungen sowie anderen Dienstleistungen, einschließlich solcher im regulären Geschäftsbetrieb, erbracht, für die sie gegebenenfalls marktübliche Entgelte und Provisionen erhalten haben. Jeder der Underwriter und der mit ihnen verbundenen Unternehmen könnte solche Dienstleistungen in Zukunft für die Gesellschaft und/oder die mit ihr verbundenen Unternehmen erbringen und hat daher ein finanzielles Interesse am Erfolg des Angebots, was einen potenziellen Interessenkonflikt darstellt.

3 RISK FACTORS

*Investing in the shares (the "**Shares**") of Deutsche Beteiligungs AG ("**DBAG**" or the **Company**" and, together with its consolidated subsidiaries, the "**DBAG Group**", the "**Group**", "**we**", "**us**" or "**our**") involves a high degree of risk. Prospective investors should carefully read and consider the risk factors set out below, together with the other information contained in this prospectus (the "**Prospectus**"), before making a decision to invest in the shares. The risk factors described below represent those risks which are material and specific to the Company and/or the Shares and are based on assumptions that may be incorrect. The Company believes that the risk factors described below represent the principal risks inherent in investing in the Shares.*

The risk factors presented herein have been divided into five categories based on their nature. These categories are:

- *Market-related Risks affecting our Business Activities.*
- *Risks related to our Business Model and Investment Strategy and Operational Risks.*
- *Financial and Accounting Risks.*
- *Legal, Regulatory and Tax Risks.*
- *Risks Related to the Shares and the Offering.*

Within each category, the two risk factors estimated to be the most material on the basis of an assessment undertaken by the Company, taking into account the expected magnitude of their negative impact on the Company and the probability of their occurrence, are presented first. However, the order in which the risk factors are presented after the first two risk factors in each category is not intended to reflect either the relative probability or the potential impact of their materialization. The order of the categories does not represent any evaluation of materiality of the risk factors within that category when compared to risk factors in another category. The materialization of any of these risks, individually or together with other circumstances and uncertainties that, as of the date of this Prospectus, are unknown to us or deemed immaterial by us, could have a material adverse effect on our asset, financial and earnings position. Consequently, the value of the Shares could decrease as a result of the occurrence of any of these risks, and prospective investors could lose all or part of their investment.

3.1 Market-related Risks affecting our Business Activities

*Our integrated business model is centred around closed-end private equity funds (the "**DBAG Funds**") for investments in equity or equity-like instruments predominantly in privately held companies and represented by our two business segments, the private equity investments segment ("**Private Equity Investments Segment**") and the fund investment services segment ("**Fund Investment Services Segment**"). In our Fund Investment Services Segment we initiate, structure and advise the DBAG Funds. In our Private Equity Investments Segment we enter into investments, employing our own financial resources, predominantly as a co-investor alongside the DBAG Funds ("**Co-Investments**"), and also, since 2020, independently of these funds ("**Long-term Investments**").*

(a) Ongoing adverse developments in the global economic environment and volatility in the capital markets due to the COVID-19 pandemic may materially and adversely affect our business, financial condition and results of operations.

In early March 2020, COVID-19, a disease caused by a novel coronavirus, was characterized as a pandemic by the World Health Organization. Since December 2019, COVID-19 has spread rapidly, with most countries and territories worldwide having confirmed cases of COVID-19. The rapid spread of COVID-19 and newly emerging, fast-spreading variants has resulted in international, federal, state and local public health and governmental authorities implementing numerous measures to contain the virus, such as the support of companies and research institutes in the fast-track development of COVID-19 vaccine, travel restrictions and bans, quarantines, shelter-in-place orders, and mandated business closures. The COVID-19 pandemic as well as some of the measures intended to contain it have had, and are expected to continue to have, a substantial negative impact on businesses around the world, including the DBAG Group and the companies in which DBAG Group and the DBAG Funds (co)-invest ("**Portfolio Companies**"), and on global, regional, and national economies and capital markets.

In the financial year 2019/2020, the COVID-19 pandemic had a particularly adverse effect on the development of our net asset value ("**NAV**") in our Private Equity Investments Segment. NAV in this segment decreased by EUR 50.1 million, or 10.6%, to EUR 422.0 million as of September 30, 2020 from EUR 472.1 million as of September 30, 2019, mainly due to the impact of the COVID-19 pandemic on our Portfolio Companies in the industrial sector. Taking into account the dividend payment in an amount of EUR 22.6 million in February 2020, our NAV as of September 30, 2020 declined by 5.8% as compared to the previous year. Our net income from investment activity decreased from EUR 49.6 million for the financial year 2018/2019 by EUR 66.5 million to a loss of EUR 16.9 million for the financial year 2019/2020 primarily due to the performance of our investments in the Portfolio Companies, which was severely affected by the COVID-19 pandemic.

The COVID-19 pandemic also had an indirect impact on our Fund Investment Services Segment. Due to a temporary slowdown of the M&A market the commencement of the investment period of DBAG Fund VIII had to be postponed to August 2020. As a result our income from fund investment services did not increase to the extent we had predicted at the start of the financial year 2019/2020.

The board of management of the Company ("**Board of Management**") has released guidelines for working under the conditions of the COVID-19 pandemic and implemented a Corona Task Force to set up specific rules, coordinate measures and support employees. Moreover, since March 2020, the investment team (the "**Investment Team**"), led by two members of the Board of Management, has closely monitored and communicated with the Portfolio Companies to assess the negative effects of the COVID-19 pandemic. In addition, a senior member of the investment team was dedicated to coordinate advice on financing measures on Portfolio Company level (*e.g.* drawing of credit lines, applying for state-guaranteed loans). Furthermore, DBAG provided additional equity (EUR 5.2 million) to support debt financing solutions to improve the financial resources of seven Portfolio Companies, and further equity contributions or other financing measures may be necessary if the COVID-19 pandemic persists.

The extent to which the COVID-19 pandemic continues to affect our business, financial condition and results of operations going forward will depend on future developments such as the length and severity of the COVID-19 pandemic, the potential resurgence of the pandemic, future government actions in response to the pandemic and the overall impact of the pandemic on the global and domestic economy and capital markets, among many other factors, all of which remain highly uncertain and unpredictable. Any of these negative impacts, alone or in combination with others, could also exacerbate many of the other risk factors discussed in this section "*3. Risk Factors*", including the risks described in the following risk factors:

- Risk factor 3.1(a) "*Ongoing adverse developments in the global economic environment and volatility in the capital markets due to the COVID-19 pandemic may materially and adversely affect our business, financial condition and results of operations.*"

- Risk factor 3.2(a) "*Our business is dependent on the operational performance of our and the DBAG Fund's Portfolio Companies. Should one or more of these Portfolio Companies not develop as planned or develop negatively, our investments may not appreciate in value or generate investment income or gains, or may lose some or all of their value.*"

- Risk factor 3.2(b) "*Our business model and strategy are dependent on our ability to access and execute attractive investment opportunities that match our investment strategy. Our future growth and profitability could be harmed if we fail to identify, source and execute a sufficient number of suitable investment opportunities on attractive terms.*"

- Risk factor 3.2(h) "*There is no guarantee that the fair values of investments determined by the Company will in fact be realized.*"

In addition to COVID-19, future epidemics and pandemics of other diseases prevalent over the world could cause similar consequences.

(b) Difficult market conditions could adversely affect our business in many ways, including by reducing the value or performance of our investments, reducing the ability to raise or deploy capital and reducing the volume of our fund investment services business, each of which could materially reduce our income and cash flows and adversely affect our financial condition.

We are a German private equity company with a focus on investments in companies that are either headquartered, principally conduct their business, or have substantial operations in Germany, Austria and Switzerland (collectively the "**DACH region**") and Northern Italy. As a consequence of our investment focus, our business is particularly affected by the economic conditions and the developments of the M&A market in these countries. These factors, in turn, can be influenced by macro-economic factors in the world economy. These economic conditions and developments, all of which are outside of our control, include: the level of interest rates, availability of financing, availability of potential investors and their financial resources, inflation rates, economic uncertainty, changes in laws (including tax laws), trade barriers, commodity prices, stock prices, currency exchange rates and controls and national and international political circumstances (including wars or terrorist acts). These factors may affect the level and volatility of securities prices and the liquidity and the value of investments. In the event of a market downturn, each of our business segments could be affected in different ways.

In our Private Equity Investments Segment we may be affected by reduced opportunities to exit and realize value appreciation from our Long-term Investments or Co-Investments. The economic environment and the state of the M&A markets at the time of the sale of a Portfolio Company have a significant influence on the achievable price and thus on the achievable return. In a negative industry environment and/or weak M&A markets, it may not be possible to sell a stake at all or only with high price discounts. We may also be unable to identify and assess suitable investments for the DBAG Funds and for own investments to pursue our Long-term Investment strategy, which could also adversely affect our ability to raise funds for new DBAG Funds.

When investing in Portfolio Companies through Long-term Investments and Co-Investments, we and the DBAG Funds are dependent on the economic environment. Purchase prices for investments are largely determined by the prevailing economic and/or M&A market environment. In times of economic upswing, particularly in connection with a pronounced positive sentiment on the M&A markets, there is a risk that investments will be acquired at a price level that may allow little or no further increase in value. Investments that we acquire in such an environment are subject to the increased risk that, in the event of a future sale, we may not realize the increase in value that we expect, or may generate sales proceeds below the purchase price.

In times of economic downturns, availability of acquisition financing may be limited. Moreover, during periods of difficult market conditions or slowdowns in a particular sector, our and the DBAG Fund's Portfolio Companies may experience decreased revenues, financial losses, difficulty in obtaining access to financing and increased funding costs. During such periods, these Portfolio Companies may also have difficulty in expanding their businesses and operations and may be unable to meet their debt service obligations or other expenses as they become due, including interest expenses on shareholder loans payable to us. If a negative economic environment were to result in a decline in earnings of the Portfolio Companies, this would have a significant impact on the ability of these companies to reduce existing debt as planned or, in case of Long-term Investments, to distribute profits to us. In the event of a negative development of one or more Portfolio Companies, DBAG (for Long-term Investments) or the alternative investment fund manager (the "**AIFM**") of a DBAG Fund (for investments of the DBAG Funds) may have to decide or be forced to undertake an unscheduled financing of the Portfolio Company in order to limit the loss in value or to prevent a complete loss of the participation. This can have a considerably detrimental effect on the return on capital.

In addition, during periods of adverse economic conditions, we may have difficulty accessing capital markets, which could make it more difficult or impossible for us to obtain funding for additional investments.

In addition, the fund management and advisory services provided to DBAG Funds within our Fund Investment Services Segment could be materially affected by a deterioration of economic conditions and adverse developments in the M&A markets. Income generated by our Fund Investment Services Segment is directly connected to the committed capital to the DBAG Funds or the invested capital in the investments in which the DBAG Funds are engaged. During periods of unfavorable market or economic conditions, it may be harder or even impossible to raise funds and to deploy the capital committed to a fund and to realize the rates of return expected by the fund investors. The volume of invested capital in existing funds may decrease, thereby reducing our fund management and advisory fees. Furthermore, a lower performance of a DBAG Fund may make it harder or even impossible to raise funds for DBAG Funds in the future, which could also reduce the fee income in our Fund Investment Services Segment.

3.2 Risks related to our Business Model and Investment Strategy and Operational Risks

(a) Our business is dependent on the operational performance of our and the DBAG Fund's Portfolio Companies. Should one or more of these Portfolio Companies not develop as planned or develop negatively, our investments may not appreciate in value or generate investment income or gains, or may lose some or all of their value.

Investments, regardless of whether they are made by a DBAG Fund or by us as a Co-Investment alongside a DBAG Fund or a Long-term Investment, are made with the objective of realizing appreciation of the value of the Portfolio Companies. The extent to which our investments appreciate in value depends, above all, on the operational performance of the individual Portfolio Company.

The investment decision is based on an investment case to be customized to and pursued by the Portfolio Companies, which typically includes the improvement of the strategic positioning, in order to generate earnings and margin growth, *e.g.* through the enhancement of the product portfolio and/or geographical expansion, the strengthening of service and spare parts businesses, add-on acquisitions to accelerate development, optimizing corporate governance and management incentives to support the value creation process, *e.g.* through the introduction of entrepreneurially driven industrial experts to act as independent members of the advisory/supervisory board or the implementation of operational and cost reduction measures.

However, these strategies and the associated initiatives may not bring the originally expected value appreciation or may fail completely for a number of reasons, including:

- The investment case and initiatives to be pursued by the Portfolio Companies may be based on assumptions or facts that turn out to be wrong;

- Our investment controlling system may prove to be insufficient to effectively monitor the implementation of the investment case by the Portfolio Companies;

- The investment case may not be implemented by the management of the respective Portfolio Company as recommended by us; and/or
- Compliance breaches / unethical behavior of managers in Portfolio Companies.

Our Portfolio Companies are engaged in a number of businesses. As of the date of this Prospectus, these include automotive supply, industrial services, industrial components, machine and plant engineering, as well as broadband telecommunications, IT services/software and healthcare sectors. Moreover, our Portfolio Companies operate in a variety of geographical markets, with a primary focus on the DACH region and Northern Italy. Accordingly, we are indirectly exposed to the risks relating to the specific industries, markets and various macroeconomic risks, such as a severe development of the COVID-19 pandemic, potential effects of an economic downturn (please also see risk factor 3.1(b) "*Difficult market conditions could adversely affect our business in many ways, including by reducing the value or performance of our investments, reducing the ability to raise or deploy capital and reducing the volume of our fund investment services business, each of which could materially reduce our income and cash flows and adversely affect our financial condition.*" above), regulatory and political risks (including but not limited to potential effects of the United Kingdom's departure from the European Union and potential effects from international trade wars), legal and compliance risks such as antitrust risks, data privacy risks and money laundering risks and other operational risks and tax risks.

Due to any of these or other factors, the intended goals for realizing value appreciation of the relevant Portfolio Company may not be achieved in part or at all or only with a delay, which may lead to the DBAG Funds' or our inability to exit the investment within the anticipated timeframe or at all, which in extreme circumstances may lead to a complete loss of the invested capital, and harm our reputation.

If measures at the level of the Portfolio Companies may prove to be ineffective, one or more Portfolio Companies may generate lower revenues and/or show less profitability than originally expected, which could have a significant negative impact on the value of the Portfolio Company, and, thus, our return on capital.

Furthermore, we not only generate income from the sale of investments, but also, in the case of Long-term Investments, current portfolio income in the form of dividends, profit shares and interest income. In the 2019/2020 financial year, the current portfolio income amounted to EUR 9.6 million as presented in our audited consolidated financial statements as of September 30, 2020. Should a Portfolio Company contrary to our expectations not be able to distribute income on an ongoing basis due to economic influences or a lack of profitability, this would have a correspondingly negative effect on our earnings position.

(b) Our business model and strategy are dependent on our ability to access and execute attractive investment opportunities that match our investment strategy. Our future growth and profitability could be harmed if we fail to identify, source and execute a sufficient number of suitable investment opportunities on attractive terms.

Our ability to achieve our investment objectives and strategy depends on our ability to grow the volume of our investment portfolio and the investment portfolio of the DBAG Funds, which depends, in turn, on our ability, both as advisor to DBAG Funds and as (co-)investor, to identify, have access to, and to execute a sufficient number of attractive investment opportunities that match our investment strategy.

We compete in the market for private equity investments for medium-sized companies predominantly in the German speaking countries. In this market we are in competition with both strategic investors and financial investors, *e.g.* private equity funds, foundations, family offices as well as other listed investment companies. Some of these competitors may have significantly greater financial resources, lower cost of capital and better access to funding sources, which may create disadvantages for us. Other competitors may have higher risk tolerances or different risk assessments, which could allow them to compete more aggressively. Additionally, new funds and investor vehicles with investment objectives similar to ours may be established in the future. The competitive nature of the market has led to, and is likely to continue to exert, significant pressure on finding attractive investment opportunities and quickly establishing exclusivity with sellers or assuring to place competitive bids in auctions that are higher than the bids placed by our competitors. In addition, even if we place the highest bid, a seller could still opt to sell to another buyer because he believes that the other buyer has an Investment Team or investment strategy more suited for the target or for any other reason. Furthermore, the current and potentially ongoing low interest rate environment has not only led to high company valuations in the M&A market, but also intensified the competition for investments in private companies.

We may lose investment opportunities in the future if we or the DBAG Funds do not match investment prices, structures and terms offered by competitors. Alternatively, we may experience decreased investment returns and increased risks of loss, if we or the DBAG Funds match investment prices, structures and terms offered by competitors. Competitive pressure could adversely affect our ability to make successful investments and limit our ability to raise future funds, either of which could harm our ability to implement our investment strategy and have a corresponding negative impact on the asset, financial and earnings position of the Company and the DBAG Group as a whole.

Moreover, our investment strategy may prove to be ineffective, as our investment focus may be on unattractive industries, regions, company sizes and/or participation structures, which may limit our ability to identify, source and execute a sufficient number of investment opportunities. We also may not be successful in executing a sufficient number of attractive investment opportunities due to other reasons, including the loss of Investment Team members (please also see risk factor 3.2(d) "*Our success depends to a material degree on our Investment Team and other key employees. We may not be able to retain our key personnel, or may not be able to replace them, which could impair our investment objectives and strategy. Moreover, we will need to retain and recruit additional qualified employees and the inability to do so when required or at all may impair our further growth*." below), the misjudgment of the quality of investment opportunities or insufficient internal processes.

Furthermore, if we were not to make new Co-Investments or Long-term Investments from our own balance sheet, the structure of our statement of financial position would change. The portfolio value and, as a result, the NAV could exhibit slower growth and the proportion of financial resources on the statement of financial position that hardly bear interest could increase – both would have an effect on return on equity.

In the medium-term, the performance of our Fund Investment Services Segment could also be affected. The investors in the DBAG Funds expect investment progress that reflects the committed fund size. If the investment progress expected from fund investors is not achieved, our chances of raising a successor fund would diminish, adversely affecting the performance of the Fund Investment Services Segment in the medium-term.

(c) Our business model is to a significant extent based on Co-Investments alongside the DBAG Funds and management fees for fund investment services. Our future growth and profitability could be impaired if our ability to raise capital commitments from investors to funds would be limited or the economic terms of future funds would be less favorable than those of the existing funds.

We invest alongside the DBAG Funds in companies predominantly in the DACH region and in Northern Italy. Therefore, investments made by the DBAG Funds are the prerequisite of our current integrated business model. Were we to invest without the DBAG Funds as our co-investors, the overall investment volume available for acquisitions would be only a fraction of the current average of EUR 51.9 million per Portfolio Company. We would also no longer be able to make majority acquisitions of our current target companies, while maintaining our status as special investment company (*Unternehmensbeteiligungsgesellschaft – UBG*), a status that provides for relief from trade tax. Moreover, without the DBAG Funds at our side, we would no longer earn management fees for advisory services to such funds, which would adversely affect our Fund Investment Services Segment as an integral part of our business model.

We will be able to pursue our investment strategy in its present form in the long-term only if we succeed in attracting investors and raising capital commitments to DBAG Funds because the capital committed by fund investors determines the amount of management fees we receive from our fund investment services and thus the performance of our Fund Investment Services Segment and, insofar as we co-invest alongside DBAG Funds, indirectly also our Private Equity Investments Segment. This requires that our Investment Team sustains its proven track record of successful investment activity yielding attractive returns, which depends on the investment progress of a fund, on the solid performance of the investments and on the realization of the value appreciation. Failure to meet the investment return expectations could considerably reduce the willingness of fund investors to invest in future DBAG Funds. Furthermore, our ability to raise capital commitments to DBAG Funds depends on whether there are other attractive investment opportunities for investors that are associated with a more attractive risk/return profile. Investments in the "private equity" asset class that we and the DBAG Funds offer could suffer a general loss of confidence and thus the volume of capital commitments for DBAG Funds could decline significantly due to facts, sentiments or developments that we cannot influence. Potential investors could also decide, for reasons such as negative experiences with other private equity fund initiators who operate in the same market segment as we do or the departure of important key persons of DBAG, to avoid private equity as an asset class or prefer funds initiated by other private equity firms, which would limit our ability to initiate and structure DBAG Funds and make Co-Investments alongside them. Furthermore, even if we were to launch new DBAG Funds the economic terms of those funds may be less favorable than those of the existing funds, which could adversely affect our income.

Furthermore, without continuous future capital commitments by fund investors our ability to retain the Company's management, members of the Investment Team and other key employees, which are crucial for our success, could not be ensured, which could disrupt, and impair the further growth of our business.

(d) Our success depends to a material degree on our Investment Team and other key employees. We may not be able to retain our key personnel, or may not be able to replace them, which could impair our investment objectives and strategy. Moreover, we will need to retain and recruit additional qualified employees and the inability to do so when required or at all may impair our further growth.

Our success as a listed private equity company depends to a material degree on the skills, experience and expertise of the investment professionals of our Investment Team, as the factors on which fund investors base their capital commitment decision include the composition and experience of the Investment Team. A significant deterioration of the performance or a loss of one or more members of our Investment Team for any reason or the failure to find a replacement in the event of such loss could therefore harm our ability to achieve our investment objectives and future fundraisings and substantially impair the further implementation of our strategy.

The market for experienced private equity investment professionals is highly competitive. If we fail to adequately compensate and incentivize our investment professionals, in light of such market conditions, one or more of such professionals could leave DBAG. We have experienced departures of investment professionals in the past and may do so in the future. We cannot predict the impact that any such departures would have on our ability to achieve our investment objectives.

Furthermore, the members of the senior management of DBAG have extensive experience and important personal relationships with investors, credit institutions, other institutions and individuals. Accordingly, our success will depend on the continued service of the members our senior management, who are not obligated to remain employed with us. The loss of such personnel could jeopardize our relationships with investors in our funds or our standing in the M&A market we are active in and result in fewer investment opportunities.

Our success to date has been largely based on the skills and special commitment of our employees. Our success will, among other things, also in the future depend on qualified employees being available to us. Identifying, attracting, recruiting, training, integrating, managing and motivating talented individuals requires significant time, expense and attention. Competition for talent is intense, and our competitors may be able to offer our potential or current employees better pay, experience, benefits or opportunities. We cannot assure you that the measures our Board of Management takes to account for the importance of qualified employees for our growth – which include measures that promote identification, further training and an incentivisation of the senior members of our Investment Team and our senior managers, which are co-invested in DBAG or the DBAG Funds, through carried interest, and an appropriate remuneration structure in general – will suffice to ensure that we attract and retain the talent we need.

Accordingly, we cannot assure you that we will be able to hire and retain qualified employees in the future. A failure by us to recruit, motivate, develop and retain qualified employees could lead to higher costs, business disruptions, and impair the further growth of our business.

(e) There is a risk that we lose a substantial number of key employees in the event a disruption event related to key persons was triggered by us.

The control over the key Group companies within our Fund Investment Services Segment – the two AIFMs, DBG Managing Partner GmbH & Co. KG ("**DBG Managing Partner**") and DBG Management GP (Guernsey) Limited ("**DBG Management GP**"), and the advisory entity, DBAG Advising GmbH & Co. KG (the "**Investment Advisor**") – does not lie with DBAG but personally with the members of the Board of Management Torsten Grede, Tom Alzin and Jannick Hunecke as individuals. These persons would continue to control the major decisions, in particular the appointment of board members in these key entities, even after termination of their office as members of the Board of Management. In such event they also have the right to revoke DBAG's position as managing limited partner of the Investment Advisor and thus entirely deprive DBAG of any influence on the investments of the DBAG Funds. In that scenario the Investment Advisor also has the right to be provided by DBAG with sufficient Investment Team staff to fulfill its duties as fund advisor.

The Board of Management deems this mechanism a key requirement for successful fundraisings, since it provides fund investors with a so-called disruption protection mechanism, that is protection from external influence on key personnel, and the effect of disruption events on their investment. Given that investors in private equity funds like the DBAG Funds commit to a blind pool for a period of ten to 14 years and have no way to sell their interest without the consent of the AIFM, they have a strong incentive to ensure that they know and trust the key personnel involved in the investments and require specific key person provisions in the fund agreements. In consequence of the disruption protection mechanism, supervisory board members nominated by anchor investors in' DBAG's shares may only exercise limited influence on DBAG's personnel without risking triggering such disruption protection mechanism. There is a risk that DBAG would lose a substantial number of key employees in the event a disruption event related to key persons was triggered by DBAG. Such loss of personnel could affect our ability to initiate new DBAG Funds, as this would require building up a new Investment Team with an appropriate track-record, and, as a consequence, to make Co-Investments alongside such funds, which would particularly affect our ability to make majority acquisitions (see also risk factor 3.2(c) "*Our business model is to a significant extent based on Co-Investments alongside the DBAG Funds and management fees for fund investment services. Our future growth and profitability could be impaired if our ability to raise capital commitments from investors to funds would be limited or the economic terms of future funds would be less favorable than those* of the existing funds.", above). The materialization of the aforementioned risk could therefore have a significant negative impact on the asset, financial and earnings position of the Company and the DBAG Group as a whole.

(f) We may incorrectly assess the value of target companies and their potential for value creation, due to undisclosed or unforeseen legal or other risks related to the target companies, resulting in lower investment income and profitability than initially expected.

Investing in companies entails considerable entrepreneurial risk, we cannot assure you that the commercial diligence we apply when investing in Portfolio Companies, whether alongside DBAG Funds or independently from them, or our examination of the legal, financial, operational, commercial, tax, Environmental, Social and Corporate Governance ("**ESG**") related issues and other aspects of the transaction and the business of the target company, including its potential for enhancement of growth and profitability, will successfully identify and mitigate all such risks.

When we conduct due diligence and assess an investment, we must rely on the resources and information available to us. We have no assurance that the due diligence investigation we carry out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating the investment opportunity. We may be unable to recognize or correctly assess certain legal, tax, financial, other operational, competition and antitrust, data privacy, outsourcing and money laundering risks associated with a target company, or may incorrectly assess the market position, earnings potential, profitability or growth opportunities of the target company or other essential factors.

If we then enter into the investment, any such incorrect or inaccurate assessment could lead to lower investment income from and profitability of the Portfolio Company and also have far-reaching negative effects on our reputation as well as our ability to attract investors for DBAG Funds (see risk factor 3.2(a) "*Our business is dependent on the operational performance of our and the DBAG Fund's Portfolio Companies. Should one or more of these Portfolio Companies not develop as planned or develop negatively, our investments may not appreciate in value or generate investment income or gains, or may lose some or all of their value.*" above). Any misjudgments can also relate to the feasibility of the investment case on which the respective acquisition is based, *e.g.* if its feasibility depends on further acquisitions or the sale of parts of the portfolio. In such case, not only the achievement of the capital return targeted by us but also the value of the investment as a whole would be seriously jeopardized.

(g) Our success will largely depend on us being able to rely on the continuous support from the management of our Portfolio Companies for the further development of the Portfolio Companies. Lack of support from the management of our Portfolio Companies could negatively affect our return of investment and the value of the investment could decline.

Our Portfolio Companies are managed by their respective management teams, and the success of our investments depends largely on their performance. The DBAG Funds advised by us or we as shareholders usually appoint the managing directors of the Portfolio Companies as well as members of the advisory board (including the DBAG representatives on these boards) who monitor and advise the management teams during the investment period but do not themselves act in an executive capacity and do not involve themselves in the operating management. When investing in companies and their management teams there is inherent risk that the performance of a management team falls short of what we foresaw in the investment case or does not meet our expectations as shareholders in other ways. Where a management team needs further strengthening there is a risk that suitable candidates cannot be found in a timely manner or at all.

Our participation in the supervisory or advisory bodies of the Portfolio Companies and continuous reporting by management may not suffice to prevent us receiving delayed, belated or incomplete information about developments and events at a Portfolio Company. We may be unable to recognize in a timely manner, or at all, if we have been deliberately misinformed or left ignorant of certain developments. If countermeasures, including management changes, cannot be taken in a timely manner or at all, the success of the development of the investment could be jeopardized, and lead to lower revenues from, and profitability of, Portfolio Companies than originally expected. This could impair our return of investment and the value of the investment, and in turn the trading price of the Shares, could decline.

(h) There is no guarantee that the fair values of investments determined by the Company will in fact be realized.

We invest predominantly in private companies. Accordingly, market quotations are not available for the respective companies. We are therefore required to make good faith determinations as to the fair value of these investments on a quarterly basis in connection with the preparation of the Group's annual financial statements and quarterly statements. We do not assume a linear increase in the value of the individual Portfolio Companies over the holding period. Rather, we apply a standardized value appreciation trend that includes smaller increases in value at the start of the holding period and larger ones towards the end of the holding period. However, our determinations may prove higher than the value we later actually realize from the investment because each exit transaction is individual and depends on specific circumstances, including the number of bidders and the range of bids.

DBAG has developed valuation guidelines for the quarterly fair value measurement in accordance with IFRS 13. These guidelines are based on the recommendations set out in the International Private Equity and Venture Capital Valuation (IPEV) Guidelines as amended in December 2018, insofar as these are consistent with IFRS. Portfolio Companies are valuated either using the multiples or the discounted cash flow ("**DCF**") method. Whilst the multiples method is applied to established Portfolio Companies, one high-growth Portfolio Company and one indirectly held international fund investment are valuated using the DCF method. In case of the multiples method, the total enterprise value is determined by applying a multiple for one key financial indicator of the company to be valued. Valuations are generally performed on the basis of earnings before interest, tax, depreciation and amortization ("**EBITDA**") and earnings before interest, tax and amortization ("**EBITA**"). The total enterprise value is generally measured as a mean on the basis of EBITDA and EBITA, in exceptional cases solely on the basis of EBITDA. Median EBITDA is defined as the leading multiple when deriving multiples from peer group companies. The indicator derives from a Portfolio Company's current financial metrics. To obtain a sustainably achievable reference value, these metrics are adjusted for special effects such as non-recurring expenses or discounts for risk projects. In addition, discounts or premiums are made on the applied indicators if there is current information that is not yet reflected in these financial metrics. In case of the DCF method, the fair value is determined by discounting expected future cash flows. The Portfolio Company's mid-term planning is used as the basis for projecting future cash flows. This is adjusted, if appropriate, in order to better reflect the assessment of the future company development.

Valuations may fluctuate from quarter to quarter, as they are based on estimates. Therefore, when determining the fair value, critical judgments will become necessary and estimates need to be updated quarterly, if previous estimates prove to be wrong. Valuations may also be based on a binding purchase bid, if the completion of the purchase agreement is sufficiently assured or if the purchase bid seems feasible with reasonable assurance. The valuation then has to reflect the specific circumstances of the individual transactions, including the number of bidders and the range of bids. This may be reflected in a discount for uncertainty, because there is a risk that the investment will be sold below fair value. We make no assurance and give no guarantee that the fair values that we determine on a quarterly basis will ultimately be realized. If we ultimately have to sell an investment below the fair value previously determined by us, we will upon exit of the investment recognize a disposal loss in an amount representing the difference between the realized exit price and such fair value with a consequential decline in our net income from investment activity, the net income of the Group and our NAV. Moreover, analysts and investors could lose confidence in our valuation process, which could negatively affect our share price.

(i) In some cases we hold minority investments which grant us fewer rights as shareholders and make it difficult to facilitate changes in cases of bad performance and/or to exit the investment.

In some cases the DBAG ECF and we as Co-Investor together or, in case of Long-term Investments, DBAG alone, hold only minority investments in Portfolio Companies. As of December 31, 2020, DBAG Group companies held 5 of such minority investments. The carrying amount of these minority investments was EUR 88.6 million and thus accounted for 18.5% of the total portfolio.

Shareholders with a minority stake have fewer rights. Even though we seek protection by entering into a shareholders' agreement which gives us reasonable protection we cannot guarantee that we will be able to reach an agreement to this effect or it may turn out that the protection under such an agreement is insufficient as shareholder agreements also contain clauses which are for the benefit of the majority shareholders and unfavorable for us as minority shareholder. In these circumstances, our influence as a shareholder could be limited, including by the relative size of our interest and voting rights in the target company and our contractual and statutory rights. As minority shareholder we do not typically have the rights or the ability to take key strategic, financing or business decisions. Thus, we are in a weaker position to facilitate changes, for example, in cases of bad performance of the Portfolio Company compared to investments where we or the DBAG Funds hold a majority position. There can be no guarantee that the decisions made by management teams of the Portfolio Companies we invest in or majority shareholders will result in a positive investment return on our investment and the value of our investment may decline in value.

Also, minority investments are generally sold in coordination with or together with the main shareholder. Therefore, we cannot assure that we will be able to sell these investments at the intended time, at the expected price or at all.

Our possibly limited influence as a minority shareholder could thus have detrimental effects on the asset, financial and earnings position of the Company and the DBAG Group as a whole.

(j) We may make Long-term Investments in companies where capital is required in connection with special situations, for example unsatisfactory company development, which could subject us to greater risk of loss.

DBAG decided to complement its established investment strategy (management buy-outs) by selectively making Long-term Investments exclusively funded from the DBAG balance sheet. Those Long-term Investments may also include majority investments in special situations, for example, investments in companies with unsatisfactory company development resulting from the COVID-19 pandemic. Those special situations bear the risk of continued underperformance, and, under extreme circumstances, the risk of losing the invested equity, each of which could have a significant negative impact on the asset, financial and earnings position of the Company and the DBAG Group as a whole.

(k) Our financing or refinancing of future investments might not be possible on favorable terms or at all.

We finance and refinance our Co-Investments and Long-term Investments by reinvesting part of the proceeds from disposals of previous investments and by raising equity in the capital markets. Over the short term, credit lines may be used to cover temporary discrepancies between expected cash inflows and outflows. As of December 31, 2020, such short-term loan liabilities amounted to around EUR 36.9 million. Until the date of this Prospectus, any equity portion used to finance investments came from retained earnings resulting from the proceeds of successful disposals of Portfolio Companies or – to a lesser extent – from capital increases that DBAG consummated in exchange for new shares in DBAG.

There is a risk that sales of companies from the portfolio could be delayed, for example, due to an adverse market environment, which would reduce our retained earnings from proceeds of disposals of Portfolio Companies. In addition, equity raisings such as the issue of new shares to shareholders and new investors may not be successful or feasible on favorable terms, whether due to general market conditions prevailing when we seek to raise new equity financing or due to our operational performance or acceptance and attractiveness of our business model or strategy (also when compared to other listed private equity companies), resulting in a lack of investor interest.

Furthermore, with regard to short-term debt financing, we are exposed to the risk of changes in interest rates in the event of a renewed short-term financing, which could increase our financing cost and, under certain circumstances, lead to a reduction in our return on capital. It cannot be ruled out that credit institutions may limit their willingness to grant to us such short-term financing, *e.g.* due to negative developments in the financial markets, due to changes in banking supervisory laws with regard to lending, due to a negative development of our operational performance or for other reasons. If such short-term financing cannot be obtained, or can only be obtained on relatively unattractive terms, we may not be able to finance or refinance investments and thus may not be able to implement our investment strategy as currently anticipated.

If our current financing and refinancing options are no longer available to us on favorable terms or at all, we may need to explore alternative financing options, such as issuing long-term debt. Such a change in our funding strategy could be perceived negatively by equity investors and could put downward pressure on our share price, which in turn would make raising equity in the capital markets more difficult.

If financing of future investments is not possible, or only possible at unfavorable terms, and we therefore fail to implement our investment strategy due to our inability to consummate investments on favorable terms or at all, this could have a significant negative impact on the asset, financial and earnings position of the Company and the DBAG Group as a whole.

(l) There is a risk of suspension or extraordinary termination of the investment period of one or more DBAG Funds or the extraordinary liquidation of a fund.

Given that fund investors in private equity funds like the DBAG Funds commit to a blind pool for a period of ten to 14 years and have no way to sell their interest without the consent of the AIFM, fund contracts typically provide for suspension or extraordinary termination or liquidation rights upon specific extraordinary events. These events are typically clearly defined in the fund contracts.

The fund contracts relating to DBAG Fund VII and DBAG Fund VIII include "key person language", which make the utilization of the fund investors' capital commitments for new investments conditional upon the involvement of a certain number of key members of the Investment Team, who must devote a certain amount of time to the fund and its predecessor and successor funds. These contracts also provide for certain "key person events". A key person event occurs if a certain number of key persons are not meeting their key person responsibilities, or if certain key individuals depart. The occurrence of a key person event could lead to a suspension of the investment period of the aforementioned DBAG Funds, or to an extraordinary termination of the fund, if the key person event has not ended within a certain period of time. This would also prevent us from making Co-Investments alongside these funds.

Moreover, fund investors have the right to terminate the investment period of a respective fund by resolution typically with a 75% majority. The reasons that could cause them to initiate such a resolution include an unsatisfactory performance of the fund's investments, insufficient investment progress or a fundamental lack of confidence. Furthermore, in case of serious contractual breaches investors have the right to replace the AIFM or liquidate the fund. Ending the investment period of a fund could lead to a considerable reduction in fee income for advisory services to that fund and therefore adversely affect our Fund Investment Services Segment. Should fund investors revoke our advisory mandate for a

DBAG Fund, we could forfeit the fee income from such fund. Were this to happen with all funds, we would forfeit fee income from fund investment services altogether. Moreover, as co-investors and minority shareholders we would have less influence over the Co-Investments initiated with the relevant fund. Without the DBAG Funds at our side, our opportunities to make new investments, especially buyouts, would also be limited (see also risk factor 3.2(c) "*Our business model is to a significant extent based on Co-Investments alongside the DBAG Funds and management fees for fund investment services. Our future growth and profitability could be impaired if our ability to raise capital commitments from investors to funds would be limited or the economic terms of future funds would be less favorable than those* of the existing funds.", above).

(m) Third-party attempts to breach our IT networks or data security, or the existence of any other security vulnerabilities may result in financial loss, liabilities towards fund investors or vendors of businesses, measures taken by authorities or loss of reputation.

As a private equity company, the safe handling of confidential data is an integral part of our business model and of upmost importance for our business and our reputation as a reliable investor and fund advisor. We collect, store and use confidential data, for instance, personal data of fund investors and vendors of businesses, sensitive information about potential transactions, our Portfolio Companies or financial information relating to DBAG. The unauthorized access by third parties, the misuse or unintended disclosure of confidential data by our employees or third party attempts to fraudulently induce employees to disclose sensitive information in order to gain access to sensitive data may result not only in the disclosure of business secrets, but also violate privacy provisions, and, thus, constitute administrative or criminal offences and subject us to damage claims and lead to administrative fines. We have experienced attacks by hackers and attempted data theft. We cannot assure that the security measures we have put in place will continue to successfully defend against these attacks. The measures we apply and regularly review to guarantee and improve the protection of confidential data may be insufficient to prevent certain types of security vulnerabilities. Future actual or perceived security vulnerabilities could cause us to incur significant additional costs to alleviate problems caused by any such vulnerabilities. Because the techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures.

Any such breach or unauthorized access may result in financial loss, liabilities towards fund investors or vendors of businesses, measures taken by authorities or loss of reputation, and may therefore adversely affect the asset, financial and earnings position of the Company and the DBAG Group as a whole.

(n) Our technology infrastructure is essential to our business. Any failure to maintain the satisfactory performance of our technology platform and infrastructure may disrupt our business operations, result in losses and limit our growth.

Well-functioning IT systems are of great importance for our business. We use IT systems in nearly all aspects of our business, including advising the DBAG Funds, deal sourcing, reviewing investment opportunities, advising our Portfolio Companies, communication with fund investors, reporting, treasury, risk management and monitoring of our business operations and for internal communications when working remotely.

A disruption or failure of our IT systems could be caused at any time by human error, natural disaster, telecommunications failure, power outage, cyber-attack, war, terrorist attack or other catastrophic event. Any of these events could result in system interruptions, delays, breaches of data security, loss of critical data, and the inability to timely and/or satisfactorily provide services to DBAG Funds and/or manage their and our portfolio. In addition, home office and remote work due to the COVID-19 pandemic has placed additional demands on IT systems. We cannot assure that the various measures we have taken to counter any potential effects of such additional demands on our IT system will be sufficient. If our

IT systems do not operate properly or are disabled, we could suffer financial loss, a disruption of our businesses, liability to our investment funds, regulatory intervention or reputational damage.

In addition, our information systems and technology may not continue to be able to accommodate our growth, and the cost of maintaining such systems may increase from its current level. Such a failure to accommodate growth, or an increase in costs related to such information systems, could have a material adverse effect on us.

Furthermore, we rely on third-party service providers for certain aspects of our business. Any interruption or deterioration in the performance of these third parties or failures of their information systems and technology could impair the quality of our operations and could impact our reputation and hence adversely affect our business.

(o) We could suffer damage to our reputation, which could make it more difficult for us to attract investors for DBAG Funds and/or access attractive investment opportunities, which could harm our future growth.

Our integrity as a private equity firm with good standing in the private equity and M&A markets is important both to our ability to attract investors for DBAG Funds and raise capital commitments to such funds, but also to our ability to be a credible investor for businesses. To maintain our reputation, we rely on our ability to identify businesses with good potential to run successfully and develop their operations, which is a prerequisite to realizing a profit when exiting an investment. Our reputation is also dependent on our ability to conduct our business in an honest and trustworthy manner in accordance with international best business practices. Any prolonged period of failed investments or suggestion that we have employed questionable business practices in the management of investments, whether real or perceived, may have a detrimental impact on our reputation. Damage to our reputation could make it more difficult for us to successfully access high-quality investments, to exit investments or to attract investors for DBAG Funds.

When assessing investment opportunities, we allocate a project to any of the DBAG Funds or the Long-term Investments program on the basis of an allocation policy. This policy reflects the different investment strategies of the various DBAG Funds and Long-term Investments. The allocation policy is designed to prevent and manage any conflict of interest between fund investors and DBAG or between investors in different funds. However, there is no guarantee that investors will not question a deal allocation. For example, we could make an investment as part of DBAG's Long-term Investment program, yet fund investors might have preferred to see the investment allocated to a particular fund. Investor disagreement with our allocation decisions could have adverse reputational effects or effects on fund investor relations.

Moreover, our reputation could suffer if employees violate confidentiality obligations relating to information that investors provide to us, or engage in any other misconduct or suspicious activities. The resulting reputational damage could in turn harm our existing investor relationships and our ability to attract new investors.

(p) Investors could no longer entrust us with capital because we insufficiently consider ESG criteria.

Demand for ESG compliant investments, both by fund investors and investors in our shares, has increased and could further increase significantly in the future as investors are increasingly setting their own standards regarding ESG compliance, which they require for a company to be eligible for investment. ESG criteria are therefore expected to substantially influence investments in the foreseeable future. When reviewing investment opportunities, we apply our ESG policy which contains principles for responsible investment to be applied in our investment process as well as corporate governance topics. In line with our ESG policy, we, for example, rule out investments in specific industries and companies – especially any producing arms – from the outset.

If investors disagree with our ESG policy or its application or come to the conclusion that the investment proposals made to DBAG Funds or investment decisions of DBAG do not sufficiently take ESG criteria into account or that we do not sufficiently consider ESG aspects in our investment processes, investors could withdraw from DBAG and/or DBAG Funds, which could significantly harm our reputation. This would put a strain on the price of DBAG shares and impair our ability to initiate future private equity funds.

3.3 Financial and Accounting Risks

(a) Our net income, which depends to a very large extent on the fair-value measurement of the portfolio, and cash flow are all highly variable, which may make it difficult for us to achieve steady earnings growth on a quarterly and annual basis and may temporarily cause considerable fluctuations in the price of our Shares.

The net income shown in the Company's annual financial statements and quarterly reports is made up to a large extent from the fair value measurement of the portfolio and the income from the sale of Portfolio Companies. As neither the timing of sales nor the value development of each investment can be determined with certainty, the income and results of the Company from quarter to quarter as well as from financial year to financial year, in some cases, undergo considerable fluctuations. For instance, our net income from investment activity for the first quarter of the financial year 2020/2021 amounted to EUR 23.7 million and was therefore significantly higher than for the same quarter of the financial year 2019/2020 (EUR 59 thousand), primarily due to the performance of the investments in the portfolio companies, which is reflected in gross gains and losses on measurement and derecognition. In line with DBAG's business model, net income from investment activity is a key driver of the consolidated net income; hence, the respective figure for the first quarter of the financial year 2020/2021 also significantly exceeded the comparable quarterly result for the financial year 2019/2020. Fair value measurements depend to a large extent on future-oriented assumptions and other major sources of estimation and are therefore subject to uncertainty. These can have a material impact on the carrying amounts of certain items of our consolidated statement of financial position as well as the level of income and expenses. The Board of Management makes decisions on assumptions and estimates after careful consideration of the most recently available reliable information as well as from past experience. Assumptions and estimates also relate to events or facts over which the Board of Management has no influence, for instance, economic or financial market conditions. Actual outcomes can therefore differ significantly from the assumptions and estimates underlying the fair value measurements on a certain reporting date. Due to assumptions about the future and other sources of estimation uncertainty, there is a risk of having to make material adjustments to the carrying amounts at the next reporting date. In addition, there is a risk that the Company will not be able to sell a Portfolio Company at a price at or above the last carrying amount.

The results of the Company depend to a very large extent on the quarterly fair value measurement and are further driven by our assumptions regarding the value creation curve of the investments as well as our assumptions regarding the sale of participations in the year. It takes a substantial period of time to identify attractive investment opportunities and then to realize the cash value (or other proceeds) of an investment through a sale, public offering, recapitalization or other exit. If an investment proves to be profitable, this is reflected by the underlying value creation curve of an investment, and hence, by the recognition of income throughout the holding period. A typical value creation curve assumes a rather steady increase of the value of the investment during the first few years of the holding period, with a typically larger proportion of the value being realized towards the end of the holding period. We cannot predict with certainty when, or if, any realization of investments will occur. If we were to have a realization event in a particular quarter or year, it may have a significant impact on the cash flow for that particular quarter which may not be replicated in subsequent quarters or years. Due to the quarterly fair value measurement, which reflects the most recent assumptions about an exit, the impact of a realization on the profit for that quarter should be rather minor. Generally, the future-oriented assumptions and estimates are based on the estimated increase in the value of the investments assuming that the value equals the exit price without any mark-up for any premium for strategic reasons or intense price competition among potential investors. Only in certain instances where a potential buyer is willing to pay a (strategic) premium for an asset, the Company may yield an uplift to the fair value in the course of an exit. On the other hand, if the exit price of an investment turns out below the previous fair value measurement, the Company needs to record a loss, compared to the previous quarter.

We recognize income on investments based on our allocable share of realized and unrealized gains (or losses), and a decline in realized or unrealized gains, or an increase in realized or unrealized losses, would adversely affect our income, which could further increase the volatility of our quarterly or annual results. Even a slight delay in the sale of an investment can mean that the sale and thus the recognition in the Company's annual financial statements or quarterly reports with an effect on income, fall in a subsequent accounting period (quarter or financial year) (measurement date principle). We may also experience fluctuations in our results from quarter to quarter and financial year to financial year due to a number of other factors, including changes in the values of the investments, changes in the amount of distributions, dividends or interest paid in respect of investments, changes in our operating expenses, the degree to which we encounter competition and general economic and market conditions. Such variability may lead to volatility in the trading price of our Shares and cause our results for a particular period not to be indicative of our performance in a future period. It may be difficult for us to achieve steady growth in net income and cash flow on a quarterly basis, which could in turn lead to large adverse movements in the price of our Shares or increased volatility in our share price generally.

(b) We are subject to restrictive covenants in our financing agreements that may limit our ability to make certain investments, including the financing of our future operations, capital needs and business opportunities that may be in our interest.

On December 18, 2015, the Company as borrower, DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main ("**DZ Bank**") and Santander Bank – Zweigniederlassung der (branch of the) Santander Consumer Bank – as mandated lead arrangers and original lenders and DZ Bank as agent, entered into syndicated revolving credit facility agreement (as amended on May 7, 2018, August 12, 2020 and February 26, 2021), the "**2015 Revolving Credit Facility Agreement**") providing for a revolving credit facility of EUR 66,660,000 (the "**2015 Revolving Credit Facility**"). Furthermore, on August 12, 2020, the Company as borrower and Landesbank Hessen-Thüringen Girozentrale as mandated lead arranger, original lender and agent entered into a syndicated revolving credit facility agreement (the "**2020 Revolving Credit Facility Agreement**" and, together with the 2015 Revolving Credit Facility Agreement, the "**Financing Agreements**") providing for a revolving credit facility of EUR 40,000,000 (the "**2020 Revolving Credit Facility**" and together with the 2015 Revolving Credit Facility, the "**Revolving Credit Facilities**"). As of December 31, 2020, loans in the amount of EUR 36.9 million were drawn from the Revolving Credit Facilities.

The contractual terms underlying our Financing Agreements set out certain covenants, which may materially affect our business, in particular in times of economic distress. For example, there are affirmative and negative covenants and a financial covenant regarding the ratio of DBAG Group's net financial indebtedness and the aggregate value of DBAG Group's investments, all of which may impose operative restrictions on us, which may limit our ability to exploit future investment opportunities. Amongst others, these covenants may restrict our ability to:

- incur additional indebtedness;
- create or incur certain liens and other security interest;
- make certain investments, including the financing of our future operations, capital needs and business opportunities that may be in our interest;
- engage in certain transactions with affiliates;
- change our business or our center of main interest (other than to Germany or Luxembourg); and
- consolidate or merge with other entities.

A breach of any of those covenants or the occurrence of certain specified events will, subject to applicable cure periods and other limitations, result in an event of default under the Financing Agreements. Upon the occurrence of any event of default under any of the Financing Agreements, the lenders under the relevant Financing Agreement could, while such (event of) default remains unremedied or unwaived, in relation to the relevant Financing Agreement, cancel the availability thereunder, and, in relation to each of the Financing Agreements, instruct the respective agent to declare all amounts outstanding thereunder, together with accrued interest, immediately due and payable. In addition, a default or event of default under each of the Financing Agreements could lead to an event of default and acceleration under the other Financing Agreement. If our creditors, including the creditors under the Financing Agreements, accelerate the payment of amounts owing to them under such other debt instruments, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts and to satisfy all other liabilities of our subsidiaries which would be due and payable. Further, the lenders may not be obliged to make available further loans or permit rollover of loans as long as a default means unremedied or unwaived.

Moreover, the Financing Agreements provide for certain mandatory prepayment events which may be triggered by circumstances outside our control, for example, without limitation, if it becomes illegal for a lender to (continue to) make available loans or if we meet, or are supposed by the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**") to meet, certain regulatory qualifications.

Any of the above-mentioned developments could limit our ability to reduce our costs of financing, or cause us to become obligated to repay some or all of our indebtedness early, either of which could have a material adverse effect on the business, financial and earnings position of the Company and the DBAG Group as a whole.

(c) Our future results of operations could differ materially from our profit forecast

We currently expect our net income from investment activity for the fiscal year ending September 30, 2021 to range between EUR 65.0 million and EUR 75.0 million, our income from fund services to range between EUR 42.0 million and EUR 44.0 million and our net income presented in accordance with IFRS to range between EUR 70.0 million and EUR 80.0 million (collectively, and together with the respective explanatory notes, the "**(Net) Income Forecast 2020/2021**").

The Company's Board of Management has based the (Net) Income Forecast 2020/2021 on a number of assumptions which are inherently subject to significant business, operational, economic, and other risks, many of which are outside of our control. Accordingly, such assumptions may change or may not materialize at all. Should one or more of the assumptions underlying the (Net) Income Forecast 2020/2021 prove to be incorrect, our actual results of operations for the current financial year could differ materially. As a result, investors should not place undue reliance on the (Net) Income Forecast 2020/2021.

3.4 Legal, Regulatory and Tax Risks

(a) We are subject to compliance risks and may face significant liabilities and damage to our professional reputation as a result of compliance violations.

Compliance violations - either at the level of DBAG or at the level of Portfolio Companies or in connection with the structuring of transactions - may have negative effects or repercussions on DBAG. It cannot be ruled out that certain compliance risks, including legal, tax, financial (including IFRS accounting), other operational, competition and antitrust, data privacy, publication of ad-hoc notifications regarding insider information, outsourcing and money laundering risks, associated with a Portfolio Company are not recognized or incorrectly assessed by us or that compliance risks may occur in connection with the structuring of an acquisition or disposal of a Portfolio Company or due to violations of DBAG's personnel or business partners, which may result in fines and damage to our professional reputation. While DBAG places utmost emphasis on its Portfolio Companies, own personnel and business partners maintaining appropriate compliance management systems, there can be no certainty that none of the Portfolio Companies or DBAG's own personnel or its business partners violate such policies, which could harm the Company's reputation and result in a negative effect on the asset, financial and earnings position of the Company and the DBAG Group as a whole.

(b) We are subject to the risk that competition law violations by Portfolio Companies may lead to significant fines against DBAG, and may adversely affect DBAG's reputation.

German and European antitrust laws enable the authorities to impose fines for violations of competition law of a subsidiary on a controlling shareholder. There have been cases in which such fines have been imposed on private equity sponsors. Given that DBG Managing Partner and DBG Management GP acting as AIFMs for the DBAG Funds are part of the DBAG Group but only minority-owned by DBAG, it is unclear how the authorities would interpret these structures and how an antitrust penalty imposed by the authorities would affect us, but it cannot be ruled out that the penalties and the resulting damage to our professional reputation would be significant.

Generally, fines can, depending on the degree of the violation, amount to up to 30% of the revenues of the relevant Portfolio Company throughout the time the competition law violation persists. The fines are capped at 10% of the entire revenues of the group in the previous year. Authorities may qualify DBAG together with all Portfolio Companies controlled by DBAG or DBAG Funds as a group for these purposes.

Should this risk materialize, this could lead to significant fines against DBAG and therefore have a negative effect on the asset, financial and earnings position of the Company and the DBAG Group as a whole.

(c) We are primarily subject to the tax environment in Germany and other jurisdictions, in which our Group companies conduct their business. Our tax burden may increase following current or future tax assessments, tax audits or court proceedings based on changes in tax laws or changes in the application or interpretation thereof.

We are subject to the tax environment in Germany and other jurisdictions, in which our Group companies conduct their business. Our tax burden primarily depends on various aspects of tax laws, as well as their application and interpretation. Amendments to tax laws may exceptionally have a retroactive effect, and the application or interpretation of tax laws by tax authorities or courts may change. Furthermore, court decisions are occasionally limited to their facts by tax authorities. Any of these developments may increase or alter our tax burden.

A number of factors may also affect our tax situation. We are required to file tax declarations in Germany and in other jurisdictions where we are required according to the respective tax laws, from time to time, and any tax assessments that deviate from our tax declarations may increase or alter our tax obligations, which could possibly materially exceed the provisions made in our financial statements. The individual entities of DBAG Group are and will be regularly subject to tax audits by the competent tax authorities, which may result in increases in DBAG Group's tax obligations or penalties and interest payments. In addition, changes in the legal and tax environment may affect the outcome of any tax audit. We may also be subject to administrative or judicial proceedings with respect to our tax declarations or our tax status and may incur substantial time and effort in addressing and resolving tax disputes.

Furthermore, following the acquisition of a Portfolio Company there could be adverse tax consequences for us as (co-)investor which, despite prior tax due diligence and the potential existence of a W&I policy in respect of the target company, have either remained undiscovered or have been incorrectly valued and for which no or insufficient guarantees have been provided (see risk factor 3.2(f) "*We may incorrectly assess the value of target companies and their potential for value creation, due to undisclosed or unforeseen legal or other risks related to the target companies, resulting in lower investment income and profitability than initially expected*." above).

Most of the DBAG Funds' Portfolio Companies are held through acquisition structures involving foreign jurisdictions. These have been structured according to the tax law and its interpretation at the time of the set-up. However, such tax law or interpretation thereof may change by the time of exit. This could lead to significant tax leakage and hinder us as (co-)investor from repatriating the net proceeds of the exit.

Furthermore, some of the DBAG Funds (and corresponding Co-Investment vehicles) are located in and subject to the tax laws of Luxembourg and Guernsey. Changes in interpretation of substance requirements or changes in cross-border taxation rules could lead to the application of different tax regimes potentially leading to significant tax effects.

In addition, changes in tax legislation, administrative practice or case law, which are possible at any time and may occur on short notice, could have adverse tax consequences for us. The applicable tax rates, for example with respect to corporate income tax, trade tax, withholding tax and capital gains tax as well as surcharges and interest to taxes, may also change rapidly and with short notice. Despite a generally existing prohibition on retroactive effects, changes in applicable laws, regulations and guidelines may also have a retroactive effect under certain limited circumstances. Additionally, divergent statutory interpretations by the tax authorities or the courts are possible.

(d) We are subject to liability in the sale of a participation.

As the seller of a Portfolio Company participation we or the DBAG Funds we advise may be subject to seller liability. The selling entity usually provides extensive guarantees with regard to the Portfolio Company and an indemnity for taxes to be paid retrospectively for the period of their participation in favor of the buyer(s) ("**tax indemnity**"). In addition, the seller may be forced to give warranties for certain company-specific risks. The seller typically tries to limit the liability to a minimal amount and offer the purchaser to take out a warranties and indemnities insurance policy. In the rare cases where this is not possible the liability will be limited to a percentage of the purchase price received. Should liability risks from warranties or tax indemnities materialize this could significantly reduce the amounts received for the sale of such Portfolio Company.

(e) Our Group companies DBG Management GP and DGB Managing Partner are subject to liability as AIFM towards fund investors.

In our Fund Investments Services Segment, our Group companies DBG Management GP and DBG Managing Partner act as AIFM of private equity funds. As AIFM, they may be obliged to pay damages to the investors if they provide inaccurate, incomplete or misleading information in connection with the fund that is essential for the investment decision of the investors, provided that we acted at least negligently. We, as the initiator of the DBAG Funds, are of the opinion that in the past none of the AIFMs has provided any information to fund investors that was inaccurate, incomplete or misleading on any material point and assume that this will not be the case in the future either. We also assume that the relevant Group Companies have exercised the necessary care in providing the information. However, we cannot rule out that a Group Company may unknowingly have provided or will provide inaccurate, incomplete or misleading information, which may lead to an obligation of the relevant AIFM to make compensation payments to fund investors. A successful claim for damages by fund investors would damage DBAG's reputation as a fund initiator.

(f) Changes in laws or regulations, or a failure to comply with any laws or regulations, may adversely affect our business model or operations, prevent our Portfolio Companies from operating successfully and prevent us from making certain investments.

We are subject to and have to comply with laws and regulations enacted by national, regional and local governments.

In particular, we are required to comply with certain regulatory requirements that are applicable to DBG Managing Partner as AIFM, which is registered with the BaFin as a small capital management company (*Kapitalverwaltungsgesellschaft,* KVG) in accordance with the German Capital Investment Code (*Kapitalanlagegesetzbuch,* KAGB) and appointed to act as AIFM under the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (the "**AIFM Directive**") and the relevant European regulations and transpositions into national law. Moreover, DBG Management GP is an AIFM licenced under Guernsey law and regulated by the Guernsey Financial Services Commission. Failure to comply with regulatory requirements applicable to the AIFMs may lead to sanctions from national financial supervisory authorities, such as sanction charges or withdrawal of current AIFM licenses.

Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business. Changing laws and regulations, or their interpretation and application, for instance, may lead to us not being able to maintain our current business model (structuring, managing and advising funds as well as investing alongside such funds) and, as a consequence, income from fund investment services and income from fund investments may no longer be earned at the same time.

Furthermore, if we fail to comply with applicable laws or regulations, including regulations that apply to the DBAG Group as a listed company such as the EU Market Abuse Regulation ("**MAR**") and the ongoing transparency requirements under the rules and regulations of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the Dusseldorf Stock Exchange (*Börse Düsseldorf*) in connection with the listing of our shares on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*). It may entail limitations in our business activities, increased costs, fines or other sanctions. Regulators that we interact with or may interact with in the future are empowered to conduct investigations and administrative proceedings that can result in sanction charges, suspensions of persons or other sanctions. Further, investigations and other administrative proceedings may be time consuming and may divert management or other key employees' attention from their ordinary tasks. Even if an investigation or administrative proceeding does not result in a sanction or the sanction imposed against us by a regulator were small in monetary amount, the adverse publicity relating to the investigation, administrative proceeding or imposition of the sanction could harm our reputation.

In addition, restrictions on foreign ownership and investments, including potential interventions by the Committee on Foreign Investment in the United States (CFIUS) or by other applicable administrative review boards of other jurisdictions to block strategic transactions, may prevent us from making certain investments that would otherwise be in the interests of our shareholders.

There have also been significant legislative developments affecting the private equity industry and there continues to be discussions regarding enhancing governmental scrutiny and/or increasing the regulation of the private equity industry, which may have an effect on the private equity industry generally (including making it more difficult to raise capital from certain types of investors or otherwise imposing on private equity funds additional and costly regulatory compliance burdens), which, in turn, could have a negative effect on our business.

Moreover, some of DBAG Funds' or our Portfolio Companies and other companies in which we may invest in the future have international operations, primarily in Europe and to a lesser extent in other parts of the world. Operating in international markets involves additional risks, including unexpected changes in regulatory requirements, taxes, tariffs, customs, duties and other trade barriers, difficulties in staffing and managing foreign operations, problems in collecting accounts receivable, political risks, fluctuations in currency exchange rates, restrictions associated with the repatriation of funds, technology export and import restrictions, and other restrictions on business activities. If such changes were to occur, there can be no assurance that our Portfolio Companies will continue to be able to operate successfully in international markets.

The occurrence of any of the aforementioned risks may have a negative effect on the asset, financial and earnings position of the Company and the DBAG Group as a whole.

(g) Our insurance coverage may be insufficient for certain risks that are associated with our business operations. In addition, adequate insurance coverage may not be available on acceptable terms in the future.

We haves insurance coverage for various risks that are associated with our business activities, which we would consider to be consistent with industry practice. However, there is no assurance that we will not incur losses or that claims that exceed the scope of the existing insurance coverage will not be made. It is not certain either that we will be successful in the future in obtaining adequate insurance coverage on acceptable terms. If we suffer damages for which we are not insured or not adequately insured, or if insurance coverage is only available on uneconomical terms in the future, this could lead to unexpected costs and losses and could have a correspondingly negative effect on the asset, financial and earnings position of the Company and the DBAG Group as a whole.

(h) We could be subject to claims for damages in connection with violations of data protection law.

We collect, store and use personal data, for example, with regard to employees, fund and stock investors and Portfolio Companies. Risks may arise in connection with the electronic storage and use of such business-crucial data. The unauthorized access by third parties, the misuse or unintended disclosure of confidential data by employees or third parties commissioned may result not only in the disclosure of business secrets, but also violate privacy provisions and, thus, constitute administrative or criminal offences and substantiate claims for damages and/or the issuance of cease and desist orders as well as trigger public penalties, such as administrative fines. IT security incidents and any unauthorized leakage of data may constitute violations of applicable law, such as violations of the EU General Data Protection Regulation ("**GDPR**"), which has entered into force on May 25, 2018 together with corresponding amendments to national regulations such as the Federal Data Protection Act (*Bundesdatenschutzgesetz*). The GDPR imposes stricter rules on the processing or storage of personal data. Unlawful processing of personal data may be fined under the GDPR with up to EUR 20 million or 4% of the total group revenues of a company in the fiscal year preceding the violation, whichever is higher.

Any of the violations may result in claims and damages and considerable damage to our reputation.

3.5 Risks Related to the Shares and the Offering

(a) The Company's major shareholder may use its influence at general shareholders' meetings (Hauptversammlungen) to adopt resolutions or may otherwise exercise material influence over DBAG Group thereby serving its own interests, which may conflict with the interests of other shareholders.

Based on publicly available information, in particular a shareholder notification dated November 25, 2019, Rossmann Beteiligungs GmbH (the "**Major Shareholder**") holds 25.01% of the existing shares in the Company. Following the offering, the Major Shareholder is expected to continue to hold more than 25% of the shares and of the voting rights in DBAG.

Due to the concentration of share ownership, the Major Shareholder (and other significant shareholders, if applicable) may be able to exert influence in general shareholders' meetings (*Hauptversammlungen*) and cast their votes to take resolutions or implement measures that are in their own interest or not supported by or in the best interest of other shareholders. Neither may they always serve DBAG Group's strategy, policies and objectives. Such voting behavior or the exertion of influence in any other way may have a significant adverse effect on the price of the shares and thus may adversely affect the Company's ability to raise further capital. The concentration of share ownership could also delay or prevent certain major corporate actions that might be advantageous for investors.

Due to the aforementioned opportunities for the Major Shareholder to exercise influence, there is a risk for other shareholders that the Major Shareholder will act in its own interests, which may not be in line with the interests of the other shareholders.

(b) The share price and trading volume of the Company's Shares may fluctuate significantly and could decline.

The Company's Shares are traded on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*). Our share price is affected primarily by the supply and demand for our Shares and could fluctuate significantly in response to numerous factors, many of which are beyond our control. These factors include, among other things, volatility of the fair value measurements of our Portfolio Companies in conjunction with share price volatility of listed peers, fluctuations in actual or projected results of operations, changes in projected earnings or failure to meet securities analysts' earnings expectations, changes in trading volumes in the Shares, the activities of our competitors, changes in our shareholder structure, changes in the market valuations of similar companies, changes in investor and analyst perception of our industry (including due to changes in public opinion, for example as a result of adverse media coverage), changes in the statutory framework in which we operate, changes in macroeconomic conditions, including fluctuations in foreign currencies and general stock market plunges, such as several times in 2020 as a reaction to new developments in relation to the COVID-19 pandemic, and other factors. In addition, general market conditions and fluctuations of share prices and trading volumes generally, such as recently experienced in the COVID-19 pandemic, could lead to pricing pressures on the Company's shares, which are unrelated to the Company's business performance or outlook.

If our share price or the trading volume in our Shares declines as a result of the realization of any or all these events, investors could lose part or all of their investment in the Shares. In addition, we cannot assure holders of subscription rights that the market price of the Shares will not decline below the subscription price after such holders elect to exercise their subscription rights. If that occurs, such holders will have committed to buy New Shares at a price above the prevailing market price, and such holders will suffer an immediate unrealized loss as a result thereof.

(c) Our ability to distribute dividends is dependent on a variety of factors. The previous dividend distributions are no indication for future dividend distributions.

The general shareholders' meeting (*Hauptversammlung*) of DBAG will decide matters relating to the payment of future dividends. These decisions will be based on the particular situation of DBAG Group at the time. Our ability to pay dividends depends upon, among other things, our results of operations, financing and investment requirements, as well as the availability of distributable profit (*Bilanzgewinn*).

Three aspects play a key role when it comes to deciding on the amount of the distribution: the inflow of funds from the two business segments (income from Fund Services and net inflows after disposals), future liquidity requirements for (co-)investments and securing the dividend capacity in the long run. Postponements of exits in phases of economic downturns and a lack of the possibility to generate fee income from DBAG Funds would have an adverse effect on our ability to pay dividends.

There can be no certainty that future dividends can be distributed in line with previous dividend distributions or with our dividend policy applicable at the given time, or any dividend at all. Given that DBAG's Shares are, and any dividends to be paid in respect of them will be, denominated in Euro, an investment in the Shares by an investor whose principal currency is not the Euro exposes the investor to an additional foreign currency exchange rate risk and any such investor is subject to adverse movements to its local currency against the Euro.

(d) Future offerings of debt or equity securities may adversely affect the market price of the Shares, and future capital measures could lead to a dilution of existing shareholdings. Shareholders in jurisdictions outside Germany may not be able to participate in future issues of the Company's Shares unless we decide to take additional steps to comply with applicable local laws and regulations of such jurisdictions.

We may require further capital in the future to finance our business operations and planned growth, to strengthen our balance sheet or to fulfill regulatory requirements. Therefore, we may seek to raise capital through offerings of debt securities (possibly including convertible debt securities) or additional equity securities of the Company. An issuance of additional equity securities, through a share capital increase against cash or contributions in kind, or of securities with a right to convert into equity, such as convertible bonds or warrant bonds, could adversely affect the market price of the Company's Shares and would dilute the economic and voting interests of existing shareholders if made without granting subscription rights to existing shareholders. Subject to certain conditions, we may, for example, limit or cancel the subscription rights of existing shareholders in the event of a capital increase through contributions in kind. Even if existing shareholders were granted subscription rights, investors in certain jurisdictions (particularly in the United States) may not be able to acquire or exercise any subscription rights due to local laws.

Because the timing and nature of any future offering would depend on market conditions, it is not possible to predict or estimate the amount, timing, or nature of future offerings. Furthermore, a proposal to the general shareholders' meeting (*Hauptversammlung*) to take any of the abovementioned measures, with dilutive effects on the existing shareholdings, or any other announcement thereof, could adversely affect the market price of the Shares.

Moreover, in the case of certain increases in the Company's issued share capital, the Company's existing shareholders are generally entitled to subscribe to the newly issued shares unless such subscription rights are specifically excluded. Shareholders outside Germany may, however, not be able to exercise their subscription rights unless the Company decides to comply with applicable local laws and regulations. We cannot assure any shareholders outside Germany that steps will be taken to enable them to exercise their subscription rights, or to permit them to receive any proceeds or other amounts relating to their subscription rights.

(e) No assurance can be given that a trading market will develop for the subscription rights and, if a market does develop, the subscription rights may be subject to greater volatility than the Shares.

We intend to provide for the subscription rights to be traded from April 14, 2021, to April 22, 2021, on the regulated market (Xetra and Xetra Specialist) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). We do not intend to apply for trading of the subscription rights on any other exchange. We cannot assure that an active trading market in the subscription rights will develop during that period nor that there will be sufficient liquidity. If an active trading market does not develop or is not substantial, the liquidity and trading price of the subscription rights could be adversely affected. The trading price of the subscription rights depends on a variety of factors, including but not limited to the performance of the price of the Shares, but may also be subject to significantly greater price fluctuations than the Shares. Given that the subscription rights are denominated in Euro, an investment in the subscription rights by an investor whose principal currency is not the Euro exposes the investor to an additional foreign currency exchange rate risk and any such investor is subject to adverse movements to its local currency against the Euro.

(f) Failure by a shareholder of DBAG to exercise allocated subscription rights during the applicable exercise period will result in a dilution of such shareholder's percentage ownership.

Subscription rights for New Shares will expire if they are not exercised by April 27, 2021, *i.e.* the expiry of the subscription period. If a shareholder does not exercise its subscription rights, its percentage shareholding in DBAG will decline and its voting rights will be diluted. This dilution will be proportional to the percentage rate by which the share capital of the Company is increased and to the extent to which the shareholder does not participate in the capital increase. Based on 15,043,994 Shares immediately prior to the subscription offer contemplated hereby and assuming that 3,760,998 New Shares will be issued, each shareholder's percentage ownership in the Company's share capital and its voting rights would decrease by 20.0% per existing Share. If shareholders of DBAG elect to sell their subscription rights, the consideration they receive, if any, may not be sufficient to fully compensate them for the dilution of their percentage ownership. The New Shares will be offered to the existing shareholders at a subscription ratio of 4:1, *i.e.,* 1 New Share may be acquired at the subscription price for every 4 existing Shares. Shareholders who do not hold 4 Shares or integral multiples thereof will not be able to exercise all subscription rights and may thus be left with subscription rights that they can neither exercise nor sell.

(g) If the offering hereunder is not consummated, the subscription rights may become worthless. Additionally, the size of the actual capital increase may be lower than contemplated.

Jefferies GmbH and UniCredit Bank AG (together, the "**Underwriters**") have agreed, subject to certain conditions, to subscribe for the New Shares and to offer such shares in a public offering to the Company's existing shareholders for subscription. The subscription to the New Shares will be made on the basis of an underwriting agreement entered into between the Company and the Underwriters on April 12, 2021. The offering that is the subject of this Prospectus may be terminated under certain circumstances. This includes the withdrawal by the Underwriters from the underwriting agreement in accordance with its terms. If the offering that is the subject of this Prospectus is terminated prior to registration of the implementation of the capital increase with the commercial register (*Handelsregister*), the offering will not take place and subscription rights may become worthless. Under these circumstances, investors may not be entitled to the delivery of New Shares, and the capital increase may not be consummated as contemplated hereby. Investors who purchased subscription rights could accordingly suffer a loss. In addition, any investors engaging in short selling transactions bear the risk of being unable to meet their obligation to deliver New Shares. The agents brokering the subscription rights transactions will not reverse such short selling transactions. Furthermore, if not all New Shares that remain unsubscribed in the subscription offer contemplated hereby can be placed by the Underwriters in a rump placement at a price at least equivalent to the subscription price, the size of the capital increase will be reduced to reflect the aggregate number of New Shares subscribed in the subscription offer and placed in such rump placement.

(h) The ability of shareholders to bring actions or enforce judgments against the Company or members of its Board of Management or Supervisory Board may be limited.

The ability of shareholders to bring an action against the Company may be limited. The Company is a stock corporation (*Aktiengesellschaft*, *AG*) incorporated under the laws of Germany. The rights of shareholders are governed by German law and by the Company's articles of association (*Satzung*). These rights differ from the rights of shareholders in other jurisdictions. It may be difficult for a shareholder to prevail in a claim against the Company or to enforce liabilities predicated upon the laws of jurisdictions other than Germany.

A shareholder may not be able to enforce a judgment against some or all of the members of the Company's Board of Management or Supervisory Board. It may not be possible for a shareholder to effect service of process upon members of the Board of Management or Supervisory Board within the shareholder's country of residence, or to enforce against members of the Board of Management or Supervisory Board judgments of courts of such shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that a shareholder will be able to enforce any judgment in civil and commercial matters or any judgments against the members of the Board of Management or Supervisory Board who are residents of countries other than those in which the judgment is made. In addition, German and other courts may not impose civil liability on members of the Board of Management or Supervisory Board in any original action based solely on foreign securities laws brought against the Company or members of the Board of Management or Supervisory Board in a court of competent jurisdiction in Germany or other countries.

4 GENERAL INFORMATION

4.1 Responsibility for the Contents of this Prospectus

Deutsche Beteiligungs AG, a German stock corporation (*Aktiengesellschaft, AG*) with its registered seat in Frankfurt am Main, Federal Republic of Germany (hereinafter also "**Germany**") and its business address at Börsenstraße 1, Frankfurt am Main, Germany (telephone: +49 69 95787-01), registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, under HRB 52491, Legal Entity Identifier ("**LEI**") 529900I88AOT7YXRMQ23 ("**DBAG**" or the **Company**" and, together with its consolidated subsidiaries, the "**DBAG Group**", the "**Group**", "**we**", "**us**" or "**our**") and Jefferies GmbH, with its registered seat at Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Germany, LEI 5493004I3LZM39BWHQ75 ("**Jefferies**"), and UniCredit Bank AG with its registered seat at Arabellastraße 12, 81925 Munich, Germany, LEI 2ZCNRR8UK83OBTEK2170 ("**UniCredit**", and together with Jefferies, the "**Underwriters**"), which is also acting as listing agent (the "**Listing Agent**"), each assume responsibility for the contents of this prospectus (the "**Prospectus**") pursuant to Section 8 German Securities Prospectus Act (*Wertpapierprospektgesetz*) and Article 11 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**"), and hereby declare that, to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

Neither the Company nor the Underwriters are required by law to update this Prospectus subsequent to the date hereof, except in accordance with Article 23 of this Prospectus Regulation, which stipulates that every significant new factor, material mistake, or material inaccuracy relating to the information included in a prospectus which may affect the assessment of the securities and which arises or is noted between the time when the prospectus is approved and the closing of the offer period or the time when trading on a regulated market begins, whichever occurs later, shall be mentioned in a supplement to the prospectus without undue delay. In any event, the obligation to supplement a prospectus no longer applies when a prospectus is no longer valid. The closing of the offer period is expected to occur on April 27, 2021 and trading on a regulated market is expected to begin on May 3, 2021. Accordingly, the validity of the prospectus is expected to expire at the end of the day on May 3, 2021.

This Prospectus constitutes a prospectus for the purposes of Article 3 of the Prospectus Regulation and has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**"), as the competent authority under the Prospectus Regulation. BaFin only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of Company or the quality of its shares. Investors should make their own assessment as to the suitability of investing in the securities. BaFin can be contacted at Marie-Curie-Str. 24-28, 60439 Frankfurt am Main, Germany, by telephone +49 228 4108-0, or via its website: http://www.bafin.de.

Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under the respective national legislation of the relevant member state of the European Economic Area ("**EEA**"), bear the costs of translating this Prospectus before the legal proceedings are initiated.

4.2 Subject Matter of this Prospectus

This Prospectus relates to the offer of 3,760,998 new, ordinary registered shares with no par value (*auf den Namen lautende Stückaktien*) of the Company (the "**New Shares**"), each with a notional amount of (rounded) EUR 3.55 in the share capital and full dividend rights as from October 1, 2020, from the capital increase against cash contributions from authorized capital resolved by the board of management of the Company (the "**Board of Management**") on April 12, 2021, with approval of the supervisory board of the Company (the "**Supervisory Board**") on the same date.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any shares offered by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. For further information on certain selling restrictions with respect to the New Shares, see section "*5. The Offering—5.14 Selling Restriction Notices*" below. For further information on the subject matter of this Prospectus, see section "*5. The Offering*" below.

4.3 Forward-Looking Statements

This Prospectus contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this Prospectus. This applies, in particular, to statements in this Prospectus containing information on our future earnings capacity, plans and expectations regarding our business, growth, and profitability, as well as the general economic and legal conditions to which we are exposed. Statements made using forward-looking terminology such as "aim/aim not", "anticipate/anticipate not", "assume/assume not", "consider/consider not", "expect/expect not", "intend/intend not", "plan/plan not", "predict/predict not", "project/project not", and "target/target not" are an indication of forward-looking statements.

The forward-looking statements contained in this Prospectus are based on our current estimates and assessments. They are based on assumptions and subject to risks, uncertainties, and other factors, the occurrence or non-occurrence of which could cause actual circumstances – including with regard to our business, results of operations, financial position, cash flows, and prospects – to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. Even if our future results meet the expectations expressed herein, they may not be indicative of the results of any succeeding periods. Our business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate, or prediction in this Prospectus to become inaccurate.

Forward-looking statements can be found in several sections in this Prospectus, particularly in the sections describing risk factors, markets and competition, the Company's business and recent developments and outlook, and wherever information is contained in this Prospectus regarding the Company's intentions, beliefs, or current expectations relating to its future financial condition and results, plans, liquidity, business outlook, growth, strategy and profitability, as well as the economic and regulatory environment to which the Company is subject.

In light of these assumptions, as well as risks, uncertainties, and other factors, it is also possible that the future events mentioned in this Prospectus may not occur or may differ materially from actual events. In addition, the forward-looking estimates and forecasts reproduced in this Prospectus from third-party sources could prove to be inaccurate. For more information on third-party sources see section "*—4.4 Information from Third Parties*" below.

The forward-looking statements contained in this Prospectus speak only as of the date of this Prospectus. Investors are advised that neither we nor the Underwriters assume any obligation and do not intend, except as required by law, to publicly release any updates or revisions to these forward-looking statements to reflect any change in our expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based or to adjust them in line with future events or developments.

4.4 Information from Third Parties

This Prospectus contains industry-related data, as well as calculations sourced from industry reports published by third parties, market research reports, publicly available information, and commercial publications of third parties. These publications generally state that the information they contain has originated from sources assumed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the calculations contained therein are based on assumptions. These sources may not fully reflect the potential impact of the ongoing COVID-19 pandemic due to, among other things, uncertainties surrounding its further development. In view of the potential effects of the COVID-19 pandemic on the economy, society and markets in which we and our Portfolio Companies are active, all current forecasts are made only with a considerably higher degree of uncertainty. This applies particularly in the context of links and interrelations between the global financial markets, economies and political decisions, which each individually may have an influence on the economic and political development, and when combined are currently impossible to assess with any certainty *ex ante*.

Irrespective of the assumption of responsibility for the contents of this Prospectus by the Company and the Underwriters (see section "*—4.1 Responsibility for the Contents of this Prospectus*" above), neither the Company nor the Underwriters have independently verified such information, or make any representation, or give any warranty as to the accuracy or completeness of such information.

Where information in this Prospectus has been sourced from a third party, the Company confirms that this information has been accurately reproduced and that, as far as the Company is aware and able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this information with caution.

In preparing this Prospectus, the following sources of third-party information were used:

- The World Bank, www.data.worldbank.org, accessed on February 3, 2021;
- Report prepared by The Economist Intelligence Unit, Country Report February 2020, Germany, dated February 2020;
- Oxford Economics, Country Economic Forecast Germany, dated March 2020, https://www.oxfordeconomics.com/country-economic-forecasts, accessed on February 3, 2021;
- The World Bank, www.datacatalog.worldbank.org, accessed on February 3, 2021;
- Report prepared by the United Nations Development Programme, Human Development Report 2019, Beyond income, beyond averages, beyond today: Inequalities in Human Development in the 21st Century, Germany, http://hdr.undp.org/sites/default/files/hdr2019.pdf, accessed on February 3, 2021;
- Organisation for Economic Co-operation and Development, OECD Stat., www.stats.oecd.org, accessed February 3, 2021;
- Skills Panorama provided by Cedefop, www.skillspanorama.cedefop.europa.eu, accessed February 3, 2021;
- Report prepared by the World Economic Forum, Global Competitiveness Report 2019, dated October 2019, http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf, accessed on February 3, 2021;
- Report prepared by Statistisches Bundesamt, Foreign Trade, Ranking of Germany's trading partners in foreign trade, dated March 2020, https://www.destatis.de/EN/Themes/Economy/Foreign-Trade/Tables/order-rank-germany-trading-partners.html?__blob=publicationFile, accessed February 3, 2021;
- Report prepared by Invest Europe, The Performance of European Private Equity Benchmark Report 2019,

https://www.investeurope.eu/research/publications/?date=2020&typeOfData=all&tag=Research, accessed February 3, 2021;

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This Prospectus also contains estimates of market and other data and information derived from such data that cannot be obtained from publications by market research institutes or from other independent sources. Such information is partly based on our own market observations, the evaluation of industry information (from conferences, sector events, etc.), and internal assessments. We believe that our estimates of market and other data and the information derived from such data assist investors in gaining a better understanding of the industry in which we operate and our position therein. Our own estimates have not been checked or verified externally. We nevertheless believe that our own market observations are reliable. They may however differ from estimates made by our competitors or from current and future studies conducted by market research institutes or other independent sources.

Information contained on any website mentioned in this Prospectus, including our own website, does not form part of this Prospectus and has not been scrutinized or approved by the competent authority.

4.5 Documents Available for Inspection

For as long as this Prospectus is valid, copies of the following documents, as well as the Company's future financial statements, will be available for inspection on the Company's website at https://www.dbag.de:

- the Company's articles of association (the "**Articles of Association**");

- the unaudited condensed consolidated interim financial statements prepared by the Company in accordance with the International Financial Reporting Standards as adopted by the European Union ("**IFRS**") on interim financial reporting (IAS 34) as of December 31, 2020 (the "**Unaudited Condensed Consolidated Interim Financial Statements**");

- the audited consolidated financial statements prepared by the Company in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315e para. 1 of the German Commercial Code (*Handelsgesetzbuch*; "**HGB**") as of September 30, 2020 (the "**Audited Consolidated Financial Statements 2019/2020**");

- the audited consolidated financial statements prepared by the Company in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315e para. 1 HGB as of September 30, 2019 (the "**Audited Consolidated Financial Statements 2018/2019**");

- the audited consolidated financial statements prepared by the Company in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315e para. 1 HGB as of September 30, 2018 (the "**Audited Consolidated Financial Statements 2017/2018**" and, together with the Audited Consolidated Financial Statements 2019/2020 and the Audited Consolidated Financial Statements 2018/2019, the "**Audited Consolidated Financial Statements**"); and

- the audited separate financial statements prepared by the Company in accordance with the HGB as of September 30, 2020 (the "**Audited Separate Financial Statements**" and, together with the Audited Consolidated Financial Statements, the "**Audited Financial Statements**").

4.6 Note Regarding the Presentation of Financial Information

(a) General

Unless otherwise indicated, financial information contained in this Prospectus has been prepared in accordance with IFRS.

The financial years ended September 30, 2020, September 30, 2019 and September 30, 2018 are also referred to in this Prospectus as "**financial year 2019/2020**", "**financial year 2018/2019**" and "**financial year 2017/2018**", respectively. The current financial year, which will end on September 30, 2021, is also referred to as "**financial year 2020/2021**".

The financial information presented in this Prospectus for the financial years 2019/2020 and 2018/2019 has been taken from the Audited Consolidated Financial Statements 2019/2020 and the Audited Consolidated Financial Statements 2018/2019.

The financial information presented in this Prospectus for the financial year 2017/2018 was taken from the comparative prior-year figures contained in the Audited Consolidated Financial Statements 2018/2019 and can be compared with the figures included in the Audited Consolidated Financial Statements 2017/2018 only to a limited extent. These figures were restated in accordance with IAS 8. The corrections relate to the measurement of irrecoverable interest receivable from Portfolio Companies as well as the amount of income from advising funds (for more detailed information, please see section "*9. Operating and Financial Review—9.6 Restatement of Audited Consolidated Financial Statements 2017/2018*" below).

The financial information presented in this Prospectus for the three-month periods ended December 31, 2020 and 2019 has been taken from the Unaudited Condensed Consolidated Interim Financial Statements (with comparative figures as of December 31, 2019).

Where financial information in the tables in this Prospectus is presented as "audited", this information was taken from the Audited Consolidated Financial Statements or the Audited Separate Financial Statements. Financial information in this Prospectus presented as "unaudited" in the tables in this Prospectus is not taken from the Audited Consolidated Financial Statements or the Audited Separate

Financial Statements but was taken either from the Unaudited Condensed Consolidated Interim Financial Statements or our accounting records or internal management reporting systems or has been calculated based on figures from the above-mentioned sources.

The Audited Consolidated Financial Statements were prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315e para. 1 HGB. The Audited Consolidated Financial Statements 2019/2020 and the Audited Consolidated Financial Statements 2018/2019 have been audited in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer* – "**IDW**") (the "**IDW Auditing Standards**") and the Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements regarding statutory audit of public-interest entities, by BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, Germany with its office in charge located at Hanauer Landstraße 115, 60314 Frankfurt am Main, Germany ("**BDO**"), who issued unqualified independent auditor's reports thereon. The Audited Consolidated Financial Statements 2017/2018 have been audited in accordance with Section 317 HGB and in compliance with the IDW Auditing Standards and the Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements regarding statutory audit of public-interest entities, by KPMG AG Wirtschaftsprüfungsgesellschaft, Klingelhöferstraße 18, 10785 Berlin, Germany, Niederlassung Frankfurt am Main, Germany, The Squaire, Am Flughafen, 60549 Frankfurt am Main, Germany ("**KPMG**"), who issued an unqualified independent auditor's report thereon. The Audited Separate Financial Statements were prepared in accordance with the requirements of the HGB and have been audited in accordance with Section 317 HGB and in compliance with the IDW Auditing Standards, by BDO, who issued an unqualified independent auditor's report thereon. The Unaudited Condensed Consolidated Interim Financial Statements have been prepared in accordance with IFRS on interim financial reporting (IAS 34).

(b) Note on Currency

The amounts set forth in this Prospectus in "**€**", "**euro**" or "**EUR**" refer to the single currency of the participating member states in the third stage of the European Economic Union pursuant to the Treaty Establishing the European Community. Fluctuations in the currency exchange rates between the euro and the U.S. dollar or other currencies will affect the U.S. dollar or other currency amounts received by owners of the Shares on conversion of dividends, if any, paid in euro on the Shares. The Group's principal functional currency is the euro, and the Consolidated Financial Statements have been prepared in euro.

For additional information on currency translations, see Note 6 of the Audited Consolidated Financial Statements 2019/2020.

(c) Note Regarding Figures and Technical Terms

Certain numerical data, financial information and market data in this Prospectus have been rounded in accordance with commercial rounding. Unless otherwise indicated, all financial data presented in the text and tables in this Prospectus is shown in thousands or millions of euros (EUR thousand/million), commercially rounded to the nearest thousand or million. In some instances, such rounded figures and percentages may not add up to 100% or to the totals or subtotals contained in this Prospectus. Furthermore, totals and subtotals in tables may differ slightly from unrounded figures contained in this Prospectus due to rounding in accordance with commercial rounding. Financial information presented in parentheses in this Prospectus denote a negative amount. A dash ("—") signifies that the relevant figure is not available or equal to zero, while a zero ("0") or nil signifies that the relevant figure has been rounded to zero.

A glossary of certain technical and financial terms and abbreviations used in this Prospectus is provided at the end of this Prospectus under the heading "*23. Glossary*".

4.7 Alternative Performance Measures and additional Key Performance Indicators

In accordance with the European Securities and Markets Authority ("**ESMA**") Guidelines on alternative performance measures of October 5, 2015 (the "**ESMA Guidelines**"), the following sections set out information related to certain financial measures of the DBAG Group that are not defined by IFRS and which the Group regards as alternative performance measures ("**APMs**") within the meaning of the ESMA Guidelines.

(a) Overview

The following sections provide an overview of the APMs presented by us on Group and/or segment level as well as under section "*—4.7(b) Alternative Performance Measures and additional Key Performance Indicators—Alternative Performance Measures and additional Financial Performance Indicator*" a definition of each of the APMs and under "*—4.7(c) Alternative Performance Measures and additional Key Performance Indicators—Reconciliation to the nearest IFRS item*" a reconciliation of each of the APMs to the nearest IFRS item.

We present the net asset value of the Private Equity Investments Segment ("**NAV**"), earnings from fund investment services and volume of assets under management or advisory as alternative performance measures ("**APMs**") as defined in the guidelines issued by the European Securities and Markets Authority (ESMA) on October 5, 2015 on alternative performance measures. We present these APMs as supplemental information due to the particularities arising from our activities as a financial investor and fund advisor. We use these figures – in addition to net income from investment activity, cash flow from investment activity and income from fund services – as financial performance indicators for our private equity investments segment ("**Private Equity Investments Segment**") and our fund investment services segment ("**Fund Investment Services Segment**") as we believe these are meaningful measures to evaluate the financial performance of our business activities over time. In addition, we believe these measures are widely used by certain investors, securities analysts, and other parties as supplemental measures of financial performance. These APMs are not required by or defined in accordance with IFRS or any other internationally accepted accounting principles. The APMs, as we define them, may not be comparable to similarly titled measures as presented by other companies due to differences in the way our APMs are calculated. Even though the APMs are used by our Board of Management to assess our ongoing financial performance, and though these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for the analysis of our results, cash flows or assets and liabilities as reported under IFRS.

(b) Alternative Performance Measures and additional Financial Performance Indicators

The below presents the definition of each APM and additional financial performance indicators used by the Company and the purposes for which each of the APMs and additional financial performance indicators is used by the Company.

The central economic goal of our business activities is to increase DBAG's value over the long-term.

The company value is determined by the value of our two business segments, the Private Equity Investments Segment and the Fund Investment Services Segment.

We measure the performance of the Private Equity Investments Segment through:

- The NAV;

- the net income from investment activity; and
- the cash flow from investment activity.

The performance of the Fund Investment Services Segment is measured through:

- The income from fund services;
- the earnings from fund investment services; and
- the volume of assets under management or advisory.

(i) Alternative Performance Measures

NAV

The NAV represents the sum of financial assets, other financial instruments, financial resources (comprising of cash and cash equivalents, long-term securities and short-term securities) less loan liabilities.

The Private Equity Investments Segment is structured like a listed private equity portfolio managed by an external manager. Comparable business models are typically valued at NAV. The NAV is largely determined by the performance of our Portfolio Companies measured by net income from investment activity. The NAV can only increase if net income from investment activity is higher than distribution to shareholders (which reduce financial resources).

Earnings from fund investment services

Earnings from fund investment services represent the sum of income from fund services less other income/expense items (comprising internal management fees, personnel expenses, other operating income as well as other operating expenses).

We measure whether we have achieved the financial goal of "increasing the value of fund advice" by the long-term development of the earnings from fund investment services. In addition to income from fund investment services, the earnings from fund investment services are largely influenced by the expenses for sourcing investment opportunities, supporting the portfolio companies over the holding period and structuring their sale.

Volume of assets under management or advisory

The volume of assets under management or advisory represents the sum of funds invested in Portfolio Companies (comprising of funds invested by DBAG and funds invested by third-party investors), funds drawn but not yet invested (comprising of funds drawn but not yet invested by DBAG and funds drawn but not yet invested by third-party investors), short-term bridge financing for new investments (comprising of short-term bridge financing DBAG and short-term bridge financing DBAG Funds), outstanding capital commitments of third-party investors and financial resources of DBAG (comprising of cash and cash equivalents, long-term securities and short-term securities).

We use the volume of assets under management or advisory to measure the performance of our Fund Investment Services Segment whose success depends on a notable medium-term increase in the volume of assets under management or advisory.

(ii) Additional financial performance indicators

Net income from investment activity

The net income from investment activity is the item with the greatest impact on the result of our Private Equity Investment Segment. The net income from investment activity is largely determined by the valuation of and disposal results from the Portfolio Companies. Due to the quarterly valuation of the Portfolio Companies applying the multiple method in most cases, this item is highly volatile on a short-term basis. It has a significant determining influence on the consolidated net income of the DBAG Group.

Cash flow from investment activity

The change in financial resources is largely determined by the cash flow from investment activity. Cash flow from investment activity represents the sum of investments in financial assets and the sum of the returns from financial assets after sales, recapitalizations and profit distributions from Portfolio Companies.

Income from fund services

The income from fund services is largely determined by the volume of the DBAG Funds. The income from fund services has the greatest impact on the results of our Fund Investment Services Segment.

(c) Reconciliation to the nearest IFRS item

The following table shows the calculation of our net asset value for the dates indicated:

(in EUR thousand)	**As of December 31,**	**As of September 30**		
	2020	**2020**	**2019**	**2018 (restated)**
	(unaudited)	*(audited)*		
Financial assets	404,273	390,741	385,693	318,931
Other financial instruments	53,589	25,988	17,002	32,766
Financial resources[(1)]	16,338	18,367	69,432	119,029
Thereof:				
Cash and cash equivalents	*16,338*	*18,367*	*43,934*	*23,571*
Long-term securities	—	—	—	*55,458*
Short-term securities	—	—	*25,498*	*40,000*
Loan liabilities	(36,900)	(13,100)	—	—
Net asset value	**437,299**	**421,997**	**472,126**	**470,727**

(1) The financial resources are used by DBAG for investments in equity or equity-like instruments.

The following table shows the calculation of our volume of assets under management or advisory for the dates indicated:

(in EUR thousand)	**As of December 31,**	**As of September 30**		
	2020	**2020**	**2019**	**2018 (restated)**
	(unaudited)	*(audited, except as otherwise noted)*		
Funds invested in Portfolio Companies	1,329,816	1,403,316*	1,088,298*	862,076*
Thereof:				
Funds invested by DBAG	*340,135*	*353,463**	*278,183**	*214,667**

(in EUR thousand)	As of December 31,	As of September 30		
	2020	2020	2019	2018 (restated)
	(unaudited)	*(audited, except as otherwise noted)*		
Funds invested by third-party investors	*989,681*	*1,049,853**	*810,115**	*647,410**
Funds drawn but not yet invested	—	—	—	23,387*
Thereof:				
Funds drawn but not yet invested by DBAG	—	—	—	*9,676**
Funds drawn but not yet invested by third-party investors	—	—	—	*13,711**
Short-term bridge financing for new investments	260,898	135,856*	94,492*	145,086*
Thereof:				
Short-term bridge financing DBAG[(1)]	*53,589*	*25,988*	*17,002*	*32,766*
Short-term bridge financing DBAG Funds	*207,309*	*109,868**	*77,490**	*112,320**
Outstanding capital commitments of third-party investors	926,285	1,025,023*	452,212*	681,799*
Financial resources	16,338	18,367	69,432	119,029
Thereof:				
Cash and cash equivalents	*16,338*	*18,367*	*43,934*	*23,571*
Long-term securities	—	—	—	*55,458*
Short-term securities	—	—	*25,498*	*40,000*
Volume of assets under management or advisory	**2,533,336**	**2,582,562**	**1,704,434**	**1,831,378**

* Unaudited.

(1) "Short-term bridge financing DBAG" is presented under "other financial assets" in the consolidated statements of financial position in the Company's Audited Consolidated Financial Statements.

The following table shows the reconciliation of our income from fund services to earnings from fund investment services for the periods indicated:

(in EUR thousand)	For the three-month period from		For the financial year from		
	October 1, 2020 to December 31, 2020	October 1, 2019 to December 31, 2019	October 1, 2019 to September 30, 2020	October 1, 2018 to September 30, 2019	October 1, 2017 to September 30, 2018 (restated)
	(unaudited)		*(audited, except as otherwise noted)*		
Income from fund services	10,776	7,097	29,304	26,970	28,855
Other income/expense items	(5,944)	(5,385)	(19,845)	(23,937)	(23,286)
Thereof:					
Internal management fees	*341*	*325*	*1,285**	*1,211**	*852**
Personnel expenses	*(4,979)*	*(3,953)*	*(15,197)**	*(17,787)**	*(15,051)**
Other operating income	*1,283*	*616*	*3,971**	*5,304**	*3,435**
Other operating expenses	*(2,590)*	*(2,373)*	*(9,903)**	*(12,665)**	*(12,522)**
Earnings from fund investment services[(1)]	**4,832**	**1,712**	**9,459**	**3,033**	**5,568**

* Unaudited.

(1) "Earnings from fund investment services" are represented as "earnings before taxes from fund investment services" in the segment reporting of the Company's Audited Consolidated Financial Statements.

5 THE OFFERING

5.1 Subject Matter of the Offering

The subject matter of the Offering (as defined below) are 3,760,998 New Shares, each such share with a notional value of (rounded) EUR 3.55 in the share capital and full dividend rights as from October 1, 2020.

The New Shares will result from a capital increase against cash contributions. Exercising the authorization pursuant to Section 5 para. 3 of the Articles of Association of the Company (authorized capital created by the general shareholders' meeting (*Hauptversammlung*) on February 22, 2017), the Board of Management of the Company resolved on April 12, 2021, approved by the Supervisory Board on the same date to increase the share capital from EUR 53,386,664.43 by up to EUR 13,346,664.33 to up to EUR 66,733,328.76 by issuing up to 3,760,998 New Shares against cash contributions at a subscription price per New Share of EUR 28.00 (the "**Subscription Price**"). The existing shareholders of the Company will be granted indirect subscription rights (*mittelbare Bezugsrechte*) (the "**Subscription Rights**") pursuant to Section 186 para. 5 of the German Stock Corporation Act (*Aktiengesetz*; "**AktG**") in this process. The New Shares will be offered to the existing shareholders at a subscription ratio of 4:1. This means that one New Share may be acquired at the Subscription Price for every 4 existing Shares (the "**Subscription Ratio**"). Any New Shares that are not subscribed for in the Subscription Offer (as defined below) (the "**Rump Shares**") will be offered by the Underwriters (as defined below) in a rump placement by way of private placements at a price at least equivalent to the Subscription Price (i) in certain jurisdictions outside the United States of America ("**United States**") to selected qualified investors other than U.S. persons as defined in, and in reliance on, Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933 (as amended) (the "**Securities Act**") and (ii) to "qualified institutional buyers" ("**QIBs**", as defined in Rule 144A under the Securities Act) that are also "qualified purchasers" ("**QPs**", as defined in the U.S. Investment Company Act of 1940) (the "**Rump Placement**" and together with the Subscription Offer (as defined below), the "**Offering**").

The Company and the Underwriters entered into an underwriting agreement dated April 12, 2021 (the "**Underwriting Agreement**") in which the Underwriters have agreed, subject to certain conditions, to subscribe for the New Shares and to offer such shares in a public offering to the Company's shareholders in connection with an indirect Subscription Right at the Subscription Ratio and at the Subscription Price (the "**Subscription Offer**"). The Subscription Offer will (i) in Germany, take the form of a public offering exclusively to existing shareholders of the Company and holders of Subscription Rights to the New Shares, (ii) in certain jurisdictions outside Germany and the United States, be in the form of a private placement to existing shareholders of the Company and holders of Subscription Rights to the New Shares other than U.S. persons as defined in, and in reliance on, Regulation S, and (iii) in the United States or when made to U.S. persons, be in the form of a private placement pursuant to an exemption from registration under the Securities Act, to QIBs that are also QPs. The New Shares and the Subscription Rights have not been and will not be registered under the Securities Act, or the securities laws of any other jurisdiction of the United States, its territories and possessions, any state of the United States or the District of Columbia, and may not be offered, sold or otherwise transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirement of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

Key shareholders have expressed their support for the capital increase, indicating that they will subscribe to approximately 22% of the New Shares. The members of the Board of Management intend to exercise their subscription rights in full.

5.2 Scheduled Timetable

The scheduled timetable, which remains subject to change, for the Offering is as follows:

April 13, 2021	Approval of this Prospectus by BaFin Publication of this Prospectus on the Company's website Publication of the Subscription Offer in the German Federal Gazette (*Bundesanzeiger*)
April 14, 2021	Commencement of the Subscription Period (as defined below in 1.4(a)(iii)) "Ex-rights" trading shares Commencement of trading of Subscription Rights Application for the admission to trading of the New Shares on the regulated market segment of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment thereof with additional post-admission obligations (Prime Standard) and the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*)
April 16, 2021	Credit of the Subscription Rights by the depositary banks to the depositary accounts of the Company's shareholders based on their holdings in the Company's shares as of 11.59 p.m. CEST April 15, 2021 (Record date)
April 22, 2021	End of trading in Subscription Rights
April 27, 2021	End of the Subscription Period (as defined below in 1.4(a)(iii)) Last day for payment of the Subscription Price (as defined below in 1.4(a)(iii)) Placement of the Rump Shares
April 28, 2021	Announcement of the final results of the Subscription Offer and the Offering on the Company's website
April 29, 2021	Expected registration of the implementation of the capital increase from authorized capital with the commercial register (*Handelsregister*) Admission of the New Shares to trading on the regulated market segment of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment thereof with additional post-admission obligations (Prime Standard) and on the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*) Publication of the admission of the New Shares by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) in the German Federal Gazette (*Bundesanzeiger*) and on the website of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (https:// www.boerse-frankfurt.de)
May 3, 2021	Commencement of trading in the New Shares by inclusion in the Company's current stock quotation on the regulated market segment of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the sub-segment thereof with additional post-admission obligations (Prime Standard) Book-entry delivery of the New Shares

This Prospectus will be published on the Internet website of deutsche Beteiligungs AG (https://www.dbag.de).

5.3 Subscription Offer

A non-binding English translation of the solely binding German language Subscription Offer expected to be published on April 13, 2021 in the German Federal Gazette (*Bundesanzeiger*) is reproduced below:

"**Deutsche Beteiligungs AG**
Frankfurt am Main, Germany
ISIN DE000A1TNUT7/WKN A1TNUT

Subscription Offer

On April 12, 2021, the Board of Management of Deutsche Beteiligungs AG (hereinafter also referred to as the "**Company**") resolved, with the approval of the Supervisory Board dated April 12, 2021, to exercise the authorizations pursuant to Section 5 para. 3 (Authorized Capital 2017) of the Articles of Association of the Company and to increase the Company's share capital from EUR 53,386,664.43, being divided into 15,043,994 ordinary registered shares with no par-value, by up to EUR 13,346,664.33 to up to EUR 66,733,328.76 by issuing up to 3,760,998 new ordinary registered shares with no par-value (the "**New Shares**") against contributions in cash. Subscription Rights (as defined below) have been excluded for a fractional amount of two New Shares. The New Shares will be issued at an issue price of (rounded) EUR 3.55 per New Share and with full dividend rights as from 1 October 2020.

In connection with the capital increase, the Company's existing shareholders will be granted the statutory subscription rights with regard to the New Shares in the form of indirect subscription rights (*mittelbare Bezugsrechte*) (the "**Subscription Rights**") pursuant to Section 186 para. 5 of the German Stock Corporation Act (*Aktiengesetz* – "**AktG**"). Pursuant to an underwriting agreement dated April 12, 2021, Jefferies GmbH and UniCredit Bank AG (together the "**Underwriters**") have agreed under certain conditions, (i) for UniCredit Bank AG to subscribe for the final number of New Shares in its own name, but for the account of the Underwriters, and (ii) for each of the Underwriters to offer the New Shares to the Company's shareholders in connection with an indirect Subscription Right during the subscription period at the subscription ratio and at the subscription price per New Share as defined below (the "**Subscription Offer**").

The registration of the implementation of the capital increase in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main is expected to occur on April 29, 2021.

The Subscription Rights (ISIN DE000A3E4951/WKN A3E495) relating to the existing shares of the Company will automatically be delivered by Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, to the depositary banks on April 16, 2021 (Payment Date) as per status on April 15, 2021, at 11.59 p.m. CEST (Record Date). The depositary banks are responsible for booking the Subscription Rights to the eligible depositary accounts of the Company's existing shareholders.

We kindly request our shareholders to exercise their Subscription Rights to the New Shares during the period

from and including April 14, 2021 up to and including April 27, 2021
(the "Subscription Period")

through their respective depositary bank at the Subscription Agent (*Hauptbezugsstelle*) referred to below during regular banking hours. Investors are recommended to follow the respective instructions by their depositary banks. Subscription Rights that are not exercised during this period will expire and become worthless. No compensation will be awarded for Subscription Rights that will not be exercised.

UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany, acts as subscription agent ("**Subscription Agent**"). The notification of the exercise of Subscription Rights is binding upon receipt by the Subscription Agent and cannot be altered thereafter. The New Shares will be offered to the shareholders against contributions in cash at a subscription ratio of 4:1. This means that each shareholder is entitled to purchase one New Share at the subscription price for every 4 existing shares held (the"**Subscription Ratio**"). The exercise of the Subscription Rights is subject to the registration of the implementation of the capital increase with the commercial register (*Handelsregister*) and is also subject to the further restrictions described in the section "**Important Notices**".

1. Subscription Price and Payment of the Subscription Price

The subscription price per New Share to be paid by the shareholders is EUR 28.00 (the "**Subscription Price**"). Shareholders willing to make use of their Subscription Rights have to pay the Subscription Price per New Share upon exercise of their Subscription Rights, at the latest, however, on April 27, 2021, to UniCredit Bank AG in its role as Subscription Agent through their respective depositary bank.

Shareholders should take into account that if they exercise their Subscription Rights they may have committed to acquiring the shares of the Company at a Subscription Price potentially higher than would be possible for them through an acquisition on the market due to the volatility of the Company's shares and a possible deterioration of market conditions.

2. Trading in Subscription Rights

In connection with the Subscription Offer of the New Shares, the Subscription Rights (ISIN DE000A3E4951/WKN A3E495) will be traded during the period from and including April 14, 2021 (including) up to April 22, 2021, 12.00 noon CEST, on the regulated market (Xetra and Xetra Frankfurt Specialist) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). Neither the Company nor the Subscription Agent has applied for admission of the Subscription Rights to trading on any other stock exchange nor does it intend to do so. No compensation will be granted for any Subscription Rights not exercised. Upon expiration of the Subscription Period, the unexercised Subscription Rights will expire and become worthless. As of April 14, 2021, the existing shares of Deutsche Beteiligungs AG (ISIN DE000A1TNUT7/WKN A1TNUT) will be quoted "ex-rights" on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

Jefferies GmbH may effect transactions to provide for fair and orderly Subscription Rights trading and other customary measures, such as in particular purchasing and selling Subscription Rights for New Shares. However, there is no guarantee such transactions will take place and that active trading in the Company's Subscription Rights will develop on the aforementioned stock exchange and that there will be enough liquidity during the period of Subscription Rights trading.

The price of the Subscription Rights is determined continuously during the ordinary times of trading. On April 22, 2021, the Subscription Rights trading on Xetra will end with a closing auction starting not before 11.45 a.m. CEST and on Xetra Frankfurt Specialist with an independent special auction starting at 12.00 p.m. CEST (noon).

The market price for the Subscription Rights depends, among other things, on the development of the share price of the Company but may fluctuate more strongly than the share price.

Key shareholders have expressed their support for the capital increase, indicating that they will subscribe to approximately 22% of the New Shares. The members of the Board of Management intend to exercise their subscription rights in full.

3. Placement of Unsubscribed Shares (Rump Placement)

The New Shares remaining unsubscribed in the Subscription Offer (the "**Rump Shares**") will be offered for sale by the Underwriters in private placements at a price at least equivalent to the Subscription Price (i) in certain jurisdictions outside the United States of America ("**United States**") to selected qualified investors other than U.S. persons as defined in, and in reliance on, Regulation S

("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and (ii) to "qualified institutional buyers" (QIBs, as defined in Rule 144A under the Securities Act) that are also "qualified purchasers" (QPs, as defined in the U.S. Investment Company Act of 1940) (the "**Rump Placement**"). If not all Rump Shares can be placed at a price at least equivalent to the Subscription Price in the Rump Placement, the size of the capital increase will be reduced to reflect the aggregate number of New Shares subscribed in the Subscription Offer and placed in the Rump Placement at a price at least equivalent to the Subscription Price.

4. Share Certificates and Delivery of the New Shares

The New Shares (ISIN DE000A1TNUT7/WKN A1TNUT) are expected to be represented by one global share certificate deposited with Clearstream Banking AG. According to the Articles of Association, the rights of shareholders to receive share certificates for their shares shall be excluded to the extent permitted by law and unless the issuance of share certificates is required under the rules applying to a stock exchange to which the shares are admitted for trading. Likewise, the right of shareholders to dividend coupons and renewal coupons being issued shall be excluded. The New Shares are vested with the same rights as all other shares of the Company and are not vested with any additional rights or benefits. The New Shares are expected to be delivered on May 3, 2021. Unless the Subscription Period is extended or the Subscription Offer is canceled, the New Shares are made available to the shareholders by means of a credit note to the respective securities account. The depositary banks may charge a customary commission in connection with the subscription of the New Shares as well as for the sale and purchase of Subscription Rights.

5. Stock Exchange Admission and Commencement of Trading of the New Shares

The admission of the New Shares to trading on the regulated market *(regulierter Markt)* of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the admission of the New Shares to trading on the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*) is expected to be granted on April 29, 2021. The New Shares are expected to be included in the existing quotation for the Company's listed shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), and on the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*), on May 3, 2021.

6. Publication of the Prospectus

In connection with the Subscription Offer, a securities prospectus of Deutsche Beteiligungs AG dated April 13, 2021 for the public offering of the New Shares (the "**Prospectus**") has been published on the Company's internet website (https://www.dbag.de). Printed copies of the Prospectus are available free-of-charge at Deutsche Beteiligungs AG, Börsenstraße 1, 60313 Frankfurt am Main, Germany during regular business hours.

7. Selling Restrictions

The New Shares and the Subscription Rights will only be publicly offered in Germany. The New Shares and the Subscription Rights have not been and will not be registered under the Securities Act or with the securities regulatory authority of any individual state or other jurisdiction of the United States. The New Shares and the Subscription Rights may neither be offered, sold, exercised, pledged, transferred nor delivered directly or indirectly to or within the United States, except pursuant to an exemption from the registration requirements of the Securities Act and the securities laws of the respective individual states of the United States and in accordance with further applicable laws of the United States.

The acceptance of this offer outside Germany may be subject to restrictions. Persons who intend to accept this offer outside Germany are requested to inform themselves with regard to and comply with the restrictions that exist outside Germany.

8. Important Notices

Existing shareholders and new investors are advised to carefully read the Prospectus and to take particular note of the risks described in the section "*3. Risk Factors*" of the Prospectus and to consider such information when making their decision, before making a decision to exercise, acquire or sell any Subscription Rights or to acquire any shares. The Prospectus is available on the Company's website (https://www.dbag.de). The Underwriters are entitled to terminate the Underwriting Agreement or decide together with the Company to extend the subscription period or to postpone the implementation of the Subscription Offer under certain conditions. These conditions include, in particular, material adverse changes in the business or financial condition, prospects, shareholders' equity or results of operations of the Company and/or its subsidiaries, material restrictions on stock exchange trading or banking activities, the outbreak or escalation of hostilities or war, or the occurrence of acts of terrorism or other calamity or crisis which have a material adverse impact on the financial markets in Germany, the United Kingdom or the United States. The Underwriters are also relieved from their obligations under the Underwriting Agreement if the implementation of the capital increase has not been registered by April 30, 2021, 12.00 noon CEST, with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main and if the Company and the Underwriters fail to agree on a later deadline.

In case the Underwriters withdraw from the Underwriting Agreement prior to the registration of the capital increase with the commercial register (*Handelsregister*), Subscription Rights may expire without compensation. In such a case, a reverse transaction relating to the trading of Subscription Rights will not take place and investors who purchased Subscription Rights could suffer a loss. In addition, if at the time of the termination any sales of New Shares have already been made, the seller of the relevant shares bears the risk of not being able to meet the delivery obligation by delivering New Shares. In case the Underwriters terminate the Underwriting Agreement after the implementation of the capital increase has been registered with the commercial register (*Handelsregister*), which is possible until delivery of the New Shares to the depositary banks, such termination would only relate to the Rump Shares. If short sales have occurred, the seller of these shares bears the risk of not being able to fulfil its obligation by delivering New Shares.

Frankfurt am Main, April 13, 2021

DEUTSCHE BETEILIGUNGS AG

The Board of Management"

5.4 Subscription Price

The Subscription Price per New Share to be paid by the shareholders is EUR 28.00. Shareholders willing to make use of their Subscription Rights must pay the Subscription Price per New Share upon exercise of their Subscription Rights, at the latest, however, on April 27, 2021, to UniCredit Bank AG in its role as subscription agent ("**Subscription Agent**") through their respective depositary bank.

5.5 Allotment of Subscription Rights

Each outstanding share of the Company (ISIN DE000A1TNUT7/WKN A1TNUT) entitles to one Subscription Right. Treasury shares held by the Company are not entitled to Subscription Rights. The Subscription Rights (ISIN DE000A3E4951/WKN A3E495) attributable to the outstanding shares of Deutsche Beteiligungs AG will automatically be delivered by Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, to the depositary banks on April 16, 2021 (Payment Date) as per status on April 15, 2021 at 11.59 p.m. CEST (Record Date). The number of Subscription Rights to which the shareholders are entitled depends on the deposit of shares of Deutsche Beteiligungs AG in the respective securities account as of the evening of April 15, 2021 as such deposit reflects, on the basis of a period of two trading days for the technical settlement of share transfers through securities accounts, the shareholder position resulting from trading until and including April 11, 2021. The depositary banks are responsible for booking the Subscription Rights to the eligible depositary accounts of the Company's existing shareholders.

5.6 Exercise of Subscription Rights

Pursuant to the Subscription Ratio of 4:1, for 4 existing shares of the Company one New Share may be acquired. Subscription Rights must be exercised during the period from and including April 14, 2021, to April 27, 2021, at UniCredit in its role as the subscription agent. Instructions by investors regarding the exercise of Subscription Rights have to be addressed to their respective depositary banks. Investors are recommended to follow the respective instructions by their depositary banks.

5.7 Trading in Subscription Rights

The Subscription Rights for the New Shares are freely transferable and are expected to be tradable during the period from and including April 14, 2021 up to April 22, 2021 (12.00 noon CEST) on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (Xetra and Xetra Specialist) under (ISIN DE000A3E4951/WKN A3E495). The admission of the Subscription Rights to trading at the Frankfurt Stock Exchange is expected to occur on April 14, 2021. Neither the Company nor the Subscription Agent has applied for admission of the Subscription Rights to trading on any other stock exchange nor does it intend to do so. No compensation will be granted for any Subscription Rights not exercised. Upon expiration of the Subscription Period, the unexercised Subscription Rights will expire and become worthless.

5.8 Placement of Unsubscribed New Shares (Rump Placement)

The Underwriters will offer the Rump Shares at a price to be determined by way of book-building at least equivalent to the Subscription Price in a rump placement by way of private placements (i) in certain jurisdictions outside the United States to selected qualified investors other than U.S. persons as defined in, and in reliance on, Regulation S under the Securities Act, and (ii) to QIBs that are also QPs.

The allocation of the Rump Shares to investors will be determined by the Underwriters after consultation with the Company. The decision ultimately rests with the Underwriters. Allocations will be made based on the quality of individual investors, such as the expected investment timeline and trading behavior of the investor, and individual orders and other important allocation criteria to be determined by the Underwriters after consultation with the Company and based on the allocation guidelines provided by the Underwriters.

The Rump Placement, if any, is expected to take place on April 27, 2021. If not all Rump Shares can be placed at a price at least equivalent to the Subscription Price in the Rump Placement, the size of the capital increase will be reduced to reflect the aggregate number of New Shares subscribed in the Subscription Offer and placed in the Rump Placement at a price at least equivalent to the Subscription Price.

5.9 Information About the New Shares

(a) Form, Voting Rights

All Shares of the Company including the New Shares are ordinary registered shares with no par value (*auf den Namen lautende Stückaktien*), each such Share with a notional value of (rounded) EUR 3.55 in the share capital. Each Share confers one vote at the general shareholders' meeting (*Hauptversammlung*) of the Company. The voting rights are not restricted.

(b) Dividend Rights, Participation in Liquidation Proceeds

The New Shares carry full dividend rights as from October 1, 2020. The New Shares will be entitled to a share of any liquidation proceeds at the ratio of their notional share in the Company's share capital.

(c) Stock Exchange Admission and Commencement of Trading, Certificate, Delivery

The existing shares of the Company are admitted to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard), and the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*). The Company, together with UniCredit, who is acting as Listing Agent, expects to apply for admission of the New Shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard), and the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*) on April 14, 2021 (the "**Listing**"). An admission decision is expected to be announced on April 29, 2021. The decision on the admission of the New Shares to trading will be made solely by the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) at its discretion. The New Shares are expected to be included in the existing quotation for the Company's listed shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and on the Dusseldorf Stock Exchange (*Börse Düsseldorf*) on May 3, 2021.

The New Shares are expected to be available to the purchasers as co-ownership interests in a global certificate deposited in collective safe custody with Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany, on May 3, 2021. The rights of the shareholders to certificates representing their New Shares are excluded.

The New Shares shall be delivered to a collective safe custody account. The New Shares subscribed in connection with the Subscription Offer are expected to be delivered on May 3, 2021 by way of book-entry by Clearstream Banking AG, if and to the extent the Underwriting Agreement is not terminated early (for further details regarding the possible early termination of the Underwriting Agreement see section "—*5.3 Subscription Offer*" above).

(d) Transferability, Selling Restrictions

The transferability of the Shares of the Company is restricted neither by law nor by the Articles of Association of the Company. There are no legal restrictions on their ability to be traded, except for the restrictions referred to in section "—*5.14 Selling Restriction Notices*" below.

(e) ISIN/WKN/Common Code

The International Securities Identification Number (ISIN) of the New Shares is DE000A1TNUT7, the German Securities Code (*Wertpapierkennnummer,* WKN) is A1TNUT, the Common Code is 094793475 and the Trading Symbol is DBAN.

(f) Publication and Availability of this Prospectus

Following the approval of this Prospectus by BaFin, this Prospectus will be published on the website of Deutsche Beteiligungs AG (https://www.dbag.de).

5.10 Dilution

The rights of shareholders to subscribe for the New Shares from the capital increase ensure that each shareholder exercising its Subscription Rights will continue to hold its original, unchanged percentage share in the share capital of the Company. Assuming that all New Shares will be placed, the shareholder's percentage ownership in the Company's share capital and its voting rights will be diluted by 20.0% if such shareholder does not exercise any of its Subscription Rights.

The net book value of the shareholders' equity of the Company as of December 31, 2020 recorded in the condensed consolidated statement of changes in equity in the Unaudited Condensed Consolidated Interim Financial Statements, under the line item "total equity" was EUR 448.7 million, or EUR 29.82 per Share, calculated on the basis of 15,043,994 issued Shares of the Company as of December 31, 2020.

Based on the foregoing, and assuming that all New Shares will be placed at the Subscription Price, and following the deduction of the estimated fees and other Offering-related expenses in the amount of approximately EUR 5.6 million, the net book value of the shareholders' equity of the Company recorded in the condensed consolidated statement of changes in equity in the Unaudited Condensed Consolidated Interim Financial Statements, under the line item "total equity" would have been EUR 548.35 million or EUR 29.16 per share as of December 31, 2020 (calculated on the basis of the number of 18,804,992 Shares of the Company issued after the implementation of the capital increase in connection with the Offering).

This corresponds to an accretion in the net book value of the shareholders' equity of the Company by EUR 99.7 million, or EUR -0.66 per Share (-2.2%), for existing shareholders, as the adjusted net book value of the shareholders' equity of the Company per share exceeds the prior net book value of the shareholders' equity by this amount or percentage. Purchasers of New Shares will experience dilution of EUR 4,362,677.53 or EUR 1.16 per Share (4.1%) the amount by which the Subscription Price will exceed the Company's net book value after implementation of the capital increase.

5.11 Underwriting Agreement

Pursuant to the Underwriting Agreement dated April 12, 2021, the Underwriters have agreed, under certain conditions, (i) for UniCredit Bank AG to subscribe for the final number of New Shares in its own name, but for the account of the Underwriters, and (ii) for each of the Underwriters to offer the New Shares to the Company's shareholders in connection with an indirect Subscription Right during the Subscription Period at the Subscription Ratio and at the Subscription Price. New Shares remaining unsubscribed in the Subscription Offer will be offered for sale by the Underwriters at a price at least equivalent to the Subscription Price in the Rump Placement.

The following table presents the legal names and registered addresses of the Underwriters:

Legal Names of Underwriters	Registered Addresses	LEI number
Jefferies GmbH	Bockenheimer Landstraße 24, 60323 Frankfurt am Main, Germany	5493004I3LZM39BWHQ75

UniCredit Bank AG	Arabellastraße 12, 81925 Munich, Germany	2ZCNRR8UK83OBTEK2170

Jefferies International Limited, 100 Bishopsgate, London EC2N 4JL, United Kingdom will perform any and all regulated services outside the European Union on behalf of Jefferies GmbH as may be required in connection with the Offering. Regulated services within the European Union or any EEA member state will be undertaken by Jefferies GmbH only and not by Jefferies International Limited.

Pursuant to the terms and conditions of the Underwriting Agreement, the Company is required to pay fees in the amount of approximately EUR 5.6 million to the Underwriters, assuming all New Shares will be placed at the Subscription Price and, thus, gross proceeds of approximately EUR 105.3 million. In the Underwriting Agreement, the Company has agreed to indemnify the Underwriters against certain liabilities.

The Underwriting Agreement also provides that the obligations of the Underwriters are subject to the satisfaction of certain conditions, including, for example, the receipt of a customary confirmation and legal opinions satisfactory to the requirements of the Underwriters. The Company has further agreed in the Underwriting Agreement to indemnify the Underwriters against certain liabilities, including liabilities under applicable securities laws that may arise in connection with the Offering.

The Underwriters are entitled to terminate the Underwriting Agreement or decide together with the Company to extend the Subscription Period or to postpone the implementation of the Subscription Offer under certain conditions. These conditions include, in particular, material adverse changes in the business or financial condition, prospects, shareholders' equity or results of operations of the Company and/or its subsidiaries, material restrictions on stock exchange trading or banking activities, the outbreak or escalation of hostilities or war, or the occurrence of acts of terrorism or other calamity or crisis which have a material adverse impact on the financial markets in Germany, the United Kingdom or the United States. The Underwriters are also relieved from their obligations under the Underwriting Agreement if the implementation of the capital increase has not been registered by April 30, 2021, 12.00 noon CEST, with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main and if the Company and the Underwriters fail to agree on a later deadline.

5.12 Lock-Up Agreement

In the Underwriting Agreement, the Company has committed to an obligation *vis-à-vis* the Underwriters that the Company will not, without the prior written consent of the Underwriters, during the period ending six months after the date of the first day of trading of the New Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the Dusseldorf Stock Exchange (*Börse Düsseldorf*), which is expected to take place on May 3, 2021:

- announce or effect an increase of the share capital of the Company out of any authorized capital;
- submit a proposal for a capital increase against contributions in kind or cash (other than the authorization of an authorized or contingent capital) to any meeting of the shareholders for resolution;
- announce to issue, effect or submit proposals for the issuance of any securities convertible into Shares of the Company, with option rights for Shares of the Company; or
- enter into a transaction or perform any action economically similar to those described in the preceding bullets.

5.13 Material Interests, Including Conflicts of Interest

In connection with the Offering and the Listing, the Underwriters have a contractual relationship with the Company. The Underwriters advise the Company on the transaction and coordinate the structuring and execution of the Offering. UniCredit has been appointed to act as Subscription Agent and Listing Agent. Upon execution of the transaction, the Underwriters will receive fees. As a result, the Underwriters have a financial interest in the successful completion of the Offering.

Furthermore, UniCredit and its respective affiliates have and Jefferies and its respective affiliates may have engaged in transactions with, and provided various commercial banking, investment banking, financial advisory transactions and services in the ordinary course of their business with the Company and/or its affiliates for which they would have received customary fees and commissions. Each of the Underwriters and their respective affiliates may provide such services to the Company and/or its affiliates in the future, and therefore have a financial interest in the outcome of the Offering, which constitutes a potential conflict of interest.

Furthermore, in connection with the Offering, each of the Underwriters and any of their respective affiliates may take up a portion of the New Shares in the Offering as a principal position and in that capacity may retain, purchase, or sell for their own account such New Shares or related investments and may offer or sell such New Shares or other investments otherwise than in connection with the Offering.

In the ordinary course of the Underwriters' trading, brokerage, asset management, and financing activities, the Underwriters may at any time deal as principal or agent for more than one party in, or hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of the Company, its affiliates or other entities that may be involved in or connected with the transactions contemplated hereby, including in connection with the Offering. Accordingly, references in this document to the New Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue, offer, subscription, acquisition, placing or dealing by each of the Underwriters and any of their affiliates acting as investors for their own accounts. As a result, the Underwriters and companies affiliated with the Underwriters may in the future face conflicts of interests with shareholders in the Company.

In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps, contracts for difference and margin loans) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares of the Company. Except as required by applicable law or regulation, the Underwriters do not propose to make any public disclosure in relation to such transactions.

Because of these business relationships between the Underwriters, or any of their respective affiliates, and the Company, the interests of the Underwriters may not be aligned with those of the Company or the Company's other shareholders, which constitutes a potential conflict of interest.

Other than the interests described above, there are no material interests, in particular no material conflicts of interests, with respect to the Offering.

5.14 Selling Restriction Notices

The distribution of this Prospectus and the sale of the New Shares and Subscription Rights for the New Shares may be restricted by law in certain jurisdictions. The New Shares and Subscription Rights for the New Shares will be offered to the existing shareholders of the Company and holders of Subscription Rights by way of public offering solely in Germany. The acceptance of the Subscription Offer outside Germany may be subject to restrictions. The New Shares and Subscription Rights for the New Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the New Shares and Subscription Rights for the New

Shares may be distributed or published in or from any country or jurisdiction other than Germany, except in compliance with any applicable rules and regulations of such country or jurisdiction. Persons who intend to accept the Subscription Offer outside Germany are requested to inform themselves of or seek professional advice for and comply with the restrictions that exist outside Germany. It is the responsibility of any person who receives a copy of this Prospectus to inform themselves about and observe any laws and restrictions, including, but not limited to, those set out below. Failure to comply with these restrictions may constitute a violation of securities laws.

No action has been or will be taken by the Company or the Underwriters to permit a public offering of any New Shares and Subscription Rights for the New Shares or the possession or distribution of this Prospectus in any country or jurisdiction other than Germany where action for such purposes may be required. This Prospectus has been approved solely by BaFin as competent authority under this Prospectus Regulation, see section "*4. General Information—4.1 Responsibility for the Contents of this Prospectus*" above.

The New Shares and the Subscription Rights for the New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. They may not be offered, sold, otherwise transferred or delivered, directly or indirectly, within or into the United States its territories and possessions, any state of the United States or the District of Columbia (together, the "**United States**"), except pursuant to an exemption from the registration and reporting requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States and all other applicable provisions of U.S. law. Accordingly, the New Shares and Subscription Rights for the New Shares are being offered and sold only (a) pursuant to an exemption from registration under the Securities Act, to QIBs that are also QPs and (b) outside the United States to persons other than U.S. persons in reliance on Regulation S. Thus, pursuant to the Underwriting Agreement, each of the Underwriters, severally and not jointly, has covenanted to and agreed with the Company that neither it nor any of its affiliates (as defined in Rule 405 under the Securities Act), nor any third party acting on its or their behalf, with regard to the Subscription Rights or the New Shares:

- directly or through any agent, has or have offered, solicited offers to buy or sold, or will offer, solicit offers to buy or sell these (y) by any form of "general solicitation" or "general advertising" in the United States, each within the meaning of Regulation D under the Securities Act, or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act, or (z) to any persons in the United States, except to such persons whom they reasonably believe to be "qualified institutional buyers" (within the meaning of Rule 144A) for its own account or for the account of another qualified institutional buyer in transactions meeting the requirements of Rule 144A; or

- has or have engaged or will engage in any "directed selling efforts" in the United States within the meaning of Regulation S under the Securities Act.

The Company does not intend to register the Offering or any portion thereof in the United States or to conduct a public offering of the New Shares or Subscription Rights for the New Shares in the United States.

Until 40 days after commencement of the Offering, the offer, sale, purchase or transfer of the Subscription Rights or New Shares within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Subscription Rights and the New Shares have not been approved or rejected by any federal or state securities commission or regulatory authority of the United States. Furthermore, none of these authorities have confirmed or approved the terms of the Offering, the Subscription Rights, the New Shares or the accuracy or completeness of this Prospectus.

The Subscription Rights will not be distributed by the Company to any shareholder of the Company that is located or resident in Canada, except in limited circumstances after such shareholder has established its eligibility to receive the Subscription Rights to the Company's satisfaction. The New Shares may be sold in certain provinces of Canada pursuant to an exemption from the prospectus requirements of Canadian securities laws.

Sales in the United Kingdom are also subject to restrictions. Each of the Underwriters has, severally and not jointly, covenanted to and agreed with the Company in the Underwriting Agreement that it or any of its affiliates or any person on its or their behalf:

- has not offered and will not offer the New Shares in the United Kingdom except by way of a private placement to "qualified investors" as defined in Section 86 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") or under other circumstances which do not require the Company to publish a prospectus pursuant to Section 85(1) of the FSMA;

- has not issued and will not issue invitations or inducements to invest (within the meaning of the Section 21 of the FSMA) or have authorised or will authorise the issue of such invitations or inducements only to persons defined as investment professionals in accordance with Section 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or under circumstances, where Article 21 of the FSMA is not applicable to the Company;

- has observed and will continue to observe all applicable provisions of the FSMA in all actions involving the New Shares in, from or otherwise relating to the United Kingdom; and

- has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Shares which are the subject of the Offering to any retail investor in the United Kingdom.

In all EU member states and each additional member state of the European Economic Area which has agreed to incorporate the Prospectus Regulation (each a "**Relevant Member State**") each of the Underwriters has, severally and not jointly, represented and warranted to the Company in the Underwriting Agreement, that it has not made and will not make an offer to the public of any New Shares which are the subject of the Offering in that Relevant Member State other than the offers contemplated in the Prospectus in Germany once the Prospectus has been approved by the BaFin and published in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant Member State of any New Shares at any time under the following exemptions under the Prospectus Regulation:

(a) to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation; and

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) per Relevant Member State subject to obtaining the prior consent of the other Underwriters for any such offer, or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

(d) provided that no such offer (as set forth in clauses (a) to (c)) of New Shares shall result in a requirement for the publication by the Company or any Underwriter of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer to the public" in relation to any New Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any New Shares, as the same may be varied in that member state by any measure incorporating the Prospectus Regulation in that member state and the expression "Prospectus Regulation" includes any relevant incorporating measure in each Relevant Member State.

In addition, each of the Underwriters has, severally and not jointly, represented and warranted to the Company in the Underwriting Agreement that neither it, nor any of its affiliates, nor any person acting on its or their behalf has taken any action or will take any action in connection with the Offering in any jurisdiction (other than Germany) which would constitute a public offer or require any further action for that purpose, except for (i) any notifications, publications or information regarding the New Shares required under German law and which may be seen as a public offer in another jurisdiction and (ii) the delivery of the Offering Documents or Marketing Materials as required by law in jurisdictions in which this may be seen as public offer.

5.15 Identification of Target Market, Information to Distributors

Each distributor is responsible for undertaking its own target market assessment with respect to Deutsche Beteiligungs AG Shares and Subscription Rights and determining appropriate distribution channels. Solely for the purposes of the product governance requirements contained within: (a) Directive 2014/65/EU of May 15, 2014 on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturers" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Deutsche Beteiligungs AG Shares and the Subscription Rights have been subject to a product approval process by the Underwriters. As a result, it has been determined that such Shares and the Subscription Rights are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, any person subsequently offering, selling or recommending the Deutsche Beteiligungs AG Shares and the Subscription Rights (a "distributor" for the purpose of the MiFID II Product Governance Requirements) should note that: the value of the Subscription Rights and of the price of the Deutsche Beteiligungs AG Shares may decline and investors could lose all or part of their investment; the Deutsche Beteiligungs AG Shares and the Subscription Rights offer no guaranteed income and no capital protection; and an investment in the Deutsche Beteiligungs AG Shares and the Subscription Rights is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to any subsequent offering or sale of the Deutsche Beteiligungs AG Shares and the Subscription Rights and does not constitute (i) an assessment of suitability or appropriateness for the purposes of MiFID II or (ii) a recommendation to any investor or group of investors to invest in, purchase, or take any other action whatsoever with respect to, the Deutsche Beteiligungs AG Shares and the Subscription Rights.

In addition, other selling restrictions may apply in other jurisdictions in relation to any subsequent offering or sale of the Deutsche Beteiligungs AG Shares and the Subscription Rights. Potential investors or distributors should make their own assessment on the suitability, appropriateness and lawfulness of any such resale or offering and as to their own investment decision and, if appropriate, seek professional advice for the relevant jurisdiction or jurisdictions.

6 REASONS FOR THE OFFERING AND USE OF PROCEEDS

6.1 Proceeds and Costs of the Offering

Provided that all New Shares are subscribed for at the Subscription Price per New Share, the gross proceeds from the Offering before expenses, commissions and fees will amount to approximately EUR 105.3 million. The Company expects to incur fees and other Offering-related expenses of approximately EUR 5.6 million, which includes fees of the Underwriters of approximately EUR 3.7 million. The net proceeds received by the Company are therefore expected to amount to approximately EUR 99.7 million.

The amount of the actual net proceeds from the Offering depends on the Subscription Price of the New Shares and the number of New Shares actually sold. A reliable projection of the net proceeds from the Offering is not possible before the Company has determined the Subscription Price (see section "*5. The Offering—5.4 Subscription Price*" above).

6.2 Reasons for the Offering and Use of Proceeds

With the Offering, the Company aims to finance the further growth of its business. Assuming a sale of all New Shares at the Subscription Price of EUR 28.00, the net proceeds of the Company from the Offering would amount to approximately EUR 99.7 million. The Company intends to use the estimated net proceeds from the Offering as follows, in decreasing order of priority: (i) EUR 24.6 million for financing investments, which, as of the date of this Prospectus, have been signed but not yet been closed; and (ii) EUR 75.1 million will be used for financing future Co-Investments alongside the DBAG Funds, in particular alongside the newly established DBAG Fund VIII, as well as Long-term Investments, and for general corporate purposes. If and to the extent payments will have been made with respect to ongoing investments described in (i) above prior to the completion of the Offering out of funds received from previous investments (*e.g.* following disposals or recapitalizations), the excess proceeds will be used to finance future investments as described in (ii) above.

7 DIVIDEND POLICY

7.1 General Rules on Allocation of Profits and Dividend Payments

Shareholders have a share in the Company's profits determined in proportion to their interest in the Company's share capital. The participation of New Shares in the profits may be determined in a different manner.

Distributions of dividends on shares for a given financial year are, under the AktG, generally resolved by the general shareholders' meeting (*Hauptversammlung*) in the subsequent financial year. The Board of Management and the Supervisory Board submit a proposal for the distribution of dividends to the general shareholders' meeting (*Hauptversammlung*) held within the first eight months of the subsequent financial year pursuant to Section 175 para. 1 sentence 2 AktG. However, according to Section 1 para. 5 of the Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic (*Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie*), which applies until December 31, 2021, the Board of Management may decide that, in derogation of Section 175 para. 1 sentence 2 AktG, the annual general meeting shall be held within the financial year. The general shareholders' meeting (*Hauptversammlung*) then adopts a resolution on such distribution with simple majority of the votes cast without being bound by the proposal of the boards.

Under German law, dividends can only be resolved upon and distributed if the separate financial statements of the Company show distributable profit (*Bilanzgewinn*). Compared to the Company's consolidated financial statements, which are prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315e para. 1 HGB, the separate financial statements of the Company are prepared in accordance with the HGB. These accounting principles differ from IFRS in material respects. The separate financial statements of the Company are prepared by the Board of Management and approved by the Supervisory Board, unless the Board of Management and the Supervisory Board refer the approval to the general shareholders' meeting (*Hauptversammlung*).

When determining the distributable profit (*Bilanzgewinn*), the net profit or loss for the year (*Jahresüberschuss/-fehlbetrag*) is adjusted for profits or losses carried forward from the previous financial year (*Gewinn-/Verlustvorträge*), as well as for withdrawals from and transfers to reserves. Certain reserves are required to be set up by law and amounts mandatorily allocated to these reserves in the given financial year must be deducted when calculating the distributable profit (*Bilanzgewinn*). A certain amount of the distributable profit is subject to a prohibition of distribution in accordance with Section 268 (8) sentence 3 HGB and Section 253 (6) sentence 2 HGB. As of September 30, 2020, EUR 2,978,000 (as of September 30, 2019: EUR 3,823,000) were subject to such a prohibition of distribution. Subject to certain statutory restrictions, the general shareholders' meeting (*Hauptversammlung*) is entitled to transfer additional amounts to the reserves or carry them forward. The Board of Management must prepare separate financial statements (statement of financial position, income statement and notes to the separate financial statements) and a (combined) management report for the previous financial year by the statutory deadline and present these to the Supervisory Board and the auditors immediately after preparation. At the same time, the Board of Management must present to the Supervisory Board a proposal for the allocation of the Company's distributable profit (*Bilanzgewinn*) pursuant to Section 170 para. 2 of AktG. The Supervisory Board must review the separate financial statements, the (combined) management report and the proposal for the allocation of the distributable profit (*Bilanzgewinn*) and report to the general shareholders' meeting (*Hauptversammlung*) in writing on the results. If the Board of Management and the Supervisory Board approve the separate financial statements, they may, pursuant to Section 58 para. 2 of the AktG, transfer 50% of the profit for the financial year (*Jahresüberschuss*) remaining after deducting any transfers to statutory reserves and any losses carried forward to non-statutory reserves. The portion transferred to non-statutory reserves may not exceed 50% of the net income to the extent the non-statutory reserves exceed, or would exceed following such transfer, 50% of the registered share capital of the Company. Pursuant to the Articles of Association (*Satzung*) and subject to applicable statutory law, the general shareholders' meeting (*Hauptversammlung*) may resolve to pay dividends in kind (*Sachdividende*) in accordance with Section 58 para. 5 of the AktG in addition to or in lieu of a cash distribution. Pursuant to the Articles of Association, the Board of Management, with the approval of the Supervisory Board, may make an advance payment in relation to expected distributable profit (*Bilanzgewinn*) to the shareholders after the end of the financial year.

Dividends resolved by the general shareholders' meeting (*Hauptversammlung*) are due and payable on the third business day following the relevant general shareholders' meeting (*Hauptversammlung*), unless a later payment has been resolved in the dividend resolution or the articles of association, in compliance with the rules of the respective clearing system. The Articles of Association do not provide for a later payment. Under German law, the right to dividend payments is generally time-barred after three years for the benefit of the Company. If dividend payment claims expire, the Company becomes the beneficiary of the dividends.

The New Shares will be entitled to profit participation as from October 1, 2020, which means for the full financial year 2020/2021 and for all subsequent financial years. The dividends will be paid out in accordance with the rules of the clearing system of Clearstream Banking AG. Details on dividend payments and the respective payment agent will be published in the German Federal Gazette (*Bundesanzeiger*) after the general shareholders' meeting (*Hauptversammlung*). To the extent dividends can be distributed by the Company in accordance with the HGB and corresponding decisions are taken, there are no restrictions on shareholders' rights to receive dividends. Neither German law nor the Articles of Association provide for a special procedure for the exercise of dividend rights by shareholders not resident in Germany.

Besides requirements of mandatory German law, the Company's ability to distribute dividends may be limited by the availability of distributable funds.

Generally, withholding tax (Kapitalertragsteuer) is withheld from dividends paid. For more information on the taxation of dividends see section "*20. Taxation of the Shareholders in Germany—20.2 Taxation of Dividends*" below.

7.2 Dividend Policy

We measure and manage the participation of the shareholders in our performance using dividend per share and dividend yield. Because we believe that our shareholders should also expect to achieve an attractive dividend yield, we aim for a stable dividend per share in euros, which increases whenever possible. This means that we also take the capital markets environment into consideration when determining the dividend proposal. EUR 1.50 per share was distributed to shareholders as dividend in February 2020 for the financial year ended September 30, 2019. Although our dividend policy remains valid as a general matter, we reduced the dividend due to the COVID-19 pandemic and its unpredictable consequences for the financial year 2019/2020. The general shareholders' meeting resolved a dividend of EUR 0.80 per share for the financial year ended September 30, 2020. The dividend payment is at the upper end of market expectations and represents a dividend yield of 2.4%, based on the annual average share price. We expect to return to a dividend of EUR 1.00 and EUR 1.20 per share and to our policy of stable dividends, which increase whenever possible, once the COVID-19 pandemic flattens and the economic environment returns to normal.

The Company's ability to pay dividends in the future will depend on its financial position, capital requirements, investment alternatives, and other factors that the Board of Management and Supervisory Board may deem relevant, and any proposals by the Board of Management and Supervisory Board regarding dividend payments will be subject to the approval at a general shareholders' meeting (*Hauptversammlung*).

We can make no predictions as to the size of future profits available for distribution, or whether distributable profit (*Bilanzgewinn*) will be available at all, and hence we cannot guarantee that dividends will be paid in the future.

The table below shows the net income attributable to other shareholders of the Company and the corresponding earnings per share (basic and diluted) of our Group for the financial years 2019/2020, 2018/2019 and 2017/2018:

	Financial year from		
	October 1, 2019 to September 30, 2020	**October 1, 2018 to September 30, 2019**	**October 1, 2017 to September 30, 2018 (Restated)**
	(audited, except otherwise noted)		
Net income attributable to other shareholders (in EUR thousand)	(9)	114	(25)
Weighted average number of Shares	15,043,994	15,043,994	15,043,994
Basic and diluted earnings per share (in EUR)	(1.11)	3.05	1.97
Total dividend payout in the following financial year for the financial year indicated (in EUR million).	12.0*	22.6	21.8
Dividend paid per share in the following financial year for the financial year indicated (in EUR)	0.80*	1.50	1.45
Pro forma dividend per share based on 15,043,994 million Shares outstanding immediately prior to the Offering	0.80*	1.50	1.45

* Unaudited.

8 CAPITALIZATION AND INDEBTEDNESS

Investors should read this section in conjunction with "*9. Operating and Financial Review*" and the Consolidated Financial Statements, including the notes thereto, which are included in the financial section of this Prospectus.

8.1 Capitalization

The following table sets forth an overview of the capitalization of the DBAG Group as of February 28, 2021, based on our accounting records and internal management reporting systems.

For information on the effects of the placement of the New Shares and the envisaged net proceeds from the Offering of approximately EUR 99.7 million at the fixed Subscription Price of EUR 28.00 per New Share, see section "*6. Reasons for the Offering and Use of Proceeds*" above.

(in EUR thousand)	**As of February 28, 2021**
	(unaudited)
Total current debt (including current portion of non-current debt)[1]	**64,038**
of which is guaranteed	—
of which is secured	—
of which is unguaranteed/unsecured	64,038
Total non-current debt (excluding current portion of non-current debt)[2]	**21,394**
of which is guaranteed	—
of which is secured	—
of which is unguaranteed/unsecured	21,394
Shareholder equity[3]	**448,651**
of which share capital[4]	53,387
of which is capital reserve	173,762
of which other reserves[5]	221,502
Total[6]	**534,083**

(1) Total current debt comprises current liabilities as presented in the consolidated statement of financial position consisting of loan liabilities, other current liabilities, income taxes payable and other provisions.
(2) Total non-current liabilities comprises non-current liabilities as presented in the consolidated statement of financial position consisting of liabilities under interests held by other shareholders, provisions for pension obligations, other provisions and other non-current liabilities.
(3) Reflects "total equity" as presented in the consolidated statement of financial position and attributable to owners in the company.
(4) Reflects "subscribed capital" as presented in the consolidated statement of financial position.
(5) Reflects "retained earnings and other reserves" and "consolidated retained profit", each as presented in the consolidated statement of financial position. The actual cumulative amount does not include net income for January and February 2021.
(6) Comprises total current debt, total non-current debt and shareholder equity.

8.2 Total Financial Indebtedness

The following table sets forth an overview of the total financial indebtedness of the DBAG Group as of February 28, 2021, based on our accounting records or internal management reporting systems.

For information on the effects of the placement of the New Shares and the envisaged net proceeds from the Offering of approximately EUR 99.7 million at the fixed Subscription Price of EUR 28.00 per New Share, see section "*6. Reasons for the Offering and Use of Proceeds*" above:

(in EUR thousand)	**As of February 28, 2021**
	(unaudited)
A. Cash[1]	25,013
B. Cash equivalents	—
C. Other current financial assets[2]	89,355
D. Liquidity (A + B + C)	**114,369**

(in EUR thousand)	As of February 28, 2021
	(unaudited)
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)[(3)]	57,327
F. Current portion of non-current financial debt[(4)]	769
G. Current financial indebtedness (E + F)	**58,096**
H. Net current financial indebtedness (G – D)	**(56,272)**
I. Non-current financial debt (excluding current portion of non-current financial debt and debt instruments)[(5)]	3.768
J. Debt instruments	—
K. Non-current trade and other payables[(6)]	17,626
L. Non-current financial indebtedness (I + J + K)	**21,394**
M. Total financial indebtedness (H + L)	**(34,878)**

(1) Reflects cash and cash equivalents, as presented in the consolidated statement of financial position.
(2) Other current financial assets comprise receivables, short-term securities, other financial instruments and other current assets excluding deferred items, value-added tax and other items as presented in note 34 of the Audited Consolidated Financial Statements 2019/2020.
(3) Current financial debt comprises loan liabilities and other current liabilities excluding tax liabilities.
(4) Current portion of non-current financial debt comprises the current portion of lease liabilities, only.
(5) Reflects liabilities under interests held by other shareholders and other non-current liabilities which exclusively consist of lease liabilities as presented under non-current liabilities in the consolidated statement of financial position.
(6) Reflects provisions for pension obligations and other provisions as presented under non-current liabilities in the consolidated statement of financial position.

8.3 Indirect and Contingent Indebtedness

As at 28 February 2021, other financial obligations consist of call commitments and permanent debt obligations in the amount of EUR 0.5 million.

There are no contingent liabilities as at 28 February 2021.

For additional information, see also section "—*9. Operating and Financial Review—9.12 Liquidity and Capital Resources—(c) Off-balance sheet transactions, contingent liabilities, contingencies and other financial liabilities and trusteeships*" below.

8.4 Working Capital Statement

In our opinion, our working capital is sufficient to meet our present requirements over at least the next twelve months from the date of this Prospectus.

In reaching this opinion, the Company has not taken into account the net proceeds from the Offering, which is subject of this Prospectus.

8.5 No Significant Change

Other than described in section "—*22.1 Recent Developments*" below, between December 31, 2020 and the date of this Prospectus, there have been no significant changes in the Group's financial position.

9 OPERATING AND FINANCIAL REVIEW

Investors should read the following operating and financial review in conjunction with the risks described in the sections "—3.1 Market-related Risks affecting our Business Activities", "—3.2 Risks related to our Business Model and Investment Strategy and Operational Risks", "—3.3 Financial and Accounting Risks"; and the sections "—4.3 Forward-Looking Statements", "—4.6 Note Regarding the Presentation of Financial Information", "—4.7 Alternative Performance Measures" above, "12. Business" and "22. Recent Developments and Outlook" below, as well as the Financial Statements of the Company included in the section "21. Financial Information" beginning on page F-1 of this Prospectus.

9.1 Overview

We believe we are a leading publicly-listed private equity company. We offer shareholders a strategy aiming for long-term capital appreciation in combination with an attractive dividend by providing access to medium-sized companies ("**Portfolio Companies**") in which we invest alongside the DBAG Funds (as defined below) or independently of the DBAG Funds. At the same time, we provide fund investment services. Our integrated business model is centred around closed-end private equity funds (the "**DBAG Funds**") for investments in equity or equity-like instruments predominantly in privately held companies and represented by our two business segments: the Private Equity Investments Segment and the Fund Investment Services Segment. In our Fund Investment Services Segment we initiate, structure and advise the DBAG Funds, with a volume of assets under management or advisory of EUR 2.5 billion as of December 31, 2020 (EUR 2.6 billion as of September 30, 2020, EUR 1.7 billion as of September 30, 2019 and EUR 1.6 billion as of September 30, 2018). In our Private Equity Investments Segment we enter into investments, employing our own financial resources, predominantly as a co-investor alongside the DBAG Funds ("**Co-Investments**"), and also, since 2020, independently of these funds ("**Long-term Investments**").

Our primary investment focus, as an investor and fund advisor, is on companies within the German *Mittelstand* with value enhancement potential. We believe that Germany's *Mittelstand* has a large concentration of medium-sized companies from the industrial sector that occupy leadership positions in niche markets (so-called "Hidden Champions"), and growth businesses, which are driven by global megatrends.

We focus on investments in Portfolio Companies which are headquartered, principally conduct their business, or have substantial operations in Germany or in Austria and Switzerland (collectively the "**DACH region**"). Furthermore, in 2020, we expanded our regional investment focus by including investments in industrial companies in Northern Italy, which is home to a large number of mid-sized companies, many of which are family-owned.

We invest in mid-sized companies that we believe are well-positioned with potential for growth. Manufacturing businesses and related service providers, which we believe are the foundation for the excellent reputation that Germany's *Mittelstand* enjoys around the world, have been a focal part of our investments for many years. A growing portion of our portfolio is deployed in the sectors of broadband/telecommunications, IT services/software and healthcare.

As of December 31, 2020, the NAV, which is mainly determined by the value of our 33 Portfolio Companies at such date amounted to EUR 437.3 million (EUR 422.0 million as of September 30, 2020, EUR 472.1 million as of September 30, 2019 and EUR 470.7 million as of September 30, 2018).

For the three-month period ended December 31, 2020 net income for the Group amounted to EUR 24.9 million (EUR -16.8 million, EUR 45.9 million, and EUR 29.7 million for the financial years 2019/2020, 2018/2019 and 2017/2018, respectively).

Net income from investment activity amounted to EUR 23.7 million for the three-month period ended December 31, 2020 (EUR -16.9 million, EUR 49.6 million, and EUR 31.1 million for the financial years 2019/2020, 2018/2019 and 2017/2018, respectively).

Cash flow from investment activity amounted to EUR -17.6 million for the three-month period ended December 31, 2020 (EUR -33.5 million, EUR -15.5 million, and EUR -30.6 million for the financial years 2019/2020, 2018/2019 and 2017/2018, respectively).

For the three-month period ended December 31, 2020 income from fund services amounted to EUR 10.8 million (EUR 29.3 million, EUR 27.0 million, and EUR 28.9 million for the financial years 2019/2020, 2018/2019 and 2017/2018, respectively).

For the three-month period ended December 31, 2020 earnings from fund investment services amounted to EUR 4.8 million (EUR 9.5 million, EUR 3.0 million, and EUR 5.6 million for the financial years 2019/2020, 2018/2019 and 2017/2018, respectively).

9.2 Segmentation

As an investor and fund advisor, our business model is represented by our two business segments, the Private Equity Investment Segment and the Fund Investment Services Segment.

The Private Equity Investments Segment comprises our investments in mid-sized companies held by unconsolidated investment entity subsidiaries (the "**Co-Investment Vehicles**"), which are either Co-Investments alongside the DBAG Funds or Long-term Investments purely from our own balance sheet (*i.e.* not alongside the DBAG Funds). For more detailed information on our Private Equity Investments Segment, please see section "*12. Business—12.3 Our integrated Business Model—(c) Private Equity Investments Segment*" below. Income is generated from the value appreciation during the holding period; the performance and thus the earnings contributions of individual periods can also be negative due to the valuation method. The success of an individual investment is only recognized upon disposal.

Our advisory services provided to DBAG Funds are bundled in the Fund Investment Services Segment. These services can be split into three material processes: (1) we identify and assess transaction opportunities ("invest"); (2) we support the Portfolio Companies' value creation process ("create value"); before (3) the value appreciation is realized ("realize") upon a Portfolio Company's well-timed and well-structured disinvestment. We receive a volume-related fee (calculated on the basis of the fund volume) for our investment advisory services during the lifetime of a fund, which constitute a recurring and stable source of income. For more detailed information on our Fund Investment Services Segment, please see section "*12. Business—12.3 Our integrated Business Model—(d) Fund Investment Services Segment*" below.

The following table shows selected financial performance indicators for our Private Equity Investments Segment and our Fund Investment Services Segment for dates and periods indicated:

(in EUR thousand)	**For the three-month period from**		**For the financial year from**		
	October 1, 2020 to December 31, 2020	**October 1, 2019 to December 31, 2019**	**October 1, 2019 to September 30, 2020**	**October 1, 2018 to September 30, 2019**	**October 1, 2017 to September 30, 2018 (restated)**
	(unaudited)		*(audited)*		
Private Equity Investments Segment					
Net asset value	437,299	465,110	421,997	472,126	470,727
Net income from investment activity(1)	23,744	59	(16,864)	49,629	31,098
Cash flow from investment activity(2)	(17,562)	(43,848)	(33,490)	(15,465)	(30,641)
Fund Investment Services Segment					
Income from fund services	10,776	7,097	29,304	26,970	28,855

(in EUR thousand)	For the three-month period from		For the financial year from		
	October 1, 2020 to December 31, 2020	October 1, 2019 to December 31, 2019	October 1, 2019 to September 30, 2020	October 1, 2018 to September 30, 2019	October 1, 2017 to September 30, 2018 (restated)
	(unaudited)			*(audited)*	
Earnings from fund investment services[(3)]	4,832	1,712	9,459	3,033	5,568
Volume of assets under management or advisory	2,533,336	1,678,549	2,582,562	1,704,434	1,831,378

(1) Figures for financial year 2018/2019 are presented under "net gain or loss from investment activities" in the segment reporting in the Audited Consolidated Financial Statements 2018/2019.
(2) Figures for financial year 2018/2019 and 2017/2018 are presented under "cash flow from investing activities" in the Company's consolidated statement of cash flows in the Audited Consolidated Financial Statements 2018/2019.
(3) "Earnings from fund investment services" are represented as "earnings before taxes from fund investment services" in the segment reporting of the Company's Audited Consolidated Financial Statements.

9.3 Key Factors affecting the Results of Operations of DBAG Group

We believe that the following factors have significantly affected our results of operations, financial position and cash flows in the periods for which financial information is presented in this Prospectus, and that these factors will continue to have a material influence on our results of operations, financial position and cash flows in the future.

(a) General economic environment

Our economic success as a private equity investor is primarily dependent on the price at which we buy holdings, the positive economic development of the Portfolio Companies in which we have invested and the proceeds from a sale. These factors, in turn, depend on the general economic situation in particular in Germany and other DACH region countries and in Northern Italy, where the majority of our current and potential Portfolio Companies are located, and, more generally, in Europe, which, in turn, could be influenced by macro-economic factors in the world economy. Furthermore, our business operations may also be affected by the economic development in other regions depending on the business of our Portfolio Companies and their respective sales markets. The economic success of our shareholdings is also influenced by developments in individual sectors, technological changes and also political decisions.

In the financial year 2019/2020, the COVID-19 pandemic had a particularly adverse effect on the development of our net asset value in our Private Equity Investment Segment, which decreased by EUR 50.1 million to EUR 422.0 million from EUR 472.1 million for the financial year 2018/2019, mainly due to the impact of the COVID-19 pandemic on our Portfolio Companies in the industry sector. Taking into account the dividends distributed (EUR 22.6 million), this represents a 5.8% decline over the value for the previous year. Our net income from investment activity decreased from EUR 49.6 million for the financial year 2018/2019, by EUR 66.5 million to a loss of EUR 16.9 million for the financial year 2019/2020, primarily due to the performance of our investments in the Portfolio Companies, which was severely affected by the COVID-19 pandemic.

The COVID-19 pandemic also had an indirect impact on our Fund Investments Services Segment. Due to a temporary stagnation of the M&A market we had to postpone the commencement of the DBAG Fund VIII investment period. As a result our income from fund investment services did not increase to the extent we had predicted at the start of the financial year 2019/2020.

The Board of Management has released guidelines for working under the conditions of the COVID-19 pandemic and implemented a Corona Task Force to set up specific rules, coordinate measures and support employees. Moreover, since March 2020, the investment team (the "**Investment Team**"), led by two members of the Board of Management, has closely monitored and communicated with the

Portfolio Companies to assess the negative effects of the COVID-19 pandemic. In addition, a senior member of the investment team was dedicated to coordinate advice on financing measures on Portfolio Company level (*e.g.* drawing of credit lines, applying for state-guaranteed loans). Furthermore, DBAG provided additional equity (EUR 5.2 million) to support debt financing solutions to improve the financial resources of seven Portfolio Companies, and further equity contributions or other financing measures may be necessary if the COVID-19 pandemic persists.

(b) Availability of attractive investment opportunities

Our ability to execute a sufficient number of investments to grow our business depends on the availability for sale of potential target companies within the sectors in our focus. Furthermore, there has to be demand for investments by the target companies, which in part depends on the economic development in the relevant industry sector and the general economic environment, but to a larger extent, the strategic plans of the shareholders and the management of a target company.

(c) Access to new, attractive investment opportunities

Our strategy and business model are dependent on our ability to identify and have access to a sufficient number of attractive investment opportunities that generate attractive returns. We believe that a number of other investors compete with us to access the types of investments that match our strategic focus. With respect to our co-investments, we face competition primarily from other private equity funds focused on management-buy-outs, *i.e.* company take-overs in which the management of the acquired company acquires the majority of the capital of the previous owners ("**MBOs**") and investing in operating companies and strategic investors; in some cases an initial public offering may work as an alternative exit route instead of selling to a private equity fund. With respect to our Long-term Investments, depending on the investment, we face competition primarily from family offices, foundations, other private equity funds as well as other listed investment companies. Therefore, we depend, to a significant extent, on being able to identify, and having access to, any such investment opportunities, ideally before the investment opportunity becomes known to other potential investors, or, where there is competition, on successfully competing against our competitors.

For the purpose of identifying attractive investment opportunities, we rely on our Investment Team and its broad sourcing network, complemented by the relationships of our executive circle (the "**Executive Circle**") (please also see section "*12. Business—12.8 Executive Circle*" below). For selecting target companies we have a multi-channel deal sourcing system in place, which allows us to directly approach potential sellers, thereby avoiding bidding or auction processes (which may require us to make bids for target companies on potentially disadvantageous terms). Through this approach, we believe that we can acquire potential target companies on more favorable terms. Therefore, our results of operations also depend to a significant extent on our sourcing network.

(d) Successful strategic and operational enhancement of Portfolio Companies

We support our Portfolio Companies in a phase of strategic development usually spanning several years as a financial investor in a focused-partnership role with the objective of appreciating their value. Our results of operations will therefore largely depend on the extent to which we succeed in further enhancing the performance of the Portfolio Companies we have invested in to foster long-term profitable growth. This, in turn, depends on various factors, some of which are outside of our control, including the support of the management of the Portfolio Company and its ability to implement our investment strategies as intended by us, unforeseen operational risks, or efficiency of our investment controlling.

(e) Availability and costs of funding

The growth of DBAG also depends on whether and on what terms we have access to further financial resources to fund investments and, if needed, the further strategic and operational enhancement of our Portfolio Companies.

We finance equity investments over the long-term through the stock market and the return on our invested capital. Long-term debt financing is only used to structure MBOs at the level of the Portfolio Companies. This allows us to prevent the accumulation of debt across the various levels of an investment hierarchy. We manage the amount of DBAG's equity capital via distributions, share repurchases (as in 2005, 2006 and 2007) and capital increases (as in 2004 and 2016).

The private equity business requires DBAG, as an investor, to always have sufficient financial resources available to allow it to exploit investment opportunities whenever they arise and to comply with its co-investment agreements. On the other hand, too high a level of financial resources dilutes the return. Considerable uncertainty regarding planning is the other side of the coin. Investments and realizations depend on market conditions and can only be planned to a certain extent; some years are dominated by investments and others by realizations. This results in considerable fluctuation in cash flow from investment activity. While regular income from Fund Investment Services cannot mitigate this effect, it makes a key financial contribution to financing ongoing business expenses and the dividend payment. This is why DBAG has been using the Revolving Credit Facilities (for more detailed information on the Revolving Credit Facilities, please see section "*13. Material Contracts—13.3 Investment Management Agreement*" *below*) to manage its financial resources in the short-term and to provide the funds required to finance investments until it receives funds from realizations. The Revolving Credit Facilities will run until May 2025.

For the near future, we intend to continue to finance future investments in target companies mainly with equity, supplemented to an appropriate extent by debt. Access to these financings and the terms on which financings with equity and debt are available depend on the inflow of funds from realizations, general market environment, including interest rate levels, sentiment of the capital markets, our creditworthiness and our attractiveness for investors in listed private equity. Furthermore, higher interest rates lead to higher costs of capital.

(f) Ability to raise capital commitments from external investors to DBAG Funds

The amount of capital that we attract from external investors directly affects the fees that we are able to earn in connection with fund investment services activities within our Fund Investment Services Segment and, insofar as we invest alongside DBAG Funds, indirectly also our Private Equity Investments Segment. Thus, the results of operations are affected by our ability to succeed in soliciting capital commitments to DBAG Funds.

This requires that we and our Investment Team establish a proven track record of successful investment activity yielding attractive returns, which depends on the solid performance of the investments and of the investment progress of the DBAG Funds. Moreover, the amount of capital investors are willing to allocate to private equity funds instead of other asset categories is an influencing factor.

(g) Ability to exit investments on appropriate terms

For an exit of an investment we (for Long-term Investments) or the AIFM (for DBAG Fund Investments) generally use three sales options: sale to strategic investors; sale to financial investors; sale on the stock exchange. As such, we seek to identify appropriate purchasers and determine the right timing for the exit in order to maximise value. Returns from realized investment exits depend on sales price, which is, in turn, influenced significantly by the economic environment and the state of the M&A markets at the time of a sale, particularly, the prevailing interest rates.

(h) Significant Accounting Policies

DBAG Group's reported assets, financial and earning positions can be impacted by the accounting methods, future-oriented assumptions and other estimates which form the basis of our consolidated financial statements. DBAG Group's accounting policies, as well as the major judgements made in the application of those policies, and the sensitivities of DBAG's equity to changes in the related assumptions and estimates should be considered along with DBAG's consolidated financial statements. For a detailed discussion, see notes 3 and 6 to 8 to the Audited Consolidated Financial Statements 2019/2020 included in this Prospectus in section "*21. Financial Information*" on page F-32 et seq.

9.4 Status of DBAG as an Investment Entity as defined in IFRS 10

DBAG initiates closed-end private equity funds for investments in equity or equity-like instruments, predominantly in privately held companies. It solicits capital commitments from institutional investors to DBAG Funds and provides investment management services to them via fully consolidated subsidiaries (for a detailed description on the investment management agreements, please see section "*13. Material Contracts—13.3 Investment Management Agreement*" below). The management companies of the DBAG Funds are under the obligation to their investors to invest the capital based on a contractually-agreed investment strategy that aims to realize increases in value through sales and to generate current income. DBAG measures and evaluates the performance of the investments made by the DBAG Funds as well as of its Long-term Investments at quarterly intervals on a fair value basis. Thus, DBAG, as a parent company, meets the criteria of an investment entity as defined in IFRS 10.

DBAG is recognized as a special investment company, as defined by the Investment Companies' Act (*Gesetz über Unternehmensbeteiligungsgesellschaften;* "**UBGG**") and has made investments in more than 300 companies since its foundation. DBAG is a listed public limited company (*Aktiengesellschaft*); its shareholder structure is composed of private individual investors, family offices and institutional investors. Employing its own assets, it enters into investments predominantly as a co-investor alongside the DBAG Funds, but since 2020 also independently from the DBAG Funds outside of their investment strategies. Based on co-investment agreements with the DBAG Funds (for a detailed description on the co-investment agreements, please see section "*13 Material Contracts—13.2 Co-Investment Agreements*" below), DBAG and the funds invest in the same companies and in the same instruments based on the same terms. Employees (related parties) and former employees of DBAG also co-invest in the Co-Investment Vehicles and DBAG Funds. Due to the low investment share of related parties, this has no effect on DBAG's status as an investment entity. The status of DBAG as an investment entity is also not affected by the investments that are entered into independently from the DBAG Funds. All typical characteristics of an investment entity are therefore met.

9.5 Unconsolidated Investment Entity Subsidiaries

The co-investments that DBAG makes using its own assets in order to align its interests with those of managed and/or advised DBAG Funds within the scope of its business activity are made through Co-Investment Vehicles. These companies do not provide investment-related services but serve the sole purpose of bundling the co-investments of DBAG alongside a fund.

Long-term Investments that DBAG has entered into since the financial year 2019/2020 independently from the DBAG Funds using solely DBAG's own financial resources are also made via unconsolidated investment entity subsidiaries ("**On-Balance Sheet Investment Vehicles**"). Every On-Balance Sheet Investment Vehicle exclusively serves the purpose of entering into a single Long-term Investment of DBAG and does not provide any investment-related services. In the financial year 2019/2020, the first On-Balance Sheet Investment Vehicle – DBAG Bilanzinvest I (Smart Metering) GmbH & Co. KG – was established for the purpose of the Company's Long-term Investment in Hausheld AG.

The fully owned Deutsche Beteiligungsgesellschaft mbH ("**DBG**") also meets the criteria for classification as an investment entity. Before the introduction of the co-investments alongside the DBAG Funds, DBAG invested in individual Portfolio Companies and international funds via DBG. Distributions from DBG are expected only after the disposal of a remaining investment. DBG additionally provides investment-related services.

The Co-Investment Vehicles, the On-Balance Sheet-Investment Vehicles and DBG – known collectively as unconsolidated investment entity subsidiaries – are not consolidated but rather recognized at fair value through profit or loss and presented under financial assets.

9.6 Restatement of Audited Consolidated Financial Statements 2017/2018

The financial information as at September 30, 2018 and for the financial year 2017/2018 discussed in this section "*9. Operating and Financial Review*" have been extracted and/or derived from the Audited Consolidated Financial Statements 2018/2019. As these figures were restated in accordance with IAS 8, they can be compared with the figures included in the Audited Consolidated Financial Statements 2017/2018 only to a limited extent. The error related to interest receivables reported in the Audited Consolidated Financial Statements 2017/2018 in the two Co-Investment Vehicles of DBAG Fund VI and DBAG Fund VII that were no longer recoverable, but which continued to be reported. The impairment is partially attributable to events that occurred in the financial year 2016/2017. As a consequence, the carrying amounts of the net asset values of these Co-Investment Vehicles were reported too high in the opening statement of financial position as of October 1, 2017 and in the consolidated statement of financial position as at September 30, 2018. This correction was taken as an opportunity to make further adjustments. On the one hand, fee income from fund services had to be increased due to a clarification of contractual provisions. On the other hand, reversals of personnel provisions that were not recorded in the financial year 2016/2017 and were subsequently recognized in the financial year 2017/2018 were reflected on an accrual basis. As part of these restatements, feedback effects on earnings-related variable remuneration components pertaining to the Board of Management were also taken into consideration. These corrections of errors were made retrospectively in accordance with IAS 8. In this context, the restatements for the financial year 2016/2017 were reflected in the opening statement of financial position as at October 1, 2017. The resulting restatement of financial assets amounts to EUR -1,338,000 as at October 1, 2017 and to EUR -4,373,000 as at September 30, 2018. See note 4 to the Audited Consolidated Financial Statements 2018/2019 included in this Prospectus in section on page F-115 and the following.

9.7 Changes in Accounting Policies

The new standard IFRS 16 "Leases" had to be applied for the first time in the financial year 2019/2020. The standard replaces the previous standard IAS 17 "Leases", as well as any related interpretations. The major changes refer to lessee accounting. The previous classification of leases into operating and finance leases by the lessee is abolished by IFRS 16. Instead, the new standard introduces a single accounting model pursuant to which lessees are generally obliged to recognize, for all leases, a right-of-use asset as well as a corresponding lease liability for the outstanding lease payments. At DBAG, it is mainly the rental agreement on the business premises at Börsenstraße 1, Frankfurt am Main, the vehicles and the copiers of the Company, as well as the rental agreement on the business premises of DBG Management GP (Guernsey) Limited, that fall within the scope of IFRS 16. As a result of the effects on the consolidated financial statements, which overall were not material, DBAG decided to make use of the option provided by IFRS 16 not to adjust comparative information for previous periods.

The application of IFRS 16 in the financial year 2019/2020, thus, had an increasing effect in total assets and total liabilities. Moreover, the application of IFRS 16 led to an increase in depreciation and amortization of property, plant and equipment and intangible assets reported under other operating expenses, and an increase in interest expenses. This was offset by a decrease in rental expenses.

9.8 Presentation of key Items for Results of Operations

(a) Net income from investment activity and income from fund services

Due to the particularities arising from the operating activities of the DBAG Group as a financial investor and advisor, "net income from investment activity" as well as "income from fund services", instead of revenues, are presented in the consolidated statement of comprehensive income. Net income from investment activity comprises the net gains and losses on measurement and derecognition as well as current income from financial assets net of carried interest.

The net measurement gains and losses comprise the changes in the fair values of financial assets that are determined as at each reporting date.

The net gains and losses on derecognition contain income realized upon the derecognition of financial assets. For regular-way sales, disposals are recognized at the settlement date. The income achieved on the sale is therefore recorded at that date as net gains and losses on derecognition. The settlement date is the day on which the contractually agreed obligations between the selling and purchasing parties are fulfilled. For DBAG Group, this is usually the day on which the interests in the divested Portfolio Company are transferred in exchange for the receipt of cash and cash equivalents, a purchaser's loan or other financial assets. In the event of contractually-agreed purchase price retentions for representations and warranties or other risks, these are recognized only at the date at which claims to warranty obligations or other risks are no longer probable. This may also be done on a contractually agreed pro rata basis in partial amounts per period.

Current income consists of distributions from the investment entity subsidiaries, dividends and interest payments from the directly held Portfolio Company and – for the last time in the financial year 2019/2020 – one distribution from the directly held international fund investment which was disposed in the financial year 2019/2020:

- Distributions from Co-Investment Vehicles primarily consist of proceeds from the disposal of Portfolio Companies (after deducting carried interest, if applicable), current distributions from Portfolio Companies, interest on shareholder loans and repayments of shareholder loans. The distributions are triggered by the manager of the relevant DBAG Fund on the basis of the terms and conditions of the relevant co-investment agreement. They are recognized when payment is received.

- Distributions from the On-Balance Sheet Investment Vehicle are recognized when payment is received, while distributions from DBG are recognized on the day the distribution is resolved.

- Ongoing distributions of the directly held Portfolio Company are recognized on the day the distribution is resolved, while interest is recognized *pro rata temporis*.

- The distribution from the directly held international fund investment was recognized when payment is received.

- Income from Fund Services, consisting of fees for the provision of advisory services to DBAG Funds is recognized when the services have been provided.

(b) Personnel expenses

Personnel expenses are comprised of wages and salaries, variable remuneration, social contributions and expenses for pension plans.

(c) Other operating income

Other operating income consists of a variety of different components of which income from consultancy expenses that can be passed through to DBAG Funds or Portfolio Companies is of major importance. Consultancy expenses that can be passed through refer to advances on behalf of DBAG Funds for broken-deal-expenses or Portfolio Companies for transaction costs. In addition, there is income from the disposal of securities, income from exchange rate differences, income from positions held on supervisory boards and advisory councils, income from the reversal of provisions and other income.

(d) Other operating expenses

Other operating expenses include consultancy expenses that can be passed through to DBAG Funds or Portfolio Companies, other consultancy expenses, consultancy expenses for deal sourcing, audit and tax consultancy expenses, value-added tax, travel and hospitality expenses, premises expenses, maintenance and license costs for hardware and software, external employees and other personnel expenses, corporate communications, investor relations, media relations expenses, depreciation and amortization of property, plant and equipment and intangible assets, expenses for the annual report and general shareholders' meeting (*Hauptversammlung*), Supervisory Board remuneration and other expenses, such as expense for motor vehicles, insurances and office material. Income from positions held on supervisory boards and advisory councils relates to income from activities of DBAG employees on the Supervisory Boards of DBAG Portfolio Companies or external companies. Remuneration for work on the boards of Portfolio Companies held via the DBAG Funds are presented under income from fund services.

(e) Interest income

Interest income is comprised of interest income from financial instruments, *i.e.* short-term bridge financings granted to Co-Investment Vehicles, interest income from securities results, interest income from tax authorities and other interest income, mainly comprising interest income from loans granted to employees.

(f) Interest expense

Interest expenses are comprised of interest cost for pension obligation, expected interest income from plan assets, net interest on net defined benefit liability, interest expense on securities, and interest expense on credit line, which relate to the annual commitment fee as well as for drawdowns, and other interest expenses, such as interest expenses from leases and interest expenses on jubilee payment obligations.

(g) Income taxes

Income taxes are comprised of current and deferred taxes, consisting of corporate income tax and solidarity surcharge as well as trade taxes.

9.9 Results of Operations

(a) Comparison of the three-month periods ended December 31, 2020 and 2019

The following table shows certain data from the consolidated statement of comprehensive income of the Group for the three-month period ended December 31, 2020 compared to the three-month period ended December 31, 2019.

(in EUR thousand)	For the three-month period from October 1, 2020 to December 31, 2020	October 1, 2019 to December 31, 2019
	(unaudited)	
Net income from investment activity.............	23,744	59
Income from fund services.............................	10,776	7,097
Income from fund services and investment activity...	**34,520**	**7,156**
Personnel costs...	(6,849)	(4,794)
Other operating income	1,325	853
Other operating expenses...............................	(4,033)	(3,266)
Interest income..	203	178
Interest expenses..	(273)	(312)
Other income/expenses	**(9,627)**	**7,342**
Earnings before taxes	**24,893**	**(186)**
Income taxes	0	0
Earnings after taxes	**24,892**	**(186)**
Net income attributable to other shareholders	(3)	(2)
Net income	**24,890**	**(188)**
Other comprehensive income	230	(94)
Total comprehensive income.......................	**25,120**	**(282)**
Earnings per share in € (diluted and basis)(1)	**1.65**	**(0.01)**

(1) The earnings per share calculated in accordance with IAS 33 are based on net income divided by the average number of DBAG shares outstanding in the reporting period.

(i) Net income from investment activity

Our net income from investment activity increased from EUR 59 thousand for the three-month period ended December 31, 2019, by EUR 23.68 million to EUR 23.74 million for the three-month period ended December 31, 2020, primarily due the positive performance of our investments in the Portfolio Companies, which recognized improved earnings and lower debt levels, partly underpinned by higher multiples in some cases (particularly in the broadband telecommunications sector).

The following table shows an analysis of our net income from investment activity for the three-month period ended December 31, 2020 compared to the three-month period ended December 31, 2019.

(in EUR thousand)	For the three-month period from October 1, 2020 to December 31, 2020	October 1, 2019 to December 31, 2019
	(unaudited)	
Gross gains and losses on measurement and derecognition of Portfolio Companies..................	36,784	38
Net income attributable to other shareholders of investment entity subsidiaries...............................	(13,934)	50
Net gains and losses on measurement and derecognition of Portfolio Companies	22,850	88
Current portfolio income	3,725	1,902
Net portfolio income	26,575	1,990

(in EUR thousand)	For the three-month period from October 1, 2020 to December 31, 2020	October 1, 2019 to December 31, 2019
	(unaudited)	
Net gains or losses from other assets and liabilities of investment entity subsidiaries...........	(2,831)	(1,931)
Net income from investment activity	**23,744**	**59**

We recorded gross losses on measurement and derecognition of Portfolio Companies of EUR 36.8 million for the three-month period ended December 31, 2020, as compared to gross gains on measurement and derecognition of Portfolio Companies of EUR 0.0 million for the three-month period ended December 31, 2019. This was driven by the positive performance of our investments in Portfolio Companies, which recognized improved earnings and lower debt levels, which has also been underpinned by higher multiples in some cases (particularly the broadband telecommunications sectors). Investments linked to manufacturing businesses and related service providers also reported overall increases in earnings and reductions in debt – yet their valuations were negatively impacted by lower multiples. As a result, these investments made only a minor value contribution overall.

Due to the gross gains and losses on measurement and derecognition of Portfolio Companies for the three-month period ended December 31, 2020, imputed carried interest also increased. An amount of EUR 13.8 million (three-month period ended December 31, 2019: EUR 0.1 million) was added to net income attributable to other shareholders of investment entity subsidiaries in the three-month period ended December 31, 2020.

Current portfolio income amounted to EUR 3.7 million for the three-month period ended December 31, 2020 (three-month period ended December 31, 2019: EUR 1.9 million) and related to interest payments on shareholder loans.

Net gains and losses from other assets and liabilities of investment entity subsidiaries amounted to EUR -2.8 million for the three-month period ended December 31, 2020 as compared to EUR 1.9 million for the three-month period ended December 31, 2019. The item mainly includes the remuneration for the manager of DBAG Fund VI, DBAG Fund VII and DBAG Fund VIII, based on the capital invested/committed by DBAG.

(ii) Income from Fund Services

Income from fund services results from fees from management and advisory services provided to the DBAG Funds. Income from fund services increased from EUR 7.1 million for the three-month period ended December 31, 2019, by EUR 3.7 million, or 52.1%, to EUR 10.8 million for the three-month period ended December 31, 2020, as we received fees from DBAG Fund VIII (EUR 4.6 million) in the three-month period ended December 31, 2020 following the commencement of its investment period in August 2020. The increase of our income from fund services was partially offset by the decrease of our fees from DBAG Fund VII (EUR 3.6 million for the three-month period ended December 31, 2020, as compared to EUR 4.5 million for the three-month period ended December 31, 2019), as the income has been determined on the basis of the invested capital (instead of the committed capital) since August 1, 2020.

(iii) Other income/expenses

Other income/expenses (comprising personnel expenses, other operating income and expenses, as well as interest income and interest expenses) increased from EUR -7.3 million for the three-month period ended December 31, 2019, by EUR 2.3 million, or 31.5%, to EUR -9.7 million for the three-month period ended December 31, 2020, primarily due to higher personnel expenses, and, to a lesser extent, to higher other operating expenses.

Personnel expenses increased from EUR 4.8 million for the three-month period ended December 31, 2019, by EUR 2.1 million, or 41.7%, to EUR 6.8 million for the three-month period ended December 31, 2020. This increase was mainly due to the expansion of the Investment Team and of other corporate functions in 2020. Furthermore, provisions have been made for variable remuneration linked to the Company's performance.

Other operating income increased from EUR 0.9 million for the three-month period ended December 31, 2019, by EUR 0.4 million, or 44.4%, to EUR 1.3 million for the three-month period ended December 31, 2020. This increase was offset by an increase in other operating expenses, which increased from EUR 3.3 million for the three-month period ended December 31, 2019, by EUR 0.7 million, or 21.2%, to EUR 4.0 million for the three-month period ended December 31, 2020. Higher expenses incurred for transaction-related advisory services were offset by a similar increase in income resulting from passing on these expenses to the DBAG Funds.

(iv) Earnings before taxes

Earnings before taxes increased from EUR -0.2 million for the three-month period ended December 31, 2019, by EUR 25.1 million, to EUR 24.9 million for the three-month period ended December 31, 2020, due to higher income from fund services and income from investment activity, which increased from EUR 7.2 million for the three-month period ended December 31, 2019, by EUR 27.3 million, to EUR 34.5 million for the three-month period ended December 31, 2020.

(v) Net income

Net income increased from EUR -0.2 million for the three-month period ended December 31, 2019, by EUR 25.1 million, to EUR 24.9 million for the three-month period ended December 31, 2020, mainly due to higher net income from investment activity, which increased from EUR 0.1 million for the three-month period ended December 31, 2019, by EUR 23.6 million, to EUR 23.8 million for the three-month period ended December 31, 2020.

(b) Comparison of the financial years 2019/2020 and 2018/2019

The following table shows certain data from the consolidated statement of comprehensive income of the Group for the financial year 2019/2020 compared to the financial year 2018/2019.

	For the financial year from	
(in EUR thousand)	**October 1, 2019 to September 30, 2020**	**October 1, 2018 to September 30, 2019**
	(audited)	
Net income from investment activity[(1)]	(16,864)	49,629
Income from fund services	29,304	26,970
Income from fund services and investment activity	**12,440**	**76,599**
Personnel costs	(18,397)	(21,042)
Other operating income	4,534	5,767
Other operating expenses	(13,911)	(16,413)
Interest income	350	955
Interest expenses	(799)	(783)

(in EUR thousand)	For the financial year from October 1, 2019 to September 30, 2020	October 1, 2018 to September 30, 2019
	(audited)	
Other income/expenses	**(28,222)**	**(31,515)**
Earnings before taxes	**(15,782)**	**45,083**
Income taxes	(965)	659
Earnings after taxes	**(16,747)**	**45,742**
Net income attributable to other shareholders	(9)	114
Net income	**(16,757)**	**45,856**
Other comprehensive income	2,702	(7,675)
Consolidated comprehensive income	**(14,055)**	**38,181**
Earnings per share in €		
(diluted and basis)[(2)]	**(1.11)**	**3.05**

(1) The figures for the financial year 2018/2019 are presented under "net gain or loss from investment activities" in the segment reporting of the Audited Consolidated Financial Statements 2018/2019.

(2) The earnings per share calculated in accordance with IAS 33 are based on net income divided by the average number of DBAG shares outstanding in the reporting period.

(i) Net income from investment activity

Our net income from investment activity decreased from EUR 49.6 million for the financial year 2018/2019, by EUR 66.5 million to a loss of EUR 16.9 million for the financial year 2019/2020, primarily due to the performance of our investments in the Portfolio Companies, which was severely affected by the COVID-19 pandemic. From mid-March 2020 onwards, the COVID-19 pandemic led to a serious disruption of macroeconomic processes. Investments in the industrial sector, in particular, have been hit by a significant drop in demand, with a knock-on effect on their earnings and debt situation. Companies offering consumer-related products and services have also been hit by the consequences of the COVID-19 pandemic, as demand for these products and services has fallen. The impact on companies in the IT services, software and broadband telecommunications sectors, on the other hand, has been comparatively minor, if the crisis has affected them at all; in some cases, these companies have benefitted from increased rates of remote working, higher demand for video conferencing services and other factors resulting from the COVID-19 pandemic.

The following table shows an analysis of our net income from investment activity for the financial year 2019/2020 compared to the financial year 2018/2019.

(in EUR thousand)	For the financial year from October 1, 2019 to September 30, 2020	October 1, 2018 to September 30, 2019
	(unaudited, except otherwise noted)	
Gross gains and losses on measurement and derecognition of Portfolio Companies	(22,832)	62,653
Net income attributable to other shareholders of investment entity subsidiaries	4,663	(12,414)
Net gains and losses on measurement and derecognition of Portfolio Companies	**(18,170)**	**50,238**
Current portfolio income	9,606	13,505
Net portfolio income	**(8,563)**	**63,743**
Net gains and losses from other assets and liabilities of investment entity subsidiaries	(8,641)	(14,114)

(in EUR thousand)	For the financial year from October 1, 2019 to September 30, 2020	October 1, 2018 to September 30, 2019
	(unaudited, except otherwise noted)	
Income from other financial assets	341	0
Net income from investment activity..................	**(16,864)***	**49,629***

* Audited.

We recorded gross losses on measurement and derecognition of Portfolio Companies of EUR 22.8 million for the financial year 2019/2020, as compared to gross gains on measurement and derecognition of Portfolio Companies of EUR 62.7 million for the financial year 2018/2019. This was driven by negative changes in earnings at numerous Portfolio Companies, primarily as a result of the COVID-19 pandemic, and by increases in debt at several Portfolio Companies to finance acquisitions and to meet additional financing requirements as a result of the COVID-19 pandemic. Valuation multiples had an overall positive effect on gross gains and losses on measurement and derecognition of Portfolio Companies in the financial year 2019/2020, as the valuation multiples of listed peer group companies as of September 30, 2020 were mostly higher than as of September 30, 2019. Changes in exchange rates had a negative impact on gross gains and losses on measurement and derecognition of Portfolio Companies for the financial year 2019/2020. Due to the impact of the COVID-19 pandemic, fewer investments could be sold during the financial year 2019/2020, which meant less potential for generating net gains and losses on derecognition.

Due to the gross losses on measurement and derecognition of Portfolio Companies for the financial year 2019/2020 imputed carried interests of EUR 4.9 million were reversed (financial year 2018/2019: increase of EUR 12.3 million). This reversals were included in the increase (financial year 2018/2019: decrease) in net income attributable to other shareholders of investment entity subsidiaries, namely DBAG Fund V, DBAG ECF and DBAG Fund VI. Carried Interests account for those active and former members of the DBAG investment team who co-invested alongside the funds. DBAG Fund VII has only been investing since December 2016, while DBAG Fund VIII has only been investing since August 2020. No carried interest has had to be recognized for these two funds to date.

Current portfolio income amounted to EUR 9.6 million for the financial year 2019/2020 (financial year 2018/2019: EUR 13.5 million) and mainly related to interest payments on shareholder loans and a profit distribution that we received from one Portfolio Company.

Net gains and losses from other assets and liabilities of investment entity subsidiaries amounted to EUR -8.6 million for the financial year 2019/2020 (financial year 2018/2019: EUR -14.1 million). The item mainly includes the remuneration for the manager of DBAG Fund VI, DBAG Fund VII and DBAG Fund VIII, based on the capital invested/committed by DBAG.

(ii) Income from fund services

Income from fund services results from fees from management and advisory services provided to the DBAG Funds. Income from fund services increased from EUR 27.0 million for the financial year 2018/2019, by EUR 2.3 million, or 8.7%, to EUR 29.3 million for the financial year 2019/2020, as we received first fees from DBAG Fund VIII (EUR 3.0 million) in the financial year 2019/2020 following the commencement of its investment period in August 2020. Furthermore, we received slightly higher income from DBAG Fund VII (EUR 16.6 million for the financial year 2019/2020, as compared to EUR 16.5 million for the financial year 2018/2019), due to two investments (blikk, Cartonplast) carried out by the top-up fund of DBAG Fund VII in the financial year 2019/2020. Also, income from DBAG ECF rose slightly

(EUR 1.7 million for the financial year 2019/2020, as compared to EUR 1.6 million for the financial year 2018/2019) as higher fees were collected from such fund based on the invested capital following the fund's investment in DING Group. The increase of our income from fund services was partially offset by the decrease of our fees from DBAG Fund VI, due to a sale of investments from such fund's portfolio for the financial year 2019/2020, reducing the invested capital as a basis for the calculation of our fees (EUR 7.9 million for the financial year 2019/2020, as compared to EUR 8.6 million for the financial year 2018/2019).

(iii) Other income/expenses

Other income/expenses (comprising personnel expenses, other operating income and expenses, as well as interest income and interest expenses) decreased from EUR 31.5 million for the financial year 2018/2019, by EUR 3.3 million, or 10.4%, to EUR 28.2 million for the financial year 2019/2020, primarily due to lower personnel expenses, and, to a lesser extent, to lower other operating expenses.

Personnel expenses decreased from EUR 21.0 million for the financial year 2018/2019, by EUR 2.6 million, or 12.6%, to EUR 18.4 million for the financial year 2019/2020. With slightly higher social security contributions and expenses for pension plans, the decline can be explained exclusively by lower expenses for wages and salaries. Despite the salary adjustments at the beginning of the financial year and the recruitment of new staff, particularly for the Investment Team, fixed salaries remained virtually unchanged overall. The fact that fewer positions were temporarily filled twice, as they were in the previous year, had a positive impact. The main reason behind the drop in personnel expenses was a drop in performance-related remuneration for employees and members of the Board of Management due to the commercial development of Portfolio Companies and less disposals or DBAG's net income (EUR 5.1 million for the financial year 2019/2020, as compared to EUR 7.2 million for the financial year 2018/2019). Personnel expenses for the financial year 2018/2019 also included termination benefits payments of EUR 0.6 million, which did not recur in the financial year 2019/2020.

Other operating income declined from EUR 5.8 million for the financial year 2018/2019, by EUR 1.3 million, or 21.4%, to EUR 4.5 million for the financial year 2019/2020. This was offset by an even more pronounced decline in other operating expenses, which decreased from EUR 16.4 million for the financial year 2018/2019, by EUR 2.5 million, or 15.2%, to EUR 13.9 million for the financial year 2019/2020. Both changes can be traced back mainly to developments in consultancy expenses that can be passed through, which dropped by almost the same amount on both the income (EUR 3.2 million for the financial year 2019/2020 as against EUR 4.9 million for the financial year 2018/2019) and the expenditure side (EUR 4.4 million for the financial year 2019/2020 as against EUR 6.1 million for the financial year 2018/2019). This reflected the lower number of investment opportunities that the Investment Team was able to explore, particularly from mid-March to mid-June 2020, due to adverse market developments during the COVID-19 pandemic. A counter effect was the drop in travel and hospitality expenses, which declined to EUR 0.5 million in the financial year 2019/2020 (for the financial year 2018/2019: travel and hospitality expenses of EUR 1.0 million). Depreciation and amortization of property, plant and equipment increased to EUR 1.4 million for the financial year 2019/2020 (for the financial year 2018/2019: depreciation and amortization of property, plant and equipment of EUR 0.6 million) due to the first-time application of the new accounting standard IFRS 16. Furthermore, other operating expenses for the financial year 2018/2019 included one-off expenses of EUR 0.5 million due to a correction of transaction-based fees from DBAG ECF relating to the financial year 2017/2018.

(iv) Earnings before taxes

Earnings before taxes decreased from EUR 45.1 million for the financial year 2018/2019, by EUR 60.9 million, or 135.0%, to EUR -15.8 million for the financial year 2019/2020, mainly due to lower earnings before taxes in our Private Equity Investment Segment, which decreased from EUR 42.1 million for the financial year 2018/2019, by EUR 67.3 million, or 160.0%, to EUR -25.2 million for the financial year 2019/2020, due to significantly lower net income from investment activity.

(v) Income taxes

Income taxes amounted to EUR 0.7 million for the financial year 2018/2019, as compared to EUR -1.0 million for the financial year 2019/2020.

(vi) Net income

Net income decreased from EUR 45.9 million for the financial year 2018/2019, by EUR 62.6 million, or 136.5%, to EUR -16.8 million for the financial year 2019/2020, mainly due to lower net income from investment activity, which decreased from EUR 49.6 million for the financial year 2018/2019, by EUR 66.5 million, or 134.0%, to EUR -16.9 million for the financial year 2019/2020.

(c) Comparison of the financial years 2018/2019 and 2017/2018

The following table shows certain data from the consolidated statement of comprehensive income of the Group for the financial year 2018/2019 compared to the financial year 2017/2018.

	For the financial year from	
(in EUR thousand)	**October 1, 2018 to September 30, 2019**	**October 1, 2017 to September 30, 2018 (restated)**
	(audited)	
Net income from investment activity	49,629	31,098
Income from Fund Services	26,970	28,855
Income from Fund Services and investment activity	**76,599**	**59,953**
Personnel costs	(21,042)	(18,005)
Other operating income	5,767	3,697
Other operating expenses	(16,413)	(15,557)
Interest income	955	344
Interest expenses	(783)	(702)
Other income/expenses	**(31,515)**	**(30,222)**
Earnings before taxes	**45,083**	**29,731**
Income taxes	659	(18)
Earnings after taxes	**45,742**	**29,714**
Net income attributable to other shareholders	114	(25)
Net income	**45,856**	**29,688**
Other comprehensive income	(7,675)	(1,203)
Consolidated comprehensive income	**38,181**	**28,486**
Earnings per share in € (diluted and basis)(1)	**3.05**	**1.97**

(1) The earnings per share calculated in accordance with IAS 33 are based on net income divided by the average number of DBAG shares outstanding in the reporting period.

(i) Net income from investment activity

Our net income from investment activity increased from EUR 31.1 million for the financial year 2017/2018, by EUR 18.5 million, or 59.6%, to EUR 49.6 million for the financial year 2018/2019. The following table shows an analysis of our net income from investment activity for the financial year 2018/2019 compared to the financial year 2017/2018.

	For the financial year from	
(in EUR thousand)	**October 1, 2018 to September 30, 2019**	**October 1, 2017 to September 30, 2018 (restated)**
	(unaudited, except otherwise noted)	
Gross gains and losses on measurement and derecognition of Portfolio Companies..................	62,653	33,100
Net income attributable to other shareholders of investment entity subsidiaries...............................	(12,414)	(7,756)
Net gains and losses on measurement and derecognition of Portfolio Companies	**50,238**	**25,345**
Current portfolio income	13,505	13,004
Net portfolio income	**63,743**	**38,349**
Net gains or losses from other assets and liabilities of investment entity subsidiaries...........	(14,114)	(7,146)
Income from other financial assets	0	(105)
Net income from investment activity	**49,629***	**31,098***

* Audited

For the financial year 2018/2019, we reported a significantly higher result of gross gains and losses on measurement and derecognition of Portfolio Companies, which amounted to EUR 62.7 million, as compared to EUR 33.1 million for the financial year 2017/2018. This increase was due in part to above-average success achieved on the disposals of the investments in inexio, Infiana and Novopress and overall positive contributions from changes in earnings and debt at Portfolio Companies as a result of operational improvements and strategic developments of the Portfolio Companies. Changes in multiples resulted in a net negative impact on net income from investment activity, as capital market developments impacted negatively the valuation of companies from the mechanical and plant engineering sector and manufacturers of industrial components. Currency fluctuations had a positive impact on net income from investment activity for the financial year 2018/2019. Our gross gains and losses on measurement and derecognition of Portfolio Companies mainly included value appreciation realized in connection with the disposals of Infinia and Novopress.

The gross gains on measurement and derecognition of Portfolio Companies for the financial year 2018/2019 was partly offset by the impact of net income attributable to other shareholders of investment entity subsidiaries, which amounted to EUR -12.4 million for the financial year 2018/2019 (financial year 2017/2018: EUR -7.8 million). This item relates to carried interest entitlements of those active and former members of the DBAG Investment Team who have co-invested alongside the relevant funds.

Current portfolio income amounted to EUR 13.5 million for the financial year 2018/2019 (financial year 2017/2018: EUR 13.0 million) and mainly related to interest payments on shareholder loans and profit distributions that we received from two Portfolio Companies.

Net gain and losses from other assets and liabilities of investment entity subsidiaries amounted to EUR -14.1 million for the financial year 2018/2019 (financial year 2017/2018: EUR -7.1 million). This item includes the fees payable to the manager of DBAG Fund VI and DBAG Fund VII based on DBAG's invested/committed capital and taxes payable on capital gains at the level of the investment entity subsidiaries.

(ii) Income from fund services

Income from fund services decreased from EUR 28.9 million in the financial year 2017/2018 by EUR 1.9 million, or 6.5%, to EUR 27.0 million in the financial year 2018/2019. This decrease was largely due to lower fees received from DBAG Fund VI (EUR 8.6 million for the financial year 2018/2019, as compared to EUR 9.7 million for the financial year 2017/2018), due to sales of investments from such fund's portfolio, thus, reducing the invested capital as a basis for the calculation of our fees, and from DBAG Fund V (EUR 0.2 million for the financial year 2018/2019, as compared to EUR 0.7 million for the financial year 2017/2018), as fees have only been received until end of the term of DBAG Fund V on February 15, 2019. In addition, income from DBAG ECF declined in the financial year 2018/2019, as less transactions have been performed in the financial year 2018/2019, with a consequential decline of our transaction-related fees.

(iii) Other income/expenses

Other income/expenses (comprising personnel expenses, other operating income and expenses, as well as interest income and interest expenses) increased slightly from EUR 30.2 million for the financial year 2017/2018, by EUR 1.3 million, or 4.3%, to EUR 31.5 million for the financial year 2018/2019, mainly due to increases in personnel expenses and other operating expenses.

Personnel expenses increased considerably from EUR 18.0 million for the financial year 2017/2018, by EUR 3.0 million, or 16.9%, to EUR 21.0 million for the financial year 2018/2019. This increase was – despite an overall increase in wages and salaries – mainly due to higher provisions for performance-related remuneration for employees and members of the Board of Management mainly due to remuneration for successful fundraising, but also to disposals of investments as well as on net income and the related return on equity (EUR 7.2 million for the financial year 2018/2019, as compared to EUR 6.2 million for the financial year 2017/2018), an increase in headcount and a temporary duplication of functions.

Other operating expenses increased from EUR 15.6 million for the financial year 2017/2018, by EUR 0.9 million, or 5.5%, to EUR 16.4 million for the financial year 2018/2019, mainly due to higher consultancy expenses that can be passed on to DBAG funds or Portfolio Companies (EUR 4.8 million for the financial year 2018/2019, as compared to EUR 2.9 million for the financial year 2017/2018). Overall consultancy expenses for the financial year 2018/2019 amounted to EUR 7.5 million, as compared to EUR 6.2 million for the financial year 2017/2018.

(iv) Earnings before taxes

Earnings before taxes increased from EUR 29.7 million for the financial year 2017/2018, by EUR 15.4 million, or 51.6%, to EUR 45.1 million for the financial year 2018/2019, mainly due to higher earnings before taxes in our Private Equity Investment Segment, which increased from EUR 24.2 million for the financial year 2017/2018, by EUR 17.9 million, or 74.0%, to EUR 42.1 million for the financial year 2018/2019, due to significantly higher net income from investment activity, which in the previous financial year was more heavily burdened by lower capital market multiples across the portfolio as a whole.

(v) Income taxes

Income taxes were EUR 0.7 million for the financial year 2018/2019, as compared to EUR 0.0 million for the financial year 2017/2018.

9.10 Segment Discussion

Discussed below are certain of our financial performance indicators for each of our reportable segments. For more information on our current segment structure, please see section "*—9.2 Segmentation*" above.

(a) Private Equity Investments Segment

(i) Comparison of the three-month periods ended December 31, 2020 and the financial year 2019/2020

The following table shows DBAG's NAV as of December 31, 2020 and September 30, 2020.

	As of	
(in EUR thousand)	**December 31, 2020**	**September 30, 2020**
	(unaudited)	*(audited)*
Financial assets	404,273	390,741
Other financial instruments	53,589	25,988
Financial resources(1)	16,338	18,367
Thereof:		
Cash and cash equivalents	*16,338*	*18,367*
Long-term securities	—	—
Short-term securities	—	—
Loan liabilities	(36,900)	(13,100)
Net asset value	**437,299**	**421,997**

(1) The financial resources are used by DBAG for investments in equity or equity-like instruments.

DBAG Group's NAV increased from EUR 422.0 million as of September 30, 2019, by EUR 15.3 million, or 3.6%, to EUR 437.3 million as of December 31, 2020, mainly due to an increase in other financial instruments (EUR 53.6 million for the three-month period ended December 31, 2020, as compared to EUR 26.0 million for the three-month period ended December 31, 2019) resulting from the granting of loans by DBAG to Co-Investment Vehicles. Furthermore, our NAV has been positively impacted by higher valuations in the capital markets, which has partly been offset by distributions resulting from disposals of Portfolio Companies.

(ii) Comparison of the financial years 2019/2020 and 2018/2019

The following table shows DBAG Group's NAV as of September 30, 2020 and September 30, 2019.

	As of	
(in EUR thousand)	**September 30, 2020**	**September 30, 2019**
	(audited)	
Financial assets	390,741	385,693
Other financial instruments	25,988	17,002
Financial resources(1)	18,367	69,432
Thereof:		

(in EUR thousand)	As of September 30, 2020	As of September 30, 2019
	(audited)	
Cash and cash equivalents	*18,367*	*43,934*
Long-term securities	—	—
Short-term securities	—	*25,498*
Loan liabilities	(13,100)	—
Net asset value	**421,997**	**472,126**

(1) The financial resources are used by DBAG for investments in equity or equity-like instruments.

DBAG Group's NAV decreased from EUR 472.1 million as of September 30, 2019, by EUR 50.1 million, or 10.6%, to EUR 422.0 million as of September 30, 2020, mainly due to the impact of the COVID-19 pandemic on the Portfolio Companies. In February 2020, EUR 22.6 million were distributed to the shareholders; taking into account the distribution, the NAV declined by EUR 27.5 million, or 5.8%.

(iii) Comparison of the financial years 2018/2019 and 2017/2018

The following table shows DBAG Group's NAV as of September 30, 2019 and September 30, 2018.

(in EUR thousand)	As of September 30, 2019	As of September 30, 2018 (restated)
	(audited)	
Financial assets	385,693	318,931
Other financial instruments	17,002	32,766
Financial resources(1)	69,432	119,029
Thereof:		
Cash and cash equivalents	*43,934*	*23,571*
Long-term securities	—	*55,458*
Short-term securities	*25,498*	*40,000*
Net asset value	**472,126**	**470,727**

(1) The financial resources are used by DBAG for investments in equity or equity-like instruments.

Due to negative economic developments that had a particular impact on our industrial Portfolio Companies, as well as lower valuations in the capital markets and delays in the implementation of necessary changes at some Portfolio Companies, DBAG's NAV only increased slightly from EUR 470.7 million as of September 30, 2018, by EUR 1.4 million, or 0.3%, to EUR 472.1 million as of September 30, 2019.

(b) Fund Investment Services Segment

(i) Comparison of the three-month periods ended December 31, 2020 and 2019

The following table shows DBAG Group's earnings from fund investment services for the three-month period ended December 31, 2020 compared to the three-month period ended December 31, 2019.

(in EUR thousand)	For the three-month period from October 1, 2020 to December 31, 2020	October 1, 2019 to December 31, 2019
	(unaudited)	
Income from fund services[(1)]	11,117	7,422
Other income/expense items	(6,285)	(5,710)
Earnings from fund investment services[(2)]	**4,832**	**1,712**

(1) Including Group reconcilitation.
(2) "Earnings from fund investment services" are represented as "earnings before taxes from fund investment services" in the segment reporting of the Company's Audited Consolidated Financial Statements.

Earnings from fund investment services increased from EUR 1.7 million for the three-month period ended December 31, 2019, by EUR 3.1 million, or 182.4%, to EUR 4.8 million for the three-month period ended December 31, 2020. This increase was due to higher income from fund services, which increased from EUR 7.4 million for the three-month period ended December 31, 2019, by EUR 3.7 million, or 50.0%, to EUR 11.1 million for the three-month period ended December 31, 2020 (please also see section "—*9.9 Results of Operations—(b) Comparison of the financial years 2019/2020 and 2018/2019—(ii) Income from fund services*" above).

Other income/expenses (personnel expenses, other operating income as well as other operating expenses) decreased from EUR -5.7 million for the three-month period ended December 31, 2019, by EUR 0.6 million, or 9.5%, to EUR -6.3 million for the three-month period ended December 31, 2020, mainly due to higher personnel expenses reflecting the expansion of the Investment Team as well as higher provions for variable remuneration.

The following table shows DBAG Group's volume of assets under management or advisory as of December 31, 2020 and September 30, 2020.

(in EUR thousand)	As of December 31, 2020	September 30, 2020
	(unaudited)	*(audited, except as otherwise noted)*
Funds invested in Portfolio Companies	1,329,816	1,403,316*
Short-term bridge financing for new investments	260,898	135,856*
Outstanding capital commitments of third-party investors	926,285	1,025,023*
Financial resources......................................	16,338	18,367
Volume of assets under management or advisory	**2,533,336**	**2,582,562**

* Unaudited

DBAG Group's volume of assets under management or advisory decreased from EUR 2.6 billion as of September 30, 2020, by EUR 49.2 million, or 1.9%, to EUR 2.5 billion as of December 31, 2020, due to a decrease in funds invested in Portfolio Companies to EUR 1.3 billion as of December 31, 2020, as compared to EUR 1.4 billion as of September 30, 2020. The outstanding capital commitments of third-party investors were EUR 926.3 million as of December 31, 2020, as compared to EUR 1,025.0 million as of September 30, 2020. Our financial resources amounted to EUR 16.3 million as of December 31, 2020, as compared to EUR 18.4 million as of September 30, 2020.

(ii) Comparison of the financial years 2019/2020 and 2018/2019

The following table shows the DBAG Group's earnings from fund investment services for the financial years 2019/2020 and 2018/2019.

(in EUR thousand)	For the financial year from October 1, 2019 to September 30, 2020	October 1, 2018 to September 30, 2019
	(audited)	
Income from fund services[(1)]	30,589	28,181
Other income/expense items	(21,130)	(25,148)
Earnings from fund investment services[(2)]	**9,459**	**3,033**

(1) Including Group reconcilitation.

(2) "Earnings from fund investment services" are represented as "earnings before taxes from fund investment services" in the segment reporting of the Company's Audited Consolidated Financial Statements.

Earnings from fund investment services increased from EUR 3.0 million for the financial year 2018/2019, by EUR 6.5 million, or 211.9%, to EUR 9.5 million for the financial year 2019/2020. This increase was due to higher income from fund services, which increased from EUR 28.2 million for the financial year 2018/2019, by EUR 2.4 million, or 8.5%, to EUR 30.6 million for the financial year 2019/2020 (please also see section "—*9.9 Results of Operations—(b) Comparison of the financial years 2019/2020 and 2018/2019—(ii) Income from fund services*" above).

Other income/expenses (comprising internal management fees, personnel expenses, other operating income and expenses, as well as interest income and interest expenses) decreased from EUR 25.1 million for the financial year 2018/2019, by EUR 4.0 million, or 16.0%, to EUR 21.1 million for the financial year 2019/2020, due to a decrease of personnel expenses for the financial year 2019/2020, which was mainly due to the annulment of temporary duplicated functions in some positions, lower provisions for variable remuneration in the financial year 2019/2020, as well as to severance payments in the financial year 2018/2019, which did not occur in the financial year 2019/2020 (please also see section "—*9.9 Results of Operations—(b) Comparison of the financial years 2019/2020 and 2018/2019—(ii) Income from fund services*" above).

The following table shows DBAG Group's volume of assets under management or advisory as of September 30, 2020 and September 30, 2019.

(in EUR thousand)	As of September 30, 2020	September 30, 2019
	(audited, except as otherwise noted)	
Funds invested in Portfolio Companies	1,403,316*	1,088,298*
Short-term bridge financing for new investments	135,856*	94,492*
Outstanding capital commitments of third-party investors	1,025,023*	452,212*

(in EUR thousand)	As of September 30, 2020	September 30, 2019
	(audited, except as otherwise noted)	
Financial resources	18,367	69,432
Volume of assets under management or advisory	**2,582,562**	**1,704,434**

* Unaudited.

DBAG Group's volume of assets under management or advisory increased from EUR 1.7 billion as of September 30, 2019, by EUR 878.0 million, or 51.5%, to EUR 2.6 billion as of September 30, 2020, reflecting the commencement of the investment period of DBAG Fund VIII (August 2020), and the corresponding increase in funds invested in Portfolio Companies to EUR 1.4 billion as of September 30, 2020, as compared to EUR 1.1 billion as of September 30, 2019. The outstanding capital commitments of third-party investors were EUR 1,025.0 million as of September 30, 2020, as compared to EUR 452.2 million as of September 30, 2019. Our financial resources amounted to EUR 18.4 million as of September 30, 2020, as compared to EUR 69.4 million as of September 30, 2019, particularly due to the structuring of additional investments, and the payment of a dividend of EUR 22.6 million with respect to the financial year 2018/2019 at the end of February 2020.

(iii) Comparison of the financial years 2018/2019 and 2017/2018

The following table shows the DBAG Group's earnings from fund investment services for financial years 2018/2019 and 2017/2018.

(in EUR thousand)	For the financial year from October 1, 2018 to September 30, 2019	October 1, 2017 to September 30, 2018 (restated)
	(audited)	
Income from fund services[(1)]	28,181	29,707
Other income/expense items	(25,148)	(24,138)
Earnings from fund investment services[(2)]	**3,033**	**5,568**

(1) Including Group reconciliation.
(2) "Earnings from fund investment services" are represented as "earnings before taxes from fund investment services" in the segment reporting of the Company's Audited Consolidated Financial Statements.

Earnings from fund investment services decreased from EUR 5.6 million for the financial year 2018/2019, by EUR 2.5 million, or 45.5%, to EUR 3.0 million for the financial year 2018/2019. This decrease was due to lower income from fund services, which decreased from EUR 29.7 million for the financial year 2017/2018, by EUR 1.5 million, or 5.1%, to EUR 28.2 million, and higher personnel expenses (please see section "*—9.9 Results of Operations—(c) Comparison of the financial years 2018/2019 and 2017/2018—(ii) Income from fund services*" above).

Other income/expenses (comprising internal management fees, personnel expenses, other operating income and expenses, as well as interest income and interest expenses) decreased from EUR -24.1 million for the financial year 2017/2018, by EUR 1.0 million, or 4.2%, to EUR -25.1 million for the financial year 2018/2019, due to an increase of personnel expenses from EUR -15.1 million for the financial year 2017/2018, by EUR 2.7 million, or 18.2%, to

EUR -17.8 million for the financial year 2018/2019, which was mainly due to higher variable remuneration, temporary duplicated functions in some positions, and general salary developments. By contrast, a one-off effect amounting to EUR 0.9 million had a negative impact on other operating income/expenses and therefore on the segment result for the financial year 2017/2018. This was due to the subsequent adjustment of remuneration which DBAG received for the work performed by members of the Investment Team serving on the supervisory board of DBAG Fund V Portfolio Companies.

The following table shows DBAG's volume of assets under management or advisory as of September 30, 2019 and September 30, 2018.

	As of	
(in EUR thousand)	**September 30, 2019**	**September 30, 2018 (restated)**
	(audited, except as otherwise noted)	
Funds invested in Portfolio Companies	1,088,298*	862,076*
Funds drawn but not yet invested	—	23,387*
Short-term bridge financing for new investments	94,492*	145,086*
Outstanding capital commitments of third-party investors	452,212*	681,799*
Financial resources	69,432	119,029
Volume of assets under management or advisory	**1,704,434**	**1,831,378**

* Unaudited.

DBAG's volume of assets under management or advisory decreased slightly from EUR 1.8 billion as of September 30, 2018, by EUR 126.9 million, or 6.9%, to EUR 1.7 billion as of September 30, 2019, due to several disposals from the portfolios of DBAG Fund VI and DBAG ECF. The outstanding capital commitments of third-party investors were EUR 452.2 million as of September 30, 2019, as compared to EUR 681.8 million as of September 30, 2018. Our financial resources amounted to EUR 69.4 million as of September 30, 2019, as compared to EUR 119.0 million as of September 30, 2018, particularly due to the structuring of additional investments, and the payment of a dividend of EUR 21.8 million with respect to the financial year 2017/2018.

9.11 Consolidated Statement of Financial Position

The following table shows the consolidated statement of financial position of the Group as of December 31, 2020 and September 30, 2020, 2019 and 2018:

	As of December 31,	As of September 30		
	2020	**2020**	**2019**	**2018 (restated)**
	(unaudited)	*(audited)*		
ASSETS				
Non-current assets				
Intangible assets	500	490	301	438
Property, plant and equipment	4,957	5,144	582	839
Financial assets	408,273	390,741	385,693	318,931
Long-term securities	0	0	0	55,458
Other non-current assets	642	616	0	0

	As of December 31,	As of September 30		
	2020	2020	2019	2018 (restated)
	(unaudited)	*(audited)*		
Deferred tax assets	214	214	658	0
Total non-current assets	**410,584**	**397,204**	**387,233**	**375,666**
Current assets				
Receivables	6,187	5,071	1,565	1,130
Short-term securities	0	0	25,498	40,000
Other financial instruments	53,589	25,988	17,002	32,766
Income tax assets	5,524	5,524	5,833	345
Cash and cash equivalents	16,338	18,367	43,934	23,571
Other current assets	25,069	22,432	10,550	7,840
Total current assets	**106,707**	**77,382**	**104,382**	**105,653**
Total Assets	**517,291**	**474,587**	**491,615**	**481,319**
EQUITY AND LIABILITIES				
Equity				
Subscribed capital	53,387	53,387	53,387	53,387
Capital reserve	173,762	173,762	173,762	173,762
Retained earnings and other reserves	(11,096)	(11,326)	(14,028)	(6,331)
Consolidated retained profit	232,598	207,708	247,031	222,973
Total equity	**448,651**	**423,531**	**460,152**	**443,790**
Liabilities				
Non-current liabilities				
Liabilities under interests held by other shareholders	57	57	55	180
Provisions for pension obligations	16,136	16,449	19,593	12,209
Other provisions	1,450	846	28	0
Other non-current liabilities	3,814	3,953	0	—
Total non-current liabilities	**21,457**	**21,305**	**19,677**	**12,389**
Current liabilities				
Loan liabilities	36,900	13,100	0	—
Other current liabilities	4,713	8,104	1,260	15,913
Income taxes payable	526	526	17	17
Other provisions	5,044	8,021	10,509	9,209
Total current liabilities	**47,183**	**29,751**	**11,787**	**25,140**
Total liabilities	**68,640**	**51,056**	**31,463**	**37,529**
Total equity and liabilities	**517,291**	**474,587**	**491,615**	**481,319**

(a) Comparison of December 31, 2020 and September 30, 2020

Our total assets increased by EUR 42.7 million, or 9.0%, to EUR 517.3 million as of December 2020 from EUR 474.6 million as of September 30, 2020.

Non-current assets increased by EUR 13.4 million, or 3.4%, to EUR 410.6 million as of December 31, 2020 from EUR 397.2 million as of September 30, 2020. This increase was mainly due to an increase in financial assets, which increased by EUR 13.6 million, or 3.5%, to EUR 404.3 million as of December 31, 2020, compared to EUR 390.7 million as of September 30, 2020, due to increased interests in investment entity subsidiaries (EUR 400.4 million as of December 31, 2020, as compared to EUR 386.5 million as of September 30, 2020).

Current assets increased by EUR 29.3 million, or 37.9%, to EUR 106.7 million as of December 31, 2020 from EUR 77.4 million as of September 30, 2020, mainly due an increase in other financial instruments, which increased by EUR 27.6 million, or 106.2%, to EUR 53.6 million as of December 31, 2020, from EUR 26.0 million as of September 2020, and an increase in other current assets, which increased by EUR 2.7 million, or 12.1%, to EUR 25.1 million as of December 31, 2020, from EUR 22.4 million as of September 30, 2020, mainly due to higher receivables from fund services.

Due to an increase in consolidated retained profit, by EUR 24.9 million, or 12.0% to EUR 232.6 million as of December 31, 2020 from EUR 207.7 million as of September 30, 2020, as a result of the positive net income, our total equity increased by EUR 25.2 million, or 6.0%, to EUR 448.7 million as of December 31, 2020 from EUR 423.5 million as of September 30, 2020.

On the liability side, non-current liabilities only slightly increased by EUR 0.2 million, or 0.9%, to EUR 21.5 million as of December 31, 2020, from EUR 21.3 million as of September 30, 2020. This increase was due to a slight increase in other provisions.

Current liabilities increased by EUR 17.4 million, or 58.4%, to EUR 47.2 million as of December 31, 2020 from EUR 29.8 million as of September 30, 2020. This increase was primarily caused by an increase in loan liabilities, which increased to EUR 36.9 million as of December 31, 2020 (as of September 30, 2020: EUR 13.1 million), due to draw-downs under our Revolving Credit Facilities (for a detailed description of our Revolving Credit Facilities, please see section "*13. Material Contracts—13.5 Financing Agreements*" below). This increase was partly offset by a decrease in other current liabilities to EUR 4.7 million as of December 31, 2020 (as of September 30, 2020: other current liabilities of EUR 8.1 million) and a decrease in other provisions to EUR 5.0 million as of December 31, 2020 (as of September 30, 2020: other provisions of EUR 8.0 million).

(b) Comparison of September 30, 2020 and September 30, 2019

Our total assets decreased by EUR 17.0 million, or 3.5%, to EUR 474.6 million as of September 30, 2020 from EUR 491.6 million as of September 30, 2019.

Non-current assets increased by EUR 10.0 million, or 2.6%, to EUR 397.2 million as of September 30, 2020 from EUR 387.2 million as of September 30, 2019. This increase was mainly due to an increase in financial assets, which increased by EUR 5.0 million, or 1.3%, to EUR 390.7 million as of September 30, 2020, compared to EUR 385.7 million as of September 30, 2019, due to increased interests in investment entity subsidiaries (EUR 386.5 million as of September 30, 2020, as compared to EUR 380.3 million as of September 30, 2019) as well as an increase in property plant and equipment, which increased by EUR 4.6 million, or 783.5%, to EUR 5.1 million as of September 30, 2020, compared to EUR 0.6 million as of September 30, 2019, due to the recognition of right-of-use assets due to the first-time application of the accounting standard IFRS 16.

Current assets decreased by EUR 27.0 million, or 25.9%, to EUR 77.4 million as of September 30, 2020 from EUR 104.4 million as of September 30, 2019, mainly due to a decrease in cash and cash equivalents, which decreased by EUR 25.6 million, or 58.2%, to EUR 18.4 million as of September 30, 2020, from EUR 44.0 million as of September 30, 2019, due to the payment of a dividend of EUR 22.6 million in the financial year 2019/2020. We also recognized a decrease in short-term securities, which decreased by EUR 25.5 million, or 100.0%, to EUR 0.0 million as of September 30, 2020, from EUR 25.5 million as of September 30, 2019, due to a sale of such short-term securities during the financial year 2019/2020 following the financing requirements of capital calls for new investments. The decrease in current assets was partially offset by an increase in other current assets, which increased by EUR 11.9 million, or 112.6%, to EUR 22.4 million as of September 30, 2020, from EUR 10.6 million as of September 30, 2019, mainly due to higher receivables from fund services of EUR 18.2 million as of September 30, 2020 (as of September 30, 2019: receivables from fund services of EUR 6.4 million), as no management fee relating to DBAG Fund VII has yet been called from investors for the period from July 2019.

Due to a decrease in consolidated retained profit, by EUR 39.3 million, or 15.9% to EUR 207.7 million as of September 30, 2020 from EUR 247.0 million as of September 30, 2019, as a result of the negative net income and the payment of dividend, our equity decreased by EUR 36.7 million, or 8.0%, to EUR 423.5 million as of September 30, 2020 from EUR 460.2 million as of September 30, 2019, corresponding to an equity ratio of 89.2% as of September 30, 2020 (as of September 30, 2019: 93.6%).

On the liability side, non-current liabilities increased by EUR 1.6 million, or 8.3%, to EUR 21.3 million as of September 30, 2020, from EUR 19.7 million as of September 30, 2019. This increase was mainly due to an increase in other non-current liabilities, which increased to EUR 4.0 million as of September 30, 2020 (as of September 30, 2019: other non-current liabilities of EUR 0.0 million), as a result of the initial recognition of our lease liabilities, due to the first-time application of the accounting standard IFRS 16, and an increase of other provisions, which increased to EUR 0.9 million as of September 30, 2020 (as of September 30, 2019: other provisions of EUR 28 thousand), and primarily consisted of a partial retirement agreement and jubilee payment obligations. The increase in non-current liabilities was partially offset by a decrease for provisions of pension obligations, which decreased to EUR 16.5 million as of September 30, 2020 (as of September 30, 2019: provisions of pension obligations of EUR 19.6 million), as a result of a slight increase in the discount rate as well as further effects from experience adjustments, which comprise mortality, rates of employee turnover and future salary increases.

Current liabilities increased by EUR 18.0 million, or 152.4%, to EUR 29.8 million as of September 30, 2020 from EUR 11.8 million as of September 30, 2019. This increase was primarily caused by an increase in loan liabilities, which increased to EUR 13.1 million as of September 30, 2020 (as of September 30, 2019: loan liabilities of EUR 0.0 million), due to draw-downs under our Revolving Credit Facilities (for a detailed description of our Revolving Credit Facilities, please see section "*13. Material Contracts—13.5 Financing Agreements*" below). Furthermore, other current liabilities increased to EUR 8.1 million as of September 30, 2020 (as of September 30, 2019: other current liabilities of EUR 1.3 million), as a result of the initial recognition of our lease liabilities, due to the first-time application of the accounting standard IFRS 16.

(c) Comparison of September 30, 2019 and September 30, 2018

Our total assets increased by EUR 10.3 million, or 2.1%, to EUR 491.6 million as of September 30, 2019 from EUR 481.3 million as of September 30, 2018.

Non-current assets increased by EUR 11.6 million, or 3.1%, to EUR 387.2 million as of September 30, 2019, from EUR 375.7 million as of September 30, 2018. This increase was mainly due to an increase of our financial assets, which increased by EUR 66.8 million, or 20.9%, to EUR 385.7 million as of September 30, 2019, compared to EUR 318.9 million as of September 30, 2018, due to increased interests in investment entity subsidiaries (EUR 380.3 million as of September 30, 2019, as compared to EUR 313.7 million as of September 30, 2018).

Current assets decreased by EUR 1.3 million, or 1.2%, to EUR 104.4 million as of September 30, 2019, from EUR 105.7 million as of September 30, 2018, mainly due to decrease in short-term securities, which decreased by EUR 14.5 million, or 36.3%, to EUR 25.5 million as of September 30, 2019, from EUR 40.0 million as of September 30, 2018, due to the disposal of fixed-rate securities to finance capital calls. Furthermore, other financial instruments, comprising short-term loans granted by DBAG to the unconsolidated investment entity subsidiaries for co-investments to be made alongside DBAG Fund VII as part of the structuring of the investment in new Portfolio Companies decreased by EUR 15.8 million, or 48.1%, to EUR 17.0 million as of September 30, 2019, from EUR 32.8 million as of September 30, 2018. The decrease in current assets was partially offset by an increase in cash and cash-equivalents, which increased by EUR 20.3 million, or 86.4%, to EUR 43.9 million as of September 30, 2019 from EUR 23.6 million as of September 30, 2018.

Due to an increase in consolidated retained profit, which amounted to EUR 247.0 million as of September 30, 2019 (as of September 30, 2018: net retained profit of EUR 223.0 million), our equity decreased by EUR 16.4 million, or 3.7%, to EUR 460.2 million as of September 30, 2019 from EUR 443.8 million as of September 30, 2018, corresponding to an equity ratio of 93.6% as of September 30, 2019 (as of September 30, 2018: 92.2%).

On the liability side, non-current liabilities increased by EUR 7.3 million, or 58.8%, to EUR 19.7 million as of September 30, 2019, from EUR 12.4 million as of September 30, 2018. This increase was mainly due to increased provisions for pension obligations of EUR 19.6 million as of September 30, 2019 (September 30, 2018: provisions for pension obligations of EUR 12.2 million), due to a decline of the present value of pension obligations, which is attributable to a significant decline of the discount rate and further effects resulted from experience adjustments as well as from changes in demographic assumptions.

Current liabilities decreased by EUR 13.3 million, or 53.1%, to EUR 11.8 million as of September 30, 2019, from EUR 25.1 million as of September 30, 2018. This decrease was mainly due to a decrease in other current liabilities of EUR 14.6 million as of September 30, 2018, which were not recognized as of September 30, 2019 and included liabilities to Co-Investment Vehicles of EUR 9.7 million, due to a capital call of DBAG ECF II for a new investment, which was paid by DBAG at the beginning of the financial year 2018/2019.

9.12 Liquidity and Capital Resources

(a) Consolidated Cash Flows

The following table shows our consolidated cash flows from operating activities, cash flows from investing activities, cash flows from financing activities and net changes in cash and cash equivalents for the three-month periods ended December 31, 2020 and 2019, and the financial years 2019/2020, 2018/2019 and 2017/2018, as well as our cash and cash equivalents at the beginning and at the end of each period.

(in EUR thousand)	**For the three-month period from**		**For the financial year from**		
	October 1, 2020 to December 31, 2020	**October 1, 2019 to December 31, 2019**	**October 1, 2019 to September 30, 2020**	**October 1, 2018 to September 30, 2019**	**October 1, 2017 to September 30, 2018 (restated)**
	(unaudited)		*(audited)*		
Cash flow from operating activities	(7,972)	(6,632)	(6,696)	(12,298)	9,858
Cash flow from investment activity[1]	(17,562)	(43,848)	(33,490)	(15,465)	(30,641)
Cash flow from investing activities	(17,603)	(24,072)	(8,385)	54,475	(93,200)
Cash flow from financing activities	23,545	(242)	(10,486)	(21,814)	(21,062)
Net change in cash and cash equivalents	(2,030)	(30,945)	(25,567)	20,363	(104,404)
Cash and cash equivalents at start of period	18,367	43,934	43,934	23,571	127,976
Cash and cash equivalents at end of period	16,338	12,989	18,367	43,934	23,571

(1) Figures for financial year ended September 30, 2019 and 2018 are presented under "cash flow from investing activities" in the Company's consolidated statement of cash flows in the Audited Consolidated Financial Statements as of September 30, 2019.

(i) Cash Flows from Operating Activities

For the three-month period ended December 31, 2020, we recognized cash outflows from operating activities of EUR 8.0 million, as compared to cash outflows from operating activities of EUR 6.7 million for the three-month period ended December 31, 2019, a decrease of EUR 1.3 million, or 19.4%. The cash flow from operating activities for the three-month period ended December 31, 2020 was negative mainly due to the payment of variable remuneration to the Board of Management and employees for the previous financial year (EUR 5.1 million). Furthermore, the management fee for Fund VIII for the first quarter of the financial year 2020/2021 (EUR 4.3 million) had already been drawn on and received prior to the last reporting date and the management fee for Fund VII (EUR 3.6 million) continues to be deferred. As a result, there were no proceeds for both funds in the three-month period ended December 31, 2020.

In spite of a consolidated net loss, for the financial year 2019/2020, we recognized cash outflows from operating activities of EUR 6.7 million, as compared to cash outflows from operating activities of EUR 12.3 million for the financial year 2018/2019, a decrease of EUR 5.6 million, or 45.6%. The cash flow from operating activities for the financial year 2019/2020 was negative mainly due to accrued deferred fees from Fund VII of EUR 13.1 million. Since July 2019, DBAG has not been collecting any fees for advisory services to DBAG Fund VII to enable DBAG Fund VII to use the outstanding capital commitments of fund investors fully for new investments or follow-on investments; the accrued deferred fees from this fund amount to EUR 16.4 million (as of September 30, 2020). This was partly offset by fees for advisory services to DBAG Fund VIII of EUR 8.9 million. In the financial year 2019/2020 we collected first fees for advisory services to this fund, relating to the months from August to December 2020.

For the financial year 2018/2019, we recognized cash outflows from operating activities of EUR 12.3 million, as compared to cash inflows of EUR 9.9 million for the financial year 2017/2018, a decrease of EUR 22.2 million, or -224.8%, mainly due to lower cash inflow from fees for advisory services provided to DBAG Fund VII, which had already been received in advance in the financial year 2017/2018, and no fees had been received for the months from July to September 2019 in the financial year 2018/2019.

(ii) Cash Flows from Investing Activities

Cash outflows from investing activities were EUR 17.6 million for the three-month period ended December 31, 2020, compared to cash outflows from investing activities of EUR 24.1 million for the three-month period ended December 31, 2019, mainly due to lower outflows from investment activity for the three-month period ended December 31, 2020 (EUR 17.6 million for the three-month period ended December 31, 2020, as compared to EUR 43.8 million for the three-month period ended December 3, 2019). For the three-month period ended December 31, 2019, we also recognized proceeds from disposals of securities (EUR 19.9 million).

Cash outflows from investing activities for the financial year 2019/2020 were EUR 8.4 million, compared to cash inflows from investing activities of EUR 54.5 million for the financial year 2018/2019, due to higher cash outflows from investment activity (EUR 33.5 million for financial year 2019/2020, as compared to EUR 15.5 million for the financial year 2018/2019), which was due to the general volatility of our cash flows from investment activity, as well as lower proceeds from disposals of securities (EUR 35.5 million for financial year 2019/2020, as compared to EUR 70.3 million for the financial year 2018/2019).

Cash inflows from investing activities were EUR 54.5 million for the financial year 2018/2019, compared to cash outflows from investing activities of EUR 93.2 million for the financial year 2017/2018, mainly due to lower outflows from investing activities for the financial year 2017/2018 (EUR 15.5 million for financial year 2018/2019, as compared to EUR 30.6 million for the financial year 2017/2018) due to higher payments for investments in securities, which amounted to EUR 103.8 million for the financial year 2017/2018, as compared to EUR 0.2 million in the financial year 2018/2019. Moreover, we recorded higher proceeds from disposals of securities (EUR 70.3 million for financial year 2018/2019, as compared to EUR 41.4 million for the financial year 2017/2018).

(iii) Cash Flows from Financing Activities

For the three-month period ended December 31, 2020, we recorded cash inflows from financing activities of EUR 23.5 million, as compared to cash outflows from financing activities of EUR 0.2 million for the three-month period ended December 31, 2019. The positive cash flow from financing activities for the three-month period ended December 31, 2020 mainly resulted from proceeds from drawdowns of the credit lines of EUR 23.8 million.

Cash outflows from financing activities were EUR 10.5 million for the financial year 2019/2020, as compared to EUR 21.8 million for the financial year 2018/2019, a decrease of EUR 11.3 million, or 51.8%. The cash outflow from financing activities for the financial year 2019/2020 mainly resulted from payments to shareholders (dividends) of EUR 22.6 million (for the financial year 2018/2019: payments to shareholders (dividends) of EUR 21.8 million), which was offset by proceeds drawdowns of the credit lines of EUR 13.1 million, while there was no such cash inflow in the financial year 2018/2019.

Cash outflows from financing activities increased by EUR 0.8 million, or 3.6%, to EUR 21.8 million for the financial year 2018/2019 from EUR 21.1 million for the financial year 2017/2018, due to higher payments to shareholders (dividends).

(b) Financial liabilities

In December 2015, the Company set up a fully committed revolving credit facility in the amount of EUR 50.0 million with a term of five years, which was amended and extended until May 2023 in May 2018. In February 2021, the facility was increased to a total committed volume of EUR 66.7 million and extended until May 2025 ("**2015 Revolving Credit Facility**"). A second revolving credit facility with the same final maturity was agreed in August 2020 in the amount of EUR 40.0 million ("**2020 Revolving Credit Facility**" and, together with the 2015 Revolving Credit Facility, the "**Revolving Credit Facilities**"). The utilized facilities have a term of up to one year. As of December 31, 2020, loans in the amount of EUR 36.9 million were drawn from the Revolving Credit Facilities for the first time.

(c) Off-balance sheet transactions, contingent liabilities, contingencies and other financial liabilities and trusteeships

Within the scope of the business activity of DBAG and the DBAG Group companies which act as AIFMs or investment service providers to the DBAG Funds, contractual arrangements exist between DBAG and structured entities of managed or advised DBAG Funds (for more detailed information, please see sections "*13. Material Contracts—13.3 Investment Management Agreement*" and "*—13.2 Co-Investment Agreements*" below) that DBAG initiated within the scope of its business activity. In DBAG's perspective, the investment vehicles that DBAG initiated within the scope of its business activity described above are so-called structured entities that are neither consolidated nor recognized at fair value through profit or loss. The DBAG Group does not have contractual or economic commitments to these structured entities nor has it transferred funds or assets to these companies. Exposure to economic risk relates exclusively to the advisory or management activities conducted for the DBAG Funds. Group companies receive fees based on contractual agreements for the services provided to the DBAG Funds. Exposure to losses from structured entities result only from receivables in relation to the payment of the contractually agreed management fee. This fee is due within 30 days after payment is requested.

Other financial commitments consist of call commitments and permanent debt obligations in the amount of EUR 0.6 million as of December 31, 2020 as compared to EUR 0.5 million as of September 30, 2020).

Trust assets amounted to EUR 6.9 million as of December 31, 2020, as compared to EUR 7.0 million as of September 30, 2020). Of that amount, EUR 6.9 million (as of September 30, 2020: EUR 7.0 million) were attributable to balances held on trust accounts for purchase price settlements. Trust liabilities exist in the same amount. DBAG does not generate any income from trustee activities.

Except as mentioned above, there were no off-balance-sheet transactions or contingent liabilities as of December 31, 2020 or as of the date of this Prospectus.

9.13 Investments

We finance and refinance our investments by reinvesting part of the proceeds from disposals of previous investments and by raising equity in the capital markets. Credit lines may be used to cover temporary discrepancies between expected cash inflows and outflows. As of December 31, 2020, such short-term bank liabilities amounted to around EUR 36.9 million.

(a) Recent and On-going Investments

For the period from January 1, 2020 up to the date of this Prospectus, we invested a total of EUR 11.3 million. These investments related to one new investment, additional equity for a portfolio company to support the financing of two add-on acqusistions as well as follow-on investments in existing Portfolio Companies. The new investment was a spin-off from the blikk Holding GmbH structured as a MBO alongside DBAG Fund VII.

As of the date of this Prospectus, there are no material investments that are in progress.

As of the date of this Prospectus, our planned investments for which firm commitments have already been made are expected to amount in the aggregate to EUR 24.6 million for 2021. These investments relate to one Long-term investment as well as three follow-on investments in existing Portfolio Companies. These investments relate to investments in Germany. We are financing these investments by reinvesting part of the proceeds from disposals of previous investments and by raising equity in the capital markets. To the extent these financing options should not be available, credit lines may be used temporarily to cover the requirements.

(b) Investments for the three-month period ended December 31, 2020

For the three-month period ended December 31, 2020 we invested a total of EUR 25.5 million. This amount includes one new investment and additional equity for a portfolio company to support the financing of an add-on acquisition. The new investment was a MBO alongside DBAG Fund VIII which was agreed in August 2020 and completed in October 2020.

(c) Investments for the financial year 2019/2020

In the financial year 2019/2020, we invested a total of EUR 96.8 million. These investments included two new investments and an increase of existing investments. Six equity investments were added to our portfolio in the financial year 2019/2020, of which two investments had already been agreed upon in the financial year 2018/2019, but were not completed until September 30, 2019. In addition, we structured one MBO in the financial year 2019/2020, which was completed in October 2020. We also supported six Portfolio Companies in fourteen company acquisitions, and, in some cases, provided additional funds alongside the DBAG Funds. Where companies have been heavily impacted by the COVID-19 pandemic, we have provided additional equity with a total volume of EUR 5.2 million to support debt financing solutions to improve the financial resources of these companies.

(d) Investments for the financial year 2018/2019

In 2018/2019, we invested EUR 78.4 million. These investments included not only new investments, but also increases in existing investments.

(e) Investments for the financial year 2017/2018

In 2017/2018 we invested EUR 85.1 million. These investments included both new investments and increases of existing investments.

9.14 Qualitative and quantitative Disclosures of Market Risks

DBAG is exposed to financial risks that arise from investments in equity or equity-like instruments, predominantly in unlisted companies. As a result of these financial risks, the value of assets may decline and/or profits may be reduced. These risks are described below and in more detail in the notes to the Company's financial statements included in section "*21. Financial Information*" beginning on page F-1 of this Prospectus.

(a) Market risk

The fair value of financial instruments or future cash flows of financial instruments may fluctuate due to rising or falling market prices. Market risk can be further differentiated into currency risk, interest rate risk and other price risks. Exposure to market risks is regularly monitored as a whole.

(i) Currency risk

The exposure to currency risk results from investments denominated in British pounds sterling, Danish krone, Swiss francs or US dollars, where future returns will be received in a foreign currency. The fact that future returns are impacted by currency risks may also lead to a change in fair values of these Portfolio Companies. Moreover, the changes in exchange rates have an influence on the operations and competitiveness of these Portfolio Companies. The extent of that impact depends in particular on individual Portfolio Companies' individual value-creation structure and degree of internalization.

Individual transactions denominated in foreign currency are not hedged, since both the holding period of the investments and the amount of returns from them are uncertain. The currency risk is reduced as a result of returns from investments denominated in foreign currency.

(ii) Interest rate risk

Changes in the interest rate level primarily affect income generated from investing financial resources (sum total of cash and cash equivalents and securities), the fair values of the investments measured using the DCF method as well as the interest expense in relation to drawdowns of credit lines. The changes in the interest rate level also influence the profitability of Portfolio Companies.

Financial resources are generally invested with a short-term horizon. Interest rate derivatives to hedge a certain interest rate level are not used since the amount of the financial resources may be subject to strong fluctuations and cannot be reasonably forecast. The interest rates for the agreed credit lines correspond to the EURIBOR plus a margin. The EURIBOR level applied when the credit line is utilized is based on the selected interest period, which can be up to six months.

(iii) Other price risks

Exposure to other price risks are primarily related to the future fair value measurement of the interests in investment entity subsidiaries and Portfolio Companies. The measurement of Portfolio Companies is influenced by a number of factors that are related to financial markets, or to the markets the Portfolio Companies are active on. The influencing factors include, for example, valuation multiples, performance measures and the indebtedness of the Portfolio Companies.

The Board of Management constantly monitors the market risk inherent in the Portfolio Companies held directly or through investment entity subsidiaries. For this purpose, DBAG receives information about the Portfolio Companies' business development on a timely basis. Board of Management members or other members of the Investment Team hold offices on supervisory or advisory boards of the Portfolio Companies. In addition, the responsible Investment Team members monitor the business development of the Portfolio Companies through formally implemented processes.

(b) Liquidity risk

There is currently no liquidity risk identifiable for DBAG. For more detailed information, please see notes 33.2 to the Audited Consolidated Financial Statements 2019/2020 included in this Prospectus in section *"21. Financial Information"* on page F-72 et seq.

(c) Default risk

DBAG may also be exposed to risks when a contracting party fails to meet its obligations, causing financial losses to be incurred by DBAG.

Receivables: debtors are current or former Portfolio Companies; DBAG seeks to obtain regular and timely information about such companies' business development. If there are indications that debtors may fail to meet their obligations, the relevant debtor is requested to propose and implement measures on a timely basis that enable him to meet his obligations.

Cash and cash equivalents: cash and cash equivalents of DBAG are deposits held at German credit institutions and are part of the respective institutions' protection systems.

Other current assets: debtors mainly are the DBAG Funds. Their payment obligations may be fulfilled by capital calls from their investors.

9.15 Information from the Audited Separate Financial Statements

The information provided below is taken from the audited separate financial statements of DBAG prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch* -

HGB) for the financial year 2019/2020, which are included in this Prospectus in section "*21. Financial Information*" beginning on page F-280. These financial statements are used to calculate DBAG's net retained profits (*Bilanzgewinn*). Dividends to shareholders of DBAG may only be distributed from such net retained profits. German generally accepted accounting principles of the HGB differ from IFRS in material respects.

For the financial year 2019/2020, DBAG generated gains from disposal of investments of EUR 45.1 million, compared to gains from disposal of investments of EUR 36.1 million for the financial year 2018/2019. For the financial year 2019/2020, DBAG generated income from fund services of EUR 27.0 million, compared to income from fund services of EUR 24.6 million for the financial year 2018/2019.

Net income for the financial year 2019/2020 was EUR 45.9 million, compared to net income of EUR 29.1 million for the financial year 2018/2019.

Net retained profit for the financial year 2019/2020 amounted to EUR 201.5 million, compared to net retained profit of EUR 178.1 million for the financial year 2018/2019.

Equity amounted to EUR 430.4 million as of September 30, 2020, compared to equity of EUR 407.0 million as of September 30, 2019. Total assets amounted to EUR 461.1 million as of September 30, 2020, compared to total assets of EUR 425.4 million as of September 30, 2019.

10 PROFIT FORECAST

10.1 Forecast of (Net) Income 2020/2021

Our forecast of (i) net income in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") (the "**(Net) Income Forecast 2020/2021**"), being the net measure of profit or loss for the period, with regard to the expected business development of Deutsche Beteiligungs AG (the "**Company**", and together with its consolidated subsidiaries, the "**DBAG Group**", the "**Group**", "**DBAG**", "**we**", "**us**" or "**our**") and (ii), due to the particularities arising from the operating activities of the DBAG Group as a financial investor and fund advisor, the respective financial performance indicators as presented instead of revenues in DBAG Group's consolidated statement of comprehensive income in accordance with IFRS:

- net income from investment activity for the private equity investments segment (the "**Private Equity Investment Segment**") and
- income from fund services for the fund investment services segment (the "**Fund Investment Services Segment**")

for the current financial year, *i.e.*, the period from October 1, 2020 to September 30, 2021 ("**financial year 2020/2021**") is not a representation of facts and should therefore not be interpreted as such by prospective investors. Rather, it reflects the forward-looking expectations of DBAG with respect to the (Net) Income Forecast 2020/2021 of the DBAG Group and its Private Equity Investments Segment and Fund Investment Services Segment as initially published on November 30, 2020 and subsequently updated on March 26, 2021 (please see section "*22.1 Recent Developments*" below).

Any forward-looking statements are by nature based on a number of assumptions and estimates about future events and actions, including management's assessment of opportunities and risks. Such assumptions and estimates are inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, many of which are beyond our control, and upon assumptions with respect to future business decisions that are subject to change.

The (Net) Income Forecast 2020/2021 considers the improved overall development of our Portfolio Companies in the first quarter of the financial year 2020/2021, (Co-)Investments completed to date and projected (Co-)Investments in the financial year 2020/2021.

Moreover, the (Net) Income Forecast 2020/2021 is based on assumptions made by the DBAG's Board of Management ("**Board of Management**"). These assumptions relate to (i) factors that are beyond our control and (ii) factors that can be influenced by us only to a limited extent. Even though we believe these factors and assumptions are reasonable on the date on which the (Net) Income Forecast 2020/2021 was prepared, they may subsequently prove to be inappropriate or incorrect. If one or more of these assumptions prove to be incorrect, actual (net) income of the DBAG Group and its two segments for the financial year 2020/2021 may deviate materially from the respective (Net) Income Forecast 2020/2021. Accordingly, prospective investors should treat this information with caution and should not place undue reliance on the (Net) Income Forecast 2020/2021.

10.2 Definition of (Net) Income

We use (net) income as a financial performance indicator for the financial performance of our Private Equity Investments Segment and Fund Investment Services Segment as we believe it is a meaningful measure to evaluate the financial performance of our business activities over time. Due to the particularities arising from the business activities of DBAG Group as a financial investor, "net income from investment activity" as well as "income from fund services" are presented instead of revenues in the DBAG Group's consolidated statement of comprehensive income in accordance with IFRS. We understand that these measures are broadly used by analysts and investors in assessing our performance. In addition, we present net income in accordance with IFRS (being the net measure of profit or loss for the period in accordance with IFRS) for the assessment of our financial performance.

(Net) income is one of the key figures for operational management and analysis of DBAG Group's and the DBAG Group's segments' financial performance. (Net) income is recognized as an earnings measure under IFRS. However, the manner in which we measure (net) income may not be consistent with the manner in which other companies determine this measure, similar measures or measures with similar names due to the particularities arising from the business of DBAG Group as a financial investor. Accordingly, (net) income as presented herein may not be comparable to these measures, similar measures or measures with similar names as presented by other companies.

For our Private Equity Investments Segment the financial performance indicator "net income from investment activity" comprises the net gains and losses on measurement as well as current income from financial assets (distributions from the investment entity subsidiaries, dividends and interest payments from the directly held Portfolio Company) net of carried interest. The measure is mainly impacted by the net gain or loss from investment activity, which is driven by the increase in the net asset value of the overall portfolio of investments. Selected members of the Investment Team as well as selected members of senior management who are not members of the Investment Team have committed to take an interest in DBAG funds. Under certain conditions, this can result in a profit share for the members that is disproportionate to the capital invested ("carried interest") (for more information, please see section "*19. Certain Relationships and related Party Transactions—19.2 Relationships to DBG Managing Partner GmbH & Co. KG and DBG Advising GmbH & Co. KG—19.5 Private co-investments and carried interest*" below). This profit participation is included in the measurement and, as a result, reduces the income. The realization of a net gain from investment activity requires an increase in the net asset value of the overall portfolio and the planned investments and therefore results in the net income of the portfolio exceeding the amount earmarked for distribution. The measure net gain or loss from investment activity is the item with the greatest budgetary and forecast uncertainty. Its determination depends to a considerable degree on gains and losses from changes in the net asset value based on measurement and derecognition, whereas current income from financial assets and loans and receivables is less relevant. The forecast of the earnings contribution for the portfolio of investments is based on current assumptions regarding the holding period and on an assessment of the annual increase in the value of the investments during the holding period. The assumptions are continuously updated to reflect our assessment of the impact that the current economic environment will have for each individual investment. The forecast is based on the estimated increase in the value of the investments assuming that the value equals the exit price without any mark-up for any premium for strategic reasons or intense price competition among potential investors.

Our financial performance indicator "income from fund services" for the Fund Investment Services Segment is substantially determined by the volume of our funds. The terms and conditions that govern the compensation for our management and advisory services are usually fixed for a fund's entire term. This makes us believe that our forecast insofar has a lower degree of uncertainty.

The net income presented in accordance with IFRS equals net income (*i.e.* profit or loss of the period) as presented in DBAG Group's consolidated statement of comprehensive income prepared in accordance with IFRS and represents the sum of (net) income of our Private Equity Investments Segment and Fund Investment Services Segment after deduction of the other components of earnings, which mainly comprise personnel cost, other operating expenses and tax expenses. As the individual items of expense are reliably estimable the uncertainty in the forecasted net income presented in accordance with IFRS is mainly driven by the forecasted net income from investment activity.

10.3 (Net) Income Forecast 2020/2021

The following table summarizes our (Net) Income Forecast 2020/2021:

(in EUR million)	(Net) Income Forecast 2020/2021
Net income from investment activity	65.0 to 75.0
Income from fund services	42.0 to 44.0
Net income in accordance with IFRS	70.0 to 80.0

Net income from investment activity as well as income from fund services are presented instead of revenues in the consolidated statement of comprehensive income in accordance with IFRS and reconcile to net income in accordance with IFRS by taking into account other items of income/expenses which are mainly characterized by personnel costs and other operating expenses as well as tax expenses.

10.4 Underlying Principles

The (Net) Income Forecast 2020/2021 was prepared in accordance with (i) the Accounting Practice Statement of the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer in Deutschland e.V., "**IDW**") on the Preparation of Profit Forecasts and Estimates in Accordance with the Specific Requirements of the Regulation on Prospectuses and Profit Estimates on the basis of Preliminary Figures (IDW AcPS AAB 2.003), (ii) Section 11 of Annex I of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**") and (iii) ESMA's guidelines on disclosure requirements under the Prospectus Regulation.

The (Net) Income Forecast 2020/2021 was prepared using accounting principles of the IFRS. With respect to the accounting policies applied, please refer to the notes to the unaudited condensed consolidated interim financial statements as of and for the three-month period ended December 31, 2020 and the notes of the audited consolidated financial statements as of and for the financial year ended September 30, 2020, which are included in this Prospectus in section "*21. Financial Information*" beginning on page F-7.

The (Net) Income Forecast 2020/2021 represents our best estimate as of the date of the (Net) Income Forecast 2020/2021. In preparing the (Net) Income Forecast 2020/2021, we considered a number of factors to be taken into account. The expected development of these factors is based on specific assumptions made by the Board of Management which are set forth below.

10.5 Factors beyond our Control and related Assumptions

DBAG Group is exposed to multiple risks mainly relating to its Private Equity Investments Segment and to a lesser degree its Fund Investment Services Segment. The net income from investment activity is significantly influenced by the investment team's current assessment of the development of net asset value for the financial period 2020/2021. We apply a whole-of-the-fund measurement approach assuming an exit for all Portfolio Companies of a fund taking into account a disproportionate profit share (carried interest) attributable to selected members of the Investment Team as well as selected members of our management who are not members of the Investment Team that have committed to take an interest in DBAG funds based on the specific contractual arrangements. We do not assume a linear increase in the value of the individual Portfolio Companies over the holding period. Rather, we apply a standardized value appreciation trend that includes smaller increases in value at the start of the holding period and larger ones towards the end of the holding period. The forecast of the income from fund services was determined by detailed planning. The income is calculated on the basis of the capital commitments or on the basis of invested capital. Transaction-related remuneration for investments carried out are also taken into account. However, the (Net) Income Forecast 2020/2021 is subject to factors beyond our control. These factors, and our assumptions taken on their impact, are described below and relate to the Group and its Private Equity Investments Segment and Fund Investment Services Segment:

(a) Factor 1: Unforeseen Events Such as Force Majeure

We assume that no material unforeseen events will occur that could result in material or lasting constraints on the ongoing operations of the Group and its respective segments, such as force majeure (*e.g.* fire, floods, hurricanes, storms, earthquakes, major industrial action, material macroeconomic events, war, terrorist attacks or a further pandemic); for assumption related to the SARS-CoV-2 ("**COVID-19**") pandemic, please refer to the following section.

(b) Factor 2: COVID-19 pandemic

We are directly and, through our investments in Portfolio Companies, indirectly exposed to global and local spreads of COVID-19. Especially, due to the COVID-19 pandemic, we assume a negative global economic impact for the financial year 2020/2021. However, we do not expect a negative effect on our (net) income on a higher level than in the financial year 2019/2020.

(c) Factor 3: Negative impact of general economy and economy cycles in certain sectors on earnings, financial position and financial performance of Portfolio Companies

The economic development of our Portfolio Companies is influenced by market factors such as geographical and sector-related economic cycles, political and financial changes, commodity prices and exchange rate trends. The macroeconomic development could extend the holding period of individual investments, resulting in the gains on disposal being postponed or reduced. In extreme cases the macroeconomic development could lead to a total loss of invested capital for individual Portfolio Companies. For the purpose of the (Net) Income Forecast 2020/2021 we have assumed that there will be no negative impact of the general economy and economy cycles in certain sectors on earnings, financial position and financial performance of Portfolio Companies.

(d) Factor 4: Lower valuation ratio on the capital markets

The fair value measurement of our Portfolio Companies and therewith the net income from investment activity is determined by observable valuation ratios on the capital markets. A lower valuation level, expressed in lower valuation multipliers, generally results in a lower portfolio value. However, since changes in the equity market rarely affect all industry sectors to the same extent, the diversification of our portfolio moderates our exposure to this risk to a certain extent. However it is not expected to protect us from a broad based decline of capital markets. For the purpose of the (Net) Income Forecast 2020/2021 we have assumed that there will be no changes in valuation ratios on the capital markets.

(e) Factor 5: M&A market demand and supply

The overall demand and supply of M&A transaction opportunities for the private equity industry is also influenced by external factors, such as the COVID-19 pandemic. In our view, the M&A market has already returned to the level of activity prior to the occurrence of the COVID-19 pandemic in the second half year of 2020. For the purpose of the (Net) Income Forecast 2020/2021, we assume that the M&A market will remain at this level of activity in most of our target sectors in terms of number and volume of transactions. However, we do not expect a recovery of the M&A market in 2021 for those sectors that are particularly affected by the COVID-19 pandemic.

(f) Factor 6: Debt market for acquisition financing

The debt market for acquisition financing is diverse. Debt funds have increased the supply; they offer financing through uni-tranches or mezzanine instruments. In our view, the gap created by the withdrawal of some banks following the great financial crisis has been closed in the last years. For the purpose of the (Net) Income Forecast 2020/2021, we generally expect to see a constant supply at conditions that are largely unchanged. Should we pursue investments in certain industrial sectors, such as mechanical and plant engineering, we cannot rule out that bank willingness to finance transactions will continue to be challenging, hampering transactions in these sectors.

(g) Factor 7: Attractiveness of asset class private equity

Private equity is firmly rooted as an asset class worldwide. It is an integral part of the investment strategy of many institutional investors. However, the proportion of private equity in investors' assets is not constant and may even decrease. With a view to the persistent low interest rate policy in the US and Europe, however, we believe that shifts in investor asset allocation will not be to the detriment of private equity. Moreover, DBAG Fund VIII was fundraised in 2019, closed in May 2020 and the fund's investment period, which spans over six years, started in August 2020. For the purpose of the (Net) Income Forecast 2020/2021, we assume that there will be no changes in the attractiveness of the asset class private equity which would have a negative impact on our business.

10.6 Factors that can be influenced by us and related Assumptions

In addition to the factors and assumptions that are beyond our control, the (Net) Income Forecast 2020/2021 is subject to factors that can be influenced by us or influenced by us to a limited extend. These factors, and our assumptions taken about their impact, are described below:

(a) Private Equity Investments Segment

(i) Factor 1: Investment strategy proves to be unattractive or its implementation is inadequate

The financial performance of DBAG Group requires an attractive investment strategy. Without a successful investment activity, we will not be able to realize the targeted value appreciation and as a consequence, investors might end the investment period of the fund and a risk remains that new commitment to funds could not be raised. We regularly review our investment strategy. For the purpose of the (Net) Income Forecast 2020/2021, we have assumed that the investment strategy remains attractive and its implementation is adequate.

(ii) Factor 2: Limited access to new, attractive investment opportunities

In order to achieve a continuous increase in the net values we need access to new investment opportunities. Without new investments our business model and therewith the structure of our statement of financial position would change due to a slowdown in the growth of DBAG Group's net asset value and an increase of the proportion of financial resources that hardly bear interest. For the purpose of the (Net) Income Forecast 2020/2021 we expect to have sufficient access to attractive new investment opportunities.

(iii) Factor 3: Transaction opportunities are not transformed into investments

We are encountering the risk that despite a sufficient supply of attractive investment opportunities these are not culminating in concrete investments. This may be due to lack of competitive pricing, may be a lack of competitiveness due to a slow reaction for an investment resulting from insufficient internal processes or inability to arrange acquisition financing. For the purpose of the (Net) Income Forecast 2020/2021, we have assumed that transaction opportunities are transformed into investments in line with historical transformation rates.

(b) Fund Investment Services

(i) Factor 1: Inability to cover the personnel requirement

Our performance within the private equity business is closely linked to the people acting in the market. The decision of capital investors with regard to their capital commitment depends on the stability and experience of the Investment Team. An intensifying competition for investment professionals could result in a high fluctuation rate or increasing compensation which could be detrimental for the success of DBAG. For the purpose of the (Net) Income Forecast 2020/2021, we have assumed that personnel requirements at adequate costs.

(ii) Factor 2: Inability to raise capital commitments from external investors to DBAG funds

The continuation of our investment strategy requires ongoing capital commitments to DBAG funds. DBAG and its Investment Team need to establish a proven track record of successful investment activities yielding attractive returns. Without further capital commitments, the stability of our management and staff that we require to support our portfolio of investments would not be ensured. For the purpose of the (Net) Income Forecast 2020/2021, no new fundraising is considered, since the DBAG Fund VIII has been raised in 2019/2020.

(iii) Factor 3: Extraordinary termination of investment period or extraordinary liquidation of one or several DBAG funds

The investment period of DBAG funds is terminated automatically when fund investment services are no longer provided by specified key persons. With a qualified majority vote the fund investors have the right to end an investment period. There are various reasons that could cause the fund investors to initiate a termination or liquidation decision, including an unsatisfactory performance of the fund's investments, insufficient investment progress or a fundamental lack of confidence. Ending the investment period of a specific fund would result in a considerable reduction in fee income for advisory services. For the purpose of the (Net) Income Forecast 2020/2021, we have assumed that no extraordinary termination of investment period or extraordinary liquidation of any DBAG Fund will occur.

(c) DBAG Group Level

The forecast of net income in accordance with IFRS is the sum of the (net) income of the Private Equity Investments Segment and the Fund Investment Services Segment less other components of earnings, which are mainly characterized by personnel costs and other operating income/expenses, interests and taxes.

(i) Factor 1: Personnel costs

Personnel costs include wages and salaries including variable remunerations, social security contributions and expenses for pension plans. We expect personnel costs to rise due to additional staffing requirements to provide the capacities for further growth. In case of a successful financial year, we also expect increasing personnel costs due to additional bonus payments to key-employees.

(ii) Factor 2: Other operating expenses, interests and taxes

Other operating expenses are mainly influenced by costs for external advisors whereas other operating income is mainly driven by income from consultancy expenses that can be passed through to the respective funds. We have planned other operating expenses as well as other operating income based on a detailed bottom up approach above previous year. We expect that the majority of operating expenses relating to DBAG Fund VIII could be passed-through resulting in other operating income for DBAG Group in the same amount.

As all investments in securities were sold in the financial year 2019/2020 interest income will be generated through short-term bridge financings granted to Co-Investment Vehicles, if any. We expect interest expense for the financial year 2020/2021 to increase marginally due to the consideration of additional credit lines. Lastly, we assume an income tax expense to be on the same relatively low level as in the financial year 2019/2020.

10.7 Other Explanatory Notes

The (Net) Income Forecast 2020/2021 has been compiled and prepared on a basis which is both: (a) comparable with the historical financial information of the Group and (b) consistent with the Group's accounting policies. The (Net) Income Forecast 2020/2021 does not include any extraordinary events, results due to non-recurring activities and extraordinary tax expenses within the meaning of the IDW Accounting Practice Statement 2.003 (IDW AcPS AAB 2.003), except where explicitly stated otherwise in the explanatory notes, such as effects related to the COVID-19 pandemic. As this (Net) Income Forecast 2020/2021 relates to a period not yet completed and is prepared on the basis of assumptions about future uncertain events and actions, it naturally entails substantial uncertainties. Because of these uncertainties, it is possible that the DBAG Group's or the Group's segment's actual (net) income for the financial year 2020/2021 may differ materially from the Net Income Forecast 2020/2021. The (Net) Income Forecast 2020/2021 reflects the profit forecast included in DBAG's outlook published in the audited consolidated financial statements as of September 30, 2020 issued on November 30, 2020 as updated on March 26, 2021 by means of an ad-hoc announcement of the Company. Please see section "*22.1 Recent Developments*" below for a description of the reasons for the update.

11 MARKET AND COMPETITION

11.1 Overview

This section contains certain market and industry information taken from third parties including, among other things, statistics and information from industry publications and other publicly available information. Although DBAG believes the sources to be reliable, DBAG has not independently verified the information and consequently its accuracy and completeness cannot be guaranteed. As far as DBAG is aware and is able to assure itself, no facts have been omitted which would render the reproduced information inaccurate or misleading.

11.2 Macroeconomic conditions favorable for sustained growth

Our primary geographical target market Germany is the largest economy in Europe. We believe that Germany will continue to provide favorable conditions for growth, including a resilient economic infrastructure and a highly skilled workforce.

Germany is highly developed, with established political institutions and a stable economy, which has experienced a median annual real GDP growth of 1.5% during the period from 1999 to 2019 (*Source: The World Bank, www.data.worldbank.org*) and a nominal CAGR in terms of GDP of 3.2% between 2016 and 2019 (*Source: The World Bank, www.data.worldbank.org*). In 2019, manufacturing comprised 19% of the total median GDP (*Source: The World Bank, www.data.worldbank.org*).

According to Oxford Economics, Germany is one of the lowest risk economies globally (*Source: Oxford Economics, Country Economic Forecast Germany, 10 March 2020*) and therefore a favourable market for a business to operate in. The country's resilient economy is underpinned by established political, social and legal institutions that protect citizens and businesses. Germany ranks in the top 10% out of 167 countries worldwide on the global democracy index (*Source: The World Bank, www.data.worldbank.org*), top 5.3% on ranking of regulatory quality and top 8.7% ranking on rule of law (*Source: The World Bank, www.datacatalog.worldbank.org*).

In addition, the German economy is characterized by a highly skilled workforce and high standards of living, making it an attractive market for tech-enabled business models. Technology usage is linked to higher per capita income and Germany's real GDP per capita grew at a compound annual growth rate ("**CAGR**") of 1.2% during the period between 2015 and 2019. In addition, Germany has a relatively low unemployment rate compared to other European countries (2.9% in 2018; *Source: The Economist Intelligence Unit, Country Report February 2020, Germany*). Germany's skilled workforce is driven by high levels of education, with 31% of Master's graduates completing a high-tech degree (*Source: OECD, www.stats.oecd.org*). Furthermore, with 11% of the labor force working in high-tech sectors in 2018 (including knowledge intensive services and high-tech manufacturing), technology-driven businesses benefit from a broad and attractive talent pool from which to hire employees (*Source: Skills Panorama, www.skillspanorama.cedefop.europa.eu*). For the second consecutive year, Germany ranks number one when it comes to innovation capability. For its macroeconomic stability, it has earned the perfect mark (100%) in the Global Competitiveness Index 2019 (*Source: World Economic Forum, Global Competitiveness Report 2019).*

Furthermore, Germany has a broad trading network that spans the globe and is one of the largest exporters globally with annual goods and services exported worth EUR 1.21 trillion (*Source: Statistisches Bundesamt, Foreign Trade, Ranking of Germany's trading partners in foreign trade, 2020*), and 16% of manufactured exports classed as high-technology (*Source: The World Bank, www.data.worldbank.org,*).

11.3 The Private Equity Industry

Private equity funds and investment companies typically acquire either controlling, co-controlling or influential minority stakes in developing or developed privately held companies. Private equity has consistently delivered returns in excess of public market benchmarks, at generally lower levels of volatility (*Source: The Performance of European Private Equity, Benchmark Report 2019)*. These returns have led to strong growth in allocations to the private equity asset class, driven by the search for yield by institutional investors, resulting from the global low interest environment. Assets under management by private equity and venture capital increased from EUR 468 billion as of December 2015 to EUR 795 billion as of December 2019 (*Source: Preqin/Amundi, Alternative Assets in Europe, September 2020*). In addition to increased allocations, pools of institutional capital have also continued to grow with sovereign wealth and pension funds growing in both number and size, and private wealth also increasingly focusing on the asset class (*Source: Bain & Company, Global Private Equity Report 2020; Preqin, Preqin Investor Update: Alternative Assets H2 2020).*

11.4 German *Mittelstand*: Market Structure and key Peculiarities

Traditionally, Germany has been – and still is – home to a significant number of small and medium-sized enterprises, for which the term "*Mittelstand*" has become established and is also used outside of Germany to describe the size, structure and quality characteristics of these companies. It encompasses a wide range of companies, including in relation to their size. Official statistics in Germany and the European Union essentially define companies as small and medium-sized companies ("**SMEs**") based on either their annual turnover or their number of employees. According to this, companies with either less than EUR 50 million in annual sales or fewer than 500 employees are referred to as SMEs. The term medium-sized companies is also used for companies whose key figures are above these limits.

DBAG mainly targets companies in the "upper *Mittelstand*" segment that generate annual revenues of more than EUR 50 million per year. There are around 9,000 companies in this segment of the market in Germany, with a turnover of between EUR 50 million and EUR 250 million *(Source: Statistisches Bundesamt, Fachserie 14 Reihe 8.1 Umsatzsteuerstatistik*). DBAG is of the opinion that the special quality characteristics of the SMEs in the broad *Mittelstand* class also essentially apply to the companies in this "upper *Mittelstand*" market segment.

In total, 3.79 million companies in Germany classify as SMEs, 99.95% of all companies registered, of which around 9% have ten or more employees (*Source: KfW, Annual analysis of the structure and development of SMEs in Germany, 2020*). In R&D-intensive manufacturing, the SME productivity index rose from 100 in 2003 to 138 in 2019 (*Source: KfW, Annual analysis of the structure and development of SMEs in Germany, 2020*). In addition, 40% of German SMEs operate in knowledge-intensive services, comprised of service sub-sectors that require employment of an above-average share of university graduates or services with a strong focus on technology, such as data processing and telecommunications (*Source: KfW, Annual analysis of the structure and development of SMEs in Germany, 2020*). These knowledge-intensive service businesses benefit from structural growth fueled by a robust and innovative base of German start-ups, which grew at 16.7% between 2017 and 2018, thereby underlining Germany as a global center for technology and innovation (*Source: KfW, Annual analysis of the structure and development of SMEs in Germany, 2019*), and providing a large pipeline of future world market leaders.

In addition to high innovative strength, the German economy is characterized by a comparatively high share of the industrial sector in gross domestic product compared to other industrialized countries of around 30%; in comparable European countries (France, Great Britain, Italy) it is only around 20% (*Source: World Bank, quoted from www.destatis.de, Anteile der Wirtschaftssektoren am Bruttoinlandsprodukt (BIP) in den wichtigsten Industrie- und Schwellenländern im Jahr 2019).* The high export orientation of *Mittelstand* companies is due in particular to the products and services these companies offer. For example, German mechanical and plant engineering companies are among the world's leading suppliers. In 2018, Germany was among the world's top three exporting countries in 26 of 31 statistically verifiable branches of mechanical engineering *(Source: VDMA, Mechanical engineering – figures and charts 2020)*. In drive technology (around EUR 76 billion in world trade volume), which is among the five branches with the largest global trade volume, Germany led with 21.3%, as well as in materials handling technology with 18.6% *(Source: VDMA, Mechanical engineering – figures and charts 2020)*.

As described, *Mittelstand* companies dominate the economic and industrial landscape in Germany in mechanical and plant engineering as well as automotive supply and the manufacturing industry as a whole. Many of the companies are highly specialized and have an outstanding position in their often global niche markets. The task of adapting their business models in the course of the digital transformation is an overriding theme which affects most of these companies. This results in high sales potential for software companies and IT service providers. Competent providers of industry-specific software products and services have the best prospects. Germany, with a quarter of the market volume, represents the largest software market in Europe. It grows, like the market for IT services, notably stronger and its development during difficult economic periods is more stable than in other sectors.

Given this background, in addition to investments with an industrial link, DBAG focuses also on software companies and IT services providers offering products and services that are crucially important for their clients' success.

11.5 Italy: Market Structure Overview

In terms of national gross product, Italy has the fourth largest economy in Europe *(Source: Eurostat, quoted from deStatis, https://de.statista.com/statistik/daten/studie/188776/umfrage/bruttoinlands-produkt-bip-in-den-eu-laendern/).* The economic structure is largely comparable to that of Germany; this is especially true for Northern Italy, which represents the largest share of the country's GDP, accounting for 55% (*Source: World bank, Statista 2020*). Also similar to Germany, the structure of the Italian market is characterized by a high share of smaller companies, accounting for 99.9% of all Italian companies (*Source: EU commission, 2019 SBA Factsheet Italy. Definition of SME: up to 249 persons employed*). As in Germany, family owned businesses play an important role. In Italy, 41% of the 500 largest companies (excluding banks and insurance companies) are family owned businesses, which is in excess of the respective figure for Germany (35%) or France (24%) (*Source: Bocconi, XI Osservatorio AUB LE IMPRESE FAMILIARI E IL MONDO, 2019*). Italian industrial companies set the international benchmark in many high-end segments. Its industry's principal activity is also the country's most important export market: mechanical engineering *(Source: Germany Trade & Invest, Wirtschaftsdaten kompakt Italien Mai 2020).*

Like in Germany, the Italian private equity market has grown well. In 2019, transactions with an enterprise value of well over seven billion euros were concluded, compared to slightly more than EUR 14 billion in Germany. Management buyouts account for the largest share of transactions conducted by far in both countries *(Source: AIFI Italian Private Equity, Venture Capital and Private Debt Association, 2019 The Italian Market).*

11.6 M&A activity in the German *Mittelstand* market

In general, the development of the M&A market can be evaluated by three parameters, namely the number of transactions, their size and the availability of financing sources (both debt and equity). The market is divided into transactions in which strategically motivated buyers acquire a company and those in which financial investors become active. The size of the market volume and the distribution of the market between the two groups of buyers change from year to year and they are to a large extent shaped by individual large transactions. Publicly available information on this market only covers a part of the market, some transactions are not made public or parameters of known transactions are estimated.

German buyout transactions showed a robust volume of investments in the face of the COVID-19 pandemic in 2020, but still declined to EUR 9.4 billion (equity investments) in 2020 from a record level of EUR 11.5 billion in 2019. The absolute number of transactions also decreased within the same period from 169 buyouts in 2019 to 134 transactions in 2020 (*Source: BVK Statistics full year 2020*). Most transactions, however, take place outside the market targeted by DBAG: 96 of 134 buyouts in 2020 were in the size class of less than EUR 50 million. DBAG, on the other hand, is aiming for buyouts in which at least EUR 40 million equity is invested.

Transactions with investments by a financial investor in the upper *Mittelstand* are essentially based on three sources: corporations outsource certain business areas (group spin-offs), financial investors sell their investments, for example to other financial investors (secondaries), or company founders or family shareholders sell (for different reasons) their companies. Transactions in family owned *Mittelstand* companies are mainly driven by a lack of concrete succession plans by the business owners, usually founders, thereby necessitating a sale upon reaching retirement age. Given DBAG's extensive and long-tenured relationships with *Mittelstand* business owners, and its broad network of experienced individuals and advisors well-connected in this space, DBAG believes it has unique access to a large number of companies meeting DBAG's acquisition criteria that are seeking a solution to their succession issues.

Furthermore, DBAG believes that, beyond any succession issues, German SMEs will be increasingly looking for larger platforms to cooperate with (cooperate with larger platforms or expand, broaden and deepen own business), given the need for internationalisation and operational enhancement in a competitive global environment, and the larger investments required to implement such initiatives.

The factors mentioned above reinforce DBAG's belief that it will be able to continuously source attractive targets within its acquisition criteria. DBAG is convinced that Germany, its primary market for deal sourcing, will remain attractive for the acquisition of leading companies in the *Mittelstand* market.

11.7 Historic and recent Market Activity in Germany

Due to the limited size and varied structure of the private equity market as part of the M&A market in Germany, comparisons over short periods of time are only of low informational value. Transparency is also limited: for every transaction on which a value is published, there are several transactions on which no quantitative information is released. As a result, the statistical information available from various sources does not provide a full picture of market activity.

In addition, any trend forecasts made on the basis of the most recent transactions have limited informational value following the outbreak of the COVID-19 pandemic. DBAG's dealflow statistics as well as market intelligence proved that the COVID-19 pandemic led to a slow-down in the second quarter of 2020. However, M&A activity started to pick up again in the second half of 2020 *(Source: GCA Altium, MidCapMonitor Q3 2020; BVK Statistics first half year 2020; FINANCE Magazin, Buy-out-Statistik 2020).* It is impossible to predict the extent of the recovery and whether all market segments will benefit equally DBAG expects that as the recovery progresses, the long-term market trends which shape its business will regain their previous significance; these are outlined below.

During the twelve-month period ended December 31, 2020, 221 transactions involving financial investors were registered in Germany, which is 4 fewer transactions than in the twelve-month period ended December 31, 2019. This is largely due to low transaction activity in the first half-year of 2020. From January to June 2020, private equity firms completed 94 transactions, compared to 127 transactions in the following six months. The aggregate value of private equity transactions has increased to EUR 34.6 billion in 2020 compared to EUR 32.2 billion in 2019, which is mainly due to a single transaction valued at EUR 17.2 billion in 2020, which is by far the highest value to date for a buyout in Germany (*Source: EY, Private Equity – Private-Equity-Markt überwindet Corona-Schock, Dezember 2020*).

Management buyouts continue to dominate the private equity business in Germany. In 2019, EUR 10.6 billion, or 74% of all funds invested in Germany, were allocated to this type of majority acquisition. Growth financing accounts accounted for 13% of investments. Both percentages have remained relatively stable over the years (*Source: German Private Equity and Venture Capital Association, Market statistics, investments according to financing purpose, German Equity Capital Market 2019, February 2020*).

The data on the market as a whole is often dominated by individual, particularly large-scale transactions. For its segment of the market, DBAG has been collecting detailed data on transaction activity since 2004, based on unchanged criteria, with the support of German industry magazine FINANCE. The analysis only takes into account transactions in which financial investors acquired a majority stake in companies alongside the management team, and where the transaction value for the debt-free company was between EUR 50 and 250 million. This information was compiled from publicly available sources, together with estimates and research by DBAG in cooperation with the German industry magazine FINANCE. Private equity companies financed buyouts of German mid-market companies with an aggregate volume of around EUR 4.0 billion in 2020, as against EUR 5.4 billion in 2019. At EUR 118 million, the average company value was slightly larger compared to 2019 (EUR 106 million). Competition is intense: 25 private equity firms were involved in the 34 transactions observed in 2020. Around 56% of the transactions in 2020 (19 out of 34) were structured by multinational, pan-European private equity funds (2019: 31 out of 51).

Based on this data, private equity continued to grow in popularity with Germany's *Mittelstand* companies: well over half of all MBOs in the mid-market segment of the German buyout market in 2016-2020 involved the sale of a mid-sized company by private (family) owners to a financial investor. Over 2004-2015, this share averaged only about one tenth.

11.8 Structurally growing market

Given the need for additional equity in German Mittelstand companies, and the tendency to private equity solutions, we recognized a structural market growth within the last years. The total number of transactions in the mid-market for private equity investments (with an enterprise value of EUR 50-250 million) in Germany rose from 24 transactions in 2010 to 51 transactions in 2019, representing a CAGR of 8.7% (*Source: FINANCE, DBAG*). The total transaction value in the mid-market for private equity investments increased from EUR 2.8 billion in 2010 to EUR 5.4 billion in 2019 (*Source: FINANCE, DBAG*), representing a CAGR of 7.0%. In 2020, the number of transactions decreased to 34 transactions with a total transaction value of EUR 4.0 billion, particularly due to the impacts of the COVID-19 pandemic. While also the number of new transaction opportunities in the target markets of DBAG declined from 54 transaction opportunities for DBAG's first fiscal quarter of 2020 to 30 transaction opportunities for DBAG's second fiscal quarter of 2020, due to the impact of the COVID-19 pandemic, in DBAG's first fiscal quarter of 2021 the number of MBO opportunities increased to 55 and the number of Long-term Investment opportunities to 19, illustrating a recovering market environment following the impact of the COVID-19 pandemic (*Source: FINANCE, DBAG*).

11.9 DBAG's leading position in a fragmented market

Based on the analysis described above in section "*—11.7 Historic and recent Market Activity in Germany*", DBAG believes that, over the past ten years, DBAG has achieved the highest share in this fragmented market (25 out of 345 MBOs, equivalent to 7%). Its next closest three competitors have structured 17 and 15 transactions respectively in the market segment analyzed, all other market participants being significantly lower. DBAG's competitors in this market are predominantly unlisted financial investors with correspondingly large private equity funds. They can be broken down into investors that – like DBAG – concentrate primarily on investments in German-speaking countries, and those that pursue a pan-European investment approach. The funds can also be split into those that invest in DBAG's market on an ongoing basis and those that only make occasional investments. Looking at an appropriately long period of time – in line with DBAG's business model – Bregal, Capiton and Paragon rank among its main competitors, based on the number of completed MBOs, in the Germany, Austria and Switzerland region. The group of pan-European funds that invest in DBAG's market more than merely sporadically include Equistone, Triton and H.I.G. Capital.

DBAG accounted for two out of 34 MBOs in the buyout list for 2020 (2019: one out of 51 MBOs). It structured two further MBOs in 2020, which were not reflected in the analysis: in one case, the transaction value was below EUR 50 million, while another MBO involved an Italian company. The sector structure of the buyout market has changed dramatically over recent years: companies from the healthcare and IT services/software sectors accounted for around one third (10 out of 34) of the transactions in 2020 (2019: 16 out of 51). Their average share for the last ten years was less than half this level. In contrast, pure industrial companies appear less frequently on the list of 2020 MBOs than in previous years.

12 BUSINESS

12.1 Overview

We believe we are a leading publicly-listed private equity company. We offer shareholders a strategy aiming for long-term capital appreciation in combination with an attractive dividend by providing access to our Portfolio Companies. At the same time, we provide fund investment services. Our integrated business model is centred around closed-end private equity funds (the "**DBAG Funds**") for investments in equity or equity-like instruments predominantly in privately held companies and represented by our two business segments: the Private Equity Investment Segment and the Fund Investment Services Segment. In our Fund Investment Services Segment we initiate, structure and advise the DBAG Funds, with assets under management of EUR 2.5 billion as of December 31, 2020 (EUR 2.6 billion as of September 30, 2020, EUR 1.7 billion as of September 30, 2019 and EUR 1.6 billion as of September 30, 2018). In our Private Equity Investments Segment we enter into investments, employing our own financial resources, predominantly as a co-investor alongside the DBAG Funds ("**Co-Investments**"), and also, since 2020, independently of these funds ("**Long-term Investments**").

Our primary investment focus, as an investor and fund advisor, is on companies within the German *Mittelstand* with value enhancement potential. We believe that Germany's *Mittelstand* has a large concentration of medium-sized companies from the industrial sector that occupy leadership positions in niche markets (so-called "Hidden Champions"), and growth businesses, which are driven by global megatrends.

We focus on investments in Portfolio Companies which are headquartered, principally conduct their business, or have substantial operations in Germany or in Austria and Switzerland (collectively the "**DACH region**"). Furthermore, in 2020, we expanded our regional investment focus by including investments in industrial companies in Northern Italy, which is home to a large number of mid-sized companies, many of which are family-owned.

We invest in mid-sized companies that we believe are well-positioned with potential for growth. Manufacturing businesses and related service providers, which we believe are the foundation for the excellent reputation that Germany's *Mittelstand* enjoys around the world, have been a focal part of our investments for many years. A growing portion of our portfolio is deployed in the sectors of broadband/telecommunications, IT services/software and healthcare.

As of December 31, 2020, the NAV, which is mainly determined by the value of our 33 Portfolio Companies at such date amounted to EUR 437.3 million (EUR 422.0 million as of September 30, 2020, EUR 472.1 million as of September 30, 2019 and EUR 470.7 million as of September 30, 2018).

For the three-month period ended December 31, 2020 net income for the Group amounted to EUR 24.9 million (EUR -16.8 million, EUR 45.9 million, and EUR 29.7 million for the financial years 2019/2020, 2018/2019 and 2017/2018, respectively).

Net income from investment activity amounted to EUR 23.7 million for the three-month period ended December 31, 2020 (EUR -16.9 million, EUR 49.6 million, and EUR 31.1 million for the financial years 2019/2020, 2018/2019 and 2017/2018, respectively). Cash flow from investment activity amounted to EUR -17.6 million for the three-month period ended December 31, 2020 (EUR -33.5 million, EUR -15.5 million, and EUR -30.6 million for the financial years 2019/2020, 2018/2019 and 2017/2018, respectively).

For the three-month period ended December 31, 2020 income from fund services amounted to EUR 10.8 million (EUR 29.3 million, EUR 27.0 million, and EUR 28.9 million for the financial years 2019/2020, 2018/2019 and 2017/2018, respectively). For the three-month period ended December 31, 2020 earnings from fund investment services amounted to EUR 4.8 million (EUR 9.5 million, EUR 3.0

million, and EUR 5.6 million for the financial years 2019/2020, 2018/2019 and 2017/2018, respectively).

12.2 Strengths and Strategy

(a) Key Competitive Strengths

We believe that the following competitive strengths have been and continue to be the primary drivers of our success.

(i) Highly experienced and motivated Investment Team.

We believe that our Investment Team (for more detailed information about our Investment Team, please see section "*—12.7 Investment Team*" below) of three board members, nine senior members acting as deal captains ("**Deal Captains**") and a total of 27 investment professionals as of the date of this Prospectus is among the largest and most experienced Investment Teams in the German private equity mid-market. Our nine Deal Captains have been with the firm for an average of 13 years and the entire Investment Team's combined private equity experience totals more than 250 years as of the date of this Prospectus. In recent years, certain centralized functions within the Investment Team have additionally been created or expanded, currently comprising three employees in research and business development, one debt financing specialist, who supports the Investment Team in obtaining acquisition financing and dealing with finance matters relating to the Portfolio Companies, as well as two experienced inhouse M&A lawyers, who provide support with regard to contractual negotiations and legal structuring. Our corporate functions enable the Investment Team to fully focus on transactions and the Portfolio Companies of the DBAG Funds by performing investor relations, legal (corporate), tax, investment controlling and accounting functions, among others. We intend to further expand our Investment Team to push our Long-term Investments strategy and to further support growth across our portfolio.

One of our fundamental philosophies is to align our interests with those of our Investment Team members and with the interests of the investors in DBAG Funds. Therefore, we require members of the Investment Team to make significant personal co-investments alongside DBAG and the DBAG Funds, as is typical in the private equity industry. In addition to their returns on these co-investments, they receive a profit share ("carried interest") which is conditional upon the fund investors and DBAG having realized their entire invested capital plus a preferred return, typically of 8% annually (see section "*19. Certain Relationships and related Party Transactions*" below). The total amount of these personal co-investments was EUR 20.5 million as of 31 December 2020. For Long-term Investments, such alignment of interests is achieved through a bonus system. The members of our Board of Management who belong to the Investment Team are entitled to receive a bonus for the performance of our Long-term Investments (see section "*18.2 Board of Management*" below).

The Investment Team is complemented by a wider network and a wealth of industry experience provided by our Executive Circle network (for more detailed information about the Executive Circle, please see section "*—12.8 Executive Circle*" below), which consists of entrepreneurial managers, many of whom being former executives of DBAG Portfolio Companies, and who we believe bring a wide range of skills, operating experience and knowledge that supplements our knowledge in the sectors, in which we and the DBAG Funds invest. The members of the Executive Circle contribute to deal sourcing, support investment decisions and assist and advise on Portfolio Company development. Furthermore, during the holding period of an investment, Executive Circle members will typically be appointed to serve as non-executive members of the advisory/supervisory boards of the Portfolio Companies.

(ii) Strong brand provides access to promising investment opportunities.

From its inception in 1965, DBAG has acted as manager or adviser to investment funds, which as of the date of this Prospectus have completed numerous private equity investments, with particular focus on the DACH region, including 59 investments in MBOs since 1997, the year of DBAG's first MBO, until December 31, 2020 (the "**MBO Track Record**"). DBAG and the relevant funds have realized 32 of the investments in the MBO Track Record, resulting in a combined realized gross internal rate of return ("**IRR**") of 111% and a gross money multiple ("**MM**") of invested capital of 2.7x. In addition, 20 minority investments have been structured since 1997 until December 31, 2020 with the aim of driving corporate growth. Of these minority investments 14 have been sold, resulting in a combined realized gross IRR of 16% and a gross MM of invested capital of 3.4x as of December 31, 2020. The first Long-term Investment was made at the end of September 2020.

We believe that DBAG's proven track record has provided us with a strong reputation in the private equity investments market. We believe that the public listing of DBAG's shares, including on the Frankfurt Stock Exchange in the Prime Standard (which we believe is the highest possible listing segment in terms of transparency) is a "seal of quality" and leads to a permanent presence in the capital market helping to drive brand recognition. This results in DBAG being seen as a "partner of choice" for family owners and management teams and gives us access to investment opportunities that we believe may not be available to other private equity funds.

(iii) Highly competitive business processes

We believe that our high quality business processes are one of our most important competitive advantages. In this regard, we believe that we benefit from our capability to offer a broad range of services from the identification and assessment of transaction opportunities ("invest") through the support of the Portfolio Companies' development process with the aim of creating value ("create value") to the realization of the value appreciation ("realize") upon a Portfolio Company's well-timed and well-structured disinvestment.

All important aspects of the investment process are managed with DBAG's own resources, supported by a broad network of advisers, for example for deal sourcing and due diligence exercises, in tried-and-tested workflows, supplemented by centralized functions within the Investment Team and corporate functions. We believe that the size of our Investment Team and the diversity of skills and experience in our corporate functions allow us to handle key business processes with our own resources. We have greatly standardized our processes in recent years, which we believe enables us to quickly assess transaction opportunities comprehensively. This in turn allows us to submit an offer quickly in competitive situations and thus gain a competitive advantage. The processing of transactions and the support of the Portfolio Companies also benefit from such standardization.

(iv) Strong access to family- or founder owned Mittelstand companies

We believe that we have a proven track record of arranging primary transactions of family- or founder-owned businesses. 28 out of the 59 investments in our MBO Track Record were former family owned businesses and we believe that a high concentration of former family or founder owned businesses in the DBAG Funds' portfolios differentiates us from many of our competitors. Between 2011 and 2020, 58% of the MBOs performed by DBAG Funds and DBAG were MBOs of family owned businesses, as compared to 35% for sellers of German mid-market MBOs during the same period (*Source*: *FINANCE Magazin, Buy-out-Statistik 2020, dated October 2020; DBAG*). In our view one of the key factors for accessing attractive investment opportunities for investments in *Mittelstand* companies is our deep understanding of the *Mittelstand*, which is supported by our ability to "speak the *Mittelstand* entrepreneur's language", both in a direct sense (German language) and in a figurative sense (sector and *Mittelstand* expertise), as well as being headquartered in Frankfurt am Main, Germany. This cultural fit is further supported by our investment approach which is based on deep understanding of business models rather than primarily on financial engineering.

(v) One-stop shop for equity solutions for Mittelstand companies.

In recent years, we have positioned DBAG as a "one-stop-shop" for equity solutions for *Mittelstand* companies. Above all, our focused and disciplined investment strategy contributed to this.

Through offering Long-term Investments (please also see section "*—12.3 Our integrated Business Model—(c) Private Equity Investments Segment—(ii) Long-term Investments*" below) in addition to advising in respect to and investing in MBOs, we provide the full spectrum of financing solutions for potential target companies. We believe that being able to offer Long-term Investment solutions will open doors to family owned businesses, which are difficult to access for other private equity houses, who can only pursue investments with shorter holding periods. As a private equity investor with the ambition to unlock the value creation potential of its Portfolio Companies within the holding period, DBAG also clearly differentiates itself from holding companies that follow a buy-and-hold-strategy. We also believe that synergies for the DBAG Funds may result from this broadened market access and collaboration within the Investment Team, and that there may be situations in which discussions with families about a Long-term Investment scenario result in the family owning the business deciding that an MBO with the DBAG Funds is the better solution for the family and/or the business.

(b) Our Strategy

We intend to create value for our shareholders by implementing the following strategies:

(i) Build the value of our Private Equity Investments Segment

Building the value of our Private Equity Investments Segment in the long-term requires investments to be made in promising mid-market business models. To grow the value of private equity investments, we support the strategic development of our Portfolio Companies during the investment period. The increase in value is realized by way of recapitalization measures and finally the disposal of the investment. The higher the increase in value that can be realized with the investments made, and the higher the proportion of the returns from earlier investments that is re-invested in new investments, the greater the increase in the NAV of the Private Equity Investments Segment.

(ii) Build the value of our Fund Investment Services Segment

An increase in the value of our Fund Investment Services Segment requires a substantial volume of assets under management or advisory that increase in the medium-term. The value of the Fund Investment Services Segment is measured by the long-term growth in fee income from fund services, which tends to be volume-based, and the extent to which it exceeds the corresponding expenses. The value of the Fund Services Segment can be determined using the DCF method or by applying an earnings multiple based on a peer group or market transactions. Thus, the value of the Fund Investment Services Segment increases if the excess of income over expenses increases.

(iii) Have shareholders participate in our success with stable, rising dividends

We intend to have our shareholders participate in financial gains by paying stable dividends that will rise whenever possible. Three aspects play a key role when it comes to deciding on the amount of dividend distribution: the inflow of funds from our two business segments (income from fund services and net inflows after disposals), future liquidity requirements for (co-)investments and securing the dividend capacity in the long-term. DBAG also views an attractive dividend yield as a significant element of shareholders' participation in the Company's success.

(iv) Garner esteem as a financial investor in the mid-market segment

We want to invest the funds that shareholders and fund investors entrust to us. In order to achieve this, we not only need to identify and analyse investment opportunities in our target market. In a highly competitive environment, we have to set ourselves apart from our peers. Esteem and trust are key factors in the decision-making process of families or founders owning businesses, thus, esteem and trust are an important basis for our success.

Esteem and trust are underpinned by our market presence in the German *Mittelstand* spanning decades. Our success is measured in terms of the value appreciation of our Portfolio Companies, *i.e.* the return that we generate on our invested capital. It is at least as important, however, for our investments to continue to grow, expand their market position or boost their earnings power after they are sold.

(v) Garner esteem as an advisor of private equity funds

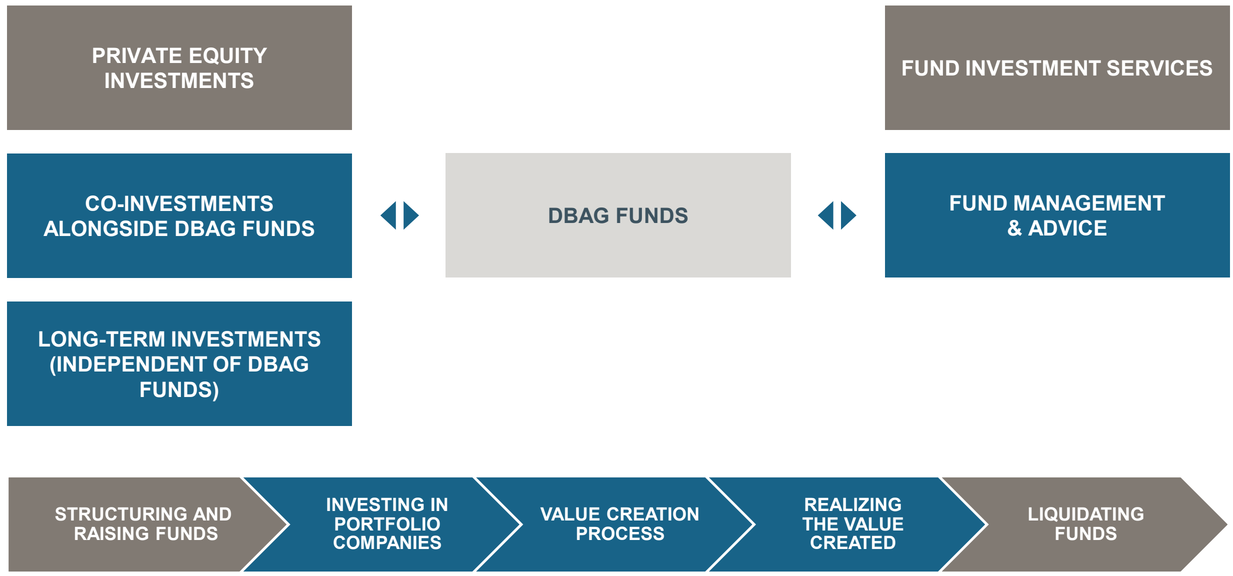
The capital committed to the DBAG Funds constitutes a substantial part of our investment base. The funds are organized as closed-end funds, regularly raising successor funds is therefore a requirement. This is why it is important for investors to value us as an advisor and ideally to invest on a recurring basis. Furthermore, our funds should be sufficiently successful that we are able to maintain and expand our flexibility as regards fund volume and conditions. This will only succeed if investors in current funds achieve commensurate returns, and if we are perceived to be solid and trustworthy. We therefore attach great importance to open, responsible interaction with the fund investors.

(vi) Retain experienced and motivated employees

Our success thrives on the professional and personal skills of our people in all areas of the Company. At the same time, the investment activity requires tremendous commitment and a great amount of resilience from employees, which in turn calls for strong identification with the role. We promote this sense of identification in various ways. We foster a culture of direct communication, team-based project organization and delegating responsibility early on, in all areas of the Company. Our remuneration and incentive system is geared towards encouraging achievement and offering not only a motivating work environment, but also a financial incentive to retain our employees in the long-term, driving our performance at the same time.

12.3 Our integrated Business Model

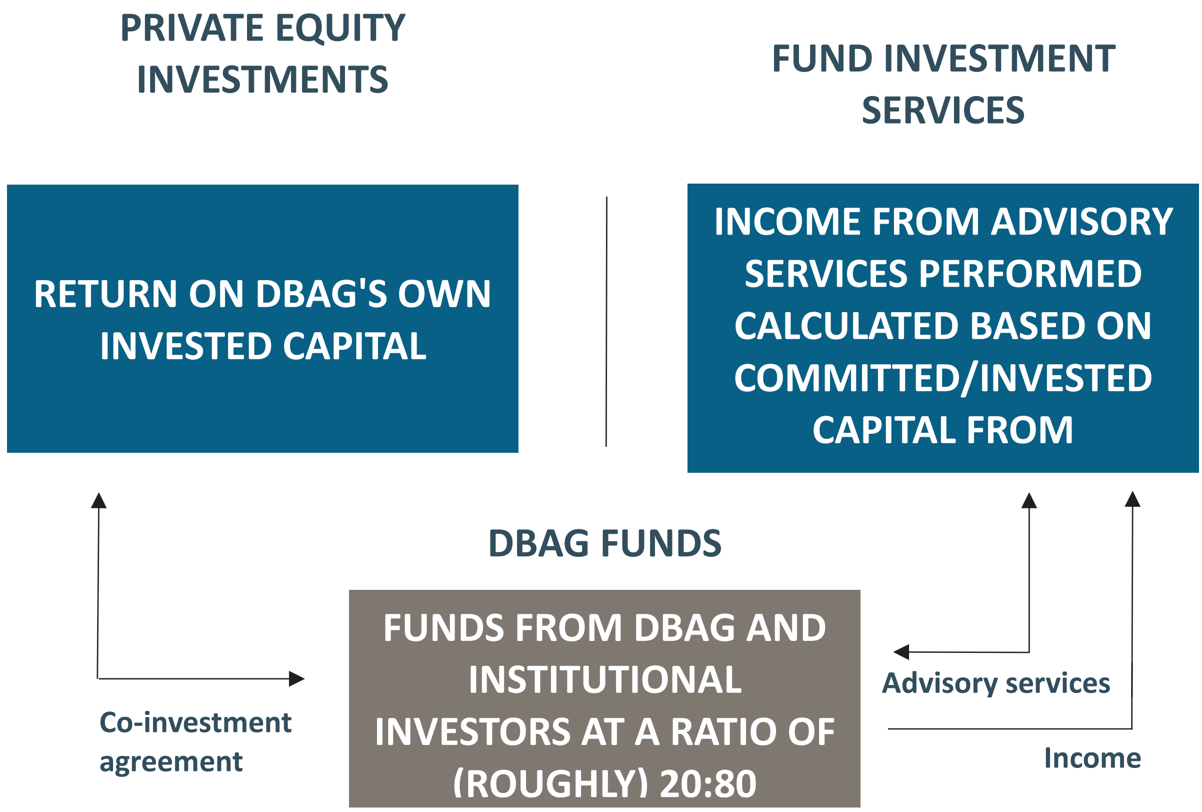
The business model we implemented in order to pursue our strategy of creating value for shareholders is based on two pillars, the Private Equity Investment Segment and the Fund Investment Services Segment. Both segments are closely linked with each other through the DBAG Funds. As the business model is centred around these funds we call it integrated. The following chart illustrates this.



The Company's role with regard to the DBAG Funds is firstly to initiate and structure any new fund and thereafter to manage and advise it through consolidated subsidiaries. The relevant AIFM (as defined below) raises funds from institutional investors and, once the fund is in place, it takes the investment decisions and is responsible for the portfolio and risk management of the fund. We, in our role as Investment Advisor (as defined below), however, source deals, carry out the due diligence, negotiate with the seller of a business and prepare recommendations regarding the investment decision for the AIFM. Moreover, we support the value creation process of the Portfolio Companies, the process of realizing the value created and, finally, the liquidation of the fund.

We also co-invest alongside the DBAG Funds using our own financial resources, with a ratio of roughly 20% in buyout-funds.

The following chart illustrates the interaction between the DBAG Funds and our two business segments:



Moreover, since 2020, as part of our Private Equity Investments Segment, we also enter into Long-term Investments using our own financial resources (*i.e.* not alongside the DBAG Funds). With anticipated holding periods of at least seven years our Long-term Investments exceed the typical holding periods for private equity funds and are therefore outside the investment strategies of the existing DBAG Funds.

In our Private Equity Investment Segment we create value through our Co-Investments and Long-term Investments. In our Fund Investment Services Segment we create value by the advisory services provided to the external institutional investors of the DBAG Funds.

Raising capital for DBAG Funds is advantageous for DBAG and its shareholders, as well as for the investors in the funds for the following reasons:

- Shareholders of DBAG participate in both the fee income generated from investment services provided to the DBAG Funds, that we receive from investors on the basis of their committed/invested capital, and the value appreciation from the co-investments in these funds (*i.e.* the return on our own invested capital);

- The DBAG Funds' assets create a substantially larger capital base, which enables us to invest in larger companies without reducing the diversity of the portfolio;

- As a special investment company (*Unternehmensbeteiligungsgesellschaft* – "**UBG**"), a status that provides for relief from trade tax, DBAG is only permitted to acquire majority interests in companies within strict limits; together with the DBAG Funds, however, it can also acquire majority interests in companies, *e.g.* by way of management buy-outs ("**MBO**").

- The fund investors can be assured that the interests of their advisor are — as a result of its role as a co-investor— fully aligned with their own interests.

(a) The DBAG Funds

The following table includes key information on the currently existing DBAG Funds, including the share of DBAG's Co-Investment in each of such funds.

Fund	**Target**	**Start of investment period**	**End of investment period**	**Size (in EUR million)**	**Thereof DBAG(1) (in EUR million)**	**Share of DBAG's Co-Investment**
DBAG Fund IV (in liquidation)	Management-buy-outs	September 2002	February 2007	322	94	29%
DBAG Fund V	Management-buy-outs	February 2007	February 2013	539	105	19%
DBAG Expansion Capital Fund (ECF)	Growth financing	May 2011	May 2017	212	100	47%
DBAG ECF first new investment period (DBAG ECF I)	Growth financing and small buyouts	June 2017	June 2018	85	35	41%
DBAG ECF second new investment period (DBAG ECF II)	Growth financing and small buyouts	June 2018	December 2020	97	40	41%
DBAG Fund VI	Management-buy-outs	February 2013	December 2016	700	133	19%
DBAG Fund VII	Management-buy-outs	December 2016	July 2022	1.010[2]	200[3]	20%[4]
DBAG Fund VIII	Management-buy-outs	August 2020	December 2026 (at the latest)	1.109[5]	255[6]	23%[6]

(1) DBAG Fund VI, DBAG Fund VII, DBAG Fund VIII each excluding investments made by selected experienced members of the DBAG Investment Team.
(2) DBAG Fund VII consists of two sub-funds, a main fund (EUR 808 million) and a top-up fund (EUR 202 million).
(3) The volume of DBAG's Co-Investment was EUR 183 million for the main fund and EUR 17 million for the top-up fund.
(4) The proportion of Co-Investments amounts to 20% for the main fund and 8% for the top-up fund.
(5) DBAG Fund VIII consists of two sub-funds: a main fund (EUR 910 million) and a top-up fund (EUR 199 million). The top-up fund invests exclusively in transactions involving an equity investment, whose total exceeds the concentration limit of the main fund for a single investment.
(6) The volume of DBAG's Co-Investment was EUR 210 million to the main fund and EUR 45 million to the top-up fund; the proportion of Co-Investments amounts to around 23% in each case.

As set out in the table above, the existing DBAG Funds are in different phases of their life cycles:

- DBAG Fund IV has sold all of its Portfolio Companies. It is in liquidation. The final distribution was paid out to investors as of December 31, 2019 and the entry in the commercial register will be deleted after the final tax notices are submitted.

- Its two follow-on funds, DBAG Fund V and DBAG Fund VI, are in the disinvestment phase. DBAG Fund V has sold ten of its original eleven Portfolio Companies. DBAG Fund VI still holds investments in seven out of a previous total of eleven management-buy-outs ("**MBOs**"), of which three are already partly realized and one has filed for insolvency.

- The DBAG Expansion Capital Fund ("**DBAG ECF**") consists of three investment periods (so-called "**Vintages**"). The first investment period commenced in May 2011 and ended in June

2018 (original Vintage). DBAG ECF made growth financing available to a total of eight companies and entered into one MBO. Three of these investments have since been realized. The second investment period commenced in June 2017 and ended in June 2018 ("**ECF I**") Three MBOs were made during the investment period, none of which has been sold as of the date of this Prospectus. The third and last investment period commenced in June 2018 and ended in December 2020 ("**ECF II**"). As of September 30, 2020, around 72% of the capital commitments of DBAG ECF II were invested; the remaining capital commitments could be used for follow-on investments, as usual. Three MBOs were made during the investment period, none of which has been as of the Date of this Prospectus. As no successor fund of ECF II was formed, long-term growth financing is now in principle provided through our Long-term Investments using exclusively our own financial resources.

- DBAG Fund VII has been raised in 2016, and consists of two sub-funds, a main fund (EUR 808 million) and a top-up fund (EUR 202 million). The top-up fund invests exclusively in transactions involving an equity investment, whose total exceeds the concentration limit of the main fund for a single investment. The fund's investment period commenced in December 2016. Since then, DBAG Fund VII has structured ten MBOs. As of September 30, 2020, around 77% of the capital commitments of DBAG Fund VII were invested. The fund may make further investments and its investment period lasts at least until July 2022. We committed to co-invest around EUR 200.0 million alongside DBAG Fund VII.

- The placement of DBAG Fund VIII was concluded in May 2020 with a volume of EUR 1,109 billion. DBAG Fund VIII is comparable to DBAG Fund VII and also consists of two-sub-funds, a main fund and a top-up fund. The main fund will predominantly structure equity investments of between EUR 40 and EUR 100 million. Including the top-up fund, up to around EUR 220.0 million may be invested in a single transaction. The investment period of DBAG Fund VIII commenced in August 2020 and will end at the latest in July 2026. As of the date of this Prospectus, we have structured three MBOs for DBAG Fund VIII; the investments as of September 30, 2020 amounted to around 16% of the total capital commitments. We committed to co-invest around EUR 255.0 million alongside DBAG Fund VIII.

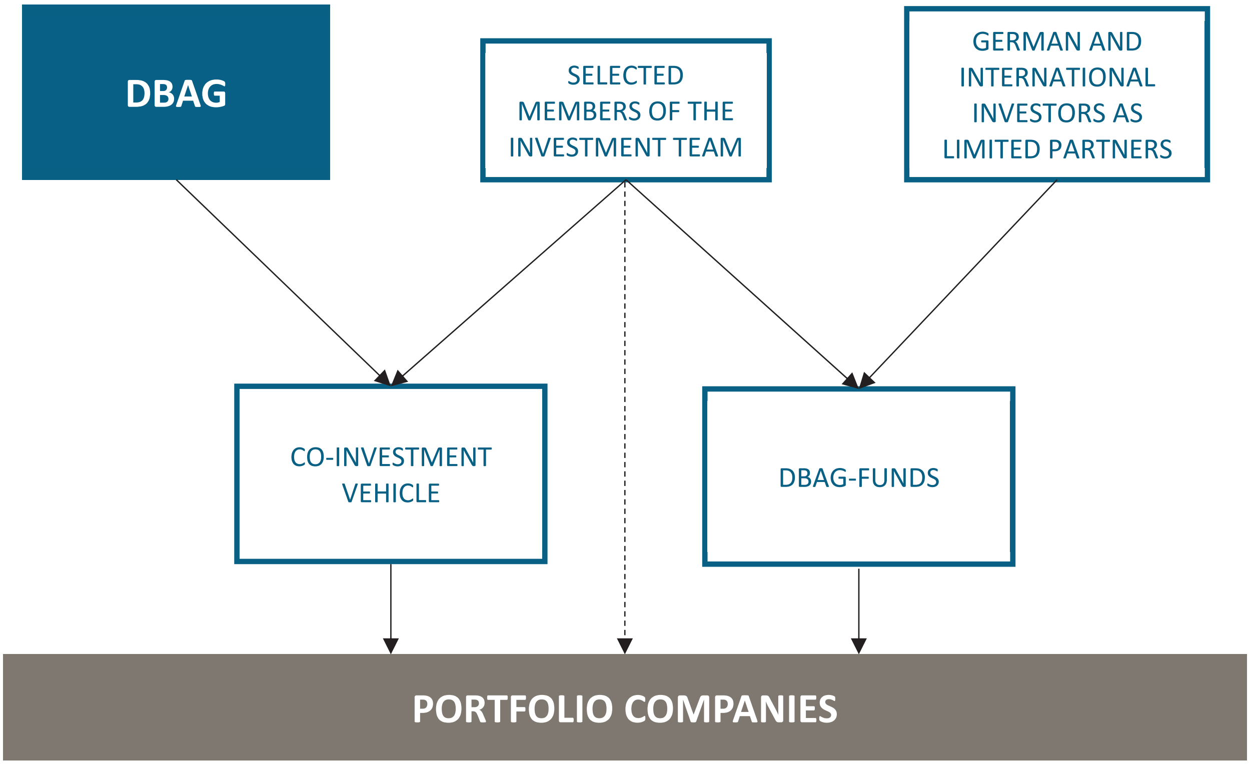
(b) DBAG's role regarding the DBAG Funds

The Company's role regarding the DBAG Funds is first and foremost to initiate and structure new DBAG Funds which, in turn, defines the Company's investment strategy with regard to its Co-Investments alongside the funds. DBAG Group companies, DBG Managing Partner GmbH & Co. KG and DBG Management GP (Guernsey) Limited, act as the alternative investment fund managers ("**AIFM**") for the DBAG Funds and DBG Advising GmbH & Co. KG (the "**Investment Advisor**") – its managing limited partner being DBAG – acts as the Investment Advisor for the AIFMs.

The investment advisory services provided by the Investment Advisor through our Investment Team (for more detailed information on our Investment Team, please see section "—*12.7 Investment Team*" below) to the DBAG Funds can be split into three material processes: (1) the identification, assessment structuring and execution of investment opportunities ("invest"), (2) the support of the Portfolio Companies' value creation process ("create value"), and (3) the realization of the value appreciation ("realize") upon a Portfolio Company's well-timed and well-structured disinvestment. The below chart provides an overview of these processes. For a more detailed description, please see section "—*12.4 Our Investment Processes*" below.

As Investment Advisor we prepare the recommendations for the AIFM's investment decisions, *e.g.* on new investments or disposals of the DBAG Funds, which are finally taken by the board of directors of the AIFM. Moreover, the AIFM takes all typical shareholder decisions relating to the Portfolio Companies in which the DBAG Funds directly invest (for example election and appointment of board members and directors of Portfolio Companies, approval of annual budgets and financial statements, approval of dividends and capital increases). The independence of the AIFM and its decisions is strengthened by the fact that the right to appoint the AIFMs' directors does not lie with DBAG but instead with entities that are controlled by the members of the Board of Management who are also members of the Investment Team (for more information please see sections "*19. Certain Relationships and related Party Transactions—19.2 Relationships to DBG Managing Partner GmbH & Co. KG and DBG Advising GmbH & Co. KG*" and "*19.3 Relationships to DBG Fund HoldCo GmbH & Co. KG and DBG Fund LP (Guernsey) Limited*" below). Furthermore, all events at Portfolio Company level leading to investments or distributions (in particular initial investment and follow-on financing, re-capitalisations, exit), decisions altering the risk/return profile of an investment and the appointment or dismissal of board members of the ultimate Portfolio Company require the prior approval of the AIFM, acting upon advice of the Investment Advisor. The AIFM, its agents and representatives do not participate in the day-to-day management of a Portfolio Company themselves. However, important decisions by the management of the Portfolio Companies typically require approval of the advisory/supervisory board of such Portfolio Company, on which the relevant DBAG Fund is typically represented by a member of the Investment Team.

As co-investor, we co-invest alongside the DBAG Funds on a *pari passu* basis (please also see section *"—12.3(c) Private Equity Investments Segment—(i) Co-Investments alongside DBAG Funds*" below), which means that we co-invest in the same companies on the same terms and in the same instruments as the DBAG Funds. For that purpose, DBAG, via its Group investment entities, enters into co-investment agreements (the "**Co-Investment Agreements**") with each of the DBAG Funds (for a more detailed description of such Co-Investment Agreements, please see section "*13. Material Contracts—13.2 Co-Investment Agreements*" below) that provide for a fixed investment ratio for the lifetime of a fund, which typically ranges between 19% and 25% of the total equity capital invested for investments alongside DBAG Fund VI, DBAG Fund VII and DBAG Fund VIII. These agreed ratios also apply upon an investment's disposal.



(c) Private Equity Investments Segment

The Private Equity Investments Segment comprises our investments in *Mittelstand* companies held by separate Group investment entities, which are either Co-Investments alongside the DBAG Funds or Long-term Investments purely from our own balance sheet (*i.e.* not alongside the DBAG Funds). Income is generated from the value appreciation achieved when investments are disposed of.

(i) Co-Investments alongside DBAG Funds

We enter into Co-Investments alongside the DBAG Funds, primarily through MBOs, with a holding period of five years on average.

Our and the DBAG Fund's (co-)investment activities focus on medium-sized *Mittelstand* companies, *i.e.* companies positioned at the upper end of the *Mittelstand* segment. Depending on the industry, size and earnings situation, the enterprise value of companies in which we invest typically ranges between EUR 50 million and EUR 250 million. These companies usually achieve between EUR 50 million and EUR 500 million revenue per year.

The DBAG Funds and we invest in well-positioned mid-sized companies with potential for growth. Manufacturing businesses and related service providers, which are the foundation for the excellent reputation that Germany's Mittelstand enjoys around the world, have been a focal part of our investments for many years. A growing portion of our portfolio is deployed in the sectors of broadband/telecommunications, IT services/software and healthcare (please also see section "—*12.6 Portfolio Structure—(b) Portfolio by Sector*" below).

We endeavor to maintain a diversified portfolio. For investments in several companies operating in the same industry, we typically ensure that they serve different niche markets, have different regional sales markets or operate in different geographical regions.

We believe that many German medium-sized *Mittelstand* companies have a good market position based on attractive products, sophisticated sales strategies, continuous research and development and other important success factors. We therefore focus on companies, which are either headquartered, or principally conduct their business, or have substantial operations, in Germany or the other DACH region countries. We also invest in companies based in other European countries, in particular in Northern Italy, in sectors in which we have many years of investment experience. For more details on the regional diversification of our portfolio, please see section "*—12.6 Portfolio Structure—(d) Portfolio by Region*" below.

We seek to invest in companies that offer value creation potential with scalable business models driven by global megatrends, which may be exploited, for example, by strengthening their strategic positioning, *e.g.* by introducing a wider range of products or by geographical expansion. The companies in our portfolio use growth through add-on acquisitions as an instrument to accelerate the strategic development quite regularly. Alternatively, we look for companies that have the potential to use add-on acquisitions to drive the process of consolidation in their sector. The improvement of operational processes is part of most of our investment cases.

We attach great importance to management teams with entrepreneurial drive and prepared to realize the agreed objectives. The alignment of interest is ensured by personal investments of the Portfolio Company's management in the respective Portfolio Company.

(ii) Long-term Investments

Moreover, since financial year 2019/2020, we make Long-term Investments using exclusively our own financial resources that exceed the typical holding periods (of five years on average) for private equity funds and may include investments with holding periods of more than seven years, and allow us to pursue investments that are not consistent with the investment strategies of the existing DBAG Funds, *e.g.* longer-term minority investments.

Long-term Investments provide us with the opportunity to develop and implement longer-term value-enhancing strategies without the time limits of a private equity fund, thereby still applying the same disciplined, professional and value-oriented private equity investment approach.

Long-term Investments comprise equity investments in a range between approximately EUR 15 million and EUR 35 million, either as minority investments largely in family-owned businesses as part of a growth financing, or as majority investments largely in special situations, for example, companies with performance driven equity requirements, *e.g.* resulting from the COVID-19 pandemic, companies in need of operational improvements or corporate spin-offs. Moreover, if applicable (*i.e.* in case of larger equity tickets), we may team-up with co-investors (*e.g.* family offices) to structure and finance these investments.

With regard to our Long-term Investments we participate in the performance of the Portfolio Companies we have invested in through dividend payments and the value appreciation achieved upon successful exit from the Long-term Investments.

Our rights and obligations and the rights and obligations of other investors involved, including management, are usually set out in a shareholder agreement or participation agreement, which includes provisions on the exercise of voting rights, sales rights and obligations, profit distribution, refinancing and information obligations.

In September 2020, we have made our first Long-term Investment by acquiring a minority interest in Hausheld AG, a provider of measurement and control systems for the digitalisation of the energy turnaround and highly secure IT solutions for smart cities.

(d) Fund Investment Services Segment

Our investment advisory services (for more information on such advisory services, please see section "*—12.3 Our integrated Business Model—(b) DBAG's role regarding the DBAG Funds*" above) provided to DBAG Funds are bundled in the Fund Investment Services Segment. We manage these processes with our own resources, primarily through our Investment Team.

We receive a volume-related fee (calculated on the basis of the fund volume) for our investment advisory services during the lifetime of a fund, which constitute a recurring and stable source of income. For DBAG Fund VI, DBAG Fund VII and DBAG Fund VIII, fees during the investment period are based on the committed capital. After the investment period has expired, fees are calculated on the basis of the actually 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. The fees for DBAG ECF are based on the invested capital. Additionally, we receive one-off fees based on individual transactions for DBAG ECF I and DBAG ECF II.

Fees for DBAG Fund V are no longer paid as two years have expired since the end of the agreed disinvestment phase.

12.4 Our Investment Processes

We have systematic and proven investment processes in place which apply to both, our own investments within our Private Equity Investment Segment and our advisory services provided to the DBAG Funds within our Fund Investment Services Segment with regard to their investments.

(a) **Investment Process**

(i) Deal sourcing

For identifying investment opportunities we follow a proven multi-channel deal sourcing process, which we apply to both, our own deal sourcing activities regarding our Long-term Investments, and when sourcing deals for the DBAG Funds in our capacity as Investment Advisor to the relevant AIFM within our Fund Investment Services Segment.

Investment opportunities are identified by our Investment Team primarily through utilizing our well-established network of relationships, including our Executive Circle, which we maintain and expand on an ongoing basis. Our long-standing presence in the German private equity market has resulted in a large number of contacts with potential sellers as well as with M&A advisors, (investment) banks and other intermediaries and institutions. We also seek to identify and actively generate attractive investment opportunities through an ongoing interaction with industry insiders, targeted marketing (related to deal sourcing) and participation at industry events (*e.g.* congresses, trade fairs).

Through our network of relationships and the industry expertise we have acquired through many years of experience, which is supplemented by the expertise and knowledge of the entrepreneurial managers of the Executive Circle (please also see section "*—12.8 Executive Circle*" below), who provide access to potential target investee companies, we often gain early access to investment opportunities. In selected cases this can give us access to these companies outside of auction processes. In this way, we can deploy our resources where, in our experience, the likelihood of concluding a transaction is higher than with auction processes. However, we selectively also take part in auction processes, if we are convinced that our deep knowledge of the business model and superior value creation capabilities give us a significant competitive advantage and we therefore believe that the probability of winning such auction process is relatively high.

Our deal sourcing activities are supported by the activities of our research centre (please also see section "—*12.9 Sustainability*" below), which systematically screens industries and companies with a focus on our sectors, to identify attractive investment opportunities. The research centre also provides company profiles and target lists which aim to identify attractive firms or spin-offs which fit our investment strategy by describing products, key financials including profitability, ownership, management, strategy and market positions.

Furthermore, we have implemented a customised customer relationship management (CRM) system and are constantly improving systems and processes to strengthen our deal sourcing efforts.

(ii) Formation of project team

As soon as we have identified an investment opportunity we form a project team, which usually consists of a senior member of the Investment Team as Deal Captain plus one or two additional members of the Investment Team. Each project team is led by a member of our Board of Management who is also part of the Investment Team.

(iii) Investment selection and allocation

As part of the investment process, the investment advisory committee, which meets on a weekly basis to discuss potential investment opportunities, discusses on the basis of a brief overview of the investment opportunity prepared by the project team and the investment criteria mentioned above (please see section "—*12.4 Our Investment Processes—(a) Investment Process*" above) whether the investment opportunity should be pursued in principle.

To avoid conflicts of interest when recommending investment opportunities to DBAG Funds or allocating investments to our Long-term Investments program, we have an investment allocation policy (the "**Investment Allocation Policy**") in place. The Investment Allocation Policy sets out: (i) the basis on which the Investment Advisor will allocate investment opportunities for recommendation; and (ii) the guidelines and procedures which the Investment Advisor will follow when allocating for recommendation investment opportunities which fall within the investment objectives and investment restrictions of more than one DBAG Fund and/or our Long-term Investment program. The allocation decisions are taken by an allocation committee (the "**Allocation Committee**") comprising of at least three members by a simple majority of members of the Allocation Committee. The Allocation Committee maintains documentation (in the form of Allocation Committee minutes) memorializing: (i) its recommendation and whether it considered the investment opportunity to be appropriate for (more than) one DBAG Fund and/or the Long-term Investment Program; and (ii) the rationale for the allocation recommendation, including the factors considered in reaching the allocation recommendation.

In case of a positive initial analysis by the project team, an initial decision paper is being prepared by the project team, which for DBAG Fund investments includes a proposal to the respective AIFM to pursue the investment opportunity. This is the prerequisite for a preliminary offer (letter of intent) to be issued by DBAG (for own investments) or the AIFM (for DBAG Fund investments).

(iv) Company assessment

As a next step, the project team initiates a detailed assessment (due diligence) of the target company. We have developed a thorough and robust process for the assessment and due diligence of target companies. This process follows a structured pattern in order to dedicate resources to the most promising investment opportunities, ensure that all important aspects of a potential investment opportunity are fully explored and verify that the investment criteria have been fulfilled, before any investment decision is being made, whilst also being flexible enough to allow us to react with speed and decisiveness, if required. Based on its understanding of the business model, the project team will propose a due diligence strategy, which typically encompasses a financial, tax, legal, insurance and commercial due diligence (taking into account ecological, social and governance ("**ESG**") compliance) and (upon approval of the AIFM in case of DBAG Fund investments) work with industry experts, strategy consultants, marketing consultants, accountants, tax specialists and lawyers as deemed necessary to execute the due diligence.

(v) Investment memorandum, investment decision

If we, after the completion of the company assessment decide to recommend to pursue an investment opportunity, the Investment Team proposes in the form of an investment memorandum addressed to either DBAG's Board of Management (for Long-term Investments) or the AIFM of the relevant DBAG Fund (for DBAG Fund investments) to submit an offer to the potential seller. With regard to Long-term Investments, the members of the Board of Management who are also members of the Investment Team take the investment decision. If DBAG's investment exceeds an investment amount of EUR 35 million for Long-term Investments or (depending on the DBAG Fund) EUR 27.5 million to EUR 50 million for Co-Investments, the approval of DBAG's Supervisory Board is also required.

The investment decision and binding offer to the seller is being made by DBAG (in case of Long-term Investments) or the AIFM (in case of DBAG Fund investments).

(vi) Signing and closing

The signing and closing of a deal (including the negotiation of the investment agreements and procurement of refinancing funds) is executed by DBAG or (in case of DBAG Fund Investments) managed by DBAG as advisory in cooperation with lawyers.

Transactions (irrespective of whether Co-Investments or Long-term Investments) are structured in a way that ensures a ringfencing between individual investments, ensuring a shielding of risks and liabilities of one investment from other investments of DBAG or the DBAG Funds.

(b) Value Creation Process

Already when evaluating an investment opportunity and during the negotiations on entering into a new investment, our Investment Team, potentially with the support of the entrepreneurial managers of our Executive Circle and other advisers, develops an investment case and discusses on the basis of the insights obtained during the due diligence process with the management team of the potential Portfolio Company the future strategy for the value creation of the Portfolio Company. The investment case is aimed at increasing the Portfolio Company's earnings and the value to be realized when the Portfolio Company is later sold. Part of the investment case is a 100-day-plan with measures for immediate implementation and medium- to long-term measures aimed at (1) strengthening the business model, for example, by undertaking an enhancement of the product or service portfolio and geographical expansion or undertaking add-on acquisitions to accelerate development in order to generate earnings and margin growth (2) optimizing corporate governance and management incentives in order to support necessary change processes (*e.g.* by introducing entrepreneurially driven industry experts to act as independent members of the advisory/supervisory board of the Portfolio Company), and (3) operational improvements and cost reductions.

The strategy of the Portfolio Company is to be implemented independently by its management team. If deemed necessary for the implementation of the business plan, the management of the Portfolio Company may be strengthened by appointing suitable additional members. Alignment of interest is secured by offering the managers to acquire a co-investment in the Portfolio Company. Hence the management team is incentivized by participating in the success resulting from the implementation of the business plan of the Portfolio Company.

The monitoring of the DBAG Funds' Portfolio Companies is handled by the relevant AIFM. We assist the AIFM, however, through a quarterly written status update, which includes the main financial information of the Portfolio Company and a report on its development. For this purpose, the management of the Portfolio Company prepares regular reports (usually monthly, and at least quarterly) to the advisory board and to the shareholder, which include the profit and loss accounts, the balance sheet, information on incoming orders and a budget comparison. The data received is evaluated by our project team and also by our investment controlling department.

During the holding period of an investment, one senior member of our Investment Team will typically be appointed to serve as non-executive member of the advisory/supervisory boards of the Portfolio Companies. In addition, we (for Long-Term Investments) or the DBAG Funds engage entrepreneurial managers, mostly of our Executive Circle, to serve on Portfolio Companies' advisory/supervisory boards. To be eligible to serve as a supervisory/advisory board member, an Executive Circle member should qualify by business knowledge, operational know-how or other valuable support for the business. The election of advisory board members requires the relevant AIFM's approval, for example, through the investment memorandum. Usually, these board members are incentivized by an (indirect) equity participation in the Portfolio Company. The advisory/supervisory boards monitor the management team and provide support as required to ensure that the financial and strategic targets outlined in the business plan are met and the development potential is unlocked by the operating management teams.

During the participation phase, the Portfolio Company may require additional equity capital. This may be due to financing needs for an acquisition of other companies by the Portfolio Company, the implementation of an expansion program or to secure further financing. In such cases, the project team analyzes the situation and the respective planning with the help of external consultants, if necessary, and develops a decision template, on the basis of which DBAG, as far as Long-term Investments and Co-Investments are concerned, and the AIFM of the relevant DBAG Fund decide whether to expand their commitments.

(c) Realization Process

In our experience, it usually takes four to seven years until the implementation of the investment case results in a significant earning increase of a Portfolio Company and the investment can be sold with the targeted return. In case of Long-term Investments with minority stakes, DBAG aims to ensure that realization procedures are agreed upon with the majority shareholder at the time of the investment decision. Portfolio Companies can, however, also be sold after a shorter holding period if there is an opportunity to achieve attractive sales proceeds already earlier. The holding period can also be longer, for example, if expectations have not been met or if a sale is not possible due to an unfavorable economic environment.

For an exit of an investment we generally use three sales options:

- sale to strategic investors;
- sale to financial investors;
- sale on the stock exchange.

In the case of minority investments a sale to the main shareholder of the Portfolio Company may also be an option.

In the past, when investments were sold, the focus was on sales to strategic investors, *i.e.* the sale to another company that can, for example, expand its own product range, regional presence or value chain through the acquisition of the Portfolio Company. We prefer strategic investors as potential buyers as they usually are able to pay a premium in light of the potential for synergies with their existing businesses. However, due to the low interest rate environment in the recent past we have increasingly sold investments to financial investors.

If we pursue a sale on the stock exchange in accordance with the respective situation on the capital markets, such sale is regularly carried out via an initial public offering (IPO) and subsequent sell-downs of the shares in the Portfolio Company by way of block trades or sales via the stock exchange.

For DBAG Fund investments, the initiation of a sales process requires the approval of the AIFM based on a recommendation of DBAG acting as advisor. Moreover, the AIFM will decide whether to sell an investment based on an exit memorandum prepared by the respective project team. In the disinvestment phase, we support the AIFM in the sales process, *e.g.* by searching suitable buyers and structuring, preparing and executing the sale of the investments.

To prepare for the sale of a Portfolio Company to a strategic investor or to a financial investor, as well as for an initial public offering, an investment bank or an M&A advisor is usually commissioned to approach potential buyers and manage the sale or IPO process as a whole.

The timing of the sale depends not only on the implementation of the business plan and the holding period, but also, above all, on the industry cycle, the general economy, the political environment, and the mood on the financial markets and the market for company investments, technological upheavals or progress and a number of other factors.

12.5 Our Main Holdings

The following table provides an overview of our main Portfolio Companies (listed in alphabetical order) as of December 31, 2020.

Company	Acquisition Cost (in EUR million)[1]	Equity Share DBAG (in %)	Investment type	Sector
BTV Multimedia GmbH	8.9	33.6	MBO	Broadband /telecommunications
Cartonplast Holding GmbH	25.3	16.4	MBO	Industrial services
Cloudflight GmbH	10.0	16.8	MBO	Software
Congatec Holding AG	23.8	22.6	MBO	Computer technology
DING-Gruppe	9.6	35.1	MBO	Broadband /telecommunications
DNS:Net GmbH	25.8	15.7	Growth financing	Broadband /telecommunications
duagon AG	23.8	21.4	MBO	Industrial components
netzkontor nord GmbH	5.0	35.9	MBO	Broadband /telecommunications

Company	Acquisition Cost (in EUR million)[(1)]	Equity Share DBAG (in %)	Investment type	Sector
Oechsler AG	11.2	8.4	Growth financing	Automotive suppliers
Pfaudler International S.à r.l.	2.1	17.4	MBO	Mechanical and plant engineering
PM Plastic Materials S.r.l.	11.3	12.6	MBO	Industrial components
Polytech Health and Aesthetics GmbH	14.6	15.2	MBO	Industrial components
Telio Management GmbH	14.3	15.8	MBO	Other
vitronet GmbH	4.5	41.3	MBO	Broadband /telecommunications
von Poll Immobilien GmbH	11.7	30.1	MBO	Services

(1) Acquisition cost represent the initial cost of acquisition of an investment reduced by any recapitalization and/or, if applicable, the partial exit of the investment.

12.6 Portfolio Structure

The following presentation of our portfolio structure is based on the valuation and resulting portfolio value as of December 31, 2020. In the opinion of the Company, this presentation is appropriate in order to analyze the distribution of the investments made and the Company's investment portfolio. The investment in the remaining externally managed international buyout fund and in companies through which retentions for representations and warranties from exited investments are held are recognized under "Other" in the charts shown below.

(a) Risk Diversification of the Investment Portfolio

We strive for a balanced industry division and regional diversification of our investment portfolio. Moreover, to avoid concentration risks, we generally use less than EUR 35 million of our own funds for a single investment; this applies to both Co-Investments and Long-term Investments.

As of December 31, 2020, our largest investment with acquisition cost of EUR 25.8 million was our stake in DNS:NET. As of December 31, 2020, based on the acquisition cost, it accounted for 6.0% of our total portfolio.

Our 15 largest investments (based on their fair value) accounted for around 76% of the portfolio value as of December 31, 2020 (December 31, 2019: 76%).

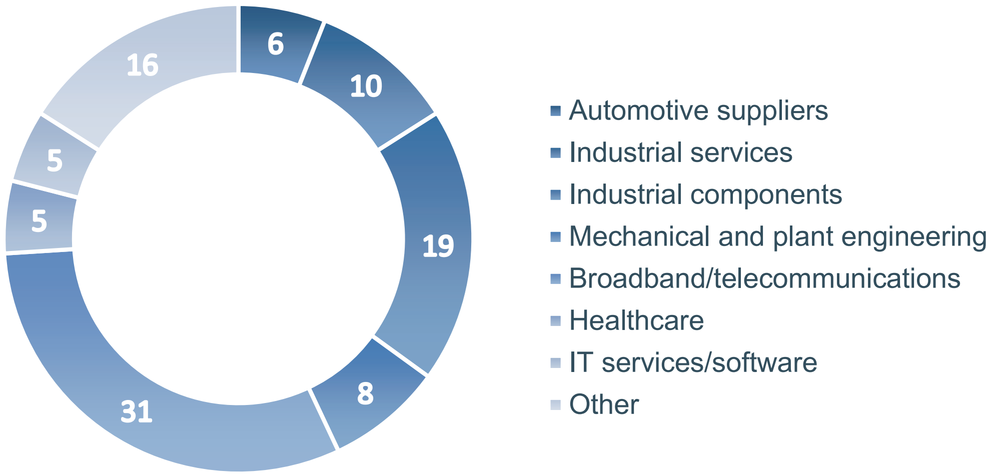
(b) Portfolio by Sector

In order to manage risk, we strive for broad sector diversification. Since 2012, we have significantly increased sector diversification of our portfolio through making investments in new growth sectors, and thus improved resilience of our portfolio. Due to our current sector diversification, we are less reliant on cyclical sectors than in the past, a development that has been particularly evident during the COVID-19 pandemic.

Our portfolio also includes companies whose business model has been given a boost over the last couple of years or in recent months. These include, for example, our investments in the broadband/telecommunications sector or in software companies that are reaping the benefits from the increasing drive towards digitalization in many areas of life and business models.

The following chart provides an overview on the sector breakdown as of December 31, 2020 measured by fair value.

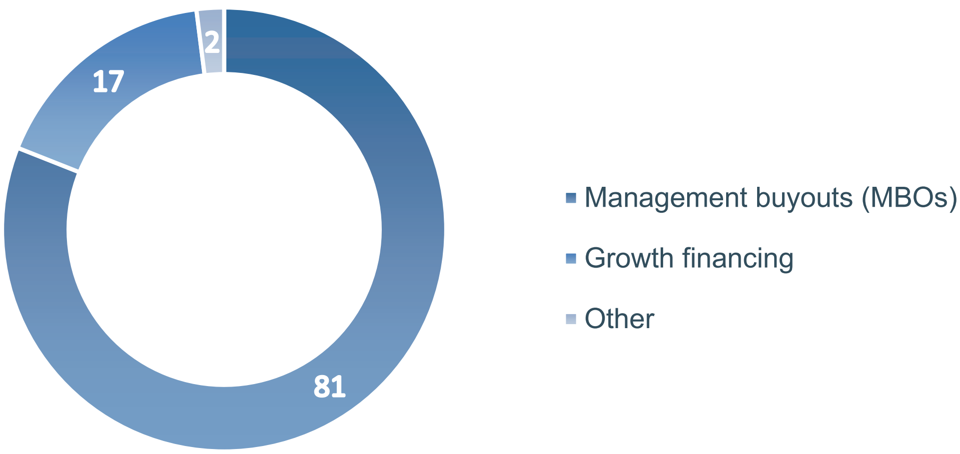
PORTFOLIO VALUE BY SECTORS (%)



(c) Portfolio by Type of Investment

The share of the individual type of investment measured on the basis of fair value reflects mainly our current investment strategy: As of December 31, 2020, MBOs, which are the focus of our current investment strategy, represented 81% of our investment portfolio, growth financings 17% and other type of investments 2%.

PORTFOLIO VALUE BY TYPE OF INVESTMENT (%)



(d) Portfolio by Region

Taking into account the fair value, by far the majority (95.6%) were invested in Germany and in other DACH region countries as of December 31, 2020 (97.3% as of December 31, 2019). Most of the portfolio volume invested outside of Germany, 6.4%, was invested in Switzerland as of December 31, 2020 (9.9% as of December 31, 2019).

Furthermore, in 2020, we have expanded our regional investment focus by including investments in industrial companies in Northern Italy. Our first MBO in Northern Italy, PM Plastic Materials, is

Europe's largest producer of pre-wired and empty cable conduits, used primarily for electrical installations.

Nevertheless, the focus of our investments will be in Germany and in other DACH region countries.

12.7 Investment Team

Our Investment Team is responsible for advising on selecting, evaluating, structuring, diligencing, negotiating, executing, monitoring and exiting investments, as well as pursuing operational improvements. Recently, we have added new members to our Investment Team, which comprises a total of 27 investment professionals, thereof nine Deal Captains as of the date of this Prospectus. These Deal Captains have been with the firm for an average of 13 years and the Investment Team's combined private equity experience totals more than 250 years as of the date of this Prospectus. We have dedicated capacities on Deal Captain-level for both Long-term Investments as well as for Co-Investments and in total provided for sufficient capacities and flexibility within the Investment Team. The Investment Team is led by three members of DBAG's Board of Management, Torsten Grede, Tom Alzin and Jannick Hunecke.

12.8 Executive Circle

Our Investment Team leverages its deal sourcing network through a constant dialogue with current and former managers of companies active particularly within the industries of our sectors. To institutionalize and channel the interaction within our network, we established the Executive Circle. As of the date of this Prospectus it consists of 84 experienced entrepreneurial managers, many from former Portfolio Companies, as well as selected industry managers. Members of the Executive Circle are independent from, and are not employees, directors or officers of DBAG or its subsidiaries.

The members of the Executive Circle are typically compensated based on advisory contracts for specific projects. If they join the advisory/supervisory board of Portfolio Companies, they may receive a corresponding board remuneration and may be granted the opportunity to co-invest with the DBAG Funds in Portfolio Companies which they support.

12.9 Sustainability

We have always been committed to the principles of sustainable corporate conduct. Taking responsibility for the impact that our decisions have, both now and in the future, is consistent with the long-term nature of our business. This includes the decisions we make in the investment process, in the development and subsequent disposal of our Portfolio Companies, and in managing our Company.

In the future, we will also be making this aspiration clear in our core corporate objective: We aim to achieve a long-term increase in the value of DBAG, whilst taking ecological, social and governance (ESG) aspects into consideration. To achieve this objective, in the beginning of 2021, we started to implement measurable sustainability indicators to manage our business, also including our Portfolio Companies.

Our sustainability principles are summarized in an Environment– Social – Governance Policy ("**ESG Policy**"). Our ESG Policy addresses both the integration of the principles for responsible investment in our investment process as well as corporate governance issues. In line with our ESG Policy, we, for example, rule out investments in specific industries and companies – especially any producing arms – from the outset. We also do not engage in hostile takeovers. In addition, we have consistently followed nearly all of the recommendations and suggestions of the German Corporate Governance Code since its introduction (please also see section "*18. Governing Bodies—18.4 German Corporate Governance Code*" below).

To ensure that our Portfolio Companies also meet our high ESG standards, we have defined a process that is part of our analysis before we make any investment decision. Such process observes as many ESG criteria as possible along the value chain focusing not only on risks, but especially on opportunities (*e.g.* the reduction of energy consumption in energy-intensive production to increase a company's result and thus its value). For the review process we not only use our expertise from our numerous investments in the mid-market segment but also rely on experienced and specialized consultants. While we hold an investment, we exert an influence through our active role on the advisory and supervisory boards of the Portfolio Companies as well as through direct interaction with the management. In addition, the Portfolio Companies' quarterly reports on their business performance include improvements in ESG matters.

Moreover, the DBAG Funds have a contractual obligation to take ESG aspects into account in their portfolio management and to regularly report on ESG matters.

In order to meet our high compliance standards both within our Company and in our dealings with Portfolio Companies, we have introduced in 2012 and since then have continued to improve a far-reaching compliance system that documents and regulates our obligations. Our code of conduct sets out our central values and guiding principles. In addition, our compliance guideline sets out detailed provisions and information on implementation with regard to business trips and hospitality or dealing with gifts and invitations. There are also precise requirements governing the organization and monitoring of the compliance system – including its enhancement, and regular training sessions for all employees.

Our high standard for compliance is also taken into account in the due diligence process when evaluating new investments, and support our Portfolio Companies in promoting the establishment and enhancement of compliance systems, if required.

Acknowledging that our employees are our most important resource, we want to offer all DBAG employees the best possible working environment. This includes health-promoting measures as well as appropriate equipment for our workplaces. We promote a culture of respect, openness and flat hierarchies – just as we promote professionalism, stable processes and ongoing professional development. Our remuneration system ensures that all employees participate in the Company's success.

In addition, the charitable foundation "Gemeinnützige Stiftung der Deutschen Beteiligungs AG" forms the basis of our ongoing social and cultural commitment. It aims to support active and former employees of current and previous Portfolio Companies and their relatives in times of need.

Furthermore, since 2011, we have been involved in the Carbon Disclosure Project surveys, a global non-profit organization that represents major institutional investors. It collects data on company greenhouse gas emissions, among other things, on behalf of institutional investors – *i.e.* also for our Company's shareholders. The annual survey, which going forward will also include our Portfolio Companies, provides us with a good pool of data to facilitate continuous improvements in our level of carbon emissions.

12.10 Employees

DBAG Group had 79 employees as of December 31, 2020 (excluding the members of the Board of Management). As of the date of this Prospectus, DBAG Group had 80 employees (excluding the members of the Board of Management).

The following table below shows the average number of employees of DBAG Group for periods and dates indicated.

Average Number	As of the Date of this Prospectus	Three-month period from October 1, 2020 to December 31, 2020	Financial year from October 1, 2019 to September 30, 2020	October 1, 2018 to September 30, 2019	October 1, 2017 to September 30, 2018
Full-time	65	64	59	58	55
Part-time	13	12	12	12	8
Apprentices	2	3	5	5	5
Employees total(1)	80	79	76	75	68

(1) Excluding members of the Board of Management.

The table below shows the average number of DBAG Group's employees, including apprentices broken down by functions for the periods and dates indicated:

Average Number	As of the Date of this Prospectus	Three-month period from October 1, 2020 to December 31, 2020	Financial year from October 1, 2019 to September 30, 2020	October 1, 2018 to September 30, 2019	October 1, 2017 to September 30, 2018
Management	4	3	3	3	3
Investment Team	24	25	22	21	21
Corporate Functions(1)	56	54	54	54	47
Total(2)	84	82	79	78	71

(1) Comprising of financing, accounting, IT, human resources, investor relations, public relations, legal (corporate), risk management and organization functions.
(2) Including of the members of the Board of Management.

12.11 Legal and Administrative Proceedings

There are no governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of which the Company is aware, in the 12 months prior to the date of this Prospectus, which may have, or have had in the recent past significant effects on the financial position or the profitability of the Company and/or DBAG Group.

12.12 Intellectual Property, Trademarks and Domains

Intellectual property, brands and domains only play a subordinate role for DBAG.

There are international brand registrations for the Deutsche Beteiligungs AG brand (word and figurative mark).

The following internet domains are in use: www.dbag.de, www.dbag.com; www.deutsche-beteiligung.de, www.deutsche-beteiligung.com are reserved as an internet domain.

12.13 Business Premises and Real Estate

The Company does not own any real estate. The Company's business premises in Frankfurt am Main, Germany are leased by DBAG.

12.14 Insurance

The Company has taken out financial loss liability insurance for board members (D&O insurance). The coverage is limited to EUR 26 million per claim and insurance year. The total benefit for all claims of an insurance year is limited to twice the coverage amount agreed for each claim. A deductible for management board and advisory board members of the Company has been agreed in line with Section 93 para. 2 sentence 3 AktG and amount to 10% of the damage and a maximum of 150% of the annual base remuneration of the relevant board member of. The annual premium is EUR 66,960.00 (plus insurance tax).

In addition, the Company has taken out business liability insurance, company vehicle insurance and other insurances to an extent that is reasonable in the Company's opinion. The Company believes that it currently has insurance coverage that meets its current needs with regard to possible future claims.

13 MATERIAL CONTRACTS

13.1 Agreements governing the DBAG Funds

Introduction. This section presents a general overview of certain key provisions typically contained in the limited partnership agreements of the existing DBAG Funds (each a "**LPA**"). The LPAs are not static documents and vary from fund to fund because the terms of each LPA are subject to negotiation with the investors at the time of fundraising and reflect the investment strategy of the respective DBAG Fund and other relevant considerations at the time of fundraising, including general market terms. Accordingly, the summary below does not purport to be exhaustive or complete and is qualified in its entirety by reference to the definitive documentation governing the respective DBAG Fund. It is important to also note that the summary below only relates to the existing DBAG Funds and for the reasons set forth above no assurance can be given that the key terms described below will apply in respect of any future DBAG Fund.

General Legal Aspects. Consistent with many other private equity funds, the DBAG Funds are structured as closed-ended investment vehicles with a fixed term, where the investors do not have a right to return their interest in the DBAG Fund during its term against a cash payment by the DBAG Fund. The DBAG Funds are structured as limited partnerships to which the investors make their capital commitments.

The affairs of each DBAG Fund and the relationship between the partners are legally bindingly governed by the terms and provisions of its limited partnership agreement. They can be amended or changed only by a resolution of the partners with a qualified majority that varies from fund to fund, for the most recent DBAG Fund more than 50% of the total capital commitments, and the consent of the general partner. The partners include (i) the relevant Group entity that acts as general partner – and appoints the AIFM, (ii) the investors as limited partners and (iii) a special limited partner consisting of key investment professionals employed in the Fund Investment Services Segment and entitled to the carried interest in the respective DBAG Fund.

The LPA sets out the rights and obligations of the various parties, deals with the ongoing management and operation, termination and liquidation of the respective DBAG Fund and covers the key commercial points, including, but without limitation, the investment policies and guidelines, fees and expenses to be borne by the respective DBAG Fund, in particular the management fee, allocations and distributions.

Management. The affairs of each DBAG Fund are managed by its general partner which appoints the AIFM to perform portfolio management and risk management for the DBAG Fund under the Investment Management Agreement (see section "*13.3 Investment Management Agreement*" below). In its capacity as a discretionary manager the AIFM takes all investment and divestment decisions for the DBAG Fund. The AIFM is not liable to the DBAG Fund and its investors except for wilful misconduct or gross negligence.

Initial new investments can be consummated by the DBAG Fund only during its investment period which now typically lasts for up to six years. Following the expiration of the investment period the DBAG Fund is only permitted to consummate follow-on investments in existing Portfolio Companies.

The AIFM's investment authority is limited by the DBAG Fund's investment policies and guidelines and certain investment restrictions, in each case as set out in the LPA. Investment restrictions typically include diversification thresholds, limitations on borrowings and guarantees, certain types of transactions, regional restrictions. Investment restrictions can be waived with the consent of the investor advisory board.

The investors as limited partners are excluded from management of the DBAG Fund.

Fees and Expenses. The LPA sets out the expenses that are borne by the DBAG Fund (the "**Partnership Expenses**"). Partnership Expenses include (i) the AIFM's management fee, (ii) all expenses incurred in connection with making, holding and divesting investments – regardless of whether consummated or attempted, (iii) fees for obtaining legal, tax and professional advice, (iv) fees for maintaining and preparing the accounts, the financial statements – including their audit, tax returns, reports, (v) fees and costs for obtaining insurance protection, (vi) fees for fund administration services, (vii) costs and expenses associated with the compliance with regulatory requirements at the level of the DBAG Fund; reimbursement of out-of-pocket expenses incurred by the members of the investor advisory board. The DBAG Fund also bears all third-party expenses incurred in connection with its formation and marketing the interests in the fund, except, however, of third-party placement agent fees. Organizational expenses are capped at a certain amount and the excess shall be borne by the general partner.

Allocation and Distribution of Proceeds. Proceeds derived by the DBAG Fund from its investments will generally not be reinvested but distributed in accordance with the provisions of a "waterfall" characterized by the following features:

Firstly, all proceeds – net of Partnership Expenses and a reasonable cash reserve for future Partnership Expenses – will be distributed to the investors until they have received cumulative distributions from the DBAG Fund equal to their capital contributions plus a preferred return thereon ("**Full Pay-Out**").

Thereafter, all proceeds – net of Partnership Expenses and a reasonable cash reserve for future Partnership Expenses – will be distributed to the Special Limited Partner until it has received as its carried interest "catch-up" cumulative distributions from the DBAG Fund in an amount achieving that the DBAG Fund's total net performance in excess of the cumulative contributions was subject to carried interest at the DBAG Fund's carried interest rate.

Thereafter, all proceeds – net of Partnership Expenses and a reasonable cash reserve for future Partnership Expenses – will be distributed *pari passu* to the Special Limited Partner and the investors in the proportion of the carried interest rate for the Special Limited Partner and 100% minus the carried interest rate for the investors.

If and to the extent upon full dissolution of the DBAG Fund the cumulative carried interest distributions to the Special Limited Partner exceed an amount equal to the product of the DBAG Fund's total cumulative net performance up until full dissolution, the Special Limited Partner shall restore funds to the DBAG Fund for distribution to the investors up to the lower of such excess and the after-tax amount of all carried interest distributions (the "**Carry Clawback**").

In order to secure a potential Carry Clawback obligation of the Special Limited Partner, the LPA provides that during the term of the DBAG Fund a portion of carried interest distributions otherwise payable to the Special Limited Partner shall be withheld from distribution and shall be paid into an escrow account maintained in the name of the DBAG Fund and the credit balance on the escrow account shall be released to the Special Limited Partner only if and to the extent certain conditions relating to the DBAG Fund's cumulative total net performance achieved on the respective calculation date. Moreover, each partner of the Special Limited Partner shall assume a personal guarantee for the Special Limited Partner's potential Carry Clawback obligation up to such partner's pro-rata share thereof.

Investors and Investor Protection. Each investor is required to pay its capital commitment to the DBAG Fund in instalments as drawn down by the AIFM to fund investments and Partnership Expenses. In the event of payment default, the defaulting investor is subject to severe remedies, including forfeiture of its interest in the DBAG Fund.

While the DBAG Fund is not permitted to employ financial leverage on the fund level, a working capital facility to bridge capital calls is permitted on the fund level. Any borrowings under such fund-level bridge facility are secured by the investors' undrawn capital commitments and the maximum borrowing is limited by the DBAG Fund's available capital commitments. As part of such security by the investors' undrawn capital commitment, the lender is given the right to send to and enforce against the investors capital calls in respect of their undrawn capital commitments. While the lender may also receive security over the DBAG Fund's bank account, it does not receive rights over, or security interests in respect of the DBAG Fund's investments.

The LPA includes "**Key Person**" provisions for the benefit and protection of the investors that certain named key investment professionals meet the requirement to devote a certain amount of their business time to the affairs of the DBAG Fund and its Portfolio Companies. In the event of a separate or simultaneous departure of a certain number of named key investment professionals (a "**Key Person Event**") during the investment period, the DBAG Fund's investment period is suspended until such Key Person Event has been cured with the approval of the investors or the investor advisory board. The LPA also provides for a suspension of the investment period of the DBAG Fund in the event of a change of control over the general partner or the AIFM.

The LPA also provides for the establishment of a committee of representatives of the investors – known as the investor advisory board. Members of the Group are not represented on the investor advisory board. The investor advisory board will carry out the following tasks: (i) to approve nominations of persons as Key Persons by the AIFM, (ii) to approve termination of the suspension of the investment period following a Key Person Event, (iii) to review any actual or potential conflicts of interest, (iv) to approve waivers of investment restrictions, (v) to review the DBAG Fund's investment strategy and performance.

Consistent with market standards the LPA contains provisions enabling the investors to take certain actions in case of a cause event affecting the AIFM, or the Investment Advisor, or the general partner, as the case may be. Generally, the following events constitute "cause": a material breach of the LPA, wilful misconduct, fraud and acts of gross negligence, in each case which results in financial disadvantage to the DBAG Fund and which has not been remedied within 30 days. The actions that can be taken by the investors vary from fund to fund and typically include the following: In case a cause event occurs during the investment period, the investment activities of the DBAG Fund are suspended if (i) decided by the investors with a qualified majority or (ii) an arbitral tribunal determined that a cause event has been occurred. In the later case, the investors may elect with a majority of more than 50% of the total capital commitments to end the term of the DBAG Fund and the Special Limited Partner's carried interest is subject to a reduction to be calculated by reference to a "haircut formula" that varies from fund to fund. Moreover, investors with a qualified majority, typically at least 80% of the total capital commitments, can (x) early terminate the management authority of the AIFM or (y) end the term of the DBAG Fund, as the case may be and in each case against payment to the AIFM of a compensation for the loss of its management fee in an amount that varies from fund to fund, typically a one-year management fee.

An investor may agree in a side letter with the general partner or the AIFM on the modification of certain provisions of the LPA with respect to such investor. Any side letters have to be disclosed to all investors and each investor is generally entitled to claim for most favoured nations treatment except for modifications to accommodate legal, tax or regulatory needs of the addressee of the side letter or to accommodate its specific status.

Transfer of Interest. An investor may not transfer or dispose of its interest in the DBAG Fund unless with the consent of the general partner. The AIFM is required to make KYC checks regarding each investor and its transferee in accordance with applicable anti-money laundering legislation and shall ensure that each investor and its transferee meets all requirements under applicable regulatory laws for being an investor in the DBAG Fund.

Term. Each DBAG Fund is entered into for a fixed term which typically terminates after 10 years unless extended by the AIFM for up to one year and thereafter for two additional consecutive one-year periods with the consent of the investors or the investor advisory board, as the case may be.

Indemnification; Return of Distributions. The general partner, the AIFM, their associates, their shareholders, partners, executives and agents shall be indemnified out of the assets of the DBAG Funds, except in the event of wilful misconduct or gross negligence. The investors are required to return distributions in certain events, including if the DBAG Fund has insufficient assets to provide indemnity, up to the lower of a portion of their capital commitments or a portion of the distributions received from the DBAG Fund.

13.2 Co-Investment Agreements

We, through DBAG Fund V Konzern GmbH & Co. KG, DBAG Fund VI Konzern (Guernsey) LP, DBAG Fund VII Konzern SCSp, DBAG Fund VII Konzern B SCSp; DBAG Fund VIII A Konzern (Guernsey) LP, DBAG Fund VIII B Konzern (Guernsey) LP and DBAG Expansion Capital Fund Konzern GmbH & Co. KG (the "**Group Investment Entities**") entered into four currently still active Co-Investment Agreements (the "**Co-Investment Agreements**") with the DBAG Fund VI, DBAG Fund VII, DBAG Fund VIII and DBAG ECF (together with the other eligible co-investors named in the Co-Investment Agreements, the "**Co-Investment Entities**"). Pursuant to the Co-Investment Agreement, the Group Investment Entities agree to co-invest with the relevant DBAG Fund on the same terms and conditions in all securities in Portfolio Companies and investments in which the relevant DBAG Fund invests.

The Co-Investment Agreements provide for a fixed investment ratio for the lifetime of a fund, which typically ranges between 19% and 23% of the total equity capital invested for investments alongside DBAG Fund VI, DBAG Fund VII and DBAG Fund VIII and approximately 41% or 47% for DBAG ECF.

Pursuant to the terms of the Co-Investment Agreements and due to the requirements of the AktG, the Co-Investment Entity has the right to opt-out of any Co-Investment to be made alongside a DBAG Fund if the Board of Management of DBAG determines after having made reasonable investigations that an investment decision taken is not in the best interest of DBAG or would otherwise violate rules applicable to DBAG. The management board of the relevant Group Investment Entity may elect not to co-invest in such instance and the Co-Investment Entity's rights and obligations under the Co-Investment Agreement shall in such case immediately terminate with respect to future investments unless such immediate termination is waived by the investing entity.

The Co-Investment Agreements also stipulate that the Co-Investment Entity must divest its holdings in any investment made alongside the DBAG Funds on a *pari passu* basis with the DBAG Funds.

Moreover, the Co-Investment Agreements provide for certain allocation principles and caps with regard to expenses (*i.e.* direct costs of acquiring, holding, monitoring, or divesting securities of Portfolio Companies, including legal fees and consulting fees to third parties) incurred in connection with (i) consummated investments in, and consummated or attempted, but failed divestments of, securities of Portfolio Companies and (ii) attempted, but failed investments in securities of Portfolio Companies.

The Co-Investment Agreements shall be entered into for a fixed period until the dissolution of the respective DBAG Fund and cannot be terminated during its fixed term, except for good cause.

13.3 Investment Management Agreements

The key Group companies within our Fund Investment Services Segment include two investment fund manager entities for the DBAG Funds, Managing Partner GmbH & Co. KG and DBG Management GP

(Guernsey) Limited. They are appointed by the general partner of the respective DBAG Fund to act as AIFM to perform portfolio management and risk management in accordance with applicable regulatory laws and subject to the terms and conditions set out in investment management agreements made between the general partner of the respective DBAG Fund and the relevant AIFM (each an "**Investment Management Agreement**") (or, in case of the German DBAG Funds, in the limited partnership agreement of the respective German DBAG Fund; please see section "*—13.1 Agreements governing the DBAG Funds*" above). The main terms and conditions of the Investment Management Agreements can be summarized as follows:

With respect to its portfolio management functions, the AIFM shall identify and evaluate investment opportunities, make decisions for the DBAG Fund concerning the acquisition and disposal of, and dealings with investments in accordance with the limited partnership agreement of the DBAG Fund.

With respect to its risk management functions, the AIFM shall ensure that risks associated with the DBAG Fund are properly identified, analysed and assessed, controlled and monitored on the basis of quarterly risk management reports provided by the Investment Advisor (please see section "*—13.4 Investment Advisory Agreements*" below).

With respect to its portfolio controlling tasks relating to the DBAG Fund, the AIFM shall quarterly review the financial performance of each investment and the deal flow relating to the DBAG Fund on the basis of the quarterly portfolio discussion outlining the performance of the investments and the DBAG Fund provided by the Investment Advisor (please see section "*—13.4 Investment Advisory Agreements*" below).

The AIFM will make investment decisions on behalf of the DBAG Fund as a discretionary manager acting through its independent board of directors, and the DBAG Fund accordingly agrees that the AIFM may direct the DBAG Fund to enter into deeds or transactions for the acquisition or disposal of investments in a form approved by the AIFM, provided that the investment is within the investment policy guidelines of the DBAG Fund.

The Investment Management Agreements also contain provisions on indemnification, liability and the possibility to delegate, subject to applicable regulatory laws, the performance of the investment management services.

The AIFM is entitled to a management fee in the amounts set out in the limited partnership agreement of the respective DBAG Fund (please see section "*—13.1 Agreements governing the DBAG Funds*" above). The AIFM shall bear and pay all expenses arising in connection with the provision of its services under the Investment Management Agreement, including, without limitation, the salaries of any persons employed by the AIFM and the fees of any investment consultant or advisor (including, for the avoidance of doubt, the Investment Advisor) and all other administrative and operational expenses. The AIFM will be entitled to be reimbursed by the DBAG Fund for all fees, costs and expenses incurred in connection with the performance of its obligations under the Investment Management Agreement, provided that such reimbursement is permitted under the limited partnership agreement of the DBAG Fund. The AIFM shall be entitled to retain for its own account any fee paid by Portfolio Companies of the DBAG Fund which the limited partnership agreement of the DBAG Fund permits the Group to so retain.

Each Investment Management Agreement continues in force until the earliest to occur of: (i) written notice by one party that the Investment Management Agreement is to be terminated, and such termination takes effect on the date specified in such notice; (ii) the dissolution of the DBAG Fund following its termination and liquidation; (iii) the AIFM ceasing to be appropriately licensed and regulated to carry out its duties under the Investment Management Agreement; (iv) the date on which a member of the Group ceases to be the general partner of the DBAG Fund; and (v) insolvency, dissolution or liquidation (other than for the purposes of a reorganization or a merger) of the AIFM.

13.4 Investment Advisory Agreements

Our fully consolidated subsidiary DBG Advising GmbH & Co. KG acts as Investment Advisor and has entered into investment advisory agreements (the "**Investment Advisory Agreements**") with the respective alternative investment fund manager of the DBAG Funds (the "**AIFM**"). Pursuant to the Investment Advisory Agreements the Investment Advisor provides certain investment advisory services to the AIFMs, including, but not limited to, the evaluation, preparation and implementation of investment opportunities and strategies, advice on the acquisition or sale of particular Portfolio Companies, advice on the monitoring and analysis of the progress of the acquired Portfolio Companies, preparation of material for inclusion in any report on the investments as requested by the AIFM as well as advice on the exercise of shareholder rights in Portfolio Companies.

The Investment Advisory Agreements also contain provisions on indemnification, liability and the possibility to delegate the performance of the advisory services.

The AIFM pays the Investment Advisor a fee and the Investment Advisor bears the costs arising from the provision of its services to the AIFM, including, without limitation, the salaries of any persons employed by the Investment Advisor to perform the advisory services, the fees of any investment consultant or adviser and other administrative and operational expenses. Furthermore, the Investment Advisor is entitled to reimbursement from the AIFM for certain amounts expended or costs incurred with the prior consent of the AIFM.

The Investment Advisory Agreements shall terminate immediately if the AIFM ceases to be the alternative investments fund manager. Moreover, the Investment Advisory Agreements may be terminated upon six months' prior written notice, provided that the Investment Advisory Agreements shall remain in effect during the six month period following the giving of such written notice. Furthermore, the Investment Advisory Agreements provide for an extraordinary termination (i) by the AIFM by written notice to the Investment Advisor, if in the reasonably held opinion of the AIFM, the Investment Advisor has committed willful misconduct or other wrongful acts, or (ii) by either party, giving written notice to the other party, (a) if the notified party goes into liquidation (except voluntary liquidation for the purposes of a reconstruction or amalgamation) or is declared bankrupt or a receiver of any of its assets is appointed or (b) the notified party commits any material breach of the provisions of the Investment Advisory Agreement and has not remedied such breach within 30 days after receipt of notice.

13.5 Financing Agreements

The Company as borrower, DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main ("**DZ Bank**") and Santander Bank – Zweigniederlassung der (branch of the) Santander Consumer Bank ("**Santander**") – as mandated lead arrangers and original lenders and DZ Bank as agent entered on December 18, 2015 into a EUR 50,000,000 syndicated revolving credit facility agreement (as amended on May 7, 2018, August 12, 2020 and subsequently amended and increased to EUR 66,660,000 on February 26, 2021, the "**2015 Revolving Credit Facility Agreement**").

Further, on August 12, 2020, the Company as borrower and Landesbank Hessen-Thüringen Girozentrale ("**Helaba**") as mandated lead arranger, original lender and agent entered into a EUR 40,000,000 syndicated revolving credit facility agreement (the "**2020 Revolving Credit Facility Agreement**" and, together with the 2015 Revolving Credit Facility Agreement, the "**Financing Agreements**" and each a “**Financing Agreement**”).

Pursuant to the 2015 Revolving Credit Facility Agreement, the lenders thereunder make available to the Company loans of up to an aggregate principal amount of EUR 66,660,000 (the "**2015 Revolving Credit Facility**") and pursuant to the 2020 Revolving Credit Facility Agreement, the lenders thereunder make available to the Company loans of up to an aggregate principal amount of EUR 40,000,000 (the

"**2020 Revolving Credit Facility**" and, together with the 2015 Revolving Credit Facility, the "**Revolving Credit Facilities**" and each a "**Revolving Credit Facility**"), each on a committed basis and subject to a proper utilization request and customary conditions precedent. Both Revolving Credit Facilities may be utilized in EUR for general corporate financing purposes. The Financing Agreements further provide for an undertaking of the Company to endeavour to utilize the respective Revolving Credit Facility only pro rata in relation to the relevant other Revolving Credit Facility. Subject to certain customary limitations as to the respective amount and repeating representations, loans in connection with any Revolving Credit Facility may be borrowed, repaid and re-borrowed at any time.

The Revolving Credit Facilities are unsecured.

As of December 31, 2020, loans in the amount of EUR 36.9 million were drawn from the Revolving Credit Facilities.

Outstanding loans (and outstanding interest, if any) under the Revolving Credit Facilities shall be repaid, subject to customary voluntary and mandatory prepayment provisions, full at the end of each interest period (if there is no roll-over loan) as selected by the Company and at the latest on May 7, 2025.

The Company intends to use the exit proceeds of certain investments, in particular the proceeds from the sale of its stake and non-controlling interest in DNS:Net Internet Services GmbH, Schönefeld Germany (Please see section "*22.1 Recent Developments*"), for the repayment of the loans drawn under the Revolving Credit Facilities.

(a) Availability

Each Revolving Credit Facility may be utilized (including any re-borrowing) from the date on which the conditions precedent are fulfilled until one month prior to its maturity date, i.e. May 7, 2025.

(b) Interest Rate and Fees

The interest rate applicable on loans is the aggregate of the margin agreed in relation to the respective Revolving Credit Facility (and in relation to overdue amounts under any finance document, other than interest, one per cent p.a. plus margin) and EURIBOR (as defined in the respective Financing Agreement and in each case at least zero per cent p.a.). Further, customary commitment fees, arrangement fees and agency fees are payable.

(c) Representations and Warranties

Each Financing Agreement contains certain customary and essentially corresponding (partly repeating) representations and warranties which are in most cases subject to certain customary materiality, actual knowledge and other qualifications, exceptions and baskets, including: (i) status and incorporation, in particular that the Company does not qualify as an investment asset or investment management company as listed in Section 3 (2) sentence 2 no. 2 of the German Banking Act (*Kreditwesengesetz;* "***KWG***"); (ii) binding obligations; (iii) non-conflict with constitutional documents, laws or other obligations; (iv) *pari passu* ranking of the finance parties' claims with other unsecured creditors; (v) power and authority; (vi) validity and admissibility in evidence; (vii) insolvency; (viii) no default or event of default; (ix) accuracy of the relevant financial statements delivered the agent; (x) no proceedings pending or threatened and no outstanding taxes and similar charges; (xi) no breach of laws; (xii) taxation; and (xiii) no (circumstances reasonably to be expected to cause) material adverse effects since the date of the relevant financial statements delivered to the lenders.

(d) Covenants

The Financing Agreements contain certain affirmative and negative covenants and a financial covenant. Set forth below is a brief description of such covenants, which are (other than the financial covenant) subject to customary materiality, actual knowledge or other qualifications, exceptions and baskets.

(e) Financial Covenant

The Financing Agreements contain a financial covenant providing that the Company shall ensure that the percentage ratio between the Company's group net financial indebtedness and the aggregate value of the Company's group investments (each as defined in the respective Financing Agreement) is less than 40%, tested with reference to the Company's annual, bi-annual and quarterly financial statements in connection with a Company´s compliance confirmation which are each to be delivered in accordance with the respective Financing Agreement.

(f) Affirmative Covenants

The affirmative covenants include: (i) delivery of certain financial information, including annual audited and consolidated, half-yearly and quarterly financial statements and compliance certificates; (ii) notification of any default or event of default; (iii) information regarding any transactions in connection with the management of a hedge fund or a fund of hedge funds or a determination of the BaFin that (or any request for information or documents in order to allow a determination whether) the Company qualifies as an AIFM, hedge fund or fund of hedge funds, (iv) authorizations, (v) compliance with laws; (vi) payment of taxes; (vii) maintenance of at least *pari passu* ranking of each of the Revolving Credit Facilities; and (viii) further assurance provisions.

(g) Negative Covenants

The negative covenants include restrictions with respect to: (i) changing the Company´s center of main interest (other than to Germany or Luxembourg) without prior information to the respective agent and waiting for a response regarding whether the respective lenders expect any increase of their risks; (ii) incurring or subsisting of additional liabilities; (iii) granting and subsisting of security interests, (iv) material changes to the Company´s operative business; and (v) entering into derivate or other forward contracts of any kind for speculation purposes.

(h) Mandatory Prepayment Requirements upon a Change of Control, an Illegality Event or a Change of the Centre of Main Interest

The Company is required to notify the respective agent under each of the Financing Agreements of the occurrence of any person or group of persons acting in concert as defined in Section 30 (2) of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, "**WpÜG**") holding more than 30% of the issued share capital of, or voting rights in, the Company, following which the respective agent (for and consulting with the respective lenders) will negotiate with the Company with regard to the requirement to continue the respective commitment. If such negotiations do not lead to an agreement with all of the respective lenders within 20 business days, the relevant lenders are not obliged to make available any new loans (other than roll-over loans) and each of such lenders may terminate its respective commitment within ten business days and request repayment in case the Company does not replace such lender in accordance with the terms of the respective Financing Agreement.

If it becomes illegal for a lender under the respective Financing Agreement to (continue to) make available any loan to the Company, in particular in accordance with Section 3 (2) sentence 2 no. 2 of the KWG, or the Company qualifies as an AIFM, hedge fund or funds of hedge funds, each as defined in the KAGB, the relevant lender shall notify the respective agent and may cancel its commitments to the extent they became illegal and request repayment by the end of the current interest period or such earlier time as required by law and notified to the Company, unless the Company has replaced such lender in accordance with the terms of the respective Financing Agreement.

(i) Events of Default

The Financing Agreements provide for customary defaults and events of default, all of which are subject to customary materiality and other qualifications, exceptions, baskets and/or grace periods, as appropriate, including: (i) failure to pay any principal or interest when due; (ii) failure to comply with the financial covenant; (iii) failure to comply with any other provision of the respective Financing Agreement and/or any other finance documents; (iv) representations or warranties found to be untrue or misleading when made or deemed repeated; (v) cross-payment default or acceleration in relation to any financial indebtedness (as defined in the Financing Agreements) and, in relation to the 2020 Revolving Credit Facility Agreement only, ordinary termination of the 2015 Revolving Credit Facility Agreement; (vi) insolvency or similar proceedings are applied for in relation to the Company or its assets and the respective application is not dismissed or withdrawn; (vii) compulsory enforcement proceedings sought by a creditor; (viii) material change to the business; (ix) repudiation or rescission of any finance document by the Company, invalidity or unenforceability of any finance document or illegality of performance of any finance document by the Company; (x) the auditor does not certify an annual financial statement of the Company, or makes such certification subject to qualifications which are materially relevant for the interests of the lenders or withdraws any certification in full or in parts which materially relevant for the interests of the lenders; and (xi) change to the Company's center of main interest and/or tax residence (other than to Germany or Luxembourg) despite of a notification of the respective agent to the Company that such change may, in the opinion of the respective lenders, increase such lenders' risks.

(j) Governing Law

The Financing Agreements are governed by, and to be construed in accordance with, German law.

14 REGULATORY ENVIRONMENT

The Company is a listed private equity company. The Company is recognized as a UBG as defined by the UBGG and therefore subject to regulation thereunder. In accordance with the UBGG, the sole purpose of the Company is the acquisition, holding, administration and sale of participations in company (Section 2 para. 1 UBGG).

The UBGG sets forth rules on permitted and prohibited transactions, investment limits, share structures, notification requirements as well as the supervision and provisions on fines. As the Company is classified as an open holding company (*offene UBG*), it may only acquire company shares in a company if it does not acquire more than 49% of the voting rights in the company (Section 4 para. 3 UBGG). This limit may be exceeded once per investment in a company that is not listed on the stock exchange. In this case, the Company must reduce its holding in the company within eight years after the limit has been exceeded to such an extent that it adheres to the limit again. Furthermore, investments into affiliated entities are prohibited (Section 5 para. 1 UBGG). Shareholder loans may only be granted up to an amount of three times the equity investment into a company. The acquisition of real estate is only permitted for the purpose of acquiring own business premises (Section 3 para. 5 UBGG). The Company is exempt from trade tax in accordance with Section 3 para. 23 German Trade Tax Act (*Gewerbesteuergesetz*). As an investment company under the UBGG, DBAG is supervised by the Ministry of Economics, Energy, Transport and Housing of the State of Hesse.

DBAG Group companies DBG Managing Partner GmbH & Co. KG (DBG Managing Partner) and DBG Management GP (Guernsey) Limited ("**DBG Management GP**") manage the DBAG Funds (for more detailed information on the DBAG Funds, please see section "*12. Business—12.3 Our integrated Business Model—(a) The DBAG Funds*" above), which constitute alternative investments funds ("**AIFs**") pursuant to Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (the "**AIFM Directive**" and the AIFM Directive together with the relevant European regulations and the relevant transpositions into national law, the "**AIFM Rules**"). They are alternative investment fund managers (the "**AIFM**") and perform portfolio management and risk management in accordance with the AIFM Rules (to the extent applicable) and subject to the terms and conditions set out in investment management agreements made between the general partner of the respective DBAG Fund and the relevant AIFM or in case of the German Funds pursuant the limited partnership agreement of the relevant German DBAG Fund (for more information, please see section "*13. Material Contracts—13.3 Investment Management Agreement*" above or and section "*13. Material Contracts—13.1 Agreements governing the DBAG Funds*" above).

DBG Managing Partner is registered with BaFin as a small capital management company (*Kapitalverwaltungsgesellschaft*) in accordance with the KAGB and appointed to act as AIFM of the respective DBAG Fund under the AIFM Directive. As a registered (and not licensed) AIFM, DBG Managing Partner benefits from certain exemptions from the AIFM Rules. However, according to Article 3 para. 2 AIFM Directive (*de minimis exemption*) its status as registered AIFM is dependent on DBG Managing Partner remaining below certain thresholds. Insofar, DBG Managing Partner's business activities are limited to (i) either directly or indirectly, through a company with which the AIFM is linked by common management or control, or by a substantive direct or indirect holding, manage portfolios of AIFs whose assets under management, including any assets acquired through the use of leverage, in total do not exceed a threshold of EUR 100 million; or (ii) directly or indirectly, through a company with which the AIFM is linked by common management or control, or by a substantive direct or indirect holding, manage portfolios of AIFs whose assets under management in total do not exceed a threshold of EUR 500 million when the portfolios of AIFs consist of AIFs that are unleveraged and have no redemption rights exercisable during a period of five years following the date of initial investment in each AIF. The latter reflects the business model of DBG Managing Partner.

Moreover, as registered AIFM, the KAGB only applies to DBG Managing Partner to a limited extent. In particular, DBG Managing Partner is obliged to report the most important financial instruments it trades and the greatest risks and concentrations of assets of the managed AIFs to BaFin. Additionally, rules and limitations regarding the granting of loans through AIFs managed by DBG Managing Partner apply. For instance, DBG Managing Partner may only grant loans on behalf of AIFs managed by it to companies where such AIFs are also shareholders.

DBG Management GP is licensed to carry on "controlled investment business" under the Protection of Investors (Bailiwick of Guernsey) Law, 1987. Therefore, DBG Management GP is subject to the Guernsey Prospectus Rules 2018 and is regulated by the Guernsey Financial Services Commission. DBG Management GP does not rely on the AIFMD passport regime according to Article 40 AIFMD for non-EU AIFMs, but rather holds individual authorizations in a number of EU member states, including Germany, according to Article 42 AIFMD.

As DBG Management GP is based outside of EEA, but markets AIFs within EEA, it is not obliged to fully comply with the AIFM Rules, but is required according to Article 42 AIFM Directive to disclose certain information to investors before they invest in AIFs. Furthermore, DBG Management GP is subject to the Asset Stripping Rules of the AIFM Rules. Article 30 AIFM Directive (*asset stripping*) imposes restrictions on distributions (which includes dividends and interest on shares), capital reductions, share redemptions or acquisition of own shares by EU-incorporated Portfolio Companies during the first 24 months following acquisition of control by an AIF managed by a non-EU AIFM. In addition, DBG Management GP is obliged to report investments to the respective competent authority of the jurisdiction where the AIF is marketed.

The Group company DBG Advising GmbH & Co. KG provides fund investment services to the AIFM of the DBAG Funds. These fund investment services do not qualify as investment advice and are not be subject to further regulation as they are provided exclusively within the DBAG Group to the AIFMs of the DBAG Funds.

15 GENERAL INFORMATION OF THE COMPANY AND THE DBAG GROUP

15.1 Formation, Incorporation, Commercial Register, Name

The Company was incorporated as a German Stock Corporation (*Aktiengesellschaft*) by articles of association dated December 10, 1984.

As of the date of this Prospectus, the Company is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 52491.

The Company's legal and commercial name is Deutsche Beteiligungs AG.

15.2 Our History

The origins of the Company date back to 1965, when Deutsche Beteiligungsgesellschaft mbH ("**DBG**") was founded by several banks, including Deutsche Bank AG, Frankfurt am Main, with the objective of using equity capital investments to support the growth of medium-sized family-owned enterprises companies during the era of Germany's "economic miracle". In 1984, the Company was incorporated as a German stock corporation (*Aktiengesellschaft*), followed by the initial public offering of the Company's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the Dusseldorf Stock Exchange (*Börse Düsseldorf*) in 1985. On the basis of a resolution by the general shareholders' meeting (*Hauptversammlung*) of March 27, 2001 and as recorded in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main on June 22, 2001, the registered seat of the Company was moved from Königstein im Taunus to Frankfurt am Main.

Further key historical milestones of the DBAG Group are set out below:

1987: DBAG was classified as an UBG, the first company to receive this status under the UBGG.

1997: New shareholder structure; DBAG completed its first MBOs.

2002: First buy-out fund raised with investor base outside DBAG's group of core shareholders – DBAG Fund IV (fund size (including DBAG co-investment) of EUR 328 million) with commitments by international investors in closed-end private equity funds begins its investment phase.

2004: The Company increased its share capital from EUR 36,400,000.00 by EUR 12,133,334.20 to EUR 48,533,334.20 by issuing 4,666,667 new ordinary bearer shares with no par value (*auf den Inhaber lautende Stückaktien*) against cash contribution (for more inform please see section "*17. Information on the Share Capital of the Company and applicable Regulations— 17.4 Development of the Share Capital*" below).

2007: DBAG Fund V (fund size (including DBAG co-investment) of EUR 534 million) begins its investment phase.

Deutsche Bank sells its last shareholdings in DBAG.

2011: With the DBAG ECF (fund size (including DBAG co-investment) of EUR 242 million) DBAG offers again minority investments to provide growth capital to family businesses.

2012: DBAG Fund VI raised (fund size (including DBAG co-investment) of EUR 700 million) for MBOs, investment phase began in 2013.

2015: Anniversary – 50 years DBAG, 30 years IPO.

2016: Strategic alignment — broader offering in the market with equity capital investments of between EUR 10 and 200 million; growth for DBAG through higher investments alongside DBAG Fund VII (fund size (including DBAG co-investment: EUR 1,010 million)).

New dividend policy was established.

The Company increased its share capital from EUR 48,533,334.20 by EUR 4,853,330.23 to EUR 53,386,664.43 by issuing 1,367,635 new, ordinary registered shares with no par value (*auf den Namen lautende Stückaktien*) against cash contributions (for more information, please see section "*17. Information on the Share Capital of the Company and applicable Regulations—17.4 Development of the Share Capital*" below).

2017: First investments by DBAG Fund VII, providing for equity capital investments of up to EUR 200 million for a MBO.

2019: Long-term Investment programme launched.

2020: Final closing and beginning of investment period of DBAG Fund VIII — Commitments of EUR 1.1 (including DBAG co-investment) billion raised for investments in German Mittelstand companies; high financial capacity due to fund structure and six-year investment period. DBAG Fund VIII provides for equity investments of between EUR 40 and EUR 100 million (with the top-up fund of up to EUR 220 million).

15.3 Business Address, Financial Year, Duration, Legal Entity Identifier, Corporate Object

The Company is a German stock corporation (*Aktiengesellschaft*, AG) domiciled in Germany. It was incorporated in Germany and is subject to the laws of Germany.

The Company's financial year begins on October 1st, and ends on September 30th of the following calendar year.

The registered seat of the Company is in Frankfurt am Main, Germany. The business address is Börsenstraße 1, Frankfurt am Main, Germany; Telephone: +49 69 95787-01, our website is: https://www.dbag.de. Information contained on the Company's website, or any website mentioned in this Prospectus, is not incorporated by reference into this Prospectus and does not form part of this Prospectus. The Company's LEI is 529900I88AOT7YXRMQ23.

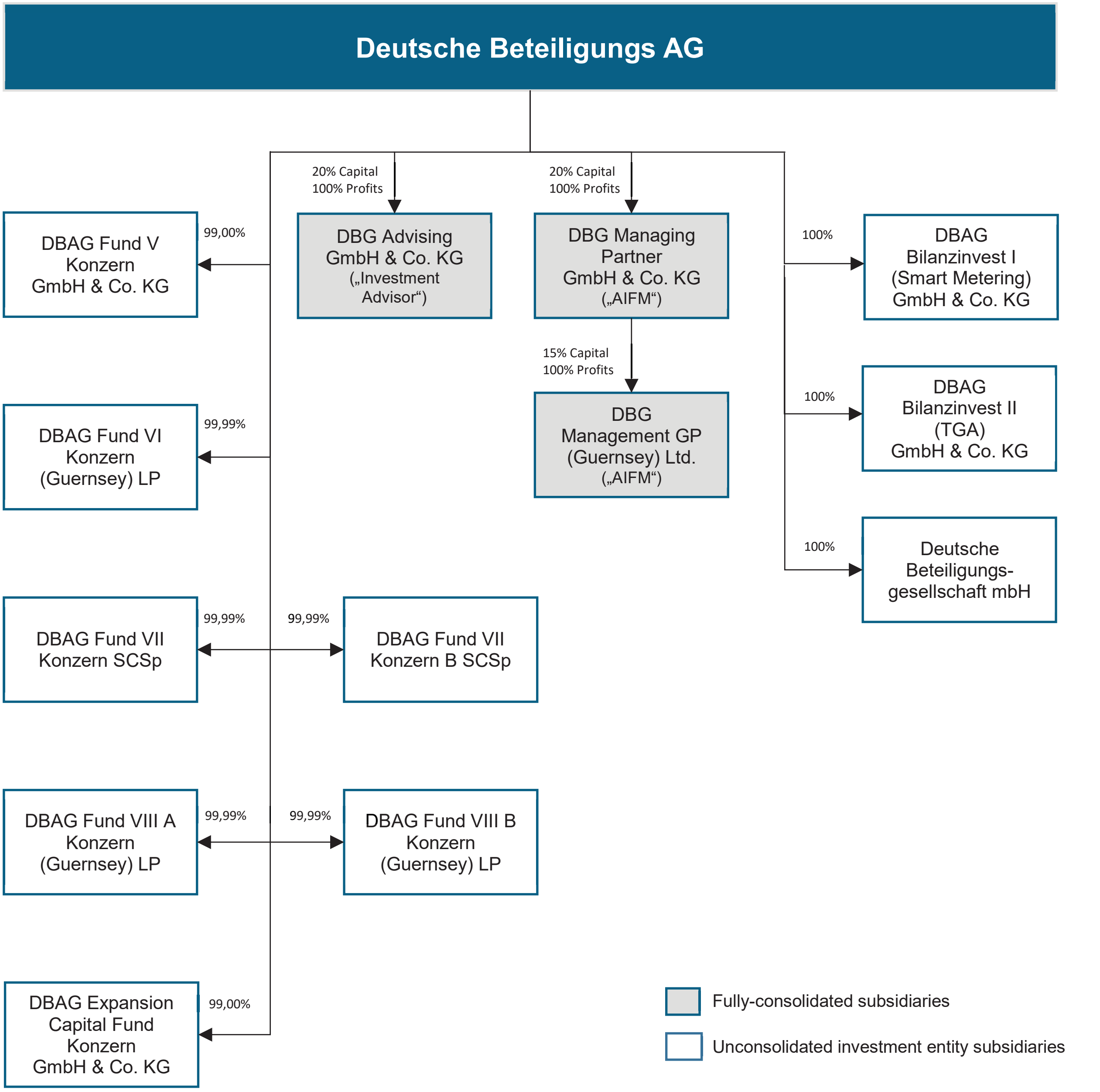
The Company is established for an indefinite period of time.

Pursuant to its Articles of Association, the corporate object of the Company is in accordance with the UBGG as amended, the purchase, holding, administration and disposal of participations in companies as well as the conduct of the operations that are admissible for open investment companies in compliance with the UBGG.

15.4 Group Structure

DBAG Group is headed by the Company as a publicly listed private equity company with its registered office in Frankfurt am Main, Germany.

The following chart provides (in simplified form) an overview of the DBAG Group as of the date of this Prospectus:



Note: The chart above shows the respective shareholdings of and, with respect to DBG Advising GmbH & Co. KG, DBG Managing Partner GmbH & Co. KG and DBG Management GP (Guernsey) Ltd. also the profits received, by the respective company

15.5 Information on Significant Subsidiaries of DBAG Group

The following table provides an overview of the significant (in relation to the Group's equity or net income or from an operating perspective) direct and indirect subsidiaries of the Company as of December 31, 2020.

Company's significant subsidiaries

Legal name and registered office	Registered seat / LEI number (if available)	Company's share of capital
Fully-consolidated subsidiaries		
DBG Advising GmbH & Co. KG	Frankfurt am Main, Germany	20.00%
DBG Management GP (Guernsey) Ltd.	St. Peter Port, Guernsey	3.00%
DBG Managing Partner GmbH & Co. KG	Frankfurt am Main, Germany	20.00%
Unconsolidated investment entity subsidiaries		
DBAG Bilanzinvest I (Smart Metering) GmbH & Co. KG	Frankfurt am Main, Germany	100.00%
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	Frankfurt am Main, Germany	99.00%
DBAG Fund V Konzern GmbH & Co. KG	Frankfurt am Main, Germany	99.00%
DBAG Fund VI Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99%
DBAG Fund VII Konzern SCSp	Luxembourg-Findel, Luxemburg	99.99%
DBAG Fund VII B Konzern SCSp	Luxembourg-Findel, Luxemburg	99.99%
DBAG Fund VIII A Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99%
DBAG Fund VIII B Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99%
Deutsche Beteiligungsgesellschaft mbH	Königstein/Taunus / 529900TSG8SHTHB6PG95	100.00%

15.6 Auditors

We appointed the independent auditors BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, Germany, with their office in charge located at Hanauer Landstraße 115, 60314 Frankfurt am Main, Germany, as the auditor of the Audited Separate Financial Statements, and the Audited Annual Financial Statements 2019/2020 and the Audited Consolidated Financial Statements 2018/2019.

We appointed KPMG AG Wirtschaftsprüfungsgesellschaft, Klingelhöferstraße 18, 10785 Berlin, Germany, Niederlassung Frankfurt am Main, Germany, The Squaire, Am Flughafen, 60549 Frankfurt am Main, Germany, as the auditor of the Audited Consolidated Financial Statements 2017/2018.

BDO and KPMG, respectively, conducted their respective audits of the German language versions of these financial statements in accordance with the EU Audit Regulation No. 537/2014, Section 317 HGB and the IDW Auditing Standards and issued unqualified auditors' reports on the respective financial statements audited by them. The Unaudited Condensed Consolidated Interim Financial Statements as of December 31, 2020 were prepared in accordance with IFRS on interim financial reporting (IAS 34). BDO and KPMG each are a member of the German Chamber of Auditors (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany and a member of the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer e.V. (*IDW*)). Please see also section "*—4. General Information—4.6 Note Regarding the Presentation of Financial Information*", above.

15.7 Notices, Paying Agent, Designated Sponsor

Pursuant to the Articles of Association, the Company's notices are published in the German Federal Gazette (*Bundesanzeiger*). Notices to our shareholders may also be communicated by data transmission. Notices regarding the Shares are also published in the German Federal Gazette (*Bundesanzeiger*).

Notices in connection with the approval of this Prospectus or any supplements thereto will be published in accordance with the Prospectus Regulation, in the manner of publication provided for in this Prospectus, that is, through publication on our websites (https://www.dbag.de).

Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt, Germany, LEI 7LTWFZYICNSX8D621K86 is the paying agent for the Company's Shares. The mailing address of the paying agent is: Deutsche Bank AG, Corporate Bank and Agency Services / post IPO Services, Taunusanlage 12, 60325 Frankfurt am Main, Germany.

M.M.Warburg & CO KgaA, Ferdinandstraße 75, 20095 Hamburg, Germany, LEI MZI1VDH2BQLFZGLQDO60 ("**M.M. Warburg**") and Hauck & Aufhäuser Privatbankiers AG, Kaiserstraße 24, 60311 Frankfurt am Main, Germany, LEI 529900OOZP78CYPYF471 ("**Hauck & Aufhäuser**") will assume the function of designated sponsors of the Shares traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), being entitled to designate an appropriately admitted third party to perform their functions. Pursuant to the designated sponsor agreement between the Company, M.M.Warburg and Hauck & Aufhäuser, M.M.Warburg and Hauck & Aufhäuser will, among other things, place limited buy and sell orders for Shares in the electronic trading system of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) during regular trading hours. This is intended to achieve greater liquidity in the market for the Shares.

16 MAJOR SHAREHOLDERS

The German Securities Trading Act (*Wertpapierhandelsgesetz*; "**WpHG**") requires holders of shares in a listed stock corporation to which voting rights are attached or instruments which relate to such shares to notify the respective issuer and the BaFin without undue delay of the level of their holdings if they reach, exceed or fall below certain thresholds. The initial threshold triggering a notification requirement is 3% of the voting rights of a stock corporation in the case of holdings in shares and 5% of the voting rights of a stock corporation in cases of instruments or cumulative holdings in shares and instruments (please see section "*17. Information on the Share Capital of the Company and applicable Regulations—17.14 Disclosure Requirements for Holdings of Shares and Other Instruments*", below). The following shareholders have notified us of their notifiable holdings in the Company above the respective initial notification thresholds according to the notifications received by the Company at the respective date:

	Major Holdings[(1)]		
Shareholder	**Direct Shareholdings[(2)]**	**Indirect Shareholdings[(3)]**	**Instruments[(4)]**
Rossmann Beteiligungs GmbH[(5)]	25.01%	—	—
Taiko SA[(6)]	—	6.65%	—

(1) The percentage of voting rights has been calculated based on the Company's total number of voting rights (as published pursuant to Section 41 of the WpHG) on the date of the respective shareholding notification or any voluntarily notification of shareholdings to the Company.
(2) Direct shareholdings pursuant to Section 33 of the WpHG.
(3) Indirect shareholdings pursuant to Sections 33, 34 of the WpHG.
(4) Directly and indirectly held instruments pursuant to Section 38 of the WpHG.
(5) According to a shareholding notification dated November 25, 2019.
(6) According to a shareholding notification dated December 18, 2017.

As of the date of this Prospectus, none of the Company's major shareholders has control on the Company within the meaning of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, "**WpÜG**"). Having control within the meaning of the WpÜG means the direct or indirect holding of 30% or more of the voting rights.

On March 25, 2013, DBAG and Rossmann Beteiligungs GmbH entered into an agreement on relinquishing of control (*Entherrschungsvertrag*), pursuant to which Rossmann Beteiligungs GmbH for resolutions concerning the election or dismissal of members of the Supervisory Board, may only exercise its voting rights from the DBAG shares, it holds and will hold in the future, with a maximum of 45% of the share capital represented at a general shareholders' meeting (*Hauptversammlung*).

17 INFORMATION ON THE SHARE CAPITAL OF THE COMPANY AND APPLICABLE REGULATIONS

17.1 Share Capital and Shares

The issued share capital of the Company amounts to EUR 53,386,664.43 consisting of 15,043,994 ordinary registered shares with no par value (*auf den Namen lautende Stückaktien*), each representing a notional par value of (rounded) EUR 3.55. Our share capital is fully paid in. The Shares are created under German law.

17.2 Form, Voting Rights

All Shares are ordinary registered shares with no par value (*auf den Namen lautende Stückaktien*). Each Share entitles the shareholder to one vote at the general shareholders' meeting (*Hauptversammlung*) of the Company. There are no restrictions on voting rights. Voting rights are the same for all the Company's shareholders, *i.e.* none of the shareholders have different voting rights. Voting rights, however, cannot be exercised until the respective capital contribution has been paid in full. The Company does not hold any treasury shares. The Company's subsidiaries do not hold shares in the Company. No Shares are held by other parties on behalf or for the account of the Company or any of its subsidiaries by other parties.

17.3 Representation, Transferability

The Company is entitled to issue share certificates representing individual shares or a global share certificate representing several shares. According to the Articles of Association, the shareholders are not entitled to individual certification of their Shares.

There are no restrictions on the transferability of the Shares in the Company.

17.4 Development of the Share Capital

Based on the authorization adopted by the general shareholders' meeting of March 20, 2002, the Board of Management with approval of the Supervisory Board resolved to increase the share capital of the Company from EUR 36,400,000.00 by EUR 12,133,334.20 to EUR 48,533,334.20 by issuing 4,666,667 new ordinary bearer shares with no par value (*auf den Inhaber lautende Stückaktien*) against cash contribution. The implementation of the capital increase was registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, on March 9, 2004.

Based on the authorization adopted by the general shareholders' meeting on March 17, 2005, the Company repurchased a total of 1,829,338 shares in the period from June 30, 2005 to July 29, 2005 and subsequently retired and cancelled these shares by resolution of the Board of Management of August 3, 2005 and August 9, 2005. The cancellation was registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, on October 17, 2005.

Based on the authorization adopted by the general shareholders' meeting on March 29, 2006, the Company repurchased a total of 1,683,465 shares in the period from July 17, 2006 to August 14, 2006 and subsequently retired and cancelled these shares by resolution of the Board of Management of August 22, 2006. The cancellation was registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, on October 23, 2006.

Based on the authorization adopted by the general shareholders' meeting on March 28, 2007, the Company repurchased 750,000 shares from a principal shareholder and subsequently retired and cancelled these shares by resolution of the Board of Management of June 26, 2007. The cancellation was registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, on July 26, 2007.

Based on the authorization adopted by the general shareholders' meeting on March 28, 2007, the Company repurchased a total of 727,505 shares in the period from August 16, 2007 to December 14, 2007 and subsequently retired and cancelled these shares by resolution of the Board of Management of December 18, 2007. The cancellation was registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, on January 31, 2008.

Based on the authorization adopted in the Articles of Association of March 24, 2015, the Board of Management with approval of the Supervisory Board on the same date resolved to increase the share capital of the Company from EUR 48,533,334.20 by EUR 4,853,330.23 to EUR 53,386,664.43 by issuing 1,367,635 new, ordinary registered shares with no par value (*auf den Namen lautende Stückaktien*) against cash contributions. The implementation of the capital increase was registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, on September 16, 2016.

17.5 Authorized Capital 2017

As of the date of this Prospectus, pursuant to Section 5 para. 3 of the Articles of Association, the Board of Management is authorized, subject to the consent of the Supervisory Board, to raise the share capital until February 21, 2022 by up to a total of EUR 13,346,664.33 (the "***Authorized Capital 2017***") through one or several issues of new no par value registered shares in exchange for contributions in cash or in kind. The number of shares in that context must be increased proportionately to the share capital.

Shareholders shall principally be granted subscription rights. Statutory subscription rights can be granted to shareholders such that the shares may be underwritten by one or more credit institutions or companies described in Section 186 para. 5 sentence 1 AktG appointed by the Board of Management with the obligation of offering them to shareholders (indirect subscription right).

The Board of Management, however, is authorized, subject to the approval of the Supervisory Board, to exclude subscription rights

- to except fractional amounts from shareholders' subscription rights;

- if the new shares are to be issued in exchange for cash contributions and the issue price per share does not significantly fall short of the stock market price of the quoted shares at the time the issue price is fixed. The total number of shares issued in this way under exclusion of shareholders' subscription rights must not exceed 10% of the share capital, neither at the time this authorization takes effect, nor when it is exercised. In determining the maximum limit of 10% of the share capital, those shares shall be included that are issued or disposed of under exclusion of subscription rights in direct or analogous application of Section 186 (3) sentence 4 AktG during the term of this authorization. New shares that are issued to service option and/or conversion rights or option and/or conversion obligations arising from convertible bonds and/or warrant-linked bonds or profit-sharing rights shall also be included, insofar as these bonds or profit-sharing rights were issued during the term of this authorization under exclusion of shareholders' subscription rights in analogous application of Section 186 (3) sentence 4 AktG;

- if the capital increase is performed in exchange for contributions in kind within the context of mergers or for the purpose of acquisitions of companies, parts of companies, equity interest in companies or of other assets or of entitlements to acquisitions of other assets including claims on the Company;

- insofar as this is required to grant subscription rights for new shares to holders or creditors of warrant-linked bonds and/or convertible bonds with option or conversion rights or option and/or conversion obligations that are issued by the Company or subsidiaries in which it directly or indirectly holds a majority to the extent to which they would be entitled upon exercise of their option or conversion rights or upon fulfilment of option or conversion obligations;

and only insofar as the shares issued against contributions in cash or in kind under exclusion of shareholders' subscription rights during the term of this authorization, based on this authorization or another authorized capital, do not, in total, exceed 10% of the share capital, neither at the time this authorization takes effect, nor when it is exercised. The following shall count towards the previously mentioned limit of 10 percent:

- treasury shares that are disposed of during the term of this authorization under exclusion of shareholders' subscription rights, as well as

- new shares that are to be issued arising from convertible bonds and/or warrant-linked bonds and/or profit-sharing rights issued during the term of this authorization under exclusion of shareholders' subscription rights.

The Board of Management is authorized, subject to the consent of the Supervisory Board, to stipulate the rights attaching to shares, the details of the capital increase as well as the terms of the share issuance, particularly the issue price.

The Supervisory Board is authorized to adapt the wording of the Articles of Association in Section 5 upon utilization of the Authorized Capital 2017 or upon expiry of the authorization period for the utilization of the Authorized Capital 2017.

17.6 Contingent Capital 2017

Pursuant to Section 5 para. 4 of the Articles of Association, the share capital is conditionally raised by up to EUR 13,346,664.33 through the issuance of up to 3,760,998 new no par value registered shares (the "**Conditional Capital 2017/I**"). The number of shares must be increased proportionate to the share capital. The conditional capital increase serves to grant new no par value registered shares to holders or creditors of warrant-linked bonds and/or convertible bonds (hereinafter jointly referred to as "**bonds**") with option or conversion rights or option or conversion obligations issued pursuant to the authorization resolved by shareholders at the general shareholders' meeting (*Hauptversammlung*) on February 22, 2017 under agenda item 7 in the period until February 21, 2022 by the Company or by a subsidiary in which the Company directly or indirectly holds a majority. The issuance of new shares is subject to the option or conversion exercise price to be fixed in each case pursuant to the authorization resolved at the general shareholders' meeting (*Hauptversammlung*) on February 22, 2017 under agenda item 7 b). The conditional capital increase shall only be executed insofar as the holders or creditors of bonds exercise option and/or conversion rights or fulfil option or conversion obligations or, to the extent that the Company or the issuing subsidiary exercises its right of choice, wholly or in part, to service the entitlements by delivering shares in the Company instead of cash settlement and insofar as a cash settlement is not afforded or treasury shares or shares from authorized capital or the shares of another listed company are not used to service the entitlements. The new shares are entitled to dividends from the beginning of the financial year in which they are issued as a result of the exercise of option or conversion rights or the fulfilment of option or conversion obligations. The Board of Management is authorized, with the consent of the Supervisory Board, to stipulate the additional details in executing a conditional capital increase.

The Supervisory Board is authorized to adapt the wording of Section 5 of the Articles of Association in accordance with the respective issuance of new shares as well as to perform all other adaptions in that context that relate to the wording. The same applies in the event that the authorization to issue bonds has been exercised by the time the authorization period expires as well as in the event that the Conditional Capital 2017/I has not been used up to the dates the exercise of options or conversion rights or the fulfilment of option or conversion obligations expire.

17.7 General Provisions governing a Liquidation of the Company

Apart from a liquidation as a result of insolvency proceedings, the Company may be liquidated only with a vote of 75% or more of the share capital represented at the general shareholders' meeting (*Hauptversammlung*) at which such vote is taken. Pursuant to the AktG, in the event of the Company's liquidation, any assets remaining after all of the Company's liabilities have been settled will be distributed *pro rata* among its shareholders. The AktG provides certain protections for creditors which must be observed in the event of liquidation.

17.8 General Provisions governing Share Capital Increases and Decreases

The AktG provides that the share capital of a stock corporation may be increased by a resolution of the general shareholders' meeting (*Hauptversammlung*). Such resolution must be adopted by a majority of at least 75% of the share capital represented at the general shareholders' meeting (*Hauptversammlung*) at which such vote is taken unless the stock corporation's articles of association provide for a different majority. Our Articles of Association provide in Section 23 that the resolutions of the general shareholders' meeting (*Hauptversammlung*) are adopted by a simple majority of the votes cast unless stipulated otherwise by mandatory law. In addition, shareholders may resolve to issue authorized capital by a vote of 75% of the share capital represented at the passing of the resolution authorizing the Board of Management to issue Shares, up to a specific amount within a period not exceeding five years. The nominal amount of such issuance may not exceed 50% of the share capital in existence at the time of the authorization, that is, at the time the authorized capital is entered into the commercial register (*Handelsregister*).

Additionally, shareholders may resolve to create contingent capital for the purpose of issuing Shares (i) to holders of convertible bonds or other securities convertible into Shares of the Company, (ii) as consideration in connection with a merger with another company or (iii) to executives and employees. A resolution to create contingent capital must be adopted by at least 75% of the share capital represented at the passing of the resolution. The nominal amount of the contingent capital created for the purpose of share issues to executives and employees may not exceed 10%, a contingent capital created for any other purpose may not exceed 50% of the nominal share capital in existence at the time such resolution is passed. The creation of contingent capital beyond this threshold is permitted only for the purpose of enabling the company to make an exchange in the event of its impending insolvency or for the purpose of averting over indebtedness.

A resolution to reduce the share capital must be adopted by at least 75% of the share capital represented at the passing of the resolution.

17.9 General Provisions on Subscription Rights

According to the AktG, every shareholder is generally entitled to subscription rights to any new shares issued within the framework of a capital increase, including convertible bonds, bonds with warrants, profit-sharing rights or income bonds. Such subscription rights are freely transferable and may generally be traded on German stock exchanges within a specified period prior to the expiration of such period.

The general shareholders' meeting (*Hauptversammlung*) may pass a resolution excluding subscription rights if at least 75% of the share capital represented adopts the resolution. To exclude subscription rights, the Board of Management must also make a report available to the shareholders justifying the exclusion and demonstrating that the Company's interest in excluding the subscription rights outweighs the shareholders' interest in keeping them. The exclusion of subscription rights upon the issuance of new Shares is permitted, in particular, if the Company increases the share capital against cash contributions, the amount of the capital increase does not exceed 10% of the existing share capital and the issue price of the new Shares is not significantly lower than the stock exchange price of the Company's existing shares.

17.10 General Provisions on Shareholders' Pre-Emptive Rights

Under the AktG, every shareholder generally has pre-emptive rights corresponding to their existing proportionate participation in the company's share capital relating to the issuance of new shares issued in the context of a capital increase. The same applies to convertible bonds, bonds with warrants, profit participation rights and participation bonds. In general, pre-emptive rights are freely transferable. The pre-emptive rights of the Company's shareholders may be excluded upon resolution by the general shareholders' meeting (*Hauptversammlung*) with a majority of the votes cast and a concurrent majority of at least 75% of the share capital represented at the time of the resolution. Such an exclusion of pre-emptive rights further requires a report by the Board of Management setting forth the reasons why the Company's interest in excluding the pre-emptive rights outweighs the interest of the shareholders in retaining their pre-emptive rights. Under the AktG, the exclusion of pre-emptive rights with respect to the issuance of new shares is deemed permissible, in particular if the Company increases its share capital against cash payment in an amount not exceeding 10% of the existing share capital and the issue price of the new shares is not materially lower than the stock exchange price of the Company's existing shares.

17.11 General Provisions on Distribution of Dividends

The distribution of dividends on the Company's shares for a given financial year is resolved by the general shareholders' meeting (*Hauptversammlung*) of the subsequent financial year following a proposal by the Board of Management and the Supervisory Board.

Under the AktG, a resolution regarding dividends and any distribution thereof must be based on a balance sheet profit, recorded in the Company's separate financial statements. When determining the balance sheet profit available for distribution, net income/loss must be adjusted to account for profit/loss carry-forwards of the previous years, as well as release of or allocation to reserves. Certain reserves are required by law and the respective allocations must be deducted when calculating the amount of balance sheet profit available for distribution. For further details, see section "*7. Dividend Policy*", above.

17.12 Exclusion of Minority Shareholders

Under the rules of Sections 327a *et seqq*. of the AktG regarding the so-called "squeeze-out" of minority shareholders, the general shareholders' meeting (*Hauptversammlung*) of a stock corporation may resolve upon request by a shareholder who holds 95% of the share capital (majority shareholder) that the shares held by the remaining minority shareholders be transferred to the majority shareholder against payment of adequate cash compensation. The amount of the cash compensation to be granted to the minority shareholders must reflect the situation of the company at the time the resolution is adopted by the general shareholders' meeting (*Hauptversammlung*). For the purpose of calculating the compensation amount, the full enterprise value is relevant and will generally be determined by applying the discounted future earnings method (*Ertragswertmethode*). The minority shareholders are entitled to file for valuation proceedings (*Spruchverfahren*) in the course of which the appropriateness of the cash compensation is reviewed.

Under the German Transformation Act (*Umwandlungsgesetz*), a majority shareholder holding at least 90% of a stock corporation's share capital can require the general shareholders' meeting (*Hauptversammlung*) to resolve that the minority shareholders must sell their stock to the majority shareholder against the payment of adequate compensation in cash, provided that (i) the majority shareholder is a stock corporation, a partnership limited by shares (*Kommanditgesellschaft auf Aktien, KGaA*), or a European stock corporation (*Societas Europaea, SE*) having its seat in Germany, and (ii) the squeeze-out is performed to facilitate a merger under the German Transformation Act (*Umwandlungsgesetz*) between the majority shareholder and the stock corporation. The general shareholders' meeting (*Hauptversammlung*) approving the squeeze-out must take place within three months of the conclusion of the merger agreement. The procedure for the squeeze-out is essentially identical to the squeeze-out under stock corporation law described above, including the minority shareholders' right to have the appropriateness of the cash compensation reviewed.

Furthermore, pursuant to the provisions in Sections 39a and 39b of the WpÜG regarding the so-called "squeeze-out under takeover law", a bidder who, following a takeover offer or a mandatory public offer, holds at least 95% of the voting share capital of the target company may, within a period of three months following the expiration of the acceptance period, apply to the Regional Court (*Landgericht*) of Frankfurt am Main for a court order to transfer to such bidder the remaining voting shares against payment of adequate compensation. No resolution of the general shareholders' meeting (*Hauptversammlung*) is required. The consideration granted under the takeover offer or the mandatory public offer is considered adequate compensation if the bidder, based on such offer, has acquired at least 90% of the share capital subject to the offer. Furthermore, following a takeover offer or mandatory public offer, the shareholders of the target company who did not accept such offer may accept the offer within three months after the expiration of the acceptance period (so-called "sell-out"), provided the bidder is entitled to file an application for the transfer of the remaining voting shares in accordance with Section 39a of the WpÜG (Section 39c of the WpÜG).

Pursuant to the provisions of Section 319 *et seq*. of the AktG regarding the integration (*Eingliederung*) of a subsidiary, the general shareholders' meeting (*Hauptversammlung*) of a stock corporation may resolve the integration into another company provided that the future principal company (*Hauptgesellschaft*) is a German stock corporation and holds at least 95% of the shares of the company to be integrated. The shareholders of the integrated company are entitled to adequate compensation, which is generally to be granted in the form of shares of the principal company. The amount of compensation is to be determined by the so-called "merger value ratio" (*Verschmelzungswertrelation*) between the companies, *i.e.* the exchange ratio which would have to be considered adequate in the event of a merger of the two companies.

17.13 Mandatory Takeover Bids

Pursuant to the WpÜG, every person whose share of voting rights reaches or exceeds 30% of the voting shares of the Company (after admission of the Company's shares to trading on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)) must, within seven calendar days, publish this fact, including the percentage of its voting rights, on the internet and through electronic media for disseminating financial information unless an exemption from this obligation has been granted by BaFin. Subsequently, and unless an exemption from this obligation has been granted by BaFin, such person must submit a mandatory public offer to all shareholders of the Company. The WpÜG contains several rules that provide for an attribution and aggregation of voting rights in order to ensure that the shares are attributed to the person actually controlling the voting rights attached thereto. If a person fails to give notice of reaching or exceeding the 30% threshold or fails to submit a mandatory public tender offer, shareholder rights (including voting rights and, in certain cases, the right to collect dividends and liquidation proceeds) are suspended for the duration of non-compliance under certain circumstances. In addition, a fine may be imposed.

17.14 Disclosure Requirements for Holdings of Shares and Other Instruments

The Company, as a listed company, and its shareholders are subject to the provisions of the WpHG governing disclosure requirements for shareholdings.

Section 33 of the WpHG requires that anyone who acquires, sells or whose shareholding in any other way reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the voting rights in an issuer whose home country is Germany and whose shares are admitted to trading on an organized market must immediately, and no later than within four trading days of such occurrence, notify the issuer and at the same time BaFin. The notice period commences as soon as the person obliged to notify (*Meldepflichtiger*) knows, or, under the circumstances of the case should know, that his or her voting rights reach, exceed or fall below the abovementioned thresholds, and no later than two trading days after reaching, exceeding or falling below the threshold. Only in the case where the voting rights reach, exceed or fall below the thresholds as a result of an event affecting all voting rights, then the notice period may commence at a later time. The notification requirement is set off by the establishment of an obligation to transfer such ownership immediately (*ohne zeitliche Verzögerung*).

Notice must be given using a standard form annexed to the German Securities Trading Reporting Regulation (*Wertpapierhandelsanzeigeverordnung*). It must include the address of the individual or entity, the share of voting rights held and the date of reaching, exceeding or falling below the respective threshold, and must be issued via a mandatory standard form. The Company must publish such notices immediately but no later than within three trading days after their receipt, via media outlets or outlets where it can be assumed that the notice will be disseminated in the EU (including, during the transitional period of the UK's withdrawal from the EU, the United Kingdom) and the non-EU parties to the agreement on the EEA (so-called "*Medienbündel*"). The Company must also transmit the notice to BaFin and to the German Business Register (*Unternehmensregister*) for storage.

For purposes of the notification requirements, the WpHG contains various rules that require the attribution (*Zurechnung*) of voting rights of certain persons associated with the shareholder or acting in concert with the shareholder. For example, shares held by a subsidiary (as defined in Section 35 of the WpHG) are attributed to the parent company; similarly, shares held by a third company for the account of another company are attributed to the latter. Furthermore, any kind of cooperation among shareholders that is intended to effect a permanent and material change in the business strategy of the Company can result in an attribution of voting rights. This means that the cooperation does not necessarily have to concern the exercise of voting rights specifically; coordination in individual cases, however, will not trigger the attribution of voting rights.

Pursuant to Section 38 of the WpHG, similar obligations to notify the Company and BaFin for reaching, exceeding or falling below the abovementioned thresholds (other than the 3% threshold) apply to direct and indirect holders of certain instruments other than shares. This applies to instruments that grant upon maturity an unconditional right to acquire already issued voting shares of the Company, a discretionary right to acquire such shares, or instruments that refer to such shares and have a similar economic effect to the aforementioned instruments. Notifiable instruments include transferable securities, options, futures contracts, swaps, forward rate agreements and contracts for difference. The number of voting rights relevant for the notification requirement will generally be calculated by reference to the full nominal amount of shares underlying the instrument except where the instrument provides exclusively for a cash settlement. Details for such calculations are laid down in the Commission Delegated Regulation (EU) 2015/761 of December 17, 2014.

Shares or instruments held for trading by a securities services company are not taken into account for determining the notification obligation if it is ensured that the voting rights held by them are not exercised, and that they amount to no more than 5% of the voting shares, or do not grant the right to purchase more than 5% of the voting shares.

Notifiable holdings pursuant to Sections 33 and 38 of the WpHG must be aggregated, leading to a notification obligation for total holdings above a 5% threshold pursuant to Section 39 of the WpHG.

Furthermore, a person obliged to notify (*Meldepflichtiger*) who reaches or exceeds the threshold of 10% of the voting rights, or a higher threshold, is obligated to notify the issuer within 20 trading days of the objective being pursued through the acquisition of voting rights, as well as the source of the funds used for the purchase pursuant to Section 43 of the WpHG. Changes in those objectives must also be reported within 20 trading days. An issuer may stipulate in its articles of association that the aforementioned disclosure requirement does not apply.

In case that the disclosure requirements are not met, shareholder rights (including voting rights and, in certain cases, the right to collect dividends and liquidation proceeds) are – subject to certain exceptions – suspended for the duration of non-compliance. If the failure to comply with the disclosure requirements specifically relates to the share of voting rights and is the result of a willful or grossly negligent conduct, the suspension period is extended by six months after the person obliged to notify (*Meldepflichtiger*) files the required notification. In addition, a fine may be imposed if a required notification is not at all, incorrectly or incompletely made, or not made in the right manner or in a timely fashion. BaFin also has the right to publish decisions on sanctions and measures relating to violations of the disclosure obligations and persons responsible for such violations.

17.15 Disclosure of Transactions of Persons Discharging Managerial Responsibilities

Pursuant to Article 19 of the Market Abuse Regulation (Regulation (EU) No. 596/2014 of April 16, 2014) ("**Market Abuse Regulation**"), persons discharging managerial responsibilities ("**Executives**") shall notify the Company and BaFin of every transaction conducted on their own account relating to shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto (so-called "managers' transactions"). The same applies to persons closely associated with Executives who must notify the Company and BaFin if they enter into such transactions. Transactions that must be notified also include pledging or lending of financial instruments, transactions undertaken by any person professionally arranging or executing transactions on behalf of an Executive or a closely associated person, including where discretion is exercised, as well as transactions made under a life insurance policy. The notification requirement applies to any subsequent transaction once a total amount of EUR 20,000 has been reached within a calendar year. Notification shall be made promptly and no later than three business days after the date of the transaction.

For the purposes of the Market Abuse Regulation, Executive means a person within the Company who is a member of the administrative, management or supervisory body of the company or a senior executive who is not such member but who has regular access to inside information relating directly or indirectly to the Company and who has power to take managerial decisions affecting the future developments and business prospects of the Company. A person closely associated with an Executive means certain family members, namely a spouse, a registered civil partner (*eingetragener Lebenspartner*), a dependent child as well as a relative who has shared the same household for at least one year on the date of the transaction concerned. A person closely associated also includes a legal person, trust or partnership, the managerial responsibilities of which are discharged by an Executive of the Company or by a family member of his or hers. Finally, the term includes a legal person, trust or partnership which is directly or indirectly controlled by an Executive of the Company (or by one of its family members) or which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

The Company shall ensure that information of which it is notified is promptly made public. In any case, it shall be made public no later than three business days after the transaction in a manner which enables fast access to this information on a non-discriminatory basis in accordance with ESMA's implementing technical standards. Furthermore, according to the WpHG, the Company shall without undue delay transmit the information to the German Business Register (*Unternehmensregister*) and notify BaFin. Non-compliance with the notification requirements may result in a fine.

17.16 Post-Admission Disclosure Requirements

Due to the admission to trading of the Company's shares, the Company is subject to the legal disclosure requirements for German stock corporations with shares listed on a public exchange. These disclosure requirements include periodic financial reporting and other required disclosures according to the WpHG as well as disclosure requirements under the Market Abuse Regulation. The Company will also be obliged under the Listing Rules of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (*Börsenordnung für die Frankfurter Wertpapierbörse*), as amended from time to time, to publish quarterly statements, as the Company's shares are to be listed on the Prime Standard sub-segment of the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

Pursuant to Article 17 of the Market Abuse Regulation, the Company shall inform the public as soon as possible of inside information (as defined below) which directly concerns the Company. In such case the Company shall also, prior to informing the public, inform BaFin and the management of the trading venues and facilities (*Geschäftsführungen der Handelsplätze*) where financial instruments of the Company have been admitted to trading or been included in such trading, and, after publication, without undue delay transmit the information to the German Business Register (*Unternehmensregister*).

Inside information comprises any information of a precise nature that has not been made public and relates, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.

The Company may, on its own responsibility, delay disclosure of inside information if (i) immediate disclosure is likely to prejudice the legitimate interests of the Company, (ii) delay of disclosure is not likely to mislead the public and (iii) the Company is able to ensure that the inside information will remain confidential. In such case, the Company shall also inform BaFin that disclosure of the information was delayed and shall provide a written explanation of how the conditions set out in the preceding sentence were met, immediately after the information is disclosed to the public. Where disclosure of inside information has been delayed and the confidentiality of that inside information is no longer ensured, the Company shall disclose such inside information to the public as soon as possible.

17.17 EU Short Selling Regulation

Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps (the "**EU Short Selling Regulation**"), the European Commission's delegated regulation for the purposes of detailing it and the German EU Short Selling Implementation Act (*EU-Leerverkaufs-Ausführungsgesetz*) of 6 November 2012 as amended from time to time only permit the short selling of shares when specific criteria are met. Under the provisions of the EU Short Selling Regulation, significant net short selling positions in shares must be reported to the BaFin and also published if they exceed a specific percentage. The reporting and publication process is detailed in the German Regulation on Net-Short Positions (*Netto-Leerverkaufspositionsverordnung*) of 17 December 2012 as amended from time to time. The net short selling positions are calculated by offsetting the short positions a natural person or legal entity has in the shares issued by the issuer concerned with the long positions it has in this capital. The details are regulated in the EU Short Selling Regulation and the other regulations the European Commission enacted on short selling to specify it. In certain situations described in detail in the EU Short Selling Regulation, the BaFin may restrict short selling and comparable transactions.

18 GOVERNING BODIES

18.1 General

Our governing bodies are our Board of Management, Supervisory Board and the general shareholders' meeting (*Hauptversammlung*). The responsibilities and powers of these bodies are determined by the AktG, the Articles of Association (*Satzung*), the rules of procedure of the Supervisory Board (*Geschäftsordnung für den Aufsichtsrat*) and the Board of Management (*Geschäftsordnung für den Vorstand*) including the schedule of responsibilities (*Geschäftsverteilungsplan*) and the German Corporate Governance Code (as defined in section "*—18.4 German Corporate Governance Code*").

Under the rules of procedure for the Board of Management, the members of the Board of Management are jointly responsible for the business of the Company. The members of the Board of Management work together in a collegial manner and inform each other of important transactions and processes in their area of responsibility (*Prinzip der Kollegialität*). Decisions are generally taken in regularly held board meetings. All decisions have to be recorded in written form and have to be released for the attention of the members of the Board of Management (*Prinzip der Schriftlichkeit*). Disagreements shall, if at all possible, be resolved by discussion within the Board of Management. If no agreement can be reached among the members of the Board of Management, any member may inform the Chairman of the Supervisory Board.

The Board of Management has to inform the Supervisory Board according to the requirements as stipulated by Section 90 AktG. Reports of the Board of Management have to be composed in written form, unless in individual cases, due to the urgency of the matter, verbal reporting to the Supervisory Board or the Chairman of the Supervisory Board is sufficient or advisable. The Supervisory Board has to be informed about the strategy, business development and corporate planning. The Board of Management is obliged to report to the Supervisory Board any deviations from previous corporate plans and targets, stating the reasons.

The Board of Management must prepare the annual financial statements (balance sheet, income statement with notes) and – to the extent required – the management report for the previous financial year within the first four months of a financial year and submit the report without undue delay to the auditor of the annual financial statements and subsequently without undue delay to the Supervisory Board together with the audit report for examination. At the same time, the Board of Management must submit a proposal to the Supervisory Board on how the profit shown in the balance sheet will be used. The Supervisory Board must examine the annual financial statements, the Board of Management report and the proposal for how to use the profit shown in the balance sheet and report in writing about the examination to the general shareholders' meeting (*Hauptversammlung*); the Supervisory Board must respond to the results of the audit of the annual financial statements by the auditor. The Supervisory Board must forward to the Board of Management the Supervisory Board's report within one month after the items have been submitted by the Board of Management and after the Supervisory Board has received the auditor's report about the audit of the annual financial statements. If the Supervisory Board approves the annual financial statements after examining them, the annual financial statements are determined. The described duties of the Board of Management apply in the same manner for the consolidated financial statements of DBAG.

Simultaneous membership on the Board of Management and the Supervisory Board of a German stock corporation is not permitted under German law; however, simultaneous membership that results from a member of the Supervisory Board taking a seat on the Board of Management of the same German stock corporation for a maximum period of up to one year is permissible in exceptional cases. During this period, the board member may not perform any duties for the Supervisory Board. Under German Stock Corporation law, the Supervisory Board advises and oversees the Board of Management on the management of the Company but is not itself authorized to manage the Company.

The Articles of Association or the Supervisory Board must, however, require that the management obtains the prior approval of the Supervisory Board before entering into certain transactions. According to the Articles of Association, the Supervisory Board may determine that its approval shall be required for certain measures of the Board of Management. Hence, the Rules of Procedure for the Board of Management stipulate that certain measures and business transactions may only be implemented by the Board of Management with prior approval of the Supervisory Board. As of the date of this Prospectus, matters subject to the prior approval of the Supervisory Board as set forth in the rules of procedure for the Board of Management include the following:

- Making advance payments on the unappropriated profit pursuant to Section 59 para. 3 AktG;
- Granting of credit to the members of the Board of Management, members of the Supervisory Board, authorized signatories (*Prokurist*) and authorised agents to conduct all business operations as well as their relatives pursuant to Section 89 and Section 115 AktG;
- Approval of the annual financial statements and consolidated financial statements in accordance with Section 171 AktG;
- Decisions on the utilization of the authorized capital and exclusion of subscription rights (Section 204 AktG);
- Granting of loans with a term longer than one year;
- Acquisition of land intended for the procurement of business premises;
- Granting special statutory power of attorney (*Prokura*).

According to Section 12 para. 1a of the Articles of Association, the acquisition and sale of equity interests by the Company and, in accordance with Section 12 para. 2 of the Articles of Association, investment recommendations to the fund management companies regarding the acquisition of equity investments and the increase, sale or partial sale of existing shareholdings require the approval of the Supervisory Board, insofar as a value limit to be determined by the Supervisory Board is exceeded.

Furthermore, the Supervisory Board has resolved, according to Section 12 para. 2 of the Articles of Association, the requirement of approval for:

- Non-exercise of the Company's co-investment right in investments of DBAG funds;
- Closure of material contracts with persons or companies related to a member of the Board of Management, with the exception of contracts with companies affiliated with the Company;
- Exercise of the Company's voting rights with respect to measures in DBG Advising Partner GmbH & Co. KG in which the Company has a veto right;
- Exercise of the Company's voting rights with respect to measures in DBG Managing Partner GmbH & Co. KG in which the Company has a veto right;
- Adoption of employee compensation programs, insofar as these relate to future strategically important business areas and extend over several years;

The Company may only waive or settle any damage claims against members of the Board of Management or Supervisory Board if three years have passed since the claims came into existence, and only if a simple majority of the shareholders votes in favour of such waiver or settlement at the general shareholders' meeting (*Hauptversammlung*) and provided that a minority of the shareholders whose shares collectively reach the level of 10% of the share capital does not raise an objection which is entered in the minutes of the meeting.

Members of the Board of Management and Supervisory Board owe a duty of care and a duty of loyalty to the Company. Board members must consider several interests, including those of the Company and its shareholders, employees and creditors. The Board of Management must also take into consideration shareholders' rights to equal treatment and equal access to information. Should members of the Board of Management or Supervisory Board breach these duties, they will be jointly and severally liable to the Company for compensatory damages. Members of the Board of Management and Supervisory Board are covered by directors' and officers' liability insurance for their activities as members of management up to a certain amount. The Company bears the cost of these insurance policies. However, it should be noted that applicable German law requires that each member of the Board of Management remains personally responsible in the case of any finding of personal liability of such member, as the case may be, for 10% of the total amount of the damages, up to an amount that equals up to 150% of such member's total annual fixed remuneration from DBAG.

A shareholder is generally not entitled to file a suit against members of the Board of Management or Supervisory Board if he or she believes that these persons have neglected their duties toward the Company, and this has caused damage to the Company. Claims for compensatory damages against members of the Management or the Supervisory Board may, as a rule, only be asserted by the Company itself, in which case the Company is represented by the Board of Management when claims are made against members of the Supervisory Board and the Supervisory Board when claims are made against members of the Board of Management. According to a ruling of the German Federal Court of Justice (*Bundesgerichtshof*), the Supervisory Board is obligated to assert claims for compensatory damages against members of the Board of Management that are likely to be successful, unless important company interests conflict with such an assertion of claims and such grounds outweigh, or are at least comparable to, the grounds in favour of asserting the claims. In the event that the relevant body with powers to represent the Company decides not to pursue such claims, then such claims of the Company for compensatory damages must nevertheless be asserted against members of the Board of Management or the Supervisory Board if the general shareholders' meeting (*Hauptversammlung*) passes a resolution to this effect by a simple majority vote. The general shareholders' meeting (*Hauptversammlung*) may appoint a special representative (*besonderer Vertreter*) to assert such claims. Shareholders whose aggregate holdings amount to at least 10% or EUR 1,000,000 of the Company's share capital may apply to the court to appoint a special representative to assert claims for compensatory damages. In the event of such an appointment, the special representative becomes solely responsible for asserting the claims of the Company for compensatory damages in lieu of the Company's management. In addition, if there are facts supporting the claim that the Company has been damaged by fraud or gross breaches of duty, shareholders whose aggregate holdings amount to at least 1% or EUR 100,000 of the Company's share capital have the option, under certain circumstances, of being granted permission by the competent court to file a lawsuit on their own behalf for compensatory damages for the Company against members of the respective board. Such a lawsuit will be dismissed if the Company itself files a lawsuit for compensatory damages. The Company may only waive or settle any damage claims against members of the Board of Management or Supervisory Board if three years have passed since the claims came into existence, and only if a simple majority of the shareholders votes in favour of such waiver or settlement at the general shareholders' meeting (*Hauptversammlung*) and provided that a minority of the shareholders whose shares collectively reach the level of 10% of the share capital does not raise an objection which is entered in the minutes of the meeting.

Under Section 142 AktG, the general shareholders' meeting (*Hauptversammlung*) may appoint, by way of a simple majority, a special auditor (*Sonderprüfer*) to review procedure, in particular in relation to management. If the general shareholders' meeting (*Hauptversammlung*) rejects a motion to appoint a special auditor (*Sonderprüfer*), the court must appoint a special auditor at the request of shareholders whose aggregate shareholding constitutes 1% of the share capital or whose shares have an aggregate value of EUR 100,000 in case the facts justify the suspicion that irregularities, gross violations of the law or of the Articles of Association have been committed. If the general shareholders' meeting (*Hauptversammlung*) does appoint a special auditor (*Sonderprüfer*), the court shall appoint a second special auditor if such appointment appears to be appropriate considering the qualifications of the first auditor and is requested by shareholders whose aggregate shareholding constitutes 1% of the share capital or whose shares have an aggregate value of EUR 100,000.

In accordance with Section 127a of the AktG, shareholders and shareholder associations can use the shareholder forum (*Aktionärsforum*) of the German Federal Gazette (*Bundesanzeiger*) to call upon other shareholders to jointly, or through third party representation, request a special audit, appoint a special representative, demand that a general shareholders' meeting (*Hauptversammlung*) is convened or exercise their voting rights in a general shareholders' meeting (*Hauptversammlung*).

Under German law, it is not permitted for shareholders or any other individuals to attempt to influence members of the Board of Management or the Supervisory Board, authorized representatives or other persons holding a commercial power of attorney to act in a way harmful to the Company. Shareholders with a controlling influence may not use such influence to cause the Company to act against its own best interests, unless any resulting damages are compensated for. Any person who uses his or her influence to cause a member of the Company's Board of Management or supervisory board, authorized representative or persons holding a commercial power of attorney to act in a manner harmful to the Company or its shareholders is obligated to compensate the Company and its shareholders for any resulting damage. In addition, members of the Board of Management and Supervisory Board may be jointly and severally liable for breach of their duties.

18.2 Board of Management

(a) Overview

Pursuant to Section 7 of our Articles of Association, the Supervisory Board determines in accordance with the AktG the number of members of the Board of Management which must consist of at least two persons. The Supervisory Board may appoint one Board of Management member as chairman or a spokesman.

The Supervisory Board appoints the members of the Board of Management for a maximum term of five years, with a maximum term of three years for first-time appointments in accordance with the GCGC (as defined in section "*—18.4 German Corporate Governance Code*" below). However, in deviation from the GCGC (as defined below) Tom Alzin and Jannick Hunecke have each been appointed for a five years' term as members of the Board of Management. Reappointment or extension of the term for up to five years is permissible. Since more than one member of the Board of Management has been appointed, the Supervisory Board has designated a spokesman of the Board of Management. As the date of this Prospectus, the Board of Management consists of four members with Torsten Grede appointed as spokesman.

The Supervisory Board may revoke the appointment of a Board of Management member prior to the expiration of his or her term for good cause, such as for gross breach of fiduciary duties or if the general shareholders' meeting (*Hauptversammlung*) passes a vote of no-confidence with respect to such member, unless the no-confidence vote was clearly unreasonable. The Supervisory Board is also responsible for entering into, amending and terminating service agreements with the Board of Management members and, in general, for representing the Company in and out of court against the Board of Management. The Board of Management determines the Company's business areas and operating segments. The Supervisory Board resolves upon the allocation of responsibilities to the various members of the Board of Management.

The Board of Management determines our business areas and operating segments within the scope of the corporate purpose defined by the Articles of Association. The Board of Management is responsible for implementing and maintaining appropriate risk management and risk control systems to provide timely warning of any development that might jeopardize our continued existence.

In principle, resolutions of the Board of Management are adopted with simple majority of the votes cast, unless otherwise provided for by the law or the rules of procedure of the Board of Management. The responsibilities of each member of the Board of Management for specific business areas and operating segments are allocated by a schedule of responsibilities (*Geschäftsverteilungsplan*) which forms part of the rules of procedure for the Board of Management. According to the rules of procedures of the Board of Management, the Spokesman of the Board of Management regularly reports to the Chairman of the Supervisory Board on the status of business, on the sales and condition of the Company and its subsidiaries, the strategy and planning, risks, risk management and compliance measures.

Board of Management members are subject to extensive non-competition obligations for the duration of their work for the Company. They are required to disclose any conflict of interest to the Supervisory Board without delay and are not allowed to either engage in any trade or enter into any transaction in our line of business on their own behalf or on behalf of others without the prior approval of the Supervisory Board. In addition, members of the Board of Management may not become (i) member of a board of management, (ii) member of the board of directors (*Geschäftsführer*) or (iii) general partner (*persönlich haftender Gesellschafter*) of another commercial enterprise without the prior approval of the Supervisory Board.

According to Section 8 of the Articles of Association, vis-à-vis third parties, the Company is represented by two members of the Board of Management or by one member of the Board of Management acting jointly with an authorized signatory (*Prokurist*).

(b) Current Members of the Board of Management

The following table shows the current members of the Board of Management, their respective age and position at DBAG and the duration of their respective current term, as well as the positions held in companies or partnerships outside of DBAG within the last five years:

Dr Rolf Scheffels has stepped down from the Board of Management, at his own request, following the expiration of his contract at the end of February 2021.

Name	Age	Member since	Appointed until	Position	Positions held in companies and partnerships outside DBAG within the last five years
Torsten Grede	56	2001	December 2023	Spokesman of the Board of Management	Clyde Bergemann Power Group Inc. Delaware, United States, Member of the Board (until April 2016) Treuburg Beteiligungsgesellschaft mbH, Ingolstadt, Germany, Member of the Advisory Board Treuburg GmbH & Co. Familien KG, Ingolstadt, Germany, Member of the Advisory Board

Name	Age	Member since	Appointed until	Position	Positions held in companies and partnerships outside DBAG within the last five years
Susanne Zeidler	60	2012	October 2025	Chief Financial Officer	DWS Investment GmbH, Frankfurt am Main, Germany (Member of the Supervisory Board and of the Audit Committee) Since September 2019 LPeC Ltd., London, United Kingdom (Non-Executive Member of the Board) Until November 2020 Stiftung Polytechnische Gesellschaft, Frankfurt am Main, Germany (Member of the *Stiftungsrat*) Since December 2020 Schirn Kunsthalle e.V., Frankfurt am Main, Germany (Member of the *Kuratorium*) Since April 2013 Deutsches Aktieninstitut e.V. Frankfurt am Main, Germany (Member of the Board of Management) Since May 2017 Aktion Mensch e.V., Mainz, Germany (Member of the Audit Committee) until December 2019
Jannick Hunecke....	46	2021	February 2026	Member	Broetje-Automation GmbH, Rastede, Germany, Member of the Advisory Board Gienanth Group GmbH, Eisenberg, Germany, Member of the Supervisory Board and Member of the Advisory Board Silbitz Group GmbH, Silbitz, Germany, Member of the Advisory Board FRIMO Group GmbH, Lotte, Germany, Member of the Advisory Board

Name	Age	Member since	Appointed until	Position	Positions held in companies and partnerships outside DBAG within the last five years
Tom Alzin	41	2021	February 2026	Member	Since June 2013 TJ Capital SPF, Luxembourg (Member of the Board of Management) Since February 2018 TJ Capital S.à.r.l., Luxembourg (Member of the Board of Management) Discus Investment Sarl, Luxembourg (Member of the Advisory Board) Calypso Investment B.V., Amsterdam, Netherlands (Member of the Advisory Board) ZGS Bildungs GmbH, Gelsenkirchen, Germany (former Member of the Advisory Board) POLYTECH Health & Aesthetics GmbH, Dieburg, Germany (former Member of the Advisory Board) Pfaudler International Sarl, Luxembourg (former Member of the Advisory Board) GMM Pfaudler Inc, Mumbai, India (former Member of the Advisory Board)

The members of the Board of Management can be contacted at the Company's business address, Börsenstraße 1, 60313 Frankfurt am Main, Germany.

(c) Relevant management expertise and experience

Torsten Grede

Torsten Grede, who was born in 1964, is Speaker of the Board of Management and heads the departments of strategy and business development, investment controlling and corporate communications. He completed an apprenticeship as a banker. Afterwards, he studied business administration at the University of Cologne and the University of St. Gallen. He started his career in 1990 at Deutsche Beteiligungs AG immediately after graduating from University. Torsten Grede has over 29 years of experience in private equity business in German medium-sized companies.

Susanne Zeidler

Susanne Zeidler, who was born in 1961, is member of the Board of Management of DBAG and chief financial officer. She heads finance and accounting, investor relations (capital markets), legal (capital markets) and taxes, portfolio valuation, risk management and internal audit, human resources, organization and IT.

After graduating from the University of Münster with a degree in business administration, Susanne Zeidler started her career at medium-sized focused audit firm. In 1990, she joined KPMG, working in the corporate finance unit, where she was responsible for the valuation of medium-sized and listed companies in various industries. She has been certified as Tax Advisor (since 1992) and as German Public Auditor (*Wirtschaftsprüfer)* (since 1995, in 2013 the certification was given back by Susanne Zeidler due to her Membership in the Board of Management of DBAG). Being appointed as partner in 2000, she took over the management of internal quality assurance and of back office functions. Since 2005, she built up the business with foundations and other non-profit organizations, before joining the Head-quarters of Aid to the Church in Need, an international charitable organization, as managing director in 2011. Susanne Zeidler is member of the Board of Management of DBAG since 2012.

Jannick Hunecke

Jannick Hunecke, who was born in 1974, is member of the Board of Management of DBAG and is mainly responsible for the Investment Business, Investment Team development and Long-term Investments. He holds a degree in business administration from the University of Munster.

He has over 20 years of experience in the private equity business.

Tom Alzin

Tom Alzin, who was born in 1980, is member of the Board of Management of DBAG and is mainly responsible for the Investment Business, market development Italy and Long-term Investments.

He holds a degree in business administration from the HEC Lausanne, with a study visit at the London School of Economic and Political Science.

Tom Alzin started his work career by joining DBAG in 2004. He has an experience of over 15 years in the private equity business.

(d) Management Service Contracts

Each member of the Board of Management has entered into a service contract with the Company governed by German law and based on substantially similar terms. The service contract of Torsten Grede has a term until December 31, 2023. The service contract of Susanne Zeidler has a term until October 31, 2025. The service contracts of Jannick Hunecke and Tom Alzin have a term until February 28, 2026.

(e) Remuneration of the Board of Management

(i) Overview of the Current Remuneration Structure and Parameters

The total remuneration for the members of the Board of Management is comprised of a fixed base salary, a one-year variable remuneration, a multi-year variable remuneration, fringe benefits and, if applicable, pension benefits. Furthermore, members of the Board of Management, who are simultaneously members of the Investment Team, receive benefits from additional remuneration models, specifically a multi-year bonus for Long-term Investments and follow-on remuneration from completed remuneration models.

Criteria for the appropriateness of remuneration levels are, in particular, the responsibilities of the respective Board of Management member, their personal performance, and the economic position, performance and prospects of DBAG. To that end, the structure and level of remuneration schemes common to the private equity industry, which are required to attract and retain qualified key personnel, are considered.

The maximum remuneration, consisting of base salary, one-year variable remuneration, multi-year variable remuneration, fringe benefits and, if applicable, pension benefits, is limited to an gross amount of EUR 1,888,000 per financial year for each member of the Board of Management.

Insofar as the members of the Board of Management receive remuneration for offices held in other Portfolio Companies, this is transferred to DBAG. Remuneration for executive functions in other companies or institutions subject to approval by the Supervisory Board remains with the respective member of the Board of Management. A severance pay cap is provided for in the service contracts of all Board of Management members. The D&O (directors' and officers') liability insurance that the Company has taken out contains a deductible for the Board of Management members. No advances or loans have been granted to them.

(A) Non-performance-linked remuneration

Non-performance-linked remuneration consists of a fixed monthly salary paid in twelve equal instalments and fringe benefits. Fringe benefits mainly consist of the taxable amounts for the use of a company car; these are limited to 50% of the fixed salary.

(B) One-year variable remuneration

One-year variable remuneration depends on individual performance during the past financial year and may be as high as 40% of the fixed salary. Personal performance is determined by the Supervisory Board at its equitable discretion. The one-year variable remuneration is based 75% on the performance of the Board of Management as a whole and 25% on the individual performance of the members of the Board of Management in the past fiscal year.

After the end of the respective fiscal year, the Supervisory Board shall determine the performance of the Executive Board as a whole at its reasonable discretion, taking into account the following performance criteria:

- Implementation of the corporate strategy;
- Short-term development of net asset value and result from fund consulting;
- Implementation and further development of the compliance system and the ESG system;
- Development of capital market positioning;
- Human resources development.

The individual performance of the member of the Management Board shall be determined by the Supervisory Board at its reasonable discretion after the end of the respective financial year on the basis of the development of the business area for which the respective Management Board member is responsible.

If the Supervisory Board assesses performance at 100%, the member of the Management Board receives 80% of the maximum possible one-year variable remuneration. The performance rating can be up to 120%, resulting in payment of the maximum possible variable remuneration. If the performance rating is 80%, the Management Board member receives 60% of the maximum possible one-year remuneration. If the performance rating is less than 80%, no one-year variable remuneration is paid.

(C) Multi-year variable remuneration

Multi-year variable remuneration is based on the Group's performance over the reference period. It comprises the current financial year and the two prior financial years. The Supervisory Board determines the Company's performance based on the return on equity. The remuneration is granted if the return on equity is at least equal to the three-year average cost of equity; the maximum amount of remuneration – 80% of the fixed salary – is achieved with a return on equity of 20%.

The amount of the two variable remuneration components for the financial year 2019/2020 was discussed by the Executive Committee of the Supervisory Board on October 26, 2020 and proposed to the Supervisory Board. The Supervisory Board approved the proposal on October 27, 2020 and set the variable remuneration for the Board of Management at a total of EUR 549,000, fully attributable to one-year variable remuneration; this represents 75% of the maximum amount possible for each member of the Board of Management. No multi-year variable remuneration was paid for the financial year 2019/2020, given that the return on equity did not reach the three-year average cost of equity. Variable remuneration for the Board of Management thus stood at 35% of the previous year's level. For the first two financial years in which Mr. Alzin and Mr. Hunecke, respectively, became a member of the Board of Management, the following remuneration system applies for these two board members: The multi-year variable remuneration for the financial year 2020/2021 will be determined at the reasonable discretion of the Supervisory Board as described above on an compounded basis based on the key performance indicators applicable to Mr. Alzin or Mr. Hunecke, respectively, before their appointment as members of the Board of Management. The multi-year variable remuneration for the financial year 2021/2022 will be determined on the basis of the multi-year system , but different from that not based on a three-year reference period, but rather based on the achievement of the targets for the financial years 2020/2021 and 2021/2022.

The members of the Board of Management are obligated to invest at least 35% of the net amount of the granted remuneration under the multi-year variable remuneration in Shares of the Company which are to be held for a period of 4 years or until the appointment as member of the Board of Management ends, whichever is earlier. With effect from the start of the financial year 2019/2020, a new element was added to the remuneration of the members of the Board of Management who belong to the Investment Team. Under the new scheme, they are entitled to receive a bonus for the performance of Long-term Investments (the "**Long-term Investment Bonus**"). This bonus takes into account the performance of Long-term Investments from two successive financial years (the "**Investment Period**"). The entitlement to the Long-term Investment Bonus only arises if DBAG has realized its invested capital plus a minimum return of 8% p.a. If this requirement is met, 15% of the total performance achieved in the Investment Period concerned is paid out to members of the Investment Team. The eligible members of the Board of Management each receive a certain share of this amount. Payments are only made once DBAG has received the returns from the investment concerned. The remuneration paid from the Long-term Investments bonus is capped at 65% of the annual fixed salary of the Board of Management member. If this threshold is exceeded, the excess amount is not paid out until the next financial year. The first Long-term Investment was agreed at the end of September 2020, meaning that there are no payments to be made under this remuneration component for the time being.

(D) Follow-up remuneration from old remuneration models

In the financial year 2019/2020, Torsten Grede and Dr Rolf Scheffels who are members of the Investment Team also received follow-up variable remuneration components from old remuneration models for members of the Investment Team. Both models had a particularly long-term measurement of investment success in common; the models are now only relevant for the few investments in the portfolio that were entered into prior to 2007.

The profit-sharing scheme for investments entered into up to December 31, 2000 is geared to the return on equity of DBAG. Profit-sharing awards are only granted if the return on equity for the reporting year exceeds the mark of 15% before taxes and bonuses. The computation base of equity relates exclusively to these investments. The remuneration for the financial year 2019/2020 was based on the profit distribution of the investment in JCK Holding.

For investments that were made between 2001 and 2006, profit-sharing starts from a minimum return on investment of 8% per year after imputed costs of 2%. These profit shares are exclusively paid from realized profits. Two-thirds of these entitlements are paid after the close of the respective financial year. Entitlement to the remaining one-third is subject to a final review after the disinvestment phase of all investments involved has been completed, and is paid out in the amount of the remaining final entitlement. Remuneration was incurred due to two transactions in the financial year 2019/2020: first based on the income from the investment in the externally-managed foreign buyout fund Harvest Partners IV, whose last investment has been sold and which has since been liquidated, and second following the payment of the last purchase price instalment from the sale of a DBAG Fund IV investment.

The subsequent variable remuneration components from the two old remuneration models are each limited to 65% of the fixed salary per year.

(E) Profit-sharing awards from personal co-investments by Board of Management Members of the Investment Team in the DBAG Funds

Since the commencement of the investment period of DBAG Fund V at the beginning of 2007, Board of Management members who are also members of the Investment Team have had to support DBAG's investments by acquiring a stake in the DBAG Funds under company law using their own money. The purpose of taking a personal investment risk is to promote the initiative and commitment of the members of the Board of Management within the Investment Team vis-à-vis the success of DBAG Funds' investments. If the funds are successful, these Board of Management members receive a profit share that is disproportionate to their capital commitment, subject to certain conditions (*carried interest*), as is common in the private equity sector. For more information, please also see section "*19. Certain Relationships and related Party Transactions—19.2 Relationships to DBG Managing Partner GmbH & Co. KG and DBG Advising GmbH & Co. KG—19.5 Private co-investments and carried interest*", below.

(F) Pension Commitments

Pension commitments to Board of Management members are based on two models. Members of the Board of Management appointed for the first time up to January 1, 2001 received a pension commitment; members appointed after this date participate in the contribution plan. Such contribution plan also includes other staff of Deutsche Beteiligungs AG. However, it has been closed to those employees and board members not covered by collective agreements since the beginning of the financial year 2004/2005. Members of the Board of Management appointed for the first time since then do not receive defined pension benefits; this applies to Susanne Zeidler and Tom Alzin. Jannick Hunecke received a pension commitment which amounts to EUR 820,148 as of September 30, 2020. No further contributions will be made after March 1, 2021.

Pension arrangements for Torsten Grede provide for defined annual pension benefits; they amount to EUR 87,000. The present value of this pension obligation was EUR 1,811,123 as of September 30, 2020 (September 30, 2019: EUR 1,560,992). Dr Rolf Scheffels participates in the contribution plan: for each year of service, a one-time pension contribution is paid that is measured by a percentage of the fixed salary for the year in question. The annual retirement benefit component amounts to 0.75% of this remuneration, and 6% of those parts of the remuneration exceeding the income threshold set by the state pension plan, each multiplied by an age factor that decreases with increasing age. The accrued pension capital for Dr Scheffels is capped at a contribution that corresponds to an annual pension entitlement of EUR 87,000. As of September 30, 2020, the cap did not have an effect. The present value of the retirement benefit commitment to Dr Scheffels was EUR 1,470,000 as of September 30, 2020 (September 30, 2019: EUR 1,427,000).

(G) Benefits granted

Total benefits granted to members of the Board of Management for the financial year 2019/2020 amounted to EUR 2,609,000 (financial year 2018/2019: EUR 3,682,000), including EUR 146,000 for the occupational pension plan (financial year 2018/2019: EUR 199,000).

(ii) Remuneration paid in the financial year 2019/2020

The following table shows the remuneration allocated to the members of the Board of Management in the financial year 2019/2020:

Remuneration disbursed	**Torsten Grede** Spokesman of the Board of Management	**Dr Rolf Scheffels** Member of the Board of Management	**Susanne Zeidler** Chief Financial Officer
(in EUR thousand)	**October 1, 2019 to September 30, 2020**	**October 1, 2019 to September 30, 2020**	**October 1, 2019 to September 30, 2020**
		(audited)	
Fixed salary (not linked to performance)..................	640	640	550
Fringe benefits..	14	12	13
Total..	**654**	**652**	**563**
Performance-linked component (one-year variable remuneration)	192	192	165

Remuneration disbursed	**Torsten Grede** Spokesman of the Board of Management	**Dr Rolf Scheffels** Member of the Board of Management	**Susanne Zeidler** Chief Financial Officer
(in EUR thousand)	**October 1, 2019 to September 30, 2020**	**October 1, 2019 to September 30, 2020**	**October 1, 2019 to September 30, 2020**
Component with long-term incentive effects (multi-year variable remuneration)	0	0	0
Bonus for Company's long-term performance	0	0	0
Profit-sharing up to 2000	6	6	0
Profit-sharing 2001 to 2006	20	12	0
Other	0	0	0
Total	**872**	**862**	**728**
Pension service costs	91	55	0
Total remuneration	**963**	**917**	**728**

Former Board of Management members or their surviving dependants received total payments of EUR 1,132,000 in the financial year 2019/2020. This also includes EUR 28,000 in follow-on payments to former members of the Board of Management from old investments (investments committed up to December 31, 2000 or entered into between 2001 and 2006). The present value of pension obligations for former Board of Management members and their surviving dependants amounted to EUR 18,824,000 of September 30, 2020. For information on the amounts received by former Board of Management members from private equity investments in DBAG Funds, please see section "*19. Certain Relationships and related Party Transactions—19.2 Relationships to DBG Managing Partner GmbH & Co. KG and DBG Advising GmbH & Co. KG—19.6 Remuneration based on employment, service contracts*", below".

(f) Shareholdings of the Board of Management

As of the date of this Prospectus, Torsten Grede holds 28,323 shares in the Company, Susanne Zeidler holds 12,000 shares in the Company, Tom Alzin holds 262 shares in the Company and Jannick Hunecke holds 403 shares in the Company.

18.3 Supervisory Board

(a) Overview

In accordance with the Articles of Association, Sections 95 and 96 of the AktG, the Supervisory Board consists of six members. According to Section 95 para. 1 AktG, all members of the Supervisory Board are elected by the general shareholders' meeting (*Hauptversammlung*).

A person may not become a member of the Supervisory Board who (i) is already a member of the supervisory board in ten commercial enterprises which are required by law to form a supervisory board; (ii) is the legal representative of a controlled enterprise of the Company; (iii) is the legal representative of another company whose supervisory board includes a member of the executive board or (iv) was a member of the executive board during the past two years, unless he was elected upon nomination by shareholders holding more than 25% of the voting rights in the company.

Unless the general shareholders' meeting (*Hauptversammlung*) of the company has set a shorter term, the term of each Supervisory Board member, as well as the term of each substitute member, expires at the end of the general shareholders' meeting (*Hauptversammlung*) of the Company approving the activities of the Supervisory Board for the fourth financial year following the commencement of the member's term of office, not including the financial year in which the term commences. The election of a successor for a member leaving his or her office before the end of his or her term of office is valid for the remainder of the term of office of the departing member, provided that the general shareholders' meeting (*Hauptversammlung*) of the Company has not otherwise determined the term of office of the successor. Re-election is possible. Members of the Supervisory Board shall not serve longer than until the end of the general shareholders' meeting (*Hauptversammlung*) following their 72nd birthday.

Supervisory Board members elected by the general shareholders' meeting (*Hauptversammlung*) may be removed by a resolution of the general shareholders' meeting (*Hauptversammlung*) adopted with the simple majority of the votes cast. In addition, the Articles of Association provide that regular members and substitute members of the Supervisory Board may resign with a four-week notice period, without good cause, by providing written notice to the Board of Management. The term of the substitute member expires at the end of the general shareholders' meeting (*Hauptversammlung*) during which a successor for the departing Supervisory Board member is appointed, but no later than the expiration of the departing Supervisory Board member's term.

Under mandatory statutory provisions and the Articles of Association, the Supervisory Board is authorized to establish internal rules of procedure and form committees from among its members. In addition to the functions and tasks of the Supervisory Board described above (see section "*—18.1 General*" above), the Supervisory Board is authorized to make amendments to the Articles of Association that only affect their wording.

At least one member of the Supervisory Board of a publicly traded company must have expertise in the field of accounting or auditing; all members together must be familiar with the sector in which the company operates.

As a rule, the Supervisory Board must hold at least two meetings within each half calendar year. Meetings of the Supervisory Board are called by its chairman or its deputy, or, if neither a chairman nor a deputy is existing, by every member of the Supervisory Board with 10 days advance notice in writing, by fax or by other electronic means of communication. In urgent cases, the notice period can be shortened, and a meeting may be called in by person or by phone. The rules of procedure provide that at least three of the members of the Supervisory Board must participate in voting on a resolution in order to constitute a quorum. For calculating the quorum, any member who is present but abstains from voting is deemed to have participated in the vote. Absent members may participate in the casting of votes by submitting written votes. Unless otherwise required by law or by the Articles of Association or the rules of procedure, resolutions of the Supervisory Board are passed by a simple majority of the votes cast. For the purposes of passing a resolution, abstentions do not count as votes cast. If a vote in the Supervisory Board results in a tie, the chairman's vote counts twice. The Articles of Association provide that on the chairman's instruction resolutions may be passed without a meeting by written vote including by facsimile or e-mail, by oral vote including by phone, or a vote by other electronic means of communication or by a combination of the aforementioned means, if no member of the Supervisory Board objects to this procedure.

(b) Current Members of the Supervisory Board

The following table shows the current members of the Supervisory Board, their respective age and position at DBAG and the duration of their respective current term, as well as the positions held in companies or partnerships outside of DBAG within the last five years:

Name	Age	Member since	Appointed until	Position	Positions held in companies and partnerships outside DBAG within the last five years
Dr Hendrik Otto	46	2011	2021	Chairman	WEPA SE, Arnsberg, Germany, Member of the Board of Management
Philipp Möller	41	2010	2021	Deputy Chairman	Möller & Förster GmbH & Co. KG, Hamburg, Germany, Managing Partner GWF Messsysteme AG, Luzern, Switzerland, Member of the Administrative Board
Sonja Edeler	44	2016	2021	Member	None
Axel Holtrup	52	2020	2025	Member	AEA Investors, New York, United States, Partner NES Global Talent, Surbiton, United Kingdom, Member of the Supervisory Board BOA Group, Stutensee, Germany Member of the Supervisory Board
Dr Jörg Wulfken	61	2020	2025	Member	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Partner, Frankfurt am Main, Germany JSC Georgian Credit, Tbilisi, Georgia, Member of the Supervisory Board
Dr Maximilian Zimmerer	62	2019	2024	Member	Allianz Lebensversicherungs-AG, München, Germany, Member of the Supervisory Board Investmentgesellschaft für langfristige Investoren TGV, Bonn, Germany, Chairman of the Supervisory Board Münchener Rückversicherungsgesellschaft AG, München, Germany, Member of the Supervisory Board Möller & Förster GmbH & Co. KG, Hamburg, Germany, Member of the Advisory Board

The members of the Supervisory Board can be contacted at the Company's business address, Börsenstraße 1, 60313 Frankfurt am Main, Germany.

(c) Relevant expertise and experience

Dr Hendrik Otto

Dr Hendrik Otto, who was born in 1975, is Chairman of the Supervisory Board of the Company. He studied law at the Universities of Freiburg and Berlin, Germany and graduated with the first state exam in 2001. Afterwards, he completed his legal clerkship at the Higher Regional Court Hamburg, Germany in 2006. Furthermore, he received his doctoral degree in law from the University of Hamburg, Germany in 2006. From 2006 to 2011, he worked as associate at US-law firm Mayer Brown LLP in Frankfurt am Main, Germany. During this time, he also completed a secondment from 2010 to 2011 at HSCB plc in London, United Kingdom, working in the advisory team of the Financial Institutions Group. In 2011, he became partner at Mayer Brown LLP, before he got appointed as member of the management board of WEPA SE, Arnsberg, Germany in 2014.

Philipp Möller

Philipp Möller, who was born in 1980 is Vice Chairman of the Supervisory Board of the Company. Before completing his BA in European business administration at the University of Hertfordshire, at the Copenhagen Business School, Denmark and at the Cologne Business School, Germany in 2005, he did an apprenticeship as banker at Deutsche Bank AG in Hamburg, Germany from 2000 to 2002. Philipp Möller started his career as executive partner of CityVox/CityVoice in Hamburg, Germany in 1997. He became executive assistant at Dirk Rossmann GmbH, Burgwedel, Germany in 2005, before joining Möller & Förster GmbH & Co. KG, Hamburg, Germany as managing partner in 2006.

Sonja Edeler

Sonja Edeler, who was born in 1976, is member of the Supervisory Board. She studied business administration at the University of Göttingen, Germany. Sonja Edeler received her degree as tax consultant in 2004 and her degree as auditor in 2006. She started her career at Deloitte & Touche GmbH, where she worked from 2000 to 2004. From 2005 to 2014, she worked in the group accounting and tax department of Dirk Rossmann GmbH, Burgwedel, Germany. From 2015 to 2018, she headed the finance and accounting department of Dirk Rossmann GmbH, Burgwedel, before becoming head of the finance, accounting and revision department in 2019.

Axel Holtrup

Axel Holtrup, who was born in 1968, is a member of the Supervisory Board. He finished an apprenticeship as a banker at Deutsche Bank AG, Frankfurt am Main, Germany in 1991. From 1991 to 1995, he studied European business administration at Middlesex University, London, United Kingdom and Hochschule Reutlingen, Germany and graduated with a BA (Hons). In 1995, he started his career at Morgan Stanley, London, United Kingdom, working as financial analyst. From 1997 to 2006 he worked at Investorcorp, London, United Kingdom. He became director at Silverlake Partners London, United Kingdom, in 2006 and remained in this position until 2010. From 2011 to 2017, Axel Holtrup was member and partner of the Global Management Committee at AEA Investors, London, United Kingdom and Munich, Germany. Since 2017, he is working as an independent investor in London, United Kingdom.

Dr Jörg Wulfken

Dr Jörg Wulfken, who was born in 1960, is member of the Supervisory Board. He studied law at the University of Hamburg, Germany. He received his doctoral degree in 1987 from the University of Konstanz, where he worked as research assistant at the Centrum for International Economics. Dr Jörg Wulfken started his career in the investment banking department of Westdeutsche Landesbank, Düsseldorf, in 1989, before joining law firm Clifford Chance LLP, London in 1991 as an associate. From 1993 to 2000, he was director at Bankgesellschaft Berlin AG, Berlin, before returning to Clifford Chance LLP as partner from 2000 to 2001. He became partner at law firm Mayer Brown LLP in 2001, where he worked until 2015. From 2015 to 2020, Dr Jörg Wulfken was partner at PricewaterhouseCoopers GmbH, Frankfurt am Main. Since 2020, he is partner at law firm Bruski, Smeets & Lange Partnerschaft mbB, Frankfurt am Main.

Dr Maximilian Zimmerer

Dr Maximilian Zimmerer, who was born in 1958, is member of the Supervisory Board. He studied law at the Universities of Köln and Lausanne from 1977 to 1983 and graduated with his first state exam. He completed his military service from 1983 to 1984. In 1988, he passed his second state exam at the Higher Regional Court in Düsseldorf. In the same year, he received his doctoral degree from the University of Cologne. Dr Maximilian Zimmerer started his career at Allianz AG, München in 1988, where he first worked in the industrial holdings department. In 1994, he transferred to the Allianz Lebenversicherungs-AG, where he headed the credit department. In 1997, he was delegated Dresdener RCM Global Investors, United States, before becoming managing director of the fixed income department of Allianz Asset Advisory and Management GmbH, München. In 2000, he was appointed to the management board of Allianz Lebensversicherungs-AG, where he was responsible for capital investments, asset liability management, construction financing and taxes. From 2002 to 2004, he assumed further responsibilities, for accounting and private clients. In 2006, Dr Maximilian Zimmerer was appointed as CEO of Allianz Lebensversicherungs-AG and as member of the management board of Allianz AG, where he was responsible for the life department. From 2010 to 2011, he was appointed as CEO of Allianz Private Krankenversicherungs-AG. In 2012, Dr Maximilian Zimmerer transferred to the management board of Allianz SE, München, where he headed the departments of capital investments, treasury, global life & health and AZ for Good. He holds this position until 2016. Since 2017 Dr Maximilian Zimmerer is member of the Supervisory Board of Münchener Rückversicherungsgesellschaft AG, München.

(d) Committees of the Supervisory Board

The Supervisory Board may form committees from among its members and delegate decision making power to any such committees as permitted by law. The committees' respective tasks, authorizations and processes are determined by the Supervisory Board. As provided for by the Supervisory Board's rules of procedure, the Supervisory Board has formed the following committees:

(i) Audit Committee (Prüfungsausschuss)

The Audit Committee consists of three members of the Supervisory Board who are elected by the Supervisory Board. The chairman and deputy chairman are elected among the three members. The chairman of the audit committee should have special knowledge and experience in the application of accounting principles and internal control methods. Further, the chairman of the Supervisory Board should not also act as chair for the audit committee. The Audit Committee has a quorum, if all members participate in the voting and decision are taken by simple majority.

The Audit committee monitors the accounting, the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, as well as the audit of the financial statements and compliance. The audit committee may issue recommendations or proposals for ensuring the integrity of the accounting process.

As of the date of this prospectus, the members of the Audit Committee are Dr Jörg Wulfken (chairman), Sonja Edeler (deputy) and Dr Hendrik Otto.

(ii) Executive Committee

The Executive Committee advises the Supervisory Board on the appointment and dismissal of members of the Board of Management. It assumes the task of proposing suitable candidates to the Supervisory Board for its election proposals to the general shareholders' meeting (*Hauptversammlung*) in good time before the election.

Furthermore, the Executive Committee makes proposals and prepares the review for the remuneration system, including essential contractual elements and discretionary remuneration components of the Board of Management to the Supervisory Board.

As of the date of this prospectus, the members of the Executive Committee are of Dr Hendrik Otto, Philipp Möller and Dr Jörg Wulfken.

(e) Remuneration of the members of the Supervisory Board

The remuneration of the members of the Supervisory Board is determined by the general shareholders' meeting (*Hauptversammlung*). It consists of two components, (1) an annual fixed fee of EUR 60,000.00 (base remuneration) and (2) a supplementary for the chairman, deputy and committee membership (additional remuneration). The chairman of the Supervisory Board receives a maximum of twice the base remuneration, irrespective of its membership in various committees. The deputy chairman of the Supervisory Board and the chairman of the Audit Committee receives a maximum of one and a half times the base remuneration. Membership of the Executive Committee and Audit Committee carries remuneration corresponding to one-quarter of this amount, with the chairman of the Audit Committee receiving half of the base remuneration.

The following table shows the remuneration allocated to the members of the Supervisory Board in the financial year 2019/2020:

(in EUR thousand)	**Fixed fee**	**Bonus**	**Total**
		(audited)	
Dr Hendrik Otto(1)	60	48	108
Philipp Möller	60	24	84
Gerhard Roggemann(2)	23	23	47
Sonja Edeler	60	15	75
Wilken Freiherr von Hodenberg(3)	23	6	29
Axel Holtrup(4)	37	0	37
Dr Jörg Wulfken(5)	37	18	55
Dr Maximilian Zimmerer	60	0	60
Total	**360**	**135**	**495**

(1) Dr Hendrik Otto was appointed as Deputy Chairman until February 20, 2020 and is appointed as Chairman since February 20, 2020.
(2) Gerhard Roggemann was appointed as Chairman until February 20, 2020.
(3) Wilken Freiherr von Hodenberg was appointed until February 20, 2020.
(4) Axel Holtrup is appointed since February 20, 2020.
(5) Dr Jörg Wulfken is appointed since February 20, 2020.

In the financial year 2019/2020, the members of the Supervisory Board did not receive any fees for consultancy services.

There are currently no service agreements or contracts for work and services directed at the achievement of a particular result between the Company and members of the Supervisory Board.

(f) Shareholdings of Supervisory Board members

As of the date of this Prospectus, Philipp Möller holds 1,000 shares in the Company. The other members of the Supervisory Board do not hold shares in the Company:

(g) Conflicts of interest

There are no potential conflicts of interests of any of the members of the Board of Management or the members of the Supervisory Board, between any duties to DBAG and their private interests and or other duties.

During the last five years, no current member of the Board of Management or current member of the Supervisory Board has been convicted of any fraudulent offenses. In addition, in the last five years, no official public incriminations and/or sanctions have been pending or imposed by statutory or regulatory authorities (including professional associations) against a current member of the Board of Management or current member of the Supervisory Board. No current member of the Board of Management or current member of the Supervisory Board, acting in the capacity of a member of a management or supervisory entity or as senior manager, has been associated with any bankruptcies and/or insolvencies, receiverships or liquidations. No current member of the Board of Management or current member of the Supervisory Board has ever been deemed by a court to be unfit for membership in a management or supervisory entity of a company or to be unfit to exercise management duties for or manage the business of an issuer during the past five years. At the date of this Prospectus, no family relationships exist among the members of the Board of Management, among the members of the Supervisory Board or among the members of the Board of Management on the one hand and the members of the Supervisory Board on the other hand.

18.4 German Corporate Governance Code

The German Corporate Governance Code in its most recent version as of December 16, 2019, which was published in the German Federal Gazette (*Bundesanzeiger*) on March 20, 2020 ("**GCGC**") includes recommendations and suggestions for managing and supervising companies listed on German stock exchanges. It is based on internationally and nationally recognized standards of good, responsible corporate management. The GCGC contains recommendations ("shall provisions") and suggestions ("should provisions") for corporate governance in relation to shareholders and the general shareholders' meeting (*Hauptversammlung*), the management board and the supervisory board, transparency and accounting as well as auditing of financial statements. While compliance with the recommendations or suggestions of the GCGC is not mandatory, the AktG requires the management and supervisory boards of a listed company disclose each year which recommendations were and will be complied with and which recommendations were not or will not be applied and why (so-called "declaration of conformity"). Deviations from the suggestions contained in the GCGC need not be disclosed. The declaration of conformity must always be made publicly available on the Company's website. The Board of Management and Supervisory Board issued a declaration of compliance regarding the GCGC in accordance with Section 161 AktG in September 2020 as follows:

> "The Board of Management and the Supervisory Board hereby declare that, since the last Declaration of Compliance, Deutsche Beteiligungs AG ("DBAG") has complied with the recommendations of the German Corporate Governance Code, as amended on 7 February 2017 (the "Code 2017"), with one exception:
>
> In the contracts with the Board of Management members, variable remuneration components with a multi-year assessment basis are not essentially forward-looking (Section 4.2.3 of the Code 2017).

The remuneration system meets the statutory criteria for participation in sustainable corporate success. The financial performance of a single financial year depends to a large extent on a small number of transactions executed by DBAG funds. Within this context, postponing transactions to a subsequent period can make sense if better conditions are anticipated for the future. If the Board of Management's variable remuneration were to be based on the planned measures, its members could be incentivized to make decisions that would ultimately prove less than ideal. The Supervisory Board is convinced that the existing variable remuneration concept is best suited to provide incentives for the Company's long-term positive development.

DBAG is currently complying with the recommendations of the German Corporate Governance Codex, as amended on 16 December, 2019 (the "Code 2020"), and will continue to do so, with one exception stated below:

The existing remuneration system and current Board of Management members' contracts are currently not in line with the recommendations made in the Code 2020.

As per the rationale of the Code 2020, the recommendations G.1 to G.16 of the Code 2020, comprising recommendations on Board of Management remuneration, do not need to be considered in current Board of Management contracts; rather, related adjustments are necessary only in the event that contracts are renewed after the revision of the Code 2020 has entered into force, insofar as these recommendations are complied with.

The Supervisory Board intends to follow the recommendations of the Code 2020 on Board of Management remuneration in future, with one exception:

Contrary to recommendation G.10, members of the Board of Management do not predominantly invest their variable remuneration in shares or receive such remuneration predominantly as share-based remuneration. However, the members of the Board of Management are obliged to invest 35% of their long-term variable remuneration's net amount in DBAG shares, and to hold these shares for a period of at least four years as of the acquisition date, but for no longer than their membership of the Board of Management continues.

The Supervisory Board considers the obligation to predominantly grant variable remuneration in shares or share-based remuneration (excluding already purchased shares) to be neither appropriate nor necessary. Even without such far-reaching obligation, the Board of Management members' interests are sufficiently linked to the Company's interest as a result of their existing shareholdings. In addition, those members of the Board of Management also forming part of the Investment Team participate in all the Company's investments by way of a predetermined ratio.

The Supervisory Board intends to submit a remuneration system for the Board of Management to its ordinary annual general meeting on 25 February 2021; said system will comply with all the recommendations of the Code 2020, excluding the aforementioned exception.

Moreover, we have followed all the suggestions in the Code 2017 since issuance of the last Declaration of Compliance, and also intend to comply with the suggestions of the Code 2020."

Since issuing the last declaration of conformity in September 2020, DBAG has complied with all but one of the recommendations of the GCGC and intends to do so in the future. In November, 2020, DBAG issued an update to the Declaration of Compliance issued in September 2020, DBAG as follows:

"The Board of Management and the Supervisory Board of Deutsche Beteiligungs AG ("DBAG") issued a Declaration of Compliance in September 2020. This Declaration is updated as follows:

According to recommendation B.3 of the German Corporate Governance Code as amended on December 16, 2019, the first-time appointment of members of the Board of Management shall be for a period of not more than three years.

In its meeting on 26 November 2020, the Supervisory Board resolved to appoint Messrs Tom Alzin and Jannick Hunecke as members of the Board of Management, for a period of five years each.

The term of the appointments reflects DBAG's business model, which is explicitly designed for the long term. Tom Alzin and Jannick Hunecke have been working at DBAG for more than 15 or 20 years, respectively. They are very-well known to the Company. Their initial appointments for a period of five years are intended to ensure continuity in DBAG's management.

The Declaration made in September 2020 remains unchanged in all other aspects."

19 CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In accordance with IAS 24 "Related Party Disclosures", transactions with individuals or entities that control the DBAG Group or that exercise significant influence over the financial and operating policies of the DBAG Group must be disclosed unless they have already been included as consolidated entities in the Audited Consolidated Financial Statements.

Set forth below are transactions with related parties for the financial years 2019/2020, 2018/2019 and 2017/2018 as well as for the current financial year up to the date of this Prospectus. Business relationships between the Company and other companies of the DBAG Group are not included.

Related companies to DBAG Group within the meaning of IAS 24 are: (i) investment entity subsidiaries, (ii) the holding companies held indirectly through DBAG ECF, (iii) other unconsolidated subsidiaries of DBAG, and (iv) other unconsolidated structured entities of DBAG.

Related persons, within the meaning of IAS 24, are key management personnel. These include members of the Board of Management, senior management members and the members of the Supervisory Board.

19.1 Income and expenses, receivables and liabilities from Fund services

DBAG provides asset management services to the DBAG funds and the Co-Investment Vehicles via its fully-consolidated subsidiaries.

The following fully-consolidated companies are responsible for asset management: AIFM-DBG Fund VII (Guernsey) LP, DBG Fund VI GP (Guernsey) LP, DBG Fund VII GP S.à r.l., DBG Fund VIII GP (Guernsey) L.P., DBG Management GmbH & Co. KG, DBG Managing Partner GmbH & Co. KG and DBG New Fund Management GmbH & Co. KG. DBAG pays no fees for the management of the Co-Investment Vehicles of DBAG ECF and DBAG Fund V. Since the launch of DBAG Fund VI, DBAG has paid a volume-based fee for the management of its co-investments to DBG Fund VI GP (Guernsey) LP, to DBG Fund VII GP S.à r.l., and to AIFM DBG und VII (Guernsey) L.P. as well as to DBG Fund VIII GP (Guernsey) L.P. Based on the same principles and terms and conditions as for the investors in DBAG funds, this fee is determined by reference to a fixed percentage of the committed capital (during a fund's investment period), or of the invested capital (during the disinvestment phase), respectively.

The management companies receive advisory services from DBG Advising GmbH & Co. KG, and pay an advisory fee for these services.

The fees from these activities – including amounts received from DBAG fund investors – are recognized in the item "Income from Fund Services".

For the three-month period ended December 31, 2020, income from fund services consisted of income from Co-Investment Vehicles in the amount of EUR 2,142,000 (three-month period ended December 31, 2019: EUR 1,226,000) and income from the DBAG Funds in the amount of EUR 8,426,000 (three-month period ended December 31, 2019: EUR 5,793,000).

As of December 31, 2020, receivables from management fees against DBAG Funds amounted to EUR 21,455,000 (as of September 30, 2020: EUR 18,205,000), while receivables from management fees against investment entity subsidiaries amounted to EUR 6,180,000 (as of September 30, 2020: EUR 5,071,000).

In the financial year 2019/2020, income from fund services consisted of income from Co-Investment Vehicles in the amount of EUR 5,651,000 (financial year 2018/2019: EUR 5,306,000; financial year 2017/2018: EUR 5,513,000) and income from the DBAG Funds in the amount of EUR 23,458,000 (financial year 2018/2019: EUR 21,434,000; financial year 2017/2018: EUR 23,155,000). Fees paid by DBAG are also recognized in the "Net gain or loss from investment activity" item, reducing value.

For the financial year 2019/2020, receivables from management fees against DBAG Funds amounted to EUR 18,205,000 (financial year 2018/2019: EUR 6,368,000; financial year 2017/2018: EUR 3,817,000), while receivables from management fees against investment entity subsidiaries amounted to EUR 5,071,000 (financial year 2018/2019: EUR 1,565,000; financial year 2017/2018: EUR 1,091,000). As of September 30, 2020, there were management fees paid in advance by DBAG Funds in the amount of EUR 4,496,000 and as of September 30, 2019 there were no management fees paid in advance (September 30, 2018: EUR 3,176,000).

19.2 Relationships to DBG Managing Partner GmbH & Co. KG and DBG Advising GmbH & Co. KG

DBAG holds a capital interest of 20% in the fully consolidated DBG Managing Partner GmbH & Co. KG. The remaining 80% are held by Torsten Grede, Tom Alzin and Jannick Hunecke. Income from the interest on their capital accounts amounts to EUR 236 per year. The interests in the general partner of DBG Managing Partner GmbH & Co. KG are held by DBG Managing Partner GmbH & Co. KG itself. The general partner receives an annual liability fee in the amount of EUR 3,125.

Furthermore, DBAG holds a capital interest of 20% in the fully-consolidated DBG Advising GmbH & Co. KG. The remaining 80% are held by Torsten Grede, Tom Alzin and Jannick Hunecke. Income from the interest on their capital accounts amounted to EUR 29 in the three-month period ended December 31, 2020 (financial year 2019/2020: EUR 113; financial year 2018/2019: EUR 113; financial year 2017/2018: EUR 101). The interests in the general partner of DBG Advising GmbH & Co. KG are held by DBG Advising GmbH & Co. KG itself. The general partner receives an annual liability fee in the amount of EUR 3,125.

19.3 Relationships to DBG Fund HoldCo GmbH & Co. KG and DBG Fund LP (Guernsey) Limited

Since the financial year 2019/2020, DBAG has held 13.04% of the shares in DBG Fund HoldCo GmbH & Co. KG ("**Fund HoldCo**"). Another 86.96% (financial year 2018/2019: 100%) of the shares in Fund HoldCo is held by Torsten Grede, Tom Alzin and Jannick Hunecke. Income from the interest on their capital accounts amounted to EUR 464 for the financial year 2019/2020 (financial year 2018/2019: EUR 463). Fund HoldCo's general partner receives an annual liability fee in the amount of EUR 1,250. DBAG is entitled to the remaining net retained profit.

Fund HoldCo is the general partner of the fully-consolidated companies AIFM-DBG Fund VII (Guernsey) LP, DBG Fund VI GP (Guernsey) LP, DBG Fund VIII GP (Guernsey) L.P. and European Private Equity Opportunity Manager LP. In the three-month period ended December 31, 2020, net retained profit totalling EUR 1,019 (financial year 2019/2020: EUR 1,006; financial year 2018/2019: EUR 4,262) was allocated to Fund HoldCo from these companies, and an amount of EUR 1,006 (financial year 2019/2020: EUR 1,029; financial year 2018/2019: EUR 6,149) was paid out to Fund HoldCo.

Via the interest held by DBAG in Fund HoldCo, 13.04% of the shares in Fund HoldCo's subsidiary, DBG Fund LP (Guernsey) Limited, are indirectly held by DBAG since the financial year 2019/2020 (financial year 2018/2019: nil per cent). DBG Fund LP (Guernsey) is the founding limited partner of the fully-consolidated companies AIFM-DBG Fund VII (Guernsey) LP, DBG Fund VI GP (Guernsey) LP, DBG Fund VIII GP (Guernsey) L.P. and European PE Opportunity Manager LP. In the three-month period ended December 31, 2020, net retained profit totalling EUR 1,019 (financial year 2019/2020: EUR 1,006; financial year 2018/2019: EUR 4,262) was allocated to DBG Fund LP (Guernsey) Limited from these companies, and an amount of EUR 1,019 (financial year 2019/2020: EUR 1,029; financial year 2018/2019: EUR 4,446) was paid out to DBG Fund LP (Guernsey) Limited.

Via the interest held by DBAG in Fund HoldCo a further 11.05% of the shares in DBG Management GP (Guernsey) Ltd. are indirectly held by DBAG. There was no distribution made in the three-month period ended December 31, 2020 and the financial years 2019/2020 and 2018/2019.

19.4 Relationships to Co-Investment Vehicles

The Co-Investment Vehicles of DBAG Fund VII and DBAG Fund VIII are granted short-term loans as pre-financing of investments in new Portfolio Companies. As of December 31, 2020, there were loans receivable (reported as other financial instruments) to the Co-Investment Vehicle of DBAG Fund VII in the amount of EUR 16,674,000 (as of September 30, 2020: EUR 12,843,000; as of September 30, 2019: EUR 17,002,000; as of September 30, 2018: EUR 32,766,000) and to the Co-Investment Vehicle of DBAG Fund VIII in the amount of EUR 36,915,000 (as of September 30, 2020: EUR 13,146,000; as of September 30, 2019 and 2018: EUR nil).

As of December 31, 2020, liabilities existed to the Co-Investment Vehicle of DBAG Fund VIII (main pool) in the amount of EUR 71,000 and referred to a compensation payment to DBAG Fund VIII (main pool) as a result of the pro-rata assumption of the management fee by DBAG Fund VIII (top-up fund). As of September 30, 2020, liabilities to the Co-Investment Vehicles of DBAG Fund VI and DBAG Fund VIII amounted to EUR 1,361,000 (as of September 30, 2019: EUR nil). These primarily relate to advance management fees. As of September 30, 2018, liabilities to the Co-Investment Vehicle DBAG ECF II in an amount of EUR 9,680,000 related to a capital call for a new investment.

19.5 Private co-investments and carried interest

Selected members of the Investment Team as well as selected members of senior management who are not members of the Investment Team have committed to take an interest in DBAG Funds. For those participating – in addition to the returns from the partnership – this can result in a profit share that is disproportionate to their capital commitment ("carried interest") after the fund has fulfilled certain conditions overall. This is the case if the DBAG Group or the investors in the respective DBAG Fund have realized their invested capital, plus a preferred return of 8% per annum ("full repayment"). Carried interest of not more than 20% is paid out once proceeds on disposal are generated and full repayment has been achieved; the remaining 80% (net sales proceeds) is paid to the investors in the relevant DBAG Fund and to DBAG[1]. The structure of the carried interest schemes, their implementation and performance conditions, are in conformity with common practice in the private equity industry and constitute a prerequisite for the placement of DBAG Funds. For the individuals participating, their partnership status constitutes a privately assumed investment risk which serves the purpose of aligning their interests with those of DBAG Fund investors; the purpose of carried interest is to promote their initiative and their dedication to the success of the investment.

Two Board of Management members who were part of the Investment Team as well as the senior management members entitled to carried interest made the following investments in the three-month period ended December 31, 2020 and received the following repayments from the DBAG Funds and the Co-Investment Vehicles:

[1] The maximum disproportionate profit share for DBAG Fund VII B (Konzern) SCSp and DBAG Fund VIII B (Konzern)) (Guernsey) L.P. amounts to 10%. The maximum disproportionate profit share of the investors and DBAG for DBAG Fund VII B (Konzern) SCSp and DBAG Fund VIII B (Konzern) (Guernsey) L.P. amounts to a total 90%.

(in EUR thousand)	Investments in the reporting period		Repayments in the reporting period	
	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
		(audited)		
October 1, 2020 to December 31. 2020				
DBAG Fund IV	0	0	146	146
DBAG ECF II	25	10	0	0
DBAG Fund VI	16	5	699	255
DBAG Fund VII	249	136	0	0
DBAG Fund VIII	1,135	627	0	0
Total	**1,425**	**777**	**845**	**401**

Two Board of Management members who were part of the Investment Team as well as the senior management members entitled to carried interest made the following investments in the financial years 2019/2020, 2018/2019 and 2017/2018 and received the following repayments from the DBAG Funds and the Co-Investment Vehicles:

(in EUR thousand)	Investments during the financial year 2019/2020		Cumulative investments as of September 30, 2020(1)		Repayments during the financial year 2019/2020	
	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
			(audited)			
October 1, 2019 to September 30, 2020						
DBAG Fund IV	0	0	880	420	0	0
DBAG Fund V	17	7	4,071	1,760	5,605	2,426
DBAG ECF	217	39	1,083	220	634	127
DBAG ECF I	30	13	621	414	98	68
DBAG ECF II	275	110	725	287	0	0
DBAG Fund VI	223	64	7,339	2,710	964	341
DBAG Fund VII	1,734	898	6,777	3,574	0	0
DBAG Fund VIII	588	322	588	322	0	0
Total	**3,085**	**1,453**	**22,083**	**9,705**	**7,302**	**2,963**

(1) Cumulative investments relate to key management personnel during the financial year 2019/2020. Changes compared to the previous year may be due to key management personnel joining or leaving the Company.

(in EUR thousand)	Investments during the financial year 2018/2019		Cumulative investments as of September 30, 2019(1)		Repayments during the financial year 2018/2019	
	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
			(audited)			
October 1, 2018 to September 30, 2019						
DBAG Fund IV	0	0	1,032	420	899	423
DBAG Fund V	0	0	4,381	1,732	0	0
DBAG ECF	117	13	1,604	182	371	42
DBAG ECF I	95	51	674	400	0	0
DBAG ECF II	324	54	447	177	0	0
DBAG Fund VI	182	53	7,071	2,646	0	0
DBAG Fund VII	2,084	1,145	5,006	2,670	0	0
Total	**2,802**	**1,316**	**20,216**	**8,226**	**1,271**	**465**

(1) Cumulative investments relate to key management personnel during the financial year 2018/2019. Changes compared to the previous year may be due to key management personnel joining or leaving the Company.

(in EUR thousand)	Investments during the financial year 2017/2018		Cumulative investments as of September 30, 2018[1]		Repayments during the financial year 2017/2018	
	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
			(audited)			
October 1, 2017 to September 30, 2018						
DBAG Fund IV	0	0	1,032	420	274	108
DBAG Fund V	25	9	4,381	1,732	2,388	926
DBAG ECF	62	7	1,487	168	207	23
DBAG ECF I	579	350	579	350	0	0
DBAG ECF II	123	123	123	123	0	0
DBAG Fund VI	276	89	6,889	2,593	811	291
DBAG Fund VII	980	513	2,922	1,524	0	0
Total	**2,045**	**1,090**	**17,414**	**6,909**	**3,681**	**1,348**

(1) Cumulative investments relate to key management personnel during the financial year 2017/2018. Changes compared to the previous year may be due to key management personnel joining or leaving the Company.

The following tables outline carried interest claims from the Co-Investment Vehicles and DBAG Funds for the two Board of Management members and the members of senior management entitled to carried interest as of December 31, 2020:

	As of October 1, 2020[1]		Reduction due to disbursement		Addition (+) / reversal (-)		As of December 31, 2020	
(in EUR thousand)	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
DBAG Fund V	4,518	2,638	0	0	(105)	(62)	4,412	2,577
DBAG ECF	22,556	4,983	0	0	4,068	899	26,624	5,881
DBAG ECF I	8,129	1,950	0	0	2,242	538	10,371	2,488
DBAG ECF II	0	0	0	0	6,509	1,421	6,509	1,421
DBAG Fund VI	10,478	3,729	0	0	24,634	8,767	35,112	12,497
Total	**45,682**	**13,300**	**0**	**0**	**37,347**	**11,563**	**83,029**	**24,864**

(1) Carried interest entitlements at the start and end of the reporting period relate to key management personnel during the reporting period. Changes compared to September 30, 2020 may be due – inter alia – to key management personnel joining or leaving the Company.

As of December 31, 2020, the net asset values of the Co-Investment Vehicles DBAG Fund V, DBAG ECF, DBAG ECF I, DBAG Fund VI and, for the first time, DBAG ECF II are reduced by carried interest claims of key management personnel, by a total amount of EUR 44,764,000 (September 30, 2020: EUR 31,000,000), of which EUR 27,431,000 (September 30, 2020: EUR 18,461,000) are attributable to key management personnel. The carried interest for DBAG Fund VII and DBAG Fund VIII remains unchanged at EUR nil.

The following tables outline carried interest claims from the Co-Investment Vehicles and DBAG Funds for the two Board of Management members and the members of senior management entitled to carried interest as of September 30, 2020, September 30, 2019 and September 30, 2018:

(in EUR thousand)	As of October 1, 2019(1)		Reduction due to disbursement		Addition (+) / reversal (-)		As of September 30, 2020(1)	
	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
	(audited)							
DBAG Fund V.........	11,747	5,080	(5,112)	(2,211)	(533)	(231)	6,101	2,638
DBAG ECF	22,495	4,419	0	0	2,474	494	24,969	4,913
DBAG ECF I...........	4,006	1,267	0	0	4,010	1,268	8,016	2,535
DBAG Fund VI	56,627	20,154	0	0	(45,758)	(16,425)	10,869	3,729
Total........................	**94,875**	**30,920**	**(5,112)**	**(2,211)**	**(39,807)**	**(14,893)**	**49,956**	**13,815**

(1) Carried interest entitlements at the start and end of the financial year 2019/2020 relate to key management personnel during the reporting period. Changes compared to the previous year may be due to key management personnel joining or leaving the Company.

(in EUR thousand)	As of October 1, 2018		Reduction due to disbursement		Addition (+) / reversal (-)		As of September 30, 2019	
	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
	(audited)							
DBAG Fund V.........	12,571	4,880	0	0	515	200	13,086	5,080
DBAG ECF	22,485	2,546	0	0	16,546	1,873	39,032	4,419
DBAG ECF I...........	0	0	0	0	4,439	1,267	4,439	1,267
DBAG Fund VI	50,013	17,952	0	0	6,135	2,202	56,147	20,154
Total........................	**85,069**	**25,378**	**0**	**0**	**27,634**	**5,542**	**112,703**	**30,920**

(1) Carried interest entitlements at the start and end of the financial year 2018/2019 relate to key management personnel during the reporting period. Changes compared to the previous year may be due to key management personnel joining or leaving the Company.

(in EUR thousand)	As of October 1, 2017		Reduction due to disbursement		Addition (+) / reversal (-)		As of September 30, 2018	
	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
	(audited)							
DBAG Fund V.........	17,993	6,985	(2,674)	(1,038)	(2,748)	(1,067)	12,571	4,880
DBAG ECF	14,756	1,671	0	0	7,729	875	22,485	2,546
DBAG Fund VI	36,278	13,022	0	0	13,734	4,930	50,013	17,952
Total........................	**69,027**	**21,677**	**(2,674)**	**(1,038)**	**18,715**	**4,738**	**85,069**	**25,378**

(1) Carried interest entitlements at the start and end of the financial year 2017/2018 relate to key management personnel during the reporting period. Changes compared to the previous year may be due to key management personnel joining or leaving the Company.

For the financial year 2019/2020, the net asset values of the Co-Investment Vehicles DBAG Fund V, DBAG ECF, DBAG ECF I and DBAG Fund VI are reduced by carried interest claims by a total amount of EUR 31,000,000 (financial year 2018/2019: EUR 37,540,000; financial year 2017/2018 restated: EUR 25,251,000), of which EUR 18,461,000 (financial year 2018/2019: EUR 31,845,000; financial year 2017/2018: EUR 21,090,000) are attributable to key management personnel. The carried interest for DBAG Fund VII and DBAG Fund VIII was EUR nil for the financial years 2019/2020, 2018/2019 and 2017/2018.

19.6 Remuneration based on employment, service contracts or determined by the general shareholders' meeting

Total remuneration for members of the Board of Management amounted to EUR 468,126 for the three-month period ended December 31, 2020. In addition, an amount of EUR 183,000 has been accrued for long-term benefits and EUR 36,500 has been accrued for current service costs.

Total remuneration for senior executives amounted to EUR 1,301,230 for the three-month period ended December 31, 2020. In addition, an amount of EUR 2,492,000 has been accrued for long-term benefits and EUR 51,500 has been accrued for current service costs.

Total remuneration for members of the Board of Management amounted to EUR 2,609,000 for the financial year 2019/2020 (financial year 2018/2019: EUR 3,682,000; financial year 2017/2018, restated: EUR 3,274,000). This includes long-term benefits of EUR 46,000 for the financial year 2019/2020 (financial year 2018/2019: EUR 45,000; financial year 2017/2018: EUR 185,000) and current service cost of EUR 146,000 for the financial year 2019/2020 (financial year 2018/2019: EUR 199,000; financial year 2017/2018: EUR 118,000). An amount of EUR 4,501,000 for the financial year 2019/2020 (financial year 2018/2019: EUR 4,545,000; financial year 2017/2018: EUR 3,468,000) of the provisions for pension obligations was attributable to Board of Management members. There were neither termination benefits nor share-based payments.

The total remuneration for senior executives amounted to EUR 8,090,000 for the financial year 2019/2020 (financial year 2018/2019: EUR 7,591,000; financial year 2017/2018: EUR 6,497,000), including long-term benefits of EUR 32,000 for the financial year 2019/2020 (financial year 2018/2019: EUR 31,000; financial year 2017/2018: EUR 164,000), current service cost of EUR 206,000 for the financial year 2019/2020 (financial year 2018/2019: EUR 300,000; financial year 2017/2018: EUR 229,000) as well as termination benefits of EUR nil for the financial year 2019/2020 (financial year 2018/2019: EUR 620,000; for the financial year 2017/2018: EUR 450,000). An amount of EUR 4,647,000 for the financial year 2019/2020 (financial year 2018/2019: EUR 8,578,000; financial year 2017/2018: EUR 5,706,000) of the provisions for pension obligations was attributable to senior executives. There was no share-based payment.

The total remuneration for Supervisory Board members amounted to EUR 123,750 for the three-month period ended December 31, 2020 (according to the remuneration of the Supervisory Board members as confirmed by the resolution of the Annual General Meeting on February 25, 2021, including the remuneration system of the Supervisory Board members remuneration shall be paid out at the end of the respective financial year) (financial year 2019/2020: EUR 523,000; financial year 2018/2019: EUR 398,000; financial year 2017/2018: EUR 503,000). Of this amount, EUR 123,750 (according to the remuneration of the Supervisory Board members as confirmed by the resolution of the Annual General Meeting on February 25, 2021, including the remuneration system of the Supervisory Board members remuneration shall be paid out at the end of the respective financial year) (financial year 2019/2020: EUR 495,000; financial year 2018/2019: EUR 370,000; financial year 2017/2018: EUR 388,000) referred to Supervisory Board activities and EUR nil (financial year 2019/2020: EUR 28,000; financial year 2018/2019: EUR 8,000; financial year 2017/2018: EUR 115,000) to one long-term benefit for one member of the Supervisory Board. In addition to his remuneration for Supervisory Board membership, this Supervisory Board member also receives a pension payment from his previous membership in DBAG's Board of Management, in the amount of EUR nil for the three-month period ended December 31, 2020 (financial year 2019/2020: EUR 191,000; financial year 2018/2019: EUR 186,000; financial year 2017/2018: EUR 185,000). An amount of EUR nil for the three-month period ended December 31, 2020 (financial year 2019/2020: EUR 6,205,000; financial year 2018/2019: EUR 6,417,000; financial year 2017/2018: EUR 5,549,000) of the provisions for pension obligations was attributable to this Supervisory Board member.

19.7 Other transactions with key management personnel

Senior executives acquired 940 shares in the financial year 2019/2020 (financial year 2018/2019: 1,260 shares; financial year 2017/2018: 988 shares) of DBAG at preferential terms. The resulting pecuniary advantage amounted to EUR 13,000 for the financial year 2019/2020 (financial year 2018/2019: EUR 11,000; financial year 2017/2018: EUR 11,000), and was recognized under personnel expenses.

DBAG granted loans to senior executives in the amount of EUR 226,000 at standard market conditions in the financial year 2019/2020 (financial year 2018/2019: EUR 95,000; financial year 2017/2018: EUR 95,000). Interest income amounts to EUR 4,000 for the financial year 2019/2020 (financial year 2018/2019: EUR 2,000; financial year 2017/2018: EUR 2,000).

There are no contingent liabilities for key management personnel.

20 TAXATION OF THE SHAREHOLDERS IN GERMANY

The tax laws of any jurisdiction with authority to impose taxes on the Company's shareholders and the tax laws of the Company's country of incorporation (i.e., Germany) may have an impact on the income received from the shares.

The following section presents a number of key German taxation principles which generally are or can be relevant to the acquisition, holding or transfer of shares or subscription rights both by a shareholder (an individual, a partnership or corporation) that has a tax domicile in Germany (that is, whose place of residence, habitual abode, registered office or place of management is in Germany) and by a shareholder without a tax domicile in Germany. The information is not exhaustive and does not constitute a definitive explanation of all possible aspects of taxation that could be relevant for shareholders. The information is based on the tax laws in force in Germany as of the date of this Prospectus (and their interpretation by administrative directives and courts) as well as typical provisions of double taxation treaties that Germany has concluded with other countries. Tax law can change – sometimes retrospectively. Moreover, it cannot be ruled out that the German tax authorities or courts may consider an alternative interpretation or application to be correct that differs from the one described in this section.

This section cannot serve as a substitute for tailored tax advice to individual shareholders. Shareholders are therefore advised to consult their tax advisers regarding the tax implications of the acquisition, holding or transfer of shares or subscription rights and regarding the procedures to be followed to achieve a possible reimbursement of German withholding tax (*Kapitalertragsteuer*). Only such advisers are in a position to take the specific tax-relevant circumstances of individual shareholders into due account.

20.1 Income Tax Implications of the Holding, Sale and Transfer of Shares and Subscription Rights

In terms of the taxation of shareholders of the Company, a distinction must be made between taxation in connection with the holding of shares (see section "—*20.2 Taxation of Dividends*" below) and taxation in connection with the sale of shares or subscription rights (see section "—*20.3 Taxation of Capital Gains*" below) and taxation in connection with the gratuitous transfer of shares or subscription rights (see section "—*20.5 Inheritance and Gift Tax*" below). The granting of subscription rights does not, by itself, trigger immediate income tax consequences for the shareholder.

20.2 Taxation of Dividends

(a) Withholding Tax

As a general rule, dividends distributed to the shareholder are subject to a withholding tax (*Kapitalertragsteuer*) of 25.0% and a solidarity surcharge of 5.5% thereon (*i.e.*, 26.375% in total plus church tax, if applicable). This, however, will not apply if and to the extent that dividend payments are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto; section 27 Körperschaftsteuergesetz*, "**KStG**"); in this case no withholding tax will be withheld. However, these payments will reduce the acquisition costs of the shares and may, consequently, result in or increase a taxable gain upon the disposal of the shares (see section "—*20.3 Taxation of Capital Gains*" below). The assessment basis for the withholding tax is the dividend approved by the general shareholders' meeting (*Hauptversammlung*).

If shares – as it is the case with the shares in the Company – are admitted for collective custody by a central securities depository (*Wertpapiersammelbank*) pursuant to Section 5 German Act on Securities Accounts (*Depotgesetz*) and are entrusted to such bank for collective custody (*Sammelverwahrung*) in Germany, the withholding tax is withheld and passed on for the account of the shareholders (i) by the domestic credit or financial services institution (*inländisches Kredit- oder Finanzdienstleistungsinstitut*) (including domestic branches of such foreign enterprises), by the domestic securities trading company (*inländisches Wertpapierhandelsunternehmen*) or by the domestic securities trading bank (*inländische Wertpapierhandelsbank*) which keeps or administers the shares and disburses or credits the dividends to the shareholder or disburses the dividends to a foreign agent, (ii) by the central securities depository (*Wertpapiersammelbank*) to which the shares were entrusted for collective custody if the dividends are disbursed to a foreign agent by such central securities depository (*Wertpapiersammelbank*) or (iii) by the Company itself if and to the extent shares held in collective custody (*Sammelverwahrung*) by the central securities depository (*Wertpapiersammelbank*) are treated as so-called "*abgesetzte Bestände*" (stock being held separately) (hereinafter in all cases, the "**Dividend Paying Agent**"). Aside from the case of stock being held separately, the Company does not assume any responsibility for the withholding of the withholding tax.

In general, the withholding tax must be withheld without regard as to whether and to what extent the dividend is exempt from (corporate) income tax at the level of the shareholder and whether the shareholder is domiciled in Germany or abroad.

However, withholding tax on dividends distributed to a parent company domiciled in another EU Member State within the meaning of Article 3 of the Council Directive 2011/96/EU of November 30, 2011, as amended ("**Parent-Subsidiary Directive**"), may be refunded upon application and subject to further conditions. This also applies to dividends distributed to a permanent establishment of such a parent company in another EU Member State, provided that the participation in the Company is actually part of such permanent establishment's business assets. Further requirements for the refund of withholding tax under the Parent-Subsidiary Directive are that the shareholder has directly held at least 10.0% of the Company's registered share capital continuously for one year and that a respective application is filed with the German Federal Central Tax Office (*Bundeszentralamt für Steuern, Hauptdienstsitz Bonn-Beuel*, An der Küppe 1, D-53225 Bonn, Germany). If, in the case of a holding of at least 10.0% of the Company's registered share capital, shares held in collective custody (*Sammelverwahrung*) by the German central securities depository (*Wertpapiersammelbank*) Clearstream Banking AG are treated as so-called "*abgesetzte Bestände*" (stock being held separately), the German tax authorities will not object when the main paying agent (*Hauptzahlstelle*) of the Company upon presentation of a valid exemption certificate (*Freistellungsbescheinigung*) and of a proof that this stock has been held separately, disburses the dividend without deducting withholding tax. An exemption certificate can be granted upon application (using official application forms) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern)* (at the above address).

With respect to distributions made to shareholders not tax resident in Germany, the withholding tax may be at least partially refunded in accordance with an applicable double taxation treaty Germany has entered into with the respective shareholder's country of residence if the shares neither form part of the assets of a permanent establishment or a fixed place of business in Germany, nor form part of business assets for which a permanent representative in Germany has been appointed. The withholding tax refund is generally granted by the German Federal Central Tax Office (at the above address) upon application in such a manner that the difference between the total amount withheld, including the solidarity surcharge, and the reduced withholding tax actually owed under the relevant double taxation treaty is refunded by the German Federal Central Tax Office. A refund is not required if the Federal Central Tax Office has, upon application on the officially prescribed form, issued an exemption certificate (*Freistellungsbescheinigung*) which documents that the prerequisites for the application of the reduced withholding tax rates have been met. Dividends covered by the exemption certificate of the shareholder are then only subject to the reduced withholding tax rates stipulated in the exemption certificate.

Forms for the reimbursement and the exemption from the withholding at source procedure are available at the German Federal Central Tax Office (at the above address or online at https://www.bzst.de).

If dividends are distributed to corporations subject to non-resident taxation in Germany, *i.e.*, corporations with no registered office or place of management in Germany and if the shares neither belong to the assets of a permanent establishment or fixed place of business in Germany nor are part of business assets for which a permanent representative in Germany has been appointed, two-fifths of the tax withheld at the source can generally be refunded even if not all of the prerequisites for a refund under the Parent-Subsidiary Directive or an applicable double taxation treaty are fulfilled. The relevant application forms are available at the German Federal Central Tax Office (at the above address).

The aforementioned possibilities for an exemption from or a refund of withholding tax depend on certain other conditions being met (particularly the fulfilment of so-called "substance requirements" (*Substanzerfordernisse*)).

Pursuant to a special rule, the aforementioned withholding tax reliefs as well as the credit of withholding tax described in the section "*—20.2 Taxation of Dividends—(b) Taxation of Dividends of Shareholders with a Tax Domicile in Germany*" below for shares held as non-business and as business assets will only be granted if the shareholder (i) has been the economic owner of the shares for a continuous period of at least 45 days during the period starting 45 days prior to the date when the dividend becomes due and ending 45 days after such date (the "**Minimum Holding Period**" (*Mindesthaltedauer*)), (ii) has been exposed (if taking into account claims of the shareholder from transactions reducing the risk of changes of the market value of the shares and corresponding claims of related parties of the shareholder) to at least 70.0% of the risk resulting from a decrease-in-value of the shares continuously during the Minimum Holding Period (the minimum change-in-value risk (*Mindestwertänderungsrisiko*)) and (iii) is not obliged to forward (*vergüten*) these dividends, directly or indirectly, in total or to more than 50.0% to another person.

In the event that a shareholder tax resident in Germany does not meet the aforementioned three requirements, three fifths of the withholding tax levied on the gross dividends (*i.e.,* 15.0% of the gross dividends) is not creditable, but may, upon application, be deducted when determining the shareholder's taxable income in an assessment procedure. Shareholders who do not meet the requirements but who have, nevertheless, not suffered a withholding tax deduction on the dividends (for example, due to the presentation of a non-assessment certificate) or have already obtained a refund of the taxes withheld, are obliged to notify their competent tax office thereof and to make the payment of an amount corresponding to the amount which would otherwise be withheld; pursuant to the law regarding tax incentives for electric mobility and the amendment of further tax regulations (*Gesetz zur weiteren steuerlichen Förderung der Elektromobilität und zur Änderung weiterer steuerlicher Vorschriften*) that came into force on December 18, 2019, this amount will be equal to 15.0% of the dividends from January 1, 2019 onwards. The special rule on the restriction of withholding tax credit does not apply to a shareholder if either (i) his or her amount of dividend income on shares (including shares of the Company) and certain profit participation rights (*Genussrechte*) does not exceed an amount of EUR 20,000 in a given tax assessment period or if (ii) he or she has been, upon actual receipt of the dividend, the economic owner of the shares for a continuous period of at least one year, whereby shares of the shareholder acquired first are deemed to be sold first (first in – first out).

In the event that a shareholder not tax resident in Germany does not meet the aforementioned three requirements, a refund of the withholding tax pursuant to a double taxation treaty is not available. This restriction only applies if (i) the applicable double taxation treaty provides for a tax reduction leading to an applicable tax rate of less than 15.0%, (ii) the shareholder is not a corporation that directly holds at least a participation of 10.0% of the equity capital of the Company and is subject to tax on its income and profits in its state of residence without being exempt and (iii) the shareholder has not been, upon actual receipt of the dividend, the economic owner of the shares for a continuous period of at least one year, whereby shares of the shareholder acquired first are deemed to be sold first (first in – first out).

The Dividend Paying Agent which keeps or administrates the shares and pays or credits the capital income is required to create so-called "pots for offsetting losses" (*Verlustverrechnungstöpfe*) to allow for negative capital income to be set off against current and future positive capital income. A set off of negative capital income at one Dividend Paying Agent against positive capital income at another Dividend Paying Agent is only possible in the course of the income tax assessment at the level of the respective shareholder. In such case the relevant shareholder has to apply for a certificate confirming the amount of losses not offset with the Dividend Paying Agent where the pot for offsetting losses exists. The application is irrevocable and must reach the Dividend Paying Agent until December 15 of the respective year, as otherwise the losses will be carried forward by the respective Dividend Paying Agent to the following year.

Withholding tax will not be withheld by a Dividend Paying Agent if the shareholder provides such Dividend Paying Agent with an application for exemption (*Freistellungsauftrag*) to the extent such shareholder's capital income does not exceed the annual lump-sum deduction (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples and registered partners jointly assessed) as outlined on the application for exemption. Furthermore, no withholding tax will be levied if the shareholder provides the Dividend Paying Agent with a non-assessment certificate (*Nichtveranlagungsbescheinigung*) to be applied for with the competent tax office.

(b) Taxation of Dividends of Shareholders with a Tax Domicile in Germany

This section applies to shareholders with a tax domicile in Germany (*i.e.*, persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

(i) Shares Held as Non-Business Assets

Dividends distributed to shareholders with a tax domicile in Germany whose shares are held as non-business assets form part of their taxable capital investment income, which is subject to a special uniform income tax rate of 25.0% plus solidarity surcharge of 5.5% thereon (*i.e.*, 26.375% in total plus church tax, if applicable). The income tax owed for this dividend income is generally satisfied by the withholding tax withheld by the Dividend Paying Agent (flat-rate withholding tax (*Abgeltungsteuer*)). Income-related expenses cannot be deducted from the shareholder's capital investment income (including dividends), except for an annual lump-sum deduction (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples and registered partners jointly assessed). However, the shareholder may request that his capital investment income (including dividends) along with his other taxable income be subject to a progressive income tax rate (instead of the uniform tax rate for capital investment income) if this results in a lower tax burden. Income-related expenses cannot be deducted from the capital investment income, except for the aforementioned annual lump-sum deduction.

If the withholding tax deduction does not satisfy (*abgelten*) the tax liability of the shareholder, the withholding tax will generally be credited against the progressive income tax and any excess amount will be refunded if the requirements of the special rule on the restriction of withholding tax credit (see section "*—20.2 Taxation of Dividends—(a) Withholding Tax*" above) are fulfilled.

Exceptions from the flat-rate withholding tax also apply upon application for shareholders who have a shareholding of at least 25.0% in the Company and for shareholders who have a shareholding of at least 1.0% in the Company and are able to entrepreneurially influence the business activities of the company through a professional work for the Company. In this situation, the tax treatment described in section "*—20.2 Taxation of Dividends—(b) Taxation of Dividends of Shareholders with a Tax Domicile in Germany—(ii) Shares Held as Business Assets—(I) Sole Proprietors*" below) applies.

For taxpayers, subject to church tax, such tax will be withheld by way of an automated procedure and remitted to the religious community levying the tax. Church tax withheld at source may not be deducted as a special expense (*Sonderausgabe*) in the course of the tax assessment, but the Dividend Paying Agent may reduce the standard withholding tax rate (including the solidarity surcharge of 26.375%) by the church tax to be withheld on the dividends. Where shareholders have lodged a timely written objection with the German Federal Central Tax Office (*Bundeszentralamt für Steuern* (at the above address)) (so-called "blocking notice" – *Sperrvermerk*) as regards the automated retrieval of data on their religious affiliation, church tax will not be automatically deducted. In this case, a shareholder subject to church tax is obliged to declare the dividends in his income tax return. The church tax on the dividends is then levied by way of a tax assessment.

Shareholders who are subject to German tax residents' taxation and hold their shares as non-business assets may be paid the dividends without deduction of withholding tax if certain prerequisites are met, in particular, if the shareholder has provided a non-assessment certificate (*Nichtveranlagungs- Bescheinigung*) or an exemption instruction (*Freistellungsauftrag*) and the exempt amount indicated therein has not yet been exhausted.

As an exemption, dividend payments that are funded from the Company's contribution account for tax purposes *(steuerliches Einlagekonto; Section 27 KStG*) and are paid to shareholders with a tax domicile in Germany whose shares are held as non-business assets, do – contrary to the above – not form part of the shareholder's taxable income but reduce the acquisition costs for the underlying shares. This results in a higher capital gain in the event of the shares' disposal (see section "*—20.3 Taxation of Capital Gains*" below). However, this will not apply if (i) the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his legal predecessors at any point during the five years preceding the (deemed, as the case may be,) disposal directly or indirectly held at least 1.0% of the share capital of the Company (a "**Qualified Holding**") and (ii) the dividend payment funded from the Company's contribution account for tax purposes exceeds the actual acquisition costs of the shares. In such a case of a Qualified Holding, a dividend payment funded from the Company's contribution account for tax purposes is deemed a sale of the shares and is taxable as a capital gain if and to the extent the dividend payment funded from the Company's contribution account for tax purposes exceeds the acquisition costs of the shares. In this case the taxation corresponds with the description in the section "*—20.3 Taxation of Capital Gains—(a) Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany—(i) Shares and Subscription Rights Held as Non-Business Assets*" below made with regard to shareholders maintaining a Qualified Holding.

(ii) Shares Held as Business Assets

Dividends from shares held as business assets of a shareholder with a tax domicile in Germany are not subject to the flat-rate withholding tax. However, dividends are generally subject to the withholding tax on capital investment income of 25.0% plus 5.5% solidarity surcharge thereon, resulting in an aggregate tax rate of 26.375%, plus church tax for individuals, if applicable. The withholding tax (including the solidarity surcharge and church tax, if applicable) withheld and paid by the Dividend Paying Agent will generally be credited against the shareholder's income or corporate income tax liability (including the solidarity surcharge and church tax, if applicable) or refunded in the amount of any excess if the requirements of the special rule on the restriction of withholding tax credit (see section "*—20.2 Taxation of Dividends—(a) Withholding Tax*" above) are fulfilled. The taxation depends on whether the shareholder is a corporation, a sole proprietor or a partnership (co-entrepreneurship).

Dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto; Section 27 KStG*) and are paid to shareholders with a tax domicile in Germany whose shares are held as business assets, are generally fully tax-exempt in the hands of such shareholder but reduce the acquisition costs for the underlying shares. To the extent the dividend payments funded from the Company's contribution account for tax purposes exceed the actual acquisition costs of the shares, a taxable capital gain occurs. The taxation of such gain corresponds with the description in the section "*—20.3 Taxation of Capital Gains—(a) Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany—(ii) Shares and Subscription Rights Held as Business Assets*" below made with regard to shareholders whose shares are held as business assets.

(H) Corporations

If the shareholder is a corporation with a tax domicile in Germany, the dividends are in general effectively 95.0% exempt from corporate income tax and the solidarity surcharge. 5.0% of the dividends are treated as non-deductible business expenses and are therefore subject to corporate income tax (plus the solidarity surcharge) at a total tax rate of 15.825%. Business expenses actually incurred in direct relation to the dividends may be deducted. However, dividends are not exempt from corporate income tax (including solidarity surcharge thereon), if the shareholder only holds a direct participation of less than 10.0% in the Company's registered share capital at the beginning of the calendar year ("**Portfolio Participation**" – *Streubesitzbeteiligung*). Participations of at least 10.0% acquired during a calendar year are deemed to have been acquired at the beginning of the calendar year. Participations which a shareholder holds through a partnership (including those that are co-entrepreneurships (*Mitunternehmerschaften*)) are attributable to the shareholder only on a *pro rata* basis at the ratio of the interest share of the shareholder in the assets of the relevant partnership.

Dividends (after deducting business expenses economically related to the dividends) are subject to trade tax in the full amount, unless the shareholder held at least 15.0% of the Company's registered share capital at the beginning of the relevant tax assessment period. In the latter case, the dividends are not subject to trade tax; however, trade tax is levied on the amount considered to be a non-deductible business expense (amounting to 5.0% of the dividend). Trade tax depends on the municipal trade tax multiplier applied by the relevant municipal authority.

Special rules apply to dividends received by companies active in the financial and insurance sectors, as well as pension funds (see section "*—20.4 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds*" below).

(I) Sole Proprietors

If the shares are held as business assets by a sole proprietor with a tax domicile in Germany, only 60.0% of the dividends are subject to a progressive income tax (plus the solidarity surcharge) at a total tax rate of up to approximately 47.5%, known as the partial income method (*Teileinkünfteverfahren*). The partial income method does not apply with respect to church tax (if applicable). Only 60.0% of the business expenses economically related to the dividends are tax-deductible. If the shares belong to a domestic permanent establishment in Germany of a business operation of the shareholder, the dividend income (after deducting business expenses economically related thereto) is not only subject to income tax but is also fully subject to trade tax, unless the shareholder held at least 15.0% of the Company's registered share capital at the beginning of the relevant tax assessment period. In this latter case, the net amount of dividends, *i.e.*, after deducting directly related expenses, is exempt from trade tax. As a rule, trade tax can be credited against the shareholder's personal income tax, either in full or in part, by means of a lump-sum tax credit method, depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer.

(J) Partnerships

If the shareholder is a partnership with a tax domicile in Germany, the income or corporate income tax, as the case may be, and the solidarity surcharge are not levied at the level of the partnership but at the level of the respective partner. The taxation for every partner depends on whether the partner is a corporation or an individual. If the partner is a corporation, the dividends contained in the profit share of the shareholder will be taxed in accordance with the principles applicable for corporations (see section "*—20.2 Taxation of Dividends—(b) Taxation of Dividends of Shareholders with a Tax Domicile in Germany—(ii) Shares Held as Business Assets—(H) Corporations*" above). If the partner is an individual, the taxation is in line with the principles described for sole proprietors (see section "*—20.2 Taxation of Dividends—(b) Taxation of Dividends of Shareholders with a Tax Domicile in Germany—(ii) Shares Held as Business Assets—(I) Sole Proprietors*" above). Upon application and subject to further conditions, an individual as a partner can have his personal income tax rate lowered for earnings not withdrawn from the partnership.

In addition, the dividends are generally subject to trade tax in the full amount at the level of a commercial or deemed commercial partnership if the shares are attributed to a German permanent establishment of the partnership. If a partner of the partnership is an individual, the portion of the trade tax paid by the partnership pertaining to his profit share will generally be credited, either in full or in part, against his personal income tax by means of a lump-sum method – depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer. If the partnership held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period, the dividends (after deduction of business expenses economically related thereto) should generally not be subject to trade tax. In this case, trade tax should, however, be levied on 5% of the dividends to the extent they are attributable to the profit share of a corporate partner to whom at least 10% of the shares in the Company are attributable on a look-through basis, since this portion of the dividends should be deemed to be non-deductible business expenses. The remaining portion of the dividend income attributable to partners other than such specific corporate partners (which includes individual partners and should, according to a literal reading of the law, also include corporate partners to whom, on a look-through basis, only Portfolio Participations are attributable) should not be subject to trade tax. Due to a lack of case law and administrative guidance, the exact application of the rules for the taxation of dividends from Portfolio Participations (see section "*—20.2 Taxation of Dividends—(b) Taxation of Dividends of Shareholders with a Tax Domicile in Germany—(ii) Shares Held as Business Assets—(H) Corporations*" above) is, however, unclear. Shareholders are strongly recommended to consult their tax advisers.

(c) Taxation of Dividends of Shareholders with a Non-German Tax Domicile

Shareholders without a tax domicile in Germany, whose shares are attributable to a German permanent establishment or fixed place of business or are part of business assets for which a permanent representative in Germany has been appointed, are liable for tax in Germany on their dividend income. In this respect the provisions outlined above for shareholders with a tax domicile in Germany whose shares are held as business assets apply accordingly (see section "*—20.2 Taxation of Dividends—(b) Taxation of Dividends of Shareholders with a Tax Domicile in Germany—(ii) Shares Held as Business Assets*" above). The withholding tax (including the solidarity surcharge) withheld and passed on will generally be credited against the income or corporate income tax liability or refunded in the amount of any excess if the requirements of the special rule on the restriction of withholding tax credit (see section "*—20.2 Taxation of Dividends—(a) Withholding Tax*" above) are fulfilled.

In all other cases, any tax liability in Germany for dividends received by shareholders resident outside of Germany will be discharged through the withholding of the withholding tax by the Dividend Paying Agent. A refund or exemption is granted only as discussed under "*—20.2 Taxation of Dividends—(a) Withholding Tax*" above.

Dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto; Section 27 KStG*) are generally not subject to German taxation.

20.3 Taxation of Capital Gains

(a) Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany

This section applies to shareholders with a tax domicile in Germany (*i.e.*, persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

(i) Shares and Subscription Rights Held as Non-Business Assets

Gains on the disposal of shares not qualifying as Qualified Holding and acquired after December 31, 2008 by a shareholder with a tax domicile in Germany and held as non-business assets are generally – regardless of the holding period subject to a uniform tax rate on capital investment income in Germany (25.0% plus the solidarity surcharge of 5.5% thereon, *i.e.*, 26.375% in total plus any church tax, if applicable). The same applies to capital gains from the sale of subscription rights which have been granted for such shares.

By contrast, gains from the sale of shares that were acquired by the shareholder prior to January 1, 2009 and gains from the sale of subscription rights that were granted for such shares are not taxable. If the shareholder acquired shares before January 1, 2009 as well as on or after January 1, 2009 and if these shares are kept in the same custodial account, it will be deemed that those shares that were acquired first are sold first.

The taxable capital gain is equal to the difference between (a) the proceeds of the disposal and (b) the acquisition costs of the shares or subscription rights plus the expenses related directly and materially to the disposal. Dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto; Section 27 KStG*) reduce the original acquisition costs; if dividend payments that are funded from the Company's contribution account for tax purposes exceed the acquisition costs, negative acquisition costs – which can increase a capital gain – can arise in case of shareholders, whose shares are held as non-business assets and do not qualify as a Qualified Holding. The acquisition costs for subscription rights originally granted by the Company are deemed to be EUR 0.00 if the subscription rights are granted for shares that were acquired after December 31, 2008. If subscription rights are acquired against payment, the expenses incurred for the acquisition constitute the acquisition costs. According to the tax authorities' view, the exercise of subscription rights is not considered a sale of such subscription rights. Rather, the shares obtained through the exercise of subscription rights are considered to be acquired at subscription price (plus acquisition costs of subscription rights acquired against payment, if any) and at the time of the exercise of the subscription rights.

Only an annual lump-sum deduction of EUR 801 (EUR 1,602 for married couples and registered partners jointly assessed) may be deducted from the entire capital investments income. It is generally not possible to deduct income-related expenses in connection with capital gains, except for the expenses directly related in substance to the disposal which can be deducted when calculating the capital gains. Losses from the disposal of shares may only be offset against profits from capital investments arising from the disposal of the Company's shares or other shares in stock corporations during the same assessment period or in future assessment periods. Losses on disposals of subscription rights may be offset against positive capital investment income without restrictions (*i.e.,* including such from the disposal of shares in stock corporations). Furthermore, in case of a derecognition or transfer of worthless shares (or other capital assets), the utilization of such loss is further restricted and can only be offset up to the amount of EUR 20,000 per calendar year.

If the shares or subscription rights are held in custody or administered by a domestic credit or financial services institution, domestic securities trading company or a domestic securities trading bank, including domestic branches of foreign credit institutions or financial service institutions, or if such an office executes the disposal of the shares or subscription rights and pays out or credits the capital gains (each a "**Domestic Paying Agent**"), the tax on the capital gains will generally be satisfied by the Domestic Paying Agent withholding the withholding tax on investment income in the amount of 26.375% (including the solidarity surcharge) on the capital gain and transferring it to the tax authority for the account of the seller. If the shares or subscription rights were held in custody or administered by the respective Domestic Paying Agent continuously after acquisition, the amount of tax withheld is generally based on the difference between the proceeds from the sale, after deducting expenses directly related to the sale, and the amount paid to acquire the shares or subscription rights. However, the withholding tax rate of 25.0% plus the 5.5% solidarity surcharge thereon and any church tax (if applicable), will be applied to 30.0% of the gross sales proceeds if the shares or subscription rights were not administered by the same custodian bank since acquisition and the original cost of the shares cannot be verified or such verification is not admissible. In this case, the shareholder is entitled to, and in case the actual gain is higher than 30% of the gross proceeds must, verify the original costs of the shares or subscription rights in his or her annual income tax return.

The church tax deduction for capital gains is performed by way of standardized tax withholding procedure by the Domestic Paying Agent withholding such tax. The principles outlined above for church tax on dividend income (see section "*—20.2 Taxation of Dividends—(b) Taxation of Dividends of Shareholders with a Tax Domicile in Germany—(i) Shares Held as Non-Business Assets*" above) apply accordingly.

The shareholder can apply for his total capital investment income, together with his other taxable income, to be subject to a progressive income tax rate as opposed to the uniform tax rate on investment income, if this results in a lower tax liability. In this case, the withholding tax is credited against the progressive income tax and any resulting excess amount will be refunded. Limitations on offsetting losses are applicable. Further, income-related expenses are non-deductible, except for the annual lump-sum deduction.

Shareholders who are subject to German residents' taxation and hold their shares or subscription rights as non-business assets may realize capital gains without deduction of tax on capital investment income and solidarity surcharge if certain prerequisites are met, particularly if the shareholder has provided a non-assessment certificate (*Nichtveranlagungs-Bescheinigung*) or an exemption instruction (*Freistellungsauftrag*) and the exempt amount indicated therein has not yet been exhausted.

If the withholding tax or, if applicable, the church tax on capital gains is not withheld by a Domestic Paying Agent, the shareholder is required to declare the capital gains in his income tax return. The income tax and any applicable church tax on the capital gains will then be collected by way of assessment.

In case of a Qualified Holding, the capital gain deriving from the disposal of the shares or subscription rights is not subject to the flat-rate withholding tax, but to the progressive income tax regime. In this case the partial income method applies to gains on the disposal of shares, which means that only 60.0% of the capital gains are subject to tax and only 60.0% of the losses on the disposal and expenses economically related thereto are tax deductible. In case of a Qualified Holding, the partial income method should apply accordingly to gains or losses from the disposal of subscription rights. In case of a Qualified Holding, acquisition costs for subscription rights are determined by the total value approach (*Gesamtwertmethode*), which takes into account that the acquisition of subscription rights can be traced back to the acquisition costs of the old shares. Therefore, the granting of subscription rights causes part of the original acquisition costs of the old shares to be split off, *i.e.,* the acquisition costs of the old shares are reduced by the amount which is attributable and split off to the subscription rights. In the case of a Qualified Holding, the exercise of subscription rights should not be considered a sale of such subscription rights. Rather, the acquisition costs of the subscription rights increase the acquisition costs of the newly acquired shares. Even though withholding tax is withheld by a Domestic Paying Agent in the case of a Qualified Holding, this does not satisfy the tax liability of the shareholder. Consequently, a shareholder must declare his capital gains in his income tax returns. The withholding tax (including the solidarity surcharge and church tax, if applicable) withheld and paid will be credited against the shareholder's income tax liability on his tax assessment (including the solidarity surcharge and any church tax if applicable) or refunded in the amount of any excess.

(ii) Shares and Subscription Rights Held as Business Assets

Gains on the sale of shares or subscription rights held as business assets of a shareholder with a tax domicile in Germany are not subject to a uniform withholding tax. Withholding tax may only be withheld if the shares are kept with a Domestic Paying Agent. Subject to certain prerequisites, the tax on capital investment income withheld and remitted to the tax authorities will be imputed towards the shareholder's income tax liability and any excess amount paid will be refunded. Subject to certain requirements, however, the Domestic Paying Agent may refrain from deducting tax on capital investment income if (i) the shareholder is a corporation subject to German residents taxation, an association of individuals or an estate or (ii) the shares or subscription rights form part of the business assets of a business operation in Germany and the shareholders declare such to the Domestic Paying Agent in the officially prescribed form. Should the Domestic Paying Agent nonetheless have withheld tax on capital investment income, the tax withheld and remitted to the tax authorities (including solidarity surcharge, and church tax, if applicable) will be credited against the shareholder's personal income tax or corporate income tax liability and any excess amount paid will be refunded.

The taxation of the capital gains depends on whether the shareholder is a corporation, a sole proprietor or a partnership (co-entrepreneurship). Dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto; Section 27 KStG*) reduce the original acquisition costs. In the event of disposal, a higher taxable capital gain can arise therefrom. If the dividend payments exceed the shares' book value for tax purposes, a taxable capital gain can arise.

In the case of shares held as business assets, acquisition costs for subscription rights are determined by the total value approach (*Gesamtwertmethode*), according to which the granting of subscription rights causes part of the original acquisition costs of the old shares to be split off, *i.e.,* the acquisition costs of the old shares are reduced by the amount which is attributable and split off to the subscription rights. The exercise of subscription rights, including in the case of shares held as business assets, should not be considered a sale of such subscription rights.

(A) Corporations

If the shareholder is a corporation with a tax domicile in Germany, the gains on the disposal of shares are, in general, effectively 95.0% exempt from corporate income tax (including the solidarity surcharge) and trade tax, regardless of the size of the participation and the holding period. 5.0% of the gains are treated as non-deductible business expenses and are therefore subject to corporate income tax (plus the solidarity surcharge) at a tax rate amounting to 15.825% and trade tax (depending on the municipal trade tax multiplier applied by the respective municipal authority). As a rule, losses on disposals and other profit reductions in connection with shares (for example, from a write down) cannot be deducted as business expenses.

Contrary to that, capital gains from the sale of subscription rights are fully subject to corporate income tax (plus solidarity surcharge thereon) and trade tax. Losses from the sale of subscription rights and other reductions in profit in connection with the subscription rights are – subject to general restrictions deductible as business expenses.

Special rules apply to capital gains realized by companies active in the financial and insurance sectors, as well as pension funds (see section *"—20.4 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds"* below).

(B) Sole Proprietors

If the shares are held as business assets by a sole proprietor with a tax domicile in Germany, only 60.0% of the gains on the disposal of the shares are subject to a progressive income tax (plus the solidarity surcharge) at a total tax rate of up to approximately 47.5% (partial-income method). Only 60.0% of the losses on the disposal and expenses economically related thereto are tax deductible. The partial income method does not apply with respect to church tax (if applicable). If the shares belong to a German permanent establishment of a business operation of the sole proprietor, 60.0% of the gains of the disposal of the shares are, in addition, subject to trade tax.

The partial income method should also apply to capital gains or losses from the sale of subscription rights held as business assets by a sole proprietor. Otherwise, the entire capital gains would be subject to income tax (plus solidarity surcharge and plus church tax, if applicable) and trade tax. In this case, losses and other expenses related to the subscription rights would be tax deductible in full.

Trade tax can be credited towards the shareholder's personal income tax, either in full or in part, by means of a lump-sum tax credit method – depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer.

(C) Partnerships

If the shareholder is a partnership with a tax domicile in Germany, the income or corporate income tax is not levied at the level of the partnership but at the level of the respective partners. The taxation depends on whether the partner is a corporation or an individual. If the partner is a corporation, the gains on the disposal of the shares as contained in the profit share of the partner will be taxed in accordance with the principles applicable for corporations (see section "*—20.3 Taxation of Capital Gains—(a) Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany—(ii) Shares and Subscription Rights Held as Business Assets—(A) Corporations*" above).

For capital gains in the profit share of a partner that is an individual, the principles outlined above for sole proprietors apply accordingly (partial-income method, see section "*—20.3 Taxation of Capital Gains—(a) Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany—(ii) Shares and Subscription Rights Held as Business Assets—(B) Sole Proprietors*" above). Upon application and subject to further conditions, an individual as a partner can obtain a reduction of his personal income tax rate for earnings not withdrawn from the partnership.

In addition, gains on the disposal of shares or subscription rights are subject to trade tax at the level of a commercial or deemed commercial partnership, if the shares or subscription rights are attributed to a domestic permanent establishment of a business operation of the partnership: Generally, 60.0% of the gain as far as the shares are attributable to the profit share of an individual as the partner of the partnership, and, currently, 5.0% as far as the shares are attributable to the profit share of a corporation as the partner of the partnership. Losses on disposals and other profit reductions in connection with the shares are currently not considered for the purposes of trade tax if they are attributable to the profit share of a corporation and are taken into account at 60.0% in the context of general limitations if they are attributable to the profit share of an individual.

Contrary thereto, gains or losses on the disposal of subscription rights are – subject to general restrictions – fully taken into account for trade tax purposes to the extent they are attributable to the profit share of a corporation as the partner of the partnership. As far as capital gains on the disposal of subscription rights are attributable to the profit share of an individual as the partner of the partnership, they should only be subject to trade tax in the amount of 60.0%; losses and reductions in profit in connection with the sale of subscription rights should – subject to general subscriptions – in this case be deductible only in the amount of 60.0%.

If the partner of the partnership is an individual, the portion of the trade tax paid by the partnership attributable to his profit share will generally be credited, either in full or in part, against his personal income tax by means of a lump-sum method – depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer.

(b) Taxation of Capital Gains of Shareholders with a Non-German Tax Domicile

Capital gains derived from the disposal of shares or subscription rights by shareholders with no tax domicile in Germany are only subject to German tax if the selling shareholder has a Qualified Holding in the Company or the shares or subscription rights belong to a domestic permanent establishment or fixed place of business or are part of business assets for which a permanent representative in Germany has been appointed.

Pursuant to a decision of the German Federal Fiscal Court (*Bundesfinanzhof*) dated May 31, 2017 (Federal Tax Gazette (*Bundessteuerblatt*), part II of 2018, p. 144), in case of a Qualified Holding, the capital gain on the disposal of shares or subscription rights is not subject to German taxation if the shareholder is a corporation which is not tax resident in Germany and neither maintains a permanent establishment nor has appointed a permanent representative in Germany.

If the shareholder is a private individual, only 60.0% of the gains on the disposal of the shares are subject to progressive income tax plus the solidarity surcharge thereon and church tax, if applicable. The partial income method should also apply to gains from the disposal of subscription rights by individual shareholders. However, most double taxation treaties provide for a partial or full relief from German taxation and assign the right of taxation to the shareholder's country of residence. Based on

German domestic law, subscription rights often equal shares in companies for purposes of double taxation treaties. Where a Domestic Paying Agent is involved, withholding tax on capital gains is generally levied at a rate of 25.0% (plus 5.5% solidarity surcharge thereon, resulting in an aggregate withholding tax rate of 26.375%). However, if (i) the shares or subscription rights are not held through a permanent establishment or fixed place of business or as business assets for which a permanent representative is appointed in Germany and (ii) a Domestic Paying Agent is involved, then, pursuant to a tax decree issued by the German Federal Ministry of Finance (*Bundesministerium der Finanzen*) on January 18, 2016, the Domestic Paying Agent will in general not be required to withhold the tax on capital investment income (plus solidarity surcharge thereon). In the case of a Qualified Holding, the capital gains must be declared in a tax return and will be taxed via an assessment procedure if no exemption under a double taxation treaty or under domestic law applies.

With regard to gains or losses on the disposal of shares or subscription rights belonging to a domestic permanent establishment or fixed place of business, or which are part of business assets for which a permanent representative in Germany has been appointed, the above-mentioned provisions pertaining to shareholders with a tax domicile in Germany whose shares or subscription rights are business assets apply accordingly (see section "*—20.3 Taxation of Capital Gains—(a) Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany—(ii) Shares and Subscription Rights Held as Business Assets*" above). The Domestic Paying Agent can refrain from deducting the withholding tax if the shareholder declares to the Domestic Paying Agent on the officially prescribed form that the shares or subscription rights form part of domestic business assets and certain other requirements are met.

20.4 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

If credit institutions (*Kreditinstitute*) or financial services institutions (*Finanzdienstleistungsinstitute*) hold or sell shares or subscription rights that are allocable to their trading portfolio (*Handelsbestand*) pursuant to Section 340e para. 3 of the German Corporate Code (*Handelsgesetzbuch*), they will neither be able to benefit from the partial income method nor be entitled to the effective 95.0% exemption from corporate income tax plus the solidarity surcharge and any applicable trade tax. Thus, dividend income and capital gains are fully taxable. The same applies to shares or subscription rights acquired by financial institutions in the meaning of the KWG held in the majority by credit institutions or financial services institutions and where the shares are to be allocated to the current assets (*Umlaufvermögen*) as of the date of acquisition. The preceding sentence applies accordingly for shares and subscription rights held in a permanent establishment in Germany by financial institutions, financial service institutions and financial institutions tax resident in another EU Member State or in other signatory states of the Treaty on the EEA.

Likewise, the tax exemption described earlier afforded to corporations for dividend income and capital gains from the sale of shares does not apply to shares that qualify as a capital investment in the case of life insurance and health insurance companies, or those which are held by pension funds.

However, an exemption to the foregoing, and thus a 95.0% effective tax exemption, applies to dividends obtained by the aforementioned companies, to which the Parent-Subsidiary Directive applies. In addition, applicable double taxation treaties might provide further relief from German tax, subject to certain prerequisites, *e.g.*, substance requirements and holding periods, being met.

20.5 Inheritance and Gift Tax

The transfer of shares or subscription rights to another person by way of inheritance or gift is generally subject to German inheritance or gift tax if:

- the place of residence, habitual abode, place of management or registered office of the decedent, the donor, the heir, the donee or another acquirer is, at the time of the asset transfer, in Germany, or such person, as a German national, has prior to the transfer not spent more than generally five consecutive years outside of Germany without maintaining a place of residence in Germany;

- the decedent's or donor's shares or subscription rights belonged to business assets for which there had been a permanent establishment in Germany or a permanent representative had been appointed; or

- the decedent or the donor, at the time of the succession or gift, held a direct or indirect interest of at least 10.0% of the Company's share capital either alone or jointly with other related parties.

The small number of double taxation treaties in respect of inheritance and gift tax which Germany has concluded to date usually provide for German inheritance or gift tax only to be levied in the cases under (i) and, subject to certain restrictions, in the cases under (ii). Special provisions apply to certain German nationals living outside of Germany and to former German nationals.

20.6 Abolishment of Solidarity Surcharge

On December 13, 2019, the law regarding a significant reduction of the solidarity surcharge (*Gesetz zur Rückführung des Solidaritätszuschlags 1995*) came into force. Even though, this new law has no impact on the solidarity surcharge levied in addition to the withholding tax, it can affect the solidarity surcharge levied on the income tax liability which the withholding tax is credited against, as the case may be. According to this new law the threshold as of which solidarity surcharge is levied will be significantly increased, so that the solidarity surcharge shall be abolished in full for approximately 90% of the German taxpayers and partly for a further 6.5% of German taxpayers. The new rules apply as of 2021. Shareholders are advised to monitor further future developments.

20.7 Other Taxes

No German capital transfer taxes, value-added-tax, stamp duties or similar taxes are currently levied on the purchase or disposal or other forms of transfer of the shares or subscription rights. However, an entrepreneur may opt to subject disposals of shares or subscription rights, which are in principle exempt from value-added-tax, to value-added-tax if the sale is made to another entrepreneur for the entrepreneur's business. Wealth tax is currently not levied in Germany.

On February 14, 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**") to be implemented in Austria, Belgium, France, Germany, Greece, Italy, Portugal, Spain, Slovakia, and Slovenia (the "**Participating Member States**"). Estonia has stated in 2015 that it will not participate in implementing the proposed FTT.

The Draft Directive has a very broad scope and could, if introduced, apply to certain dealings in the shares or subscription rights (including secondary market transactions) in certain circumstances. The Draft Directive focused on levying an FTT on financial transactions (as defined in the Draft Directive), including the purchase, sale and exchange of financial instruments. Under the Draft Directive, the rate of the FTT would not be lower than 0.1% (0.01% for derivatives), generally based on the amount of the paid or owed consideration or in case of derivatives, the notional amount referred to in the derivatives contract at the time of the financial transaction. The issuance and subscription of shares should, however, be exempt.

Since the date of the publication of the Draft Directive, discussions have taken place between the Participating Member States. The German Federal Ministry of Finance (*Bundesministerium der Finanzen*) has intensified its work on the legal framework for the FTT. The FTT is expected to be modelled on the existing French FTT legislation. Consequently, the FTT is expected to apply to the acquisition of shares in domestic companies with a market capitalization of more than EUR 1,000 million and at a rate of 0.2% while initial public offerings, market making and intra-day trading are not expected to be taxable.

Nevertheless, it is unclear whether the FTT will yet be implemented in Germany within the lapsing legislative period and the FTT remains subject to negotiation between the Participating Member States and was (and most probably will be) the subject of legal challenge. It may still be altered prior to its adoption. Moreover, once any directive has been adopted, it will need to be implemented into the respective domestic laws of the participating member states, and the domestic provisions implementing the directive might deviate from the directive itself. Finally, additional EU member states may decide to participate in or to dismiss the implementation.

Prospective holders of the shares or subscription rights are advised to monitor future developments closely and should consult their own tax advisers in relation to the consequences of the FTT.

21 FINANCIAL INFORMATION

QUARTERLY FINANCIAL STATEMENTS

as at 31 December 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 October 2020 to 31 December 2020

€'000	**1 Oct 2020 to 31 Dec 2020**	1 Oct 2019 to 31 Dec 2019
Net income from investment activity	23,744	59
Income from Fund Services	10,776	7,097
Income from Fund Services and investment activity	**34,520**	**7,156**
Personnel costs	(6,849)	(4,794)
Other operating income	1,325	853
Other operating expenses	(4,033)	(3,266)
Interest income	203	178
Interest expenses	(273)	(312)
Other income/expenses	**(9,627)**	**(7,342)**
Earnings before taxes	**24,893**	**(186)**
Income taxes	0	0
Earnings after taxes	24,892	(186)
Net income attributable to other shareholders	(3)	(2)
Net income	**24,890**	**(188)**
Items that will not be reclassified subsequently to profit or loss		
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset)	230	(94)
Other comprehensive income	**230**	**(94)**
Total comprehensive income	**25,120**	**(282)**
Earnings per share in € (diluted and basic)[1]	1.65	(0.01)

1 The earnings per share calculated in accordance with IAS 33 are based on net income divided by the average number of DBAG shares outstanding in the reporting period.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 October 2020 to 31 December 2020

INFLOWS (+)/OUTFLOWS (-)

€'000	**1 Oct 2020 to 31 Dec 2020**	1 Oct 2019 to 31 Dec 2019
Net income	24,890	(188)
Valuation gains (-)/losses (+) on financial assets and loans and receivables, depreciation/amortisation/impairment of property, plant and equipment and intangible assets, gains (-)/losses (+) on long- and short-term securities	(23,253)	180
Gains (-)/losses (+) from disposals of non-current assets	0	(4)
increase (+)/decrease (-) in income tax assets	0	2
increase (+)/decrease (-) in other assets (net)	(3,786)	(4,459)
increase (+)/decrease (-) in pension provisions	(313)	(56)
Increase (+)/decrease (-) in other provisions	(2,373)	(5,235)
Increase (+)/decrease (-) in other liabilities (net)	(3,138)	3,128
Cash flow from operating activities	**(7,972)**	**(6,632)**
Proceeds from disposals of financial assets and loans and receivables	11,590	3,174
Payments for investments in financial assets and loans and receivables	(1,552)	(35,493)
Proceeds from disposals of other financial instruments	0	14,518
Payments for investments in other financial instruments	(27,601)	(26,047)
Cash flow from investment activity	(17,562)	(43,848)
Proceeds from disposals of property, plant and equipment and intangible assets	0	32
Payments for investments in property, plant and equipment and intangible assets	(40)	(113)
Proceeds from disposals of securities	0	19,857
Cash flow from investing activities	**(17,603)**	**(24,072)**
Payments for lease liabilities	(255)	(242)
Proceeds from new borrowings	23,800	0
Cash flow from financing activities	**23,545**	**(242)**
Net change in cash and cash equivalents	(2,030)	(30,945)
Cash and cash equivalents at start of period	18,367	43,934
Cash and cash equivalents at end of period[1]	**16,338**	**12,989**

1 This includes income taxes received in the amount of 0 euros (previous year: 2,000 euros) as well as interest received and paid in the amount of -248,000 euros (previous year: -99,000 euros).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

€'000	**31 Dec 2020**	30 Sep 2020
ASSETS		
Non-current assets		
Intangible assets	500	490
Property, plant and equipment	4,957	5,144
Financial assets	404,273	390,741
Other non-current assets	642	616
Deferred tax assets	214	214
Total non-current assets	**410,584**	**397,204**
Current assets		
Receivables	6,187	5,071
Other financial instruments	53,589	25,988
Income tax assets	5,524	5,524
Cash and cash equivalents	16,338	18,367
Other current assets	25,069	22,432
Total current assets	**106,707**	**77,382**
Total assets	**517,291**	**474,587**
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	53,387	53,387
Capital reserve	173,762	173,762
Retained earnings and other reserves	(11,096)	(11,326)
Consolidated retained profit	232,598	207,708
Total equity	**448,651**	**423,531**
Liabilities		
Non-current liabilities		
Liabilities under interests held by other shareholders	57	57
Provisions for pensions obligations	16,136	16,449
Other provisions	1,450	846
Other non-current liabilities	3,814	3,953
Total non-current liabilities	**21,457**	**21,305**
Current liabilities		
Loan liabilities	36,900	13,100
Other current liabilities	4,713	8,104
Income taxes payable	526	526
Other provisions	5,044	8,021
Total current liabilities	**47,183**	**29,751**
Total liabilities	**68,640**	**51,056**
Total equity and liabilities	**517,291**	**474,587**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 October 2020 to 31 December 2020

€'000	**1 Oct 2020 to 31 Dec 2020**	1 Oct 2019 to 31 Dec 2019
Subscribed capital		
At start and end of reporting period	**53,387**	**53,387**
Capital reserve		
At start and end of reporting period	**173,762**	**173,762**
Retained earnings and other reserves		
Legal reserve		
At start and end of reporting period	403	403
First-time adoption of IFRS		
At start and end of reporting period	16,129	16,129
Reserve for changes in accounting methods		
At start and end of reporting period	(109)	(109)
Reserve for gains/losses on remeasurement of the net defined benefit liability (asset)		
At start of reporting period	(27,748)	(30,450)
Change in reporting period	230	(94)
At end of reporting period	(27,518)	(30,545)
At end of reporting period	**(11,096)**	**(14,122)**
Consolidated retained profit		
At start of reporting period	207,708	247,031
Net income	24,890	(188)
At end of reporting period	**232,598**	**246,843**
Total	**448,651**	**459,869**

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER OF THE FINANCIAL YEAR 2020/2021

GENERAL INFORMATION

1. BASIS OF PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements of Deutsche Beteiligungs AG (DBAG) as at 31 December 2020 were prepared in accordance with the provisions set out in International Accounting Standard 34 (IAS 34). They are consistent with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Commission for use in the European Union. The mandatory interpretations of the IFRS Interpretations Committee (IFRIC) relevant for interim financial reporting were also applied.

The interim consolidated financial statements consist of the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of financial position, the consolidated statement of changes in equity as well as these condensed notes to the interim consolidated financial statements ("selected explanatory notes").

The interim consolidated financial statements were prepared in euros. The amounts are rounded to the next thousands of euros, except when transparency reasons require amounts to be presented in euros. Rounding differences in the tables in this report may therefore occur.

2. CHANGES IN ACCOUNTING METHODS DUE TO AMENDED RULES

Standards and interpretations as well as amendments to standards and interpretations applicable for the first time that have an impact on the current reporting period

In the financial year 2020/2021, there were no new standards and interpretations or amendments to standards and interpretations required to be applied for the first time which have an effect on the current reporting period.

Standards and interpretations as well as amendments to standards and interpretations applicable for the first time that have no impact on the current reporting period

In the financial year 2020/2021, the following new standards and interpretations or amendments to standards and interpretations are required to be applied for the first time (see 2019/2020 Group Financial Report, pages 88 to 90):

- Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"
- Amendments to IFRS 3 "Business combinations"
- Amendments to IFRS 9 "Financial instruments", (IAS) 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures",
- Amendments to IFRS 16 "Leases",
- Amendments to References to the Conceptual Framework in IFRS Standards.

These amendments had no impact on the current reporting period.

Standards and interpretations and amendments to standards and interpretations that have not yet been applied

The following standards and interpretations were issued by the IASB or the IFRS Interpretations Committee, respectively, and endorsed by the European Commission for application in the European Union. The effective date, indicating when the respective standard or interpretation is required to be applied, is given in parentheses.

- Amendments to IFRS 9 "Financial instruments", (IAS) 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases" within the context of the "Interest Rate Benchmark Reform" (1 January 2021),

- Amendments to IFRS 4 "Insurance Contracts" (1 January 2021).

DBAG intends to initially apply the respective standard or interpretation for the financial year beginning after that date. No use will therefore be made of voluntary early application of standards and interpretations.

DBAG analyses the impact of the introduction of new standards on the presentation of the consolidated financial statements on an ongoing basis, also evaluating the most recent assessments. As at 31 December 2020, no new findings were available regarding the impact of the listed changes on the consolidated financial statements. For more information on the standards and interpretations, as well as amendments to standards and interpretations not yet applied, please refer to the 2019/2020 Group Financial Report (pages 88 to 90).

3. GROUP OF CONSOLIDATED COMPANIES AND CONSOLIDATION METHODS, INTERESTS IN OTHER ENTITIES

The group of consolidated companies and interests in other entities as well as the consolidation methods and accounting policies applied are as reported as at 30 September 2020 and detailed on pages 90 to 98 of the 2019/2020 Group Financial Report.

4. ACCOUNTING POLICIES

The accounting policies applied for the 2019/2020 financial year (see 2019/2020 Group Financial Report, pages 99 et seqq.) continued to be used unchanged for these interim financial statements.

Fair value measurement of financial assets through profit as of loss

Due to the operating activities of DBAG Group as a financial investor, the consolidated financial statements are largely characterised by the measurement of financial assets at fair value through profit or loss. Financial assets chiefly comprise:

- interests in investment entity subsidiaries (see 2019/2020 Group Financial Report, pages 90 to 94); and

- interests in portfolio companies (see 2019/2020 Group Financial Report, page 95).

Regardless of whether they are held directly or via investment entity subsidiaries, all interests in portfolio companies are measured at fair value initially and at all subsequent quarterly and annual reporting dates by DBAG's internal Valuation Committee. The Valuation Committee includes the members of the Board of Management, two employees of the finance unit and the investment controllers.

DBAG has developed valuation guidelines for fair value measurement in accordance with IFRS 13. These guidelines are based on the recommendations set out in the International Private Equity and Venture Capital Valuation (IPEV) Guidelines as amended in December 2018, insofar as these are consistent with IFRS. DBAG's valuation guidelines specify the application of the IPEV Guidelines, insofar as the latter are vague or compliance with IFRS so requires, in order to allow them to be applied in intersubjectively clear terms to DBAG. The IPEV Guidelines do not have to be applied mandatorily; rather, they summarise standard valuation practices in the private equity industry.

Fair value measurement methods on hierarchy level 3

Financial instruments measured at fair value are allocated to three levels in accordance with IFRS 13. For details, please refer to our explanations in the 2019/2020 Group Financial Report, pages 132 to 137.

The following valuation methods are used to measure level 3 financial instruments:

- the sum of-the-parts procedure to calculate the net asset value of unconsolidated subsidiaries, in particular the investment entity subsidiaries (co-investment vehicles, on-balance sheet-investment vehicles and Deutsche Beteiligungsgesellschaft mbH),

- the multiples method for established portfolio companies, and

- the discounted cash flow (DCF) method for one fast-growing portfolio company and for one indirectly held international fund investment.

We refer to pages 99 to 102 of the 2019/2020 Group Financial Report for a detailed description of the general principles for fair value measurement.

Other accounting policies

We refer to pages 99 to 106 of the 2019/2020 Group Financial Report for a detailed description of the accounting policies.

5. SIGNIFICANT EVENTS AND TRANSACTIONS

In October 2020, DBAG Fund VIII acquired the majority of the shares in Congatec as part of an MBO. DBAG invested 23,769,000 euros and holds around 23 per cent of the shares in the company via a co-investment vehicle. The transaction had been agreed in the fourth quarter of the preceding financial year.

In November 2020, a partial disposal of Pfaudler Group's core business was completed. To achieve this, DBAG had reorganised the structure of Pfaudler Group in the previous year, with the listed Indian subsidiary GMM Pfaudler Ltd. (GMM) and the second largest GMM shareholder acquiring 80 per cent of Pfaudler's European and American core business. DBAG and DBAG Fund VI retained a 20 per cent stake in Pfaudler Group's core business and also held just over 50 per cent of GMM indirectly. The sale of around 18 per cent of the GMM shares in November 2020 had been agreed already in the previous year, and the disposal price was taken into account in the measurement of the investment as at the last reporting date, meaning that there was no value contribution for the current financial year.

On 26 November 2020, the Supervisory Board of DBAG appointed Tom Alzin and Jannick Hunecke to the Board of Management. They will take up their new roles on 1 March 2021. Dr Rolf Scheffels will step down from the Board of Management, at his own request, when his contract expires at the end of February 2021.

6. USE OF JUDGEMENT IN APPLYING THE ACCOUNTING METHODS

Application of the accounting methods requires making judgements that can materially influence the reported amounts in the financial statements.

The judgement that has the largest effect on the amounts recognised in the financial statements is the assessment whether, as the parent company, DBAG is deemed to have the status of an investment entity pursuant to IFRS 10.

For details, please refer to the 2019/2020 Group Financial Report (pages 90 to 92). Due to the status of DBAG as an investment entity, the investment entity subsidiaries continue to be not included in the consolidated financial statements as fully consolidated companies, but are instead recognised at fair value.

The consolidation methods and accounting policies applied that were based on other judgements are detailed in the 2019/2020 Group Financial Report (pages 90 to 106).

7. FUTURE-ORIENTED ASSUMPTIONS AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the interim financial statements requires the use of future-oriented assumptions and estimations. These can have a material impact on the carrying amounts of consolidated statement of financial position items as well as the level of income and expenses. What future-oriented assumptions and estimations have in common is the uncertainty about the outcomes. The Board of Management makes decisions on assumptions and estimations after careful consideration of the most recently available reliable information as well as from past experience. Assumptions and estimations also relate to issues over which the Board of Management has no influence, for instance, economic or financial market conditions. The actual outcomes can therefore differ from the assumptions and estimations underlying these interim financial statements. In the event that new information or changed empirical values become available, the assumptions and estimations are adjusted accordingly. The effect of a change in an assumption or estimation is recognised in the financial year in which the change takes place and, if appropriate, in later financial years in the carrying amount of that item in the consolidated statement of financial position as well as in the consolidated statement of comprehensive income.

Due to assumptions about the future and other sources of estimation uncertainty, there is a risk of having to make material adjustments to the carrying amounts of assets or liabilities as at the following reporting date. We judge the materiality, inter alia, by means of the effects on Group equity. We consider an adjustment to the carrying amount in the range of three per cent of Group equity as being material. Moreover, we consider the effects on the overall presentation of the financial position and performance as well as qualitative aspects.

The risk of a subsequent adjustment of carrying amounts exists particularly as far as financial assets are concerned, to the extent that their fair values were determined using inputs that were not mainly based on observable market data (fair value hierarchy level 3, see Note 14.1).

Fair values at level 3 are contained in "Financial assets" in the amount of 404,273,000 euros (30 September 2020: 390,741,000 euros) (see Note 14.1). They largely concern those financial assets that are measured at fair value using the multiplies method. The extent of possible effects on these fair values in the event of an adjustment of assumptions and estimations cannot be quantified. However, should the is based multiples change by +/-1, this would result ceteris paribus in an adjustment in the fair values by +/-25,177,000 euros (30 September 2020 year: 18,871,000 euros). This equates to six per cent of Group equity (30 September 2020: four per cent).

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. NET INCOME FROM INVESTMENT ACTIVITY

€'000	**1st quarter 2020/2021**	1st quarter 2019/2020
Interests in investment entity subsidiaries	24,058	295
Interests in portfolio companies	(313)	(195)
International fund investments	0	(41)
	23,744	**59**

Investment entity subsidiaries are subsidiaries of DBAG through which DBAG makes its equity investments, i.e. both its co-investments alongside DBAG funds and its Long-Term Investments which DBAG makes independently from DBAG funds (see 2019/2020 Group Financial Report, pages 91 to 94). The significant assets of these investment entity subsidiaries are interests in and receivables from portfolio companies. Investment entity subsidiaries are recognised at fair value through profit or loss.

The net gain from interests in investment entity subsidiaries includes the change in the fair values of the interests in portfolio companies held via these vehicles in the amount of 23,883,000 euros (gross; previous year: 295,000 euros). In addition, this item includes the net returns from the disposal or partial disposal and the recapitalisation of portfolio companies, as well as current income (interest income and distributions) in the amount of 175,000 euros (previous year: 0 euros). Due to the predominantly positive measurement results of the co-investment vehicles, imputed carried interest in the amount of 13,764,000 euros was added to the deduction item (previous year: reversal of 81,000 euros).

Directly held interests in portfolio companies relate to one DBAG investment entered into prior to the launch of DBAG Fund V (see 2019/2020 Group Financial Report, page 95). The net gains result from net measurement gains and losses.

The international fund investment was derecognised in the financial year 2019/2020 after the disposal of the last portfolio company. The related fund was not managed by DBAG.

9. INCOME FROM FUND SERVICES

€'000	**1st quarter 2020/2021**	1st quarter 2019/2020
DBAG ECF	451	592
DBAG Fund VI	2,054	1,972
DBAG Fund VII	3,613	4,475
DBAG Fund VIII	4,588	0
Other	70	58
	10,776	**7,097**

Income from Fund Services results from management and advisory services for the DBAG funds.

Upon the start of the investment phase of DBAG Fund VIII, the calculation base for the DBAG Fund VII changed; since then, income has been determined on the basis of the invested capital. As a result, this income declined in the reporting period.

Income from Fund Services has been earned from DBAG Fund VIII since 1 August 2020. The calculation is based on capital commitments.

10. FINANCIAL ASSETS

€'000	**31 Dec 2020**	30 Sep 2020
Interests in investment entity subsidiaries	400,379	386,535
Interests in portfolio companies	3,838	4,152
Other financial assets	55	55
	404,273	**390,741**

Financial assets are measured at fair value through profit or loss.

This item exhibited the following movements in the reporting period:

€'000	1 Oct 2020	Additions	Disposals	Changes in value	**31 Dec 2020**
Interests in investment entity subsidiaries	386,535	1,552	11,590	23,883	400,379
Interests in portfolio companies	4,152	0	0	(313)	3,838
Other financial assets	55	0	0	0	55
	390,741	**1,552**	**11,590**	**23,570**	**404,273**

€'000	1 Oct 2019	Additions	Disposals	Changes in value	30 Sep 2020
Interests in investment entity subsidiaries	380,275	92,938	22,873	(63,805)	386,535
Interests in portfolio companies	4,937	0	0	(786)	4,152
International fund investment	406	0	406	0	0
Other financial assets	74	27	42	(4)	55
	385,693	**92,965**	**23,321**	**(64,595)**	**390,741**

Additions to interests in investment entity subsidiaries refer to capital calls for investments in equity interests. In the comparable period of the previous financial year, the item also included the acquisition cost of a first long-term investment.

In the reporting period, disposals of interests in investment entity subsidiaries resulted from distributions due to the divestment of portfolio companies. In the comparable period of the previous financial year, this item also included repayments of shareholder loans or short-term bridge financings granted to portfolio companies.

The changes in fair value are recorded under the item "Net income from investment activity" in the consolidated statement of comprehensive income.

11. OTHER FINANCIAL INSTRUMENTS

Other financial Instruments exclusively comprise loans to co-investment vehicles in the amount of 53,589,000 euros (30 September 2020: 25,988,000 euros). They refer to short-term loans to the co-investment vehicles of DBAG Fund VII in the amount of 16,674,000 euros (30 September 2020: 12,843,000 euros) and to the co-investment vehicles of DBAG VIII Fund in the amount of 36,915,000 euros (30 September 2020: 13,146,000 euros). The loans are granted by DBAG for the pre-financing of investments in new portfolio companies with a term of up to 270 days.

12. LEASES

As at 31 December 2020, property, plant and equipment includes right-of-use assets from leases in the amount of 4,589,000 euros (30 September 2020: 4,735,000 euros).

The corresponding lease liabilities are included in other non-current liabilities (3,814,000 euros; 30 September 2020: 3,953,000 euros) and in other current liabilities (759,000 euros; 30 September 2020: 769,000 euros). The interest cost on lease liabilities is recorded as interest expenses.

13. OTHER FINANCIAL COMMITMENTS, CONTINGENT LIABILITIES AND TRUSTEESHIPS

Other financial commitments consist of call commitments and permanent debt obligations in the following nominal amounts:

€'000	**31 Dec 2020**	30 Sep 2020
Call commitments	4	4
Permanent debt obligations	597	534
	602	**538**

The maturities of the permanent debt obligations as at 31 December 2020 are shown in the following table:

€'000	< 1 Year	1-5 Years	> 5 Years	**Total**
Permanent debt obligations	550	47	0	**597**

There were no contingent liabilities as at 31 December 2020 and as at 30 September 2020.

Trust assets amounted to 6,941,000 euros as at the reporting date (30 September 2020: 6,953,000 euros). Of that amount, 6,936,000 euros (30 September 2020: 6,949,000 euros) was attributable to balances held on trust accounts for purchase price settlements. Trust liabilities exist in the same amount. DBAG does not generate any income from trustee activities.

OTHER DISCLOSURES

14. FINANCIAL INSTRUMENTS

The key items in the statement of financial position of DBAG containing financial assets (items "Financial assets" and "Other financial instruments") are carried completely at fair value. Financial assets carried at amortised cost (receivables, cash and cash equivalents and other assets) are largely recognised in current assets. For these instruments, we assume that the carrying amount reflects their fair value. Financial liabilities are measured at amortised cost. They mainly comprise loan liabilities. For these instruments, we also assume that the carrying amount reflects their fair value.

CARRYING AMOUNT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

€'000	**Carrying amount 31 Dec 2020**	**Fair value 31 Dec 2020**	**Carrying amount 30 Sep 2020**	**Fair value 30 Sep 2020**
Financial assets measured at fair value through profit or loss				
Financial assets	404,273	404,273	390,741	390,741
Other financial instruments	53,589	53,589	25,988	25,988
	457,861	**457,861**	**416,730**	**416,730**
Financial assets at amortised cost				
Receivables	6,187	6,187	5,071	5,071
Cash and cash equivalents	16,338	16,338	18,367	18,367
Other current assets[1]	24,088	24,088	21,459	21,459
	46,613	**46,613**	**44,897**	**44,897**
Financial liabilities at amortised cost				
Liabilities under interests held by other shareholders	57	57	57	57
Loan liabilities	36,900	36,900	13,100	13,100
Other liabilities[2]	1,214	1,214	6,971	6,971
	38,171	**38,171**	**20,128**	**20,128**

1 Excluding deferred items, value-added tax and other items in the amount of 1,624,000 euros (30 September 2020: 1,589,000 euros).

2 Excluding lease liabilities and tax liabilities in the amount of 7,313,000 euros (30 September 2020: 4,723,000 euros).

14.1 Disclosures on the hierarchy of financial instruments

Financial instruments measured at fair value are allocated to the following three levels in accordance with IFRS 13:

LEVEL 1: Use of prices in active markets for identical assets and liabilities.

LEVEL 2: Use of inputs that are observable, either directly (as prices) or indirectly (derived from prices).

LEVEL 3: Use of inputs that are not materially based on observable market data (unobservable inputs). We assess the materiality of these inputs on the basis of their influence on fair value measurement.

The financial instruments measured at fair value on a recurring basis can be classified as follows:

MEASUREMENT HIERARCHY FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE

€'000	Fair value 31 Dec 2020	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Financial assets	404,273	0	0	404,273
Other financial instruments	53,589	0	0	53,589
	457,861	**0**	**0**	**457,861**

MEASUREMENT HIERARCHY FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE

€'000	Fair value 30 Sep 2020	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Financial assets	390,741	0	0	390,741
Other financial instruments	25,988	0	0	25,988
	416,730	**0**	**0**	**416,730**

There are no assets or liabilities that were not measured at fair value on a recurring basis.

The valuation categories in accordance with IFRS 9 have been defined as classes in accordance with IFRS 13 for Level 1 and 2 financial instruments. Level 3 financial instruments are allocated to the following classes:

CLASSIFICATION OF LEVEL 3 FINANCIAL INSTRUMENTS

€'000	Interests in investment entity subsidiaries	Interests in portfolio companies	Others	Total
31 Dec 2020				
Financial assets	400,379	3,838	55	404,273
Other financial instruments	53,589	0	0	53,589
	453,968	**3,838**	**55**	**457,861**
30 Sep 2020				
Financial assets	386,535	4,152	55	390,741
Other financial instruments	25,988	0	0	25,988
	412,523	**4,152**	**55**	**416,730**

The following tables show the changes in Level 3 financial instruments in the first quarter of 2020/2021 and in the financial year 2019/2020, respectively:

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

€'000	1 Oct 2020	Additions	Disposals	Changes in value	**31 Dec 2020**
Financial assets					
Interests in investment entity subsidiaries	386,535	1,552	11,590	23,883	400,379
Interests in portfolio companies	4,152	0	0	(313)	3,838
Other	55	0	0	0	55
	390,741	**1,552**	**11,590**	**23,570**	**404,273**

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

€'000	1 Oct 2019	Additions	Disposals	Changes in value	30 Sep 2020
Financial assets					
Interests in investment entity subsidiaries	380,275	92,938	22,873	(63,805)	386,535
Interests in portfolio companies	4,937	0	0	(786)	4,152
International fund investments	406	0	406	0	0
Other	74	27	42	(4)	55
	385,693	**92,965**	**23,321**	**(64,595)**	**390,741**

The gain in the amount of 23,570,000 euros (2019/2020 financial year: loss in the amount of 64,595,000 euros) is recognised in net income from investment activity.

In both the first quarter of 2020/2021 and the previous year, there were no transfers between levels.

The possible ranges for unobservable inputs regarding Level 3 financial instruments are as follows:

RANGES FOR UNOBSERVABLE INPUTS

€'000	**Fair value 31 Dec 2020**	Valuation method	Unobservable input	Range
Financial assets				
Interests in investment entity subsidiaries	400,379	Net asset value[1]	Average EBITDA/EBITA margin	2% to 48%
			Net Debt[2] to EBITDA	-3.9 to 17.9
			Multiples discount	0 to 10 %
Interests in portfolio companies	3,838	Multiples method	Average EBITDA/EBITA margin	7%
			Net Debt[2] to EBITDA	2.7
			Multiples discount	0%
Other	55	Net asset value	n/a	n/a
	404,273			

1 The net asset value is determined using the sum-of-the-parts method. If the multiples method is used for the investments included therein, the same unobservable inputs are used as those for calculating the fair value of interests in portfolio companies (see comments in the 2019/2020 Group Financial Report, pages 101 et seqq.).

2 Net debt of portfolio company

RANGES FOR UNOBSERVABLE INPUTS

€'000	Fair value 30 Sep 2020	Valuation method	Unobservable input	Range
Financial assets				
Interests in investment entity subsidiaries	386,535	Net asset value[1]	Average EBITDA/EBITA margin	3% to 45%
			Net Debt[2] to EBITDA	-3.9 to 20.5
			Multiples discount	0% to 20%
Interests in portfolio companies	4,152	Multiples method	Average EBITDA/EBITA margin	7%
			Net Debt[2] to EBITDA	3.4
			Multiples discount	0%
Others	55	Net asset value	n/a	n/a
	390,741			

1 See footnote 1 in the preceding table

2 See footnote 2 in the preceding table

In our view, the change in unobservable inputs used for calculating the fair value of Level 3 financial instruments has the following effects on measurement amounts:

RANGES FOR UNOBSERVABLE INPUTS

€'000	Fair value 31 Dec 2020	Change in unobservable inputs		Change in fair value
Financial assets[1]				
Interests in investment entity subsidiaries	400,379	EBITDA and EBITA	+/- 10%	45,911
		Net debt	+/- 10%	19,228
		Multiples discount	+/- 5 percentage points	1,272
Interests in portfolio companies	3,838	EBITDA and EBITA	+/- 10%	682
		Net debt	+/- 10%	300
		Multiples discount	+/- 5 percentage points	0
Other	55		n/a	n/a
	404,273			

1 In the case of recent newly-acquired investments, a change in the unobservable inputs has no effect on the fair value.

RANGES FOR UNOBSERVABLE INPUTS

€'000	**Fair value 30 Sep 2020**	Change in unobservable inputs		Change in fair value
Financial assets[1]				
Interests in investment entity subsidiaries	386,535	EBITDA and EBITA	+/- 10%	42,472
		Net debt	+/- 10%	18,685
		Multiples discount	+/- 5 percentage points	1,928
Interests in portfolio companies	4,152	EBITDA and EBITA	+/- 10%	1,978
		Net debt	+/- 10%	888
		Multiples discount	+/- 5 percentage points	0
Other	55		n/a	n/a
	390,741			

1 See footnote 1 in the preceding table

The key factors influencing income have an effect on both unobservable inputs; consequently, there is a correlation between EBITDA and EBITA. For that reason, the change in fair value is shown together in the sensitivity analysis for the two unobservable inputs, with all other inputs remaining constant.

14.2 Net gain or loss on financial instruments measured at fair value

The net gain or loss on financial instruments measured at fair value comprise fair value changes recognised through profit or loss, realised gains or losses from the disposal of financial instruments, as well as exchange rate changes.

The following net gains or losses on financial assets recognised at fair value are included in the consolidated statement of comprehensive income:

NET GAIN OR LOSS FROM FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

€'000	**1st quarter 2020/2021**	**Level 1**	**Level 2**	**Level 3**	1st quarter 2019/2020	Level 1	Level 2	Level 3
Net income from investment activity	23,744	0	0	23,744	59	0	0	59
Other operating income	0	0	0	0	66	0	0	66
Interest income	203	0	0	203	111	0	0	111
	23,947	**0**	**0**	**23,947**	**236**	**0**	**0**	**236**

15. DISCLOSURES ON SEGMENT REPORTING

DBAG's business policy is geared towards augmenting the Company's value over the long term through successful investments in equity investments, in conjunction with sustainable income from Fund Services. The investments are mainly entered into as co-investor of DBAG funds, but also independently from the DBAG funds outside the scope of their investment strategies: either as majority investments by way of management buyouts (MBOs) or minority investments aimed at financing growth.

In order to be able to separately manage the two described business lines of DBAG, the internal reporting system calculates a separate operating result (segment result). For that reason, the business lines "Private Equity Investments" and "Fund Investment Services" are presented as reportable segments.

SEGMENT REPORTING FOR THE 1ST QUARTER 2020/2021

€'000	Private Equity Investments	Fund Investment Services	Group Reconciliation[1]	Group 1st quarter 2020/2021
Net income from investment activity	23,744	0	0	23,744
Income from Fund Services	0	11,117	(341)	10,776
Income from Fund Services and investment activity	**23,744**	**11,117**	**(341)**	**34,520**
Other income/expense items	(3,683)	(6,285)	341	(9,627)
Earnings before taxes (segment result)	**20,061**	**4,832**	**0**	**24,893**
Income taxes				0
Earnings after taxes				**24,892**
Net income attributable to other shareholders				(3)
Net income/loss				**24,890**
Financial assets and loans and receivables	404,273			
Other financial instruments	53,589			
Financial resources[2]	16,338			
Loan liabilities	(36,900)			
Net asset value	**437,299**			
Assets under management or advisory[3]		**2,533,336**		

1 A synthetic internal administration fee for the DBAG ECF is calculated for the Private Equity Investments segment and taken into account when determining segment results. The fee is based on DBAG's co-investment interest.

2 The financial resources are used by DBAG for investments in equity or equity-like instruments. They contain the line items "Cash and cash equivalents" and, if applicable, "Long-term securities" and "Short-term securities".

3 Assets under management or advisory comprise financial assets, loans and receivables, the financial resources of DBAG, as well as the investments and callable capital commitments to DBAG-managed private equity funds. The investments and loans and receivables are recognised at cost.

SEGMENT REPORTING FOR THE 1ST QUARTER 2019/2020 AND AS AT 30 SEPTEMBER 2020

€'000	Private Equity Investments	Fund Investment Services	Group Reconciliation[1]	Group 1st quarter 2019/2020
Net income from investment activity	59	0	0	59
Income from Fund Services	0	7,422	(325)	7,097
Income from Fund Services and investment activity	**59**	**7,422**	**(325)**	**7,156**
Other income/expense items	(1,957)	(5,710)	325	(7,342)
Earnings before taxes (segment result)	**(1,898)**	**1,712**	**0**	**(186)**
Income taxes				0
Earnings after taxes				**(186)**
Net income attributable to other shareholders				(2)
Net income/loss				**(188)**
Financial assets and loans and receivables	390,741			
Other financial instruments	25,988			
Financial resources[2]	18,367			
Loan liabilities	(13,100)			
Net asset value	**421,997**			
Assets under management or advisory[3]		**2,582,562**		

1 See footnote 1 in the preceding table

2 See footnote 2 in the preceding table

3 See footnote 3 in the preceding table

16. DISCLOSURES ON RELATED PARTIES

Related companies within the meaning of IAS 24 are: investment entity subsidiaries (see Group Financial Report, pages 90 to 98) and the holding companies held indirectly through DBAG ECF, the other unconsolidated subsidiaries of DBAG (see Group Financial Report, pages 95 et seqq.) as well as unconsolidated structured entities of DBAG (see Group Financial Report, pages 96 to 98).

Related persons, within the meaning of IAS 24, are key management personnel. At DBAG, these include all Board of Management, senior executives and the members of DBAG's Supervisory Board.

Income and expenses, receivables and liabilities from Fund Services

DBAG provides asset management services to the DBAG funds and the co-investment vehicles via its fully-consolidated subsidiaries.

The following fully-consolidated companies are responsible for asset management: AIFM-DBG Fund VII (Guernsey) LP, DBG Fund VI GP (Guernsey) LP, DBG Fund VII GP S.à r.l., DBG Fund VIII GP (Guernsey) L.P., DBG Management GmbH & Co. KG, DBG Management GP (Guernsey) Limited, DBG Managing Partner GmbH & Co. KG and DBG New Fund Management GmbH & Co. KG. DBAG pays no fees for the management of the co-investment vehicles of DBAG ECF and DBAG Fund V. Since the launch of DBAG Fund VI, DBAG has paid a volume-based fee for the management of its co-investments to DBG Fund VI GP (Guernsey) LP, to DBG Fund VII GP S.à r.l., and to AIFM DBG Fund VII (Guernsey) L.P. as well as to DBG Fund VIII GP (Guernsey) L.P. Based on the same principles and terms and conditions as for the investors in DBAG funds, this fee is determined by reference to a fixed percentage of a fund's committed or invested capital.

The management companies receive advisory services from DBG Advising GmbH & Co. KG, and pay an advisory fee for these services.

The fees from these activities – including amounts received from DBAG fund investors –are recognised in the item "Income from Fund Services" (see Note 9). In the first quarter of 2020/2021, income from Fund Services consisted of income from co-investment vehicles in the amount of 2,142,000 euros (previous year: 1,226,000 euros) and income from the DBAG funds in the amount of 8,426,000 euros (previous year: 5,793,000 euros). Fees paid by DBAG are also recognised in the "Net income from investment activity" items, reducing value (see Note 8).

As at 31 December 2020, receivables from management fees against DBAG funds amounted to 21,455,000 euros (30 September 2020: 18,205,000 euros), while receivables from management fees against investment entity subsidiaries amounted to 6,180,000 euros (30 September 2020: 5,071,000 euros).

Relationships to co-investment vehicles

The co-investment vehicles of DBAG Fund VII and DBAG Fund VIII are granted short-term loans as pre-financing of investments in new portfolio companies. These are reported in the item "Other financial instruments" (see Note 11); any resulting interest income is recognised in net interest income.

Liabilities to co-investment vehicles are reported under other liabilities. As at 31 December 2020, these liabilities existed to the co-investment vehicle of DBAG Fund VIII (main pool) in the amount of 71,000 euros and referred to a compensation payment to DBAG Fund VIII (main pool) as a result of the pro-rata assumption of the management fee by DBAG Fund VIII (top-up fund). As at 30 September 2020, liabilities to the co-investment vehicles of DBAG Fund VI and DBAG Fund VIII amounted to 1,361,000 euros, mainly referring to management fees received in advance.

Private co-investments of team members and carried interest

Selected members of the investment team as well as selected members of senior management who are not members of the investment team have committed to take an interest in DBAG funds. For those participating – in addition to the returns from the partnership – this can result in a profit share that is disproportionate to their capital commitment ("carried interest") after the fund has fulfilled certain conditions overall. This is the case if the DBAG Group or the investors in the respective DBAG fund have realised their invested capital, plus a preferred return of eight per cent per annum ("full repayment"). Carried interest of not more than 20 per cent[1] is paid out once proceeds on disposal are generated and full repayment has been achieved; the remaining 80 per cent[2] (net sales proceeds) is paid to the investors in the relevant DBAG fund and to DBAG. The structure of the carried interest schemes, their implementation and performance conditions, are in conformity with common practice in the private equity industry and constitute a prerequisite for the placement of DBAG funds. For the individuals participating, their partnership status constitutes a privately assumed investment risk which serves the purpose of aligning their interests with those of DBAG fund investors; the purpose of carried interest is to promote their initiative and their dedication to the success of the investment.

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1 The maximum disproportionate profit share for DBAG Fund VII B [Konzern] SCSp and DBAG Fund VIII B [Konzern] (Guernsey) L.P. amounts to 10 per cent.

2 The maximum disproportionate profit share of the investors and DBAG for DBAG Fund VII B [Konzern] SCSp und den DBAG Fund VIII B [Konzern] (Guernsey) L.P. amounts to a total 90 per cent.

The two Board of Management members who are part of the investment team as well as the senior executives entitled to carried interest made the following investments in the first quarter of 2020/2021 and received the following repayments from the DBAG funds and the co-investment vehicles:

	Investments in the reporting period		Repayments in the reporting period	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
1 Oct 2020 - 31 Dec 2020				
DBAG Fund IV	0	0	146	146
DBAG ECF II	25	10	0	0
DBAG Fund VI	16	5	699	255
DBAG Fund VII	249	136	0	0
DBAG Fund VIII	1,135	627	0	0
	1,425	**777**	**845**	**401**

	Investments in the reporting period		Repayments in the reporting period	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
1 Oct 2019 - 30 Sep 2020				
DBAG Fund V	17	7	5,605	2,426
DBAG ECF	217	39	634	127
DBAG ECF I	30	13	98	68
DBAG ECF II	275	110	0	0
DBAG Fund VI	223	64	964	341
DBAG Fund VII	1,734	898	0	0
DBAG Fund VIII	946	520	0	0
	3,443	**1,651**	**7,302**	**2,963**

The following table outlines carried interest claims from the co-investment vehicles and DBAG funds for the two Board of Management members and the members of senior management entitled to carried interest. We refer to pages 11 et seqq. of the 2019/2020 Group Financial Report for information on the interest of the co-investment vehicles.

	1 Oct 2020[1]		Reduction due to disbursement		Addition (+) / reversal (-)		31 Dec 2020	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
DBAG Fund V	4,518	2,638	0	0	(105)	(62)	4,412	2,577
DBAG ECF	22,556	4,983	0	0	4,068	899	26,624	5,881
DBAG ECF I	8,129	1,950	0	0	2,242	538	10,371	2,488
DBAG ECF II	0	0	0	0	6,509	1,421	6,509	1,421
DBAG Fund VI	10,478	3,729	0	0	24,634	8,767	35,112	12,497
	45,682	**13,300**	**0**	**0**	**37,347**	**11,563**	**83,029**	**24,864**

1 Carried interest entitlements at the start and end of the reporting period relate to key management personnel during the reporting period. Changes compared to 30 September 2020 may be due – inter alia – to key management personnel joining or leaving the Company.

	1 Oct 2019		Reduction due to disbursement		Addition (+) / reversal (-)		30 Sep 2020	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
DBAG Fund V	11,747	5,080	(5,112)	(2,211)	(533)	(231)	6,101	2,638
DBAG ECF	22,495	4,419	0	0	2,474	494	24,969	4,913
DBAG ECF I	4,006	1,267	0	0	4,010	1,268	8,016	2,535
DBAG Fund VI	56,627	20,154	0	0	(45,758)	(16,425)	10,869	3,729
	94,875	30,920	(5,112)	(2,211)	(39,807)	(14,893)	49,956	13,815

In the consolidated financial statements, carried interest is taken into account in the fair value measurement of the shares of DBAG in the co-investment vehicles of a fund ("net asset value"). In this context, the total liquidation of the fund portfolio as at the reporting date is assumed (see 2019/2020 Group Financial Report, page 101). As at 31 December 2020, the net asset values of the co-investment vehicles DBAG Fund V, DBAG ECF, DBAG ECF I, DBAG Fund VI and, for the first time, DBAG ECF II are reduced by carried interest claims of key management personnel, by a total amount of 44,764,000 euros (30 September 2020: 31,000,000 euros), of which 27,431,000 euros (30 September 2020: 18,461,000 euros) are attributable to key management personnel. The carried interest for DBAG Fund VII and DBAG Fund VIII remains unchanged at nil euros.

This carried interest, which is taken into account upon measurement, may increase or decrease in value in the future, and is not disbursed until the requirements under company law are met.

Please refer to the 2019/2020 Group Financial Report on pages 141 to 147 for a more detailed presentation of the related party transactions.

17. EVENTS AFTER THE REPORTING DATE

One portfolio company of DBAG ECF I (netzkontor nord GmbH) completed a company acquisition in January 2021. The company financed the acquisition without any further equity investment by DBAG ECF I or DBAG.

One portfolio company of DBAG ECF II (FLS) completed two company acquisitions in January 2021; DBAG invested an amount of 3,826,000 euros for this purpose.

In January 2021, the investment commitments for this fund were increased by 8.8 million euros; 3.6 million euros of which is attributable to DBAG. The funds will be used to finance further company acquisitions of the three MBOs (BTV Multimedia, FLS, DING Group).

As regards DBAG Fund VII, a spin-off of operasan GmbH from the blikk Group was executed; DBAG invested an amount of 3,179,000 euros to complete this transaction. operasan GmbH also completed the acquisition of a medical service centre.

One portfolio company of DBAG Fund VIII (Multimon AG) completed a company acquisition in January 2021. The company financed the acquisition without any further equity investment by DBAG Fund VIII or DBAG.

Frankfurt/Main, 9 February 2021

The Board of Management

Torsten Grede Dr Rolf Scheffels Susanne Zeidler

CONSOLIDATED
FINANCIAL STATEMENTS

for the period from 1 October 2019 to 30 September 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 October 2019 to 30 September 2020

€'000	Notes	**1.10.2019 to 30.9.2020**	1.10.2018 to 30.9.2019
Net income from investment activity	9	(16,864)	49,629
Income from Fund Services	10	29,304	26,970
Income from Fund Services and investment activity		**12,440**	**76,599**
Personnel costs	11	(18,397)	(21,042)
Other operating income	12	4,534	5,767
Other operating expenses	13	(13,911)	(16,413)
Interest income	14	350	955
Interest expenses	15	(799)	(783)
Other income/expenses		**(28,222)**	**(31,515)**
Earnings before taxes		**(15,782)**	**45,083**
Income taxes	16	(965)	659
Earnings after taxes		**(16,747)**	**45,742**
net income attributable to other shareholders	25	(9)	114
Net income		**(16,757)**	**45,856**
a) Items that will not be reclassified subsequently to profit or loss			
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset)	26	2,702	(7,690)
b) Items that will be reclassified subsequently to profit or loss			
Changes in the fair value of financial assets measured at fair value through other comprehensive income	20	0	15
Other comprehensive income		**2,702**	**(7,675)**
Consolidated comprehensive income		**(14,055)**	**38,181**
Earnings per share in € (diluted and basic)[1]	36	(1.11)	3.05

1 The earnings per share calculated in accordance with IAS 33 are based on net income divided by the average number of DBAG shares outstanding in the reporting period.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 October 2019 to 30 September 2020

INFLOWS (+)/OUTFLOWS (-)

€'000	Notes	**1.10.2019 to 30.9.2020**	1.10.2018 to 30.9.2019
Net income		(16,757)	45,856
Valuation gains (-)/losses (+) on financial assets and loans and receivables, depreciation/amortisation/impairment of property, plant and equipment and intangible assets, gains (-)/losses (+) on long- and short-term securities	9, 17, 18, 20	20,702	(43,107)
Gains (-)/losses (+) from disposal of non-current assets	9, 17	(26)	(75)
increase (+)/decrease (-) in income tax assets	22	308	(5,487)
increase (+)/decrease (-) in other assets (net)	19, 20, 21, 22, 23	(15,406)	(4,272)
increase (+)/decrease (-) in pension provisions	26	(3,144)	7,384
Increase (+)/decrease (-) in income taxes payable	22	509	0
Increase (+)/decrease (-) in other provisions	27	(1,671)	1,328
Increase (+)/decrease (-) in other liabilities (net)	22, 25, 29	8,789	(13,924)
Cash flow from operating activities		**(6,696)**	**(12,298)**
Proceeds from disposals of financial assets and loans and receivables	9, 18	68,462	62,183
Payments for investments in financial assets and loans and receivables	9, 18	(92,965)	(93,412)
Proceeds from disposals of other financial instruments	21	17,069	53,544
Payments for investments in other financial instruments	21	(26,055)	(37,779)
Cash flow from investment activity	32	(33,490)	(15,465)
Proceeds from disposals of property, plant and equipment and intangible assets	17	69	79
Payments for investments in property, plant and equipment and intangible assets	17	(481)	(252)
Proceeds from disposals of securities	20, 32	35,503	70,328
Payments for investments in securities	20, 32	(9,986)	(215)
Cash flow from investing activities		**(8,385)**	**54,475**
Payments for lease liabilities	29	(1,020)	0
Proceeds from new borrowings	28	13,100	0
Payments to shareholders (dividends)	24	(22,566)	(21,814)
Cash flow from financing activities		**(10,486)**	**(21,814)**
Net change in cash and cash equivalents		(25,567)	20,363
Cash and cash equivalents at start of period	32	43,934	23,571
Cash and cash equivalents at end of period[1]		**18,367**	**43,934**

1 This includes income taxes received and paid in the amount of 306,000 euros (previous year: -5,462,000 euros) as well as interest received and paid in the amount of -130,000 euros (previous year: 770,000 euros) and dividends in the amount of 761,000 euros (previous year: 9,267,000 euros).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2020

€'000		**30.9.2020**	30.9.2019
ASSETS			
Non-current assets			
Intangible assets	17	490	301
Property, plant and equipment	17	5,144	582
Financial assets	18	390,741	385,693
Other non-current assets	23	616	0
Deferred tax assets	22	214	658
Total non-current assets		**397,204**	**387,233**
Current assets			
Receivables	19	5,071	1,565
Short-term securities	20	0	25,498
Other financial instruments	21	25,988	17,002
Income tax assets	22	5,524	5,833
Cash and cash equivalents		18,367	43,934
Other current assets	23	22,432	10,550
Total current assets		**77,382**	**104,382**
Total assets		**474,587**	**491,615**
EQUITY AND LIABILITIES			
Equity	24		
Subscribed capital		53,387	53,387
Capital reserve		173,762	173,762
Retained earnings and other reserves		(11,326)	(14,028)
Consolidated retained profit		207,708	247,031
Total equity		**423,531**	**460,152**
Liabilities			
Non-current liabilities			
Liabilities under interests held by other shareholders	25	57	55
Provisions for pensions obligations	26	16,449	19,593
Other provisions	27	846	28
Other non-current liabilities	29	3,953	0
Total non-current liabilities		**21,305**	**19,677**
Current liabilities			
Loan liabilities	28	13,100	0
Other current liabilities	29	8,104	1,260
Income taxes payable	22	526	17
Other provisions	27	8,021	10,509
Total current liabilities		**29,751**	**11,787**
Total liabilities		**51,056**	**31,463**
Total equity and liabilities		**474,587**	**491,615**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 October 2019 to 30 September 2020

€'000	Note	**1.10.2019 to 30.9.2020**	1.10.2018 to 30.9.2019
Subscribed capital			
At start and end of reporting period	24	**53,387**	**53,387**
Capital reserve			
At start and end of reporting period	24	**173,762**	**173,762**
Retained earnings and other reserves			
Legal reserve			
At start and end of reporting period		403	403
First-time adoption of IFRS			
At start and end of reporting period		16,129	16,129
Reserve for changes in accounting methods			
At start of reporting period		(109)	0
Effects from reclassification in accordance with IFRS 9		0	(36)
Measurement effects in accordance with IFRS 9		0	(74)
At start (restated)[1] and end of reporting period		(109)	(109)
Reserve for gains/losses on remeasurement of the net defined benefit liability (asset)			
At start of reporting period	26	(30,450)	(22,760)
Change during the reporting period	26	2,702	(7,690)
At end of reporting period	26	(27,748)	(30,450)
Change in unrealised gains/losses on available-for-sale securities			
At start of reporting period		0	(102)
Effects from reclassification in accordance with IFRS 9		0	102
At start and end of reporting period		0	0
Reserves for financial assets measured at fair value through other comprehensive income			
At start of reporting period		0	0
Effects from reclassification in accordance with IFRS 9		0	(67)
Measurement effects in accordance with IFRS 9		0	52
At start of reporting period (restated)[1]		0	(15)
Change in reporting period through profit or loss		0	15
At end of reporting period		0	0
At end of reporting period		**(11,326)**	**(14,028)**
Consolidated retained profit			
At start of reporting period		247,031	222,973
Dividend	24	(22,566)	(21,814)
Net income		(16,757)	45,856
At end of reporting period		**207,708**	**247,031**
Total		**423,531**	**460,152**

1 Restated as part of the transition to IFRS 9 (see the 2018/2019 Annual Report, pages 127 to 130)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR FROM 1 OCTOBER 2019 TO 30 SEPTEMBER 2020

GENERAL INFORMATION

1. PRINCIPAL ACTIVITY OF THE GROUP

Deutsche Beteiligungs AG (DBAG) is a publicly-listed private equity company. It initiates closed-end private equity funds ("DBAG funds") for investment in equity or equity-like instruments predominantly in unlisted companies, and provides advice regarding these funds. Employing its own assets, it enters into investments, predominantly as a co-investor alongside the DBAG funds, and since 2020 also independently from the DBAG funds with its first long-term investment. Its investment focus, as an investor and fund advisor, is on mid-market German companies. It receives income as an investor through the increase in value of the company in which it has invested, and also as a fund advisor, performing services for the DBAG funds.

DBAG's registered office is at Börsenstrasse 1, 60313 Frankfurt/Main, Germany. The Company is registered in the Commercial Register at the Frankfurt/Main local court (Amtsgericht Frankfurt/Main) under HRB 52491.

2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of DBAG as at 30 September 2020 are consistent with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Commission for use in the European Union. The mandatory interpretations of the IFRS Interpretations Committee (IFRIC) relevant for the consolidated financial statements are also applied. In addition, the applicable commercial law requirements as stipulated in section 315e (1) of the German Commercial Code (Handelsgesetzbuch - HGB) have been taken into account.

The consolidated financial statements consist of the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of financial position, the consolidated statement of changes in equity as well as these notes to the consolidated financial statements. They comprise the financial statements of DBAG and its fully-consolidated subsidiaries ("DBAG Group").

Apart from DBAG, six (previous year: six) of the companies included in the consolidated financial statements prepare their respective financial statements as at the reporting date 30 September. For the remaining four (previous year: three) consolidated companies, the financial year corresponds to the calendar year. These companies prepare interim financial statements as at DBAG's reporting date for consolidation purposes.

The accounting and consolidation policies as well as the notes and disclosures to the consolidated financial statements are applied consistently, except when IFRSs require changes to be made (see Note 3) or the changes result in more reliable and relevant information. As at the reporting date, we have for the first time reported the rental deposit and a portion of the receivables from employees under other non-current assets as well as jubilee payment obligations under other provisions as part of non-current liabilities.

The consolidated statement of comprehensive income is structured based on the nature of expense method. In the interests of presenting information that is relevant to the business of DBAG as a private equity firm, "Net income from investment activity" as well as "Income from Fund Services" are presented instead of revenues. The items of other comprehensive income are stated after taking into account all related tax effects as well as the respective reclassification adjustments. Reclassifications between other comprehensive income and profit or loss are disclosed in the notes.

In the consolidated statement of cash flows, cash flows are broken down into cash flows from operating activities, cash flows from investing activities and cash flows from financing activities (see Note 32). To improve transparency of cash flows from investing activities, the subtotal "Cash flow from investing activity" is reported.

The consolidated financial statements were prepared in euros. The amounts are rounded to thousands of euros, except when transparency reasons require amounts to be presented in euros. Rounding differences in the tables in this report may therefore occur.

On 20 November 2020, the Board of Management of DBAG authorised the consolidated financial statements and the combined management report for submission to the Supervisory Board. On 26 November 2020, the Supervisory Board resolved to approve the consolidated financial statements.

The necessity to correct technical errors in the combined management report which occurred in the transmission of information was discovered on 29 November 2020. The amendments relate to the table outlining "Risk factors with a high expected value" in the "Chances and opportunities" section, sub-section "Explanation of individual risk factors". In the newly-dated document, in Note "40. Events after the reporting date" within the amended notes to the consolidated financial statements, we report on the (now resolved) appointment of Messrs Tom Alzin and Jannick Hunnecke to the Board of Management, effective 1 March 2021, and on the fact that Dr Rolf Scheffels will step down from the Board of Management, at his own request, when his contract expires at the end of February 2021. On 29 November 2020, the Board of Management of DBAG authorised the amended consolidated financial statements and the amended combined management report for submission to the Supervisory Board. The Supervisory Board will resolve on the approval of the consolidated financial statements on 30 November 2020.

3. CHANGES IN ACCOUNTING METHODS DUE TO AMENDED RULES

Standards and interpretations as well as amendments to standards and interpretations applicable for the first time that have an impact on the reporting period ending 30 September 2020

- IFRS 16 "Leases"

The new standard IFRS 16 "Leases" has to be applied for the first time in the financial year 2019/2020. The standard replaces the previous standard IAS 17 "Leases", as well as any related interpretations. The major changes refer to lessee accounting. The previous classification of leases into operating and finance leases by the lessee is abolished by IFRS 16. Instead, the new standard introduces a single accounting model pursuant to which lessees are generally obliged to recognise, for all leases, a right-of-use asset as well as a corresponding lease liability for the outstanding lease payments. At DBAG, it is mainly the rental agreement on the business premises at Börsenstrasse 1, Frankfurt/Main, the vehicles and the copiers of the Company, as well as the rental agreement on the business premises of DBG Management GP (Guernsey) Limited, that fall within the scope of IFRS 16. As a result of the effects on the consolidated financial statements, which overall are not material, DBAG decided to make use of the option provided by IFRS 16 not to adjust comparative information for previous periods.

The carrying amount of lease liabilities upon initial measurement corresponds to the present value of the lease payments required to be made. At DBAG, the present value is determined using the incremental borrowing rate that is applicable when the leased asset is made available for use. This corresponds to the interest rate which DBAG would have to pay for borrowings for the same term, with the same collateral and to an extent applicable to the acquisition of an asset of the same value as the right-of-use asset in the same economic environment. For subsequent measurement, the carrying amount of the lease liability is compounded using the same interest rate and reduced to reflect the lease payments made.

The cost of the right-of-use asset equals the present value of any lease payments to be made plus any lease payments made at or before the commencement of the lease term, any initial direct costs and any expected costs incurred in dismantling and removing the leased asset. Any lease incentives received are deducted. Upon subsequent measurement, the right-of-use asset is recognised at amortised cost.

DBAG reports the right-of-use assets under property, plant and equipment; scheduled depreciation is reported in other operating expenses. The lease liabilities are recognised in other non-current liabilities or other current liabilities, respectively; compounding of the lease liabilities is recorded as interest expense. Both the principal portion and the interest portion of a lease payment are presented within cash flow from financing activities.

DBAG generally makes use of the option to recognise right-of-use assets in the amount of the lease liabilities as at the transition date. Within the context of the transition, right-of-use assets are recognised in the amount of 1,774,000 euros and lease liabilities are recorded in the amount of 1,766,000 euros. The carrying amount of the right-of-use asset results from the carrying amount of the lease liability plus a lease instalment in the amount of 8,000 euros paid in advance.

Based on an undiscounted balance of financial obligations from permanent debt obligations as at 30 September 2019, the reconciliation to the opening balance of the lease liabilities as at 1 October 2019 is as follows:

RECONCILIATION OF LEASE LIABILITIES	
€'000	
Undiscounted balance of financial obligations from permanent debt obligations as at 30 September 2019	2,065
Permanent debt obligations outside the scope of IFRS 16 and other adjustments	(291)
Minimum lease payments from operating leases as at 30 September 2019	1,774
Discounting effect	-8
Lease liabilities as at 1 October 2019	**1,766**

The weighted average incremental borrowing rate for the lease agreements existing as at 1 October 2019 was 0.33 per cent.

- IFRIC 23 "Uncertainty over Income Tax Treatments"

IFRIC 23 clarifies the application of recognition and measurement rules included in IAS 12 in the case of an uncertainty over income tax treatments. Recognition and measurement require estimates and assumptions to be made, for example whether an estimate has to be made separately or together with other uncertainties, whether the most likely amount or the expected value has to be used for the uncertainty and whether changes compared to the previous period have occurred. The detection risk is insignificant for the accounting of uncertain tax positions. Accounting is based on the assumption that the tax authorities examine the relevant matter and have full knowledge of all relevant information. There was no material impact on the consolidated financial statements of DBAG.

Standards and interpretations as well as amendments to standards and interpretations applicable for the first time that have no impact on the reporting period ending 30 September 2020

In the consolidated financial statements as at 30 September 2020, the following new standards and interpretations or amendments to standards and interpretations are required to be applied for the first time:

- Amendments to IAS 19 "Employee Benefits",
- Amendments to IAS 28 "Investments in Associates and Joint Ventures",
- Amendments to IFRS 9 "Financial Instruments",
- Annual Improvements to IFRS Standards 2015-2017 Cycle
  - IAS 12 "Income Taxes",
  - IAS 23 "Borrowing Costs",
  - IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangements".

These standards do not have any consequences for DBAG's consolidated financial statements.

New standards and interpretations that have not yet been applied

(a) Endorsed by the European Union

The following standards and interpretations were issued by the IASB and endorsed by the European Commission for application in the European Union. The effective date, indicating when the respective standard or interpretation is required to be applied, is given in parentheses. DBAG intends to initially apply the respective standard or interpretation for the financial year beginning after that date. No use will therefore be made of voluntary early application of these standards and interpretations.

- Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (1 January 2020)
- Amendments to IFRS 3 "Business Combinations" (1 January 2020)
- Amendments to IFRS 9 "Financial instruments", (IAS) 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures" (1 January 2020)
- Amendments to IFRS 16 "Leases" (1 June 2020)
- Amendments to References to the Conceptual Framework in IFRS Standards (1 January 2020)

These amendments are not relevant for DBAG.

(b) Not endorsed by the European Union

The following standards and interpretations have already been issued by the IASB, but have not yet been endorsed by the European Commission for application in the European Union.

- Amendments to IAS 1 "Presentation of financial statements",
- Amendments to IAS 16 "Property, Plant and Equipment",
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets",

- Amendments to IFRS 3 "Business Combinations",
- Amendments to IFRS 4 "Insurance Contracts",
- Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases" within the context of the "Interest Rate Benchmark Reform",
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures",
- IFRS 14 "Regulatory Deferral Accounts"
- Annual Improvements to IFRS Standards 2018-2020 Cycle
  - IAS 41 "Agriculture"
  - IFRS 1 "First-time Adoption of International Financial Reporting Standards"
  - IFRS 9 "Financial Instruments",
  - IFRS 16 "Leases"
- IFRS 17 "Insurance Contracts" and Amendments to IFRS 17 "Insurance Contracts".

The amendment to IAS 37 clarifies which costs have to be taken into account for the identification of onerous contracts.

The "Interest Rate Benchmark Reform" of the IASB deals with the effects of the IBOR reform[3] on financial reporting. The amendments to various standards are intended to facilitate an entity's transition to a new reference interest rate and, at the same time, to provide users of financial statements with decision-useful information.

We are currently analysing the effects of both amendments on DBAG's consolidated financial statements. A final assessment of the effects is not possible at the moment.

DBAG expects the remaining amendments to have no impact on its consolidated financial statements:

4. DISCLOSURES ON THE GROUP OF CONSOLIDATED COMPANIES AND ON INTERESTS IN OTHER ENTITIES

4.1 Status of DBAG as an investment entity as defined in IFRS 10

DBAG initiates closed-end private equity funds for investments in equity or equity-like instruments, predominantly in unlisted companies. It solicits capital commitments from institutional investors to DBAG funds and provides asset management services to them via fully consolidated subsidiaries. The management companies of the DBAG funds are under the obligation to their investors to invest the capital based on a contractually-agreed investment strategy that aims to realise increases in value through sales and to generate current income. DBAG measures and evaluates the performance of the investments made by the DBAG funds as well as of its long-term investments at quarterly intervals on a fair value basis. Thus, DBAG, as a parent company, meets the criteria of an investment entity as defined in IFRS 10.

3 Reform to replace the previously established reference rate

DBAG is recognised as a special investment company, as defined by German statutory legislation on special investment companies (Gesetz über Unternehmensbeteiligungsgesellschaften - UBGG) and has made investments in more than 300 companies since its foundation. DBAG is a listed public limited company; its shareholder structure is composed of private individual investors, family offices and institutional investors. Employing its own assets, it enters into investments predominantly as a co-investor alongside the DBAG funds, but also independently from the DBAG funds outside of their investment strategies. Based on co-investment agreements with the DBAG funds, DBAG and the funds invest in the same companies and in the same instruments based on the same terms. Employees (related parties) and former employees of DBAG also co-invest in the co-investment vehicles and DBAG funds. Due to the low investment share of related parties, this has no effect on DBAG's status as an investment entity. The status of DBAG as an investment entity is also not affected by the investments that are entered into independently from the DBAG funds. All typical characteristics of an investment entity are therefore met.

4.2 Fully-consolidated subsidiaries

As an investment entity within the meaning of IFRS 10, DBAG only consolidates such subsidiaries that provide investment-related services to the investment entity. The following subsidiaries are included in the consolidated financial statements as at 30 September 2020:

Name	Registered office	Equity interest in %[1]	If different, voting interest *in %[1]*
AIFM-DBG Fund VII Management (Guernsey) LP	St. Peter Port, Guernsey	0.00	
DBG Advising GmbH & Co. KG	Frankfurt/Main, Germany	20.00	
DBG Fund VI GP (Guernsey) LP	St. Peter Port, Guernsey	0.00	
DBG Fund VII GP S.à r.l.	Luxembourg-Findel, Luxembourg	0.00	
DBG Fund VIII GP (Guernsey) L.P.	St. Peter Port, Guernsey	0.00	
DBG Management GmbH & Co. KG	Frankfurt/Main, Germany	100.00	
DBG Management GP (Guernsey) Ltd.	St. Peter Port, Guernsey	3.00	0.00
DBG Managing Partner GmbH & Co. KG	Frankfurt/Main, Germany	20.00	
DBG New Fund Management GmbH & Co. KG	Frankfurt/Main, Germany	100.00	
European PE Opportunity Manager LP	St. Peter Port, Guernsey	0.00	

1 Share in capital or voting rights, respectively, that is effectively attributable to DBAG.

These subsidiaries - including DBG Fund VIII GP (Guernsey) L.P. which is consolidated for the first time - provide the management and advisory services for the DBAG funds. The range of advisory services comprises the identification, analysis and structuring of investment opportunities, negotiation of the investment agreements, compilation of investment memorandums for the funds, support for the portfolio companies during the holding period, and realisation of the funds' portfolio companies. When managing DBAG funds, the range of services additionally includes taking investment decisions.

In the case of DBG Management GmbH & Co. KG and DBG New Fund Management GmbH & Co. KG, the parent-subsidiary relationship results from the fact that DBAG holds the majority of voting rights in these entities and obtains control over these entities.

DBAG does not hold the majority of the voting rights in the case of AIFM-DBG Fund VII Management (Guernsey) LP, DBG Advising GmbH & Co. KG, DBG Fund VI GP (Guernsey) LP, DBG Fund VIII GP (Guernsey) L.P., DBG Management GP (Guernsey) Ltd., DBG Managing Partner GmbH & Co. KG and European PE Opportunity Manager LP. However, in the entities mentioned, there are partners with voting rights who are parties related to DBAG and give DBAG a controlling position within the meaning of IFRS 10. DBAG therefore has control over the entity's relevant activities; it also receives the majority of the distributable amounts and can influence the amount of these variable returns.

DBAG obtains control over DBG Fund VII GP S.a r.l. via the fully-consolidated AIFM-DBG Fund VII Management (Guernsey) LP which holds all of the equity interests in the company.

4.3 Unconsolidated investment entity subsidiaries

The co-investments that DBAG makes using its own assets in order to align its interests with those of managed and/or advised DBAG funds within the scope of its business activity are made through its own companies (referred to as "co-investment vehicles"). These companies do not provide investment-related services but serve the sole purpose of bundling the coinvestments of DBAG alongside a fund.

Long-term investments that DBAG has entered into since the financial year 2019/2020 independently from the DBAG funds using DBAG's own financial resources are also made via a separate company ("on-balance sheet investment vehicle"). Every on-balance sheet investment vehicle exclusively serves the purpose of entering into a long-term investment of DBAG and does not provide any investment-related services. In the reporting year, the first company - DBAG Bilanzinvest I (Smart Metering) GmbH & Co. KG - was established for this purpose.

Deutsche Beteiligungsgesellschaft mbH (DBG) meets the criteria for classification as an investment entity. Before the introduction of the co-investments alongside the DBAG funds, DBAG invested in individual portfolio companies and international funds via this company. Distributions from DBG are expected only after the disposal of a remaining investment. The company additionally provides investment-related services.

The co-investment vehicles, the on-balance sheet-investment vehicles and DBG - known collectively as investment entity subsidiaries - are not consolidated but rather recognised at fair value through profit or loss and presented under financial assets (see also the comments in Note 6 under the heading "Fair value measurement of financial assets through profit or loss").

Name	Registered office	*Equity/voting interest in %*
DBAG Bilanzinvest I (Smart Metering) GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBAG Expansion Capital Fund Konzern GmbH & Co. KG[1]	Frankfurt/Main, Germany	99.00
DBAG Fund V Konzern GmbH & Co. KG	Frankfurt/Main, Germany	99.00
DBAG Fund VI Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99
DBAG Fund VII Konzern SCSp	Luxembourg-Findel, Luxembourg	99.99
DBAG Fund VII B Konzern SCSp	Luxembourg-Findel, Luxembourg	99.99
DBAG Fund VIII A Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99
DBAG Fund VIII B Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	Frankfurt/Main, Germany	100.00
Deutsche Beteiligungsgesellschaft mbH	Konigstein/Taunus, Germany	100.00

1 DBAG Expansion Capital Fund Konzern GmbH & Co. KG comprises three consecutive investment periods of DBAG ECF (original investment period, first and second new investment periods) which are managed as separate accounting areas.

The investments made by DBAG using its own assets alongside the DBAG funds are based on co-investment agreements with the funds. This means that DBAG has a contractual obligation to provide financing for investments and costs at a fixed quota for each of the funds; it can, however, unilaterally waive that contractual obligation (right to opt out), but would then forgo the opportunity of investing alongside the respective fund for the remaining term of that DBAG fund. In order to invest its funds profitably and at the same time aligning its own interests with those of the fund investors, DBAG does not intend to exercise this right to opt out.

At the reporting date, DBAG has the following obligations under co-investment agreements ("callable capital commitments"):

€'000 Name	Capital commitments	Accumulated Capital calls as at 30 Sep 2020	Callable capital commitments as at 30 Sep 2020
DBAG ECF Konzern GmbH & Co. KG Original Investment Period (DBAG ECF)	103,950	103,805	1,181
DBAG ECF Konzern GmbH & Co. KG First New Investment Period (DBAG ECF I)	100,000	97,732	3,544
DBAG ECF Konzern GmbH & Co. KG Second New Investment Period (DBAG ECF II)	34,751	25,528	13,901
DBAG Fund V Konzern GmbH & Co. KG	39,715	28,414	11,300
DBAG Fund VI Konzern (Guernsey) L.P.	133,000	132,987	9,079
DBAG Fund VII Konzern SCSp	183,000	153,292	29,708
DBAG Fund VII B Konzern SCSp	17,000	13,611	3,389
DBAG Fund VIII A Konzern (Guernsey) L.P.	210,000	14,402	195,598
DBAG Fund VIII B Konzern (Guernsey) L.P.	45,000	1,376	43,624
	866,416	**571,146**	**311,324**

€'000 Name	Capital commitment	Accumulated Capital calls as at 30 Sep 2019	Callable capital commitments as at 30 Sep 2020
DBAG ECF Konzern GmbH & Co. KG Original Investment Period (DBAG ECF)	103,950	102,578	1,372
DBAG ECF Konzern GmbH & Co. KG First New Investment Period (DBAG ECF I)	100,000	78,044	22,208
DBAG ECF Konzern GmbH & Co. KG Second New Investment Period (DBAG ECF II)	34,751	25,525	9,314
DBAG Fund V Konzern GmbH & Co. KG	39,715	16,970	22,745
DBAG Fund VI Konzern (Guernsey) L.P.	133,000	134,885	1,743
DBAG Fund VII Konzern SCSp	183,000	122,147	60,853
DBAG Fund VII B Konzern SCSp	17,000	5,503	11,497
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	93,737	91,108	0
	705,153	**576,760**	**129,733**

The callable capital commitments are determined in accordance with the Articles of Association of the fund. They comprise capital commitments that have not yet been called, as well as recallable distributions. The partnership agreements for the DBAG funds allow up to 20 per cent[4] of distributions to be recalled for follow-on investments in existing portfolio companies. This means that an individual fund can achieve accumulated capital calls of up to 120 per cent. As at the reporting date, the callable capital commitments at DBAG ECF's coinvestment vehicles and DBAG Fund VI Konzern (Guernsey) L.P. included recallable distributions.

Based on its co-investing activity in the past financial year, DBAG received the following disbursements from, or made the following investments in, investment entity subsidiaries:

4 In DBAG ECF, of the distributions made after 30 April 2020, up to 10 per cent of the relevant capital commitments are callable for follow-on investments.

€'000	2019/2020	
Name	Disbursements	*Investments*
DBAG ECF Konzern GmbH & Co. KG Original Investment Period (DBAG ECF)	51,691	19,120
DBAG ECF Konzern GmbH & Co. KG First New Investment Period (DBAG ECF I)	4,590	3
DBAG ECF Konzern GmbH & Co. KG Second New Investment Period (DBAG ECF II)	0	11,444
DBAG Fund V Konzern GmbH & Co. KG	6,395	189
DBAG Fund VI Konzern (Guernsey) L.P.	1,317	3,218
DBAG Fund VII Konzern SCSp	0	37,642
DBAG Fund VII B Konzern SCSp	0	8,200
DBAG Fund VIII A Konzern (Guernsey) L.P.	0	2,074
DBAG Fund VIII B Konzern (Guernsey) L.P.	0	322
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	181	0
	64,173	**82,212**

€'000	2018/2019	
Name	Disbursements	*Investments*
DBAG ECF Konzern GmbH & Co. KG Original Investment Period (DBAG ECF)	19,355	8,349
DBAG ECF Konzern GmbH & Co. KG First New Investment Period (DBAG ECF I)	89	2,285
DBAG ECF Konzern GmbH & Co. KG Second New Investment Period (DBAG ECF II)	0	11,988
DBAG Fund V Konzern GmbH & Co. KG	0	0
DBAG Fund VI Konzern (Guernsey) L.P.	32,358	2,732
DBAG Fund VII Konzern SCSp	0	50,151
DBAG Fund VII B Konzern SCSp	0	3,153
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	0	0
	51,802	**78,657**

The disbursements of DBAG ECF's co-investment vehicle in the amount of 51,691,000 euros are largely attributable to a distribution following disposal of a shareholding. Investments in the amount of 19,120,000 euros predominantly relate to follow-on investments in three portfolio companies to support acquisitions.

The disbursements of DBAG ECF I's co-investment vehicle in the amount of 4,590,000 euros are largely attributable to the repayment of a shareholder loan.

The co-investment vehicle of DBAG ECF II primarily invested in a new portfolio company and made a follow-on investment for an existing shareholding, also to support acquisitions, in an aggregate amount of 11,444,000 euros.

The disbursements of DBAG Fund V's co-investment vehicle in the amount of 6,395,000 euros are largely attributable to a distribution following disposal of a shareholding.

The disbursements of DBAG Fund VI's co-investment vehicle in the amount of 1,317,000 euros are largely attributable to a distribution following the disposal of two shareholdings. The co-investment vehicle of DBAG Fund VI made follow-on investments in five existing portfolio companies to enhance their financial strength as well as to support an additional bank financing for an aggregate amount of 3,218,000 euros.

DBAG Fund VII Konzern SCSp (main pool) primarily invested in two new portfolio companies and made follow-on investments for an existing shareholding, also to support acquisitions, in an aggregate amount of 37,642,000 euros. DBAG Fund VII B Konzern SCSp (top-up fund) acted as a co-investor in case of one of the new portfolio companies and the existing portfolio company.

The investments in DBAG Fund VIII's newly established co-investment vehicles largely refer to management fees and start-up costs.

The disbursement from DBG Fourth Equity Team GmbH & Co. KGaA i. L. results from the final unwinding of the company.

4.4 Interests in portfolio companies

DBAG holds direct interests in one portfolio company:

Name	Registered office	Equity interest in %	If different, Voting interest in %
JCK Holding GmbH Textil KG	Quakenbrück, Germany	3.60	0.00

DBAG does not have a significant influence on the portfolio company. Since the entity is allocated to the investment business, it is recognised at fair value through profit or loss and presented under financial assets (see also the comments in Note 6 under the heading "Fair value measurement of financial assets through profit or loss").

The international fund investment Harvest Partners IV GmbH & Co. KG, which had been reported in the previous year, was disposed of in the financial year 2019/2020 after a final distribution.

4.5 Unconsolidated subsidiaries

The following subsidiaries are not included in the consolidated financial statements:

Name	Registered office	*Equity/voting interest in %*
Bowa Geschaftsfuhrungsgesellschaft mbH i. L.	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest I (Smart Metering) Verwaltungs GmbH	Frankfurt/Main, Germany	100.00
DBG Advising Verwaltungs GmbH	Frankfurt/Main, Germany	20.00
DBG Fund HoldCo GmbH & Co. KG	Frankfurt/Main, Germany	13.04
DBG Fund LP (Guernsey) Limited	St. Peter Port, Guernsey	13.04
DBG Fund VIII GP (Guernsey) Limited	St. Peter Port, Guernsey	13.04
DBG Managing Partner Verwaltungs GmbH	Frankfurt/Main, Germany	20.00
DBG Service Provider Verwaltungs GmbH	Frankfurt/Main, Germany	13.04
RQPO Beteiligungs GmbH	Frankfurt/Main, Germany	81.00
RQPO Beteiligungs GmbH & Co. Papier KG	Frankfurt/Main, Germany	90.00

These subsidiaries do not provide investment-related services and are therefore not consolidated but are instead accounted for at fair value through profit or loss.

In the reporting year, DBAG obtained control over four new companies. DBAG Bilanzinvest I (Smart Metering) Verwaltungs GmbH, which was acquired in the financial year 2019/2020, is the general partner of the new on-balance sheet investment vehicle. DBG Fund HoldCo GmbH & Co. KG and its subsidiary, DBG Fund LP (Guernsey) Limited, have been in existence for a longer time. In the reporting year, DBAG joined DBG Fund HoldCo GmbH & Co. KG as another limited partner. Its controlling position is obtained via related parties as partners with voting rights. The interests in its general partner, DBG Service Provider Verwaltungs GmbH, are held by DBG Fund HoldCo GmbH & Co. KG itself. DBG Fund HoldCo GmbH & Co. KG assumes liability for the fully-consolidated companies AIFM-

DBG Fund VII Management (Guernsey) LP, DBG Fund VI GP (Guernsey) LP, DBG Fund VIII GP (Guernsey) L.P. and European PE Opportunity Manager LP; DBG Fund LP (Guernsey) Limited is the founding limited partner of these companies.

For further details, please refer to Note 39 under the headings "Relationships to DBG Managing Partner GmbH & Co. KG and DBG Advising GmbH & Co. KG" and "Relationships to DBG Fund HoldCo GmbH & Co. KG and DBG Fund LP (Guernsey) Limited".

4.6 Unconsolidated structured companies

Within the scope of the business activity of DBAG and its subsidiaries as external capital management companies or investment service providers to private equity funds, contractual arrangements exist between DBAG and structured entities of managed or advised DBAG funds that DBAG initiated within the scope of its business activity. In particular, in the founding phase of a DBAG fund, the managed subsidiaries of DBAG prepay certain charges. These costs are reimbursed to the companies by the investors in the relevant funds upon the commencement of the respective investment period. In the financial year 2019/2020, costs in the amount of 2,713,000 euros (previous year: nil) were prepaid due to the establishment of DBAG Fund VIII.

The following companies that DBAG initiated within the scope of its business activity described above are the investment vehicles for the German and international investors in DBAG funds. In DBAG's perspective, these vehicles are so-called structured entities that were neither consolidated nor recognised at fair value through profit or loss as at 30 September 2020:

Name	Registered office	*Equity/voting interest in %*
DBAG Expansion Capital Fund GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Expansion Capital Fund International GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Fund IV International GmbH & Co. KG i.L.	Frankfurt/Main, Germany	0.00
DBAG Fund IV GmbH & Co. KG i.L.	Frankfurt/Main, Germany	0.00
DBAG Fund V GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Fund V International GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Fund V Co-Investor GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Fund VI (Guernsey) L.P.	St. Peter Port, Guernsey	0.00
DBAG Fund VI Feeder GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Fund VII SCSp	Luxembourg-Findel, Luxembourg	0.00
DBAG Fund VII B SCSp	Luxembourg-Findel, Luxembourg	0.00
DBAG Fund VII Feeder GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Fund VII B Feeder GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Fund VIII A (Guernsey) L.P.	St Peter Port, Guernsey	0.00
DBAG Fund VIII B (Guernsey) L.P.	St Peter Port, Guernsey	0.00
DBAG Fund VIII Feeder GmbH & Co. KG	Frankfurt/Main, Germany	0.00
European Private Equity Opportunities I LP	St Peter Port, Guernsey	0.00
European Private Equity Opportunities II LP	St Peter Port, Guernsey	0.00

The DBAG Group does not have contractual or economic commitments to these structured entities nor has it transferred funds or assets to these companies. Exposure to economic risk relates exclusively to the advisory or management activities conducted for the DBAG funds. Group companies receive fees based on contractual agreements for the services provided to the DBAG funds (see Note 4.2 and Note 39).

Exposure to losses from these structured entities result only from receivables in relation to the payment of the contractually agreed management fee. This fee is due within 30 days after payment is requested. An amount of 16,692,000 euros (previous year: 3,558,000 euros) of the receivables existing as at the reporting date in relation to the management fee for DBAG Fund VII since July 2019 had not been called. This management fee is intended to be called only upon the next disposal from the DBAG Fund VII portfolio.

€'000	**30 Sep 2020**	30 Sep 2019
Name	**Maximum loss exposure**	Maximum loss exposure
DBAG Expansion Capital Fund GmbH & Co. KG Original Investment Period (DBAG ECF)	0	295
DBAG Expansion Capital Fund GmbH & Co. KG First New Investment Period (DBAG ECF I)	35	124
DBAG Expansion Capital Fund International GmbH & Co. KG Original Investment Period (DBAG ECF)	0	182
DBAG Expansion Capital Fund International GmbH & Co. KG First New Investment Period (DBAG ECF I)	98	399
DBAG Expansion Capital Fund International GmbH & Co. KG Second New Investment Period (DBAG ECF II)	0	397
DBAG Fund VI (Guernsey) L.P.	1,633	1,690
DBAG Fund VII SCSp	14,692	3,415
DBAG Fund VII B SCSp	2,000	143
DBAG Fund VIII A (Guernsey) L.P.	68	0
DBAG Fund VIII B (Guernsey) L.P.	0	0
	18,525	**6,645**

All other unconsolidated structured entities in which DBAG acted as an initiator did not result in any contractual or economic commitments as at the reporting date (previous year: none) that could result in an inflow or outflow of funding, or involve an exposure to losses for the DBAG Group.

Disclosures on list of shareholdings pursuant to section 313 (2) HGB

The disclosures on the list of shareholdings pursuant to section 313 (2) of the German Commercial Code (Handelsgesetzbuch - HGB) can be found in Note 43 of these notes to the consolidated financial statements.

5. CONSOLIDATION METHODS

Capital consolidation is performed using the purchase method based on the date on which DBAG obtained a controlling influence over the relevant subsidiary (acquisition date). Acquisition costs are offset against the fair value of the acquired identifiable assets and assumed liabilities as well as contingent liabilities. The carrying amounts are reported at cost in subsequent periods. No goodwill required to be capitalised has arisen.

Intra-Group balances and transactions, as well as any unrealised income and expenses from intra-Group transactions, are eliminated in the preparation of the consolidated financial statements. Deferred income taxes are taken into account in the consolidation procedures.

6. ACCOUNTING POLICIES

Recognition of assets and liabilities

Non-financial assets are recognised in the consolidated statement of financial position if it is probable that a future economic benefit will flow to DBAG and their cost can be reliably measured.

Non-financial liabilities are recognised in the consolidated statement of financial position if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the settlement can be reliably measured.

Regular-way purchases or sales of financial assets are recognised for all financial instruments as at the settlement date.

Financial assets

Financial instruments are classified according to two criteria - the business model criterion and the cash flow criterion - into three categories. Measurement follows from the classification.

The following three categories of financial assets are used:

- "measured at amortised cost",
- "measured at fair value through other comprehensive income",
- "measured at fair value through profit or loss".

Financial assets whose cash flows consist solely of payments of principal and interest satisfy the cash flow criterion; they are classified in line with DBAG's business model:

- If the business model provides for the asset to be held in order to collect contractual cash flows, the asset is measured at amortised cost.
- If the business model provides for both the holding and the sale of assets, to cover a certain liquidity requirement for instance, these assets are measured at fair value through other comprehensive income.

However, financial assets attributable to DBAG's investment business are always measured at fair value through profit or loss. The same applies to financial assets whose cash flows do not consist solely of payments of principal and interest.

Fair value measurement of financial assets through profit as of loss

Due to the operating activities of DBAG Group as a financial investor, the consolidated financial statements are largely characterised by the measurement of financial assets at fair value through profit or loss. Financial assets chiefly comprise:

- interests in investment entity subsidiaries (see Note 4.3); and
- interests in one portfolio company (see Note 4.4).

Regardless of whether they are held directly or via investment entity subsidiaries, all interests in portfolio companies are measured at fair value initially and at all subsequent quarterly and annual reporting dates by DBAG's internal Valuation Committee. The Valuation Committee includes the members of the Board of Management, two employees of the finance unit and two investment controllers. DBAG has developed valuation guidelines for fair value measurement in accordance with IFRS 13. These guidelines are based on the recommendations set out in the International Private Equity and Venture Capital Valuation (IPEV) Guidelines as amended in December 2018, insofar as these are consistent with IFRS. DBAG's valuation guidelines specify the application of the IPEV Guidelines, insofar as the latter are vague or compliance with IFRS so requires, in order to allow them to be applied in intersubjectively clear terms to DBAG. The IPEV Guidelines do not have to be applied mandatorily; rather, they summarise standard valuation practices in the private equity industry.

Furthermore, the valuation as at 31 March 2020 takes into account the Special Valuation Guidance as regards the effects of the corona pandemic issued by the IPEV Board. The Special Valuation Guidance is no longer relevant for the valuation as at the current reporting date since the multiples and the valuation parameters of the portfolio companies are now comparable again.

General principles of fair value measurement

The fair values of the various classes of financial instruments are determined in accordance with consistent measurement methods and on the basis of uniform input factors. All assumptions and parameters which are relevant to valuation are taken into account in accordance with the IPEV Guidelines.

The valuation is performed at each quarterly and annual reporting dates (valuation date), taking all the information that has an impact on value into account, i.e. all of the events between the valuation date and the date on which the consolidated financial statements are prepared, insofar as these events provide information that is relevant for valuation purposes that market participants were already aware of, or ought to have been aware of, on the valuation date.

In determining the fair value, critical judgements on the part of the Valuation Committee will become necessary to a certain extent, i.e. assumptions and estimates must be made. These are constructively substantiated by the Valuation Committee and documented in the valuation records. The assumptions and estimates are based on current knowledge and developments and the experience of the Valuation Committee, and are consistently applied without arbitrariness.

Upon the disposal of a portfolio company, the Valuation Committee analyses whether and, if so, to what extent the realised value differs from the most recently calculated fair value (a process known as "backtesting"). Backtesting provides information on the causes of the changes in value in order to make ongoing improvements to the valuation process.

Fair value upon initial recognition

Upon initial recognition, the fair value corresponds to the acquisition price. Ancillary transaction costs are not capitalised, but are immediately expensed. Ancillary transaction costs include fees paid to intermediaries, advisers (such as legal advisers or consultants), brokers and dealers, charges levied by regulatory authorities and securities exchanges, as well as taxes and other charges incurred for the transaction.

Fair value hierarchy for subsequent measurement

On subsequent reporting dates, the fair value is measured on a going concern basis.

As far as possible, the fair value of a portfolio company as at the subsequent reporting dates is measured based on prices from transactions in the market that were observed on the valuation date or immediately prior to that date. This is normally possible for companies whose shares are quoted on the stock exchange. These portfolio companies are measured at the closing price on the valuation date, or the closing price on the last day of trading prior to this date. In determining prices, the principal market or the most advantageous market is used as the relevant stock exchange. The fair value thus determined is neither reduced by premiums attaching to the sale of larger blocks of shares nor by deductions for disposal costs.

For unlisted companies, a valuation methodology may be considered that is based on a signed purchase agreement or a binding purchase bid - if the completion of the purchase agreement is sufficiently assured or if the purchase bid seems realisable with reasonable assurance. If appropriate, valuations can be based on relevant comparative amounts of recent transactions in the capital of the portfolio company (financing rounds) or based on relevant comparative prices of recent transactions that have taken place in the market.

If the transaction price observable in the market as at the valuation date or the price of the most recent transaction made prior to the valuation date does not constitute a sufficiently reliable measurement - for example due to insufficient liquidity in the market or in the event of a forced transaction or distressed sale - valuation procedures are used that measure fair value on the basis of assumptions.

Fair value measurement methods on hierarchy level 3

The net asset value of unconsolidated subsidiaries - in particular, investment entity subsidiaries (co-investment vehicles, on-balance sheet-investment vehicles and DBG), is determined using the sum-of-the-parts procedure.

With this method, individual asset and liability items are measured separately at fair value and then aggregated to the net asset value of the unconsolidated subsidiaries.

Selected members of the investment team as well as selected members of senior management who are not members of the investment team have committed to take an interest in DBAG funds. Under certain conditions (see Note 39), this can result in a profit share for the members that is disproportionate to the capital invested ("carried interest"). For the purposes of fair value measurement, the total liquidation of a fund's portfolio as at the reporting date is assumed when assessing whether these conditions are met. If the total sales proceeds already realised as at a reporting date plus the fair values of the investments still held in the portfolio are equivalent to the full repayment of capital, then the co-investment vehicle's share in the net asset value is reduced by the computed carried interest.

Portfolio companies are measured either using the multiples or the DCF method. Whilst the multiples method is applied to established portfolio companies, one high-growth portfolio company and one indirectly held international fund investment are measured using the DCF method.

In case of the multiples method, the total enterprise value is determined by applying a multiple for one key financial indicator of the company to be valued. Valuations are generally performed on the basis of earnings before interest, tax, depreciation and amortisation (EBITDA) and earnings before interest, tax and amortisation (EBITA). The total enterprise value is generally measured as a mean on the basis of EBITDA and EBITA, in exceptional cases solely on the basis of EBITDA. Median EBITDA is defined as the leading multiple when deriving multiples from peer group companies.

The indicator derives from a portfolio company's current financial metrics. To obtain a sustainably achievable reference value, these metrics are adjusted for special effects such as non-recurring expenses or discounts for risk projects. In addition, discounts or premiums are made on the applied indicators if there is current information that is not yet reflected in these financial metrics.

The multiple is derived from comparable recent transactions if representative recent transactions for the portfolio company were observed on the market and relevant comparative amounts for these transactions are available in sufficiently reliable and detailed form.

Since there are generally no listed companies that are comparable with the portfolio company to be valued (especially in terms of size, growth rates and margins), the multiple is predominantly derived from the starting multiple. These starting multiples are extrapolated in line with the development of the reference multiple which is in turn determined using the median for a peer group of similar companies that are as comparable as possible (so-called calibration). This calibration is applied consistently.

As the consistent application of a valuation methodology has priority, an exception to the rule exists for companies that have been included in the portfolio for a longer time. In these cases, premiums or discounts are applied to the relevant multiplier of the peer group company in order to account for the differences between the portfolio companies and the peer group companies in terms of business model, geographical focus of business activity as well as size.

In the DCF method, the fair value is determined by discounting expected future cash flows. The portfolio company's mid-term planning is used as the basis for projecting future cash flows. This is adjusted, if appropriate, in order to better reflect the assessment of the future company development. The perpetual annuity is calculated on the basis of the earnings situation of the last planning year, which is adjusted by an appropriate growth rate to be determined by the Valuation Committee. We derive the discount rate using the WACC model (WACC = weighted average cost of capital) from the weighted cost of equity and debt. In discounting equity, we derive the rate from a risk-free base rate and a risk premium to capture the business risk involved. The discount rate for debt corresponds to the refinancing rate for the portfolio company to be valued. Fair values determined on the basis of the DCF method are reviewed as to their marketability every two years using a multiples valuation.

For the valuations of indirectly held international fund investments using the DCF method, the expected net proceeds from the sale of portfolio companies (after deduction of carried interest) are discounted to the valuation date by applying a discount rate.

Revenue recognition

Due to the particularities arising from the operating activities of the DBAG Group as a financial investor, "Net income from investment activity" as well as "Income from Fund Services", instead of revenues, are presented in the consolidated statement of comprehensive income. Net income from investment activity comprises the net gains and losses on measurement and derecognition as well as current income from financial assets net of carried interest.

The net measurement gains and losses comprise the changes in the fair values of financial assets that are determined as at each reporting date based on the principles set out above.

The net gains and losses on derecognition contain income realised upon the derecognition of financial assets. For regular-way sales, disposals are recognised at the settlement date. The income achieved on the sale are therefore recorded at that date as net gains and losses on derecognition. The settlement date is the day on which the contractually agreed obligations between the selling and purchasing parties are fulfilled. In the DBAG Group, this is usually the day on which the interests in the divested portfolio company are transferred in exchange for the receipt of cash and cash equivalents, a purchaser's loan or other financial assets. In the event of contractually-agreed purchase price retentions for representations and warranties or other risks, these are recognised only at the date at which claims to warranty obligations or other risks are no longer probable. This may also be done on a contractually-agreed pro rata basis in partial amounts per period.

Current income consists of distributions from the investment entity subsidiaries, dividends and interest payments from the directly held portfolio company and - for the last time in the financial year 2019/2020 - one distribution from the directly held international fund investment which was disposed in the reporting year:

- Distributions from co-investment vehicles primarily consist of proceeds from the disposal of portfolio companies (after deducting carried interest, if applicable), current distributions from portfolio companies, interest on shareholder loans and repayments of shareholder loans. The distributions are triggered by the manager of the relevant DBAG fund, based on contractual terms. They are recognised as incurred.

- Distributions from the on-balance sheet investment vehicle are recognised when payment is received, while distributions from DBG are recognised on the day the distribution is resolved.

- Ongoing distributions of the directly held portfolio company are recognised on the day the distribution is resolved, while interest is recognised pro rata temporis.

- The distribution from the directly held international fund investment was recognised as incurred.

Income from Fund Services is recognised when the service has been provided.

Loss allowance for financial assets not measured at fair value through profit or loss

A loss allowance is recorded for financial assets not measured at fair value through profit or loss upon its initial recognition and on every subsequent reporting date to reflect any potential future impairment. DBAG determines the loss allowance using an approach that is based on parameters. If there is insufficient parameter-based information, the loss allowance is determined individually based on cash flows. Due to the relatively minor significance of impairment in DBAG's current portfolio, simplified approaches are used where appropriate.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are exclusively acquired for a consideration. Property, plant and equipment comprise right-of-use assets from leases.

These items are measured at amortised cost. Intangible assets have a determinable useful life ranging from two to five years. Property, plant and equipment acquired have useful lives of between three and 13 years, while leases have a term of three to five years. Both intangible assets and property, plant and equipment are amortised or depreciated, respectively, on a straight-line basis over the useful life, or in the case of right-of-use assets, over the term of the lease agreement. Additions are amortised or depreciated pro rata temporis, starting in the month of acquisition.

In addition, intangible assets and property, plant and equipment are tested for impairment if certain events or changes in circumstances indicate that the carrying amount is no longer recoverable. An impairment loss is recorded in the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of fair value (less costs to sell) and its value in use.

Securities

The item "Securities" includes mutual funds. They are measured at fair value through profit or loss.

Changes in the fair value as well as gains and losses from derecognition are reported in the consolidated statement of comprehensive income in the line items "Interest income" or "Interest expense".

Other assets

Other assets comprise receivables from DBAG funds, other receivables and prepaid expenses. Where applicable, this item also contains the excess of plan assets over pension obligations. With the exception of prepaid expenses, value-added tax and the excess of plan assets over pension obligations, these relate to financial assets as defined in IAS 32.

The financial assets included in this line item are measured at amortised cost using the effective interest method and less a loss allowance for expected credit losses (see "Loss allowance for financial assets not measured at fair value through profit or loss"). The loss allowance is recognised in the item "Other operating expenses" in the consolidated statement of comprehensive income.

Receivables

The line item "Receivables" contains receivables from co-investment vehicles and on-balance sheet investment vehicles. They are measured at amortised cost. They are presented by analogy with other assets.

Other financial instruments

The item "Other financial instruments" includes short-term loans to our co-investment vehicles. They are measured at fair value through profit or loss as they are allocated to our investment business. Upon initial recognition, they are measured at fair value as at the transaction date, which corresponds to the cost of acquisition. Since their term is less than one year, their fair value corresponds to the acquisition cost as at the subsequent reporting dates. Interest is recognised in the item "Interest income" using the effective interest method.

Income tax assets

The item "Income tax assets" contains receivables from corporation and withholding tax. These relate to current taxes that are withheld upon distributions and interest payments and are recoverable for corporation tax purposes. Income tax assets are recognised in the relevant amount for tax purposes.

Cash and cash equivalents

Cash and cash equivalents relate to cash in hand and bank balances. They are measured at amortised cost. They are presented by analogy with other assets.

Deferred taxes

Deferred taxes are determined on temporary differences arising between the tax base of assets and liabilities and their IFRS carrying amounts, as well as on tax loss carryforwards. They are calculated on the basis of a combined Group income tax rate of currently 31.925 per cent. The combined income tax rate comprises corporation tax, trade tax and solidarity surcharge. Deferred tax assets and liabilities are offset. Deferred tax liabilities are recognised in the statement of financial position if there is an overall tax charge. A tax benefit is recognised as deferred tax assets to the extent that sufficient taxable profit will be available.

Liabilities under interests held by other shareholders

The item "liabilities under interests held by other shareholders" comprises interests held by non-Group shareholders in the fully consolidated companies included in the consolidated financial statements. They are recognised under liabilities since they are interests held in partnerships or callable shares in corporations. They represent financial liabilities within the meaning of IAS 32 and are therefore recorded using the pro-rata share in the company's share capital.

Pension obligations and plan assets

DBAG has pension obligations arising under various defined benefit plans. Application of the plans is subject to the date at which the respective employees joined the company. The amount of the pensions is measured on the basis of the underlying plan, the amount of the salary and the employees' length of service.

The pension obligations are offset by assets of a legally independent entity ("contractual trust agreement" in the form of a bilateral trust) that may only be used to cover the pension commitments granted and are not accessible to any creditors (qualified plan assets).

The pension obligations under the defined benefit obligations are measured using the actuarial projected unit credit method. This method involves measuring the future obligations based on the pro rata benefit entitlements acquired by the reporting date. They show the part of the benefit obligations that has been recognised in profit or loss by the reporting date. The measurement includes assumptions regarding the future development of certain actuarial parameters, such as the life expectancy of current and future pensioners, increases in salaries and pensions as well as the interest rate used to discount the obligations. The discount rate is calculated based on the returns that are applicable at the reporting date for long-term corporate bonds of issuers with highest credit ratings with a comparable maturity.

Plan assets are measured at fair value.

For presentation in the financial statements, the present value of pension obligations is netted against the fair value of the plan assets. Any net defined benefit assets or liabilities are neither aggregated nor offset. Should the fair value of any plan assets exceed the present value of the related pension obligations, such net defined benefit asset will be recognised in "Other non-current receivables". Any net defined benefit liability is reported under "Provisions for pension obligations".

Service cost is recognised in personnel expenses and net interest on the net defined benefit liability in interest expenses. Net interest comprises interest expenses on pension obligations and interest income on plan assets. It is calculated using the actuarial rate that applies to pension obligations.

Remeasurements of the net defined benefit liability are recognised in other comprehensive income. They comprise actuarial gains and losses from changes in financial and demographic assumptions as well as from experience adjustments.

Other provisions

Other provisions are recognised as liabilities if there is a third-party obligation and it is probable that there will be an outflow of resources to settle the obligation. Non-current provisions are subject to discounting.

Loan liabilities

Loan liabilities refer to liabilities to banks. They are initially recognised at cost. They are subsequently measured at amortised cost, using the effective interest method.

Other liabilities

DBAG's other liabilities comprise lease liabilities, amongst other things. They are initially recognised at cost. They are subsequently measured at amortised cost, using the effective interest method.

Leasing

In the case of leases, an asset for the right-of-use as well as a corresponding lease liability for the outstanding lease payments is recognised. Please refer to Note 3 for information on initial and subsequent measurement of the right-of-use asset and the lease liability.

Other financial commitments, contingent liabilities and trusteeships

Other financial commitments are disclosed outside the statement of financial position: They arise to the extent that there is a legal or constructive third-party obligation for DBAG as at the reporting date.

Permanent debt obligations are disclosed in the notes to the consolidated financial statements at the sum total of future minimum payments. Contingent liabilities are disclosed at the settlement amount and trusteeships at their fair values in the notes to the consolidated financial statements.

Other comprehensive income

In addition to net income, other comprehensive income is the second component of total comprehensive income. Transactions that do not affect net income are recognised through other comprehensive income. Non-Group shareholders are not allocated a share in other comprehensive income.

Currency translation

Foreign currency receivables and liabilities are recognised through profit or loss at the closing exchange rate. Since the functional currency of the foreign subsidiaries is the euro, there is no currency translation within the context of consolidation.

7. USE OF JUDGEMENT IN APPLYING THE ACCOUNTING METHODS

Application of the accounting methods requires making judgements that can materially influence the reported amounts in the financial statements.

The judgement that has the largest effect on the amounts recognised in the financial statements is the assessment whether, as the parent company, DBAG is deemed to have the status of an investment entity pursuant to IFRS 10.

Please refer to Note 4 above. Due to the status of DBAG as an investment entity, the investment entity subsidiaries continue to be not included in the consolidated financial statements as fully consolidated companies, but are instead recognised at fair value.

The consolidation methods and accounting policies applied that were based on the other judgements are detailed in Notes 4 to 6.

8. FUTURE-ORIENTED ASSUMPTIONS AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the consolidated financial statements requires the use of future-oriented assumptions and estimations. These can have a material impact on the carrying amounts of consolidated statement of financial position items as well as the level of income and expenses.

What future-oriented assumptions and estimations have in common is the uncertainty about the outcomes. The Board of Management makes decisions on assumptions and estimations after careful consideration of the most recently available reliable information as well as from past experience. Assumptions and estimations also relate to issues over which the Board of Management has no influence, for instance, economic or financial market conditions. The actual outcomes can therefore differ from the assumptions and estimations underlying these consolidated financial statements. In the event that new information or changed empirical values become available, the assumptions and estimations are adjusted accordingly. The effect of a change in an assumption or estimation is recognised in the financial year in which the change takes place and, if appropriate, in later financial years in the carrying amount of that item in the consolidated statement of financial position as well as in the consolidated statement of comprehensive income.

Due to assumptions about the future and other sources of estimation uncertainty, there is a risk of having to make material adjustments to the carrying amounts of assets or liabilities as at the following reporting date. We judge the materiality, inter alia, by means of the effects on Group equity. We consider an adjustment to the carrying amount in the range of three per cent of Group equity as being material. Moreover, we consider the effects on the overall presentation of the financial position and performance as well as qualitative aspects.

The risk of a subsequent adjustment of carrying amounts exists particularly as far as financial assets are concerned, to the extent that their fair values were determined using inputs that were not mainly based on observable market data (fair value hierarchy level 3, see Note 6).

Fair values of level 3 are contained in the item "Financial assets" in the amount of 390,741,000 euros (previous year: 385,693,000 euros) (see Note 34.1). They largely concern those financial assets that are measured at fair value using the multiplies method. The extent of possible effects on these fair values in the event of an adjustment of assumptions and estimations cannot be quantified. However, should the underlying multiples change by +/-1, this would result ceteris paribus in an adjustment in the fair values by +/-18,871,000 euros (previous year: 24,976,000 euros). This equates to four per cent of Group equity (previous year: five per cent).

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

9. NET INCOME FROM INVESTMENT ACTIVITY

€'000	2019/2020	2018/2019
Interests in investment entity subsidiaries	(16,829)	47,894
Interests in portfolio companies	(24)	1,632
International fund investments	(17)	104
Other financial assets	7	(1)
	(16,864)	**49,629**

The investment entity subsidiaries are subsidiaries of DBAG (see Note 4.3). These subsidiaries are recognised at fair value through profit or loss. The significant assets of these investment entity subsidiaries are interests in and receivables from portfolio companies, both from coinvestments alongside the DBAG funds and Long-Term Investments that are made independently from DBAG funds directly from the statement of financial position of DBAG.

The net gain and loss from interests in investment entity subsidiaries includes the change in the fair values of the interests in portfolio companies held via these vehicles in the amount of -63,788,000 euros (gross; previous year: -202,000 euros). Due to the predominantly negative measurement results of the co-investment vehicles, imputed carried interest in the amount of 4,932,000 euros was reversed (previous year: increase of 12,289,000 euros); this reversal results in an increase (previous year: reduction) in net gain and loss from interests in investment entity subsidiaries. In addition, this item includes the net returns from the disposal or partial disposal and the recapitalisation of portfolio companies, as well as interest income and dividend income from investments in the amount of 46,959,000 euros (previous year: 48,096,000 euros).

Directly held interests in portfolio companies relate to one DBAG investment entered into prior to the launch of DBAG Fund V (see Note 4.4). The net gains are based on the net gains and losses on measurement and derecognition and the current income for distributions, as well as interest on loans and from variable capital accounts.

The international fund investment was derecognised in the financial year 2019/2020 after the disposal of the last portfolio company. The investment had been entered into in April 2001 to achieve a stronger geographical diversification of financial assets. The related fund was not managed by DBAG.

Other financial assets include unconsolidated subsidiaries that do not provide investment-related services (see Note 4.5).

For further information on net income from investment activity, we refer to the explanations included in the combined management report under the heading "Net income from investment activity".

10. INCOME FROM FUND SERVICES

€'000	2019/2020	2018/2019
DBAG Fund V	0	189
DBAG ECF	1,726	1,640
DBAG Fund VI	7,891	8,556
DBAG Fund VII	16,576	16,535
DBAG Fund VIII	3,042	0
Other	69	51
	29,304	**26,970**

Income from Fund Services results from management and advisory services for the DBAG funds.

No fees have been earned from DBAG Fund V since the end of the fund term (15 February 2019).

Income from DBAG ECF includes transaction-related remuneration for investments carried out.

Income from DBAG Fund VI fell compared to the previous year, following divestments of portfolio companies.

Income from DBAG Fund VII was calculated in the financial year 2019/2020 up to and including July on the basis of the capital commitments. Upon the start of the investment phase of DBAG Fund VIII, the calculation base was changed and income has been determined on the basis of the invested capital.

Income from DBAG Fund VIII has been earned since 1 August 2020.

11. PERSONNEL EXPENSES

€'000	2019/2020	2018/2019
Wages and salaries		
Fixed salary and fringe benefits	11,706	12,262
Variable remuneration, performance-related	5,159	6,836
Variable remuneration, transaction-related	(256)	346
	16,609	19,444
Social contributions and expenses for pension plans	**1,788**	**1,598**
of which: for pensions	832	456
	18,397	**21,042**

The performance-related variable remuneration refers to members of the Board of Management and DBAG employees. For more information on the remuneration of the Board of Management, please refer to the remuneration report, which is an integral part of the combined management report.

Since the financial year 2014/2015, the performance-related variable remuneration scheme for managing members of the investment team has been based on new investments entered into, portfolio performance and the success of divestments. For the other members of the investment team and employees in corporate functions, the variable remuneration is based on company and personal performance. In the previous year, a bonus for the successful fundraising for DBAG Fund VIII was taken into account.

Transaction-related variable remuneration refers to current and former members of the Board of Management and members of the investment team based on older systems no longer in use. More information regarding these systems is also included in the remuneration report.

The number of employees (excluding members of the Board of Management) was as follows as at the reporting date:

	30 Sep 2020	30 Sep 2019
Employees (full-time)	64	57
Employees (part-time)	13	13
Trainees	4	5

As at the end of the financial year 2019/2020, the Board of Management consisted of three (previous year: three) members.

In the financial year 2019/2020, an average of 71 (previous year: 70) employees and five (previous year: five) trainees were employed at DBAG.

12. OTHER OPERATING INCOME

€'000	**2019/2020**	2018/2019
Income from consultancy expenses that can be passed through	3,152	4,862
Income from the disposal of securities	289	272
Income from exchange rate differences	1	93
Income from positions held on supervisory boards and advisory councils	54	51
Income from the reversal of provisions	47	109
Other	990	381
	4,534	**5,767**

Consultancy expenses that can be passed through refer to advances on behalf of DBAG funds and/or portfolio companies. The decline of income from consultancy expenses that can be passed through corresponds to the decrease of the consultancy expenses that can be passed through (see Note 13).

Income from exchange rate differences declined as a result of a derecognition of a purchase price receivable existing in US dollars, which related to an investment that had been disposed of in the financial year 2015/2016.

Income from positions held on supervisory boards and advisory councils relates to income from activities of DBAG employees on the supervisory boards of DBAG portfolio companies or external companies. Remuneration for work on the boards of portfolio companies held via the DBAG funds are presented under income from Fund Services.

13. OTHER OPERATING EXPENSES

€'000	2019/2020	2018/2019
Consultancy expenses that can be passed through	3,186	4,822
Other consultancy expenses	1,441	937
Consultancy expenses for deal sourcing	1,168	1,074
Audit and tax consultancy expenses	639	663
Total consultancy expenses	6,433	7,496
Value-added tax	622	923
Travel and hospitality expenses	454	1,035
Premises expenses	338	1,131
Maintenance and license costs for hardware and software	543	539
External employees and other personnel expenses	844	893
Corporate communications, investor relations, media relations	503	529
Depreciation and amortisation of property, plant and equipment and intangible assets	1,417	582
Annual report and general meeting	668	567
Supervisory Board remuneration	502	397
Other	1,586	2,321
	13,911	**16,413**

The decrease of the consultancy expenses that can be passed through corresponds to the decline in income from consultancy expenses that can be passed through (see Note 12).

The item "Value-added tax" refers to non-deductible input taxes as a result of revenues that are not taxable.

The reduction of the travel and hospitality expenses is a consequence of the changeover to a virtual meeting format and the lack of entertainment events due to the coronavirus pandemic.

The expenses for external employees and other personnel expenses mainly include expenses for recruiting and staff training.

The increase in depreciation and amortisation of property, plant and equipment and intangible assets is attributable to changes in connection with the introduction of IFRS 16 (see Note 3).

The item "Other" consists of miscellaneous operating expenses, mainly motor vehicles, insurance and office material.

14. INTEREST INCOME

€'000	2019/2020	2018/2019
Other financial instruments	233	535
Securities	90	319
Tax authorities	21	0
Other	6	101
	350	**955**

Interest income from other financial instruments relates to short-term bridge financings granted to co-investment vehicles (see Note 21).

Interest income from securities results from retail funds. All of the securities were sold during financial year 2020.

The item "Other" mainly comprises interest income from loans granted to employees.

15. INTEREST EXPENSE

€'000	2019/2020	2018/2019
Interest cost for pension obligation	202	541
Expected interest income from plan assets	(116)	(369)
Net interest on net defined benefit liability	86	172
Securities	253	122
Credit lines	441	406
Other	19	84
	799	**783**

The expected interest income from plan assets is calculated based on the same interest rate used for the determination of present value of the pension obligations. We refer to Note 26 for information on the parameters for the two components of the net interest on net defined benefit liability.

Interest expenses for the credit lines in the amount of 441,000 euros (previous year: 406,000 euros) relate to the annual commitment fee as well as interest for the drawdown of both credit lines (see Note 28).

The interest expenses from leases amounts to 11,000 euros and is reported under the item "Other". This item also comprises expenses from the interest cost on jubilee payment obligations.

16. INCOME TAXES

€'000	2019/2020	2018/2019
Current taxes	521	(1)
Deferred taxes	444	(658)
	965	**(659)**

Expenses from current taxes result from the increase of income taxes payable for the assessment period 2020. The tax expense consists of corporate income tax and solidarity surcharge in the amount of 341,000 euros (previous year: nil euros) at the level of DBAG as well as of trade taxes of 185,000 euros (previous year: nil euros) at the level of one subsidiary. In addition, the figure includes a further tax expense of 12,000 euros in relation to a foreign subsidiary as well as tax income of 17,000 euros from the derecognition of taxes payable referring to the assessment period 2018.

Deferred tax assets relate to a subsidiary. As at 30 September 2020, the subsidiary reports trade tax loss carryforwards (which can be utilised for an indefinite period of time) in the amount of 1,326,000 euros (previous year: 4,087,000 euros) that are expected to be utilised in the coming years due to increasing income from Fund Services. There are no taxable temporary differences for the subsidiary.

DBAG has corporation tax loss carryforwards in the amount of 95,477,000 euros (previous year: 99,711,000 euros; the loss carryforward of the previous year increased from 94,728,000 euros to 99,711,000 euros compared to the preliminary calculation set out in the 2018/2019 Annual Report within the context of preparing the tax returns for the 2019 assessment period). Since DBAG has been subject to accumulated losses during the observation period, which includes the past two years as well as the reporting year, no deferred tax assets have to be recognised. Deferred tax liabilities on temporary differences exist in a total amount of 1,324,000 euros (previous year: 749,000 euros). These result from right-of-use assets (725,000 euros), financial assets (466,000 euros), provisions for jubilee pay obligations (74,000 euros) and securities (57,000 euros), which are offset against deferred tax assets on temporary differences in the same amount. These deferred tax assets on temporary differences are primarily attributable to pension obligations (3,612,000 euros), lease liabilities (723,000 euros), provisions for partial retirement (2,000 euros), property, plant and equipment (199,000 euros) as well as one provision for expenses (36,000 euros).

In the year under review, there are no temporary differences in connection with interests in subsidiaries for which no deferred tax liabilities were recognised.

In the reporting year, none of the other fully-consolidated Group companies had temporary differences between IFRS measurement and the tax base. In the case of one of these subsidiaries, there is an excess of deferred tax assets which was caused by trade tax loss carryforwards (which can be utilised for an indefinite period of time) in the amount of 13,130,000 euros (previous year: 12,870,000 euros); the loss carryforward of the previous year decreased from 14,037,000 euros to 12,870,000 euros compared to the preliminary calculation set out in the 2018/2019 Annual Report within the context of preparing the tax returns for the 2019 assessment period). Based on the conducted business activities and the determination of taxable profit, it is not probable that, in future, there will be sufficient trade income to utilise the tax benefit. Therefore, we did not recognise deferred tax assets at this Group company.

As at 30 September 2020 - as in the previous year - there were neither deferred income tax assets nor deferred income tax liabilities that were directly offset against equity. In addition, no income taxes are allocated to components of other comprehensive income.

The reconciliation of a corporation's tax income (previous year: tax expense) that can be expected in theoretical terms to the tax expense (previous year: tax income) actually recognised in DBAG's consolidated financial statements is as follows:

€'000	**2019/2020**	2018/2019
Earnings before taxes	(15,782)	45,083
Applicable tax rate for corporations (%)	0	0
Theoretical tax income/expenses	**(5,038)**	**14,393**
Change in theoretical tax income/expenses:		
Tax-exempt net gain on measurement and derecognition	(1,389)	(4,714)
Tax-exempt net loss on measurement and derecognition	11,708	5,246
Current income from financial assets	(7,331)	(9,974)
Non-deductible operating expenses	52	33
Effect from trade tax exemption	3,358	(7,652)
Effect from the utilisation of loss carryforwards not recognised	0	0
Effect from unrecognised losses in the reporting year	(670)	860
Unrecognised deferred tax assets on temporary differences	668	935
Effect of tax rate differences	(67)	0
Other effects	(326)	214
Income taxes	**965**	**(659)**
Tax rate (%)	(6.1)	(1.5)

The expected tax rate of 31.925 per cent for corporations is composed of corporation tax and a solidarity surcharge (totalling 15.825 per cent) as well as municipal trade tax of the city of Frankfurt/Main (16.10 per cent) (also see explanations in Note 6 under the heading "Deferred taxes"). DBAG's actual tax rate remains unchanged at 15.825 per cent, consisting of corporation tax and solidarity surcharge. As a special investment company, DBAG is exempt from municipal trade tax. The effect from the exemption from trade tax amounted to 3,358,000 euros in the reporting year (previous year: -7,652,000 euros).

A main pillar of DBAG's business is the acquisition and disposal of investments which mainly are corporations. The tax effect in accordance with section 8b German Corporation Tax Act (Körperschaftsteuergesetz - KStG) amounts to 2,988,000 euros (previous year: -9,442,000 euros), comprising tax-exempt net gains and losses on measurement and derecognition as well as current income from financial assets.

The other effects amount to -326,000 euros in the reporting year (previous year: 214,000 euros) and include -17,000 euros from the derecognition of the tax liability for the 2018 assessment period. The effect from tax rate differences amounts to -67,000 euros in the 2019/2020 financial year (previous year: nil euros, as tax rate differences of 36,000 euros were included in the other effects).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

17. INTANGIBLE ASSETS/PROPERTY, PLANT AND EQUIPMENT

€'000	Acquisition cost			
	1 Oct 2019	Additions	Disposals	**30 Sep 2020**
Intangible assets	1,794	373	0	2,167
Property, plant and equipment	4,397	4,091	253	8,236
of which right-of-use assets	1,774	3,983	36	5,722
	6,191	**4,464**	**253**	**10,403**

€'000	Depreciation, amortisation and impairment				Carrying amounts	
	1 Oct 2019	Additions	Disposals	**30 Sep 2020**	**30 Sep 2020**	30 Sep 2019
Intangible assets	1,494	184	0	1,677	490	301
Property, plant and equipment	2,041	1,234	183	3,092	5,144	582
of which right-of-use assets	0	1,007	20	987	4,735	0
	3,535	**1,417**	**183**	**4,769**	**5,634**	**883**

€'000	Acquisition cost			
	1 Oct 2018	Additions	Disposals	30 Sep 2019
Intangible assets	1,636	158	0	1,794
Property, plant and equipment	2,789	94	260	2,623
	4,425	**252**	**260**	**4,417**

€'000	Depreciation, amortisation and impairment				Carrying amounts	
	1 Oct 2018	Additions	Disposals	**30 Sep 2019**	**30 Sep 2019**	30 Sep 2018
Intangible assets	1,198	296	0	1,494	301	438
Property, plant and equipment	1,950	286	195	2,041	582	839
	3,148	**582**	**195**	**3,535**	**883**	**1,277**

As at 1 October 2019, right-of-use assets were capitalised for the first time in the amount of 1,774,000 euros (see Note 3). Additions during the reporting year in the amount of 3,802,000 euros are attributable to the renewal of the rental contract for the business premises in Frankfurt/Main.

Depreciation, amortisation and impairment for the financial year exclusively comprised scheduled depreciation/amortisation. Depreciation of right-of-use assets include an amount of 824,000 euros in relation to business premises.

18. FINANCIAL ASSETS

€'000	**30 Sep 2020**	30 Sep 2019
Interests in investment entity subsidiaries	386,535	380,275
Interests in portfolio companies	4,152	4,937
International fund investments	0	406
Other financial assets	55	74
	390,741	**385,693**

Financial assets are measured at fair value through profit or loss.

This item exhibited the following movements in the reporting period

€'000	1 Oct 2019	Additions	Disposals	Changes in value	**30 Sep 2020**
Interests in investment entity subsidiaries	380,275	92,938	22,873	(63,805)	386,535
Interests in portfolio companies	4,937	0	0	(786)	4,152
International fund investments	406	0	406	0	0
Other financial assets	74	27	42	(4)	55
	385,693	**92,965**	**23,321**	**(64,595)**	**390,741**

€'000	1 Oct 2018	Additions	Disposals	Changes in value	30 Sep 2019
Interests in investment entity subsidiaries	313,726	84,862	18,110	(202)	380,275
Interests in portfolio companies	4,828	0	272	382	4,937
International fund investments	303	0	0	104	406
Other financial assets	75	0	0	1	74
	318,931	**84,862**	**18,384**	**284**	**385,693**

Additions to interests in investment entity subsidiaries mainly refer to capital calls for investments in equity interests and in the financial year 2019/2020 also the cost of a first long-term investment.

Disposals of interests in investment entity subsidiaries result from distributions due to the divestment of portfolio companies as well as the repayment of shareholder loans or shortterm bridge financings granted to portfolio companies.

The changes in fair value are recorded under the item "Net income from investment activity" in the consolidated statement of comprehensive income.

For further information on financial assets, we refer to the combined management report under the heading "Financial assets and loans and receivables".

19. RECEIVABLES

€'000	30 Sep 2020	30 Sep 2019
Receivables from co-investment vehicles	5,071	1,565
	5,071	**1,565**

The receivables from co-investment vehicles are mainly due from DBAG Fund VII, for which the management fee has not yet been called from investors.

20. SECURITIES

The securities were sold during the financial year 2020.

Classification of securities by type:

€'000	30 Sep 2020	30 Sep 2019
Money-market funds	0	13,947
Fixed-income funds	0	11,551
	0	**25,498**

The change in the fair value of the money-market and fixed-income funds until the derecognition of the securities in the amount of 162,000 euros (previous year: 197,000 euros) was recognised in the consolidated statement of comprehensive income in net interest income.

21. OTHER FINANCIAL INSTRUMENTS

€'000	30 Sep 2020	30 Sep 2019
Loans to co-investment vehicles	25,988	17,002
	25,988	**17,002**

Loans granted to co-investment vehicles refer to short-term loans to Group companies of DBAG Fund VII in the amount of 12,843,000 euros (previous year: 17,002,000 euros) and to the group companies of DBAG VIII Fund in the amount of 13,146,000 euros. The loans are granted by DBAG for the pre-financing of investments in new portfolio companies with a term of up to 270 days.

22. TAX ASSETS AND INCOME TAXES PAYABLE

€'000	30 Sep 2020	30 Sep 2019
Tax assets		
Deferred tax assets	214	658
Income tax assets	5,524	5,833
Income taxes payable	526	17

Income tax assets contain applicable taxes for the financial year 2019/2020 and the previous year.

Income taxes payable for the financial year 2019/2020 refer to a preliminary calculation of corporation tax and solidarity surcharge of 341,000 euros as well as trade tax of a subsidiary in the amount of 185,000 euros.

Income taxes payable in the previous year referred to a preliminary determination of corporation tax and solidarity surcharge for the assessment period 2018. The payables were derecognised in the financial year 2019/2020 since no income taxes were determined for the assessment period 2018. Tax loss carryforwards were recognised in deferred taxes as follows:

€'000	**30 Sep 2020**	30 Sep 2019
Tax loss carryforwards for corporation tax	95,477	99,711
thereof usable	0	0
Tax loss carryforwards for trade tax	14,456	18,124
thereof usable	1,326	4,087

The corporation tax loss carryforwards preliminarily determined in the previous year in the amount of 94,728,000 euros increased to 99,711,000 euros due to the income tax returns prepared in the reporting year for the assessment period 2019.

The usable trade tax loss carryforwards relate to a subsidiary for which deferred tax assets of 214,000 euros exist as at the reporting date (previous year: 658,000 euros). No deferred taxes were recorded for the corporation tax loss carryforwards of DBAG and for the corporation tax loss carryforwards of a subsidiary. Deductible temporary differences exist at DBAG in the amount of 19,575,000 euros (previous year: 20,791,000 euros) which were not recognised in the financial statements as well.

23. OTHER ASSETS

Other assets can be broken down as follows:

€'000	**30 Sep 2020**	30 Sep 2019
Receivables from Fund Services	18,205	6,368
Receivables from expenses that can be passed through	2,616	831
Receivables from DBAG funds	20,819	7,199
Purchase price receivable	0	1,666
Rental deposit	405	405
Value-added tax	1,132	1,161
Other receivables	691	119
	23,047	**10,550**

The receivables from Fund Services are mainly due from DBAG Fund VII, for which the management fee for the period from July 2019 has not yet been called from investors.

The receivables from expenses that can be passed through are mainly due from DBAG Fund VI, DBAG Fund VII and DBAG Fund VIII.

The purchase price receivable from the sale of the investment in Clyde Bergemann GmbH was received in the financial year 2019/2020.

Value-added tax pertains to outstanding refunds of input tax credits.

Other receivables mainly contain prepaid expenses.

The rental deposit and other receivables in the amount of 212,000 euros have a term of more than one year and have been reported under non-current assets since the reporting year.

24. EQUITY

Share capital/number of shares

€'000	**2019/2020**	2018/2019
At start of financial year	53,387	53,387
Additions	0	0
At end of financial year	**53,387**	**53,387**

All DBAG shares in the financial year 2019/2020 are no-par value registered shares. Each share is entitled to one vote.

The shares are admitted to trading on the Frankfurt Stock Exchange (Prime Standard) and the Dusseldorf Stock Exchange (Regulated Market). Shares in the Company are also traded on the over-the-counter markets of the stock exchanges in Berlin, Hamburg-Hanover, Munich and Stuttgart.

The subscribed capital (share capital) is divided into 15,043,994 no-par-value shares. The notional interest in the share capital amounts to approximately 3.55 euros per share.

Authorised capital

On 22 February 2017, the Annual General Meeting authorised the Board of Management to increase the share capital of the Company, with the consent of the Supervisory Board, until 21 February 2022 by up to a total of 13,346,664.33 euros through one or more issues of new no-par value registered shares in exchange for cash or non-cash contributions (Authorised Capital 2017). As a prerequisite, the number of shares has to increase by the same ratio as the share capital. In the financial year 2019/2020, the Board of Management did not make use of this authorisation.

Purchase of treasury shares

By way of a resolution passed by the Annual General Meeting held on 21 February 2018, the Board of Management is authorised up to 20 February 2023, 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 in the amount of 53,386,664.43 euros at the time when the Annual General Meeting is held or - if this value is lower - of the share capital existing at the time of exercising this authorisation. In the financial year 2019/2020, the Board of Management did not make use of this authorisation.

Conditional capital

The Board of Management is authorised, subject to the consent of the Supervisory Board, to issue on one or more occasions in the period up to 21 February 2022 warrant-linked bonds and/or convertible bonds in bearer or registered form (together referred to as "bonds") with a limited or an unlimited term in a total nominal amount of up to 140,000,000.00 euros. It is also authorised to grant holders of warrant-linked bonds warrants, and the holders or creditors of convertible bonds conversion rights (or to impose conversion obligations, if applicable), to acquire registered shares in the Company with a proportionate interest in the share capital of up to 13,346,664.33 euros under the terms and conditions specified for the warrant-linked bonds or convertible bonds (jointly referred to as "bond conditions").

As an alternative to the issuance in euro, the bonds may also be issued in any currency which is the legal tender of an OECD member state (limited, however, by the equivalent value in euro).

The bonds may also be issued by companies in which the Company directly or indirectly holds a majority stake. In such an event, the Board of Management shall be authorised, subject to the consent of the Supervisory Board, to assume the guarantee for the bonds on behalf of the Company and to grant the holders and/or creditors of such bonds option or conversion rights (or to impose conversion obligations) to acquire no-par value registered shares in the Company. In the financial year 2019/2020, the Board of Management did not make use of this authorisation.

Capital reserve

€'000	2019/2020	2018/2019
At start of financial year	173,762	173,762
Additions	0	0
At end of financial year	**173,762**	**173,762**

As before, the capital reserve comprises amounts received in the issuance of shares in excess of nominal value.

Retained earnings and other reserves

Retained earnings and other reserves comprise

- the legal reserve as stipulated by German stock corporation law,
- first-time adopter effects from the IFRS opening statement of financial position as at 1 November 2003,
- the reserve for actuarial gains/losses from different pension plans/plan assets (see Note 26) as well as
- effects from first-time application of IFRS 9 (see the 2018/2019 Annual Report, pages 127 to 130).

Consolidated retained profit

The Annual General Meeting on 20 February 2020 resolved to use the net retained profit (*Bilanzgewinn*) for the financial year 2018/2019 of 178,080,010.68 euros to pay a dividend of 1.50 euros per no-par value share on the 15,043,994 shares with dividend entitlement and to carry forward to new account the remaining amount of 155,514,019.68 euros (previous year: 148,952,344.02 euros).

€'000	2019/2020	2018/2019
Total distribution	**22,565,991.00**	**21,813,791.30**

The net retained profit of DBAG as reported in the separate financial statements as at 30 September 2020 in accordance with HGB amounts to 201,450,935.47 euros (previous year: 178,080,010.68 euros).

At the Annual General Meeting, the Board of Management and the Supervisory Board will propose to pay a dividend of 0.80 euros per share (equivalent to a total of 12,035,195.20 euros) for the financial year 2019/2020. The remaining net retained profit of 189,415,740.27 euros will be carried forward to new account.

In Germany, dividends paid to shareholding corporations are subject to a corporation tax rate of five per cent plus a solidarity surcharge and, to the same extent, municipal trade tax, insofar as these shares are not part of the free float (i.e. interests of less than ten per cent for corporation tax purposes and 15 per cent for trade tax purposes, respectively). Dividends earned by natural persons are subject to a flat rate withholding tax (Abgeltungssteuer) of 25 per cent plus solidarity surcharge and, if applicable, church tax, which the dividendpaying company pays directly to the taxation authority.

25. LIABILITIES UNDER INTERESTS HELD BY OTHER SHAREHOLDERS

€'000	**2019/2020**	2018/2019
At start of financial year	55	180
Additions	0	0
Derecognition	2	11
Share of earnings	4	(114)
At end of financial year	**57**	**55**

Liabilities under interests held by other shareholders include interests in capital and earnings attributable to non-Group shareholders. They relate to AIFM-DBG Fund VII Management (Guernsey) LP, DBG Advising GmbH & Co. KG, DBG Fund VI GP (Guernsey) LP, DBG Management GP (Guernsey) Ltd., DBG Managing Partner GmbH & Co. KG, European PE Opportunity Manager LP (Guernsey) L.P and DBG Fund VIII GP (Guernsey) L.P. (see Note 4.2).

26. PENSION OBLIGATIONS AND PLAN ASSETS

The measurement in the statement of financial position has been derived as follows:

€'000	**30 Sep 2020**	30 Sep 2019
Present value of pension obligations	40,435	44,210
Fair value of plan assets	(23,986)	(24,617)
Provisions for pension obligations	**16,449**	**19,593**

The present value of the pension obligations changed as follows:

€'000	**2019/2020**	2018/2019
Present value of pension obligations at start of financial year	44,210	36,171
Interest expenses	202	541
Service cost	566	420
Benefits paid	(1,094)	(898)
Actuarial gains (-) / losses (+)	(3,448)	7,976
Present value of pension obligations at end of financial year	**40,435**	**44,210**

An amount of 718,000 euros (previous year: -6,508,000 euros) of the actuarial gain of 3,448,000 euros (previous year: loss of 7,976,000 euros) is attributable to the increased (previous year: decreased) discount rate. The discount rate amounted to 0.59 per cent as at the reporting date, compared to 0.47 per cent in the previous year. Further effects are the result of experience adjustments (2,730,000 euros; previous year: -1,126,000 euros); the previous year's figure was also influenced by changes in demographic assumptions (342,000 euros).

The present value of the pension obligations as at the reporting date is calculated based on an actuarial expert opinion. The expert opinion is based on the following actuarial assumptions:

€'000	30 Sep 2020	30 Sep 2019
Discount rate (%)	0.59	0.47
Salary trend (incl. career trend) (%)	2.50	2.50
Pension trend (%)	2.00	2.00
Life expectancy based on modified mortality tables by Prof. Dr Klaus Heubeck	2018G	2018G
Increase in income threshold for state pension plans (in %)	2.00	2.00

Company-specific employee turnover probabilities depending on age and gender are used to take into account employee turnover. The turnover is within a range of 0.1000 to 0.0050 for an age between 15 and 65 years.

The discount rate is calculated using the i-boxx corporate AA10+ interest rate index, which is calculated based on interest rates for long-term bonds of issuers with the highest credit ratings.

Since the financial year 2018/2019, DBAG has applied the new mortality tables issued by Prof Dr Heubeck (RT 2018G). The effect resulting from the application of the new mortality tables in the previous year amounted to 342,000 euros.

Since October 2013, DBAG has used modified mortality tables in order to account for the particularities of the beneficiaries of DBAG Group's defined benefit plans and individual commitments. A comparison with similar groups of individuals revealed an average longer life expectancy of three years for the DBAG scheme members and beneficiaries. This modification continued to be used upon the application of new mortality tables in the previous year.

As at 30 September 2020, the weighted average term of defined benefit obligations was 14.6 years (previous year: 15.6 years).

Plan assets developed as follows during the past financial year

€'000	2019/2020	2018/2019
Fair value of plan assets at start of financial year	24,617	23,962
Expected interest income	116	369
Gains (+)/losses (-) from the difference between actual and expected return on plan assets	(747)	286
Fair value of plan assets at end of financial year	**23,986**	**24,617**

The loss of 747,000 euros in the financial year 2019/2020 (previous year: gain of 286,000 euros) results from the decrease in the fair value of plan assets as well as the application of the same interest rate that is also used to determine the present value of pension obligations.

The following amounts were recognised in net income:

€'000	2019/2020	2018/2019
Service cost	566	420
Interest cost	202	541
Expected interest income from plan assets	(116)	(369)
	652	**591**

The service cost is shown under personnel expenses.

The net amount from interest cost and expected interest income from plan assets is reported in the item "interest expense".

Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset) - reported in other comprehensive income - developed as follows in the financial year 2019/2020:

€'000	**2019/2020**	2018/2019
Actuarial gains (+)/losses (-) at start of financial year	(30,450)	(22,760)
Gains (+)/losses (-) from the difference between actual and expected return on plan assets	(747)	286
Actuarial gains (+)/losses (-) from changes in the present value of pension obligations	3,448	(7,976)
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset)	2,702	(7,690)
Actuarial gains (+)/losses (-) at end of financial year	**(27,748)**	**(30,450)**

Amount, timing and uncertainty of future cash flows

DBAG is exposed to risks arising from pension obligations for defined benefit plans and individual commitments. These risks are mainly associated with changes in the present value of pension obligations as well as the development of the fair value of plan assets.

Changes in the present value of pension obligations result in particular from changes in actuarial assumptions. The discount rate and life expectancy have a significant influence on the present value. The discount rate is subject to interest rate risk. A change in average life expectancy impacts the length of pension payments and, consequently, the liquidity risk. Based on our estimates, possible changes in these two actuarial parameters would have the following impact on the present value of pension obligations:

€'000	**30 Sep 2020**	30 Sep 2019
Discount rate		
Increase by 50 bps	(2,786)	(3,250)
Decrease by 50 bps	3,133	3,682
Average life expectancy		
Increase by 1 year	(1,491)	(1,668)
Decrease by 1 year	1,531	1,714

The sensitivity analysis shown above is based on a change in one parameter, while the others remain constant.

Since February 2015, the plan assets have been invested in a special fund. This special fund has an unlimited term and is managed based on a capital investment strategy with a longterm horizon aiming at capital preservation. The objective of the investment strategy is to generate returns that at least correspond to the discount rate.

Depending on the asset class, the performance of the special fund is exposed to interest rate risk (interest-bearing securities) or market price risk (equities). If the interest rate for interest-bearing securities rises (falls), the return on plan assets will rise (fall). If the market price of equities rises (falls), the return on plan assets will rise (fall).

As is the case for interest-bearing securities, the present value of the pension obligations depends on the interest rate risk. If the market interest rate for interest-bearing securities rises (falls), the present value of pension obligations will fall (rise).

27. OTHER PROVISIONS

€'000	1 Oct 2019	Utilisation	Reversals	Additions	30 Sep 2020
Personnel-related obligations	9,230	8,023	401	6,468	7,274
Expert opinions and other advisory services	212	211	1	111	111
Auditing fees	175	155	20	261	261
Costs for annual report and general meeting	399	399	0	456	456
Tax advisory expenses	168	92	15	134	194
Other	354	311	9	536	571
	10,538	**9,191**	**445**	**7,965**	**8,867**

The provisions for personnel-related obligations mainly contain variable remuneration in the amount of 5,414,000 euros (previous year: 7,232,000 euros). Of that amount, 5,165,000 euros (previous year: 6,591,000 euros) are attributable to performance-related remuneration for the past financial year; an additional amount of 250,000 euros (previous year: 641,000 euros) refers to transaction-related remuneration (see Note 11). Corresponding provisions have been recognised for transaction-related remuneration since the financial year 2005/2006. In the reporting year, an amount of 135,000 euros (previous year: 618,000 euros) was paid out and an amount of 394,000 euros (previous year: nil euros) was reversed.

The provisions for expert opinions and other advisory services result from advisory expenses due to regulatory requirements.

The item "Other" mainly includes provisions for external staff, process optimisation, IT projects and events.

As at 30 September 2020, there were non-current provisions for personnel-related obligations in the amount of 846,000 euros (previous year: 694,000 euros). They consisted of a partial retirement agreement and jubilee payment obligations. In the previous year, the provision for jubilee payment obligations was reported as a current liability. The provision for the partial retirement agreement was discounted using a rate of 0.30 per cent (previous year: 0.14 per cent) and the provision for jubilee payment obligations was discounted using a rate of 0.59 per cent (previous year: 0.47 per cent).

The other provisions have a remaining term of up to one year.

28. LOAN LIABILITIES

In the financial year 2019/2020, loan liabilities in the amount of 13,100,000 euros (previous year: nil euros) were drawn under two credit facilities. One credit facility was set up in the amount of 50 million euros in December 2015 with a term of five years and was renewed in March 2018 until May 2023. A second credit facility with the same maturity was agreed in the amount of 40 million euros in the financial year 2019/2020. The utilised facilities have a term of up to one year.

29. OTHER LIABILITIES

Other liabilities include lease liabilities resulting from the first-time application of IFRS 16 in the financial year 2019/2020 (see Note 3 and Note 30); these are broken down into current and non-current liabilities, based on their respective terms.

Other non-current liabilities of 3,953,000 euros (previous year: nil) exclusively consist of lease liabilities.

Other current liabilities can be broken down as follows:

€'000	30 Sep 2020	30 Sep 2019
Liabilities to co-investment vehicles	25	46
Advance management fees	5,838	0
Trade payables	423	358
Lease liabilities	769	0
Other liabilities	1,049	857
	8,104	**1,260**

The management fees received in advance exclusively relate to DBAG Fund VIII for the period from October to December 2020.

The other liabilities mainly refer to liabilities for Supervisory Board remuneration and liabilities for wage taxes.

30. LEASES

As at 30 September 2020, property, plant and equipment includes right-of-use assets from leases in the amount of 4,735,000 euros (see Note 17) arising from the first-time application of IFRS 16.

The corresponding lease liabilities are included in other non-current liabilities (3,953,000 euros) and other current liabilities (769,000 euros) (see Note 29). The interest cost on lease liabilities is recorded as interest expenses (see Note 15).

31. OTHER FINANCIAL COMMITMENTS, CONTINGENT LIABILITIES AND TRUSTEESHIPS

Other financial commitments consist of call commitments and permanent debt obligations in the following nominal amounts:

€'000	30 Sep 2020	30 Sep 2019
Call commitments	4	965
Permanent debt obligations	534	2,065
	538	**3,030**

The potential call commitments mainly referred to an investment in an international fund managed by third parties, which was disposed of in the financial year 2019/2020.

The maturities of the permanent debt obligations as at 30 September 2020 are shown in the following table:

€'000	< 1 year	1-5 years	> 5 years	**Total**
Permanent debt obligations	435	98	0	**534**

There were no contingent liabilities as at 30 September 2020, in line with the previous year.

Trust assets amounted to 6,953,000 euros as at the reporting date (previous year: 4,916,000 euros). Of that amount, 6,949,000 euros (previous year: 4,912,000 euros) were attributable to balances held on trust accounts for purchase price settlements. Trust liabilities exist in the same amount. DBAG does not generate any income from trustee activities.

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

In accordance with IAS 7, cash flows are recorded in the consolidated statement of cash flows in order to present information about the changes in the Group's cash funds. Cash flows are broken down into cash flows from operating activities, cash flows from investing activities and cash flows from financing activities. The indirect presentation method was applied for cash flows from operating activities.

Proceeds and payments relating to financial assets and to loans and receivables are recorded in cash flows from investing activities instead of in cash flows from operating activities, since this classification gives a more faithful representation of DBAG's business model.

Proceeds and payments arising on interest are presented in the cash flow from operating activities.

The cash flow from financing activities includes payments for lease liabilities as well as proceeds from the drawdown of the credit lines.

€'000	1 Oct 2019	Cash flows	Changes	**30 Sep 2020**
Loan liabilities	0	13,100	0	13,100
Lease liabilities	1,766	(1,020)	3,977	4,722
	1,766	**12,080**	**3,977**	**17,822**

The other changes in lease liabilities are largely attributable to changes in the terms of existing lease agreements and the conclusion of new agreements. They also include income from exchange rate differences in the amount of 1,000 euros.

Cash and cash equivalents at the start and end of the period existed in the form of bank balances.

Since the financial year 2007/2008, a part of the financial resources not needed in the near term had been invested in securities (retail funds); these were disposed of in the financial year 2019/2020. The objective of these securities, like cash and cash equivalents, was to meet the Group's payment obligations. In accordance with IAS 7, these securities could not be allocated to cash and cash equivalents since the retail funds had an unlimited term. Pursuant to IAS 7, the purchase and the sale of these securities therefore had to be presented as cash flows from investing activities.

OTHER DISCLOSURES

33. FINANCIAL RISKS AND RISK MANAGEMENT

DBAG is exposed to financial risks that arise from investments in equity or equity-like instruments, predominantly in unlisted companies. As a result of these financial risks, the value of assets may decline and/or profits may be reduced. These risks are not hedged by DBAG.

The following section describes the financial risks, as well as objectives and methods of DBAG's risk management.

33.1 Market risk

The fair value of financial instruments or future cash flows of financial instruments may fluctuate due to rising or falling market prices. Market risk can be further differentiated into currency risk, interest rate risk and other price risks. Exposure to market risks is regularly monitored as a whole.

(a) Currency risk

The exposure to currency risk results from investments denominated in British pounds sterling, Danish krone, Swiss francs or US dollars, where future returns will be received in a foreign currency. The fact that future returns are impacted by currency risks may also lead to a change in fair values of these portfolio companies. Moreover, the changes in exchange rates have an influence on the operations and competitiveness of these portfolio companies. The extent of that impact depends in particular on individual portfolio companies' individual value-creation structure and degree of internationalisation.

Extent of currency risk and exchange rate sensitivity

Financial assets are exposed to an exchange rate risk against British pound sterling of 4,420,000 euros (previous year: 6,945,000 euros), to Danish krone exchange rate risk of 1,765,000 euros (previous year: 1,655,000 euros), to Swiss franc exchange rate risk of 29,956,000 euros (previous year: 33,633,000 euros), and to US dollar exchange rate risk of 40,550,000 euros (previous year: 21,850,000 euros). The effect on profit or loss resulting from taking into account changes in the fair value of financial assets amounts to -3,588,000 euros (previous year: 1,294,000 euros).

An increase or decrease of the exchange rates by ten per cent would result in a decrease or increase of net income and Group equity by 7,669,000 euros (previous year: 6,408,000 euros) exclusively due to currency translation.

Currency risk management

Individual transactions denominated in foreign currency are not hedged, since both the holding period of the investments and the amount of returns from them are uncertain. The currency risk is reduced as a result of returns from investments denominated in foreign currency.

(b) Interest rate risk

Changes in the interest rate level primarily affect income generated from investing financial resources (sum total of cash and cash and cash equivalents and securities), the fair values of the investments measured using the DCF method as well as the interest expense in relation to drawdowns of credit lines. The changes in the interest rate level also influence the profitability of portfolio companies.

Extent of interest rate risk and interest rate sensitivity

Financial resources amount to 18,367,000 euros (previous year: 69,432,000 euros). There was no (previous year: no) interest income from investment. In the year under review, the credit lines were drawn upon in the amount of 13,100,000 euros (previous year: no drawdowns). An amount of 17,875,000 euros (previous year: 17,434,000 euros) of the financial assets was attributable to investments measured using the DCF method.

In relation to the investments measured using the DCF method, an increase or decrease of the reference interest rate by 100 basis points overall would result in a decrease or increase of net income and Group equity in the amount of 597,000 euros (previous year: 579,000 euros).

Interest rate risk management

Financial resources are generally invested with a short-term horizon. Interest rate derivatives to hedge a certain interest rate level are not used since the amount of the financial resources may be subject to strong fluctuations and cannot be reasonably forecast. The interest rates for the agreed credit lines correspond to the EURIBOR plus a margin. The EURIBOR level applied when the credit line is utilised is based on the selected interest period, which can be up to six months.

(c) Other price risks

Exposure to other price risks are primarily related to the future fair value measurement of the interests in investment entity subsidiaries and portfolio companies. The measurement of portfolio companies is influenced by a number of factors that are related to financial markets, or to the markets the portfolio companies are active on. The influencing factors include, for example, valuation multiples, performance measures and the indebtedness of the portfolio companies.

Extent of other price risks and sensitivity

Financial assets are measured at fair value through profit or loss. The net gain or loss on measurement amounts to -33,826,000 euros (previous year: 9,662,000 euros).

The sensitivity of measurement is largely determined by multiples used to determine the fair value of Level 3 financial instruments. In case of a change in the multiples by +/- 1, the fair value of the Level 3 financial instruments, ceteris paribus, would have to be adjusted by 18,871,000 euros (previous year: 24,976,000 euros) (also see Note 8).

Management of other price risks

The Board of Management constantly monitors the market risk inherent in the portfolio companies held directly or through investment entity subsidiaries. For this purpose, DBAG receives information about the portfolio companies' business development on a timely basis. Board of Management members or other members of the investment team hold offices on supervisory or advisory boards of the portfolio companies. In addition, the responsible investment team members monitor the business development of the portfolio companies through formally implemented processes.

For information on risk management, we refer to the discussions in the combined management report in the "Opportunities and risks" section.

33.2 Liquidity risk

There is currently no liquidity risk identifiable for DBAG. Freely available cash and cash equivalents amount to 18,367,000 euros (previous year: 43,934,000 euros). Including the undrawn portion of the two existing credit lines in a total amount of 76,900,000 euros (previous year: one undrawn credit line in the amount of 50,000,000 euros), DBAG has financial resources of 95,267,000 euros (previous year: 119,432,000 euros). In the previous year, financial resources also comprised securities in the amount of 25,498,000 euros.

Other current liabilities (of which current lease liabilities in the amount of 769,000 euros) in the amount of 8,104,000 euros (previous year: 1,260,000 euros) are due within one year. The co-investment agreements alongside the DBAG funds amount to 311,324,000 euros (previous year: 129,733,000 euros).

DBAG expects that it will be able to cover the shortfall of 224,161,000 euros (previous year: 9,040,000 euros) by cash inflows from the disposal of portfolio companies.

33.3 Default risk

DBAG may also be exposed to risks when a contracting party fails to meet its obligations, causing financial losses to be incurred by DBAG.

Extent of default risk

The carrying amount represents the maximum exposure to default risk for the following items of the statement of financial position:

€'000	**30 Sep 2020**	30 Sep 2019
Receivables	5,071	1,565
Securities	0	25,498
Other financial instruments	25,988	17,002
Cash and cash equivalents	18,367	43,934
Other assets[1]	21,459	9,410
	70,885	**97,409**

1 Excluding deferred items, value-added tax and other items in the amount of 1,589,000 euros (previous year: 1,141,000 euros).

A default risk can no longer be identified in relation to the financial assets.

The loss allowance for financial assets measured at amortised cost amounted to 4,000 euros (previous year: 58,000 euros).

Management of default risk

Receivables: debtors are current or former portfolio companies; DBAG seeks to obtain regular and timely information about such companies' business development. If there are indications that debtors may fail to meet their obligations, the relevant debtor is requested to propose and implement measures on a timely basis that enable him to meet his obligations.

Securities: in the previous year, this item included shares in mutual funds (money market and fixed-income funds) with the highest credit ratings.

Cash and cash equivalents: cash and cash equivalents of DBAG are deposits held at German credit institutions and are part of the respective institutions' protection systems.

Other current assets: debtors mainly are the DBAG funds. Their payment obligations may be fulfilled by capital calls from their investors.

34. FINANCIAL INSTRUMENTS

The key items in the statement of financial position of DBAG containing financial assets (items "Financial assets" and "Other financial instruments") are carried completely at fair value. Financial assets carried at amortised cost (receivables, cash and cash equivalents and other assets) are largely recognised in current assets. They are of very good credit quality and are largely unsecured. For these instruments, we assume that the carrying amount reflects their fair value. Financial liabilities are measured at amortised cost. They mainly comprise loan liabilities and advance management fees. For these instruments, we also assume that the carrying amount reflects their fair value.

CARRYING AMOUNT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

€'000	Carrying amount 30 Sep 2020	Fair value 30 Sep 2020
Financial assets measured at fair value through profit or loss		
Financial assets	390,741	390,741
Other financial instruments	25,988	25,988
	416,730	**416,730**
Financial assets at amortised cost		
Receivables	5,071	5,071
Cash and cash equivalents	18,367	18,367
Other assets[1]	21,459	21,459
	44,897	**44,897**
Financial liabilities at amortised cost		
Liabilities under interests held by other shareholders	57	57
Loan liabilities	13,100	13,100
Other liabilities[2]	6,971	6,971
	20,128	**20,128**

1 Excluding deferred items, value-added tax and other items in the amount of 1,589,000 euros.

2 Excluding lease liabilities and tax liabilities in the amount of 4,723,000 euros.

CARRYING AMOUNT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

€'000	**Carrying amount 30 Sep 2019**	**Fair value 30 Sep 2019**
Financial assets measured at fair value through profit or loss		
Financial assets	385,693	385,693
Other financial instruments	17,002	17,002
Securities		
Money-market funds	13,947	13,947
Fixed-income funds	11,551	11,551
	428,192	**428,192**
Financial assets at amortised cost		
Receivables	1,565	1,565
Cash and cash equivalents	43,934	43,934
Other current assets[1]	9,410	9,410
	54,909	**54,909**
Financial liabilities at amortised cost		
Liabilities under interests held by other shareholders	55	55

1 Excluding deferred items, value-added tax and other items in the amount of 1,141,000 euros.

34.1 Disclosures on the hierarchy of financial instruments

Financial instruments measured at fair value are allocated to the following three levels in accordance with IFRS 13:

LEVEL 1: Use of prices in active markets for identical assets and liabilities.

LEVEL 2: Use of inputs that are observable on the market, either directly (as prices) or indirectly (derived from prices).

LEVEL 3: Use of inputs that are not materially based on observable market data (unobservable inputs). The materiality of these inputs is judged on the basis of their influence on fair value measurement.

The financial instruments measured at fair value on a recurring basis can be classified as follows:

MEASUREMENT HIERARCHY FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE

€'000	**Fair value 30 Sep 2020**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value through profit or loss				
Financial assets	390,741	0	0	390,741
Other financial instruments	25,988	0	0	25,988
	416,730	**0**	**0**	**416,730**

MEASUREMENT HIERARCHY FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE

€'000	Fair value 30 Sep 2019	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Financial assets	385,693	0	0	385,693
Other financial instruments	17,002	0	0	17,002
Securities				
Money-market funds	13,947	0	13,947	0
Fixed-income funds	11,551	0	11,551	0
	428,192	**0**	**25,498**	**402,694**

Level 2 securities relate to shares in money-market and fixed-income funds with the highest credit ratings (see Note 20).

There are no assets or liabilities that were not measured at fair value on a recurring basis.

The valuation categories in accordance with IFRS 9 have been defined as classes in accordance with IFRS 13 for Level 1 and 2 financial instruments. Level 3 financial instruments are allocated to the following classes:

CLASSIFICATION OF LEVEL 3 FINANCIAL INSTRUMENTS

€'000	Interests in investment entity subsidiaries	Interests in portfolio companies	International fund investments	Others	Total
30 Sep 2020					
Financial assets	386,535	4,152	0	55	390,741
Other financial instruments	25,988	0	0	0	25,988
	412,523	**4,152**	**0**	**55**	**416,730**
30 Sep 2019					
Financial assets	380,275	4,937	406	74	385,693
Other financial instruments	17,002	0	0	0	17,002
	397,276	**4,937**	**406**	**74**	**402,694**

The following tables show the changes in Level 3 financial instruments in the year under review and in the previous year, respectively:

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

€'000	1 Oct 2019	Additions	Disposals	Changes in value	**30 Sep 2020**
Financial assets					
Interests in investment entity subsidiaries	380,275	92,938	22,873	(63,805)	386,535
Interests in portfolio companies	4,937	0	0	(786)	4,152
International fund investments	406	0	406	0	0
Others	74	27	42	(4)	55
	385,693	**92,965**	**23,321**	**(64,595)**	**390,741**

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

€'000	1 Oct 2018	Additions	Disposals	Changes in value	30 Sep 2019
Financial assets					
Interests in investment entity subsidiaries	313,726	84,862	18,110	(202)	380,275
Interests in portfolio companies	4,828	0	272	382	4,937
International fund investments	303	0	0	104	406
Other	75	0	0	1	74
	318,931	**84,862**	**18,384**	**284**	**385,693**

The loss in the amount of 64,595,000 euros (previous year: gain in the amount of 284,000 euros) is recognised in the net gain or loss from investment activity.

In both the year under review and the previous year, there were no transfers between levels.

The possible ranges for unobservable inputs regarding Level 3 financial instruments are as follows:

RANGES FOR UNOBSERVABLE INPUTS

€'000	**Fair value 30 Sep 2020**	Valuation method	Unobservable input	Range
Financial assets				
Interests in investment entity subsidiaries	386,535	Net asset value[1]	Average EBITDA/EBITA margin	3 to 45%
			Net debt[2] to EBITDA	-3.9 to 20.5
			Multiples discount	0 - 20%
Interests in portfolio companies	4,152	Multiples method	Average EBITDA/EBITA margin	7%
			Net debt[2] to EBITDA	3.4
			Multiples discount	0%
Others	55	Net asset value	n/a	n/a
	390,741			

1 The net asset value is determined using the sum-of-the-parts method. If the multiples method is used for the investments included therein, the same unobservable inputs are used as those for calculating the fair value of interests in portfolio companies (see Note 6).

2 Net debt of portfolio company

RANGES FOR UNOBSERVABLE INPUTS

€'000	**Fair value 30 Sep 2019**	Valuation method	Unobservable input	Range
Financial assets				
Interests in investment entity subsidiaries	380,275	Net asset value[1]	Average EBITDA/EBITA margin	2 to 43%
			Net debt[2] to EBITDA	-1.3 to 6.6
			Multiples discount	0 - 20%
Interests in portfolio companies	4,937	Multiples method	Average EBITDA/EBITA margin	7%
			Net debt[2] to EBITDA	1.6
			Multiples discount	0%
International fund investments	406	DCF	n/a	n/a
Others	74	Net asset value	n/a	n/a
	385,693			

1 See footnote 1 in the preceding table

2 See footnote 2 in the preceding table

In our view, the change in unobservable inputs used for calculating the fair value of Level 3 financial instruments has the following effects on measurement amounts:

RANGES FOR UNOBSERVABLE INPUTS

€'000	**Fair value 30 Sep 2020**	Change in unobservable inputs		Change in fair value
Financial assets[1]				
Interests in investment entity subsidiaries	386,535	EBITDA and EBITA	+/- 10%	42,472
		Net debt	+/- 10%	18,685
		Multiples discount	+/- 5 percentage points	1,928
Interests in portfolio companies	4,152	EBITDA and EBITA	+/- 10%	1,978
		Net debt	+/- 10%	888
		Multiples discount	+/- 5 percentage points	0
Others	55		n/a	n/a
	390,741			

1 In the case of recent newly-acquired investments, a change in the unobservable inputs has no effect on the fair value.

RANGES FOR UNOBSERVABLE INPUTS

€'000	Fair value 30 Sep 2019	Change in unobservable inputs		Change in fair value
Financial assets[1]				
Interests in investment entity subsidiaries	380,275	EBITDA and EBITA	+/- 10%	32,742
		Net debt	+/- 10%	11,334
		Multiples discount	+/- 5 percentage points	3,175
Interests in portfolio companies	4,937	EBITDA and EBITA	+/- 10%	1,811
		Net debt	+/- 10%	482
		Multiples discount	+/- 5 percentage points	0
International fund investments	406		n/a	n/a
Others	74		n/a	n/a
	385,693			

1 See footnote 1 in the preceding table

The key factors influencing income have an effect on both unobservable inputs; consequently, there is a correlation between EBITDA and EBITA. For that reason, the change in fair value is shown together in the sensitivity analysis for the two unobservable inputs, with all other inputs remaining constant.

34.2 Net gain or loss on financial instruments measured at fair value

The net gain or loss on financial instruments measured at fair value comprise fair value changes recognised through profit or loss, realised gains or losses from the disposal of financial instruments, as well as exchange rate changes.

The following net gains and losses on financial assets recognised at fair value are included in the consolidated statement of comprehensive income:

NET GAIN OR LOSS ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

€'000	2019/2020	Level 1	Level 2	Level 3	2018/2019	Level 1	Level 2	Level 3
Net income from investment activity	(16,864)	0	0	(16,864)	49,629	0	0	49,629
Other operating income	289	0	289	0	319	0	0	319
Interest income	324	0	90	233	535	0	0	535
Interest expenses	(253)	0	(253)	0	0	0	0	0
	(16,503)	**0**	**127**	**(16,630)**	**50,482**	**0**	**0**	**50,482**

34.3 Net gain or loss on financial instruments measured at amortised cost

The net gain or loss on financial instruments measured at amortised cost largely comprises income from Fund Services, consultancy expenses and reimbursable costs as well as interest.

NET GAIN OR LOSS ON FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

€'000	2019/2020	Level 1	Level 2	Level 3	2018/2019	Level 1	Level 2	Level 3
Income from Fund Services	29,304	0	0	29,304	26,970	0	0	26,970
Other operating income	3,152	0	0	3,152	4,862	0	0	4,862
Other operating expenses	(4,353)	0	0	(4,353)	(6,102)	0	0	(6,102)

Net interest income	2	0	0	2	552	0	0	552
Total other income/expense items	**(1,199)**	**0**	**0**	**(1,199)**	**(688)**	**0**	**0**	**(688)**

35. CAPITAL MANAGEMENT

The objective of DBAG's capital management is to ensure the availability of the Group's longterm capital requirements as well as to increase the enterprise value of DBAG over the long term.

The amount of equity is managed on a long-term basis by distributions and share repurchases and, if appropriate, by capital increases.

Overall, the capital of DBAG consists of the following components:

€'000	**30 Sep 2020**	30 Sep 2019
Liabilities		
Liabilities under interests held by other shareholders	57	55
Provisions	25,316	30,131
Loan liabilities	13,100	0
Lease liabilities	4,722	0
Other liabilities	7,861	1,277
	51,056	**31,463**
Equity		
Subscribed capital	53,387	53,387
Reserves	162,436	159,734
Consolidated retained profit	207,708	247,031
	423,531	**460,152**
Equity as a proportion of total capital (*in %*)	89.24	93.60

Above and beyond the capital requirements as stipulated in the German Stock Corporation Act, DBAG is subject to capital restrictions pursuant to the German statutory legislation on special investment companies (Gesetz über Unternehmensbeteiligungsgesellschaften - UBGG). In order to maintain the status of a special investment company, a capital contribution of 1,000,000 euros on its share capital must have been paid in. This amount was fully paid in, both in the reporting year and the previous year.

36. EARNINGS PER SHARE BASED ON IAS 33

	2019/2020	2018/2019
Net income (*€'000*)	(16,757)	45,856
Number of shares at the reporting date 30 September	15,043,994	15,043,994
Number of shares outstanding at the reporting date 30 September	15,043,994	15,043,994
Average number of shares outstanding	15,043,994	15,043,994
Basic and diluted earnings per share (in €)	(1.11)	3.05

Basic earnings per share are computed by dividing the net income for the year attributable to DBAG by the weighted average number of shares outstanding during the financial year.

Earnings per share may be diluted due to so-called potential shares arising under stock option programmes. DBAG has not launched such a stock option programme for years. Accordingly, there are no stock options outstanding as at the reporting date. Therefore, diluted earnings per share correspond to basic earnings per share.

37. DISCLOSURES ON SEGMENT REPORTING

DBAG's business policy is geared towards augmenting the Company's value over the long term through successful investments in equity investments, in conjunction with sustainable income from Fund Services. The investments are mainly entered into as co-investor of DBAG funds, but also independently from the DBAG funds outside the scope of their investment strategies: either as majority investments by way of management buyouts (MBOs) or minority investments aimed at financing growth.

In order to be able to separately manage the two described business lines of DBAG, the internal reporting system calculates a separate operating result (segment result). For that reason, the business lines "Private Equity Investments" and "Fund Investment Services" are presented as reportable segments.

SEGMENT REPORTING FROM 1 OCTOBER 2019 TO 30 SEPTEMBER 2020

€'000	**Private Equity Investments**	**Fund Investment Services**	**Group reconciliation[1]**	**Group 2019/2020**
Net income from investment activity	(16,864)	0	0	(16,864)
Income from Fund Services	0	30,589	(1,285)	29,304
Income from Fund Services and investment activity	**(16,864)**	**30,589**	**(1,285)**	**12,440**
Other income/expense items	(8,378)	(21,130)	1,285	(28,222)
Earnings before taxes (segment result)	**(25,241)**	**9,459**	**0**	**(15,782)**
Income taxes				(965)
Earnings after taxes				**(16,747)**
Net gain or loss attributable to non-controlling interests				(9)
Net income				**(16,757)**
Financial assets and loans and receivables	390,741			
Other financial instruments	25,988			
Financial resources[2]	18,367			
Loan liabilities	(13,100)			
Net asset value	**421,997**			
Volume of assets under management or advisory[3]		**2,582,562**		

1 A synthetic internal administration fee is calculated for the Private Equity Investment segment and taken into account when determining segment result. The fee is based on DBAG's co-investment interest.

2 The financial resources are used by DBAG for investments in equity or equity-like instruments. They contain the line items "Cash and cash equivalents", "Long-term securities" and "Short-term securities".

3 Volume of assets under management or advisory comprise financial assets, loans and receivables, the financial resources of DBAG, as well as the investments and callable capital commitments to DBAG-managed or advised private equity funds. The investments and loans and receivables are recognised at cost.

SEGMENT REPORTING FROM 1 OCTOBER 2018 TO 30 SEPTEMBER 2019				
€'000	**Private Equity Investments**	**Fund Investmen t Services**	**Group reconciliation[1]**	**Group 2018/2019**
Net income from investment activity	49,629	0	0	49,629
Income from Fund Services	0	28,181	(1,211)	26,970
Income from Fund Services and investment activity	**49,629**	**28,181**	**(1,211)**	**76,599**
Other income/expense items	(7,578)	(25,148)	1,211	(31,515)
Earnings before taxes (segment result)	**42,050**	**3,033**	**0**	**45,083**
Income taxes				659
Earnings after taxes				**45,742**
Net gain or loss attributable to non-controlling interests				114
Net income				**45,856**
Financial assets and loans and receivables	385,693			
Other financial instruments	17,002			
Financial resources[2]	69,432			
Net asset value	**472,126**			
Volume of assets under management or advisory[3]		**1,704,434**		

1 See footnote 1 in the preceding table

2 See footnote 2 in the preceding table

3 See footnote 3 in the preceding table

Products and services

DBAG invests in companies as a co-investor alongside DBAG funds by way of majority or minority investments. We basically structure majority investments as so-called management buyouts (MBO). Growth financing is made by way of a minority investment, for example via a capital increase. In addition, DBAG invests independently from the DBAG funds outside the scope of their investment strategies. Within the scope of its investment activity, DBAG achieved net gains and losses on measurement and derecognition as well as current income from financial assets and loans and receivables totalling -16,864,000 euros (previous year: 49,629,000 euros). Income from Fund Services amounted to 29,304,000 euros in the reporting year (previous year: 26,970,000 euros).

Geographical activities and sector focus

Geographically, DBAG concentrates its investments primarily on companies domiciled in German-speaking regions. Of the net income from investment activity, -18,681,000 euros (previous year: 53,293,000 euros) are attributable to companies domiciled in German-speaking countries, and 1,817,000 euros (previous year: -3,664,000 euros) to companies located in the rest of the world.

DBAG invests primarily in companies operating in the sectors of automotive suppliers, industrial services, industrial components as well as machine and plant engineering (DBAG's core sectors).

Moreover, since 2012, DBAG has also invested increasingly in the sectors broadband telecommunications, IT services/software and healthcare (focus sectors; combined under "Other" in the 2018/2019 Annual Report) and in other sectors such as services and consumer goods. Further information on the key industries can be found in the combined management report under the heading "Investments in mid-market German companies with potential for development".

€'000	Automotive suppliers	Industrial services	Industrial components	Mechanical and plant engineering	Broadband telecommu-nications	IT services/ software	Healthcare	Others	**Total**
30 Sep 2020									
Interests in investment entity subsidiaries	(9,547)	1,974	(29,588)	4,729	11,753	2,539	(6,584)	7,896	(16,829)
Interests in portfolio companies	0	0	0	0	0	0	0	(24)	(24)
International fund investments	0	0	0	0	0	0	0	(17)	(17)
Others	0	0	0	0	0	0	0	7	7
	(9,547)	**1,974**	**(29,588)**	**4,729**	**11,753**	**2,539**	**(6,584)**	**7,861**	**(16,864)**
30 Sep 2019									
Interests in investment entity subsidiaries	111	(7,263)	(3,866)	(8,984)	47,148	0	1,910	18,838	47,894
Interests in portfolio companies	0	0	0	0	0	0	0	1,632	1,632
International fund investments	0	0	0	0	0	0	0	104	104
Others	0	0	0	0	0	0	0	(1)	(1)
	111	**(7,263)**	**(3,866)**	**(8,984)**	**47,148**	**0**	**1,910**	**20,573**	**49,629**

For more information on the composition of the portfolio and its development, we refer to the combined management report and the chapters "Review of significant events and transactions" and "Portfolio and portfolio value".

Clients

DBAG's customers are the investors in DBAG funds. They comprise German and international institutional investors, especially pension funds, funds of funds, banks, foundations, insurance companies or family offices.

DBAG generates its Fund Services income from investors, none of whom account for more than ten per cent of DBAG's total income.

38. DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

A "Declaration of Compliance" pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz - AktG) was submitted by the Board of Management and the Supervisory Board of Deutsche Beteiligungs AG and is permanently accessible to shareholders at DBAG's website[5].

[5] https://www.dbag.de/investor-relations/corporate-governance/entsprechenserklaerungen

39. DISCLOSURES ON RELATED PARTIES

Related companies within the meaning of IAS 24 are: investment entity subsidiaries (see Note 4.3) and the holding companies held indirectly through DBAG ECF, the other unconsolidated subsidiaries of DBAG (see Note 4.5) as well as unconsolidated structured entities of DBAG (see Note 4.6).

Related persons, within the meaning of IAS 24, are key management personnel. At DBAG, these include all Board of Management, senior executives and the members of DBAG's Supervisory Board.

Income and expenses, receivables and liabilities from Fund Services

DBAG provides asset management services to the DBAG funds and the co-investment vehicles via its fully-consolidated subsidiaries.

The following fully-consolidated companies are responsible for asset management: AIFM-DBG Fund VII (Guernsey) LP, DBG Fund VI GP (Guernsey) LP, DBG Fund VII GP S.à r.l., DBG Fund VIII GP (Guernsey) L.P., DBG Management GmbH & Co. KG, DBG Managing Partner GmbH & Co. KG and DBG New Fund Management GmbH & Co. KG. DBAG pays no fees for the management of the co-investment vehicles of DBAG ECF and DBAG Fund V. Since the launch of DBAG Fund VI, DBAG has paid a volume-based fee for the management of its coinvestments to DBG Fund VI GP (Guernsey) LP, to DBG Fund VII GP S. à r.l., and to AIFM DBG Fund VII (Guernsey) L.P. as well as to DBG Fund VIII GP (Guernsey) L.P. Based on the same principles and terms and conditions as for the investors in DBAG funds, this fee is determined by reference to a fixed percentage of the committed capital (during a fund's investment period), or of the invested capital (during the disinvestment phase), respectively.

The management companies receive advisory services from DBG Advising GmbH & Co. KG, and pay an advisory fee for these services.

The fees from these activities - including amounts received from DBAG fund investors-are recognised in the item "Income from Fund Services" (see Note 10). In the year under review, income from Fund Services consisted of income from co-investment vehicles in the amount of 5,651,000 euros (previous year: 5,306,000 euros) and income from the DBAG funds in the amount of 23,458,000 euros (previous year: 21,434,000 euros). Fees paid by DBAG are also recognised in the "Net gain or loss from investment activity" item, reducing value (see Note 9).

As at the reporting date, receivables from management fees against DBAG funds amounted to 18,205,000 euros (previous year: 6,368,000 euros, see Note 23), while receivables from management fees against investment entity subsidiaries amounted to 5,071,000 euros (previous year: 1,565,000 euros, see Note 19).

Relationships to DBG Managing Partner GmbH & Co. KG and DBG Advising GmbH & Co. KG

DBAG itself holds a capital interest of 20 per cent in the fully-consolidated DBG Managing Partner GmbH & Co. KG. The remaining 80 per cent (previous year: 80 per cent) is held by the two Board of Management members who are part of the investment team, and by two senior executives of the investment team. Income from the interest on their capital accounts amounts to 236 euros per year. The interests in the general partner of DBG Managing Partner GmbH & Co. KG are held by DBG Managing Partner GmbH & Co. KG itself. The general partner receives an annual liability fee in the amount of 3,125 euros.

DBAG itself holds a capital interest of 20 per cent in the fully-consolidated DBG Advising GmbH & Co. KG. The remaining 80 per cent (previous year: 80 per cent) is held by the two Board of Management members who are part of the investment team, and by two senior executives of the investment team.

Income from the interest on their capital accounts amounts to 113 euros (previous year: 113 euros). The interests in the general partner of DBG Advising GmbH & Co. KG are held by DBG Advising GmbH & Co. KG itself. The general partner receives an annual liability fee in the amount of 3,125 euros.

For more information on the interests held by the two members of the Board of Management and the two senior executives of the investment team, we refer to Note 25.

Relationships to DBG Fund HoldCo GmbH & Co. KG and DBG Fund LP (Guernsey) Limited

Since the financial year 2019/2020, DBAG has held 13.04 per cent of the shares in DBG Fund HoldCo GmbH & Co. KG (Fund HoldCo). Another 86.96 per cent (previous year: 100 per cent) of the shares in Fund HoldCo is held by the two Board of Management members who are part of the investment team, and by two senior executives of the investment team. Income from the interest on their capital accounts amounts to 464 euros (previous year: 463 euros). Fund HoldCo's general partner receives an annual liability fee in the amount of 1,250 euros. DBAG is entitled to the remaining net retained profit.

Fund HoldCo is the general partner of the fully-consolidated companies AIFM-DBG Fund VII (Guernsey) LP, DBG Fund VI GP (Guernsey) LP, DBG Fund VIII GP (Guernsey) L.P. and European Private Equity Opportunity Manager LP. In the year under review, net retained profit totalling 1,006,000 euros (previous year: 4,262,000 euros) was allocated to Fund HoldCo from these companies, and an amount of 1,029,000 euros (previous year: 6,149,000 euros) was paid out to Fund HoldCo.

Via the interest held by DBAG in Fund HoldCo, 13.04 per cent (previous year: nil per cent) of the shares in Fund HoldCo's subsidiary, DBG Fund LP (Guernsey) Limited, are indirectly held by DBAG. DBG Fund LP (Guernsey) is the founding limited partner of the fully-consolidated companies AIFM-DBG Fund VII (Guernsey) LP, DBG Fund VI GP (Guernsey) LP, DBG Fund VIII GP (Guernsey) L.P. and European PE Opportunity Manager LP. In the year under review, net retained profit totalling 1,006,000 euros (previous year: 4,262,000 euros) was allocated to DBG Fund LP (Guernsey) Limited from these companies, and an amount of 1,029,000 euros (previous year: 4,446,000 euros) was paid out to DBG Fund LP (Guernsey) Limited.

Via the interest held by DBAG in Fund HoldCo a further 11.05 per cent of the shares in DBG Management GP (Guernsey) Ltd. are indirectly held by DBAG. There was no distribution made in the financial year 2019/2020.

Relationships to co-investment vehicles

The co-investment vehicles of DBAG Fund VII and DBAG Fund VIII are granted short-term loans as pre-financing of investments in new portfolio companies. These are reported in the item "Other financial instruments" (see Note 21); any resulting interest income is recognised in net interest income (see Note 14). As at the reporting date, liabilities to the co-investment vehicles of DBAG Fund VI and DBAG Fund VIII amounted to 1,361,000 euros (previous year: nil euros). These primarily relate to advance management fees.

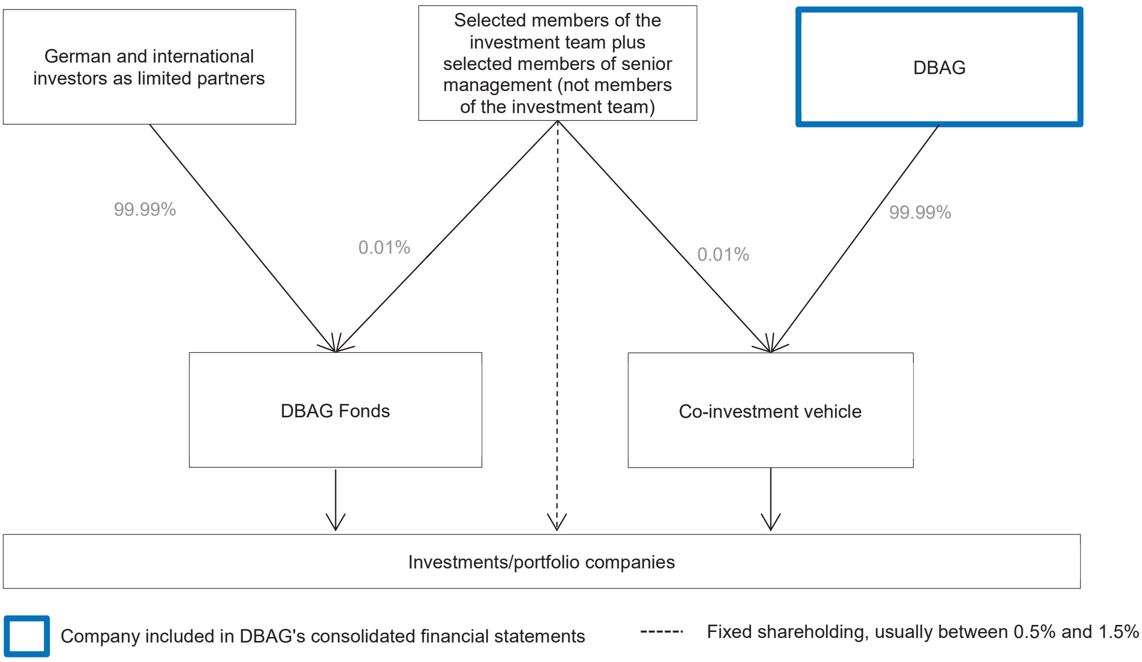
Private co-investments of team members and carried interest

Selected members of the investment team as well as selected members of senior management who are not members of the investment team have committed to take an interest in DBAG funds. For those participating - in addition to the returns from the partnership - this can result in a profit share that is disproportionate to their capital commitment ("carried interest") after the fund has fulfilled certain conditions overall. This is the case if the DBAG Group or the investors in the respective DBAG fund have realised their invested capital, plus a preferred return of eight per cent per annum ("full repayment"). Carried interest of not more than 20 per cent[6] is paid out once proceeds on disposal are generated and full repayment has been achieved; the remaining 80 per cent[7] (net sales proceeds) is paid to the investors in the relevant DBAG fund and to DBAG. The structure of the carried interest schemes, their implementation and performance conditions, are in conformity with common practice in the private equity industry and constitute a prerequisite for the placement of DBAG funds. For the individuals participating, their partnership status constitutes a privately assumed investment risk which serves the purpose of aligning their interests with those of DBAG fund investors; the purpose of carried interest is to promote their initiative and their dedication to the success of the investment.

Since the launch of DBAG Fund VI, the investment structure of DBAG funds is as follows (significantly simplified):

OVERVIEW INVESTMENT STRUCTURE

The percentages relate to the equity interest.



The two Board of Management members who are part of the investment team as well as the senior executives entitled to carried interest made the following investments in the financial year 2019/2020 and received the following repayments from the DBAG funds and the co-investment vehicles:

	Investments during the financial year		Cumulative investments as at the reporting date[1]		Repayments during the financial year	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
1 Oct 201930 Sep 2020						
DBAG Fund IV	0	0	880	420	0	0
DBAG Fund V	17	7	4,071	1,760	5,605	2,426

6 The maximum disproportionate profit share for DBAG Fund VII B [Konzern] SCSp and DBAG Fund VIII B [Konzern] (Guernsey) L.P. amounts to 10 per cent.

7 The maximum disproportionate profit share of the investors and DBAG for DBAG Fund VII B [Konzern] SCSp und den DBAG Fund VIII B [Konzern] (Guernsey) L.P. amounts to a total 90 per cent.

	Investments during the financial year		Cumulative investments as at the reporting date[1]		Repayments during the financial year	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
DBAG ECF	217	39	1,083	220	634	127
DBAG ECF I	30	13	621	414	98	68
DBAG ECF II	275	110	725	287	0	0
DBAG Fund VI	223	64	7,339	2,710	964	341
DBAG Fund VII	1,734	898	6,777	3,574	0	0
DBAG Fund VIII	588	322	588	322	0	0
Total 2019/2020	**3,085**	**1,453**	**22,083**	**9,705**	**7,302**	**2,963**

1 Cumulative investments relate to key management personnel during the reporting period. Changes compared to the previous year may be due - inter alia - to key management personnel joining or leaving the Company.

	Investments during the financial year		Cumulative investments as at the reporting date		Repayments during the financial year	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key managemen t personnel	of which: Board of Management
1 Oct 201830 Sep 2019						
DBAG Fund IV	0	0	1,032	420	899	423
DBAG Fund V	0	0	4,381	1,732	0	0
DBAG ECF	117	13	1,604	182	371	42
DBAG ECF I	95	51	674	400	0	0
DBAG ECF II	324	54	447	177	0	0
DBAG Fund VI	182	53	7,071	2,646	0	0
DBAG Fund VII	2,084	1,145	5,006	2,670	0	0
Total 2018/2019	**2,802**	**1,316**	**20,216**	**8,226**	**1,271**	**465**

The following table outlines carried interest claims from the co-investment vehicles and DBAG funds for the two Board of Management members and the members of senior management entitled to carried interest. For information on the portion of the co-investment vehicles, we refer to the management report under the heading "Business model: two business segments that are closely tied to DBAG funds".

€'000	1 Oct 2019		Reduction due to disbursement		Addition (+) / reversal (-)		**30 Sep 2020[1]**	
	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
DBAG Fund V	11,747	5,080	(5,112)	(2,211)	(533)	(231)	6,101	2,638
DBAG ECF	22,495	4,419	0	0	2,474	494	24,969	4,913
DBAG ECF I	4,006	1,267	0	0	4,010	1,268	8,016	2,535
DBAG Fund VI	56,627	20,154	0	0	(45,758)	(16,425)	10,869	3,729
	94,875	**30,920**	**(5,112)**	**(2,211)**	**(39,807)**	**(14,893)**	**49,956**	**13,815**

1 Carried interest entitlements at the start and end of the financial year relate to key management personnel during the reporting period. Changes compared to the previous year may be due - inter alia - to key management personnel joining or leaving the Company.

€'000	1 Oct 2018		Reduction due to disbursement		Addition (+) / reversal (-)		**30 Sep 2019**	
	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
DBAG Fund V	12,571	4,880	0	0	515	200	13,086	5,080
DBAG ECF	22,485	2,546	0	0	16,546	1,873	39,032	4,419
DBAG ECF I	0	0	0	0	4,439	1,267	4,439	1,267
DBAG Fund VI	50,013	17,952	0	0	6,135	2,202	56,147	20,154
	85,069	**25,378**	**0**	**0**	**27,634**	**5,542**	**112,703**	**30,920**

In the consolidated financial statements, carried interest is taken into account in the fair value measurement of the shares of DBAG in the co-investment vehicles of a fund ("net asset value"). In this context, the total liquidation of the fund portfolio as at the reporting date is assumed (see Note 6, paragraph "Fair value measurement methods on hierarchy level 3"). In the year under review, the net asset values of the co-investment vehicles DBAG Fund V, DBAG ECF, DBAG ECF I and DBAG Fund VI are reduced by carried interest claims by a total amount of 31,000,000 euros (previous year: 37,540,000 euros), of which 18,461,000 euros (previous year: 31,845,000 euros) are attributable to key management personnel. The carried interest for DBAG Fund VII and DBAG Fund VIII remains unchanged at nil euros.

This carried interest, which is taken into account upon measurement, may increase or decrease in value in the future, and is not disbursed until the requirements under company law are met.

Remuneration based on employment or service contracts

Total remuneration for members of the Board of Management amount to 2,609,000 euros (previous year: 3,682,000 euros). This includes long-term benefits of 46,000 euros (previous year: 45,000 euros) and current service cost of 146,000 euros (previous year: 199,000 euros). An amount of 4,501,000 euros (previous year: 4,545,000 euros) of the provisions for pension obligations was attributable to Board of Management members. There are neither termination benefits nor share-based payments.

The total remuneration for senior executives amounts to 8,090,000 euros (previous year: 7,591,000 euros), including long-term benefits of 32,000 euros (previous year: 31,000 euros), current service cost of 206,000 euros (previous year: 300,000 euros) and termination benefits of nil euros (previous year: 620,000 euros). An amount of 4,647,000 euros (previous year: 8,578,000 euros) of the provisions for pension obligations was attributable to senior executives. There was no share-based payment.

The total remuneration for Supervisory Board members amounts to 523,000 euros (previous year: 398,000 euros). Of this amount, 495,000 euros (previous year: 370,000 euros) referred to Supervisory Board activities and 28,000 euros (previous year: 28,000 euros) to one long-term benefit for one member of the Supervisory Board. In addition to his remuneration for Supervisory Board membership, this Supervisory Board member also receives a pension payment from his previous membership in DBAG's Board of Management, in the amount of 191,000 euros (previous year: 186,000 euros). An amount of 6,205,000 euros (previous year: 6,417,000 euros) of the provisions for pension obligations was attributable to this Supervisory Board member.

For information on the basic principles of the remuneration system and the amount of total remuneration for members of the Board of Management and the Supervisory Board, we refer to the remuneration report. The remuneration report is an integral constituent of the combined management report. It also discloses individual information as required pursuant to section 314 (1) no. 6 HGB.

Other transactions with key management personnel

Senior executives acquired 940 (previous year: 1,260) shares of DBAG at preferential terms. The resulting pecuniary advantage amounted to 13,000 euros (previous year: 11,000 euros), and is recognised under personnel expenses.

DBAG granted loans to senior executives in the amount of 226,000 euros at standard market conditions (previous year: 95,000 euros). Interest income amounts to 4,000 euros (previous year: 2,000 euros).

There are no contingent liabilities for key management personnel.

40. EVENTS AFTER THE REPORTING DATE

DBAG alongside DBAG Fund VIII agreed the investment in Congatec in the fourth quarter of the year under review. The transaction was completed at the start of the new financial year. DGAB Fund VIII acquired the majority of the company's shares as part of an MBO. DBAG invested 23,769,000 euros and holds around 23 per cent of the shares in Congatec.

At the end of November 2020, a partial disposal of our investment in the Pfaudler Group's core business was completed and returns from the disposal of the GMM shares were received; the transaction was agreed in August 2020. DBAG and DBAG Fund VI continue to have a stake of 20 per cent in the Pfaudler Group.

On 26 November 2020, the Supervisory Board of Deutsche Beteiligungs AG has appointed Messrs Tom Alzin and Jannick Hunecke to the Board of Management. They will take up their new roles on 1 March 2021. Dr Rolf Scheffels will step down from the Board of Management, at his own request, when his contract expires at the end of February 2021.

41. FEES FOR THE AUDITOR

Total fees paid to the auditor BDO are composed of as follows:

	2019/2020			2018/2019		
€'000	**Parent company**	**Subsidiaries**	**Total**	Parent company	Subsidiaries	Total
Audit of separate/consolidated financial statements	328	22	349	362	0	362
Other assurance services	5	0	5	0	0	0
	333	22	354	362	0	362

The services associated with auditing the separate and consolidated financial statements also include activities concerning the review of the half-yearly financial statements as at 31 March 2020, as well as audit activities relating to the audit of the financial statements as at 30 September 2020 that were conducted early.

42. MEMBERS OF THE SUPERVISORY BOARD AND THE BOARD OF MANAGEMENT

Supervisory Board[*]

Dr Hendrik Otto

Düsseldorf, Germany (Deputy Chairman until 20 February 2020, Chairman since 20 February 2020)

Member of the Board of Management of WEPA Industrieholding SE, Arnsberg, Germany

No statutory offices or comparable offices in Germany and abroad

Philipp Möller

Hamburg, Germany (Deputy Chairman since 20 February 2020)

Managing Partner of Möller & Förster GmbH & Co. KG, Hamburg, Germany Statutory offices

- GWF Messsysteme AG, Luzern, Switzerland (since 25 June 2020)

Gerhard Roggemann

Hanover, Germany (Chairman until his departure on 20 February 2020)

Consultant

Statutory offices

- Bremer AG, Paderborn, Germany (Vice-Chairman)
- Else Kröner Fresenius Stiftung, Bad Homburg vor der Höhe, Germany (since 1 January 2020)
- GP Günter Papenburg AG, Schwarmstedt, Germany (Chairman)
- WAVE Management AG, Hanover, Germany (Vice-Chairman)

Sonja Edeler

Hanover, Germany

Head of Finance and Accounting, Audit at Dirk Rossmann GmbH, Burgwedel, Germany

No statutory offices or comparable offices in Germany and abroad

Wilken Freiherr von Hodenberg

Hamburg, Germany (until 20 February 2020)

Lawyer

Statutory offices

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[*] Statutory office: offices held on other statutory supervisory boards; comparable offices in Germany and abroad: offices held on comparable domestic and international supervisory bodies of commercial enterprises, each as at 30 September 2020 or until the date of retirement from the Supervisory Board, respectively

- Schloss Vaux AG, Eltville, Germany
- SLOMAN NEPTUN Schiffahrts-AG, Bremen, Germany
- WEPA Instrustrieholding SE, Arnsberg, Germany

Comparable offices in Germany and abroad

- NB Private Equity Partners Ltd., St. Peter Port, Guernsey

Axel Holtrup

London, United Kingdom (since 20 February2020)

Independent investor

No statutory offices or comparable offices in Germany and abroad

Dr Jörg Wulfken

Bad Homburg v. d. Höhe, Germany (since 20 February2020)

Lawyer

Statutory offices

- Georgian Credit, Tbilisi, Georgia

Comparable offices in Germany and abroad

- Association of Loan Purchase and Servicing (Bundesvereinigung Kreditankauf und Servicing - "BKS")

Dr Maximilian Zimmerer

Munich, Germany

Supervisory Board

Statutory offices

- Investmentaktiengesellschaft für langfristige Investoren TGV, Bonn, Germany (Chairman)
- Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft, Munich, Germany

Comparable offices in Germany and abroad

- Möller & Förster GmbH & Co. KG, Hamburg, Germany (Chairman)

Board of Management*

Torsten Grede

Frankfurt/Main, Germany (Spokesman)

Comparable offices in Germany and abroad

- Treuburg Beteiligungsgesellschaft mbH, Ingolstadt, Germany
- Treuburg GmbH & Co. Familien KG, Ingolstadt, Germany

Dr Rolf Scheffels

Frankfurt/Main, Germany

Comparable offices in Germany and abroad

- JCK Holding GmbH Textil KG, Quakenbrück, Germany

Susanne Zeidler

Frankfurt/Main, Germany

Comparable offices in Germany and abroad

- DWS Investment GmbH, Frankfurt/Main, Germany

* Statutory office: offices held on other statutory supervisory boards; comparable offices in Germany and abroad: offices held on comparable domestic and international supervisory bodies of commercial enterprises, each as at 30 September 2020

43. LIST OF SUBSIDIARIES AND ASSOCIATES PURSUANT TO SECTION 313 (2) HGB

Name	Registered office	*Equity interest in %*
Fully-consolidated and unconsolidated subsidiaries		
AIFM-DBG Fund VII Management (Guernsey) LP	St. Peter Port, Guernsey	0.00
Bowa Geschäftsfuhrüngsgesellschaft mbH i. L[1]	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest I (Smart Metering) Verwaltungs GmbH[1]	Frankfurt/Main, Germany	100.00
DBG Advising GmbH & Co. KG	Frankfurt/Main, Germany	20.00
DBG Advising Verwaltungs GmbH[1]	Frankfurt/Main, Germany	100.0
DBG Fund HoldCo GmbH & Co. KG[1]	Frankfurt/Main, Germany	13.04
DBG Fund LP GmbH & Co. KG[1]	Frankfurt/Main, Germany	0.00
DBG Fund VI GP (Guernsey) LP	St. Peter Port, Guernsey	0.00
DBG Fund VII GP S.à r.l.	Luxembourg-Findel, Luxembourg	100.00
DBG Fund VIII GP (Guernsey) L.P.	St. Peter Port, Guernsey	0.00
DBG Fund VIII GP (Guernsey) Limited[1]	St. Peter Port, Guernsey	0.00
DBG Management GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBG Management GP (Guernsey) Ltd.	St. Peter Port, Guernsey	15.00
DBG Managing Partner GmbH & Co. KG	Frankfurt/Main, Germany	20.00
DBG Managing Partner Verwaltungs GmbH[1]	Frankfurt/Main, Germany	100.0
DBG New Fund Management GmbH & Co. KG	Frankfurt/Main, Germany	100.0
DBG Service Provider Verwaltungs GmbH[1]	Frankfurt/Main, Germany	0.00
European PE Opportunity Manager LP	St. Peter Port, Guernsey	0.00
RQPO Beteiligungs GmbH[1]	Frankfurt/Main, Germany	49.00
RQPO Beteiligungs GmbH & Co. Papier KG[1]	Frankfurt/Main, Germany	90.00
Unconsolidated investment entity subsidiaries		
DBAG Bilanzinvest I (Smart Metering) GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	Frankfurt/Main, Germany	99.00
DBAG Fund V Konzern GmbH & Co. KG	Frankfurt/Main, Germany	99.00
DBAG Fund VI Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99
DBAG Fund VII Konzern SCSp	Luxembourg-Findel, Luxembourg	99.99
DBAG Fund VII B Konzern SCSp	Luxembourg-Findel, Luxembourg	99.99
DBAG Fund VIII A Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99
DBAG Fund VIII B Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	Frankfurt/Main, Germany	100.00
Deutsche Beteiligungsgesellschaft mbH	Königstein/Taunus, Germany	100.00
DBG Advisors Kommanditaktionär GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBG Fifth Equity Team GmbH & Co. KGaA i. L.	Frankfurt/Main, Germany	0.00
DBG Alpha 5 GmbH	Frankfurt/Main, Germany	0.00
DBG Asset Management Limited	St. Helier, Jersey	0.00
DBG Epsilon GmbH	Frankfurt/Main, Germany	0.00
DBG Fourth Equity International GmbH	Frankfurt/Main, Germany	0.00
DBV Drehbogen GmbH	Frankfurt/Main, Germany	0.00

1 Unconsolidated subsidiaries - see Note 4.5

Frankfurt/Main, 20/29 November 2020
The Board of Management

Torsten Grede Dr Rolf Scheffels Susanne Zeidler

The following independent auditor's report (*Bestätigungsvermerk*) has been issued in accordance with Section 322 German Commercial Code (*Handelsgesetzbuch*) in German language on the German version of the consolidated financial statements of Deutsche Beteiligungs AG as of and for the financial year ended September 30, 2020 and the combined management report. The combined management report is not included in this Prospectus.

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the consolidated financial statements and of the combined management report

Opinions

We have audited the consolidated financial statements of Deutsche Beteiligungs AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 September 2020, and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 October 2019 to 30 September 2020, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the combined management report of Deutsche Beteiligungs AG for the financial year from 1 October 2019 to 30 September 2020.

In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report listed in the chapter "other information".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 30 September 2020, and of its financial performance for the financial year from 1 October 2019 to 30 September 2020, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in the chapter "other information".

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report.

We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2019 to 30 September 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We identified the following matters as key audit matters:

Valuation of financial assets

The financial statement position "Financial assets" amounts to 390.4 million euro and mainly consists of DBAG's share in investment entity subsidiaries that are not consolidated in the Company's consolidated financial statement according to IFRS 10.31 sentence 1. Per IFRS 10.31 sentence 2 in connection with IFRS 9, investments are valued at their fair value through profit and loss. The fair value is determined according to IFRS 13 considering the International Private Equity and Venture Capital Valuation Guidelines (IPEVG) effective 2018 and the Corona Pandemic Supplements from March 2020.

The fair value of the investment entity subsidiaries corresponds to the Company's share of the sum of the fair values of each portfolio company (sum-of-the-parts-methodology). The valuation at the fair value assumes the sale of all shares of portfolio Company's at the balance sheet date. Individual contractual agreements are included in the valuation, in particular agreements with members of the investment team regarding their profit participation of DBAG Funds, so-called Carried Interest.

The Company has implemented a process to determine the fair values of the portfolio companies that considers the fact that market prices cannot be observed. The Company primarily uses the multiples method to determine the fair values of the portfolio companies based on financial results (market approach). In some cases, an income approach is applied. The main non-observable assumptions used in the valuation are the sustainable earnings derived from the projections of each portfolio Company and the expected cashflows, respectively, as well as the net debt. Regardless of the valuation approach, the fair values determined are considered level 3 according to the fair value hierarchy due to unobservable input factors used in the calculation.

The necessary valuation assumptions are discretionary, as they cannot be observed on the market. In addition, there are complex contractual provisions in place regarding the calculation of carried interest for the investment entity subsidiaries. These need to be given appropriate consideration when measuring the fair values of the interest in the investment entity subsidiaries.

With respect to the consolidated financial statements, there is a risk that the fair values of the portfolio companies used in the valuation of financial assets do not meet the requirements of IFRS 13, resulting in an inappropriate valuation. There is an additional risk attached to the consideration of contractual agreements of carried interest. Finally, there is a risk that the disclosures in the notes to the consolidated financial statements according to IFRS 7 and IFRS 13 in particular are not appropriate.

We refer to the notes to the consolidated financial statements regarding the Company's accounting and valuation methods (note 6). We refer to future-oriented assumptions and other significant sources of estimation uncertainties (note 8), disclosures on the financial assets (note 18), on the net result of investment activity (note 9), notes on financial instruments (note 34), disclosures regarding related party transactions (note 39), as well as to the statements in the combined management report regarding the Company's operations.

Our audit approach

First, we obtained an understanding of the Company's process to determine the fair values as part of the valuation of the shares in investment entity subsidiaries and assessed whether the valuation guidelines implemented by the Company are deemed appropriate to meet the requirements of IFRS 13. In order to gain an understanding of the organizational structure of the valuation process, we inquired with responsible employees, and obtained process descriptions, status reports, valuation documentation as well as minutes of board meetings. Based on the evidence obtained, we assessed the appropriateness of the controls implemented, particularly regarding the valuation proposals made by the Valuation Committee.

Our substantive audit procedures included reviewing the documentation of the calculations of the fair values of the portfolio companies and the assessment whether these calculations were consistent with the valuation process implemented and whether the valuation methodologies applied were deemed appropriate. In case of two Companies that were valued using the multiples approach for the first time, we assessed the appropriateness of with the valuation approach used considering observable input factors. We further assessed the calculation of the fair values and the observable inputs. For all portfolio companies, we reassessed the calculations of the fair values and the observable inputs. We audited unobservable assumptions based on a sample selected using a risk-oriented approach.

For selected estimates of sustainable earnings and the net debt of portfolio companies, we reassessed the deviation from the budgets prepared by their management, and we obtained the approval of the respective supervisory board. For adjustments of assumptions made by the valuation committee of the Deutsche Beteiligungs AG, we discussed the respective documentation with members of the valuation committee, to conclude on the reasonableness of such adjustments. We further assessed the appropriateness of selected assumptions used in the portfolio managements' projections (EBITDA margins in particular) through comparison with ranges derived from external market data for the respective performance indicators.

Regarding the earnings multiples used in the multiple's method, we involved our valuation specialists to assess the proper deviation of peer group companies and the resulting multiples based on the companies and capital market data. With respect to the income-based approach, we involved our valuation experts to evaluate the appropriateness of the capitalization interest rate used, by comparing the underlying assumptions (the risk-free rate and the market risk premium in particular) to publicly available data.

We also performed substantive audit procedures regarding the consideration of carried interest in the calculation of the fair value of the shares attributable to DBAG. We evaluated the identification of carried interest entitlement and the respective valuation. Finally, we assessed whether the disclosures on the valuation of financial assets according to IFRS 7 and IFRS 13, in particular, were appropriate.

Other information

The executive directors are responsible for the other information. The other information comprises:

- the statement on corporate governance included in section "Declaration on Corporate Governance" of the combined management report and

- the remaining parts of the annual financial report, with the exception of the audited consolidated financial statements and combined management report and our auditor's report.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the combined management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal controls as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Further information pursuant to article 10 of the EU audit regulation

We were elected as group auditor by the annual general meeting on February 20, 2020. We were engaged by the audit committee on February 20, 2020.

We have been the group auditor of the Deutsche Beteiligungs AG since the financial year 2018/2019.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Note on the supplementary audit

We have issued this auditor's report on the amended consolidated financial statements and the amended combined management report, having duly examined them by way of our audit completed on 23 November 2020, as well as our supplementary audit completed on 30 November 2020, which related to amendments to the table outlining "Risk factors with a high expected value" in the "Chances and opportunities" section, sub-section "Explanation of individual risk factors", and on details supplemented in the "Other disclosures" section, Note "40. Events after the reporting date" within the amended notes to the consolidated financial statements. We refer to the presentation of these amendments by the Company's legal representatives in the amended notes to the consolidated financial statements, section "General information", sub-section "Basis of the consolidated financial statements".

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Dr Jens Freiberg.

Frankfurt/Main, 23 November 2020 / 30 November 2020 (the latter date limited to the amendments set out in the note on the supplementary audit)

BDO AG
Wirtschaftsprüfungsgesellschaft

Dr Freiberg	Gebhardt
German Public Auditor	German Public Auditor

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge, and in accordance with the applicable accounting principles, that the consolidated financial statements give a true and fair view of the asset, financial and earnings position of the Group, and that the condensed management report presents a true and fair view of the business development (including business results) and the position of the Group, together with a description of the material risks and opportunities associated with the expected development of the Group.

Frankfurt/Main, 20/29 November 2020

The Board of Management

Torsten Grede　　Dr Rolf Scheffels　　Susanne Zeidler

CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1 October 2018 to 30 September 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 October 2018 to 30 September 2019

€'000	Notes	1 Oct 2018 to 30 Sep 2019	1 Oct 2017 to 30 Sep 2018
			Restated[1]
Net gain or loss from investment activities	10	49,629	31,098
Income from Fund Services	11	26,970	28,855
Income from Fund Services and investment activities		**76,599**	**59,953**
Personnel expenses	12	(21,042)	(18,005)
Other operating income	13	5,767	3,697
Other operating expenses	14	(16,413)	(15,557)
Interest income	15	955	344
Interest expenses	16	(783)	(702)
Other income/expense items		**(31,515)**	**(30,222)**
Earnings before taxes		**45,083**	**29,731**
Income taxes	17	659	(18)
Earnings after taxes		**45,742**	**29,714**
Net gain or loss attributable to non-controlling interests	27	114	(25)
Net income		**45,856**	**29,688**
a) Items that will not be reclassified subsequently to profit or loss			
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset)	29	(7,690)	(1,155)
b) Items that will be reclassified subsequently to profit or loss			
Unrealised gains (+)/losses (-) on available-for-sale securities		0	(47)
Changes in the fair value of financial assets measured at fair value through other comprehensive income	22	15	0
Other comprehensive income		**(7,675)**	**(1,203)**
Total comprehensive income		**38,181**	**28,486**
Earnings per share in euros (diluted and basic)[2]	36	3.05	1.97

1 Restated in accordance with IAS 8 (see Note 4 of the notes to the consolidated financial statements)
2 The earnings per share calculated in accordance with IAS 33 are based on net income divided by the average number of DBAG shares outstanding in the reporting period.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 October 2018 to 30 September 2019

INFLOWS (+)/OUTFLOWS (-)			
€'000	Notes	**1 Oct 2018 to 30 Sep 2019**	1 Oct 2017 to 30 Sep 2018
			Restated[1]
Net income		45,856	29,688
Measurement gains (-)/ losses (+) on financial assets and loans and receivables, amortisation of intangible assets and depreciation of property, plant and equipment, gains (-)/ losses (+) on securities	10, 18, 19, 20, 22	(43,107)	(20,438)
Gains (-)/ losses (+) from disposals of non-current assets	10, 18	(75)	(1,133)
Increase (-)/decrease (+) in income tax assets	24	(5,487)	78
Increase (-)/decrease (+) in other assets (net)	21, 23, 24, 25	(4,272)	2,719
Increase (+)/decrease (-) in pension provisions	29	7,384	887
Increase (+)/decrease (-) in income tax liabilities	24	0	17
Increase (+)/decrease (-) in other provisions	28	1,328	(5,608)
Increase (+)/decrease (-) in other liabilities (net)	24, 27, 30	(13,924)	3,647
Cash flows from operating activities[2]		**(12,298)**	**9,858**
Proceeds from disposals of financial assets and loans and receivables	10, 19, 20	62,183	30,302
Payments for investments in financial assets and loans and receivables	10, 19, 20	(93,412)	(63,826)
Proceeds from disposals of other financial instruments	23	53,544	36,546
Payments for investments in other financial instruments	23	(37,779)	(33,664)
Cash flow from investing activities	32	(15,465)	(30,641)
Proceeds from disposals of property, plant and equipment and intangible assets	18	79	177
Payments for investments in property, plant and equipment and intangible assets	18	(252)	(303)
Proceeds from disposals of securities	22, 32	70,328	41,384
Payments for investments in securities	22, 32	(215)	(103,818)
Cash flow from investing activities		**54,475**	**(93,200)**
Payments to shareholders (dividends)	26	(21,814)	(21,062)
Cash flow from financing activities		**(21,814)**	**(21,062)**
Net change in cash and cash equivalents	32	20,363	(104,404)
Cash and cash equivalents at beginning of period	32	23,571	127,976
Cash and cash equivalents at end of period		**43,934**	**23,571**

1 Restated in accordance with IAS 8 (see Note 4 of the notes to the consolidated financial statements)

2 This includes income taxes received and paid in the amount of -5,462,000 euros (previous year: 107,000 euros) as well as interest received and paid in the amount of 770,000 euros (previous year: 172,000 euros) and dividends in the amount of 9,267,000 euros (previous year: 5,980,000 euros).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2019

€'000	Notes	30 Sep 2019	30 Sep 2018 Restated[1]	1 Oct 2017 Restated[1]
ASSETS				
Non-current assets				
Intangible assets	18	301	438	693
Property, plant and equipment	18	582	839	1,129
Financial assets	19	385,693	318,931	243,055
Long-term securities	22	0	55,458	33,659
Deferred tax assets	24	658	0	0
Total non-current assets		**387,233**	**375,666**	**279,873**
Current assets				
Receivables	21	1,565	1,130	3,657
Short-term securities	22	25,498	40,000	0
Other financial instruments	23	17,002	32,766	35,649
Income tax assets	24	5,833	345	423
Cash and cash equivalents		43,934	23,571	127,976
Other current assets	25	10,550	7,840	6,715
Total current assets		**104,382**	**105,653**	**174,419**
Total Assets		**491,615**	**481,319**	**454,293**
EQUITY AND LIABILITIES				
Equity	26			
Subscribed capital		53,387	53,387	53,387
Capital reserve		173,762	173,762	173,762
Retained earnings and other reserves		(14,028)	(6,331)	(5,129)
Consolidated retained profit		247,031	222,973	205,909
Total equity		**460,152**	**443,790**	**427,929**
Debt				
Non-current liabilities				
Liabilities to non-controlling interests	27	55	180	148
Provisions for pension obligations	29	19,593	12,209	11,323
Other provisions	28	28	0	0
Total non-current liabilities		**19,677**	**12,389**	**11,471**
Current liabilities				
Other current liabilities	30	1,260	15,913	1,321
Income taxes payable	24	17	17	0
Other provisions	28	10,509	9,209	13,573
Total current liabilities		**11,787**	**25,140**	**14,893**
Total liabilities		**31,463**	**37,529**	**26,364**
Total equity and liabilities		**491,615**	**481,319**	**454,293**

1 Restated in accordance with IAS 8 (see Note 4 of the notes to the consolidated financial statements)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 October 2018 to 30 September 2019

€'000	Notes	**1 Oct 2018 to 30 Sep 2019**	1 Oct 2017 to 30 Sep 2018 Restated[1]
Subscribed capital			
At start and end of reporting period	26	**53,387**	**53,387**
Capital reserve			
At start and end of reporting period	26	**173,762**	**173,762**
Retained earnings and other reserves			
Legal reserve			
At start and end of reporting period		403	403
First-time adoption of IFRS			
At start and end of reporting period		16,129	16,129
Reserve for changes in accounting methods			
At start of reporting period		0	0
Effects from reclassification in accordance with IFRS 9	3	(36)	0
Measurement effects in accordance with IFRS 9	3	(74)	0
At start (restated)2 and end of reporting period	3	(109)	0
Reserve for gains/losses on remeasurements of the net defined benefit liability (asset)			
At start of reporting period	29	(22,760)	(21,605)
Change in reporting period	29	(7,690)	(1,155)
At end of reporting period	29	(30,450)	(22,760)
Change in unrealised gains/losses on available-for-sale securities			
At start of reporting period	3	(102)	(55)
Effects from reclassification in accordance with IFRS 9	3	102	0
At start of reporting period (restated) [2]		0	(55)
Changes recognised directly in equity during the reporting period		0	(47)
At end of reporting period		0	(102)
Reserves for financial assets measured at fair value through other comprehensive income			
At start of reporting period		0	0
Effects from reclassification in accordance with IFRS 9	3	(67)	0
Measurement effects in accordance with IFRS 9	3	52	0
At start of reporting period (restated)2	3	(15)	0
Changes recognised in income during the reporting period	3	15	0
At end of reporting period		0	0
At end of reporting period		**(14,028)**	**(6,331)**
Consolidated retained profit			
At start of reporting period		222,973	214,346
Dividend	26	(21,814)	(21,062)
Net income		45,856	29,688
At end of reporting period		**247,031**	**222,973**
Total		**460,152**	**443,790**

1 Restated in accordance with IAS 8 (see Note 4 of the notes to the consolidated financial statements)
2 Restated as part of the transition to IFRS 9 (see Note 3 of the notes to the consolidated financial statements)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR FROM 1 OCTOBER 2018 TO 30 SEPTEMBER 2019

GENERAL INFORMATION

1. PRINCIPAL ACTIVITY OF THE GROUP

Deutsche Beteiligungs AG (DBAG) is a publicly-listed private equity company. It initiates closed-end private equity funds ("DBAG funds") for investment in equity or equity-like instruments predominantly in unlisted companies, and provides advice regarding these funds. Employing its own assets, it enters into investments as a co-investor, predominantly alongside the DBAG funds. Its investment focus, as a co-investor and fund advisor, is on mid-market German companies. It receives income as a co-investor through the increase in value of the company in which it has invested, and also as a fund advisor, performing services for the DBAG funds.

DBAG's registered office is at Börsenstrasse 1, 60313 Frankfurt/Main, Germany. The Company is registered in the Commercial Register at the Frankfurt/Main local court (Amtsgericht Frankfurt/Main) under HRB 52491.

2. BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of DBAG as at 30 September 2019 are consistent with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Commission for use in the European Union. The mandatory interpretations of the IFRS Interpretations Committee relevant for the consolidated financial statements are also applied. In addition, the applicable commercial law requirements as stipulated in section 315e (1) of the German Commercial Code (Handelsgesetzbuch - HGB) have been taken into account.

The consolidated financial statements consist of the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of financial position, the consolidated statement of changes in equity as well as these notes to the consolidated financial statements. They comprise the financial statements of DBAG and its fully-consolidated subsidiaries ("DBAG Group").

Apart from DBAG, six (previous year: six) of the companies included in the consolidated financial statements prepare their respective financial statements as at the reporting date 30 September. For the remaining three (previous year: three) consolidated companies, the financial year corresponds to the calendar year. These companies prepare interim financial statements as at DBAG's reporting date for consolidation purposes.

The financial statements of the companies included in the consolidated financial statements are prepared in accordance with local financial reporting principles and reconciled to IFRS for consolidation purposes.

The accounting and consolidation policies as well as the notes and disclosures to the consolidated financial statements are applied consistently, except when IFRS rules require changes to be made (see Note 3) or the changes result in more reliable and relevant information. To enhance clarity and transparency, we renamed selected line items in the reporting period, as follows:

- "Net gain or loss from investment activities" (previous year: "Net gain or loss from investment activity"),
- "Income from Fund Services" (previous year: "Fee income from fund management and advisory services"),
- "Net gain or loss attributable to non-controlling interests" (previous year: "Profit (-)/loss (+) attributable to non-controlling interests"),
- "Liabilities to non-controlling interests" (previous year: "Liabilities to non-controlling interests").

Only current key management personnel is considered to be related persons (see Note 39).

The consolidated statement of comprehensive income is structured based on the nature of expense method. In the interests of presenting information that is relevant to the business of DBAG as a private equity firm, "Net gain or loss from investment activities" as well as "Income from Fund Services" are presented instead of revenues. The items of other comprehensive income are stated after taking into account all related tax effects as well as the respective reclassification adjustments. Reclassifications between other comprehensive income and profit or loss are disclosed in the notes.

In the consolidated statement of cash flows, cash flows are broken down into cash flows from operating activities, cash flows from investing activities and cash flows from financing activities (see Note 32). To improve transparency of cash flows from investing activities, the subtotal "Cash flows from investing activities" was added in the reporting period. Cash flows from investing activities also include the proceeds and payments resulting from changes in the securities held.

Presentation of the consolidated statement of financial position differentiates between non-current and current assets and liabilities. Assets and liabilities are classified as current when they are realised or are due within twelve months after the reporting date, otherwise as non-current.

For the sake of clarity of presentation, various items of the consolidated statement of comprehensive income and the consolidated statement of financial position were combined. These items are broken down and discussed in the notes to the consolidated financial statements.

The consolidated financial statements were prepared in euros. The amounts are rounded to thousands of euros, except when transparency reasons require amounts to be presented in euros. Rounding differences in the tables in this report may therefore occur.

On 4 December 2019, the Board of Management of DBAG will authorise the consolidated financial statements and the combined management report for submission to the Supervisory Board. On 9 December 2019, the Supervisory Board will pass a vote on the approval of the consolidated financial statements.

3. CHANGES IN ACCOUNTING METHODS DUE TO AMENDED RULES

Standards and interpretations as well as amendments to standards and interpretations applicable for the first time that have an impact on the reporting period ending 30 September 2019

In the financial year 2018/2019, the new standard IFRS 9 "Financial Instruments" has to be applied for the first time. The standard replaces the previous standard IAS 39 "Financial Instruments: Recognition and Measurement" and, like IAS 39, comprises the issues of classification and measurement, impairment as well as hedging transactions. As a result of the effects on the consolidated financial statements, which overall are not material, DBAG decided to make use of the election provided by IFRS

9 not to adjust comparative information for previous periods. The effects from initial application were accordingly recognised directly in equity on a cumulative basis as at 1 October 2018 (date of transition).

The first-time application of IFRS 9 had the following effects on the presentation of the consolidated financial statements:

Classification and measurement

The new standard IFRS 9 brings fundamental changes to the classification and measurement of financial assets.

IFRS 9 introduces a uniform concept for classifying financial assets. From now on, financial instruments are classified according to two criteria - the business model criterion and the cash flow criterion - into three categories. Measurement follows from the classification.

IFRS 9 provides for the following three categories of financial assets:

- "measured at amortised cost",
- "measured at fair value through other comprehensive income",
- "measured at fair value through profit or loss".

Financial assets whose cash flows consist solely of payments of principal and interest satisfy the cash flow criterion; they are classified in line with DBAG's business model pursuant to IFRS 9.

- If the business model provides for the asset to be held in order to collect contractual cash flows, the asset is measured at amortised cost.
- If the business model provides for both the holding and the sale of assets, to cover a certain liquidity requirement for instance, these assets are measured at fair value through other comprehensive income.

However, financial assets attributable to DBAG's investment business are always measured at fair value through profit or loss. The same applies to financial assets whose cash flows do not consist solely of payments of principal and interest.

In the future, the measurement method results directly from this classification. The following overview shows the measurements methods and carrying amounts in accordance with IAS 39 (up to and including 30 September 2018) as well as the categories, the resulting measurement methods and carrying amounts in accordance with IFRS 9 (since 1 October 2018):

RECONCILIATION OF CARRYING AMOUNTS FROM IAS 39 TO IFRS 9				
€'000	Measurement method in accordance with IAS 39	Category and measurement method in accordance with IFRS 9	Carrying amounts in accordance with IAS 39 as at 30 Sep 2018	**Carrying amounts in accordance with IFRS 9 as at 1 Oct 2018**
			Restated[1]	
Financial assets				
Financial assets	Measured at fair value through profit or loss	Measured at fair value through profit or loss	318,931	318,931
Securities				
Fixed-rate securities	Measured at fair value through other comprehensive income	Measured at fair value through other comprehensive income	33,122	33,400
Mutual funds	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	62,336	62,336
Receivables	Measured at amortised cost	Measured at amortised cost	1,130	1,130
Other financial instruments	Measured at amortised cost	Measured at fair value through profit or loss	32,766	32,766
Cash and cash equivalents	Measured at amortised cost	Measured at amortised cost	23,571	23,571
Other current assets[2]				
Trade receivables	Measured at amortised cost	Measured at amortised cost	264	260
Receivables from DBAG funds	Measured at amortised cost	Measured at amortised cost	4,806	4,805
Receivables from employees	Measured at amortised cost	Measured at amortised cost	140	140
Rental deposit	Measured at amortised cost	Measured at amortised cost	405	404
Interest receivables on securities	Measured at amortised cost	Measured at fair value through other comprehensive income	278	0
Purchase price retention	Measured at amortised cost	Measured at amortised cost	1,534	1,519
			479,284	**479,262**

1 Restatements refer to financial assets, receivables and other current assets in accordance with IAS 8 (see Note 4)
2 Excluding deferred items, value-added tax and other items in the amount of 413,000 euros.

In summary, the following changes result from the application of IFRS 9 at 1 October 2018:

- Changes in the fair value of shares in retail funds (62,336,000 euros, unchanged from 30 September 2018 in accordance with IAS 39) are no longer recognised in other comprehensive income due to the cash flow criterion, but through profit or loss in net income. Changes in value recognised in equity until the first-time application of IFRS 9 (-36,000 euros) are reclassified within equity as at the date of transition.

- Other financial instruments consist of loans to co-investment vehicles; they were previously measured at amortised cost and will be measured at fair value through profit or loss according to their classification (business model criterion) in the future. This means that changes in value are recognised through profit or loss. As the other financial instruments have a term of less than one year, their fair value corresponds to their acquisition price (32,766,000 euros).

- Interest receivables on securities in the amount of 278,000 euros result from fixed-rate securities, which were reclassified upon the transition to IFRS 9 from the item "Other current assets" to the item "Securities".

The effects are not material for DBAG.

Impairment

IFRS 9 introduces a new impairment concept for financial instruments that are structured as debt instruments. Whereas only incurred losses were recognised under IAS 39, IFRS 9 also requires the recognition of expected losses. Since the beginning of the current financial year, DBAG has established a loss allowance for potential future impairment losses on financial assets upon initial recognition of the asset. A loss allowance amounting to the expected losses over the remaining lifetime (simplified impairment model) will be recognised for receivables from co-investment vehicles, receivables from DBAG funds and trade receivables, regardless of their credit quality. First-time application effects from this amendment were recognised in equity in line with the transitional provisions. If expectations of the amount and/or accrual of recognised potential impairment losses should change, the changes are recognised in accordance with the measurement category for the financial instrument (at amortised cost or at fair value through other comprehensive income). Overall, IFRS 9 will therefore lead to the earlier recognition of impairment losses and an increase in impairment amounts. Over time, this recognition of impairment losses will reverse until the principal and interest payable on a financial instrument has been repaid in full.

In aggregate, the transitional effects from the introduction of the new impairment concept amounted to -74,000 euros; the net change in equity was -22,000 euros. The following table shows the effects from the reconciliation of the allowance for credit losses in accordance with IAS 39 (as at 30 September 2018) to the loss allowance in accordance with IFRS 9 (as at 1 October 2018):

RECONCILIATION OF THE ALLOWANCE FOR CREDIT LOSSES IN ACCORDANCE WITH IAS 39 TO THE LOSS ALLOWANCE IN ACCORDANCE WITH IFRS 9

€'000	Allowance for credit losses in accordance with IAS 39	Transitional effects	**Loss allowance in accordance with IFRS 9**
Financial assets at fair value through other comprehensive income			
Securities			
Fixed-rate securities	0	52	52
Total	**0**	**52**	**52**
Financial assets measured at amortised cost			
Receivables	0	0	0
Cash and cash equivalents	0	0	0
Other current assets			
Trade receivables	41	4	45
Receivables from DBAG funds	0	1	1
Receivables from employees	0	1	1
Rental deposit	0	1	1
Purchase price retention	0	15	15
Total	**41**	**22**	**65**
	41	**74**	**117**

As at 30 September 2018, one receivable in the amount of 41,000 euros was subject to full impairment. As at 1 October 2018, loss allowances increased by 74,000 euros, of which 52,000 euros was attributable to the fixed-rate securities sold in the first half of 2018/2019. Another 15,000 euros referred to a purchase price receivable with what we considered to be heightened credit risk.

Effects from the first-time application of IFRS 9 on Group equity are shown in the following table:

EFFECTS FROM THE FIRST-TIME APPLICATION OF IFRS 9 ON GROUP EQUITY	
€'000	
Reserve for changes in accounting methods	
As at 30 September 2018 in accordance with IAS 39	0
Reclassification from change in unrealised gains/losses on available-for-sale securities	(36)
Additions to loss allowances for expected impairment	(74)
As at 1 October 2018 in accordance with IFRS 9	**(109)**
Change in unrealised gains/losses on available-for-sale securities	
As at 30 September 2018 in accordance with IAS 39	(102)
Reclassification to reserves for changes in accounting methods	36
Reclassification to reserves for financial assets measured at fair value through other comprehensive income	67
As at 1 October 2018 in accordance with IFRS 9	**0**
Reserves for financial assets measured at fair value through other comprehensive income	
As at 30 September 2018 in accordance with IAS 39	0
Reclassification from change in unrealised gains/losses on available-for-sale securities	(67)
Change in loss allowances for expected impairment	52
As at 1 October 2018 in accordance with IFRS 9	**(15)**

Standards and interpretations as well as amendments to standards and interpretations applicable for the first time that have no impact on the reporting period ending 30 September 2019

In the consolidated financial statements as at 30 September 2019, the following new standards and interpretations or amendments to standards and interpretations are required to be applied for the first time:

- Amendments to IAS 40 "Investment Property"
- Annual Improvements to IFRS Standards 2014-2016 Cycle
  - IAS 28 "Investments in Associates and Joint Ventures",
  - IFRS 1 "First-time Adoption of IFRS",
- Amendments to IFRS 2 "Share-based Payment",
- Amendments to IFRS 4 "Insurance Contracts",
- IFRS 15 "Revenue from Contracts with Customers",

- Amendments to IFRS 15 "Revenue from Contracts with Customers",
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration".

These amendments do not have an effect on the consolidated financial statements of DBAG.

New standards and interpretations that have not yet been applied

(a) Endorsed by the European Union

The following standards and interpretations were issued by the IASB or the IFRIC, respectively, and endorsed by the European Commission for application in the European Union. The effective date, indicating when the respective standard or interpretation is required to be applied, is given in parentheses. DBAG intends to initially apply the respective standard or interpretation for the financial year beginning after that date. No use will therefore be made of voluntary early application of these standards and interpretations.

Amendments to IAS 19 "Employee Benefits" (1 January 2019)

The amendments to IAS 19 specify the IFRS requirements as regards the treatment of amendments, curtailments or settlements of defined benefit plans. In addition, a clarification was introduced as to how a plan amendment, curtailment or settlement affects the requirements regarding the asset ceiling. DBAG currently is not planning any plan amendments, curtailments or settlements. Therefore, these amendments do not have an effect on the consolidated financial statements of DBAG.

Amendments to IAS 28 "Investments in Associates and Joint Ventures" (1 January 2019)

The amendments to IAS 28 clarify that a company is obliged to apply IFRS 9, including its impairment rules, to long-term interest in associates or joint ventures that, in substance, form part of the company's net investment in the associate or joint venture, rather than using the equity method. The consolidated financial statements of DBAG do not include any investments in associates or joint ventures. Therefore, these amendments do not have an effect on the consolidated financial statements of DBAG.

Amendments to IFRS 9 "Financial instruments" (1 January 2019)

The amendments to IFRS 9 clarify how to account for prepayment features with negative compensation in the classification of financial assets. The amendments do not have an effect on the consolidated financial statements of DBAG.

IFRS 16 "Leases" (1 January 2019)

The new standard IFRS 16 replaces the previous standard IAS 17 Leases, as well as any related interpretations. The major changes refer to lessee accounting. The previous classification of leases into operating and finance leases by the lessee is abolished by IFRS 16. Instead, the new standard introduces a single accounting model pursuant to which lessees are obliged to recognise, for all leases, a right-of-use asset as well as a corresponding lease liability for the outstanding lease payments. Recognition exemptions are granted for leases of low-value assets as well as for short-term leases.

The initial measurement of a lease liability is based on the present value of the lease payments required to be made, less any prepayments already made. For subsequent measurement, the carrying amount of the lease liability is increased to reflect interest on the lease liability – and reduced to reflect the lease payments made.

The corresponding right-of-use asset is recognised at cost less any accumulated depreciation and any necessary impairment losses. The cost of the right-of-use asset equals the present value of any future lease payments plus any lease payments made at or before the commencement of the lease term as well as of any initial direct costs and the expected costs incurred in dismantling and removing the leased asset. Any lease incentives received are deducted.

The transition to IFRS 16 can either be made using the fully retrospective method or the modified retrospective method. As a result of the small number of leases and the overall im-material effects, DBAG decided to apply the modified retro-spective method. In addition, DBAG makes use of the election to recognise the right-of-use asset in the amount of the lease liability as at the date of transition. Further exemptions are not expected to be used.

At DBAG, it is mainly the rental agreement on the business premises at Börsenstrasse 1, Frankfurt/Main, the vehicles and the copiers of the Company, as well as the rental agreement on the business premises of DBG Management GP (Guernsey) Limited, that fall within the scope of IFRS 16. Due to the short remaining term of these agreements, the amount of the right-of-use assets and lease liabilities to be initially recognised will only be marginally different from the sum total of the permanent debt obligations disclosed in Note 31.

IFRIC 23 "Uncertainty over Income Tax Treatments" (1 January 2019)

IFRIC 23 clarifies how income tax risks have to be accounted for in the financial statements. The interpretation has to be applied to taxable profit (tax losses), tax bases, unused tax losses and credits as well as tax rates when there is uncertainty over income tax treatments in accordance with IAS 12. We currently do not expect any effects arising from the application of IFRIC 23 on DBAG's consolidated financial statements.

Annual Improvements to IFRS Standards 2015-2017 Cycle (1 January 2019)

The annual improvements refer to the following financial reporting standards

- IAS 12 "Income Taxes",
- IAS 23 "Borrowing Costs",
- IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangements".

The amendments to IAS 12 specify the income tax treatment of dividends. The amendments to IAS 23 clarify how entities have to cease capitalisation of borrowing costs when a qualifying asset has been prepared for its intended use or sale. The amendments to IFRS 3 and IFRS 11 refer to clarifications regarding measurement in the case of a transfer of control in relation to interests in a company previously held as a joint operation. The amendments to these standards do not have an effect on the consolidated financial statements of DBAG.

(b) Not endorsed by the European Union

Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

The amendments to IAS 1 and IAS 8 aim to introduce a stricter definition of the vague legal term "material". We are currently analysing the effects of the amendments to these standards on DBAG's consolidated financial statements of DVB. A final assessment of the effects is not possible at the moment.

Amendments to IFRS 3 "Business combinations"

The amendments to IFRS 3 refer to the definition of a business, and are aimed at solving problems that arise in distinguishing between the purchase of a business ("share deal") and the purchase of a group of assets ("asset deal"). The amendments are not relevant for DBAG.

Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures"

Amendments to IFRS 9, IAS 39 and IFRS 7 are the result of the so-called "IBOR reform"; they relate to the presentation of hedging relationships. The amendments are not relevant for DBAG.

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Long-term Interests in Associates and Joint Ventures"

The amendments to IFRS 10 and IAS 28 concern the disposal of assets and the contribution of assets to an associate or a joint venture. The endorsement of these amendments into European law has been postponed for an indefinite period. The amendments will not have an effect on the consolidated financial statements of DBAG.

IFRS 14 "Regulatory Deferral Accounts"

The standard refers to first-time adopters of IFRS, and is not relevant for DBAG.

IFRS 17 "Insurance Contracts"

The standard concerns the recognition of insurance contracts, which DBAG does not issue. Therefore, the standard is not relevant for DBAG.

Amendments to references to the IFRS Framework

These amendments involve editorial changes to references to the IFRS Framework in various IFRSs. We currently do not expect any effects arising from these amendments on DBAG's consolidated financial statements.

4. RESTATEMENTS IN ACCORDANCE WITH IAS 8

Nature of the error

In the first quarter of 2018/2019, we identified an error regarding interest receivables reported in the 2017/2018 consolidated financial statements in the two co-investment vehicles of DBAG Fund VI and DBAG Fund VII that were no longer recoverable, but which continued to be reported. The impairment is partially attributable to events that occurred in the financial year 2016/2017. As a consequence, the carrying amounts of the net asset values of these co-investment vehicles were reported too high in the opening statement of financial position as at 1 October 2017 and in the consolidated statement of financial position as at 30 September 2018.

This correction was taken as an opportunity to make further adjustments. On the one hand, fee income from Fund Services has to be increased due to a clarification of contractual provisions. On the other hand, reversals of personnel provisions that were not recorded in the financial year 2016/2017 and were subsequently recognised in the financial year 2017/2018 were reflected on an accrual basis. As part of these restatements, feedback effects on earnings-related variable remuneration components pertaining to the Board of Management were also taken into consideration.

These corrections of errors were made retrospectively in accordance with IAS 8. In this context, the restatements for the financial year 2016/2017 were reflected in the opening statement of financial position as at 1 October 2017. The resulting restatement of financial assets amounts to -1,338,000 euros as at 1 October 2017 and to -4,373,000 euros as at 30 September 2018. In addition, in the opening statement of financial position as at 1 October 2017, an amount of 8,438,000 euros resulting from a previous change in method was corrected (further information can be found in the 2017/2018 Annual Report on pages 114 et seqq.).

Adjustments to comparative figures

Restatements of the comparative figures in the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the consolidated statement of financial position as well as the changes in earnings per share are shown in the following tables:

ADJUSTMENT OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN ACCORDANCE WITH IAS 8

for the period from 1 October 2017 to 30 September 2018

€'000	1 Oct 2017 to 30 Sep 2018		**1 Oct 2017 to 30 Sep 2018**
	A s reported	IAS 8 - restatement	Restated
Net gain or loss from investment activities[1]	34,133	(3,035)	31,098
Income from Fund Services[2]	28,536	319	28,855
Income from Fund Services and investment activities[3]	**62,669**	**(2,716)**	**59,953**
Personnel expenses	(16,812)	(1,193)	(18,005)
Other operating income	3,697	0	3,697
Other operating expenses	(15,557)	0	(15,557)
Interest income	344	0	344
Interest expenses	(702)	0	(702)
Other income/expense items	**(29,029)**	**(1,193)**	**(30,222)**
Earnings before tax	**33,640**	**(3,909)**	**29,731**
Income taxes	(18)	0	(18)
Earnings after tax	**33,622**	**(3,909)**	**29,714**
Net gain or loss attributable to non-controlling interests[4]	(25)	0	(25)
Net income	**33,597**	**(3,909)**	**29,688**
a) Items that will not be reclassified subsequently to profit or loss			
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset)	(1,155)	0	(1,155)
b) Items that will be reclassified subsequently to profit or loss			
Unrealised gains (+)/losses (-) on available-for-sale securities	(47)	0	(47)
Other comprehensive income	**(1,203)**	**0**	**(1,203)**
Total comprehensive income	**32,394**	**(3,909)**	**28,486**
Earnings per share in euros (diluted and basic) [5]	2.23	(0.26)	1.97

1 Previous year: "Net gain or loss from investment activity"
2 Previous year: "Fee income from fund management and advisory services"
3 Previous year: "Net result of fund services and investment activity"
4 Previous year: "Profit (-)/loss (+) attributable to non-controlling interests"
5 The earnings per share calculated in accordance with IAS 33 are based on net income divided by the average number of DBAG shares outstanding during the reporting period.

ADJUSTMENT OF THE CONSOLIDATED STATEMENT OF CASH FLOWS IN ACCORDANCE WITH IAS 8

for the period from 1 October 2017 to 30 September 2018

INFLOWS (+)/OUTFLOWS (-)			
€'000	1 Oct 2017 to 30 Sep 2018		**1 Oct 2017 to 30 Sep 2018**
	A s reported	IAS 8 - restatement	Restated
Net income	33,597	(3,909)	29,688
Measurement gains (-)/losses (+) on financial assets and loans and receivables, amortisation of intangible assets and depreciation of property, plant and equipment, gains (-)/losses (+) on securities	(24,718)	4,280	(20,438)
Gains (-)/losses (+) from the disposal of non-current assets	(1,133)	0	(1,133)
Increase (-)/decrease (+) in income tax assets	78	0	78
Increase (-)/decrease (+) in other assets (netted)	3,091	(372)	2,719
Increase (+)/decrease (-) in pension provisions	887	0	887
Increase (+)/decrease (-) in income tax liabilities[1]	17	0	17
Increase (+)/decrease (-) in other provisions	(5,556)	(52)	(5,608)
Increase (+)/decrease (-) in other liabilities (netted)	3,595	53	3,647
Cash flows from operating activities	**9,858**	**0**	**9,858**
Proceeds from disposals of financial assets and loans and receivables	30,302	0	30,302
Purchase of investments in financial assets and loans and receivables	(63,826)	0	(63,826)
Proceeds from disposals of other financial instruments	36,546	0	36,546
Payments for investments in other financial instruments	(33,664)	0	(33,664)
Cash flow from investing activities	(30,641)	0	(30,641)
Proceeds from disposals of property, plant and equipment and intangible assets	177	0	177
Payments for investments in property, plant and equipment and intangible assets	(303)	0	(303)
Proceeds from disposals of securities	41,384	0	41,384
Payments for investments in securities	(103,818)	0	(103,818)
Cash flow from investing activities[2]	**(93,200)**	**0**	**(93,200)**
Proceeds from capital increases	0	0	0
Payments to shareholders (dividends)	(21,062)	0	(21,062)
Cash flow from financing activities	**(21,062)**	**0**	**(21,062)**
Net change in cash and cash equivalents	(104,404)	0	(104,404)
Cash and cash equivalents at beginning of period	127,976	0	127,976
Cash and cash equivalents at end of period	**23,571**	**0**	**23,571**

1 Previous year: "Increase (+)/decrease (-) in provisions for taxes"
2 Taking into account the new structure (see Note 2 and Note 32)

ADJUSTMENT OF THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN ACCORDANCE WITH IAS 8

for the period from 1 October 2017 to 30 September 2018

€'000	1 Oct 2017 to 30 Sep 2018		**1 Oct 2017 to 30 Sep 2018**
	As reported	IAS 8 - restatement	Restated
Subscribed capital			
At start and end of reporting period	**53,387**	**0**	**53,387**
Capital reserve			
At start and end of reporting period	**173,762**	**0**	**173,762**
Retained earnings and other reserves			
Legal reserve			
At start and end of reporting period	403	0	403
First-time adoption of IFRS			
At start and end of reporting period	16,129	0	16,129
Reserve for gains/losses on remeasurements of the net defined benefit liability (asset)			
At start of reporting period	(21,605)	0	(21,605)
Change in reporting period	(1,155)	0	(1,155)
At end of reporting period	(22,760)	0	(22,760)
Change in unrealised gains/losses on available-for-sale securities			
At start of reporting period	(55)	0	(55)
Changes recognised directly in equity during the period	(47)	0	(47)
At end of reporting period	(102)	0	(102)
At end of reporting period	**(6,331)**	**0**	**(6,331)**
Consolidated retained profit			
At start of reporting period	214,427	(81)	214,346
Dividend	(21,062)	0	(21,062)
Net income	33,597	(3,909)	29,688
At end of reporting period	**226,962**	**(3,989)**	**222,973**
Total	**447,779**	**(3,989)**	**443,790**

RESTATEMENT OF THE OPENING STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH IAS 8
as at 30 September 2018

€'000	30 Sep 2018		**30 Sep 2018**
	As reported	IAS 8 - restatement	Restated
ASSETS			
Non-current assets			
Intangible assets	438	0	438
Property, plant and equipment	839	0	839
Financial assets	323,304	(4,373)	318,931
Long-term securities	55,458	0	55,458
Other non-current assets	0	0	0
Deferred tax assets	0	0	0
Total non-current assets	**380,039**	**(4,373)**	**375,666**
Current assets			
Receivables	1,091	40	1,130
Short-term securities	40,000	0	40,000
Other financial instruments	32,766	0	32,766
Income tax assets	345	0	345
Cash and cash equivalents	23,571	0	23,571
Other current assets	7,408	432	7,840
Total current assets	**105,181**	**472**	**105,653**
Total assets	**485,220**	**(3,901)**	**481,319**
EQUITY AND LIABILITIES			
Equity			
Subscribed capital	53,387	0	53,387
Capital reserve	173,762	0	173,762
Retained earnings and other reserves	(6,331)	0	(6,331)
Consolidated retained profit	226,962	(3,989)	222,973
Total equity	**447,779**	**(3,989)**	**443,790**
Debt			
Non-current liabilities			
Liabilities to non-controlling interests[1]	180	0	180
Provisions for pension obligations	12,209	0	12,209
Total non-current liabilities	**12,389**	**0**	**12,389**
Current liabilities			
Other current liabilities	15,773	141	15,913
Income taxes payable[2]	17	0	17
Other provisions	9,262	(52)	9,209
Total current liabilities	**25,052**	**88**	**25,140**
Total liabilities	**37,441**	**88**	**37,529**
Total equity and liabilities	**485,220**	**(3,901)**	**481,319**

1 Previous year: "Minority interests"
2 Previous year: "Tax provisions"

RESTATEMENT OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH IAS 8

as at 1 October 2017

€'000	1 Oct 2017		**1 Oct 2017**
	As reported	IAS 8 - restatement	Restated
ASSETS			
Non-current assets			
Intangible assets	693	0	693
Property, plant and equipment	1,129	0	1,129
Financial assets	252,830	(9,775)	243,055
Long-term receivables	1,338	0	1,338
Long-term securities	33,659	0	33,659
Total non-current assets	**289,648**	**(9,775)**	**279,873**
Current assets			
Receivables	3,649	8	3,657
Short-term securities	0	0	0
Other financial instruments	35,649	0	35,649
Income tax assets	423	0	423
Cash and cash equivalents	127,976	0	127,976
Other current assets	6,624	91	6,715
Total current assets	**174,320**	**100**	**174,419**
Total assets	**463,968**	**(9,675)**	**454,293**
EQUITY AND LIABILITIES			
Equity			
Subscribed capital	53,387	0	53,387
Capital reserve	173,762	0	173,762
Retained earnings and other reserves	(5,129)	0	(5,129)
Consolidated retained profit	214,427	(8,518)	205,909
Total equity	**436,447**	**(8,518)**	**427,929**
Debt			
Non-current liabilities			
Liabilities to non-controlling interests[1]	148	0	148
Provisions for pension obligations	11,323	0	11,323
Total non-current liabilities	**11,471**	**0**	**11,471**
Current liabilities			
Other current liabilities	1,233	88	1,321
Other provisions	14,818	(1,245)	13,573
Total current liabilities	**16,050**	**(1,157)**	**14,893**
Total liabilities	**27,521**	**(1,157)**	**26,364**
Total equity and liabilities	**463,968**	**(9,675)**	**454,293**

1 Previous year: "Minority interests"

5. DISCLOSURES ON THE GROUP OF CONSOLIDATED COMPANIES AND ON INTERESTS IN OTHER ENTITIES

5.1 Status of DBAG as an investment entity as defined in IFRS 10

DBAG initiates closed-end private equity funds ("DBAG funds") for investments in equity or equity-like instruments, predominantly in unlisted companies. It solicits capital commitments from institutional investors to DBAG funds and provides asset management services to them via fully consolidated subsidiaries. The management companies of the DBAG funds are under the obligation to their investors to invest the capital based on a contractually-agreed investment strategy that aims to realise increases in value through sales and to generate current income. DBAG measures and evaluates the performance of the investments made by the DBAG funds at quarterly intervals on a fair value basis. Thus, DBAG, as a parent company, meets the criteria of an investment entity as defined in IFRS 10.

DBAG is recognised as a special investment company, as defined by German statutory legislation on special investment companies (Gesetz über Unternehmensbeteiligungsgesellschaften - UBGG) and has made investments in more than 300 companies since its foundation. DBAG is a listed public limited company; its shareholder structure is composed of private individual investors, family offices and institutional investors. Employing its own assets, it enters into investments as a co-investor alongside the DBAG funds. Based on co-investment agreements with the DBAG funds, DBAG and the funds invest in the same companies and in the same instruments based on the same terms. Employees (related parties) and former employees of DBAG also co-invest in the co-investment vehicles and DBAG funds. Due to the low investment share of related parties, this has no effect on DBAG's status as an investment entity. All typical characteristics of an investment entity are therefore met.

5.2 Fully-consolidated subsidiaries

As an investment entity within the meaning of IFRS 10, DBAG only consolidates such subsidiaries that provide investment- related services to the investment entity. The following subsidiaries continue to be included in the consolidated financial statements at 30 September 2019:

Name	Registered office	Equity interest %	If different, voting interest %
AIFM-DBG Fund VII Management (Guernsey) LP	St. Peter Port, Guernsey	0.00	
DBG Advising GmbH & Co. KG	Frankfurt/Main, Germany	20.00	
DBG Fund VI GP (Guernsey) LP	St. Peter Port, Guernsey	0.00	
DBG Fund VII GP S.a r.l.	Luxembourg- Findel, Luxembourg	100.00	
DBG Management GmbH & Co. KG	Frankfurt/Main, Germany	100.00	
DBG Management GP (Guernsey) Ltd.	St. Peter Port, Guernsey	3.00	0.00
DBG Managing Partner GmbH & Co. KG	Frankfurt/Main, Germany	20.00	
DBG New Fund Management GmbH & Co. KG	Frankfurt/Main, Germany	100.00	
European PE Opportunity Manager LP	St. Peter Port, Guernsey	0.00	

These subsidiaries provide the management and advisory services for DBAG funds. The range of Fund Investment Services comprises the identication, analysis and structuring of investment opportunities, negotiation of the investment agreements, compilation of investment memorandums for the funds, support for the portfolio companies during the holding period, and realisation of the funds' portfolio companies. When managing DBAG funds, the range of services additionally includes taking investment decisions.

In the case of DBG Fund VII GP S.à r.l., DBG Management GmbH & Co. KG and DBG New Fund Management GmbH & Co. KG, the parent-subsidiary relationship results from the fact that DBAG holds the majority of voting rights in these entities.

DBAG does not hold the majority of the voting rights in the case of AIFM-DBG Fund VII Management (Guernsey) LP, DBG Advising GmbH & Co. KG, DBG Fund VI GP (Guernsey) LP, DBG Management GP (Guernsey) Ltd., DBG Managing Partner GmbH & Co. KG and European PE Opportunity Manager LP. However, in the six entities mentioned, there are partners with voting rights who are parties related to DBAG and give DBAG a controlling position within the meaning of IFRS 10. DBAG therefore has control over the entity's relevant activities; it also receives the majority of the distributable amounts and can influence the amount of these variable returns.

5.3 Unconsolidated investment entity subsidiaries

The co-investments that DBAG makes using its own assets in order to align its interests with those of managed and/or advised DBAG funds within the scope of its business activity are made through its own companies (referred to as "co-investment vehicles"). These companies do not provide investment-related services but serve the sole purpose of bundling the co-investments of DBAG alongside a fund. The subsidiary Deutsche Beteiligungsgesellschaft mbH (DBG) meets the criteria for classification as an investment entity and additionally provides investment-related services. The co-investment vehicles and DBG – known collectively as investment entity subsidiaries – are not consolidated but rather recognised at fair value through profit or loss and presented under financial assets (see also the comments in Note 7 under the heading "Fair value measurement of financial assets through profit or loss").

Name	Registered office	Equity/voting interest %
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	Frankfurt/Main, Germany	100,00
DBAG Fund V Konzern GmbH & Co. KG	Frankfurt/Main, Germany	99,00
DBAG Expansion Capital Fund Konzern GmbH & Co. KG[1]	Frankfurt/Main, Germany	99,00
DBAG Fund VI Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99,99
DBAG Fund VII Konzern SCSp	Luxembourg-Findel, Luxembourg	99,99
DBAG Fund VII B Konzern SCSp	Luxembourg-Findel, Luxembourg	99,99
Deutsche Beteiligungsgesellschaft mbH	Königstein/Taunus, Germany	100,00

1 DBAG Expansion Capital Fund Konzern GmbH & Co. KG comprises three consecutive investment periods of DBAG ECF (original investment period, first and second new investment periods) which are managed as separate accounting areas.

Before the introduction of the co-investments alongside the DBAG funds, DBAG invested in individual portfolio companies and international funds via DBG. Distributions from this company are expected only after the disposal of a remaining investment.

The investments by DBAG using its own assets alongside the DBAG funds are based on co-investment agreements with the funds. This means that DBAG has a contractual obligation to provide financing for investments and costs at a fixed quota for each of the funds; it can, however, unilaterally waive that contractual obligation (right to opt out), but would then forgo the opportunity of investing alongside the respective fund for the remaining term of that DBAG fund. In order to invest its funds profitably and at the same time aligning its own interests with those of the fund investors, DBAG does not intend to exercise this right to opt out.

At the reporting date, DBAG has the following obligations under co-investment agreements ("callable capital commitments"):

€'000			
Name	Capital commitment	Accumulated capital calls as at 30 Sep 2019	Callable capital commitments as at 30 Sep 2019
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	93,737	91,108	0
DBAG Fund V Konzern GmbH & Co. KG	103,950	102,578	1,372
DBAG ECF Konzern GmbH & Co. KG Original Investment Period (DBAG ECF)	100,000	78,044	22,208
DBAG ECF Konzern GmbH & Co. KG First New Investment Period (DBAG ECF I)	34,751	25,525	9,314
DBAG ECF Konzern GmbH & Co. KG Second New Investment Period (DBAG ECF II)	39,715	16,970	22,745
DBAG Fund VI Konzern (Guernsey) L. P.	133,000	134,885	1,743
DBAG Fund VII Konzern SCSp	183,000	122,147	60,853
DBAG Fund VII B Konzern SCSp	17,000	5,503	11,497
	705,153	**576,760**	**129,733**

€'000			
Name	Capital commitment	Accumulated capital calls as at 30 Sep 2018	Callable capital commitments as at 30 Sep 2018
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	93,737	91,108	0
DBAG Fund V Konzern GmbH & Co. KG	103,950	102,578	1,372
DBAG ECF Konzern GmbH & Co. KG Original Investment Period (DBAG ECF)	100,000	69,696	30,408
DBAG ECF Konzern GmbH & Co. KG First New Investment Period (DBAG ECF I)	34,751	23,240	11,511
DBAG ECF Konzern GmbH & Co. KG Second New Investment Period (DBAG ECF II)	39,715	14,658	25,057
DBAG Fund VI Konzern (Guernsey) L. P.	133,000	132,987	4,475
DBAG Fund VII Konzern SCSp	183,000	71,996	111,004
DBAG Fund VII B Konzern SCSp	17,000	2,350	14,650
	705,153	**508,613**	**198,477**

The callable capital commitments are determined in accordance with the Articles of Association of the fund. They comprise capital commitments that have not yet been called, as well as recallable distributions. The partnership agreements for the DBAG funds allow up to 20 per cent of distributions to be recalled for follow-on investments in existing portfolio companies. This means that an individual fund can achieve accumulated capital calls of up to 120 per cent. As at the reporting date, the callable capital commitments at DBAG ECF's co-investment vehicle and DBAG Fund VI Konzern (Guernsey) L.P. included recallable distributions.

Based on its co-investing activity in the past financial year, DBAG received the following disbursements from, or made the following investments in, investment entity subsidiaries:

€'000	2018/2019	
Name	Disbursements	Investments
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	0	0
DBAG Fund V Konzern GmbH & Co. KG	0	0
DBAG ECF Konzern GmbH & Co. KG Original Investment Period (DBAG ECF)	19,355	8,349
DBAG ECF Konzern GmbH & Co. KG First New Investment Period (DBAG ECF I)	89	2,285
DBAG ECF Konzern GmbH & Co. KG Second New Investment Period (DBAG ECF II)	0	11,988
DBAG Fund VI Konzern (Guernsey) L.P.	32,358	2,732
DBAG Fund VII Konzern SCSp	0	50,151
DBAG Fund VII B Konzern SCSp	0	3,153
	51,802	**78,657**

€'000	2017/2018	
Name	Disbursements	Investments
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	0	0
DBAG Fund V Konzern GmbH & Co. KG	5,211	0
DBAG ECF Konzern GmbH & Co. KG Original Investment Period (DBAG ECF)	10,996	1,462
DBAG ECF Konzern GmbH & Co. KG First New Investment Period (DBAG ECF I)	0	23,240
DBAG ECF Konzern GmbH & Co. KG Second New Investment Period (DBAG ECF II)	0	4,982
DBAG Fund VI Konzern (Guernsey) L.P.	10,235	4,484
DBAG Fund VII Konzern SCSp	0	71,996
DBAG Fund VII B Konzern SCSp	0	2,350
	26,441	**108,514**

The disbursements of DBAG ECF's co-investment vehicle in the amount of 19,355,000 euros are largely attributable to a distribution following disposal of a shareholding, and realised income from portfolio companies. Investments in the amount of 8,349,000 euros relate to follow-on investments in two portfolio companies.

The co-investment vehicle of DBAG ECF I executed a follow-on investment in the amount of 2,285,000 euros for an existing shareholding.

The co-investment vehicle of DBAG ECF II invested in a new portfolio company as well as in a follow-on investment for an existing shareholding, in an aggregate amount of 11,988,000 euros.

DBAG Fund VI Konzern (Guernsey) L.P. disbursed 32,358,000 euros following the disposal of two investments. The company executed follow-on investments in the amount of 2,732,000 euros for two existing portfolio companies.

DBAG Fund VII Konzern SCSp invested in four new portfolio companies, with DBAG Fund VII B Konzern SCSp (Top-Up Fund) co-investing in two of these.

5.4 Interests in portfolio companies and international funds

DBAG holds direct interests in one portfolio company and one international fund.

Name	Registered Office	Equity interest %	If different, voting interest %
JCK Holding GmbH Textil KG	Quakenbrück, Germany	3.60	0.00
Harvest Partners IV GmbH & Co KG	Munich, Germany	9.86	0.00

DBAG does not have a significant influence on the portfolio company or the international fund. Since both entities are allocated to the investment business, they are recognised at fair value through profit or loss and presented under financial assets (see also the comments in Note 7 under the heading "Fair value measurement of financial assets through profit or loss").

5.5 Unconsolidated subsidiaries

The following subsidiaries are not included in the consolidated financial statements:

Name	Registered office	Equity/voting interest %
Bowa Geschäftsführungs GmbH i. L.	Frankfurt/Main, Germany	100.00
DBG Advising Verwaltungs GmbH	Frankfurt/Main, Germany	20.00
DBG Managing Partner Verwaltungs GmbH	Frankfurt/Main, Germany	20.00
DBG Fund VIII GP (Guernsey) L.P.	St. Peter Port, Guernsey	0.00
DBG Fund VIII GP (Guernsey) Limited	St. Peter Port, Guernsey	0.00
RQPO Beteiligungs GmbH	Frankfurt/Main, Germany	77.54
RQPO Beteiligungs GmbH & Co. Papier KG	Frankfurt/Main, Germany	90.00

Bowa Geschäftsführungs GmbH i. L. is not included in the consolidated financial statements due to immateriality.

DBG Advising Verwaltungs GmbH, DBG Managing Partner Verwaltungs GmbH, RQPO Beteiligungs GmbH and RQPO Beteiligungs GmbH & Co. Papier KG do not provide investment-related services and are therefore not consolidated, but instead accounted for at fair value through profit or loss.

DBG Fund VIII GP (Guernsey) L.P. and DBG Fund VIII GP (Guernsey) Limited, which were founded in the reporting year, will provide administration services for DBAG Fund VIII in future. Since they have not conducted any business activities to date, they were not consolidated in the financial year 2018/2019 due to immateriality.

Please refer to Note 39 for further details concerning the "Relationships in connection with DBG Managing Partner GmbH & Co. KG and DBG Advising GmbH & Co. KG".

5.6 Unconsolidated structured companies

Within the scope of the business activity of DBAG and its subsidiaries as external capital management companies or investment service providers to private equity funds, contractual arrangements exist between DBAG and structured entities of managed or advised DBAG funds that DBAG initiated within the scope of its business activity. In particular, in the founding phase of a DBAG fund, the managed subsidiaries of DBAG prepay certain charges. These costs are reimbursed to the companies by the investors in the relevant funds upon the commencement of the respective investment period. As in the previous year, no costs were prepaid or reimbursed.

The following companies that DBAG initiated within the scope of its business activity described above are structured entities that were neither consolidated nor recognised at fair value through profit or loss as at 30 September 2019:

Name	Registered office	Equity/voting interest %
DBAG Fund IV International GmbH & Co. KG i. L.	Frankfurt/Main, Germany	0.00
DBAG Fund IV GmbH & Co. KG i. L.	Frankfurt/Main, Germany	0.00

Name	Registered office	Equity/voting interest %
DBAG Fund V GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Fund V International GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Fund V Co-Investor GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Expansion Capital Fund GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Expansion Capital Fund International GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Fund VI (Guernsey) L.P.	St. Peter Port, Guernsey	0.00
DBG Fund HoldCo GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Fund VI Feeder GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Fund VII SCSp	Luxembourg-Findel, Luxembourg	0.00
DBAG Fund VII B SCSp	Luxembourg-Findel, Luxembourg	0.00
DBAG Fund VII B Feeder GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Fund VII Feeder GmbH & Co. KG	Frankfurt/Main, Germany	0.00
European Private Equity Opportunities I LP	St. Peter Port, Guernsey	0.00

The companies listed are the investment vehicles for the German and international investors in the DBAG funds.

The DBAG Group does not have contractual or economic commitments to these unconsolidated structured entities to provide financing or assets. Exposure to economic risk relates exclusively to the advisory and management activity for the DBAG funds. Group companies receive fees based on contractual agreements for the services provided to DBAG funds (see Note 5.2 and Note 39).

Exposure to losses from these structured entities result only for receivables arising from income from fund services.

€'000	**30 Sep 2019**	30 Sep 2018
Name	**Maximum loss exposure**	Maximum loss exposure
		Restated[1]
DBAG Fund IV GmbH & Co. KG i. L.	0	0
DBAG Fund IV International GmbH & Co. KG i. L.	0	0
DBAG Fund V GmbH & Co. KG	0	45
DBAG Fund V International GmbH & Co. KG	0	104

DBAG Fund V Co-Investor GmbH & Co. KG	0	0
DBAG Expansion Capital Fund GmbH & Co. KG Original Investment Period (DBAG ECF)	295	148
DBAG Expansion Capital Fund GmbH & Co. KG First New Investment Period (DBAG ECF I)	124	39
DBAG Expansion Capital Fund International GmbH & Co. KG Original Investment Period (DBAG ECF)	182	90
DBAG Expansion Capital Fund International GmbH & Co. KG First New Investment Period (DBAG ECF I)	399	151
DBAG Expansion Capital Fund International GmbH & Co. KG Second New Investment Period (DBAG ECF II)	397	137
DBAG Fund VI (Guernsey) L.P.	1,690	1,964
DBAG Fund VII SCSp	3,415	701
DBAG Fund VII B SCSp	143	434
	6,645	**3,814**

[1] Restated in accordance with IAS 8 (see Note 4)

All other unconsolidated structured entities in which DBAG acted as an initiator did not result in any contractual or economic commitments as at the reporting date (previous year: none) that could result in an inflow or out-flow of funding, or involve an exposure to losses for the DBAG Group.

Disclosures on list of shareholdings pursuant to § 313 (2) HGB

The disclosures on the list of shareholdings pursuant to § 313 (2) of the German Commercial Code (Handelsgesetzbuch – HGB) can be found in Note 44 of these notes to the consolidated financial statements.

6. CONSOLIDATION METHODS

Capital consolidation is performed using the purchase method based on the date on which DBAG obtained a controlling influence over the relevant subsidiary (acquisition date). Acquisition costs are offset against the fair value of the acquired identifiable assets and assumed liabilities as well as contingent liabilities. The carrying amounts are amortised in subsequent periods. No goodwill required to be capitalised has arisen.

Intra-Group balances and transactions, as well as any unrealised income and expenses from intra-Group transactions, are eliminated in the preparation of the consolidated financial statements. Deferred income taxes are taken into account in the consolidation procedures.

7. ACCOUNTING POLICIES

Recognition of assets and liabilities

Non-financial assets are recognised in the consolidated statement of financial position if it is probable that the future economic benefit will flow to DBAG and their cost can be reliably measured.

Non-financial liabilities are recognised in the consolidated statement of financial position if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the settlement can be reliably measured.

Regular-way purchases or sales of financial assets are recognised for all financial instruments as at the settlement date.

Classes of financial instruments

In the DBAG Group, the measurement categories pursuant to IFRS 9 are defined as the classes of financial instruments in accordance with IFRS 7 (see Note 3). For the purpose of IFRS 13, level 3 financial instruments are further subdivided into

- interests in investment entity subsidiaries,
- interests in portfolio companies,
- international fund investments; as well as
- Other.

Fair value measurement of financial assets through profit or loss

Due to the operating activities of DBAG Group as a financial investor, the consolidated financial statements are largely characterised by the measurement of financial assets at fair value through profit or loss. Financial assets chiefly comprise:

- interests in investment entity subsidiaries (see Note 5.3),
- interests in one portfolio company (interests in portfolio companies with a share in the voting rights of less than 20 per cent, see Note 5.4),
- one international fund investment (see Note 5.4).

Regardless of whether they are held directly or via investment entity subsidiaries, all interests in portfolio companies are measured at fair value initially and at all subsequent quarterly and annual reporting dates by DBAG's internal Valuation Committee. The Valuation Committee includes the members of the Board of Management, two employees of the finance unit and two investment controllers.

DBAG has developed valuation guidelines for fair value measurement in accordance with IFRS 13. These guidelines are based on the recommendations set out in the International Private Equity and Venture Capital Valuation Guidelines (IPEVG), as amended in December 2018, insofar as these are consistent with IFRS. DBAG's valuation guidelines specify the application of IPEVG provisions, insofar as the latter are vague or compliance with IFRS so requires, in order to allow them to be applied in intersubjectively clear terms to DBAG. The IPEVG do not have to be applied mandatorily; rather, they summarise standard valuation practices in the private equity industry.

General principles of fair value measurement

The fair values of the various classes of financial instruments are determined in accordance with consistent measurement methods and on the basis of uniform input factors. All assumptions and parameters which are relevant to valuation are taken into account in accordance with the IPEVG.

The valuation is performed at the relevant quarterly and annual reporting dates (valuation date), taking all the information that has an impact on value into account, i.e. all of the events between the valuation date and the date on which the consolidated financial statements are prepared, insofar as these events provide information that is relevant for valuation purposes that market participants were already aware of, or ought to have been aware of, on the valuation date.

In determining the fair value, critical judgements on the part of the Valuation Committee will become necessary to a certain extent, i.e. assumptions and estimates must be made. These are constructively substantiated by the Valuation Committee and documented in the valuation records. The assumptions and estimates are based on current knowledge developments, and the experience of the Valuation Committee, and are consistently applied without arbitrariness.

Upon the disposal of a portfolio company, the Valuation Committee analyses whether and, if so, to what extent the realised value differs from the most recently calculated fair value (a process known as "backtesting"). Backtesting provides information on the causes of the changes in value in order to make ongoing improvements to the valuation process.

Fair value upon initial recognition

Upon initial recognition, the fair value corresponds to the acquisition price. Ancillary transaction costs are not capitalised, but are immediately expensed. Ancillary transaction costs include fees paid to intermediaries, advisers (such as legal advisers or consultants), brokers and dealers, charges levied by regulatory authorities and securities exchanges, as well as taxes and other charges incurred for the transaction.

Fair value hierarchy for subsequent measurement

On subsequent reporting dates, the fair value is measured on a going concern basis.

As far as possible, the fair value of a portfolio company as at the subsequent reporting dates is measured based on prices from transactions in the market that were observed on the valuation date or immediately prior to that date. This is normally possible for companies whose shares are quoted on the stock exchange. These portfolio companies are measured at the closing rate on the valuation date, or the closing rate on the last day of trading prior to this date. In determining prices, the principal market or the most advantageous market is used as the relevant stock exchange. The fair value thus determined is neither reduced by premiums attaching to the sale of larger blocks of shares nor by deductions for disposal costs.

For unlisted companies, a valuation methodology may be considered that is based on a signed purchase agreement or a binding purchase bid – if the completion of the purchase agreement is sufficiently assured or if the purchase bid seems realisable with reasonable assurance. If appropriate, valuations can be based on relevant comparative amounts of recent transactions in the capital of the portfolio company (financing rounds) or based on relevant comparative prices of recent transactions that have taken place in the market.

If the transaction price observable in the market as at the valuation date or the price of the most recent transaction made prior to the valuation date does not constitute a sufficiently reliable measurement – for example due to insufficient liquidity in the market or in the event of a forced transaction or distressed sale – valuation procedures are used that measure fair value on the basis of assumptions.

Fair value measurement methods on hierarchy level 3

The net asset value of unconsolidated subsidiaries – in particular, investment entity subsidiaries (co-investment vehicles and DBG), is determined using the sum of-the-parts procedure. With this method, individual asset and liability items are measured separately at fair value and then aggregated to the net asset value of the unconsolidated subsidiaries.

Selected members of the investment team as well as selected members of senior management who are not members of the investment team have committed to take an interest in DBAG funds. Under certain conditions (see Note 39), this can result in a profit share for the members that is disproportionate to the capital invested ("carried interest"). For the purposes of fair value measurement, the total liquidation of a fund's portfolio as at the reporting date is assumed when assessing whether these conditions are met. If the total sales proceeds already realised as at a reporting date plus the fair values of the investments still held in the portfolio are equivalent to the full repayment of capital, then the co-investment vehicle's share in the net asset value is reduced by the computed carried interest.

Portfolio companies are measured either using the multiples or the DCF method (see below). Whilst the multiples method is applied to established portfolio companies, high-growth portfolio companies and international fund investments are measured using the DCF method.

In case of the multiples method, the total enterprise value is determined by applying a multiple for one key financial indicator of the company to be valued. Valuations are generally performed on the basis of earnings before interest, tax, depreciation and amortisation (EBITDA) and earnings before interest, tax and amortisation (EBITA). The total enterprise value is generally measured as a mean on the basis of EBITDA and EBITA, in exceptional cases solely on the basis of EBITDA. Median EBITDA is defined as the leading multiple when deriving multiples from peer group companies.

The indicator derives from a portfolio company's current financial metrics. To obtain a sustainably achievable reference value, these metrics are adjusted for special effects such as non-recurring expenses or discounts for risk projects. In addition, discounts or premiums are made on the applied indicators if there is current information that is not yet reflected in these financial metrics.

The multiple is derived from comparable recent transactions if representative recent transactions for the portfolio company were observed on the market and relevant comparative amounts for these transactions are available in sufficiently reliable and detailed form.

If such comparative figures are not available, the multiple is determined based on the market capitalisation of a peer group consisting of listed companies. Companies are selected for the peer group that are largely comparable with the investee business to be valued as regards their business model, the geographical focus of their operations as well as their size. If the portfolio company to be valued differs in certain aspects from the respective features of peer group companies, discounts or premiums are applied to the relevant multiple of the peer group company. As long as these differences between the portfolio company to be valued and the peer group companies exist, these discounts or premiums are applied consistently.

If no listed peers that are comparable with the company to be valued (especially in terms of size, growth rates and margins) are known, the multiple is derived from the starting multiple. These starting multiples are extrapolated in line with the development of the reference multiple which is in turn determined using the median for a peer group of similar companies that are as comparable as possible (so-called calibration). This calibration is applied consistently.

In the DCF method, the fair value is determined by discounting expected future cash flows. The portfolio company's mid-term planning is used as the basis for projecting future cash flows. This is adjusted, if appropriate, in order to better reflect the assessment of the future company development. The perpetual annuity is calculated on the basis of the earnings situation of the last planning year, which is adjusted by an appropriate growth rate to be determined by the Valuation Committee. We derive the discount rate using the WACC model (WACC = weighted average cost of capital) from the weighted cost of equity and debt. In discounting equity, we derive the rate from a risk-free base rate and a risk premium to capture the business risk involved. The discount rate for debt corresponds to the refinancing rate for the portfolio company to be valued.

For the valuations of international fund investments using the DCF method, expected proceeds from the sale of portfolio companies are discounted to the valuation date by applying a discount rate.

Fair values determined on the basis of the DCF method are reviewed as to their marketability every two years using a multiple valuation.

Revenue recognition

Due to the particularities arising from the operating activities of the DBAG Group as a financial investor, "Net gains or losses from investment activities" as well as "Income from Fund Services" are presented instead of revenues. Net gain or loss from investment activities comprises the net result of valuation and disposal as well as current income from financial assets net of carried interest.

The net result of valuation comprises the changes in the fair values of financial assets that are determined as at each reporting date based on the principles set out above.

The net result of disposal contains gains realised upon the derecognition of financial assets. For regular-way sales, disposals are recognised at the settlement date. The gains achieved on the sale are therefore recorded at that date as net result of disposal. The settlement date is the day on which the contractually agreed obligations between the selling and purchasing parties are fulfilled. In the DBAG Group, this is usually the day on which the interests in the divested portfolio company are transferred in exchange for the receipt of cash, a purchaser's loan or other financial assets. In the event of contractually-agreed purchase price retentions for representations and warranties or other risks, these are recognised only at the date at which claims to warranty obligations or other risks are no longer probable. This may also be done on a contractually-agreed pro rata basis in partial amounts per period.

Current income consists of distributions from the investment entity subsidiaries, dividends and interest payments from directly held portfolio companies and distributions from international investment funds:

- Distributions from co-investment vehicles primarily consist of disposals of portfolio companies, distributions from portfolio companies, interest on shareholder loans and repayments of shareholder loans. The distributions are triggered by the manager of the relevant DBAG fund, based on contractual terms. They are recognised as incurred.

- Distributions from DBG are recognised on the day the distribution is resolved.

- Dividends of directly held portfolio companies are recognised on the day the distribution or dividend is resolved, while interest is recognised pro rata temporis.

- Distributions from international fund investments are triggered by the manager of the relevant international fund investment, and are also recognised as incurred.

Income from fund services are recognised when the service has been provided.

Loss allowance for financial assets not measured at fair value through profit or loss

A loss allowance is recorded for financial assets not measured at fair value through profit or loss upon its initial recognition and on every subsequent reporting date to reflect any potential future impairment. The amount of the loss allowance is determined on the basis of a three-stage impairment model:

- Stage 1:

  Upon initial recognition, all instruments are generally allocated to Stage 1. The loss allowance for such instruments has to reflect the present value of the expected credit losses that result from potential events of default occurring within the next twelve months after the reporting date. Interest is recognised based on the gross carrying amount.

- Stage 2:

  Stage 2 includes all instruments exhibiting a significant increase in credit risk as at the reporting date in comparison to the date of initial recognition. In addition, Stage 2 comprises receivables from co-investment vehicles, receivables from DBAG funds and trade receivables that are allocated to Stage 2 upon initial recognition regardless of their credit quality (simplified impairment model). The loss allowance has to reflect the present value of all losses expected to occur over the remaining term of the financial instrument (lifetime expected credit losses). Interest is recognised as in Stage 1.

  The determination whether a financial asset is subject to a significant increase in credit risk is based on an assessment of the default probabilities that take into account both external rating information and internal information on the credit quality of the financial asset (e.g. past due payment claims). An assessment as to whether the credit risk has increased significantly is not made for instruments accounted for using the simplified approach.

- Stage 3:

  If, apart from a significant increase in credit risk as at the reporting date, there is objective evidence of impairment, the loss allowance continues to be measured on the basis of the present value of the lifetime expected credit losses. However, interest is recognised based on the net carrying amount (gross carrying amount less any loss allowance recognised).

  Objective evidence of impairment includes, amongst others:

  – significant financial difficulty of the issuer or obligor,

  – a breach of contract (such as a default or delinquency in interest or principal payments),

  – the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider,

  – an increased probability that the borrower will enter bankruptcy or other financial reorganisation,

  – the disappearance of an active market for the financial asset due to financial difficulties.

If, as at the reporting date, there is no longer a significant increase in credit risk, the instrument is transferred from Stage 2 to Stage 1; if there is no longer objective evidence of impairment, the instrument is transferred from Stage 3 to Stage 2 or 1.

DBAG determines the loss allowance using an approach that is based on parameters. If there is insufficient parameter-based information, the loss allowance is determined individually based on cash flows. Due to the relatively minor significance of impairment in DBAG's current portfolio, simplified approaches are used where appropriate.

Intangible assets and property, plant and equipment

Intangible assets and property plant and equipment are measured at amortised cost.

Intangible assets are acquired for a consideration. Their useful lives are determinable and range from two to five years. The useful life for property, plant and equipment ranges from three to 13 years. Intangible assets and property, plant and equipment are amortised or depreciated on a straight-line basis over their useful lives. Additions are amortised or depreciated pro rata temporis, starting in the month of acquisition.

In addition, intangible assets and property, plant and equipment are tested for impairment if certain events or changes in circumstances indicate that the carrying amount is no longer recoverable. An impairment loss is recorded in the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of fair value (less costs to sell) and its value in use.

Securities

The item "Securities" includes mutual funds. They are measured at fair value based on the fact that the instruments do not meet the cash flow criterion (see Note 3). Upon initial recognition, they are measured at fair value as at the transaction date, which corresponds to the cost of acquisition. On sub-sequent reporting dates, the fair values are derived from securities account statements based on price information systems.

Changes in the fair value as well as gains and losses from derecognition are reported in the statements of comprehensive income in the line items "Interest income" and "Interest expenses".

Other assets

Other assets comprise receivables from DBAG funds, other receivables and prepaid expenses. Where applicable, this item also contains the excess of plan assets over pension obligations. With the exception of prepaid expenses, value-added tax and the excess of plan assets over pension obligations, these relate to financial assets as defined in IAS 32.

The financial assets included in this line item are measured at amortised cost using the effective interest method and less a loss allowance for expected credit losses (see "Loss allowance for financial assets not measured at fair value through profit or loss"). The loss allowance is recognised in the item "Other operating expenses" in the consolidated statement of comprehensive income.

Receivables

The line item "Receivables" contains receivables from co-investment vehicles. They are measured at amortised cost. They are presented by analogy with other assets.

Other financial instruments

The item "Other financial instruments" includes short-term loans to our co-investment vehicles. They are measured at fair value through profit or loss as they are allocated to our in-vestment business. Upon initial recognition, they are measured at fair value as at the transaction date, which corresponds to the cost of acquisition. Since their term is less than one year, their fair value corresponds to the acquisition price as at the subsequent reporting dates. Interest is recognised in the item "Interest income" using the effective interest method.

Income tax assets

The item "Income tax assets" contains receivables from corporation and withholding tax. These relate to current taxes that are withheld upon distributions and interest payments and are recoverable for corporation tax purposes. Income tax assets are recognised in the relevant amount for tax purposes.

Cash and cash equivalents

Cash and cash equivalents relate to cash in hand, bank balances, term deposits or overnight deposits. They are allocated to the measurement category "amortised cost". They are presented by analogy with other assets.

Deferred taxes

Deferred taxes are determined on temporary differences arising between the tax base of assets and liabilities and their IFRS carrying amounts, as well as on tax loss carryforwards. They are calculated on the basis of a combined income tax rate of DBAG of currently 31.925 per cent. The combined income tax rate comprises corporation tax, trade tax and solidarity surcharge. Deferred tax assets and liabilities are offset. Deferred tax liabilities are recognised in the statement of financial position if there is an overall tax charge. A tax benefit is recognised as deferred tax assets to the extent that it is probable that taxable profit will be available for offsetting.

Liabilities to non-controlling interests

The item "liabilities to non-controlling interests" comprises interest held by non-controlling shareholders in the fully consolidated companies included in the consolidated financial statements. They are recognised under liabilities since they are interests held in partnerships or callable shares in corporations. They are carried as financial liabilities within the meaning of IAS 32, and are recognised in line with the pro-rata share in the company's share capital.

Pension obligations and plan assets

Pension obligations arising from defined benefit plans exist at two Group companies. Application of the plans is subject to the date at which the respective employees joined the company. The amount of the pensions is measured on the basis of the underlying plan, the amount of the salary and the employees' length of service.

The pension obligations are offset by assets of a legally independent entity ("contractual trust agreement" in the form of a bilateral trust) that may only be used to cover the pension commitments granted and are not accessible to any creditors (qualified plan assets).

The pension obligations under the defined benefit obligations are measured using the actuarial projected unit credit method. This method involves measuring the future obligations based on the pro rata benefit entitlements acquired by the reporting date. They show the part of the benefit obligations that has been recognised in profit or loss by the reporting date. The measurement includes assumptions regarding the future development of certain actuarial parameters, such as the life expectancy of current and future pensioners, increases in salaries and pensions as well as the interest rate used to discount the obligations. The discount rate is calculated based on the returns that are applicable at the reporting date for longterm corporate bonds of issuers with highest credit ratings with a comparable maturity.

Plan assets are measured at fair value.

For presentation in the financial statements, the present value of pension obligations is netted against the fair value of the plan assets. Any net defined benefit assets or liabilities are neither aggregated nor offset. Should the fair value of any plan assets exceed the present value of the related pension obligations, such net defined benefit asset will be recognised in "Other non-current receivables". Any net defined benefit liability is reported under "Provisions for pension obligations".

Service cost is recognised in personnel expenses and net interest on the net defined benefit liability in interest expenses. Net interest comprises interest expenses on pension obligations and interest income on plan assets. It is calculated using the actuarial rate that applies to pension obligations.

Remeasurements of the net defined benefit liability are recognised in other comprehensive income. They comprise actuarial gains and losses from changes in financial and demographic assumptions as well as from experience adjustments.

Other provisions

Other provisions are recognised as liabilities if there is a third-party obligation and it is probable that there will be an outflow of resources to settle the obligation. Non-current provisions are subject to discounting.

Other liabilities

Liabilities of the Group are shown under "Other liabilities". They are initially recognised at cost. Discounted loans are measured subsequently at amortised cost, using the effective-interest method.

Other financial commitments, contingent liabilities and trusteeships

Other financial commitments are disclosed outside the statement of financial position: They arise to the extent that there is a legal or constructive third-party obligation for DBAG as at the reporting date.

Existing obligations arising from rental and lease agreements are disclosed as permanent debt obligations outside the statement of financial position. Contingent liabilities are disclosed at the settlement amount and trusteeships at their fair values in the notes to the consolidated financial statements.

Other comprehensive income

In addition to net income, other comprehensive income is the second component of total comprehensive income. Transactions that do not affect net income are recognised through other comprehensive income. Non-controlling interests are not allocated a share in other comprehensive income.

Leasing

Only operating lease commitments exist. The lease instalments are recognised as an expense.

Currency translation

Foreign currency receivables and liabilities are measured at the closing exchange rate through profit or loss. Since the functional currency of the foreign subsidiaries is the euro, there is no currency translation within the context of consolidation.

8. USE OF JUDGEMENT IN APPLYING THE ACCOUNTING METHODS

Application of the accounting methods requires making judgements that can materially influence the reported amounts in the financial statements.

The judgement that has the largest effect on the amounts recognised in the financial statements is the assessment whether, as the parent company, DBAG is deemed to have the status of an investment entity pursuant to IFRS 10.

Please refer to Note 5 above. Due to the status of DBAG as an investment entity, the investment entity subsidiaries continue to be not included in the consolidated financial statements as fully consolidated companies, but are instead recognised at fair value.

The consolidation methods and accounting policies applied that were based on the other judgements are detailed in Notes 5 to 7.

9. FUTURE-ORIENTED ASSUMPTIONS AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the consolidated financial statements requires the use of future-oriented assumptions and estimations. These can have a material impact on the carrying amounts of consolidated statement of financial position items as well as the level of income and expenses. What future-oriented assumptions and estimations have in common is the uncertainty about the outcomes. The Board of Management makes decisions on assumptions and estimations after careful consideration of the most recently available reliable information as well as past experience. Assumptions and estimations also relate to issues over which the Board of Management has no influence, for instance, economic or financial market conditions. The actual outcomes can differ from the assumptions and estimations underlying these consolidated financial statements. In the event that new information or changed empirical values become available, the assumptions and estimations are adjusted accordingly. The effect of a change in an assumption or estimation is recognised in the financial year in which the change takes place and, if appropriate, in later financial years in the carrying amount of that item in the consolidated statement of financial position as well as in the consolidated statement of comprehensive income.

Due to assumptions about the future and other sources of estimation uncertainty, there is a risk of having to make material adjustments to the carrying amounts of assets or liabilities within the next financial year. We judge the materiality, inter alia, by means of the effects on Group equity. We deem as material an adjustment of the carrying amount by three per cent of Group equity. Moreover, we consider the effects on the overall presentation of the asset, financial and earnings position as well as qualitative aspects.

In particular, our financial assets are subject to estimation uncertainties and the corresponding risk, to the extent that their fair values were determined using inputs that were not mainly based on observable market data (fair value hierarchy level 3, see Note 7).

Fair values of level 3 are contained in "Financial assets" in the amount of 385,693,000 euros (previous year restated: 318,931,000 euros) (see Note 34.1). They largely concern those financial assets that are valued using the sum-of-the-parts procedure. The investments included therein are largely valued using the multiples method. The extent of possible effects in the event of an adjustment of assumptions and estimations cannot be quantified. However, should the underlying multiples change by +/-1, this would result ceteris paribus in an adjustment in the fair values recognised in the consolidated financial statements of +/-24,976,000 euros (previous year restated: 20,842,000 euros). This equates to five per cent of Group equity (previous year: five per cent).

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

10. NET GAIN OR LOSS FROM INVESTMENT ACTIVITIES

€'000	2018/2019	2017/2018
		Restated[1]
Interests in investment entity subsidiaries	47,894	28,204
Interests in portfolio companies	1,632	609
International fund investments	104	2,386
Other financial assets	(1)	(100)
	49,629	**31,098**

1 Restated in accordance with IAS 8 (see Note 4)

The investment entity subsidiaries comprise the subsidiaries of DBAG through which DBAG co-invests in DBAG funds (see Note 5.3) as well as DBG. These subsidiaries may not be consolidated based on IFRS 10; instead, they have to be recognised at fair value through profit or loss. The significant assets of these investment entity subsidiaries are interests in and receivables from portfolio companies.

The net gain or loss from interests in investment entity subsidiaries includes the change in the fair values of interests in portfolio companies held via these vehicles, after deduction of carried interest in the case of the co-investment vehicles of DBAG Fund V, DBAG ECF, DBAG ECF and DBAG Fund VI. In addition, this item includes the net returns from the disposal or partial disposal and the recapitalisation of portfolio companies, as well as interest income and dividend income from investments.

Directly held interests in portfolio companies encompass DBAG investments entered into prior to the launch of DBAG Fund V. The net gain or loss is based on the net result of valuation and disposal and the current income from distributions and interest on loans and variable capital accounts.

The international fund investment was entered into in April 2001 to achieve a stronger geographical diversification of financial assets. The related fund is not managed by DBAG. Other financial assets include subsidiaries that do not provide investment-related services (see Note 5.5).

Further information on net income from Investment Activity can be found in the combined management report under the heading "Income from Investment Activity burdened by capital market developments".

11. INCOME FROM FUND SERVICES

€'000	2018/2019	2017/2018
		Restated[1]
DBAG Fund V	189	662
DBAG ECF	1,640	1,914
DBAG Fund VI	8,556	9,669
DBAG Fund VII	16,535	16,557
Other	51	53
Other	**26,970**	**28,855**

1 Restated in accordance with IAS 8 (see Note 4)

Income from Fund Services results from management and advisory services for the DBAG funds (see Note 1 and Note 39).

Income from DBAG Fund V declined after the end of the fund term. Remuneration has no longer been earned since 15 February 2019.

Income from DBAG ECF includes less transaction-related remuneration for investments carried out than in the previous year.

Income from DBAG Fund VI fell compared to the previous year, following divestments of portfolio companies.

12. PERSONNEL EXPENSES

€'000	**2018/2019**	2017/2018
		Restated
Wages and salaries		
Fixed salary and fringe benefits	12,262	10,314
Variable remuneration, performance-related	6,836	5,605
Variable remuneration, transaction-related	346	618
	19,444	**16,537**
Social contributions and expenses for pension plans	**1,598**	**1,468**
thereof for state pension plan	456	624
	21,042	**18,005**

1 Restated in accordance with IAS 8 (see Note 4)

The performance-related variable remuneration refers to members of the Board of Management and DBAG employees. For more information on the remuneration of the Board of Management, please refer to the remuneration report, which is an integral part of the management report.

Since the financial year 2014/2015, the performance-related variable remuneration scheme for managing members of the investment team has been based on new investments entered into, portfolio performance and profitable divestments. For the other members of the investment team and employees in corporate functions, the system is based on company and personal performance. In addition, a bonus for the successful raising of successor funds was taken into account.

Transaction-related variable remuneration refers to current and former members of the Board of Management and members of the investment team based on older systems no longer in use. More information regarding these systems is also included in the remuneration report.

The number of employees (excluding members of the Board of Management) was as follows:

	30 Sep 2019	30 Sep 2018
Employees (full-time)	57	56
Employees (full-time)	13	9
Trainees	5	6

As at the end of the financial year 2018/2019, the Board of Management consisted of three (previous year: three) members.

In the financial year 2018/2019, an average of 70 (previous year: 63) employees and five (previous year: five) trainees were employed at DBAG.

13. OTHER OPERATING INCOME

€'000	2018/2019	2017/2018
Income from consultancy expenses that can be passed through	4,862	2,914
Income from the disposal of securities	272	17
Income from exchange rate differences	93	133
Income from the reversal of provisions	109	123
Other	432	511
	5,767	**3,697**

Consultancy expenses that can be passed through refer to advances on behalf of DBAG funds and/or portfolio companies. The increase of income from consultancy expenses that can be passed through corresponds to the increase of the consultancy expenses that can be passed through (see Note 14).

Income from exchange rate differences result from a purchase price receivable held in US dollars. The receivables relate to an investment disposed in the financial year 2015/2016.

Income from positions held on supervisory boards and advisory councils relates to income from activities of DBAG employees on the supervisory boards of DBAG portfolio companies or external companies. Remuneration for work on the boards of portfolio companies held via the DBAG funds has been presented under income from Fund Services since financial year 2017/2018.

14. OTHER OPERATING EXPENSES

€'000	2018/2019	2017/2018
Consultancy expenses that can be passed through	4,822	2,949
Other consultancy expenses	937	1,154
Consultancy expenses for deal sourcing	1,074	1,032
Audit and tax consultancy expenses	663	1,070
Total consultancy expenses	7,496	6,206
Value-added tax	923	967
Travel and hospitality expenses	1,035	1,028
Premises expenses	1,131	1,166
Maintenance and license costs for hardware and software	539	530
External employees and other personnel expenses	893	849
Corporate communications, investor relations, media relations	529	507
Depreciation and amortisation of property, plant and equipment and intangible assets	582	683
Annual report and general meeting	567	653
Supervisory Board remuneration	397	400
Expenses resulting from the repayment of Advisory Board remuneration to funds	0	932
Other	2,321	1,638
	16,413	**15,557**

The increase of the consultancy expenses that can be passed through corresponds to the increase in income from consultancy expenses that can be passed through (see Note 13).

The item "Value-added tax" refers to non-deductible input taxes as a result of revenues that are not taxable.

The expenses for external employees and other personnel expenses comprise costs for temporary staff to cover employees on sick leave or parental leave, recruiting expenses and staff training.

The item "Other" consists of miscellaneous operating expenses, mainly motor vehicles, insurance and office material.

15. INTEREST INCOME

€'000	**2018/2019**	2017/2018
Other financial instruments	535	313
Securities	319	0
Tax authorities	0	29
Other	101	3
	955	**344**

Interest income from other financial Instruments relates to bridge financings granted to co-investment vehicles (see Note 23).

Interest income from securities primarily refers to the retail funds.

The item "Other" mainly comprises income from the interest cost on jubilee payment obligations.

16. INTEREST EXPENSE

€'000	**2018/2019**	2017/2018
Interest expenses for pension provisions	541	540
Expected interest income from plan assets	(369)	(380)
Net interest on net defined benefit liability	172	160
Securities	122	18
Credit facility	406	513
Others	84	11
	783	**702**

The expected interest income from plan assets is calculated based on the same interest rate used for the determination of present value of the pension obligations. We refer to Note 29 for information on the parameters for the two components of the net interest on net defined benefit liability.

Interest expenses for the credit line in the amount of 406,000 euros (previous year: 513,000 euros) relate to the annual commitment fee for the credit line in the amount of 50 million euros.

17. INCOME TAXES

€'000	**2018/2019**	2017/2018
Current taxes	(1)	18
Deferred taxes	(658)	0
	(659)	**18**

Current taxes result from an income tax refund paid to a fully-consolidated subsidiary for the previous year.

Deferred tax assets relate to a subsidiary. As at 30 September 2019, the subsidiary accumulated trade tax loss carryforwards in the amount of 4,087,000 euros that are expected to be utilised in the coming years since a positive taxable income is expected due to increasing income from Fund Services. There are no taxable temporary differences for the subsidiary.

During the observation period of the last three years, DBAG was subject to accumulated tax losses so that the Company had corporation tax loss carryforwards as at the reporting date in the amount of 94,728,000 euros (previous year: 89,663,000 euros) for which no deferred tax assets are recognised. Deferred tax liabilities on temporary differences exist in the amount of 749,000 euros (previous year: 614,000 euros) for financial assets and securities which were offset against deferred tax assets on temporary differences in the same amount. These deferred tax assets on temporary differences are mainly due to pension obligations, provisions for jubilee pay obligations and partial retirement as well as a provision for expenses. Based on the available Group medium-term planning, DBAG expects to generate moderate taxable profits in future. Since achieving the goals of the planning also depends on external factors, largely market influences that affect the performance or the disposal of investments, we did not recognise deferred tax assets.

None of the other fully-consolidated Group companies had temporary differences between IFRS measurement and the tax base in the financial year under review. In the case of one of these subsidiaries, there is an excess of deferred tax assets which was caused by trade tax loss carryforwards in the amount of 14,037,000 euros (previous year: 13,674,000 euros) Based on the conducted business activities and the tax treatment, it is not probable that, in future, there will be sufficient taxable profits to utilise the tax benefit. Therefore, we did not recognise deferred tax assets at this Group company.

As at 30 September 2019 - as in the previous year - there were neither deferred income tax assets nor deferred income tax liabilities that were directly offset against equity. By analogy, no income taxes are allocated to components of other comprehensive income.

The reconciliation of a corporation's tax charge that can be expected in theoretical terms to the amount actually recognised in DBAG's consolidated financial statements is as follows:

The reconciliation of a corporation's tax charge that can be expected in theoretical terms to the amount actually recognised in DBAG's consolidated financial statements is as follows:

€'000	2018/2019	2017/2018
		Restated[1]
Earnings before taxes	45,083	29,731
Applicable tax rate for corporations	31,925	31,925
Theoretical tax income/expenses	**14,393**	**9,492**
Change in theoretical tax income/expenses:		
Tax-exempt gain on valuation and disposal	(4,929)	(7,630)
Tax-exempt loss on valuation and disposal	5,246	3,432
Current income from financial assets	(9,974)	(3,629)
Non-deductible operating expenses	33	29
Effect from trade tax exemption	(7,652)	(2,513)
Effect from the utilisation of loss carryforwards not recognised	0	(294)
Effect from unrecognised losses in the reporting year	860	0

€'000	2018/2019	2017/2018
Unrecognised deferred tax assets on tax loss carryforwards	935	914
Other effects	214	217
Income taxes	**(659)**	**18**
Tax rate	(1.46)	0.06

1 Restated in accordance with IAS 8 (see Note 4)

The expected tax rate for corporations is composed of corporation tax and a solidarity surcharge (15.825 per cent) as well as municipal trade tax (16.10 per cent) (also see explanations in Note 7 under the heading "Deferred taxes"). DBAG's tax rate remains unchanged at 15.825 per cent. As a special investment company, DBAG is exempt from municipal trade tax.
A main pillar of DBAG's business is the acquisition and disposal of investments alongside the DBAG funds. The investments largely are corporations. The tax effect in accordance with § 8b German Corporation Tax Act (Körperschaftsteuergesetz-KStG) amounts to 4.714,000 euros (previous year, restated: 7.630,000 euros).

Other effects comprise effects from tax rate differences of 36,000 euros (previous year: 217,000 euros).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

18. INTANGIBLE ASSETS/PROPERTY, PLANT AND EQUIPMENT

	Acquisition cost			
€'000	1 Oct 2018	Additions	Disposals	**30 Sep 2019**
Intangible assets	1,636	158	0	1,794
Property, plant and equipment	2,789	94	260	2,623
	4,425	**252**	**260**	**4,417**

	Depreciation, amortisation and impairment				Carrying amounts	
€'000	1 Oct 2018	Additions	Disposals	**30 Sep 2019**	**30 Sep 2019**	30 Sep 2018
Intangible assets	1,198	296	0	1,494	301	438
Property, plant and equipment	1,950	286	195	2,041	582	839
	3,148	**582**	**195**	**3,535**	**883**	**1,277**

	Acquisition cost			
€'000	1 Oct 2017	Additions	Disposals	30 Sep 2019
Intangible assets	1,601	35	0	1,636
Property, plant and equipment	3,194	268	673	2,789
	4,795	**303**	**673**	**4,425**

	Depreciation, amortisation and impairment				Carrying amounts	
€'000	1 Oct 2018	Additions	Disposals	**30 Sep 2018**	**30 Sep 2018**	30 Sep 2017
Intangible assets	909	289	0	1,198	438	693
Property, plant and equipment	2,065	394	508	1,950	839	1,129
	2,974	**683**	**508**	**3,148**	**1,277**	**1,822**

Intangible assests were exclusively acquired against payment.

Depreciation, amortisation and impairment for the financial year exclusively comprised scheduled depreciation/amortisation. These were reported in the item "Other operating expenses" (see Note 14).

19. FINANCIAL ASSETS

€'000	**30 Sep 2019**	30 Sept. 2018
		Restated[1]
Interests in investment entity subsidiaries	380,275	313,726
Interests in portfolio companies	4,937	4,828
International fund investments	406	303
Other financial assets	74	75
	385,693	**318,931**

1 Restated in accordance with IAS 8 (see Note 4)

Financial assets are measured at fair value through profit or loss (see Note 7).

This item exhibited the following movements in the reporting period:

€'000	1 Oct 2018	Additions	Disposals	Changes in value	**30 Sep 2019**
Interests in investment entity subsidiaries	313,726	84,862	28,588	10,275	380,275
Interests in Portfolio companies	4,828	0	272	382	4,937
International fund investments	303	0	0	104	406
Other financial assets	75	0	0	0	74
	318,931	**84,862**	**28,860**	**10,760**	**385,693**

€'000	1 Oct 2017	Additions	Disposals	Changes in value	30 Sep 2018
	Restated[1]			Restated[1]	Restated[1]
Interests in investment entity subsidiaries	245,142	73,502	23,230	18,313	313,726
Interests in portfolio companies	5,301	21	352	(141)	4,828
International fund investments	974	0	895	225	303
Other financial assets	77	0	0	(2)	75
	251,492	**73,523**	**24,478**	**18,394**	**318,931**

1 Restated in accordance with IAS 8 (see Note 4)

Additions of interests in investment entity subsidiaries refer to capital calls for investments in equity interests and for management fees.

Disposals of interests in investment entity subsidiaries result from distributions due to the divestment of portfolio companies as well as the repayment of shareholder loans or short-term bridge financings granted to portfolio companies.

The disposals of interests in portfolio companies refer to an investment that was liquidated.

The changes in fair value are recorded under the item "Net gain or loss from investment activities" in the consolidated statement of comprehensive income (see Note 10).

For further information on financial assets, we refer to the management report under the heading "Business and portfolio review".

20. LOANS AND RECEIVABLES

€'000	**2018/2019**	2017/2018
At start of financial year	0	1,338
Additions	0	0
Derecognition	0	0
Reclassification	0	(1,443)
Change in value	0	105
At end of financial year	**0**	**0**

The receivables were reclassified because the residual term of the remaining balance of the purchase price receivable in connection with the sale of the investment in Clyde Bergemann GmbH fell below one year.

21. LOANS AND ADVANCES

€'000	30 Sep 2019	30 Sept. 2018
		Restated[1]
Receivables from co-investment vehicles	1,565	1,130
	1,565	**1,130**

1 Restated in accordance with IAS 8 (see Note 4)

Receivables from co-investment vehicles mainly consist of receivables from management fees (DBAG Fund VI and DBAG Fund VII) and from costs passed through (DBAG Fund VII).

22. SECURITIES

Securities held as at 30 September 2019 had been exclusively acquired as investments of cash and cash equivalents not immediately required.

Classification of securities by term:

€'000	30 Sep 2019	30 Sep 2018
Long-term securities	0	55,458
Short-term securities	25,498	40,000
	25,498	**95,458**

Classification of securities by type:

€'000	30 Sep 2019	30 Sep 2018
Money-market funds	13,947	34,234
Fixed-income funds	11,551	28,102
Fixed-rate securities	0	33,122
	25,498	**95,458**

Money-market and fixed-income funds (collectively referred to as "retail funds") have been allocated to the category "Measured at fair value through profit or loss" since the beginning of the financial year (see Note 3 and Note 7).

Fixed-rate securities have been allocated to the category "Measured at fair value through other comprehensive income" since the beginning of the financial year (see Note 3 and Note 7).

The change compared to 30 September 2018 is largely due to the disposal of fixed-rate securities to finance capital calls.

The fixed-income funds include corporate bonds with issuer ratings that are predominantly investment grade. Due to the considerable diversification of the bonds and the credit rating of the issuers, the credit risk associated with the fund units is low.

The change in the fair value of the retail funds in the amount of 197,000 euros as at 30 September 2019 (previous year: in other comprehensive income: -36,000 euros) has been recognised in the consolidated statement of comprehensive income in net interest income since the beginning of the financial year.

23. OTHER FINANCIAL INSTRUMENTS

€'000	**30 Sep 2019**	30 Sep 2018
Loans to co-investment vehicles	17,002	32,766
	17,002	**32,766**

Loans granted to co-investment vehicles refer to short-term loans to the DBAG Fund VII Group companies that were granted by DBAG as part of the structuring of the investment in new portfolio companies.

24. TAX ASSETS AND INCOME TAX LIABILITIES

€'000	**30 Sep 2019**	30 Sep 2018
Tax assets		
Deferred tax assets	658	0
Claims on income tax refunds	5,833	345
Income tax liabilities	17	17

Income tax assets contain applicable taxes for the financial year 2018/2019 and the previous year.

Income tax liabilities relate to corporation tax and solidarity sur-charge for the previous year since a positive taxable profit was determined which led to a tax burden after application of the minimum tax rule, despite the existing tax loss carryforwards.

Tax loss carryforwards were recognised in deferred taxes as follows:

€'000	**30 Sep 2019**	30 Sep 2018
Tax loss carryforwards for corporation tax	94,728	89,663
thereof usable	0	0
Tax loss carryforwards for trade tax	18,124	13,674
thereof usable	4,087	0

The usable trade tax loss carryforwards relate to a subsidiary for which deferred tax assets of 658,000 euros were recognised in the financial year 2018/2019.

No deferred taxes were recognised in relation to the remaining loss carryforwards; the same applies to deductible temporary differences in the amount of 20,791,000 euros (previous year: 14,884,000 euros).

25. OTHER CURRENT ASSETS

€'000	30 Sep 2019	30 Sep 2018
		Restated[1]
Receivables from Fund Services	6,368	3,817
Receivables from expenses that can be passed through	831	1,253
Receivables from DBAG funds	7,199	5,070
Purchase price receivable	1,666	1,534
Deposit on leaseholds	405	405
Interest receivables on securities	0	278
Value-added tax	1,161	346
Other loans and advances	119	208
	10,550	**7,840**

1 Restated in accordance with IAS 8 (see Note 4)

The receivables from Fund Services are mainly due from DBAG Fund VI and DBAG Fund VII.

The receivables from expenses that can be passed through are mainly due from DBAG ECF and DBAG Fund VII.

The purchase price receivable refers to the residual purchase price receivable from the sale of the investment in Clyde Bergemann GmbH.

Value-added tax pertains to outstanding refunds of input tax credits.

Other receivables mainly contain prepaid expenses.

26. EQUITY

Share capital/number of shares

€'000	2018/2019	2017/2018
At start of financial year	53,387	53,387
Additions	0	0
Stand zum Geschäftsjahresende	**53,387**	**53,387**

All DBAG shares in the financial year 2018/2019 are no-par value registered shares. Each share is entitled to one vote.

The shares are admitted to trading on the Frankfurt Stock Exchange (Prime Standard) and the Dusseldorf Stock Exchange (Regulated Market). Shares in the Company are also traded on the over-the-counter markets of the stock exchanges in Berlin, Hamburg-Hanover, Munich and Stuttgart.

The subscribed capital (share capital) is divided into 15,043,994 no-par-value shares. The notional interest in the share capital amounts to approximately 3.55 euros per share.

Authorised capital

On 22 February 2017, the Annual General Meeting authorised the Board of Management to increase the share capital of the Company, with the consent of the Supervisory Board, until 21 February 2022 by up to a total of 13,346,664.33 euros through one or more issues of new no-par value registered shares in exchange for cash or non-cash contributions (Authorised Capital 2017). As a prerequisite, the number of shares has to increase by the same ratio as the share capital. In the financial year 2018/2019, the Board of Management did not make use of this authorisation.

Purchase of treasury shares

By way of a resolution passed by the Annual General Meeting held on 21 February 2018, the Board of Management is authorised up to 20 February 2023, 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 10% of the existing share capital in the amount of 53,386,664.43 euros at the time when the Annual General Meeting is held or - if this value is lower - of the share capital existing at the time of exercising this authorisation. In the financial year 2018/2019, the Board of Management did not make use of this authorisation.

Conditional capital

The Board of Management is authorised, subject to the consent of the Supervisory Board, to issue on one or more occasions in the period up to 21 February 2022 warrant-linked bonds and/ or convertible bonds in bearer or registered form (together referred to as "bonds") with a limited or an unlimited term in a total nominal amount of up to 140,000,000.00 euros. It is also authorised to grant holders of warrant-linked bonds warrants, and the holders or creditors of convertible bonds conversion rights (or to impose conversion obligations, if applicable), to acquire registered shares in the Company with a proportionate interest in the share capital of up to 13,346,664.33 euros under the terms and conditions specified for the warrant-linked bonds or convertible bonds (jointly referred to as "bond conditions").

As an alternative to the issuance in euro, the bonds may also be issued in any currency which is the legal tender of an OECD member state (limited, however, by the equivalent value in euro).

The bonds may also be issued by companies in which the Company directly or indirectly holds a majority stake. In such an event, the Board of Management shall be authorised, subject to the consent of the Supervisory Board, to assume the guarantee for the bonds on behalf of the Company and to grant the holders and/or creditors of such bonds option or conversion rights (or to impose conversion obligations) to acquire no-par value registered shares in the Company. In the financial year 2018/2019, the Board of Management did not make use of this authorisation.

Capital reserves

€'000	**2018/2019**	2017/2018
At start of financial year	173,762	173,762
Additions	0	0
At end of financial year	**173,762**	**173,762**

As before, the capital reserve comprises amounts received in the issuance of shares in excess of nominal value

Retained earnings and other reserves

Retained earnings and other reserves comprise

- the legal reserve as stipulated by German stock corporation law,
- first-time adopter effects from the IFRS opening statement of financial position as at 1 November 2003,
- the reserve for actuarial gains/losses from defined benefit pension plans/plan assets (see Note 29) as well as
- effects from the first-time application of IFRS 9 (see Note 3).

Consolidated retained profit

The Annual General Meeting on 21 February 2019 resolved to use the net retained profit (Bilanzgewinn) for the financial year 2017/2018 of 170,766,135.32 euros to pay a dividend of 1.45 euro per no-par value share on the 15,043,994 shares with dividend entitlement. The remainder of the retained profit (148,952,344.02 euros) was carried forward to new account.

€'000	**2018/2019**	2017/2018
Total distribution	21,813,791.30	21,061,591.60

The net retained profit of DBAG as reported in the separate financial statements as at 30 September 2019 in accordance with HGB amounts to 178,080,010.68 euros (previous year: 170,766,135.32 euros).

At the Annual General Meeting, the Board of Management and the Supervisory Board will propose to pay a dividend of 1.50 euros per share for the financial year 2018/2019.

In Germany, dividends paid to shareholding corporations are subject to a corporation tax rate of five per cent plus a solidarity surcharge and, to the same extent, municipal trade tax, insofar as these shares are not part of the free float (i.e. interests of less than 15 per cent). Dividends earned by natural persons are subject to a flat rate withholding tax (Abgeltungssteuer) of 25 per cent plus solidarity surcharge and, if applicable, church tax, which the dividend-paying company pays directly to the taxation authority.

27. LIABILITIES TO NON-CONTROLLING INTERESTS

€'000	**2018/2019**	2017/2018
At start of financial year	180	148
Additions	0	22
Derecognition	11	16
Share of earnings	(114)	26
At end of financial year	**55**	**180**

Liabilities to non-controlling interests include interests in capital and earnings attributable to non-controlling interests. DBAG does not hold the majority of the voting rights in the case of AIFM-DBG Fund VII Management (Guernsey) LP, DBG Advising GmbH & Co. KG, DBG Fund VI GP (Guernsey) LP, DBG Management GP (Guernsey) Ltd., DBG Managing Partner GmbH & Co. KG and European PE Opportunity Manager LP (see Note 5.2).

28. OTHER PROVISIONS

€'000	1 Oct 2018	Utilisation	Reversals	Additions	**30 Sep 2019**
Personnel-related obligations	8,010	7,078	56	8,353	9,230
Expert opinions and other advisory services	114	61	53	212	212
Auditing fees	358	315	23	155	175
Costs for annual report and general meeting	390	365	25	399	399
Tax advisory expenses	100	64	3	136	168
Other	237	246	4	366	354
	9,209	**8,129**	**164**	**9,621**	**10,538**

The provisions for personnel-related obligations mainly contain variable remuneration in the amount of 7,232,000 euros (previous year, restated: 6,521,000 euros). Of that amount, 6,591,000 euros (previous year, restated: 5,608,000 euros) are attributable to performance-related remuneration for the past financial year; an additional amount of 641,000 euros (previous year: 912,000 euros) refers to transaction-related remuneration (see Note 12). Corresponding provisions have been recognised for transaction-related remuneration since the financial year 2005/2006. In the reporting year, 618,000 euros were paid out of that amount.

The provisions for expert opinions and other advisory services result from advisory expenses due to regulatory requirements.

The item "Other" mainly includes provisions for external staff, process optimisation, IT projects and events.

As at 30 September 2019, there was a non-current provision for personnel-related obligations in the amount of 28,000 euros (previous year: nil euros) in connection with a partial retirement agreement. There were no other non-current provisions.

29. PENSION OBLIGATIONS AND PLAN ASSETS

The measurement in the statement of financial position has been derived as follows:

€'000	**30 Sep 2019**	30 Sept. 2018
Present value of pension obligations	44,210	36,171
Fair value of plan assets	(24,617)	(23,962)
Provisions for pension obligations	**19,593**	**12,209**

The present value of the pension obligations changed as follows:

€'000	**2018/2019**	2017/2018
Present value of pension obligations at start of financial year	36,171	35,831
Interest expense	541	540
Service cost	420	439
Benefits paid	(898)	(868)

Actuarial gains (-) / losses (+)	7,976	229
Present value of pension obligations at end of financial year	**44,210**	**36,171**

An amount of 6,508,000 euros (previous year: 51,000 euros) of the loss of 7,976,000 euros (previous year: loss of 229,000 euros) is attributable to the significant decline of the discount rate. The discount rate amounted to 0.47 per cent as at the reporting date, compared to 1.54 per cent in the previous year. Further effects resulted from experience adjustment in the amount of 1,126,000 euros (previous year: 178,000 euros) as well as from changes in demographic assumptions in the amount of 342,000 euros (previous year: nil euros).

The present value of the pension obligations as at the reporting date is calculated based on an actuarial expert opinion. The expert opinion is based on the following actuarial assumptions:

		30 Sep 2019	30 Sept. 2018
Discount rate (%)	%	0.47	1.54
Salary trend (incl. career trend)	%	2.50	2.50
Pension trend (%)	%	2.00	2.00
Life expectancy based on modified mortality tables by Prof. Dr Klaus Heubeck		2018G	2005G
Increase in income threshold for state pension plan	%	2.00	2.00

The discount rate is calculated using the i-boxx corporate AA10+ interest rate index, which is calculated based on interest rates for long-term bonds of issuers with the highest credit ratings.

As of 30 September 2019, DBAG applied the new mortality tables issued by Prof Dr Heubeck (RT 2018G) for the first time. The company-specific modification of the mortality tables introduced in October 2013 continues to be used in order to account for the particularities of the beneficiaries of DBAG Group's defined benefit plans and individual commitments. A comparison with similar groups of individuals revealed an average longer life expectancy of three years for the DBAG scheme members and beneficiaries. The effect resulting from the application of the new mortality tables amounts to 342,000 euros.

As at 30 September 2019, the weighted average term of defined benefit obligations was 15.6 years (previous year: 14.4 years).

Plan assets developed as follows during the past financial year:

€'000	**2018/2019**	2017/2018
Fair value of plan assets at start of financial year	23,962	24,508
Expected interest income	369	380
Gains (+)/losses (-) from the difference between actual and expected return on plan assets	286	-927
Fair value of plan assets at end of financial year	**24,617**	**23,962**

The gain of 286,000 euros in the financial year 2018/2019 (previous year: loss of 927,000 euros) results from the increase in the fair value of plan assets as well as the application of the same interest rate that is also used to determine the present value of pension obligations.

The following amounts were recognised in net income:

€'000	**2018/2019**	2017/2018
Service cost	420	439
Interest expense	541	540
Expected interest income from plan assets	(369)	(380)
	591	**599**

The service cost is shown under personnel expenses.

The net amount from interest expense and expected interest income from plan assets is reported in the item "interest cost".

Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset) - reported in other comprehensive income - developed as follows in the financial year 2018/2019:

€'000	**2018/2019**	2017/2018
Actuarial gains (+)/losses (-) at start of financial year	(22,760)	(21,605)
Gains (+)/losses (-) from the difference between actual and expected return on plan assets	286	(927)
Actuarial gains (+)/losses (-) from changes in the present value of pension obligations	(7,976)	(229)
Actuarial gains (+)/losses (-) at end of financial year	**(30,450)**	**(22,760)**

Amount, timing and uncertainty of future cash flows

DBAG is exposed to risks arising from pension obligations for defined benefit plans and individual commitments. These risks are mainly associated with changes in the present value of pension obligations as well as the development of the fair value of plan assets.

Changes in the present value of pension obligations result in particular from changes in actuarial assumptions. The discount rate and life expectancy have a significant influence on the present value. The discount rate is subject to interest rate risk. A change in average life expectancy impacts the length of pension payments and, consequently, the liquidity risk. Based on our estimates, possible changes in these two actuarial parameters would have the following impact on the present value of pension obligations:

€'000	**30 Sep 2019**	30 Sep 2018
Discount rate		
Increase by 50 bps	(3,250)	2,710
Decrease by 50 bps	3,682	(2,417)
Average life expectancy		
Increase by 1 year	(1,668)	(1,210)
Decrease by 1 year	1,714	1,234

The sensitivity analysis shown above is based on a change in one parameter, while all others remain constant.

Since February 2015, the plan assets have been invested in a special fund. This special fund has an unlimited term and is managed based on a capital investment strategy with a longterm horizon aiming at capital preservation. The objective of the investment strategy is to generate returns that at least correspond to the discount rate.

Depending on the asset class, the performance of the special fund is exposed to interest rate risk (interest-bearing securities) or market price risk (equities). If the interest rate for interest-bearing securities rises (falls), the return on plan assets will rise (fall). If the market price of equities rises (falls), the return on plan assets will rise (fall).

As is the case for interest-bearing securities, the present value of the pension obligations depends on the interest rate risk. If the market interest rate for interest-bearing securities rises (falls), the present value of pension obligations will fall (rise).

As for the past three previous years, current budget planning for the financial year 2018/2019 does not provide for allocations to plan assets.

30. OTHER CURRENT LIABILITIES

€'000	**30 Sep 2019**	30 Sep 2018
		Restated[1]
Liabilities to co-investment vehicles	46	9,712
Advance management fees	0	4,099
Trade payables	358	1,003
Liabilities to investments	0	93
Other liabilities	857	1,008
	1,260	**15,913**

1 Restated in accordance with IAS 8 (see Note 4)

In the previous year, the liabilities to co-investment vehicles related to a capital call of DBAG ECF II for a new investment paid at the beginning of the financial year 2018/2019.

Other current liabilities largely relate to liabilities for wage taxes.

31. OTHER FINANCIAL COMMITMENTS, CONTINGENT LIABILITIES AND TRUSTEESHIPS

Other financial commitments consist of call commitments and permanent debt obligations in the following nominal amounts:

€'000	**30 Sep 2019**	30 Sep 2018
Call commitments	965	1,169
Permanent debt obligations	2,065	2,974
	3,030	**4,143**

Possible call commitments relate to the international fund that may draw down additional funding for investments and costs.

The maturities of the permanent debt obligations as at 30 September 2019 are shown in the following table:

€'000	< 1 year	1 - 5 years	> 5 years	**Total**
Permanent debt obligations	1,251	814	0	**2,065**
thereof rental contracts	803	602	0	**1,406**

There were no contingent liabilities as at 30 September 2019

Trust assets amounted to 4,916,000 euros as at the reporting date (previous year: 12,340,000 euros). Of that amount, 4,912,000 euros (previous year: 6,096,000 euros) were attributable to the management of trust accounts for purchase price settlements. Trust liabilities existed in the same amount. DBAG does not generate any income from trustee activities.

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

In accordance with IAS 7, cash flows are recorded in the consolidated statement of cash flows in order to present information about the changes in the Group's cash funds. Cash flows are broken down into cash flows from operating activities, cash flows from investing activities and cash flows from financing activities. The indirect presentation method was applied for cash flows from operating activities. Cash flows from investing activities are determined using the direct method.

Proceeds and payments relating to financial assets and to loans and receivables are recorded in cash flows from investing activities instead of in cash flows from operating activities, since this classification gives a more faithful representation of DBAG's business model. For this purpose, the line item "Cash flow from Investment Activity" has been presented as a subtotal since the financial year 2018/2019.

Proceeds and payments arising on interest are presented in the cash flow from operating activities.

There were no cash flows to be reported based on changes in the group of consolidated companies.

Cash and cash equivalents at the start and end of the period existed in the form of bank balances.

Since the financial year 2007/2008, a part of the financial resources not needed in the near term has been invested in securities (bonds and retail funds). The objective of these securities, like cash and cash equivalents, is to meet the Group's payment obligations. In accordance with IAS 7, these securities do not constitute cash and cash equivalents since the maturity of the bonds so far has always been longer than three months from the date of acquisition and the retail funds had an indefinite life. Pursuant to IAS 7, the purchase and the sale of these securities have to be presented as cash flows from investing activities.

OTHER DISCLOSURES

33. FINANCIAL RISKS

The DBAG Group is exposed to financial risks that arise from its investment activities in portfolio companies and from other financial instruments. As a result of these financial risks, the value of assets and/or profits may decline and/or profits may be reduced. These risks are not hedged by DBAG. Consequently, the provisions for hedge accounting are not applied.

The following section describes the financial risks, as well as objectives and methods of DBAG's risk management. There have been no changes compared to the previous year.

33.1 Market risk

The fair value of financial instruments or future cash flows of financial instruments may fluctuate due to rising or falling market prices. Market risk can be further differentiated into currency risk, interest rate risk and other price risks. Exposure to market risks is regularly monitored as a whole.

(a) Currency risk

The exposure to currency risk results from investments denominated in British pounds sterling, Danish krone, Swiss francs or US dollars, where future returns will be received in a foreign currency. The fact that future returns are impacted by currency risks may also lead to a change in fair values of these portfolio companies. Moreover, the changes in exchange rates have an influence on the operations and competitiveness of these portfolio companies. The extent of that impact depends in particular on individual portfolio companies' individual value-creation structure and degree of internationalisation.

Extent of currency risk and exchange rate sensitivity

Financial assets are exposed to US dollar exchange rate risk in the amount of 21,850,000 euros (previous year: 22,067,000 euros), to Swiss franc exchange rate risk of 33,633,000 euros (previous year: 35,564,000 euros), to an exchange rate risk against British pound sterling of 6,945,000 euros (previous year: 5,997,000 euros) and to Danish krone exchange rate risk of 1,655,000 euros (previous year: 3,860,000 euros). The effect on profit or loss resulting from taking into account changes in the fair value of financial assets amounts to 1,294,000 euros (previous year: 814,000 euros).

An increase or decrease of the exchange rates by ten per cent would result in a decrease or increase of net income and Group equity by 6,408,000 euros (previous year: 6,749,000 euros) exclusively due to currency translation.

Currency risk management

Individual transactions denominated in foreign currency are not hedged, since both the holding period of the investments and the amount of returns from them are uncertain. The currency risk is reduced as a result of returns from investments denominated in foreign currency.

(b) Interest rate risk

Changes in the interest rate level primarily affect income generated from investing financial resources (sum total of cash and cash and cash equivalents and securities) as well as the fair values of the portfolio companies and international fund investments measured using the DCF method. The changes in the interest rate level also influence the profitability of portfolio companies.

Extent of interest rate risk and interest rate sensitivity

Financial resources (cash and cash equivalents including securities) amount to 69,432,000 euros (previous year: 119,029,000 euros). There was no (previous year: no) interest income from investment. This credit line was not drawn upon during the year under review. An amount of 17,434,000 euros (previous year: 30,240,000 euros) of the financial assets was attributable to investments measured using the DCF method.

In relation to the portfolio companies and international fund investments measured using the DCF method, an increase or decrease of the reference interest rate by 100 basis points overall would result in a decrease or increase of net income and Group equity in the amount of 579,000 euros (previous year: 853,000 euros).

Interest rate risk management

Financial resources are generally invested with a short-term horizon. Interest rate derivatives to hedge a certain interest rate level are not used since the amount of the financial resources may be subject to strong fluctuations and cannot be reasonably forecast. The interest rate for the agreed credit line is EURIBOR plus a margin. The EURIBOR level applied when the credit line is utilised is based on the selected interest period, which can be up to six months.

(c) Other price risks

Exposure to other price risks are primarily related to the future fair value measurement of the interests in investment entity subsidiaries and portfolio companies. The measurement of portfolio companies is influenced by a number of factors that are related to financial markets, or to the markets the portfolio companies are active on. The influencing factors include, for example, valuation multiples, performance measures and the indebtedness of the portfolio companies.

Extent of other price risks and sensitivity

Financial assets are measured at fair value through profit or loss. The net result of valuation amounts to 9,662,000 euros (previous year, restated: 20,677,000 euros).

The sensitivity of measurement is largely determined by multiples used to determine the fair value of Level 3 financial instruments. In case of a change in the multiples by +/- 0.1, the fair value of the Level 3 financial instruments, ceteris paribus, would have to be adjusted by 2,498,000 euros (previous year, restated: 2,084,000 euros) (see Note 34.2 and Note 9, based on a change by +/- 1).

Management of other price risks

The Board of Management constantly monitors the market risk inherent in the portfolio companies held directly or through investment entity subsidiaries. For this purpose, DBAG receives information about the portfolio companies' business development on a timely basis. Board of Management members or other members of the investment team hold offices on supervisory or advisory boards of the portfolio companies. In addition, the responsible investment team members monitor the business development of the portfolio companies through formally implemented processes.

For information on risk management, we refer to the discussions in the combined management report in the "Opportunities and risks" section.

33.2 Liquidity risk

There is currently no liquidity risk identifiable for DBAG. Freely available cash and cash equivalents amount to 43,934,000 euros (previous year: 23,571,000 euros). Including securities in the amount of 25,498,000 euros (previous year: 95,458,000 euros) and an existing credit line of 50,000,000 euros (previous year: 50,000,000 euros), DBAG has financial resources of 119,432,000 euros (previous year: 169,029,000 euros). As a result of the very strong credit rating of the issuers and the short duration, it is assumed for the securities that they can be sold at short notice if required.

Other current liabilities in the amount of 1,260,000 euros (previous year, restated: 15,913,000 euros) are due within one year. The co-investment agreements alongside the DBAG funds amount to 129,733,000 euros (previous year: 198,477,000 euros).

DBAG expects that it will be able to cover the shortfall of 9,040,000 euros (previous year: 13,534,000 euros) by cash inflows from the disposal of portfolio companies.

33.3 Default risk

DBAG may also be exposed to risks when a contracting party fails to meet its obligations, causing financial losses to be incurred by DBAG.

Extent of default risk

The carrying amount represents the maximum exposure to default risk for the following items of the statement of financial position:

€'000	**30 Sep 2019**	30 Sep 2018
		Restated[1]
Financial assets	385,693	318,931
thereof primary financial instruments	385,693	318,931
Loans and advances	1,565	1,130
Securities	25,498	95,458
Cash and cash equivalents	43,934	23,571
Other financial instruments	17,002	32,766
Other current assets[2]	9,410	7,427
	483,101	**479,284**

1 Restated in accordance with IAS 8 (see Note 4)
2 Excluding deferred items, value-added tax and other items in the amount of 1,141,000 euros (previous year, restated: 413,000 euros).

Management of default risk

Financial assets and other financial instruments: the management of default risk is described in the combined management report under "External risks".

Receivables: debtors are current or former portfolio companies; DBAG seeks to obtain regular and timely information about such companies' business development. If there are indications that debtors may fail to meet their obligations, the relevant debtor is requested to propose and implement measures on a timely basis that enable him to meet his obligations.

Securities: this item includes shares in mutual funds (money market and fixed income funds) with the highest credit ratings. It is assumed that these securities are subject to only a very low credit risk.

Cash and cash equivalents: cash and cash equivalents of DBAG are deposits held at German credit institutions and are part of the respective institutions' protection systems.

Other current assets: debtors mainly are the DBAG funds. Their payment obligations may be fulfilled by capital calls from their investors.

34. FINANCIAL INSTRUMENTS

CARRYING AMOUNT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (IFRS 9)

€'000	**Carrying amount 30 Sep 2019**	**Fair value 30 Sep 2019**
Financial assets measured at fair value through profit or loss		
Financial assets	385,693	385,693
thereof primary financial instruments	385,693	385,693
Other financial instruments	17,002	17,002
Securities		
Money-market funds	13,947	13,947
Fixed-income funds	11,551	11,551
	428,192	**428,192**
Financial assets at amortised cost		
Receivables	1,565	1,565
Cash and cash equivalents	43,934	43,934
Other current assets[1]	9,410	9,410
	54,909	**54,909**
Other financial liabilities		
Liabilities to non-controlling interests	55	55

1 Excluding deferred items, value-added tax and other items in the amount of 1,141,000 euros.

CARRYING AMOUNT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (IFRS 9)

€'000	**Carrying amount 30 Sep 2019**	**Fair value 30 Sep 2019**
	Restated[1]	Restated[1]
Financial assets measured at fair value through profit or loss		
Financial assets	318,931	318,931
thereof primary financial instruments	318,931	318,931
	318,931	**318,931**
Available-for-sale financial assets		
Long-term securities	55,458	55,458
Short-term securities	40,000	40,000
	95,458	**95,458**
Loans and receivables		
Receivables	1,130	1,130
Other financial instruments	32,766	32,766
Cash and cash equivalents	23,571	23,571
Other current assets[2]	7,427	7,427
	64,895	**64,895**
Other financial liabilities		
Liabilities to non-controlling interests	180	180

1 Restated in accordance with IAS 8 (see Note 4)
2 Excluding deferred items, value-added tax and other items in the amount of 413,000 euros.

Financial assets that are measured at fair value through profit or loss comprise financial instruments that were allocated to the investment business upon the transition to IFRS 9, as well as those whose cash flows do not solely consist of payment of principal and interest.

There were no financial assets measured at fair value through other comprehensive income.

The financial assets measured at amortised cost mainly include receivables from the DBAG funds as well as a purchase price receivable. Save for one receivable, they are all of good credit quality and are largely unsecured.

Until 30 September 2018, impairments were only recognised when there was objective evidence that the obligors would not be able to meet their future payment obligations. Accordingly, only one receivable in the amount of 41,000 euros was fully impaired in the financial year 2017/2018.

Since 1 October 2018, loss allowance for potential future impairments is already recorded upon the addition of an asset. As at the reporting date, the loss allowance for financial assets measured at amortised cost amounted to 58,000 euros (1 October 2018: 63,000 euros, see Note 3).

34.1 Disclosures on the hierarchy of financial instruments

Financial instruments measured at fair value are allocated to the following three levels in accordance with IFRS 13:

LEVEL 1: Use of prices in active markets for identical assets and liabilities.

LEVEL 2: Use of inputs that are observable, either directly (as prices) or indirectly (derived from prices).

LEVEL 3: Use of inputs that are not materially based on observable market data (unobservable inputs). The materiality of these inputs is judged on the basis of their influence on fair value measurement.

The financial instruments measured at fair value on a recurring basis can be classified as follows:

MEASUREMENT HIERARCHY FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE (IFRS 9)

€'000	**Fair value 30 Sep 2019**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value through profit or loss				
Financial assets	385,693	0	0	385,693
Other financial instruments	17,002	0	0	17,002
Securities				
Money-market funds	13,947	0	13,947	0
Fixed-income funds	11,551	0	11,551	0
	428,192	**0**	**25,498**	**402,694**

MEASUREMENT HIERARCHY FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE (IAS 39)

€'000	**Fair value 30 Sep 2018**	**Level 1**	**Level 2**	**Level 3**
	Restated[1]			
Financial assets measured at fair value through profit or loss				
Financial assets	**318,931**	**0**	**0**	**318,931**
Available-for-sale financial assets				
Long-term securities	55,458	0	55,458	0
Short-term securities	40,000	0	40,000	0
	95,458	**0**	**95,458**	**0**
	414,389	**0**	**95,458**	**318,931**

1 Restated in accordance with IAS 8 (see Note 4)

Level 2 securities relate to fund assets with the highest credit ratings, the liquidity of which is limited due to their trading in the secondary market. Bonds of domestic issuers still held as at 30 September 2018 were sold in the year under review.

There are no assets or liabilities that were not measured at fair value on a recurring basis.
The valuation categories in accordance with IFRS 9 have been defined as classes in accordance with IFRS 13 for Level 1 and 2 financial instruments. Level 3 financial instruments are allocated to the following classes:

CLASSIFICATION OF LEVEL 3 FINANCIAL INSTRUMENTS

€'000	Interests in investment entity subsidiaries	Interests in ortfolio companies	International fund investments	Other	**Total**
30 Sep 2019					
Financial assets	380,275	4,937	406	74	**385,693**
Other financial instruments	17,002	0	0	0	**17,002**
	397,276	4,937	406	74	**402,694**

CLASSIFICATION OF LEVEL 3 FINANCIAL INSTRUMENTS

€'000	Interests in investment entity subsidiaries	Interests in ortfolio companies	International fund investments	Other	**Total**
30 Sep 2018 Restated[1]					
Financial assets					
	313,726	**4,828**	**303**	**75**	**318,931**

1 Restated in accordance with IAS 8 (see Note 4)

The following tables show the changes in Level 3 financial instruments in the year under review and in the previous year, respectively:

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

€'000	1 Oct 2018	Additions	Disposals	Value movements	**30 Sept. 2019**
Financial assets					
Interests in investment entity subsidiaries	313,726	84,862	18,110	(202)	380,275
Interests in portfolio companies	4,828	0	272	382	4,937
International fund investment	303	0	0	104	406
Others	75	0	0	1	74
	318,931	**84,862**	**18,384**	**284**	**385,693**

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

€'000	1 Oct 2017	Additions	Disposals	Value movements	30 Sept. 2018
	Restated[1]			Restated[1]	Restated[1]
Financial assets					
Interests in investment entity subsidiaries	245,142	73,502	23,230	18,313	313,726
Interests in portfolio companies	4,948	21	0	(141)	4,828
International fund investment	974	0	895	225	303
Others	77	0	0	(2)	75
	251,140	**73,523**	**24,126**	**18,394**	**318,931**

1 Restated in accordance with IAS 8 (see Note 4)

The profit in the amount of 10,760,000 euros (previous year restated: 18,394,000 euros) is recognised in the net gain or loss from investment activities.

In both the year under review and the previous year, there were no transfers between levels.

The possible ranges for unobservable inputs regarding Level 3 financial instruments are as follows:

RANGES FOR UNOBSERVABLE INPUTS

€'000	**Fair value 30 Sep 2019**	Valuation method	Unobservable input	Range
Financial assets				
Interests in investment entity subsidiaries	380,275	Net asset value1	Average EBITDA/EBITA margin	2% to 43%
			Net debt[2] to EBITDA	(1,3) to 6,6
			Multiples discount	0% to 20%
Interests in portfolio companies	4,937	Multiples method	Average EBITDA/EBITA margin	7%
			Net debt[2] to EBITDA	1.6
			Multiples discount	0%
International fund investments	406	DCF	n/a	n/a
Other	74	Net asset value	n/a	n/a
	385,693			

1 The net asset value is determined using the sum-of-the-parts method. If the multiples method is used for the investments included therein, the same unobservable inputs are used as those for calculating the fair value of interests in portfolio companies (see Note 7).
2 Net debt of portfolio company

RANGES FOR UNOBSERVABLE INPUTS

€'000	**Fair value 30 Sep 2019**	Valuation method	Unobservable input	Range
	Restated[3]			
Financial assets				
Interests in investment entity subsidiaries	313,726	Net asset value[1]	Average EBITDA/EBITA margin	2% to 35%
			Net debt[2] to EBITDA	(3,4) to 6
			Multiples discount	0% to 20%
Interests in portfolio companies	4,828	Multiples method	Average EBITDA/EBITA margin	7%
			Net debt[2] to EBITDA	2.5
			Multiples discount	0%
International fund investments	303	DCF	n/a	n/a
Other	75	Net asset value	n/a	n/a
	318,931			

1 See footnote 1 in the preceding table
2 See footnote 2 in the preceding table
3 Restated in accordance with IAS 8 (see Note 4)

In our view, the change in unobservable inputs used for calculating the fair value of Level 3 financial instruments has the following effects on measurement amounts:

RANGES FOR UNOBSERVABLE INPUTS				
€'000	**Fair value 30 Sep 2019**	Change in Unobservable	inputs	Change in fair value
Financial assets[1]				
Interests in investment entity subsidiaries	380,275	EBITDA and EBITA	+/- 10%	32,742
		Net debt	+/- 10%	11,334
		Multiples discount	+/- 5 percentage points	3,175
Interests in portfolio companies	4,937	EBITDA and EBITA	+/- 10%	1,811
		Net debt	+/- 10%	482
		Multiples discount	+/- 5 percentage points	0
International fund investments	406		n/a	n/a
Other	74		n/a	n/a
	385,693			

1 In the case of recent newly-acquired investments, a change in the unobservable inputs has no effect on the fair value.

RANGES FOR UNOBSERVABLE INPUTS				
€'000	Fair value 30 Sep 2018	Valuation method	Unobservable input	Range
	Restated[1]			
Financial assets[2]				
Interests in investment entity subsidiaries	313,726	EBITDA and EBITA	+/- 10%	22,450
		Net debt	+/- 10%	5,566
		Multiples discount	+/- 5 percentage points	1,145
Interests in portfolio companies	4,828	EBITDA and EBITA	+/- 10%	1,978
		Net debt	+/- 10%	777
		Multiples discount	+/- 5 percentage points	0
International fund investments	303		n/a	n/a
Other	75			
	318,931			

1 See footnote 1 in the preceding table
2 See footnote 2 in the preceding table

The key factors influencing income have an effect on both unobservable inputs; consequently, there is a correlation between EBITDA and EBITA. For that reason, the change in fair value is shown together in the sensitivity analysis for the two unobservable inputs, with all other inputs remaining constant.

34.2 Net gain or loss on financial instruments measured at fair value

The net gain or loss on financial instruments measured at fair value comprise fair value changes recognised through profit or loss, realised gains or losses from the disposal of financial instruments, as well as exchange rate changes.

The following net gains or losses on financial assets recognised at fair value are included in the consolidated statement of comprehensive income:

NET GAIN OR LOSS FROM FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS								
€'000	**2018/2019**	**Level 1**	**Level 2**	**Level 3**	2017/2018	Level 1	Level 2	Level 3
					Restated[1]			
Net gain or loss from investment activities	49,629	0	0	49,629	31,098	0	0	31,098
Other operating income	319	0	0	319	0	0	0	0
Other operating expenses	0	0	0	0	0	0	0	0
Interest income	535	0	0	535	313	0	0	313
	50,482	**0**	**0**	**50,482**	**31,411**	**0**	**0**	**31,411**

1 Restated in accordance with IAS (see Note 4)

NET GAIN OR LOSS FROM FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME[1]								
€'000	**2018/2019**	**Level 1**	**Level 2**	**Level 3**	2017/2018	Level 1	Level 2	Level 3
Other operating income	272	0	272	0	17	0	17	0
Other operating expenses	(193)	0	(193)	0	(79)	0	(79)	0
Other income/expense items	**79**	0	**79**	**0**	**(62)**	**0**	**(62)**	**0**
Unrealised gains (+)/losses (-) on available-for-sale securities	0	0	0	0	(47)	0	(47)	0
Net result of valuation and disposal	0	0	0	0	(47)	0	(47)	0
Interest income	**197**	**0**	**197**	**0**	**(18)**	**0**	**(18)**	**0**

1 Previous year: Net gain or loss from available-for-sale financial assets

All securities measured at fair value through other comprehensive income were sold in the year under review. Overall, this resulted in a realised net loss of 19,000 euros.

34.3 Net gain or loss on financial instruments measured at amortised cost

The net gain or loss on financial instruments measured at amortised cost largely comprises income from Fund Services, consultancy expenses and reimbursable costs as well as interest.

NET GAIN OR LOSS ON FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST								
€'000	**2018/2019**	**Level 1**	**Level 2**	**Level 3**	2017/2018	Level 1	Level 2	Level 3
					Restated[1]			
Net gain or loss from investment activities	0	0	0	0	0	0	0	0
Income from Fund Services	26,970	0	0	26,970	28,855	0	0	28,855
Income from Fund Services and investment activities	26,970	0	0	26,970	28,855	0	0	28,855
Other operating income	4,862	0	0	4,862	2,914	0	0	2,914
Other operating expenses	(6,102)	0	0	(6,102)	(4,215)	0	0	(4,215)
Net interest income	552	0	0	552	305	0	0	305
Total other income/expense items	(688)	0	0	(688)	(997)	0	0	(997)

1 Restated in accordance with IAS 8 (see Note 4)

35. CAPITAL MANAGEMENT

The objective of DBAG's capital management is to ensure the availability of the Group's long-term capital requirement, and to increase the equity per share by a rate that at least exceeds the cost of equity on a long-term average.

The amount of equity is managed on a long-term basis by distributions and share repurchases and, if appropriate, by capital increases.

Overall, the capital of DBAG consists of the following components:

€'000	30 Sep 2019	30 Sep 2018
		Restated[1]
Liabilities		
Liabilities to non-controlling interests	55	180
Provisions	30,131	21,419
Other liabilities	1,277	15,930
	31,463	**37,529**
Equity		
Subscribed capital	53,387	53,387
Reserves	159,734	167,431
Consolidated retained profit	247,031	222,973
	460,152	**443,790**
Equity as a proportion of total capital %	93.60	92.20

1 Restated in accordance with IAS 8 (see Note 4)

Above and beyond the capital requirements as stipulated in the German Stock Corporation Act, DBAG is subject to capital restrictions pursuant to the German statutory legislation on special investment companies (Gesetz über Unternehmensbeteiligungsgesellschaften – UBGG). In order to maintain the status of a special investment company, a capital contribution of 1,000,000 euros on its share capital must have been paid in. This amount was fully paid in, both in the reporting year and the previous year.

36. EARNINGS PER SHARE BASED ON IAS 33

	2017/2018	2016/2017
		Restated[1]
Net income €'000	45,856	29,688
Number of shares at the reporting date 30 September	15,043,994	15,043,994
Number of shares outstanding at the reporting date 30 September	15,043,994	15,043,994
Average number of shares outstanding	15,043,994	15,043,994
Basic and diluted earnings per share €	**3.05**	**1.97**

1 Restated in accordance with IAS 8 (see Note 4)

Basic earnings per share are computed by dividing the net income for the year attributable to DBAG by the weighted average number of shares outstanding during the financial year.

Earnings per share may be diluted due to so-called potential shares arising under stock option programmes. DBAG has not launched such a stock option programme for years. Accordingly, there are no stock options outstanding as at the reporting date. Therefore, diluted earnings per share correspond to basic earnings per share.

37. DISCLOSURES ON SEGMENT REPORTING

DBAG's business policy is geared towards augmenting the Company's value over the long term through successful investments in portfolio companies, in conjunction with sustainable income from Fund Services. The investments are mainly entered into as co-investor alongside DBAG funds, either as majority investments by way of management buyouts (MBOs) or minority investments aimed at financing growth.

In order to be able to separately manage the two described business lines of DBAG, the internal reporting system calculates a separate operating result (segment result). For that reason, the business lines "Private Equity Investments" and "Fund Investment Services" are presented as reportable segments.

SEGMENT REPORTING FROM 1 OCTOBER 2018 TO 30 SEPTEMBER 2019

€'000	**Private Equity Investments**	**Fund Investment Services**	**Group reconciliation1[1]**	**Group 2018/2019**
Net gain or loss from investment activities	49,629	0	0	49,629
Income from Fund Services	0	28,181	(1,211)	26,970
Income from Fund Services and investment activities	**49,629**	**28,181**	**(1,211)**	**76,599**
Other income/expense items	(7,578)	(25,148)	1,211	(31,515)
Earnings before tax (segment result)	**42,050**	**3,033**	**0**	**45,083**
Income taxes				659
Earnings after taxes				**45,742**
Net gain or loss attributable to non-controlling interests				114
Net income				**45,856**
Financial assets and loans and receivables	385,693			
Other financial instruments	17,002			
Financial resources[2]	69,432			
Net asset value	**472,126**			
Assets under management or advisory[3]		**1,704,434**		

1. A synthetic internal administration fee is calculated for the Investment segment and taken into account when determining segment result. The fee is based on DBAG's co-investment interest.
2 The financial resources are used by DBAG for investments in financial assets. They contain the line items "Cash and cash equivalents", "Long-term securities" and "Short-term securities".
3 Assets under management or advisory comprise financial assets, loans and receivables, the financial resources of DBAG, as well as the investments and callable capital commitments to DBAG-managed private equity funds. The investments and loans and receivables are recognised at cost.

SEGMENT REPORTING FROM 1 OCTOBER 2017 TO 30 SEPTEMBER 2018

€'000	**Private Equity Investments**	**Fund Investment Services**	**Group reconciliation1[1]**	**Group 2017/2018**
Net gain or loss from investment activities	31,098	0	0	31,098
Income from Fund Services	0	29,707	(852)	28,855
Income from Fund Services and investment activities	**31,098**	**29,707**	**(852)**	**59,953**
Other income/expense items	(6,936)	(24,138)	852	(30,222)
Earnings before tax (segment result)	**24,163**	**5,568**	**0**	**29,731**
Income taxes				(18)
Earnings after taxes				**29,714**
Net gain or loss attributable to non-controlling interests				(25)
Net income				**29,688**

SEGMENT REPORTING FROM 1 OCTOBER 2017 TO 30 SEPTEMBER 2018				
€'000	Private Equity Investments	Fund Investment Services	Group reconciliation1[1]	Group 2017/2018
Financial assets and loans and receivables	318,931			
Other financial instruments	32,766			
Financial resources[2]	119,029			
Net asset value	**470,727**			
Assets under management or advisory[3]		**1,831,378**		

1. See footnote 1 in the preceding table
2 See footnote 2 in the preceding table
3 See footnote 3 in the preceding table
4 Restated in accordance with IAS 8 (see Note 4)

Products and services

DBAG invests in companies as a co-investor alongside DBAG funds by way of majority or minority investments. We basically structure majority investments as so-called management buyouts (MBO). Growth financing is made by way of a minority investment, for example via a capital increase. Within the scope of its investment activities, DBAG achieved a net result of valuation and disposal as well as current income from financial assets and loans and receivables totalling 49,629,000 euros (previous year, restated: 31,098,000 euros). Income from Fund Services amounted to 26,970,000 euros in the reporting year (previous year, restated: 28,855,000 euros).

Geographical activities and sector focus

Geographically, we concentrate our co-investments primarily on companies domiciled in German-speaking regions. Of the net income from investment activities, 53,293,000 euros (previous year, restated: 28,608,000 euros) are attributable to companies domiciled in German-speaking countries, and -3,664,000 euros (previous year, restated: 2,490,000 euros) to companies located in the rest of the world.

DBAG co-invests alongside the DBAG funds primarily in companies operating in the sectors of automotive suppliers, industrial services, industrial components as well as machine and plant engineering (DBAG's core sec-tors). It also co-invests in the sectors of broadband telecommunications, software and IT services, and healthcare (focus sectors) as well as in other sectors such as services and consumer goods. Further information on the focus sectors can be found in the management report under the heading "Investments in mid-market German companies with potential for development". Net result of valuation and disposal as well as current income from financial assets are presented separately by industries of the core sectors; focus sectors and other industries are combined in the following table:

€'000	Automotive suppliers	Industrial services	Industrial components	Machine and plant engineering	Other	Total
30 Sep 2019						
Interests in investment entity subsidiaries	111	(7,263)	(3,866)	(8,984)	67,896	47,894
Interests in portfolio companies	0	0	0	0	1,632	1,632
International fund investments	0	0	0	0	104	104
Other	0	0	0	0	(1)	(1)
	111	**(7,263)**	**(3,866)**	**(8,984)**	**69,631**	**49,629**
30 Sep 2018 Restated[1]						
Interests in investment entity subsidiaries	(2,989)	5,305	12,429	4,710	8,748	28,204
Interests in portfolio companies	0	0	0	0	609	609

€'000	Automotive suppliers	Industrial services	Industrial components	Machine and plant engineering	Other	Total
International fund investments	0	0	0	0	2,386	2,386
Other	0	0	0	0	(100)	(100)
	(2,989)	**5,305**	**12,429**	**4,710**	**11,643**	**31,098**

1 Restated in accordance with IAS 8 (see Note 4)

For more information on the composition of the portfolio and its development, we refer to the management report, chapters "Business and portfolio review" and "Portfolio and portfolio value".

Significant customers

DBAG's customers are the investors in DBAG funds. The funds raised by DBAG bundle the assets committed by German and international institutional investors, especially by pension funds, funds of funds, banks, foundations, insurance companies or family offices.

DBAG generates its Fund Services income from investors, none of whom account for more than ten per cent of DBAG's total income.

38. DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

A "Declaration of Compliance" pursuant to § 161 of the German Stock Corporation Act (Aktiengesetz – AktG) was submitted by the Board of Management and the Supervisory Board of Deutsche Beteiligungs AG and is permanently accessible to shareholders at DBAG's website[8].

39. DISCLOSURES ON RELATED PARTIES

Related companies within the meaning of IAS 24 are: (i) investment entity subsidiaries (see Note 5.3) and the indirectly held investments according to the list of subsidiaries and associates in Note 44, (ii) other unconsolidated subsidiaries of DBAG (see Note 5.5) and (iii) unconsolidated structured entities of DBAG (see Note 5.6).

Related persons, within the meaning of IAS 24, are key management personnel. At DBAG, these include all current members of the Board of Management, senior executives and the members of DBAG's Supervisory Board.

Income and expenses, receivables and liabilities from Fund Services

DBAG provides asset management services to the DBAG funds and the co-investment vehicles via its fully-consolidated subsidiaries.

The following fully-consolidated companies are reponsible for asset management: AIFM-DBG Fund VII (Guernsey) L.P., DBG Fund VI GP (Guernsey) LP, DBG Fund VII GP S.à r.l., DBG Management GmbH & Co. KG, DBG Managing Partner GmbH & Co. KG and DBG New Fund Management GmbH & Co. KG. DBAG pays no fees for the management of the co-investment vehicles of DBAG Fund IV, DBAG ECF and DBAG Fund V. Since the launch of DBAG Fund VI, DBAG has paid a volume-based fee for the management of its co-investments, to DBG Fund VI GP (Guernsey) LP, DBG Fund VII GP S.à r.l, and to AIFM DBG Fund VII (Guernsey) L.P. Based on the same principles and terms and conditions as for the investors in DBAG funds, this fee is determined by reference to a fixed percentage

8 https://www.dbag.de/investor-relations/corporate-governance/declarations-of-conformity

of the committed capital (during a fund's investment period), or of the invested capital (during the disinvestment phase), respectively.

The management companies receive advisory services from DBG Advising GmbH & Co. KG, and pay an advisory fee for these services.

The fees received from these activities – including amounts received from DBAG fund investors – are recognised in the item "Income from Fund Services" (see Note 11). In the year under review, income from Fund Services consisted of income from co-investment vehicles in the amount of 5,306,000 euros (previous year: 5,513,000 euros) and income from the DBAG funds in the amount of 21,434,000 euros (previous year: 23,155,000 euros). Fees paid by DBAG are also recognised in the „Net gain or loss from investment activities" items, reducing value (see Note 10).

As at the reporting date, receivables from management fees against DBAG funds amounted to 6,368,000 euros (previous year: 3,817,000 euros, see Note 21), while receivables from management fees against investment entity subsidiaries amounted to 1,565,000 euros (previous year: 1,091,000 euros, see Note 21). As at the reporting date, no advance management fees were paid by DBAG funds or co-investment vehicles (previous year: 3,176,000 euros or 923,000 euros, respectively; see Note 30).

Relationships to DBG Managing Partner GmbH & Co. KG and DBG Advising GmbH & Co. KG

DBAG itself holds a capital interest of 20 per cent in the fully-consolidated DBG Managing Partner GmbH & Co. KG. The remaining 80 per cent (previous year: 80 per cent) is held by the two Board of Management members who are part of the investment team, and by two senior executives. Income from the interest on their capital accounts amounts to 236 euros per year. The interests in the general partner of DBG Managing Partner GmbH & Co. KG are held by DBG Managing Partner GmbH & Co. KG itself. The general partner receives an annual liability fee in the amount of 3,125 euros.

DBAG itself holds a capital interest of 20 per cent in the fully-consolidated DBG Advising GmbH & Co. KG. The remaining 80 per cent (previous year: 80 per cent) is held by the two Board of Management members who are part of the investment team, and by two senior executives. Income from the interest on their capital accounts amounts to 113 euros (previous year: 101 euros). The interests in the general partner of DBG Advising GmbH & Co. KG are held by DBG Advising GmbH & Co. KG itself. The general partner receives an annual liability fee in the amount of 3,125 euros.

For more information on the interests held by the two members of the Board of Management and the two senior executives, we refer to Note 27.

Relationships to co-investment vehicles

Within the scope of structuring the investments in new portfolio companies, short-term loans are granted to the co-investment vehicles. These are reported in the item "Other financial instruments" (see Note 23); any resulting interest income is recognised in net interest income (see Note 15). There were no liabilities to co-investment vehicles as at the reporting date (previous year: 9,680,000 euros from a capital call).

Co-investments and carried interest

Selected members of the investment team as well as selected members of senior management who are not members of the investment team have committed to take an interest in DBAG funds. For those participating – in addition to the returns from the partnership – this can result in a profit share that is disproportionate to their capital commitment ("carried interest") after the fund has fulfilled certain conditions overall. This is the case if the DBAG Group or the investors in the respective DBAG fund have realised their invested capital, plus a preferred return of eight per cent per annum ("full repayment"). Carried interest of not more than 20 per cent[9] is paid out once proceeds on disposal are generated and full repayment has been achieved; the remaining 80 per cent[10] (net sales proceeds) is paid to the investors in the relevant DBAG fund and to DBAG. The structure of the carried interest schemes, their implementation and performance conditions, are in conformity with common practice in the private equity industry and constitute a prerequisite for the placement of DBAG funds. For the individuals participating, their partnership status constitutes a privately assumed investment risk which serves the purpose of aligning their interests with those of DBAG fund investors; the purpose of carried interest is to promote staff initiative and dedication to the success of the investment.

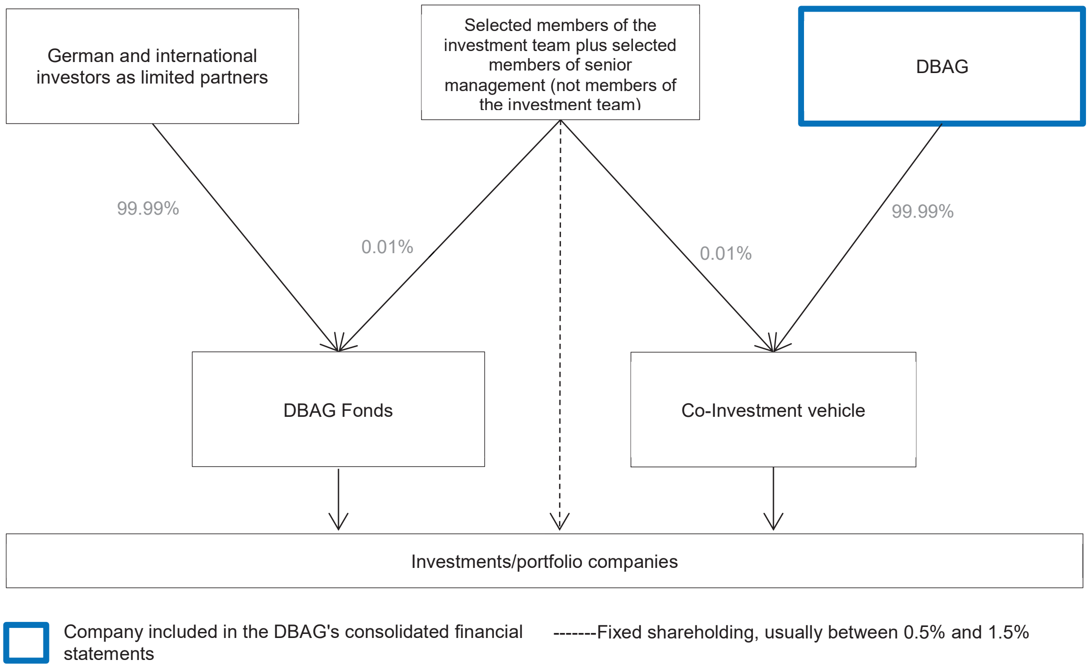
Since the launch of DBAG Fund VI, the investment structure of DBAG funds is as follows (significantly simplified):

[9] The maximum disproportionate profit share for the DBAG Fund VII B [Konzern] SCSp amounts to 10 per cent.

[10] The share of investors and DBAG for the DBAG Fund VII B [Konzern] SCSp totals 90 per cent.

OVERVIEW INVESTMENTS STRUCTURE

The percentages relate to the equity share.



The two Board of Management members who are part of the investment team as well as the senior executives entitled to carried interest made the following investments in the financial year 2018/2019 and received the following repayments from the DBAG funds and the co-investment vehicles:

	Investments during the financial year		Cumulative investments as at the reporting date		Repayments during the financial year	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
1 Oct 2018-30 Sep 2019						
DBAG Fund IV	0	0	1,032	420	899	423
DBAG Fund V	0	0	4,381	1,732	0	0
DBAG ECF	117	13	1,604	182	371	42
DBAG ECF I	95	51	674	400	0	0
DBAG ECF II	324	54	447	177	0	0
DBAG Fund VI	182	53	7,071	2,646	0	0
DBAG Fund VII	2,084	1,145	5,006	2,670	0	0
Total 2018/2019	**2,802**	**1,316**	**20,216**	**8,226**	**1,271**	**465**

€'000	Investments during the financial year: Key management personnel	Investments during the financial year: of which: Board of Management	Cumulative investments as at the reporting date: Key management personnel	Cumulative investments as at the reporting date: of which: Board of Management	Repayments during the financial year: Key management personnel	Repayments during the financial year: of which: Board of Management
1 Oct 2017 - 30 Sep 2018						
DBAG Fund IV	0	0	1,032	420	274	108
DBAG Fund V	25	9	4,381	1,732	2,388	926
DBAG ECF	62	7	1,487	168	207	23
DBAG ECF I	579	350	579	350	0	0
DBAG ECF II	123	123	123	123	0	0
DBAG Fund VI	276	89	6,889	2,593	811	291
DBAG Fund VII	980	513	2,922	1,524	0	0
Total 2017/2018	**2,045**	**1,090**	**17,414**	**6,909**	**3,681**	**1,348**

The following table outlines carried interest claims from the co-investment vehicles and DBAG funds for the two Board of Management members and the members of senior management entitled to carried interest. For information on the portion of the co-investment vehicles, we refer to the management report under the heading "Integrated business model: two business segments that are closely tied to DBAG funds".

€'000	1 Oct 2018: Key management personnel	1 Oct 2018: of which: Board of Management	Reduction due to disbursement: Key management personnel	Reduction due to disbursement: of which: Board of Management	Addition (+)/reversal (-): Key management personnel	Addition (+)/reversal (-): of which: Board of Management	30 Sep 2019: Key management personnel	30 Sep 2019: of which: Board of Management
DBAG Fund V	12,571	4,880	0	0	515	200	13,086	5,080
DBAG ECF	22,485	2,546	0	0	16,546	1,873	39,032	4,419
DBAG ECF I	0	0	0	0	4,439	1,267	4,439	1,267
DBAG Fund VI	50,013	17,952	0	0	6,135	2,202	56,147	20,154
	85,069	**25,378**	**0**	**0**	**27,634**	**5,542**	**112,703**	**30,920**

€'000	1 Oct 2017: Key management personnel	1 Oct 2017: of which: Board of Management	Reduction due to disbursement: Key management personnel	Reduction due to disbursement: of which: Board of Management	Addition (+)/reversal (-): Key management personnel	Addition (+)/reversal (-): of which: Board of Management	30 Sep 2018: Key management personnel	30 Sep 2018: of which: Board of Management
DBAG Fund V	17,993	6,985	(2,674)	(1,038)	(2,748)	(1,067)	12,571	4,880
DBAG ECF	14,756	1,671	0	0	7,729	875	22,485	2,546
DBAG Fund VI	36,278	13,022	0	0	13,734	4,930	50,013	17,952
	69,027	**21,677**	**(2,674)**	**(1,038)**	**18,715**	**4,738**	**85,069**	**25,378**

In the consolidated financial statements, carried interest is taken into account in the fair value measurement of the shares of DBAG in the co-investment vehicles of the respective fund ("net asset value"). For the purpose of fair value measurement, the total liquidation of a fund's portfolio as at the reporting date is assumed (see Note 7, paragraph "Fair value measurement methods on hierarchy level 3"). In the year under review, the net asset values of the co-investment vehicles DBAG Fund V, DBAG ECF, DBAG ECF I and DBAG Fund VI are reduced by carried interest claims of key management personnel, by a total amount of 37,540,000 euros (previous year, restated: 25,251,000 euros). Net gain or loss from investment activities, and hence net income, are reduced by 12,289,000 euros (previous year, restated: 7,573,000 euros). The carried interest for DBAG ECF II and DBAG Fund VII remains unchanged at nil euros.

This carried interest, which is taken into account upon measurement, may increase or decrease in value in the future, and is not disbursed until the requirements under company law are met.

Remuneration based on employment or service contracts

Total remuneration for members of the Board of Management amount to 3,682,000 euros (previous year, restated: 3,274,000 euros). This includes long-term benefits of 45,000 euros (previous year: 185,000 euros) and current service cost of 199,000 euros (previous year: 118,000 euros). An amount of 4,545,000 euros (previous year: 3,468,000 euros) of the provisions for pension obligations was attributable to Board of Management members. There are neither termination benefits nor share-based payments.

The total remuneration for senior executives amounts to 7,591,000 euros (previous year: 6,497,000 euros). This includes long-term benefits of 31,000 euros (previous year: 164,000 euros), current service cost of 300,000 euros (previous year: 229,000 euros) and termination benefits of 620,000 euros (previous year: 450,000 euros). An amount of 8,578,000 euros (previous year: 5,706,000 euros) of the provisions for pension obligations was attributable to senior executives. There was no share-based payment.

The total remuneration for Supervisory Board members amounts to 398,000 euros (previous year: 503,000 euros). Of this amount, 370,000 euros (previous year: 388,000 euros) referred to Supervisory Board activities and 28,000 euros (previous year: 115,000 euros) to one long-term benefit for one member of the Supervisory Board. In addition to his remuneration for Supervisory Board membership, this Supervisory Board member also receives a pension payment from his previous membership in DBAG's Board of Management, in the amount of 186,000 euros (previous year: 185,000 euros). An amount of 6,417,000 euros (previous year: 5,549,000 euros) of the provisions for pension obligations was attributable to this Supervisory Board member.

For information on the basic principles of the remuneration system and the amount of total remuneration for members of the Board of Management and the Supervisory Board, we refer to the remuneration report. The remuneration report is an integral constituent of the combined management report. It also discloses individual information as required pursuant to § 314 (1) no. 6 HGB.

Other transactions with key management personnel

Senior executives acquired 1,260 (previous year: 988) shares of DBAG at preferential terms. The resulting pecuniary advantage amounted to 11,000 euros (previous year: 11,000 euros), and is recognised under personnel expenses.

DBAG granted loans to senior executives in the amount of 95,000 euros at standard market conditions (previous year: 95,000 euros). Interest income amounts to 2,000 euros (previous year: 2,000 euros).

There are no contingent liabilities for key management personnel.

40. RISK MANAGEMENT

For information on risk management objectives and methods, please refer to Note 33 and to the discussion in the combined management report.

41. EVENTS AFTER THE REPORTING DATE

DBAG alongside DBAG Fund VII agreed the investment in Cartonplast Holdings GmbH in the fourth quarter of the year under review. The transaction was completed at the start of the new financial year.

DGAB Fund VII has acquired the majority of the company's shares as part of an MBO. DBAG has invested 26,047,000 euros and will hold around 17 per cent of the shares in Cartonplast in the future.

The acquisition of STG Group was also signed in the fourth quarter of 2018/2019. The MBO of STG Group is DBAG's sixth broadband communication investment since 2013. The transaction was completed in October 2019. DBAG invested 9,564,000 euros alongside DBAG ECF, which means that 36 per cent of the shares in the group are now attributable to DBAG.

At the end of November 2019, the sale of the investment in inexio Beteiligungs GmbH & Co. KGaA was completed; the deal was agreed at the end of September 2019, shortly before the reporting date. DBAG had held 6.9 per cent of the shares in the company from the portfolio of DBAG.

At the beginning of the new financial year, DBAG Fund VIII was initiated successfully as a successor fund for DBAG Fund VII. In the first round of subscriptions in November 2019, investors made investment commitments in the amount of almost 800 million euros; DBAG entered into a co-investment agreement for DBAG Fund VIII in the amount of more than 255 million euros.

42. FEES FOR THE AUDITOR

Total fees paid to the auditor BDO (previous year: KPMG) are composed of as follows:

	2018/2019			2017/2018		
€'000	**Parent company**	**Subsidiary**	**Total**	Parent company	Subsidiary	Total
Audit of consolidated/separate financial statements	362	0	362	455	37	492
Tax advisory services	0	0	0	39	27	66
Other consultancy services (not reimbursable)	0	0	0	7	13	20
	362	**0**	**362**	**501**	**77**	**578**
Other consultancy services (reimbursable)	0	0	0	0	0	0
	362	**0**	**362**	**501**	**77**	**578**

The services associated with auditing the consolidated and annual financial statements also include activities concerning the review of the half-yearly financial statements as at 31 March 2019, as well as audit activities relating to the audit of the annual financial statements as at 30 September 2018 that were conducted early.

The reduction in fees paid to auditors is related to lower expenses in connection with the enforcement procedures concerning the consolidated financial statements as at 30 September 2015, which were concluded in July 2018.

43. MEMBERS OF THE SUPERVISORY BOARD AND THE BOARD OF MANAGEMENT

Supervisory Board*

ANDREW RICHARDS

Bad Homburg v. d. Höhe, Germany (Chairman until his departure on 13 October 2018)

Consultant

No statutory offices or comparable offices in Germany and abroad

GERHARD ROGGEMANN

Hanover, Germany

(Deputy Chairman until 13 October 2018 – Chairman) since 14 October 2018

Consultant

Statutory offices

- Bremer AG, Paderborn, Germany (Vice-Chairman)
- GP Günter Papenburg AG, Schwarmstedt, Germany (Chairman)
- WAVE Management AG, Hanover, Germany (Vice-Chairman)

DR HENDRIK OTTO

Dusseldorf, Germany (Deputy Chairman since 14 October 2018)

Member of the Board of Management of WEPA Industrieholding SE, Arnsberg, Germany

No statutory offices or comparable offices in Germany and abroad

SONJA EDELER

Hanover, Germany

Managing Director, Finance & Accounting and Internal Audit, Dirk Rossmann GmbH, Burgwedel, Germany

No statutory offices or comparable offices in Germany and abroad

WILKEN FREIHERR VON HODENBERG

Hamburg, Germany

Lawyer Statutory offices

- Schloss Vaux AG, Eltville, Germany
- SLOMAN NEPTUN Schiffahrts-AG, Bremen, Germany
- WEPA Instrustrieholding SE, Arnsberg, Germany

Comparable offices in Germany and abroad

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* Statutory offices: offices held on other statutory supervisory boards; comparable offices in Germany and abroad: offices held on comparable domestic and international supervisory bodies of commercial enterprises, as at 30 September 2019

- NB Private Equity Partners Ltd., St. Peter Port, Guernsey (since 21 March 2019)

PHILIPP MÖLLER

Hamburg, Germany

Managing Partner of Möller & Förster GmbH & Co. KG, Hamburg, Germany

No statutory offices or comparable offices in Germany and abroad

DR MAXIMILIAN ZIMMERER

Munich, Germany (since 21 February 2019)

Supervisory Board Member

Statutory offices

- Investmentaktiengesellschaft für langfristige Investoren TGV, Bonn, Germany (Chairman)
- Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft, Munich, Germany

Comparable offices in Germany and abroad

- Möller & Förster GmbH & Co. KG, Hamburg, Germany (Chairman)

Board of Management*

TORSTEN GREDE

Frankfurt/Main, Germany (Spokesman)

Comparable offices in Germany and abroad

- Treuburg Beteiligungsgesellschaft mbH, Ingolstadt, Germany
- Treuburg GmbH & Co. Familien KG, Ingolstadt, Germany

DR ROLF SCHEFFELS

Frankfurt/Main, Germany

Comparable offices in Germany and abroad

- JCK Holding GmbH Textil KG, Quakenbrück, Germany
- Preh GmbH, Bad Neustadt a. d. Saale, Germany

SUSANNE ZEIDLER

Frankfurt/Main, Germany

Comparable offices in Germany and abroad

- DBG Fifth Equity Team GmbH & Co. KGaA i.L., Frankfurt/Main, Germany (Vice-Chairwoman)
- DWS Investment GmbH (since 10 September 2019)

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* Statutory offices: offices held on other statutory supervisory boards; comparable offices in Germany and abroad: offices held on comparable domestic and international supervisory bodies of commercial enterprises, as at 30 September 2019

44. LIST OF SUBSIDIARIES AND ASSOCIATES PURSUANT TO § 313 (2) HGB

Name	Registered office	Equity interest %
FULLY-CONSOLIDATED AND UNCONSOLIDATED SUBSIDIARIES		
AIFM-DBG Fund VII Management (Guernsey) LP	St. Peter Port, Guernsey	0.00
Bowa Geschäftsführungsgesellschaft mbH i. L.[1]	Frankfurt/Main, Germany	100.00
DBG Advising GmbH & Co. KG	Frankfurt/Main, Germany	20.00
DBG Advising Verwaltungs GmbH 1	Frankfurt/Main, Germany	20.00
DBG Fund VI GP (Guernsey) LP	St. Peter Port, Guernsey	0.00
DBG Fund VII GP S.a r.l.	Luxembourg-Findel, Luxemburg	100.00
DBG Fund VIII GP (Guernsey) L.P. [1]	St. Peter Port, Guernsey	0.00
DBG Fund VIII GP (Guernsey) Limited [1]	St. Peter Port, Guernsey	0.00
DBG Management GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBG Managing Partner GmbH & Co. KG	Frankfurt/Main, Germany	20.00
DBG Managing Partner Verwaltungs GmbH [1]	Frankfurt/Main, Germany	20.00
DBG Management GP (Guernsey) Ltd.	St. Peter Port, Guernsey	3.00
DBG New Fund Management GmbH & Co. KG	Frankfurt/Main, Germany	100.00
European PE Opportunity Manager LP	St. Peter Port, Guernsey	0.00
RQPO Beteiligungs GmbH [1, 3]	Frankfurt/Main, Germany	77.54
RQPO Beteiligungs GmbH & Co. Papier KG[1]	Frankfurt/Main, Germany	90.00
UNCONSOLIDATED INVESTMENT ENTITY SUBSIDIARIES		
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	Frankfurt/Main, Germany	99.00
BTV Multimedia GmbH	Hannover, Germany	32.20
DBAG ECF Fonds I Beteiligungs GmbH	Frankfurt/Main, Germany	47.54
Rana Beteiligungsgesellschaft mbH	Frankfurt/Main, Germany	47.54
Tridecima Grundstücksverwaltungsgesellschaft mbH [2]	Neubiberg, Germany	30.08
DBAG ECF Pontis GmbH & Co. KG	Frankfurt/Main, Germany	25.00
DBAG ECF Pontis Verwaltungs GmbH	Frankfurt/Main, Germany	47.54
DBAG ECF Präzisionstechnik Beteiligungs GmbH	Frankfurt/Main, Germany	41.78
ECF Breitbandholding GmbH	Frankfurt/Main, Germany	41.78
ECF Broadband Holding GmbH	Frankfurt/Main, Germany	41.78
Netzkontor Gruppe GmbH	Flensburg, Germany	34.00
Vitronet GmbH	Essen, Germany	41.25
von Poll Immobilien GmbH	Frankfurt/Main, Germany	30.05
Rheinhold & Mahla GmbH	Wismar, Germany	45.63
DBAG Fund V Konzern GmbH & Co. KG	Frankfurt/Main, Germany	99.00
DBAG Fund VI Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99
DBAG Fund VII B Konzern SCSp	Luxembourg-Findel, Luxemburg	99.99
DBAG Fund VII Konzern SCSp	Luxembourg-Findel, Luxemburg	99.99
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	Frankfurt/Main, Germany	100.00
Deutsche Beteiligungsgesellschaft mbH	Konigstein/Taunus, Germany	100.00
DBG Advisors Kommanditaktionar GmbH & Co. KG	Frankfurt/Main, Germany	33.33
DBG Fifth Equity Team GmbH & Co. KGaA i. L.	Frankfurt/Main, Germany	33.33
DBG Alpha 5 GmbH	Frankfurt/Main, Germany	100.00

Name	Registered office	Equity interest %
DBG Asset Management, Ltd.	Jersey	50.00
DBG Beteiligungsgesellschaft mbH	Frankfurt/Main, Germany	100.00
DBG Epsilon GmbH	Frankfurt/Main, Germany	100.00
DBG Fourth Equity International GmbH	Frankfurt/Main, Germany	100.00
DBV Drehbogen GmbH	Frankfurt/Main, Germany	100.00

1 Unconsolidated subsidiaries - see Note 5.5
2 Share in the capital, including a direct stake of 10.40%
3 Share in the capital, including an indirect stake of 28.54% held via Deutsche Beteiligungsgesellschaft mbH

OTHER COMPANIES

Based on its investments, DBAG holds more than five per cent of the voting rights in the following companies:	
Heytex Bramsche GmbH	Bramsche, Germany
Mageba Holding AG	Bulach, Germany
Oechsler AG	Ansbach, Germany
SERO GmbH	Rohrbach, Germany

Frankfurt /Main, 3 December 2019

The Board of Management

Torsten Grede Dr Rolf Scheffels Susanne Zeidler

The following independent auditor's report (*Bestätigungsvermerk*) has been issued in accordance with Section 322 German Commercial Code (*Handelsgesetzbuch*) in German language on the German version of the consolidated financial statements of Deutsche Beteiligungs AG as of and for the financial year ended September 30, 2019 and the combined management report. The combined management report is not included in this Prospectus.

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the consolidated financial statements and of the combined management report

Opinions

We have audited the consolidated financial statements of Deutsche Beteiligungs AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 September 2019, and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 October 2018 to 30 September 2019, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of Deutsche Beteiligungs AG for the financial year from 1 October 2018 to 30 September 2019. In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report listed in the chapter "other information".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 30 September 2019, and of its financial performance for the financial year from 1 October 2018 to 30 September 2019, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in the

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2018 to 30 September 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We identified the following matters as key audit matters:

Valuation of financial assets

The financial statement position "Financial assets" amounts to 385.7 million euro and mainly consists of DBAG's share in investment entity subsidiaries that are not consolidated in the Company's consolidated financial statement according to IFRS 10.31 sentence 1. Per IFRS 10.31 sentence 2 in connection with IFRS 9, investments are valued at their fair value through profit and loss. The fair value is determined according to IFRS 13 considering the International Private Equity and Venture Capital Valuation Guidelines (IPEVG) effective 2018.

The fair value of the investment entity subsidiaries corresponds to the Company's share of the sum of the fair values of each portfolio company (sum-of-the-parts-methodology). The valuation at the fair value assumes the sale of all shares of portfolio Company's at the balance sheet date. Individual contractual agreements are included in the valuation, in particular agreements with members of the investment team regarding their profit participation of DBAG Funds, so-called Carried Interest.

The Company has implemented a process to determine the fair values of the portfolio companies that considers the fact that market prices cannot be observed. The Company primarily uses the multiples method to determine the fair values of the portfolio companies based on financial results (market approach). In some cases, an income approach is applied. The main non-observable assumptions used in the valuation are the sustainable earnings derived from the projections of each portfolio Company and the expected cashflows, respectively, as well as the net debt. Regardless of the valuation approach, the fair values determined are considered level 3 according to the fair value hierarchy due to unobservable input factors used in the calculation. The necessary valuation assumptions are discretionary, as they cannot be observed on the market. In addition, there are complex contractual provisions in place regarding the calculation of carried interest for the investment entity subsidiaries. These need to be given appropriate consideration when measuring the fair values of the interest in the investment entity subsidiaries.

With respect to the consolidated financial statements, there is a risk that the fair values of the portfolio companies used in the valuation of financial assets do not meet the requirements of IFRS 13, resulting in an inappropriate valuation. There is an additional risk attached to the consideration of contractual agreements of carried interest. Finally, there is a risk that the disclosures in the notes to the consolidated financial statements according to IFRS 7 and IFRS 13 in particular are not appropriate.

We refer to the notes to the consolidated financial statements regarding the Company's accounting and valuation methods (note 7). We refer to future-oriented assumptions and other significant sources of estimation uncertainties (note 9), disclosures on the financial assets (note 19), on the net result of investment activity (note 10), notes on financial instruments (note 33), disclosures regarding related party transactions (note 39), as well as to the statements in the combined management report regarding the Company's operations.

Our audit approach

First, we obtained an understanding of the Company's process to determine the fair values as part of the valuation of the shares in investment entity subsidiaries and assessed whether the valuation guidelines implemented by the Company are deemed appropriate to meet the requirements of IFRS 13. In order to gain an understanding of the organizational structure of the valuation process, we inquired with responsible employees, and obtained process descriptions, status reports, valuation documentation as well as minutes of board meetings. Based on the evidence obtained, we assessed the appropriateness of the controls implemented, particularly regarding the valuation proposals made by the Valuation Committee.

Our substantive audit procedures included reviewing the documentation of the calculations of the fair values of the portfolio companies and the assessment whether these calculations were consistent with the valuation process implemented and whether the valuation methodologies applied were deemed appropriate. In case of five Companies that were initially valued using the multiples approach, we assessed the appropriateness of with the valuation approach used considering observable input factors. We further assessed the calculation of the fair values and the observable inputs. For all portfolio companies, we reassessed the calculations of the fair values and the observable inputs. We audited unobservable assumptions based on a sample selected using a risk-oriented approach.

For selected estimates of sustainable earnings and the net debt of portfolio companies, we reassessed the deviation from the budgets prepared by their management, and we obtained the approval of the respective supervisory board. For adjustments of assumptions made by the valuation committee of the Deutsche Beteiligungs AG, we discussed the respective documentation with members of the valuation committee, to conclude on the reasonableness of such adjustments. We further assessed the appropriateness of selected assumptions used in the portfolio managements' projections (EBITDA margins in particular) through comparison with ranges derived from external market data for the respective performance indicators.

Regarding the earnings multiples used in the multiple's method, we involved our valuation specialists to assess the proper deviation of peer group companies and the resulting multiples based on the companies and capital market data. With respect to the income-based approach, we involved our valuation experts to evaluate the appropriateness of the capitalization interest rate used, by comparing the underlying assumptions (the risk-free rate and the market risk premium in particular) to publicly available data.

We also performed substantive audit procedures regarding the consideration of carried interest in the calculation of the fair value of the shares attributable to DBAG. We evaluated the identification of carried interest entitlement and the respective valuation. Finally, we assessed whether the disclosures on the valuation of financial assets according to IFRS 7 and IFRS 13, in particular, were appropriate.

Other information

The executive directors are responsible for the other information. The other information comprises:

- the statement on corporate governance included in section "other statutory disclosures and explanatory information" of the combined management report and

- the remaining parts of the annual report, with the exception of the audited consolidated financial statements and combined management report and our auditor's report.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the combined management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal controls as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement

Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Further information pursuant to article 10 of the audit regulation

We were elected as group auditor by the annual general meeting on February 21, 2019. We were engaged by the audit committee on February 21, 2019.

We have been the group auditor of the Deutsche Beteiligungs AG since the financial year 2018/2019.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Dr Jens Freiberg.

Frankfurt/Main, 4 December 2019

BDO AG
Wirtschaftsprufungsgesellschaft

Dr Freiberg German Public Auditor	Gebhardt German Public Auditor

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge, and in accordance with the applicable accounting principles, that the consolidated half-yearly financial statements give a true and fair view of the asset, financial and earnings position of the Group, and that the condensed management report presents a true and fair view of the business development (including business results) and the position of the Group, together with a description of the material risks and opportunities associated with the expected development of the Group.

Frankfurt/Main, 3 December 2019

The Board of Management

Torsten Grede　　Dr Rolf Scheffels　　Susanne Zeidler

CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1 October 2017 to 30 September 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 October 2017 to 30 September 2018

€'000	Notes	1 Oct. 2017 to 30 Sept. 2018	1 Oct. 2016 to 30 Sept. 2017
			adjusted[1]
Net result of investment activity	10	34,133	85,835
Fee income from fund management and advisory services	11	28,536	27,047
Net result of fund services and investment activity		**62,669**	**112,881**
Personnel expenses	12	(16,812)	(20,743)
Other operating income	13	3,697	4,605
Other operating expenses	14	(15,557)	(14,349)
Interest income	15	344	154
Interest expenses	16	(702)	(556)
Other income/expenses		**(29,029)**	**(30,889)**
Earnings before tax		**33,640**	**81,993**
Income taxes	17	(18)	(1)
Earnings after taxes		**33,622**	**81,992**
Minority interest gains (-)/losses (+)	27	(25)	(37)
Net income		**33,597**	**81,955**
a) Items that will not be reclassified subsequently to profit or loss			
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset)	29	(1,155)	3,510
b) Items that will be reclassified subsequently to profit or loss			
Unrealised gains (+)/losses (-) on available-for-sale securities	22	(47)	(585)
Other comprehensive income		**(1,203)**	**2,925**
Total comprehensive income		**32,394**	**84,880**
Earnings per share in € (diluted and basic)[2]	36	2.23	5.45

1 Adjusted in accordance with IAS 8 (see note 4 of the notes to the consolidated financial statements)
2 The earnings per share calculated in accordance with IAS 33 are based on net income divided by the average number of DBAG shares outstanding in the reporting period.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 October 2017 to 30 September 2018

INFLOWS (+)/OUTFLOWS (-)

€'000	Notes	**1 Oct. 2017 to 30 Sept. 2018**	1 Oct. 2016 to 30 Sept. 2017
			adjusted[1]
Net income		33,597	81,955
Valuation gains (-)/losses (+) on financial assets and loans and receivables, depreciation and amortisation of property, plant and equipment and intangible assets, gains (-)/losses (+) on long- and short-term securities	10, 18, 19, 20	(24,718)	(69,803)
Gains (-)/losses (+) from disposals of non-current assets	10, 18	(1,133)	(12,076)
Increase (-)/decrease (+) in income tax assets	24	78	1,824
Increase (-)/decrease (+) in other assets (netted)	21, 23, 24, 25	3,091	1,523
Increase (+)/decrease (-) in pension provisions	29	887	(3,753)
Increase (+)/decrease (-) in provisions for taxes	17, 24	17	0
Increase (+)/decrease (-) in other provisions	28	(5,556)	(2,518)
Increase (+) / decrease (-) in other liabilities (netted)	24, 26, 27, 30	3,595	(2,389)
Cash flows from operating activities[2]		**9,858**	**(460)**
Proceeds from disposals of property, plant and equipment and intangible assets	18	177	141
Purchase of investments in property, plant and equipment and intangible assets	18	(303)	(571)
Proceeds from disposals of financial assets and loans and receivables	10, 19, 20	30,302	199,286
Purchase of investments in financial assets and loans and receivables	10, 19, 20	(63,826)	(54,697)
Proceeds from disposals of other financial instruments		36,546	0
Payments for investments in other financial instruments	23	(33,664)	(35,649)
Proceeds from disposals of long- and short-term securities	22, 32	41,384	12,641
Payments for investments in long- and short-term securities	22, 32	(103,818)	(26,024)
Cash flows from investing activities		**(93,200)**	**95,127**
Payments to shareholders (dividends)	26	(21,062)	(18,053)
Cash flows from financing activities		**(21,062)**	**(18,053)**
Change in cash funds from cash-relevant transactions		(104,404)	76,614
Cash funds at start of period	32	127,976	51,361
Cash funds at end of period	**32**	**23,571**	**127,976**

1 Adjusted in accordance with IAS 8 (see note 4 of the notes to the consolidated financial statements)
2 This includes received and paid income taxes of 107 thousand euros (previous year: 1,805 thousand euros), as well as received and paid interest and dividends of 6,151 thousand euros (previous year: 1,405 thousand euros).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2018

€'000	Notes	30 Sept. 2018	30 Sept. 2017 adjusted[1]
ASSETS			
Non-current assets			
Intangible assets	18	438	693
Property, plant and equipment	18	839	1,129
Financial assets	19	323,304	252,830
Loans and receivables	20	0	1,338
Long-term securities	22	55,458	33,659
Total non-current assets		**380,039**	**289,648**
Current assets			
Receivables	21	1,091	3,649
Short-term securities	22	40,000	0
Other financial instruments	23	32,766	35,649
Income tax assets	24	345	423
Cash and cash equivalents		23,571	127,976
Other current assets	25	7,408	6,624
Total current assets		**105,181**	**174,320**
Total assets		**485,220**	**463,968**
EQUITY AND LIABILITIES			
Equity	26		
Subscribed capital		53,387	53,387
Capital reserves		173,762	173,762
Retained earnings and other reserves		(6,331)	(5,129)
Consolidated retained profit		226,962	214,427
Total equity		**447,779**	**436,447**
Liabilities			
Non-current liabilities			
Minority interests	27	180	148
Provisions for pension obligations	29	12,209	11,323
Total non-current liabilities		**12,389**	**11,471**
Current liabilities			
Other current liabilities	30	15,773	1,233
Other provisions	24	17	0
Tax provisions	28	9,262	14,818
Total current liabilities		**25,052**	**16,050**
Total liabilities		**37,441**	**27,521**
Total equity and liabilities		**485,220**	**463,968**

1 Adjusted in accordance with IAS 8 (see note 4 of the notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 October 2017 to 30 September 2018

€'000	Notes	**1 Oct. 2017 to 30 Sept. 2018**	1 Oct. 2016 to 30 Sept. 2017
			adjusted[1]
Subscribed capital			
At start and end of reporting period	26	**53,387**	**53,387**
Capital reserves			
At start and end of reporting period	26	**173,762**	**173,762**
Retained earnings and other reserves			
Legal reserve			
At start and end of reporting period		403	403
First-time adoption of IFRS			
At start and end of reporting period		16,129	16,129
Reserve for gains/losses on remeasurements of the net defined benefit liability (asset)			
At start of reporting period		(21,605)	(25,115)
Change in reporting period	29	(1,155)	3,510
At end of reporting period		(22,760)	(21,605)
Change in unrealised gains/losses on available-for-sale securities			
At start of reporting period		(55)	529
Change in reporting period outside profit or loss	22	(47)	(300)
Change in reporting period through profit or loss	22	0	(284)
At end of reporting period		(102)	(55)
At end of reporting period		**(6,331)**	**(5,129)**
Consolidated retained profit			
At start of reporting period		214,427	150,525
Dividend		(21,062)	(18,053)
Net income		33,597	81,955
At end of reporting period		**226,962**	**214,427**
Total		**447,779**	**436,447**

1 Adjusted in accordance with IAS 8 (see note 4 of the notes to the consolidated financial statements)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year from 1 October 2017 to 30 September 2018

GENERAL INFORMATION

1. PRINCIPAL ACTIVITY OF THE GROUP

Deutsche Beteiligungs AG (DBAG) is a publicly-listed private equity company. It initiates closed-end private equity funds ("DBAG funds") for investment in equity or equity-like instruments predominantly in unlisted companies, and provides advice regarding these funds. Employing its own assets, it enters into investments as a co-investor alongside the DBAG funds. Its investment focus, as a co-investor and fund advisor, is on mid-market German companies. It receives income as a co-investor through the increase in value of the company in which it has invested and as a fund advisor, performing services for the DBAG funds.

DBAG returned its registration as a capital management company ("KVG") in accordance with the German Capital Investment Code (Kapitalanlagegesetzbuch – KAGB) based on a corresponding resolution passed by the Annual Meeting in February 2018. A Group company that is registered as a capital management company has been responsible for fund management since July 2017.

DBAG is domiciled at Börsenstraße 1 in 60313 Frankfurt am Main, Federal Republic of Germany. The company is listed in the register of the Frankfurt am Main Local Court under HRB 52491.

2. BASIS OF PREPARATION

The consolidated financial statements of DBAG at 30 September 2018 have been prepared in conformity with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission for application in the European Union. The interpretations of the International Financial Reporting Interpretations Committee (IFRIC) relevant to the consolidated financial statements are also applied. Additionally, the commercial law requirements stipulated in § 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB) have been taken into account.

The consolidated financial statements fairly present the asset, financial and earnings position. To that end, the information contained therein constitutes a faithful representation of the effects of transactions, other events and conditions in conformity with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the IFRS framework.

The consolidated financial statements consist of the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of financial position, the consolidated statement of changes in equity and these notes to the consolidated financial statements.

The accounting, valuation and consolidation policies, as well as the notes and disclosures to the consolidated financial statements, are applied consistently, except when IFRS rules or the identification of an error in earlier consolidated financial statements by the financial supervisory authority BaFin necessitate changes (see Note 3 and Note 4).

The consolidated financial statements have been structured in conformity with the rules of IAS 1.

The consolidated statement of comprehensive income is structured based on the nature of expense method. In the interest of presenting information that is relevant to the business of DBAG as a private equity business, the net result of investment activity has been disclosed instead of revenues. Items of other comprehensive income are stated after taking into account all tax effects in that context as well as the respective reclassified amounts. Reclassifications between other comprehensive income and profit or loss are presented in the notes to the consolidated financial statements.

In the consolidated statement of cash flows, cash flows are differentiated according to operating activities as well as investing and financing activities (see Note 32). The cash flows from investing activities also include the proceeds and payments resulting from changes in the long- and short-term securities held.

The presentation in the consolidated statement of financial position differentiates between long- and short-term assets and liabilities. Assets and liabilities are categorised as short-term if they fall due or are met within twelve months after the closing date, otherwise as long-term.

For the sake of clarity, individual items on the consolidated statement of comprehensive income and on the consolidated statement of financial position have been presented together. These items are disclosed and discussed separately in the notes to the consolidated financial statements.

The consolidated financial statements have been drawn up in euros. The amounts are presented rounded to thousands of euros, except when transparency reasons require presenting amounts in euros. Rounding differences in the tables in this report may therefore occur.

On 20 November 2018, the Board of Management of DBAG authorised the consolidated financial statements and the combined management report for issue to the Supervisory Board. The Supervisory Board will pass a vote on 29 November 2018 as to its approval of the consolidated financial statements.

3. CHANGES IN ACCOUNTING METHODS DUE TO AMENDED RULES

Standards and interpretations, as well as amendments to standards and interpretations applicable for the first time, that have an impact on the reporting period that ended at 30 September 2018

In the financial year 2017/2018, there were no new standards and interpretations or amendments to standards and interpretations that have become applicable for the first time and that have an impact on the consolidated financial statements at 30 September 2018.

Standards and interpretations, as well as amendments to standards and interpretations applicable for the first time, that have no effects on the reporting period that ended at 30 September 2018

In the consolidated financial statements at 30 September 2018, the following amendments to standards were applicable for the first time:

- Amendments to IAS 7 "Statement of Cash Flows",
- Amendments to IAS 12 "Income Taxes",
- Annual improvements to IFRS "2014 to 2016 Cycle": Amendments to IFRS 12 "Disclosure of Interests in Other Entities".

The Amendments do not have any impact on the consolidated financial statements of DBAG.

New standards and interpretations that have not yet been applied

(a) Endorsed by the European Union

The following standards and interpretations were issued by the IASB and IFRIC and endorsed by the European Commission for application in the European Union. The effective date, indicating when the respective standard or interpretation is required to be applied, is given in parentheses. DBAG intends to initially apply the respective standards and interpretations for the annual period that starts after that effective date. No use will therefore be made of voluntary early application of these standards and interpretations.

Amendments to IAS 40 "Investment Property" (1 January 2018)

These amendments relate to real estate investors and are not relevant to DBAG.

Annual improvements to IFRS "2014 to 2016 Cycle" (1 January 2018)

The following two standards were amended with effect from 1 January 2018 within the scope of the annual improvement project for the 2014 to 2016 cycle:

- IAS 28 "Investments in Associates and Joint Ventures" and
- IFRS 1 "First-time Adoption of IFRS".

The Amendments to IAS 28 "Investments in Associates and Joint Ventures" include the clarification that investment entities have a fair-value option when recognising each investment in an associate or a joint venture for the first time. DBAG already recognises its investments in associates at fair value through profit or loss, so the amendment has no effect on the presentation of the consolidated financial statements.

The Amendments to IFRS 1 "First-time Adoption of IFRS" are changes to the wording of transitional provisions. The amendments have no effect on the presentation of the consolidated financial statements of DBAG.

Amendments to IFRS 2 "Share-based Payment" (1 January 2018)

The Amendments to IFRS 2 involve clarifications on the classification and measurement of share-based payment. There are currently no share-based payment schemes in place at DBAG. The Amendments to IFRS 2 therefore have no impact on the presentation of the consolidated financial statements of DBAG.

IFRS 9 "Financial Instruments" (1 January 2018)

The new IFRS 9 "Financial Instruments" replaces the present standard IAS 39 "Financial Instruments: Recognition and Measurement". Like IAS 39, IFRS 9 comprises the topics of classification and measurement, impairment and hedging transactions. An implementation project was carried out in the reporting year to analyse the effects of IFRS 9.

According to the current status of our analysis, the following effects are expected on the presentation of the consolidated financial statements:

Classification and measurement

The new standard IFRS 9 brings fundamental changes to the classification and measurement of financial assets.

IFRS 9 introduces a uniform concept for classifying financial assets. From now on, financial instruments are classified according to two criteria, the business model criterion and the cash flow criterion, into three categories. Measurement follows from the classification.

IFRS 9 provides for the following three categories of financial assets:

- "measured at amortised cost",
- "measured at fair value through other comprehensive income",
- "measured at fair value through profit or loss".

Financial assets whose cash flows consist solely of payments of principal and interest satisfy the cash flow criterion. They are classified according to the IFRS 9 business model criterion for DBAG:

- If the business model provides for the asset to be held to collect contractual cash flows, the asset is measured at amortised cost.
- If the business model provides for both the holding and sale of assets, to cover a certain liquidity requirement for instance, these assets are measured at fair value through other comprehensive income.

However, financial assets attributable to DBAG's investment business are always measured at fair value through profit or loss. The same applies to financial assets whose cash flows do not consist solely of payments of principal and interest.

In the future, the measurement method results directly from the classification. The following overview shows the categories and resulting measurement methods according to IAS 39 (until 30 September 2018) and IAS 9 (expected from 1 October 2018):

Financial assets	**Category according to IAS 39**	**Measurement method according to IAS 39**	**Category and measurement method according to IFRS 9**
Financial assets	Measured at fair value through profit or loss	Measured at fair value through profit or loss	Measured at fair value through profit or loss
Loans and receivables[1]	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Securities			
Fixed-rate securities	Available-for-sale financial assets	Measured at fair value directly in "Other comprehensive income"	Measured at fair value directly in "Other comprehensive income"
Retail funds	Available-for-sale financial assets	Measured at fair value directly in "Other comprehensive income"	Measured at fair value through profit or loss
Other assets			
Trade receivables	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Receivables from co-investment funds	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Rental deposit	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Interest receivables on securities	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Purchase price retention	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Receivables			

Receivables from associates	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Receivables from portfolio companies	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Other financial instruments	Loans and receivables	Measured at amortised cost	Measured at fair value through profit or loss
Cash and cash equivalents	Loans and receivables	Measured at amortised cost	Measured at amortised cost

1 This item does not exist at 1 October 2018.

In summary, the following changes are expected to result from the adoption of IFRS 9 at 1 October 2018:

- Changes in the fair value of shares in retail funds (62,336 thousand euros, unchanged from 30 September 2018 according to IAS 39) are no longer recognised in other comprehensive income, but through profit or loss in net income. Changes in value recognised in equity until the first-time application of IFRS 9 (-36 thousand euros) are reclassified within equity.

- Other financial instruments consist of loans to investment entity subsidiaries; they were previously measured at amortised cost and will be measured at fair value through profit or loss according to their classification (business model criterion) in the future. This means that changes in value from the quarterly measurement are recognised through profit or loss. At 1 October 2018, 32,766 thousand euros will be recognised from the investment entity subsidiary DBAG Fund VII Konzern as bridge-over financing for new investments in accordance with IFRS 9 (30 September 2018: 32,766 thousand euros in accordance with IAS 39).

The forecast effects are immaterial for Deutsche Beteiligungs AG.

Impairment

IFRS 9 introduces a new impairment concept for financial instruments that are structured as debt instruments. Whereas only incurred losses were recognised under IAS 39, IFRS 9 also requires recognition of expected losses. In the future, DBAG will establish a risk provision for potential future impairment losses on financial assets in these categories upon addition of the asset. A risk provision amounting to the expected losses over the full lifetime (simplified impairment model) will be recognised for receivables from associates, receivables from co-investment funds and trade receivables, regardless of their credit quality. First-time adoption effects from this amendment will be recognised in equity in line with the transitional provisions. If expectations of the amount and/or accrual of recognised potential impairment losses should change, the changes are recognised in accordance with the measurement category for the financial instrument (at amortised cost or at fair value through other comprehensive income). Overall, IFRS 9 will therefore lead to the earlier and broader recognition of impairment losses. Over time, this recognition of impairment losses will reverse until the principal and interest payable on a financial instrument has been repaid in full. The introduction of the new impairment concept is expected to affect the consolidated financial statements of DBAG by around 50 to 150 thousand euros, which is not material in the overall context of the consolidated financial statements.

Hedging transactions

The new provisions on hedge accounting set out in IFRS 9 are designed to provide for a closer alignment of risk management strategy and accounting. At 30 September 2018, DBAG had not entered into any hedging relationships, meaning that the new provisions are not relevant to DBAG.

Transitional provisions

To simplify matters, IFRS 9 provides companies with the option, at the time of first-time adoption, not to adjust comparative information on classification and measurement for prior periods (including impairment losses). Given that the effects on the consolidated financial statements are immaterial overall, DBAG has decided to make use of this option. The first-time adoption effects will be recognised cumulatively in equity at 1 October 2018 and are expected to amount to less than 250 thousand euros overall. The effects of first-time adoption will therefore not have a material impact on the presentation of the consolidated financial statements of DBAG.

Amendments to IFRS 4 "Insurance Contracts" (1 January 2018)

The amendments to IFRS 4 are related to the introduction of IFRS 9 and are designed to provide relief to companies that offer insurance contracts to their customers, within the scope of IFRS 4, with regard to the application of IFRS 9 until the introduction of the new standard on insurance contracts. The rules are irrelevant for DBAG.

Amendments to IFRS 9 "Financial Instruments" (1 January 2019)

The additions to IFRS 9 clarify how prepayment features with negative compensation are to be treated for the classification of financial assets. The amendments do not have any impact on the consolidated financial statements of DBAG.

IFRS 15 "Revenue from Contracts with Customers" (1 January 2018)

The new Standard supersedes IAS 11 "Construction Contracts" and IAS 18 "Revenue" as well as the associated interpretations. The new IFRS 15 harmonises past IFRS rules and those applied under the US GAAP. IFRS 15 contains a new model for recognising revenue arising from contracts with customers. Revenue is recognised when the customer acquires control over the agreed goods and services and is able to obtain the benefits from them.

Financial instruments fall within the scope of IFRS 9 and are therefore excluded from the scope of IFRS 15. The first-time adoption of IFRS 15 consequently has no effect on the "net result of investment activity".

DBAG generates "Fee income from fund management and advisory services" for providing services to the DBAG funds. This income falls within the scope of the new IFRS 15. It is made up of remuneration for services performed, which is based on

- fund volume or
- invested capital or
- completed transactions.

Remuneration based on fund volume or invested capital is calculated semi-annually in line with the provisions of the Articles of Association of the respective fund. Recognition in income occurs after the service has been delivered.

When the service is provided or the transaction completed, the investors in the DBAG fund acquire the power of disposal over the service and derive the benefits from it. The new IFRS 15 requires no changes to the recognition of fee income from Fund Investment Services. The introduction of IFRS 15 is not expected to have an effect on the consolidated financial statements of DBAG.

Changes to IFRS 15 "Revenue from Contracts with Customers" (1 January 2018)

The changes relate to clarifications made by the IASB in response to questions raised in connection with the first-time adoption of IFRS 15, which make its application easier in individual circumstances. This has no effect on the consolidated financial statements of DBAG.

IFRS 16 "Leases" (1 January 2019)

The new standard supersedes IAS 17 "Leases". IFRS 16 introduces a new model for lessees on recognising lease liabilities based on future lease payments and the right to use of a leased asset. For lessors, the rules of IAS 17 largely remained unchanged. The scope of the standard mainly encompasses the lease for the business premises at Börsenstraße 1 in Frankfurt am Main, the DBAG's vehicles and the Company's photocopiers and coffee machines. The impact of the adoption of IFRS 16 on the consolidated financial statements of DBAG is still being analysed. A conclusive assessment of the effects is not yet possible.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (1 January 2018)

IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The interpretation is not relevant for DBAG.

IFRIC 23 "Uncertainty over Income Tax Treatments" (1 January 2019)

IFRIC 23 clarifies the accounting for uncertainties in income taxes. It is applicable to taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The impact of the adoption of IFRIC 23 on the consolidated financial statements of DBAG is currently being analysed. A conclusive assessment of the effects is not yet possible.

(b) Not yet endorsed for application in the European Union

The following standards have been issued by the IASB and the IFRIC, but have not yet been endorsed by the European Commission for adoption in the European Union.

Amendments to IAS 19 "Employee Benefits"

The amendments to IAS 19 specify the IFRS requirements for the treatment of amendments, curtailments or the settlement of a defined-benefit pension plan. In addition, a clarification was included on the effects of plan amendments, curtailments or settlements on asset ceiling requirements. Its effects on the consolidated financial statements of DBAG are currently being analysed. A conclusive assessment of the effects is not yet possible.

Annual improvements to IFRS "2015 to 2017 Cycle"

The annual improvements concern the following accounting standards:

- IAS 12 "Income Taxes",
- IAS 23 "Borrowing Costs",
- IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangements".

The amendments to IAS 12 specify the tax treatment of dividends. The amendments to IAS 23 clarify how the capitalisation of borrowing costs is to be discontinued when a qualifying asset has been made ready for its intended use or sale. The amendments to IFRS 3 and IFRS 11 clarify measurement when the control of interests in an entity previously held as a joint operation is transferred. The effects of the amendments on the consolidated financial statements of DBAG are currently being analysed. A conclusive assessment of the effects is not yet possible.

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Interests in Associates and Joint Ventures"

The amendments to IFRS 10 and IAS 28 relate to the sale of assets to an associate or joint venture and to the contribution of assets made to an associate or joint venture. The amendments to IFRS 10 and IAS 28 will not have any impact on the consolidated financial statements of DBAG.

IFRS 14 "Regulatory Deferral Accounts"

The new IFRS 14 standard permits first-time adopters of the IFRS to continue to account for deferral account balances in accordance with their national accounting rules in their IFRS-formatted financial statements. The rules are irrelevant for DBAG.

IFRS 17 "Insurance Contracts"

The new IFRS 17 supersedes IFRS 4 "Insurance Contracts". Compared with IFRS 4, the accounting rules for insurance contracts under the new standard are more restrictive and reduce the available accounting options. The rules are irrelevant for DBAG.

Amendments to the Conceptual Framework that are not yet applicable (1 January 2020)

The amendments to the Conceptual Framework include new provisions for measurement principles, the fundamental requirements of the presentation and publication of financial information and basic questions relating to the derecognition of assets and liabilities. Amendments are also made to the definition and recognition of assets and liabilities. The effects of the amendments to the Conceptual Framework on the consolidated financial statements of DBAG are currently being analysed. The assessment of the effects on the consolidated financial statements of DBAG is not yet complete.

4. AMENDMENT OF AN ACCOUNTING METHOD DUE TO THE IDENTIFICATION OF AN ERROR IN PREVIOUS CONSOLIDATED FINANCIAL STATEMENTS

Starting in January 2016, the consolidated financial statements of DBAG at 30 September 2015 (financial year 2014/2015) were the subject of a random audit by the Financial Reporting Enforcement Panel (FREP) and the German Federal Financial Supervisory Authority (BaFin) as part of two-stage enforcement proceedings. BaFin, which is responsible for the second stage, closed the proceedings on 24 July 2018 by determining that an error had been made; on 27 July 2018, it ordered the publication of the error and the main elements of its reasoning. DBAG published the text on the same day.

Nature of the error

BaFin said that in its consolidated financial statements at 30 September 2015, DBAG had not accounted for investment managers' carried interest for DBAG Fund V in accordance with IFRS when measuring the carrying amount for the investment entity subsidiary for this fund. This caused net income from investment activity and thus net income for 2014/2015 to have been reported too low and net income from earlier periods correspondingly too high.

According to the method previously used by DBAG, carried interest was recognised as soon as it could be assumed that contractual conditions of the fund for paying carried interest were met. To judge whether these conditions had been met, DBAG previously assumed that the fund would continue as planned and the individual portfolio companies would be developed until they were ready for sale.

In the future, when judging whether these conditions are met, DBAG will assume the total liquidation of a fund portfolio at each reporting date, regardless of whether the portfolio companies are ready for sale or not. All other things being equal, this will mean that carried interest is taken into account for the measurement of an investment entity subsidiary of a fund in an earlier reporting period. The period between the first time carried interest is included in the measurement and the actual date of carried interest payments will be correspondingly longer.

Change of accounting method in the consolidated financial statements at 30 September 2018

We took the opportunity offered by the identification of the error in the third quarter of financial year 2017/2018 to change the method of including carried interest in the valuation of investment entity subsidiaries, beginning with the quarterly statement at 30 June 2018. For a description of the new method, see Note 7, entitled "Valuation procedures used in measuring fair value".

No retroactive adjustment to correct the error for DBAG Fund V, DBAG ECF or DBAG Fund VII

The error identified by BaFin related to the recognition in the proper period of carried interest for DBAG FUND V in the context of measuring the investment entity subsidiary for DBAG's co-investments alongside this fund in the period from 1 November 2014 (opening balance in accordance with IFRS 10) to 30 September 2015. The fair value for the investment entity subsidiary measured at 30 September 2015 was not queried by BaFin, however. Since BaFin only identified the prior period error in financial year 2017/2018, it must in principle be corrected retroactively in the consolidated financial statements at 30 September 2018 by adjusting the comparative figures for the previous year. However, the effects of the error concern the period from 1 November 2014 to 30 September 2015 (short financial year) – a period that is not presented in our current consolidated financial statements at 30 September 2018. There is therefore no need to adjust the comparative figures for 2016/2017 for DBAG Fund V in the consolidated financial statements at 30 September 2018.

The same applies to DBAG ECF. DBAG has included carried interest in the measurement of the investment entity subsidiary for this fund since 30 September 2016. Since then, the new method has also produced the same results for this fund, so for DBAG ECF there is also no need to adjust the comparative figures for the previous year in the consolidated financial statements at 30 September 2018.

No carried interest is recognised for the investment entity subsidiary for DBAG FUND VII at 30 September 2018 using the new method. There is therefore no need to adjust the comparative figures.

Retroactive adjustment to correct an error at 30 September 2017 for DBAG Fund VI

For the investment entity subsidiary for DBAG FUND VI, the new method first produces a different fair value to the previous method at 30 September 2017. Comparative figures must therefore be adjusted in accordance with IAS 8. The following tables show the adjustment of comparative figures in the consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of financial position and consolidated statement of changes in equity, and the change in earnings per share:

Adjustment of consolidated statement of comprehensive income according to IAS 8 for the period from 1 October 2016 to 30 September 2017

€'000	1 Oct. 2016 to 30 Sept. 2017		**1 Oct. 2016 to 30 Sept. 2017**
	before adjustment	IAS 8 – adjustment	adjusted
Net result of investment activity	94,272	(8,438)	85,835
Fee income from fund management and advisory services	27,047	0	27,047
Net result of fund services and investment activity	**121,319**	**(8,438)**	**112,881**
Personnel expenses	(20,743)	0	(20,743)
Other operating income	4,605	0	4,605
Other operating expenses	(14,349)	0	(14,349)
Interest income	154	0	154
Interest expenses	(556)	0	(556)
Other income/expenses	**(30,889)**	**0**	**(30,889)**
Earnings before tax	**90,430**	**(8,438)**	**81,993**
Income taxes	(1)	0	(1)
Earnings after taxes	**90,430**	**(8,438)**	**81,992**
Minority interest gains (-)/losses (+)	(37)	0	(37)
Net income	**90,392**	**(8,438)**	**81,955**
a) Items that will not be reclassified subsequently to profit or loss			
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset)	3,510	0	3,510
b) Items that will be reclassified subsequently to profit or loss			
Unrealised gains (+)/losses (-) on available-for-sale securities	(585)	0	(585)
Other comprehensive income	**2,925**	**0**	**2,925**
Total comprehensive income	**93,318**	**(8,438)**	**84,880**
Earnings per share in € (diluted and basic)[1]	6.01	(0.56)	5.45

1 The earnings per share calculated in accordance with IAS 33 are based on net income divided by the average number of DBAG shares outstanding in the reporting period.

Adjustment of consolidated statement of cash flows according to IAS 8 for the period from 1 October 2016 to 30 September 2017

INFLOWS (+)/OUTFLOWS (-)			
€'000	1 Oct. 2016 to 30 Sept. 2017		**1 Oct. 2016 to 30 Sept. 2017**
	before adjustment	IAS 8 – adjustment	adjusted
Net income	90,392	(8,438)	81,955
Value gains (-)/losses (+) on financial assets and loans and receivables, depreciation and amortisation of property, plant and equipment and intangible assets, gains (-)/losses (+) on long- and short-term securities	(78,241)	8,438	(69,803)
Gains (-)/losses (+) from the disposal of non-current assets	(12,076)	0	(12,076)
Increase (-)/decrease (+) in income tax assets	1,824	0	1,824
Increase (-)/decrease (+) in other assets (netted)	1,523	0	1,523
Increase (+)/decrease (-) in pension provisions	(3,753)	0	(3,753)
Increase (+)/decrease (-) in other provisions	(2,518)	0	(2,518)
Increase (+)/decrease (-) in other liabilities (netted)	2,389	0	2,389
Cash flows from operating activities	**(460)**	**0**	**(460)**
Proceeds from disposals of property, plant and equipment and intangible assets	141	0	141
Purchase of investments in property, plant and equipment and intangible assets	(571)	0	(571)
Proceeds from disposals of financial assets and loans and receivables	199,286	0	199,286
Purchase of investments in financial assets and loans and receivables	(54,697)	0	(54,697)
Purchase of investments in other financial instruments	(35,649)	0	(35,649)
Proceeds from disposals of long- and short-term securities	12,641	0	12,641
Purchase of investments in long- and short-term securities	(26,024)	0	(26,024)
Cash flows from investing activities	**95,127**	**0**	**95,127**
Payments to shareholders (dividends)	(18,053)	0	(18,053)
Cash flows from financing activities	**(18,053)**	**0**	**(18,053)**
Change in cash funds from cash-relevant transactions	76,614	0	76,614
Cash funds at start of period	51,361	0	51,361
Cash funds at end of period	**127,976**	**0**	**127,976**

Adjustment of consolidated statement of financial position according to IAS 8 at 30 September 2017

€'000	30 Sept. 2017		**30 Sept. 2017**
	before adjustment	IAS 8 – adjustment	adjusted
ASSETS			
Non-current assets			
Intangible assets	693	0	693
Property, plant and equipment	1,129	0	1,129
Financial assets	261,267	(8,438)	252,830
Loans and receivables	1,338	0	1,338
Long-term securities	33,659	0	33,659
Total non-current assets	**298,086**	**(8,438)**	**289,648**
Current assets			
Receivables	3,649	0	3,649
Other financial instruments	35,649	0	35,649
Income tax assets	423	0	423
Cash and cash equivalents	127,976	0	127,976
Other current assets	6,624	0	6,624
Total current assets	**174,320**	**0**	**174,320**
Total assets	**472,405**	**(8,438)**	**463,968**
EQUITY AND LIABILITIES			
Equity			
Subscribed capital	53,387	0	53,387
Capital reserves	173,762	0	173,762
Retained earnings and other reserves	(5,129)	0	(5,129)
Consolidated retained profit	222,864	(8,438)	214,427
Total equity	**444,884**	**(8,438)**	**436,447**
Liabilities			
Non-current liabilities			
Minority interest	148	0	148
Provisions for pension obligations	11,323	0	11,323
Total non-current liabilities	**11,471**	**0**	**11,471**
Current liabilities			
Other current liabilities	1,233	0	1,233
Other provisions	14,818	0	14,818
Total current liabilities	**16,050**	**0**	**16,050**
Total liabilities	**27,521**	**0**	**27,521**
Total equity and liabilities	**472,405**	**(8,438)**	**463,968**

Adjustment of consolidated statement of changes in equity according to IAS 8 for the period from 1 October 2016 to 30 September 2017

€'000	1 Oct. 2016 to 30 Sept. 2017		**1 Oct. 2016 to 30 Sept. 2017**
	before adjustment	IAS 8 – adjustment	adjusted
Subscribed capital			
At start and end of reporting period	**53,387**	**0**	**53,387**
Capital reserves			
At start and end of reporting period	**173,762**	**0**	**173,762**
Retained earnings and other reserves			
Legal reserve			
At start and end of reporting period	403	0	403
First-time adoption of IFRS			
At start and end of reporting period	16,129	0	16,129
Reserve for gains/losses on remeasurements of the net defined benefit liability (asset)			
At start of reporting period	(25,115)	0	(25,115)
Change in reporting period	3,510	0	3,510
At end of reporting period	(21,605)	0	(21,605)
Change in unrealised gains/losses on available-for-sale securities			
At start of reporting period	529	0	529
Change in reporting period outside profit or loss	(300)	0	(300)
Change in reporting period through profit or loss	(284)	0	(284)
At end of reporting period	(55)	0	(55)
At end of reporting period	**(5,129)**	**0**	**(5,129)**
Consolidated retained profit			
At start of reporting period	150,525	0	150,525
Dividend	(18,053)	0	(18,053)
Net income	90,392	(8,438)	81,955
At end of reporting period	**222,864**	**(8,438)**	**214,427**
Total	**444,884**	**(8,438)**	**436,447**

5. DISCLOSURES ON THE GROUP OF CONSOLIDATED COMPANIES AND ON INTERESTS IN OTHER ENTITIES

5.1 Status of DBAG as an investment entity in terms of IFRS 10

DBAG initiates closed-end private equity funds ("DBAG funds") for investments in equity or equity-like instruments primarily in unlisted companies. It solicits capital commitments from institutional investors to DBAG funds and provides asset management services to them via fully consolidated subsidiaries. The management companies of the DBAG funds are under the obligation to their investors to invest the capital based on a contractually-agreed investment strategy that aims to achieve either increases in value and/or the generation of current income. DBAG measures and evaluates the performance of the investments entered into by the DBAG funds at quarterly intervals on a fair value basis. Thus, DBAG, as a parent company, has the typical characteristics of an investment entity in terms of IFRS 10.

At the same time, DBAG is recognised as a special investment company, as defined by German legislation on special investment companies (Gesetz über Unternehmensbeteiligungsgesellschaften – UBGG). In that capacity, it enters into investments using its proprietary capital as a co-investor alongside DBAG funds. Based on co-investment agreements with the DBAG funds, DBAG and the funds invest at the same terms in the same companies and in the same instruments. The co-investments serve the purpose of achieving an alignment of interests between DBAG and the DBAG funds it manages via subsidiaries. In the opinion of the Board of Management, the co-investments do not affect the status of DBAG as an investment entity in terms of IFRS 10.

5.2 Group of consolidated companies

As an investment entity in terms of IFRS 10, DBAG only consolidates such subsidiaries that provide investment-related services to the investment entity. The following subsidiaries are consolidated unchanged in the Group's consolidated financial statements at 30 September 2018:

Name	Domicile	Capital interest %	If differing, voting interest %
AIFM-DBG Fund VII Management (Guernsey) LP	St Peter Port, Guernsey, Channel Islands	0.00	
DBG Advising GmbH & Co. KG	Frankfurt am Main, Germany	20.00	
DBG Fund VI GP (Guernsey) LP	St Peter Port, Guernsey, Channel Islands	0.00	
DBG Fund VII GP S.à r.l.	Findel, Luxembourg	100.00	
DBG Management GmbH & Co. KG	Frankfurt am Main, Germany	100.00	
DBG Management GP (Guernsey) Ltd.	St Peter Port, Guernsey, Channel Islands	3.00	0.00
DBG Managing Partner GmbH & Co. KG	Frankfurt am Main, Germany	20.00	
DBG New Fund Management GmbH & Co. KG	Frankfurt am Main, Germany	100.00	
European PE Opportunity Manager LP	St Peter Port, Guernsey, Channel Islands	0.00	

These subsidiaries provide the management and advisory services for DBAG funds. The range of Fund Investment Services comprises identifying, analysing and structuring investment opportunities, negotiating the investment agreements, compiling investment memorandums for the funds, supporting the portfolio companies during the holding period and realising the funds' portfolio companies. When managing DBAG funds, the range of services additionally includes taking investment decisions.

In the case of DBG Fund VII GP S.à r.l., DBG Management GmbH & Co. KG and DBG New Fund Management GmbH & Co. KG, the parent-subsidiary relationship results from the fact that DBAG holds the majority of voting rights in these entities.

DBAG does not hold a majority of the voting rights in AIFM-DBG Fund VII Management (Guernsey) LP, DBG Advising GmbH & Co. KG, DBG Fund VI GP (Guernsey) LP, DBG Management GP (Guernsey) Ltd., DBG Managing Partner GmbH & Co. KG, European PE Opportunity Manager LP or European PE Opportunity Manager LP. However, in the six entities mentioned, there are partners with voting rights who are parties related to DBAG and give DBAG a controlling position in terms of IFRS 10. DBAG therefore has control over the entity's relevant activities; it also receives the majority of the distributable amounts and can influence the amount of these variable returns.

Further comments on these subsidiaries can be found in Note 39 under the heading "Other related parties".

5.3 Unconsolidated investment entity subsidiaries

The co-investments that DBAG makes using its proprietary capital in order to align its interests with those of managed and/or advised DBAG funds within the scope of its business activity are made through its own companies (referred to as "**co-investment vehicles**"), which each also meet the criteria for an investment entity as defined in IFRS 10. These entities serve the sole purpose of bundling the co-investments of DBAG alongside a fund. The subsidiary Deutsche Beteiligungsgesellschaft mbH (DBG) also meets the criteria for classification as an investment entity but, unlike the co-investment vehicles, this company also provides investment-related services. The co-investment vehicles and DBG – known collectively as investment entity subsidiaries – are not consolidated but rather recognised at fair value through profit or loss and presented under financial assets (see also the comments in Note 7 under the heading "Fair value measurement of financial assets through profit or loss").

Name	Domicile	Capital/voting interest %
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	Frankfurt am Main, Germany	100.00
DBAG Fund V Konzern GmbH & Co. KG	Frankfurt am Main, Germany	99.00
DBAG Expansion Capital Fund Konzern GmbH & Co. KG[1]	Frankfurt am Main, Germany	99.00
DBAG Fund VI Konzern (Guernsey) L.P.	St Peter Port, Guernsey, Channel Islands	99.99
DBAG Fund VII Konzern SCSp	Findel, Luxembourg	99.99
DBAG Fund VII B Konzern SCSp	Findel, Luxembourg	99.99
Deutsche Beteiligungsgesellschaft mbH	Königstein/Taunus, Germany	100.00

1 DBAG ECF comprises three consecutive investment periods of DBAG ECF (original investment period, first and new second new investment period), which are managed as separate accounting areas.

Before the co-investments alongside the DBAG funds were introduced, DBAG invested in individual portfolio companies and international funds via DBG. Distributions from this company are only expected after the disposal of the two remaining investments.

The investments by DBAG using its proprietary capital alongside the DBAG funds are based on co-investment agreements with the funds. This means that DBAG has a contractual obligation to provide financing for investments and costs at a fixed rate for each of the funds; it can, however, unilaterally waive that contractual obligation (right to opt out), but would then forgo the opportunity of investing alongside the respective fund for the remaining term of that DBAG fund. However, based on its business activity, DBAG has the economic intention of providing finances to the co-investment vehicles in cases of investment decisions by DBAG funds for the purposes of profitably investing its capital and of aligning its interests with those of the fund investors.

At the reporting date, DBAG has the following obligations under co-investment agreements ("callable capital commitments"):

€'000		**2017/2018**	
Name	Capital commitments	Capital calls	Callable capital commitments
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	93,737	91,108	0
DBAG Fund V Konzern GmbH & Co. KG	103,950	102,578	1,372
DBAG ECF Konzern GmbH & Co. KG Original Vintage (DBAG ECF)	100,000	69,696	30,408
DBAG ECF Konzern GmbH & Co. KG First New Vintage (DBAG ECF I)	34,751	23,240	11,511
DBAG ECF Konzern GmbH & Co. KG Second New Vintage (DBAG ECF II)	39,715	14,658	25,057
DBAG Fund VI Konzern (Guernsey) L.P.	133,000	132,987	4,475
DBAG Fund VII Konzern SCSp	183,000	71,996	111,004
DBAG Fund VII B Konzern SCSp	17,000	2,350	14,650
	705,153	**508,613**	**198,477**

€'000		2016/2017	
Name	Capital commitments	Capital calls	Callable capital commitments
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	93,737	91,108	0
DBAG Fund V Konzern GmbH & Co. KG	103,950	102,578	1,372
DBAG ECF Konzern GmbH & Co. KG Original Vintage (DBAG ECF)	100,000	68,923	31,871
DBAG ECF Konzern GmbH & Co. KG First New Vintage (DBAG ECF I)	34,751	0	34,751
DBAG Fund VI Konzern (Guernsey) L.P.	133,000	132,987	9,409
DBAG Fund VII Konzern SCSp	183,000	12,500	170,500
DBAG Fund VII B Konzern SCSp	17,000	416	16,584
	665,438	**408,513**	**264,485**

The callable capital commitments are determined in accordance with the Articles of Association of the fund. They comprise capital commitments that have not yet been drawn down, as well as recallable distributions. The partnership agreements for the DBAG funds allow up to 20 percent of distributions to be recalled for follow-on investments in existing portfolio companies. This means that an individual fund can achieve an investment level of up to 120 percent. At the reporting date, DBAG ECF Konzern GmbH & Co. KG (original investment period) and DBAG Fund VI (Guernsey) L.P. both include recallable distributions in their callable capital commitments.

Based on its co-investment activity, DBAG received the following repayments from, or made the following investments in, investment entity subsidiaries that are carried at fair value:

€'000	**2017/2018**	
Name	Payments	Investments
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	0	0
DBAG Fund V Konzern GmbH & Co. KG	5,211	0
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	10,996	1,462
DBAG Expansion Capital Fund Konzern GmbH & Co. KG First New Vintage (DBAG ECF I)	0	23,240
DBAG ECF Konzern GmbH & Co. KG Second New Vintage (DBAG ECF II)	0	4,982
DBAG Fund VI Konzern (Guernsey) L.P.	10,235	4,484
DBAG Fund VII Konzern SCSp	0	71,996
DBAG Fund VII B Konzern SCSp	0	2,350
	26,441	**108,514**

€'000	2016/2017	
Name	Payments	Investments
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	1,427	0
DBAG Fund V Konzern GmbH & Co. KG	120,967	525
DBAG Expansion Capital Fund Konzern GmbH & Co. KG First New Vintage (DBAG ECF I)	4,946	15,486
DBAG Expansion Capital Fund Konzern GmbH & Co. KG Second New Vintage (DBAG ECF II)	0	0
DBAG Fund VI Konzern (Guernsey) L.P.	52,019	47,946
DBAG Fund VII Konzern SCSp	0	12,500
DBAG Fund VII B Konzern SCSp	0	416
	179,359	**76,874**

Distributions from DBAG Fund V Konzern GmbH & Co. KG of 5,211 thousand euros relate to the repayment of a vendor loan in connection with the disposal of a portfolio company and the release of escrow amounts from other disposals in the previous year.

Distributions of 10,996 thousand euros from DBAG Expansion Capital Fund Konzern GmbH & Co. KG stem primarily from the repayment of a shareholder loan and the transfer of realised income from an investment vehicle. Payments of 1,462 thousand euros relate to a follow-on investment in a portfolio company.

DBAG ECF I and DBAG ECF II made total investments in new portfolio companies and existing investments of 28,222 thousand euros in the financial year.

DBAG Fund VI Konzern (Guernsey) L.P. paid out returns on partial sales of 10,235 thousand euros and invested 4,484 thousand euros in existing portfolio companies.

DBAG Fund VII Konzern SCSp and DBAG Fund VII B Konzern SCSp continued to invest in existing portfolio companies. In addition, DBAG Fund VII Konzern SCSp acquired a new portfolio company.

5.4 Other unconsolidated subsidiaries

Name	Domicile	Capital/voting interest %
Bowa Geschäftsführungs GmbH i. L.	Frankfurt am Main, Germany	100.00
DBG Advising Verwaltungs GmbH	Frankfurt am Main, Germany	20.00
DBG Managing Partner Verwaltungs GmbH	Frankfurt am Main, Germany	20.00

Bowa Geschäftsführungs GmbH i. L. is unconsolidated due to immateriality.

DBG Advising Verwaltungs GmbH and DBG Managing Partner Verwaltungs GmbH do not provide investment-related services and are therefore not consolidated; rather, they are recognised at fair value through profit or loss.

5.5 Interests in associates

DBAG is invested in three companies over which it exerts significant influence; it has the ability to participate in financial and business policy decisions without being able to control these decision processes. Based on DBAG's voting interests of between 20 to 50 percent, the following entities are considered associates:

Name	Domicile	Capital interest %	If differing, voting interest %
DBG Asset Management Ltd.	Jersey, Channel Islands	50.00	35.00
RQPO Beteiligungs GmbH	Frankfurt am Main, Germany	49.00	
RQPO Beteiligungs GmbH & Co. Papier KG	Frankfurt am Main, Germany	44.10	

As a private equity business in terms of IAS 28, DBAG makes use of the option of measuring its interests in associates in conformity with the rules of IAS 39 at fair value through profit or loss. Thus, no associates are carried at equity.

The aggregate financial data for these immaterial associates is shown in the following table:

STATEMENT OF FINANCIAL POSITION		
€'000	**31 Dec. 2017**	31 Dec. 2016
Assets		
Fixed assets	2,846	2,581
Current assets	153	443
Total assets	**2,999**	**3,024**
Equity and liabilities		
Equity	328	361
Provisions	2	2
Liabilities	2,669	2,661
Total equity and liabilities	**2,999**	**3,024**

Statement of profit or loss		
€'000	**1 Jan. 2017 to 31 Dec. 2017**	1 Jan. 2016 to 31 Dec. 2016
Revenue	2,913	(15)
Other expenses and income	47	(39)
Taxes	0	0
Net income for the year	**2,960**	**(54)**

5.6 Interests in portfolio companies and international funds

DBAG holds direct interests in one portfolio company and one international fund. It has no significant influence over these entities since it does not participate in their financial or operating policy decisions. DBAG holds the following interests directly:

Name	Domicile	Capital interest %	If differing, voting interest %
JCK Holding GmbH Textil KG	Quakenbrück, Germany	3.60	0.00
Harvest Partners IV GmbH & Co KG	Munich, Germany	9.86	0.00

The investment held directly is measured at fair value through profit or loss.

For the international fund investment, use is made of the option of designating it at fair value through profit or loss upon initial recognition ("fair value option" in accordance with IAS 39.9).

5.7 Interests in unconsolidated structured entities

Within the scope of the business activity of DBAG and its subsidiaries as external capital management companies or investment service providers to private equity funds, contractual arrangements exist between DBAG and structured entities of managed or advised DBAG funds that DBAG sponsored within the scope of its business activity. In particular, in the founding phase of a fund, DBAG prepays certain external third-party charges. These costs are reimbursed by the investors in a fund when that fund's investment period starts. No external third-party costs were prepaid or reimbursed in financial year 2017/2018 (previous year: none).

The following companies that DBAG sponsored within the scope of the business activity described above are structured entities that were neither consolidated nor held at fair value through profit or loss at 30 September 2018:

Name	Domicile	Capital/voting interest %
DBAG Fund IV International GmbH & Co. KG i. L.	Frankfurt am Main, Germany	0.00
DBAG Fund IV GmbH & Co. KG i. L.	Frankfurt am Main, Germany	0.00
DBAG Fund V GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Fund V International GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Fund V Co-Investor GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Expansion Capital Fund GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Expansion Capital Fund International GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Fund VI (Guernsey) L.P.	St Peter Port, Guernsey, Channel Islands	0.00
DBG Fund HoldCo GmbH & Co. KG	Frankfurt am Main, Germany	0.00

Name	Domicile	Capital/voting interest %
DBAG Fund VI Feeder GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Fund VII SCSp	Findel, Luxembourg	0.00
DBAG Fund VII B SCSp	Findel, Luxembourg	0.00
DBAG Fund VII B Feeder GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Fund VII Feeder GmbH & Co. KG	Frankfurt am Main, Germany	0.00
European Private Equity Opportunities I LP	St Peter Port, Guernsey, Channel Islands	0.00

The companies listed are the investment vehicles for the German and international investors in the DBAG funds.

The DBAG Group does not have contractual or economic commitments to these unconsolidated structured entities to provide financing or assets. Exposure to economic risk relates exclusively to the management and advisory activity for the DBAG funds. Group companies receive management or fund advisory fees based on contractual agreements[11] for the services provided to DBAG funds (see Note 5.2 and Note 39).

Exposure to loss from these unconsolidated structured entities exists only for receivables arising from the management and advisory activity of the DBAG Group for the DBAG funds.

€'000	**30 Sept. 2018**	30 Sept. 2017
Name	**Maximum exposure to loss**	Maximum exposure to loss
DBAG Fund IV GmbH & Co. KG i.L.	0	0
DBAG Fund IV International GmbH & Co. KG i.L.	0	0
DBAG Fund V GmbH & Co. KG	45	0
DBAG Fund V International GmbH & Co. KG	104	0
DBAG Fund V Co-Investor GmbH & Co. KG	0	0
DBAG Expansion Capital Fund GmbH & Co. KG (Original Vintage)	148	264
DBAG Expansion Capital Fund First New Vintage GmbH & Co. KG	39	0
DBAG Expansion Capital Fund International GmbH & Co. KG (Original Vintage)	90	200
DBAG Expansion Capital Fund International First New Vintage GmbH & Co. KG	151	0
DBAG Expansion Capital Fund International Second New Vintage GmbH & Co. KG	137	0
DBAG Fund VI (Guernsey) L.P.	1,964	413
DBAG Fund VII SCSp	701	3,831
DBAG Fund VII B SCSp	2	91
	3,382	**4,798**

There were no contractual or economic commitments at the reporting date (previous year: none) arising from all other unconsolidated structured entities in which DBAG acted as a sponsor that could result in an inflow or outflow of funding or involve exposure to loss for the DBAG Group.

[11] Management fees from DBAG Fund V and DBAG Expansion Capital Fund, management and advisory fees from DBAG Fund VI and DBAG Fund VII; no management fees have been paid from DBAG Fund IV since April 2016.

Disclosures on list of shareholdings pursuant to § 313 (2) HGB

The disclosures on the list of shareholdings pursuant to § 313 (2) German Commercial Code (HGB) can be found in Note 44 of these notes to the consolidated financial statements.

6. CONSOLIDATION METHODOLOGY

In addition to DBAG, nine (previous year: nine) of the other consolidated companies prepare their separate annual financial statements at 30 September. The remaining consolidated companies' reporting date is concurrent with the calendar year. For consolidation purposes, these companies prepare interim financial statements at the reporting date of DBAG.

The financial statements of consolidated companies are drawn up based on uniform accounting policies.

Capital consolidation is performed using the purchase method based on the date that DBAG obtained a controlling influence over the subsidiary in question (acquisition date). Acquisition costs are offset by the fair value of the acquired identifiable assets and assumed liabilities as well as contingent liabilities. The carrying amounts are amortised in the subsequent periods. Goodwill required to be capitalised has not yet occurred.

Intra-Group profits and losses and transactions as well as all unrealised income and expenses are eliminated when preparing the consolidated financial statements. Deferred income taxes are taken into account in consolidation procedures.

7. ACCOUNTING AND VALUATION POLICIES

Recognition of assets and liabilities

Non-financial assets are recognised in the consolidated statement of financial position if it is probable that the future economic benefit will flow to DBAG and their cost or other value can be reliably measured.

Non-financial liabilities are recognised in the consolidated statement of financial position if it is probable that the settlement of a present obligation will require an outflow of resources embodying economic benefits and the amount of the settlement can be reliably measured.

Regular-way purchase or sale of financial assets or financial liabilities as well as equity instruments (generally referred to as financial instruments in accordance with IAS 32) are consistently recognised or derecognised for all categories of financial instruments on the settlement date.

Categories of financial instruments

Classes of financial instruments according to IFRS 7 are designated in the DBAG Group in accordance with the categories defined in IAS 39. Level 3 financial instruments are also classified as investment entity subsidiaries, interests in portfolio companies, international fund investment and "other". The classes are formed based on the valuation methodologies.

For financial assets that are measured at fair value in profit or loss, only such assets exist as are designated to this category upon initial recognition. These mainly relate to investments. Financial assets classified as held for trading or as held to maturity do not exist.

Fair value measurement of financial assets through profit or loss

Due to the operating activities of the DBAG Group as a financial investor, the consolidated financial statements are largely characterised by the measurement of financial assets at fair value through profit or loss. Financial assets chiefly comprise:

- interests in investment entity subsidiaries (subsidiaries that may not be consolidated in accordance with IFRS 10; see Note 5.3),
- interests in associates (interests in portfolio companies with a share of voting rights between 20 and 50 percent; see Note 5.5),
- other interests in portfolio companies (interests in portfolio companies with a share of voting rights of less than 20 percent; see Note 5.6),
- international fund investment (see Note 5.6).

The financial assets are measured initially and at all subsequent quarterly and annual reporting dates at fair value by the DBAG's internal valuation committee. The Valuation Committee includes the members of the Board of Management, the head of finance and accounting, the finance and accounting officer and the investment controllers.

DBAG has developed valuation guidelines for fair value measurement in accordance with IFRS 13. These guidelines are based on the recommendations set out in the international private equity and venture capital valuation guidelines (IPEVG) in the version dated December 2015, insofar as these are consistent with the IFRS. The valuation guidelines set out further details on IPEVG provisions, insofar as the latter are vague or IFRS compliance so requires, in order to allow them to be applied in intersubjectively clear terms to DBAG. The IPEVG are not mandatory guidelines; rather they summarise standard valuation practices in the private equity industry.

General principles of fair value measurement

The fair values for the various classes of assets are measured in accordance with consistent valuation procedures and on the basis of uniform input factors.

The valuation is performed at the relevant reporting date for the quarterly and annual financial statements (valuation date), taking all the information that has an impact on value into account, i.e. all of the events between the valuation date and the date on which the consolidated financial statements are prepared, insofar as these events provide information that is relevant for the purposes of the valuation that market participants were already aware of, or ought to have been aware of, on the valuation date.

In determining the fair value, critical judgements on the part of the Valuation Committee will become necessary to a certain extent, i.e. assumptions and estimates must be made. These are constructively substantiated by the Valuation Committee and documented in the valuation records. To that end, the assumptions and estimates are based on the premises of current knowledge and the experience of the Valuation Committee and are consistently applied without arbitrariness. If the portfolio company's actual performance or the underlying conditions differ from the trend expected at the preceding valuation date, the premises and, if appropriate, the fair value are adjusted at the next valuation date.

Whenever a portfolio company is disposed of, the Valuation Committee analyses whether or not and, if so, to what extent the realised value differs from the most recently calculated fair value (a process known as "backtesting"). Backtesting provides information on the causes of the changes in value, in order to make ongoing improvements to the valuation process.

Fair value at the acquisition date

At initial recognition, the fair value corresponds to the transaction price. Ancillary costs of the transactions are not capitalised, but are immediately expensed. Ancillary costs attributable to a transaction include fees paid to intermediaries, consultants (e.g. legal or corporate consultants), agents and brokers, charges paid to regulatory authorities and stock exchanges as well as taxes and fees incurred in connection with the transaction.

Fair value hierarchy for subsequent measurement

At subsequent reporting dates, the fair value is measured on a going-concern basis.

As far as possible, the fair value of a portfolio company at the subsequent reporting dates is measured based on prices from transactions in the market that were observed on the valuation date or immediately prior to that date. This is normally possible for companies whose shares are quoted on the stock exchange. These portfolio companies are valued at the closing rate on the valuation date or the closing rate on the last day of trading prior to this date. In determining prices, the principal market or the most advantageous market is used as the relevant stock exchange. The fair value thus determined is neither reduced by premiums attaching to the sale of larger blocks of shares nor by deductions for disposal costs. Should the sale be subject to contractually agreed restrictions (lock-up), a risk-adjusted deduction is made on the observed transaction price. The amount of the risk-adjusted deduction is at the discretion of the Valuation Committee.

For unlisted companies, a valuation methodology may be considered that is based on a signed purchase agreement or a binding purchase bid, if the completion of the purchase agreement is sufficiently assured or if the purchase bid seems sufficiently realisable. If appropriate, valuations can be based on the price at which a significant amount of new investments in the portfolio company were made (financing rounds) or on significant comparative prices of recent transactions that have taken place in the market.

If the transaction price observed in the market at the valuation date or the price of the most recent investment made prior to the valuation date does not constitute a sufficiently reliable method – because of insufficient liquidity in the market for instance or in the event of a forced transaction or distressed sale – valuation procedures are used that measure fair value on the basis of assumptions.

Fair value measurement methods on hierarchy level 3

The following valuation methods are used to measure level 3 financial instruments:

- to calculate the net asset value of unconsolidated subsidiaries, in particular the investment entity subsidiaries (co-investment vehicles and DBG), the sum-of-the-parts procedure,
- for established portfolio companies, the multiples method, and
- for fast-growing portfolio companies and for international fund investment, the discounted cash flow method (DCF).

For the sum-of-the-parts procedure, individual asset and liability items are valuated separately at fair value and then aggregated to the net asset value of the unconsolidated subsidiaries. To that end, portfolio companies are generally valuated using the multiples or DCF method (see below).

The members of the investment team have committed to take an interest in the DBAG funds DBAG Fund IV, DBAG Fund V, DBAG Fund VI, DBAG Fund VII and DBAG ECF. For the members of the investment team, under certain conditions (see Note 39), this can result in a profit share that is disproportionate to the capital invested ("carried interest"). For the purposes of calculating fair value, the total liquidation of the fund portfolio at the reporting date is assumed for the first time at 30 September 2018 (see Note 4) when assessing whether these conditions are met. If the total sales proceeds realised at a reporting date plus the fair values of the investments still in the portfolio are equivalent to the full repayment of capital (see Note 39), then the co-investment vehicle's share of NAV is reduced by arithmetical carried interest.

For the multiples method, the enterprise value is determined by applying a multiple to an appropriate indicator of the company's value. Valuations are generally performed on the basis of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) or Earnings Before Interest, Tax and Amortisation (EBITA). The total value of the company is generally measured as a mean on the basis of EBITDA and EBIT, in exceptional cases solely on the basis of EBITDA. Median EBITDA is defined as the leading multiple when deriving multiples from peer group companies.

The indicator derives from a portfolio company's current financial metrics. To arrive at a maintainable indicator of value, these metrics are adjusted for special effects, such as non-recurring expenses or discounts for risk projects. In addition, discounts or premiums are made on the applied indicators if there is current information that is not yet reflected in these financial metrics. The multiple is derived from the market capitalisation of a publicly listed peer group. Companies are selected for the peer group that are comparable with the investee business to be valued as regards their business model, the geographical focus of their operations as well as their size. If the portfolio company to be valued differs in certain aspects compared with features of companies in the peer group, discounts or premiums are applied to the relevant multiple. As long as these differences between the portfolio company to be valued and the peer group companies exist, these discounts or premiums are applied consistently.

If no listed peers that are comparable with the company to be valued in terms of size, growth rates and margins are known, the multiple is set based on the starting multiple. These starting multiples are extrapolated in line with the development of the reference multiple, which is determined using the median for a peer group of similar companies that are as comparable as possible.

In the DCF method, fair value is determined by discounting expected future cash flows. The portfolio company's existing budgeting is used as the basis for projecting future cash flows. This is adjusted by discounts or premiums, if current findings exist that were not yet considered in the budgets. If there is no suitable basis for transition to a terminal value at the end of the forecast period, a less detailed trend phase follows. For the time following the forecast period and, if appropriate, the trend phase, a terminal value is used that may be adjusted by a growth rate. We derive the discount rate by the WACC model (WACC = weighted average cost of capital) from the weighted cost of equity and cost of debt. In discounting equity, we derive the rate from a risk-free base rate and a risk premium to capture the business risk involved. The discount rate for debt corresponds to the refinancing rate for the company to be valued. For valuations of interests in international funds using the DCF method, the expected proceeds from the sale of portfolio companies are discounted to the present value by applying the appropriate rate.

Recognition of revenues

Due to the particularities arising from the operating activities of the DBAG Group as a financial investor, the "net result of investment activity" and "fee income from fund management and advisory services" are presented instead of revenues in the consolidated statement of comprehensive income. The net result of investment activity comprises the net result of valuation and disposal as well as current income from financial investments, loans and receivables.

The net result of valuation comprises movements in the fair value of financial assets and loans and receivables that are derived at each valuation date using the valuation principles described above.

The net result of disposal contains profits that were realised upon disposal of financial assets and loans and receivables. For regular-way sales, disposals are recognised at the settlement date. The profits achieved on the sale are therefore recorded at that date. The settlement date is the day on which the contractually agreed obligations between the selling and purchasing parties to the contract have been fulfilled. In the DBAG Group, this is usually on the day on which the interests in the divested portfolio company are transferred in exchange for the receipt of cash, a purchaser's loan or other financial assets. In the event of contractually-agreed purchase price retentions for representations and warranties or other risks, these are recognised at a future date at which claims to warranty obligations or other risks are no longer probable. This may also be done on a contractually-agreed pro rata basis in partial amounts per period.

CURRENT INCOME consists of distributions from the investment entity subsidiaries (co-investment vehicles and DBG), dividends and interest payments from directly held portfolio companies and distributions from international investment funds.

- **DISTRIBUTIONS FROM CO-INVESTMENT VEHICLES** primarily consist of (net) proceeds on the disposal of portfolio companies, distributions from portfolio companies, interest on shareholder loans and repayments on shareholder loans. Recognition in income occurs according to contractual conditions.

- **DISTRIBUTIONS FROM DBG** are recognised on the date of the distribution resolution.

- **DIVIDENDS FROM DIRECTLY HELD PORTFOLIO COMPANIES** are recognised on the day that distributions or dividends are declared; **INTEREST PAYMENTS** are recognised *pro rata temporis* or in the period in which they accrue.

- **DISTRIBUTIONS FROM INTERNATIONAL FUND INVESTMENT** are recognised in income according to contractual conditions.

FEE INCOME FROM FUND MANAGEMENT AND ADVISORY SERVICES is recorded when the services are delivered.

Impairment test for financial assets at fair value outside profit or loss

An impairment test for financial assets measured at fair value outside profit or loss is conducted at each reporting date. At DBAG, this relates to financial assets falling under the categories of "Loans and receivables" as well as "Financial assets available for sale". The impairment test is designed to identify whether there is objective evidence that an asset is impaired. Such objective evidence could be:

- significant financial difficulty on the part of the issuer or obligor,

- breach of contract, for example, default or delinquency in interest or principal payments,

- concessions by the DBAG Group to a borrower for economic or legal reasons relating to the borrower's financial difficulty,

- the probability that the borrower will enter bankruptcy or another financial reorganisation,

- the disappearance of an active market for that financial asset because of financial difficulties,

- observable data, such as the payment status of borrowers or adverse changes in national or local economic conditions, indicating that there is a measurable decrease in the estimated future cash flows from the financial asset.

Impaired financial assets are derecognised when there is objective evidence that a receivable is uncollectible or that future cash flows can no longer be expected

Intangible assets/property, plant and equipment

Intangible assets and property, plant and equipment are valued at amortised cost.

Intangible assets were exclusively acquired against payment.

The useful life for intangible assets is determinable and extends from two to five years. For property plant and equipment, useful economic life is termed from three to thirteen years. Additions are depreciated *pro rata temporis*, beginning in the month of acquisition. Regular depreciation is offset on a straight-line basis.

Beyond that, intangible assets and property, plant and equipment are subject to impairment review, if certain events and/ or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment loss amounting to the difference between the carrying amount and the recoverable amount is recognised. The recoverable amount is the higher of an asset's fair value (less costs to sell) and its utility value.

Loans and receivables

The item "Loans and receivables" comprises loans, shareholder loans and receivables with a fixed term and without an embedded derivative requiring separation. These relate to financial assets within the meaning of IAS 39, which are designated to the category of "Loans and receivables" at initial recognition and carried at amortised cost. Loans and receivables are subject to an impairment test at each reporting date (see also the section on the impairment test above). Impairment losses on loans and receivables are recognised in the item "Net result of investment activity" in the consolidated statement of comprehensive income.

Securities

Securities comprise interest-bearing bonds and investments in retail funds. They are designated to the category of "Available-for-sale financial assets". Designation to this category occurs because they may be sold at any time to cover liquidity requirements arising from DBAG's investment activity. The securities are initially recognised at fair value, which corresponds to their cost at the time of the transaction, and at fair value directly in "Other comprehensive income" at the subsequent reporting dates. The fair value measurement of securities is based on prices by dealers or price information systems (Reuters, Bloomberg, etc.). These are indicative prices, since observed transaction prices are not regularly available for bonds due to low market turnover. Prices for units in retail funds can be taken directly from a price information system.

Changes in fair value are recognised in "Retained earnings and other reserves" in the consolidated statement of financial position and in "Unrealised gains/(losses) on available-for-sale securities" in the consolidated statement of comprehensive income. An impairment test is conducted at each reporting date (see also the section on the impairment test above). If there is objective evidence of impairment, the aggregate loss recognised in reserves is reclassified to "Other operating expenses" in profit or loss in the consolidated statement of comprehensive income, even if the securities were not derecognised. An impairment account is used to record impairments. Gains and losses realised on disposal of securities of this category are reclassified accordingly, insofar as this has not occurred at earlier reporting dates by way of an impairment test.

Other assets

"Other assets" comprise receivables from DBAG funds, other receivables and prepaid expenses. Where applicable, this item also contains the net asset position arising from offsetting plan assets with pension obligations. With the exception of prepaid expenses, value-added tax and the net asset position arising from offsetting plan assets with pension obligations, these relate to financial assets as defined in IAS 39.

These financial assets are classified in the measurement category "Loans and receivables". They are initially recognised at cost and are tested for impairment at the subsequent reporting dates (see the section on the impairment test).

If there is objective evidence of impairment, the loss is recognised in "Other operating expenses" in the consolidated statement of comprehensive income.

Receivables

The line item "Receivables" contains receivables from portfolio companies. These relate to financial assets that are allocated to the category of "Loans and receivables" upon initial recognition and valued at cost. At subsequent reporting dates, they are tested for impairment (see the section on the impairment test). If there is objective evidence of impairment, the loss is recognised in the item "Other operating expenses" in the consolidated statement of comprehensive income.

Other financial instruments

The item "Other financial instruments" includes short-term loans to our investment entity subsidiaries. These are financial assets in terms of IAS 39. Depending on their characteristics as equity or liability instruments, they are allocated to and measured in the category "Loans and receivables" at the time of the initial recognition of the financial instruments. Loans and receivables are subject to an impairment test at each reporting date (see also the section on the impairment test). Impairment losses are recognised in the item "Other operating expenses" in the consolidated statement of comprehensive income.

Income tax assets

The item "Income tax assets" contains receivables from corporation and investment income tax. These relate to current taxes resulting from taxable income. Income tax assets are recognised in the relevant amount for tax purposes.

Cash and cash equivalents

"Cash and cash equivalents" relates to cash in banks, time deposits and overnight money. These are allocated to the category of "Loans and receivables" and are carried at amortised cost.

Deferred taxes

According to the IFRS, deferred taxes are recognised on temporary differences arising between the tax bases of assets and liabilities and their IFRS carrying amounts in the accounts (balance sheet-orientated method). Temporary differences based on the IFRS are any differences that are not of a permanent nature. The IFRS require recognition of both deferred tax assets and liabilities, if the criteria for recognition exist.

Additionally, expected tax reductions from loss carryovers are capitalised in the IFRS format, if an appropriate level of taxable income is expected to be achieved in the foreseeable future against which unused tax loss carryovers may be offset. The tax rates expected to apply at the balance sheet date are used to determine deferred taxes.

Changes to deferred taxes are basically recognised in profit or loss, insofar as the circumstances to which they relate were recognised in profit or loss and were not charged or credited to equity.

Minority interest

"Minority interest" in the consolidated statement of financial position contains the minority share ownership belonging to other investors in companies that are fully consolidated in the Group accounts. It is recognised within liabilities, since it concerns shares in partnerships which do not meet the definition of equity in accordance with the IFRS. Minority interest is carried as a financial liability pursuant to IAS 39. Initial and subsequent valuation is at the proportionate carrying amount of minority interest in the company capital.

Pension obligations and plan assets

Pension obligations arising from defined benefit plans exist at DBAG. Application of the plans is subject to the date at which the respective employee joined the company. Pension obligations of Group companies are set against assets of a legally independent entity ("contractual trust arrangement" in the form of a bilateral trust), which must be used exclusively to cover the pension commitments given and are not accessible to creditors (qualified plan assets).

The pension obligations are offset, by an asset of a legally independent entity ("contractual trust agreement" in the form of a two-way trust) that may only be used to cover the pension commitments given and are not accessible to any creditors (qualified plan assets).

The pension obligations under the defined benefit obligations are measured using the actuarial projected unit credit method. This method involves measuring the future obligations based on the pro rata benefit entitlements acquired up until the reporting date. They show the part of the benefit obligations that has been recognised in profit or loss by the reporting date. The valuation includes assumptions regarding the future development of certain actuarial parameters, such as the life expectancy of current and future pensioners, increases in salaries and pensions, and the interest rate used to discount the obligations. The actuarial rate is calculated based on the returns that are valid at the reporting date for long-term industrial bonds of issuers with the highest credit ratings with a comparable maturity.

The plan asset is measured at fair value.

For presentation in the financial statements, the present value of pension obligations is netted against the fair value of the plan asset. Should the fair value of the plan asset exceed the present value of pension obligations, a net defined benefit asset is recognised in "Other non-current assets". A net defined benefit liability is recognised in "Provisions for pension obligations".

Service cost is recognised in personnel expenses and net interest on the net defined benefit liability (asset) in interest expenses. Net interest comprises interest expenses on pension obligations and the interest income on plan assets. It is calculated using the actuarial rate that applies to pension obligations.

Remeasurements of the net defined benefit liability are recognised in other comprehensive income. They comprise actuarial gains and losses from changes in financial and demographic assumptions as well as from experience-related changes.

Other provisions

Other provisions are carried in liabilities, if a third-party obligation and the probability of an outflow of resources to settle the obligation exist. Non-current provisions are discounted.

Other liabilities

Liabilities of the Group are carried in "Other liabilities" in conformity with IAS 39. They are initially recognised at cost. Subsequent measurement for discounted loans is at amortised cost using the effective interest method.

Other financial commitments, contingent liabilities and trusteeships

Other financial obligations are recognised outside the balance sheet. They ensue to the extent that a legal or constructive third-party obligation exists for DBAG at the reporting date. This is measured on initial recognition at fair value.

Existing obligations arising from rental and lease contracts are carried as permanent debt obligations outside the balance sheet. Future payment commitments are discounted. Contingent liabilities are disclosed at the settlement amount and trusteeships at their fair value in the notes to the consolidated financial statements.

Net result of valuation and disposal of financial assets and loans and receivables

This item contains realised gains and losses arising from disposals of financial assets and from changes in the fair value of financial assets. This caption also includes impairment losses on loans and receivables carried at amortised cost.

Other comprehensive income

In addition to net income, other comprehensive income is the second component of total comprehensive income. Through other comprehensive income, transactions are recognised outside profit or loss. Other comprehensive income is shown before taxes. Shareholders from outside of the Group do not participate in other comprehensive income within the DBAG Group.

Offsetting

In preparing the consolidated statement of financial position and the consolidated statement of comprehensive income, assets and liabilities, as well as income and expenses, are generally not offset, unless this is stipulated or expressly permitted by a requirement.

Leases

Only operating lease commitments exist. Lease payments are recognised as an expense.

Foreign currency

Receivables and liabilities stated in foreign currency are recognised in the consolidated income statement using the closing-rate method. Since the group of consolidated companies of DBAG does not include entities with different functional currencies, there are no effects from currency translations in this context.

8. USE OF JUDGEMENT IN APPLYING THE ACCOUNTING POLICIES

Application of the accounting policies requires making judgements that can materially influence the reported amounts in the financial statements. The consolidation, accounting and valuation methods that have been applied based on judgements are detailed in Notes 5 to 7 above.

The amounts recognised in the financial statements are primarily influenced by the fact that, as the parent company, DBAG is deemed to have the status of an investment entity pursuant to IFRS 10. This status assessment had to be performed again in the previous financial year 2016/2017 after DBAG transferred certain services relating to fund management and advisory services that it had previously performed itself to its subsidiaries. The aim of the assessment was to determine whether DBAG had the power to direct these subsidiaries. As, based on the overall circumstances, the subsidiaries are to be included in the consolidated financial statements as fully consolidated companies, the investment-related services performed by them are to be attributed to DBAG, meaning that DBAG still has the status of an investment entity pursuant to IFRS 10.

As a result, the investment entity subsidiaries are still not included in the consolidated financial statements as fully consolidated companies, but rather are recognised at fair value. The fair value of investment entity subsidiaries is significantly determined by the fair value of the portfolio companies, which were already being carried at fair value in the consolidated financial statements prior to the implementation of IFRS 10.

9. FUTURE-ORIENTED ASSUMPTIONS AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the consolidated financial statements requires the use of future-oriented assumptions and estimations. These can have a material impact on the carrying amounts of consolidated statement of financial position items as well as the level of income and expenses. What future-oriented assumptions and estimations have in common is the uncertainty about the outcomes. The Board of Management makes decisions on assumptions and estimations after careful consideration of the most recently available reliable information and past experience. Assumptions and estimations also relate to issues over which the Board of Management has no influence, for instance, economic or financial market conditions. The actual outcomes can differ from the assumptions and estimations underlying these consolidated financial statements. In the event that new data and information become available or that changes take place, the assumptions and estimations are adjusted accordingly. The effect of a change in an assumption or estimation is recognised in the financial year that the change takes place and, if appropriate, in later financial years in the carrying amount of that item in the consolidated statement of financial position as well as in the consolidated statement of comprehensive income.

Due to assumptions about the future and other major sources of estimation uncertainty, there is a risk of having to make material adjustments to the carrying amounts of assets or liabilities within the next financial year. We judge the materiality by means of the effects on net assets. We would consider an adjustment to the carrying amount in the range of three percent of total shareholders' equity as being material; an adjustment is also material when it serves the clarity of the asset, financial and earnings position. Moreover, in our materiality judgements, we consider the possible effects in relation to the financial data in these consolidated financial statements as well as qualitative aspects.

A significant risk exists in financial assets, the fair value of which was determined using inputs not based on observable market data (hierarchy level 3: see Note 34.2). Fair values at level 3 are contained in "Financial assets" in the amount of 323,304 thousand euros (previous year, adjusted: 252,478 thousand euros). They concern those financial assets that are valued using the multiples method. The extent of possible effects in the event of an adjustment of assumptions and estimations is not quantifiable. However, should the underlying multiples change by +/-1, this would result ceteris paribus in an adjustment in the fair values recognised in the financial statements of +/-20,842 thousand euros (previous year: 17,926 thousand euros). This equates to five percent of the total shareholders' equity (previous year, adjusted: four percent).

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

10. NET RESULT OF INVESTMENT ACTIVITY

€'000	2017/2018	2016/2017
		adjusted[1]
Interests in investment entity subsidiaries	31,239	73,248
Interests in portfolio companies	609	13,712
International fund investment	2,386	(1,120)
Other financial assets	(100)	(5)
	34,133	**85,835**

1 Adjusted in accordance with IAS 8 (see note 4)

The investment entity subsidiaries constitute subsidiaries of DBAG through which DBAG co-invests in DBAG funds (see note 5.3) and DBG. These subsidiaries are no longer permitted to be consolidated based on IFRS 10; instead, they are to be recognised at fair value through profit or loss. The significant assets of these investment entity subsidiaries are interests in and receivables from portfolio companies.

Net income from interests in investment entity subsidiaries include changes in the fair values of portfolio companies held via these vehicles, after deduction of carried interest in the cases of co-investment vehicles of DBAG Fund V, DBAG ECF and DBAG Fund VI. In addition, this item includes the net returns from the disposal or partial disposal and the recapitalisation of portfolio companies from investment entity subsidiaries, as well as interest income and dividend income from various investments.

Directly held interests in portfolio companies encompass DBAG investments entered into prior to the launch of DBAG Fund V. The result is based on the net result of valuation and disposal and the current income for distributions and interest on loans and variable capital accounts.

The international fund investment was entered into in April 2001 in order to geographically diversify financial assets more strongly. The fund in question is not managed by DBAG. The second international fund investment that was reported here prior to the adjustment pursuant to IFRS 10 is now included in the net asset value of DBG.

Other financial investments include subsidiaries that do not provide investment-related services and interest in associates (see Notes 5.4 and 5.5).

For further information on the net result of investment activity, we refer to the management report (see pages 55ff.).

11. FEE INCOME FROM FUND MANAGEMENT AND ADVISORY SERVICES

€'000	2017/2018	2016/2017
DBAG Fund V	662	2,554
DBAG ECF	733	522
DBAG ECF I	983	0
DBAG ECF II	198	0
DBAG Fund VI	9,669	11,337
DBAG Fund VII	16,238	12,582
Other	53	52

€'000	2017/2018	2016/2017
	28,536	**27,047**

Management and advisory fee income stems from management and fund advisory services for the DBAG funds (see note 1 and further comments in Note 39).

The fee income from DBAG Fund V and DBAG Fund VI dropped following divestments over the last twelve months.

Income from DBAG ECF, DBAG ECF I and DBAG ECF II increased due to the investments made in the reporting year.

Higher income was received from DBAG Fund VII than in the previous year. The fund's investment period began at the end of December 2016; this was therefore the first time that fund management income was received for a full financial year.

12. PERSONNEL EXPENSES

€'000	2017/2018	2016/2017
Wages and salaries		
Fixed salary and fringe benefits	10,314	9,427
Variable remuneration, performance-related	4,864	8,124
Variable remuneration, transaction-related	166	1,793
	15,344	**19,344**
Social contributions and expenses for pension plans	**1,468**	**1,399**
thereof from pension plans	624	558
	16,812	**20,743**

The performance-related variable remuneration concerns members of the Board of Management and DBAG employees. For more information on the Board of Management's remuneration, please refer to the remuneration report, which is an integral part of the management report.

Since the financial year 2014/2015, the performance-related variable remuneration scheme for managing members of the investment team has been oriented around new investments entered into, portfolio performance and profitable realisations. For the other members of the investment team and employees in corporate functions, the system is based on company and personal performance.

In the previous year the performance-related variable remuneration showed an amount of 69 thousand euros for holiday and Christmas allowances and in-kind benefits from share purchases by employees. As of this financial year, this remuneration is included in the item "Fixed salary and fringe benefits" (77 thousand euros), with the corresponding changes to the comparative figures for the previous year.

Deal-based variable remuneration concerns active and former members of the Board of Management and members of the investment team based on older systems no longer in use. For a description of these systems we also refer to the remuneration report.

Number of employees (without Board of Management members):

	30 Sept. 2018	30 Sept. 2017
Employees (full-time)	56	54
Employees (part-time)	9	7
Apprentices	6	6

The Board of Management consisted of three members at the end of financial year 2017/2018 (previous year: three members).

In financial year 2017/2018, an average of 63 employees (previous year: 61) and five apprentices (previous year: six) were employed at Deutsche Beteiligungs AG.

13. OTHER OPERATING INCOME

€'000	**2017/2018**	2016/2017
Income from consultancy expenses that can be charged on	2,914	3,540
Income from exchange rate differences	133	0
Income from the reversal of provisions	123	98
Income from positions held on supervisory boards/advisory councils	57	238
Income from disposal of long- and short-term securities	17	200
Income from disposal of other financial instruments	0	218
Other	454	312
	3,697	**4,605**

Consultancy expenses charged on relate to advances on behalf of DBAG funds and/or portfolio companies. The drop in income from consultancy expenses charged on corresponds with the decrease in consultancy expenses charged on (see note 14).

Income from exchange rate differences stems from a purchase price receivable held in US dollars. It relates to an investment realised in financial year 2015/2016.

Income from positions held on supervisory boards and advisory councils relates to income from work by DBAG employees on the supervisory boards of DBAG portfolio companies or external companies. Remuneration for work on the boards of portfolio companies held via the DBAG funds has been presented under income from fund management and advisory services since financial year 2017/2018.

14. OTHER OPERATING EXPENSES

€'000	**2017/2018**	2016/2017
Consultancy expenses that can be charged on	2,949	3,341
Other consultancy expenses	1,154	863
Auditing and tax consultancy expenses	1,070	1,196
Consultancy expenses for deal sourcing	1,032	958
Consultancy expenses	6,206	6,358
Office rental expenses	1,166	1,082
Travel and hospitality expenses	1,028	1,097
Value-added tax	967	910
Expenses resulting from the repayment of Advisory Board remuneration to funds	932	0
External employees and other personnel costs	849	997
Depreciation and amortisation of property, plant and equipment and intangible assets	683	714
Stock market listing	653	597
Maintenance costs for hardware and software	530	449
Corporate communications, investor relations, media relations	507	410
Supervisory Board remuneration	400	406

€'000	2017/2018	2016/2017
Other	1,638	1,328
	15,557	**14,349**

The drop in consultancy expenses charged on corresponds with the decrease in income from consultancy expenses charged on (see note 13).

The increase in other advisory expenses chiefly relates to advisory services purchased in connection with the introduction of a new IFRS standard and to advisory expenses concerning data protection and anti-money laundering legislation.

The expenses for premises relate primarily to office rent. The increase results from leasing additional office space for DBAG employees.

The "VAT" item relates to non-deductible input tax based on revenues that are not taxable.

Expenses for the reimbursement of advisory board remuneration to funds result from subsequent offsetting against management fees for DBAG Fund V. DBAG had received the advisory board remuneration for work by members of its investment team on supervisory boards of portfolio companies in DBAG Fund V since the investment period began ten years ago.

Expenses for external staff and other personnel costs include the costs of temporary staff to cover for employees on sick leave and parental leave, recruitment expenses and staff training.

"Other" consists of miscellaneous operating expenses, in particular motor vehicles, insurance and offices supplies.

15. INTEREST INCOME

€'000	2017/2018	2016/2017
Other financial instruments	313	132
Tax authorities	29	10
Other	3	13
	344	**154**

Interest income from other financial instruments relates to loans granted to associates (see note 23).

16. INTEREST EXPENSES

€'000	2017/2018	2016/2017
Interest expenses for pension provisions	540	312
Expected interest income on plan assets	(380)	(196)
Net interest on net defined benefit liability	160	116
Credit line	513	432
Securities	18	5
Other	11	3
	702	**556**

The interest income on plan assets is calculated using the same discount rate that is used for determining the present value of pension obligations. For information on the parameters used for the two components of the net interest on the net defined benefit liability, we refer to note 29.

Interest expenses for the line of credit of 513 thousand euros (previous year: 432 thousand euros), relate to the annual availability fee for the credit facility in the amount of 50 million euros, which was paid in December 2015 and extended in financial year 2017/2018.

17. INCOME TAXES

€'000	**2017/2018**	2016/2017
Current taxes	18	1
Deferred taxes	0	0
	18	1

Effective taxes relate to corporation tax and the solidarity surcharge for the financial year 2017/2018.

Deferred taxes take into account the occurrence or reversal of temporary differences between the IFRS carrying amounts and the tax purpose-based carrying amounts of assets and liabilities. Temporary differences primarily exist for financial assets and pension provisions. This financial year, the Group companies have for the most part recorded a surplus in deferred tax assets that largely originated from existing loss carryforwards. Based on the type of business activities and their applicable tax treatment, it is not probable that sufficient taxable profit will be available against which they can be utilised. These deferred tax assets were therefore not capitalised. At 30 September 2018, there were neither deferred income tax assets nor deferred income tax liabilities taken directly to equity.

Reconciliation between the theoretically expected tax charge for an incorporated company and the current amount recognised in the consolidated financial statements of DBAG is as follows:

€'000		**2017/2018**	2016/2017
Earnings before tax		33,640	81,993[1]
Applicable corporate tax rate	%	31.925	31.925
Theoretical tax income/expenses		**10,739**	**26,176**[1]
Change in theoretical tax income/expenses:			
(Tax-exempt) positive net earnings from			
valuation and disposal		(10,902)	(3,057)[1]
Negative earnings from valuation and disposal		2,828	24,808[1]
Change in temporary differences where deferred taxes were not recognised (non-capitalised gains)		0	4,176
Current income from investments		(294)	0
Change in temporary differences where deferred taxes were not recognised (non-capitalised gains)		860	2,588[1]
Taxes from previous years		(3,629)	(55,136)
Tax rate differential		29	50
Other effects		351	395[1]
Income taxes		**(18)**	**(1)**
Taxation ratio	%	(0.05)	0.00

1 Adjusted in accordance with IAS 8 (see note 4)

The expected tax rate for corporations is composed of corporation tax and a solidarity surcharge (15.825 percent) as well as municipal trade tax (16.10 percent). The tax rate for DBAG is unchanged at 15.825 percent. As an equity investment company, DBAG is exempt from municipal trade tax.

A main pillar of DBAG's business is the acquisition and disposal of investments alongside the DBAG funds. The investments largely relate to corporate enterprises. The tax effect in accordance with § 8b German Corporation Tax Act (KStG) for the (positive) net result of valuation and disposal totals 10,902 thousand euros (previous year, adjusted: 3,057 thousand euros).

Based on existing Group budgets, deferred taxes arising from temporary differences between the IFRS and tax purpose-based carrying amounts were not recognised at Group level due to lack of recoverability.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

18. INTANGIBLE ASSETS/PROPERTY, PLANT AND EQUIPMENT

	Acquisition cost			
€'000	1 Oct. 2017	Additions	Disposals	**30 Sept. 2018**
Intangible assets	1,601	35	0	1,636
Property, plant and equipment	3,194	268	673	2,789
	4,795	**303**	**673**	**4,425**

	Depreciation and amortisation				Carrying amounts	
€'000	1 Oct. 2017	Additions	Disposals	**30 Sept. 2018**	**30 Sept. 2018**	30 Sept. 2017
Intangible assets	909	289	0	1,198	438	693
Property, plant and equipment	2,065	394	508	1,950	839	1,129
	2,974	**683**	**508**	**3,148**	**1,277**	**1,822**

	Acquisition cost			
€'000	1 Oct. 2016	Additions	Disposals	30 Sept. 2017
Intangible assets	1,471	130	0	1,601
Property, plant and equipment	3,069	441	316	3,194
	4,540	**571**	**316**	**4,795**

	Depreciation and amortisation				Carrying amounts	
€'000	1 Oct. 2016	Additions	Disposals	30 Sept. 2017	30 Sept. 2017	30 Sept. 2016
Intangible assets	625	284	0	909	693	846
Property, plant and equipment	1,834	431	200	2,065	1,129	1,235
	2,459	**714**	**200**	**2,974**	**1,822**	**2,081**

Intangible assets were exclusively acquired against payment.

Depreciation and amortisation in the reporting year exclusively relate to regular depreciation.

19. FINANCIAL ASSETS

€'000	**30 Sept. 2018**	30 Sept. 2017
		adjusted[1]
Interests in investment entity subsidiaries	318,098	246,479
Interests in portfolio companies	4,828	5,301
International fund investment	303	974
Other financial assets	75	77
	323,304	**252,830**

1 Adjusted in accordance with IAS 8 (see note 4)

Financial assets are measured at fair value in profit or loss (see notes 7 and 10).

This item exhibited the following movements in the reporting year:

€'000	1 Oct. 2017	Additions	Disposals	Value movements	**30 Sept. 2018**

Interests in investment entity subsidiaries	246,479	73,502	23,230	21,348	318,098
Interests in portfolio companies	5,301	21	352	(141)	4,828
International fund investment	974	0	895	225	303
Other financial assets	77	0	0	(2)	75
	252,830	**73,523**	**24,478**	**21,429**	**323,304**

€'000	1 Oct. 2016	Additions	Disposals	Value movements	30 Sept. 2017 adjusted[1]
Interests in investment entity subsidiaries	289,600	54,764	46,162	(51,722)	246,479
Interests in portfolio companies	21,888	0	17,050	462	5,301
International fund investment	2,093	0	0	(1,120)	974
Other financial assets	64	30	8	(10)	77
	313,646	**54,793**	**63,220**	**(52,389)**	**252,830**

1 Adjusted in accordance with IAS 8 (see note 4)

Additions to shares in investment entity subsidiaries relate to capital calls for investments in portfolio companies and management fees (see management report, pages 45ff.).

The disposals of shares in investment entity subsidiaries result from distributions stemming from disposals of portfolio companies and repayments of shareholder loans or short-term interim financing that were extended to portfolio companies.

Movements in value are recorded under the item "Net result of investment activity" in the consolidated statement of comprehensive income (see note 10).

For further information on financial assets, we refer to the management report (see pages 45ff.).

20. LOANS AND RECEIVABLES

€'000	**2017/2018**	2016/2017
At start of financial year	1,338	2,695
Addition	0	0
Disposal	0	0
Reclassification	(1,443)	(1,253)
Value movement	105	(105)
	0	**1,338**

The receivables were reclassified because the residual term of the remaining balance of a purchase price receivable in connection with the sale of the investment in Clyde Bergemann GmbH now amounts to less than one year. The changes in value are the result of currency rate changes.

21. RECEIVABLES

€'000	**30 Sept. 2018**	30 Sept. 2017
Receivables from affiliated companies	1,091	1,244
Receivables from investments	0	2,406

	1,091	**3,649**

Receivables from affiliated companies are mainly owed by DBAG ECF and DBAG Fund VI for management fees and by DBAG Fund VII for costs that were charged on.

Receivables from investments from the previous year principally relate to receivables from a clearing account with a portfolio company, which were received this year.

These receivables are not recognised at fair value in profit or loss but are instead subject to an impairment test at every reporting date (see note 7).

22. SECURITIES

Securities held at 30 September 2018 were exclusively acquired as investments of cash and cash equivalents not immediately required.

Classification of securities by term:

€'000	**30 Sept. 2018**	30 Sept. 2017
Long-term securities	55,458	33,659
Short-term securities	40,000	0
	95,458	**33,659**

Classification of securities by term:

€'000	**30 Sept. 2018**	30 Sept. 2017
Money market funds	34,234	0
Fixed-income funds	28,102	0
Fixed-rate securities	33,122	33,659
	95,458	**33,659**

All securities have been designated to the category of "available-for-sale financial assets" (see note 7).

The change compared to 30 September 2017 is largely due to the investment of cash funds in fixed-income and money market funds. The fixed-income funds include corporate bonds with issuer ratings that are predominantly investment grade. Due to the considerable diversification of the bonds and the credit rating of the issuers, the credit risk associated with the fund units is low.

The change in fair value of -47 thousand euros (previous year: -585 thousand euros) is recognised in the consolidated statement of comprehensive income in "Unrealised gains/(losses) on available-for-sale securities". No profit or loss on the disposal of securities in this category was recognised in the reporting year that required reclassification to net income (previous year: loss of 284 thousand euros).

23. OTHER FINANCIAL INSTRUMENTS

€'000	30 Sept. 2018	30 Sept. 2017
Loans granted to affiliated companies	32,766	35,649
	32,766	**35,649**

Loans granted to affiliated companies include short-term loans that DBAG granted to the DBAG Fund VII Group companies as part of the structuring of the investment in new portfolio companies.

24. TAX ASSETS, TAX PROVISIONS AND DEFERRED TAXES

€'000	30 Sept. 2018	30 Sept. 2017
Tax assets		
Other non-current assets	0	0
Income tax assets	345	423
Tax provisions	17	0

Income tax assets contain imputable taxes for the financial year 2017/2018 and the previous year.

Tax provisions relate to corporation tax and the solidarity surcharge, since positive taxable income was assessed for financial year 2017/2018, which resulted in tax payments as a result of the minimum tax rule, despite the existing tax loss carryforwards.

Deferred tax assets and liabilities are offset in conformity with IAS 12.74. There were no deferred tax liabilities in the reporting year or in the preceding year.

Tax loss carryforwards have been recognised in deferred taxes as follows:

€'000	30 Sept. 2018	30 Sept. 2017
Tax loss carryforward, corporation tax	96,114	97,276
thereof usable	0	0
Tax loss carryforward, municipal trade tax	13,740	15,128
thereof usable	0	0

Due to the type of business activities and their applicable tax treatment, it is not probable that sufficient taxable profit will be available at the relevant Group companies against which the tax loss carryforwards can be utilised.

25. OTHER CURRENT ASSETS

€'000	30 Sept. 2018	30 Sept. 2017
Receivables from management and advisory services	2,351	4,834
Receivables from expenses that can be charged on	1,956	761
Receivables from DBAG funds	4,637	5,595
Purchase price receivable	1,534	101
Lease security deposits	405	405
Interest receivable on securities	278	279
Value-added tax	346	154
Other receivables	208	92
	7,408	**6,624**

The receivables from management and advisory services mainly relate to DBAG Fund VI.

Receivables from expenses charged on mainly relate to DBAG ECF and DBAG Fund VII.

The purchase price receivable relates to the purchase price receivable from the sale of the investment in Clyde Bergemann GmbH as the period to maturity is now within one year (see note 20).

Value-added tax pertains to outstanding refunds of input tax credits.

Other receivables mainly contain prepaid expenses.

26. EQUITY

Subscribed capital/number of shares

€'000	**2017 / 2018**	2016 / 2017
At start of financial year	53,387	53,387
Addition	0	0
At end of financial year	**53,387**	**53,387**

All shares in Deutsche Beteiligungs AG are no-par value registered shares in financial year 2017/2018. Each share is entitled to one vote.

The shares are admitted for trading on the Frankfurt Stock Exchange (Prime Standard) and the Dusseldorf Stock Exchange (Regulated Market). Shares in the Company are also traded on the Open Market of the Berlin, Hamburg-Hanover, Munich and Stuttgart Stock Exchanges.

The subscribed capital (share capital) is split into 15,043,994 no-par value shares. Arithmetically, the capital attributable to each share equals approximately 3.55 euros per share.

Sale of own shares to employees and retirees

The Company offers employees and retirees of Deutsche Beteiligungs AG and of a subsidiary an employee share purchase plan at preferential terms, which is orientated around tax legislation and limits. The following depicts the transactions involving own shares in financial year 2017/2018:

	Purchase/ sale price per share	Number of shares	Proportion of share capital	
	€		€'000	‰
At 1 Oct. 2017		0	0	0.0
Addition	35.15	5,000	18	0.3
Transfer	24.36	3,041	11	0.2
Disposal	34.34	1,959	7	0.1
At 30 Sept. 2018	**0.00**	**0**	**0**	**0.0**

Authorised Capital

Shareholders at the Annual Meeting on 22 February 2017 authorised the Board of Management to raise the share capital of the Company, with the consent of the Supervisory Board, until 21 February 2022 by up to a total of 13,346,664.33 euros through one or more issues of new no-par registered shares in exchange for cash or non-cash contributions (Authorised Capital 2017). The number of shares in that context must be increased proportionately to the share capital. In the past financial year 2017/2018, the Board of Management did not make use of this authorisation.

Purchase of own shares

By resolution of the Annual Meeting on 21 February 2018 the Board of Management is authorised, with the consent of the Supervisory Board, to purchase own shares in the period until 20 February 2023 of up to ten percent of the current share capital of 53,386,664.43 euros – or, in the event that this value is lower – of the share capital at the time the authorisation is exercised, for purposes other than trading in own shares.

Conditional Capital

The Board of Management is authorised, with the consent of the Supervisory Board, to issue, by one or in several issues, bearer or registered warrant-linked bonds and/or convertible bonds (jointly referred to as "bonds") in the period until 21 February 2022 with or without a maturity cap for a total nominal amount of up to 140,000,000.00 euros. It is also authorised to grant holders of warrant-linked bonds warrants, and the holders or creditors of convertible bonds conversion rights (or conversion obligations, if applicable), to registered shares in the Company with a proportionate share in the share capital of up to 13,346,664.33 euros under the conditions specified for the warrant-linked bonds or convertible bonds (jointly referred to as "bond conditions").

In addition to euros, the bonds may also be denominated in an official currency of an OECD country, limited to the equivalent amount in euros.

The bonds may also be issued by affiliates in which the Company directly or indirectly holds a majority. In such an event, the Board of Management shall be authorised, with the consent of the Supervisory Board, to guarantee for the bonds and to grant the holders and/or creditors of such bonds option or conversion rights to no-par registered shares in the Company.

Capital reserve

€'000	**2017/2018**	2016/2017
At start of financial year	173,762	173,762
Addition	0	0
At end of financial year	**173,762**	**173,762**

The capital reserve comprises, unchanged, amounts achieved in the issuance of shares in excess of the nominal value.

Retained earnings and other reserves

Retained earnings and other reserves comprise:

- the legal reserve, as stipulated by German stock corporation law,
- first-time adopter effects from the IFRS opening balance at 1 November 2003,
- provisions for actuarial gains/losses arising from defined benefit pension obligations/plan assets (see note 29) and
- unrealised gains/losses on available-for-sale securities (see note 22).

Consolidated retained profit

At the ordinary Annual Meeting on 21 February 2018, shareholders voted to use the retained profit for the financial year 2016/2017 of 181,903,759.71 euros to pay a dividend of 1.40 euro per no-par value share on the 15,043,994 dividend-carrying shares. The residual amount of 160,842,168.11 euros was carried forward to the new account.

€'000	**2017/2018**	2016/2017
Distribution sum	21,061,591.60	18,052,792.80

In its separate accounts at 30 September 2018, which are consistent with the German Commercial Code (HGB), the retained profit of Deutsche Beteiligungs AG amounts to 170,766,135.32 euros (previous year: 181,903,759.71 euros).

At the forthcoming Annual Meeting, the Board of Management and the Supervisory Board will recommend paying a dividend of 1.45 euros per share for financial year 2017/2018.

In Germany, dividends paid to shareholding corporations are subject to a corporation tax rate of five percent plus a solidarity surcharge and, to the same extent, municipal trade tax, insofar as these do not relate to free-floating investments (i.e. interests of less than 15 percent). Dividends earned by natural persons are subject to a flat rate withholding tax (Abgeltungssteuer) of 25 percent plus a solidarity surcharge and, if applicable, church tax, which the dividend-paying company pays directly to the taxation authority.

27. MINORITY INTEREST

€'000	**2017/2018**	2016/2017
At start of financial year	148	127
Addition	22	0
Disposal	16	16
Profit share	26	37
At end of financial year	**180**	**148**

Minority interest includes capital and earnings shares of shareholders from outside of the Group. Minority interest relates to DBG Advising GmbH & Co. KG, DBG Managing Partner GmbH & Co. KG, DBG Management GP (Guernsey) Ltd., DBG Fund VI GP (Guernsey) LP., AIFM-DBG Fund VII Management (Guernsey) LP and European PE Opportunity Manager LP.

Minority interest attributable to DBG Advising GmbH & Co. KG developed as follows:

€'000	**2017/2018**	2016/2017
At start of financial year	0	0
Addition	22	0
Disposal	0	0
Profit share	0	0
At end of financial year	**22**	**0**

Minority interest attributable to DBG Managing Partner GmbH & Co. KG (DBAG Fund V and DBAG ECF) developed as follows:

€'000	**2017/2018**	2016/2017
At start of financial year	26	26
Addition	0	0
Disposal	0	0
Profit share	1	0
At end of financial year	**27**	**26**

Minority interest attributable to DBG Management GP (Guernsey) Ltd. (DBAG Fund VI) developed as follows:

€'000	2017/2018	2016/2017
At start of financial year	117	102
Addition	0	0
Disposal	5	0
Profit share	14	15
At end of financial year	**126**	**117**

Minority interest attributable to DBG Fund VI GP (Guernsey) LP (DBAG Fund VI) developed as follows:

€'000	2017/2018	2016/2017
At start of financial year	2	0
Addition	0	0
Disposal	7	10
Profit share	10	11
At end of financial year	**4**	**2**

Minority interest attributable to AIFM-DBG Fund VII Management (Guernsey) LP developed as follows:

€'000	2017/2018	2016/2017
At start of financial year	4	0
Addition	0	0
Disposal	4	7
Profit share	0	11
At end of financial year	**0**	**4**

As in the previous year there were no liabilities towards minority shareholders relating to European PE Opportunity Manager LP.

28. OTHER PROVISIONS

€'000	1 Oct. 2017	Utilisation	Reversal	Addition	30 Sept. 2018
Personnel-related commitments	13,119	10,929	1,249	7,121	8,062
Expert opinions and other advisory services	338	334	4	114	114
Auditing and review expenses	377	348	0	329	358
Costs for Annual Report and Annual Meeting	358	358	0	390	390
Consultancy expenses	176	78	40	41	100
Other	449	334	115	237	237
	14,818	**12,380**	**1,408**	**8,233**	**9,262**

Provisions for personnel-related commitments chiefly consist of variable emoluments of 6,573 thousand euros (previous year: 10,988 thousand euros). Of this, 5,661 thousand euros (previous year: 8,165 thousand euros) for performance-related remuneration for the financial year under review and a further 912 thousand euros (previous year: 2,822 thousand euros) relate to transaction-related remuneration (see note 12). Corresponding provisions have been made for transaction-related remuneration since financial year 2005/2006. In the reporting year, 2,076 thousand euros thereof were paid out and an amount totalling 452 thousand euros was reversed, since the conditions for entitlement were no longer fulfilled.

The provisions for expert opinions and other advisory services relate to advisory expenses associated with regulatory requirements.

The "other" category includes, in particular, provisions for external staff, process optimisation, IT projects and events.

There are no non-current provisions at 30 September 2018.

29. PENSION OBLIGATIONS AND PLAN ASSETS

The disclosure in the statement of financial position has been derived as follows:

€'000	**30 Sept. 2018**	30 Sept. 2017
Present value of pension obligations	36,171	35,831
Fair value of plan assets	(23,962)	(24,508)
Provisions for pension obligations	**12,209**	**11,323**

The present value of pension obligations developed as follows:

€'000	**2017 / 2018**	2016 / 2017
Present value of pension obligations at start of financial year	35,831	39,536
Interest expenses	540	312
Service cost	439	473
Benefits paid	(868)	(833)
Actuarial gains (-) / losses (+)	229	(3,657)
Present value of pension obligations at end of financial year	**36,171**	**35,831**

The present value of pension obligations on the reporting date is calculated based on an expert actuarial opinion. The expert opinion is based on the following actuarial assumptions:

		30 Sept. 2018	30 Sept. 2017
Actuarial rate	%	1.54	1.55
Salary trend (incl. career trend)	%	2.50	2.50
Pensions trend	%	2.00	2.00
Life expectancy based on modified actuarial charts created by Dr Klaus Heubeck		2005G	2005G
Increase in income threshold for state pension plan	%	2.00	2.00

The actuarial rate is calculated using the i-boxx corporate AA10+ interest rate index, which is calculated based on interest rates for long-term bonds of issuers with the highest credit ratings.

The life expectancy assumptions are based on the 2005 G actuarial life tables by Dr Klaus Heubeck. They were modified as per 31 October 2013 to account for the particularities of the beneficiaries of the DBAG Group's defined benefit plans and individual defined benefit commitments. A comparison with similar groups of individuals revealed an average longer life expectancy of three years for the DBAG scheme members and beneficiaries.

At 30 September 2018, the weighted average term of defined benefit obligations was 14.4 years (previous year: 14.3 years).

Plan assets developed as follows over the past financial year:

€'000	2017/2018	2016/2017
Fair value of plan assets at start of financial year	24,508	24,460
Expected interest income	380	196
Gains (+) / losses (-) from the difference between actual and expected returns on plan assets	(927)	(147)
Fair value of plan assets at end of financial year	**23,962**	**24,508**

The following amounts were reported in net income:

€'000	2017/2018	2016/2017
Service cost	439	473
Interest expenses	540	312
Expected interest income on plan assets	(380)	(196)
	599	**589**

Past service cost is shown in personnel expenses.

The net amount of interest expenses and expected interest income on plan assets is recognised in the item "interest expenses".

Gains/(losses) on remeasurements of the net defined bene-fit liability (asset)" recognised in other comprehensive income developed as follows in financial year 2017/2018

€'000	2017/2018	2016/2017
Actuarial gains (+) / losses (-) at start of financial year	(21,605)	(25,115)
Gains (+)/losses (-) from the difference between actual and expected returns on plan assets	(927)	(147)
Gains (+)/losses (-) from experience-related changes	(229)	3,657
Actuarial gains (+)/ losses (-) at end of financial year	**(22,760)**	**(21,605)**

The loss of 927 thousand euros in the financial year 2017/2018 (previous year: 147 thousand euros) results from the decrease in the fair value of plan assets as well as the application of the same discount rate that is also used in determining the present value of pension obligations.

The loss of 229 thousand euros (previous year: profit of 3,657 thousand euros) due to changes based on past experience are due to the slight fall in the discount rate; in the previous year the discount rate increased.

Amount, timing and uncertainty of future cash flows

The DBAG Group is exposed to risk arising from pension obligations for defined benefit plans and individual defined benefit commitments. Risk exposure particularly extends to changes in the present value of pension obligations and in the fair value trend of plan assets.

Changes in the present value of pension obligations result in particular from changes in actuarial assumptions. The actuarial rate and life expectancy exert a significant influence on the present value. The actuarial rate is subject to (market) interest rate risk. A change in average life expectancy impacts the length of pension payments and, consequently, the liquidity risk. Based on reasonable estimates, possible changes in these two actuarial parameters would have the following impact on the present value of pension obligations:

€'000	30 Sept. 2018	30 Sept. 2017
Actuarial rate		
Increase by 50 bps	2,710	(2,471)
Decrease by 50 bps	(2,417)	2,776
Average life expectancy		
Increase by 1 year	(1,210)	(1,200)
Decrease by 1 year	1,234	1,222

The sensitivity analysis shown above is based on a change in one parameter, while all others remain constant.

Since February 2015, the plan assets have been invested in a special fund. This special fund has an unlimited term and is administrated based on a capital investment strategy with a long-term orientation and capital preservation. The investment strategy is aimed at generating returns that at least correspond to the actuarial rate.

Depending on the asset class, the performance of the special fund is exposed to (market) interest rate risk (interest-bearing securities) or (market) price risk (shares). If the market interest rate for interest-bearing securities rises (falls), the return on plan assets will rise (fall). If the market price of shares rises (falls), the return on plan assets will rise (fall).

Like interest-bearing securities, the present value of pension obligations depends on the (market) interest rate risk. If the market interest rate for interest-bearing securities rises (falls), the present value of pension obligations will fall (rise).

As for the past three prior years, current budgetary planning for the financial year 2018/2019 does not provide for allocations to plan assets.

30. OTHER CURRENT LIABILITIES

€'000	30 Sept. 2018	30 Sept. 2017
Liabilities to affiliated companies	9,680	6
Advance management fees	4,099	0
Trade payables	1,003	94
Liabilities to investments	93	0
Other liabilities	899	1,133
	15,773	**1,233**

Liabilities to affiliated companies relate to a capital call by DBAG ECF II for a new investment.

Advance management fees consist exclusively of management fees from DBAG Fund VII.

Other current liabilities mainly relate to liabilities arising on wage tax.

31. OTHER FINANCIAL COMMITMENTS

Other financial commitments are detailed by call commitments and permanent debt obligations in the following nominal amounts:

€'000	30 Sept. 2018	30 Sept. 2017
Call commitments	1,169	2,495
Permanent debt obligations	2,974	3,116
	4,143	**5,611**

Possible call commitments relate to international funds that may draw down additional funding for investments and costs, as well as contractually agreed potential investments in a port-folio company of DBAG ECF.

The following provides an overview of the due dates of permanent debt obligations at 30 September 2018:

€'000	< 1 year	1 – 5 years	> 5 years	**Total**
Permanent debt obligations	1,230	1,744	0	**2,974**
thereof rental contracts	783	1,305	0	**2,089**

Permanent debt obligations pertain, in particular, to office rental for the premises on Börsenstrasse 1 in Frankfurt am Main. The non-terminable office rental contract began on 1 August 2011 and runs until 31 May 2021. DBAG is entitled to renew the rental contract twice for a period of five years each time.

As in the previous year, there were no contingent liabilities at 30 September 2018.

Trust assets totalled 12,340 thousand euros at 30 September 2018 (previous year: 16,146 thousand euros). Of this, 6,096 thousand euros (previous year: 13,208 thousand euros) is attributable to the management of trust accounts for the settlement of purchase prices and 6,239 thousand euros (previous year: 2,933 thousand euros) is attributable to interests in two portfolio companies that are held by Group companies for two managed funds. Trust liabilities exist in an equivalent amount. The DBAG Group does not generate any income from trustee activities.

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The objective of consolidated statements of cash flows based on IAS 7 is to report on and create transparency in a group's relevant flows of cash. Cash flows are differentiated according to operating activities as well as investing and financing activities. The indirect presentation method was applied for cash flows from operating activities. Cash flows from investment activities are presented by the direct method.

Proceeds and payments relating to financial assets and to loans and receivables are recorded in cash flows from investing activities instead of in cash flows from operating activities, since this classification gives a truer representation of DBAG's business model.

Proceeds and payments arising on interest are presented in cash flows from operating activities.

There were no cash flows to be reported based on changes in the group of consolidated companies.

Cash funds at the beginning and end of the period existed in the form of cash deposits in banks.

Since financial year 2007/2008, a part of the financial resources not needed in the near term has been invested in securities (bonds and retail funds). The securities serve, as do cash and cash equivalents, to meet the Group's payment obligations. According to IAS 7, these securities do not constitute financial resources, since the maturity of the bonds has so far always been longer than three months from the date of acquisition and the retail funds have an indefinite life. IAS 7.16 requires the purchase and sale of these securities to be recognised as cash flows from investing activities.

OTHER DISCLOSURES

33. FINANCIAL RISKS

The DBAG Group is exposed to financial risks that arise from its investment activities in portfolio companies and from other financial instruments. Due to the risk exposure attached to these financial instruments, the value of assets and/or profits may be reduced. There are no hedging relationships between financial instruments. Consequently, a basis for the application of hedge accounting does not exist.

The following describes in conformity with IFRS 7 the financial risks arising from financial instruments to which the DBAG Group is exposed. The objectives and the methods used to manage these risks are also discussed. There has been no change compared with the previous year.

33.1 Market risk

The fair value of financial instruments or future cash flows of financial instruments may fluctuate due to changes in market prices. Based on IFRS 7, market risk comprises the components of currency risk, interest risk and other price risk. Exposure to market risk is regularly monitored in its entirety.

(a) Currency risk

The DBAG Group's exposure to currency risk relates to investments that are denominated in British pounds sterling, Danish krone, Swiss francs or US dollars and in which future returns will be made in a foreign currency. Currency risk exposure arising from these investments concerns future proceeds from these portfolio companies and, consequently, also their fair value. Changes in exchange rates also have an influence on the operations and competitiveness of our portfolio companies in respect of their procurement and customer markets. The extent of that impact would depend in particular on the portfolio companies' individual value-creation structure and degree of internationalisation.

Currency risk management

Individual transactions denominated in foreign currency are not hedged, since both the holding periods of and the proceeds from these investments are uncertain. The portfolio held in US dollars will decline with the receipt of returns from the remaining fund investments in this currency.

Extent of currency risk

The item "Financial assets" contains financial instruments amounting to 22,067 thousand euros (previous year: 10,622 thousand euros) that are exposed to US dollar currency rate risk. Financial assets totalling 35,564 thousand euros (previous year: 7,972 thousand euros) are subject to a Swiss franc exchange rate risk, 5,997 thousand euros (previous year: 2,137 thousand euros) are subject to an exchange rate risk against the British pound, and 3,860 thousand euros (previous year: 0 thousand euros) are subject to an exchange rate risk against the Danish krone. The effects on income arising from exchange rate-related changes in the fair value of financial assets amount to 814 thousand euros (previous year: -1,090 thousand euros).

Exchange rate sensitivity

An increase/decrease in the euro/foreign currency rate by ten percent would result in an exchange rate-related decrease/increase in net income for the year and in the equity of the DBAG Group of 6,749 thousand euros (previous year: 2,073 thousand euros).

(b) *Interest risk*

Changes in market interest rates directly affect income from investments of financial resources and the valuations of our portfolio companies measured by the discounted cash flow method. Changes in market interest rates also have an influence on the profitability of portfolio companies.

Interest rate risk management

Financial resources are principally invested with a short-term horizon. Interest derivatives to hedge a certain interest rate level are not used, since the amount of financial resources is subject to strong fluctuations and not reliably predictable. The interest rate for the line of credit is EURIBOR plus a margin. The EURIBOR applied when the credit is used depends on the chosen interest rate period, which can be up to six months.

Extent of interest rate risk

At the reporting date, financial resources (the sum of cash funds and securities) totalled 119,029 thousand euros (previous year: 161,634 thousand euros). There was no interest income from the investment (previous year: 0 thousand euros). The line of credit was not used in the reporting year.

Interest rate sensitivity

In relation to the portfolio companies and international funds valued by the discounted cash flow method, an increase or decrease of 100 basis points in the reference interest rate would result in a decrease or increase in net income for the year and in the equity of the DBAG Group of 853 thousand euros (previous year: 1,881 thousand euros).

(c) *Other price risks*

Exposure to other price risk primarily exists in future valuations of the interests in co-investment vehicles and portfolio companies. These are measured at fair value. Valuation changes are recognised directly in the consolidated statement of comprehensive income. For details on the risk management system, we refer to the commentary in the combined management report in the section "Opportunities and risks".

Other price risk management

The Board of Management constantly monitors the market risk inherent in the portfolio companies held directly or through co-investment vehicles. Towards that end, the DBAG Group receives reports on the portfolio companies' course of business on a timely basis. Board of Management members or other members of the investment team hold offices on supervisory or advisory boards of portfolio companies. Additionally, the responsible investment team members monitor the progress of portfolio companies through formally implemented processes.

Extent of other price risks

Based on the measurement of financial assets at fair value through profit or loss, valuation movements in a period are directly recognised in the consolidated statement of comprehensive income. In the financial year 2017/2018, the net result of valuation was 21,316 thousand euros (previous year, adjusted: 25,087 thousand euros).

Other price risk sensitivity

The valuation of portfolio companies is influenced by a number of factors that relate to the financial markets on the one hand, and to the markets in which the portfolio companies operate on the other. These influential factors include valuation multiples, earnings and debt of the portfolio companies. The sensitivity of the valuation is largely determined by the multiples used to measure the fair value of financial instruments categorised in Level 3. A change in the multiples of +/- 0.1 would have an effect ceteris paribus of 2,084 thousand euros on the fair value of financial instruments categorised in Level 3 (previous year, adjusted: 1,793 thousand euros) (see notes 34.2 and 9, based on a change of +/-1).

33.2 Liquidity risk

There is currently no recognisable exposure to liquidity risk for the DBAG Group. Free cash funds amounted to 23,571 thousand euros (previous year: 127,976 thousand euros). Together with general government securities or securities of issuers with highest ratings totalling 33,122 thousand euros (previous year: 33,659 thousand euros), fixed-income and money market funds of 62,336 thousand euros (previous year: 0 thousand euros) and an existing credit line of 50,000 thousand euros (previous year: 50,000 thousand euros), the DBAG Group has cash and cash equivalents of 169,029 thousand euros (previous year: 211,634 thousand euros). The co-investment agreements alongside the DBAG funds amount to 198,477 thousand euros (previous year, adjusted: 253,745 thousand euros). It is assumed that we will be able to cover the shortfall of 29,448 thousand euros on the reporting date (previous year: 42,111 thousand euros) using cash inflows from realisations of portfolio companies.

It is assumed that both the retail funds and the fixed-interest bonds are saleable at short notice, if necessary, due to the issuers' very good ratings and the securities' short duration. Other current liabilities fall due within one year.

33.3 Credit/default risk

Extent of credit/default risk

The following balance sheet items are basically exposed to a one hundred percent credit/default risk:

€'000	30 Sept. 2018	30 Sept. 2017
		Adjusted[1]
Financial assets	323,304	252,830
thereof hybrid financial instruments	0	0
thereof primary financial instruments	323,304	252,830
Loans and receivables	0	1,338
Receivables	1,091	3,649
Securities	95,458	33,659
Cash and cash equivalents	23,571	127,976
Other financial instruments	32,766	35,649
Other current assets, if financial instruments	6,493	5,737
	482,683	**460,836**

1 Adjusted in accordance with IAS 8 (see note 4)

Credit/default risk management

Financial assets: DBAG addresses default risk by means of its risk management system. Management of default risk is described in the combined management report under "External risks" (see page 89 "Negative impact of the general economy and economic cycles in individual sectors on portfolio companies").

Loans and receivables: debtors are either current portfolio companies or parts of former portfolio companies. DBAG is kept informed regularly and promptly about the course of business of debtor companies. If there is evidence that debtors may fail to meet obligations, they are asked to promptly propose and implement measures that will put them in a position to meet their obligations.

Receivables: see previous statement on loans and receivables.

Securities: the item includes bonds from domestic public-sector issuers and Pfandbrief bonds with ratings from Moody's or Standard & Poor's of at least A, as well as units in retail funds. Based on the credit rating of the issuers, we assume that these securities only have a very low credit risk.

Cash and cash equivalents: cash funds of DBAG are held in deposits with German banking institutions. The deposits are integrated in the respective banks' protection systems.

Other current assets: debtors are regularly the DBAG funds of Deutsche Beteiligungs AG. Payment obligations by DBAG funds can be met by capital calls directed to their investors.

34. FINANCIAL INSTRUMENTS

The key items in the statement of financial position of Deutsche Beteiligungs AG containing financial instruments (financial assets and long- and short-term securities) are carried completely at fair value. Financial instruments carried at amortised cost are largely recognised in current assets or current liabilities. Their term is less than one year. For these instruments, we assume that the carrying amount reflects their fair value.

34.1 Classes of financial instruments

Classes of financial instruments according to IFRS 7 are designated in the DBAG Group in accordance with the categories defined in IAS 39. For financial assets that are measured at fair value in profit or loss, only such assets exist as were designated to this category upon initial recognition. These mainly relate to investments. Financial assets classified as held for trading or as held to maturity still do not exist.

Financial instruments have been designated to the following categories:

VALUATION CATEGORY €'000	Carrying amount 30 Sept. 2018	Fair value 30 Sept. 2018	Carrying amount 30 Sept. 2017 adjusted[1]	Fair value 30 Sept. 2017 adjusted[1]
Financial assets at fair value through profit or loss				
Financial assets	323,304	323,304	252,830	252,830
thereof hybrid financial instruments	0	0	0	0
thereof primary financial instruments	323,304	323,304	252,830	252,830
	323,304	**323,304**	**252,830**	**252,830**
Available-for-sale financial assets				
Long-term securities	55,458	55,458	33,659	33,659
Short-term securities	40,000	40,000	0	0
	95,458	**95,458**	**33,659**	**33,659**
Loans and receivables				
Loans and receivables	0	0	1,338	1,338
Receivables	1,091	1,091	3,649	3,649
Other financial instruments	32,766	32,766	35,649	35,649
Cash and cash equivalents	23,571	23,571	127,976	127,976
Other current assets, if financial instruments[2]	7,017	7,017	6,541	6,541
	31,679	**31,679**	**139,504**	**139,504**
Other financial liabilities				
Minority interest	180	180	148	148

1 Adjusted in accordance with IAS 8 (see note 4)
2 Does not include prepaid expenses/deferred income, value-added tax and other items of 391 thousand euros (previous year: 82 thousand euros).

There were no impairments to financial instruments designated as loans and receivables recognised in the reporting year nor in the previous year.

Financial instruments in "Receivables" and "Other current assets" chiefly relate to portfolio companies and DBAG funds. Due to close relationships with obligors, due dates are negotiated in individual instances and mutually agreed. Quantitative data on past due financial instruments is therefore not disclosed. These financial instruments are mostly not hedged.

Impairments are recognised when there is objective evidence that the obligor will not be able to meet their payment obligations in the future (see note 7). An assessment of obligors' credit quality is derived from a regular exchange of information with the obligors.

34.2 Disclosures on the hierarchies of financial instruments

All financial instruments are categorised in conformity with IFRS 13 according to the following three levels, regardless of whether they are measured at fair value or not:

Level 1: Use of prices in active markets for identical assets or liabilities.

Level 2: Use of inputs that are observable, either directly (as prices) or indirectly (derived from prices).

Level 3: Use of inputs that are not materially based on observable market data (unobservable inputs). The materiality of these inputs is judged on the basis of their influence on fair value measurement.

(a) Hierarchy of financial instruments measured at fair value on a recurring basis

ITEM IN STATEMENT OF FINANCIAL POSITION				
€'000	**Fair value 30 Sept. 2018**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit or loss				
Financial assets	323,304	0	0	323,304
Available-for-sale financial assets				
Long-term securities	55,458	0	55,458	0
Short-term securities	40,000	0	40,000	0
	95,458	**0**	**95,458**	**0**
	418,761	**0**	**95,458**	**323,304**

ITEM IN STATEMENT OF FINANCIAL POSITION				
€'000	Fair value 30 Sept. 2018	Level 1	Level 2	Level 3
	adjusted[1]			
Financial assets at fair value through profit or loss				
Financial assets	252,830	0	352	252,478
Available-for-sale financial assets				
Long-term securities	33,659	0	33,659	0
	33,659	**0**	**33,659**	**0**
	286,489	**0**	**34,011**	**252,478**

1 Adjusted in accordance with IAS 8 (see note 4)

Level 2 financial assets in the previous year pertained to an investment that was measured at a purchase price indication in an illiquid market. The investment was sold in the first half of the financial year 2017/2018.

Level 2 securities relate to investments in retail funds and German public-sector bonds from issuers with the highest credit ratings traded in the secondary market.

For all financial instruments recognised in the statement of financial position at fair value at 30 September 2018 and the preceding financial year, fair value measurement is recurring.

For the classes as in IFRS 13, the valuation categories according to IAS 39 have been defined for Level 1 and 2 financial instruments in the DBAG Group.

Level 3 financial instruments are attributable to the following classes:

ITEM IN STATEMENT OF FINANCIAL POSITION					
€'000	Interests in investment entity subsidiaries	Interests in portfolio companies	International fund investment	Other	**Total**
30 Sept. 2018					
Financial assets	318,098	4,828	303	75	**323,304**
30 Sept. 2017 adjusted[1]					
Financial assets	246,479	4,948	974	77	**252,478**

1 Adjusted in accordance with IAS 8 (see note 4)

Offsetting and reconciliation for Level 3 financial instruments:

ITEM IN STATEMENT OF FINANCIAL POSITION					
€'000	1 Oct. 2017	Addition	Disposal	Gains/losses through profit or loss	**30 Sept. 2018**
Financial assets					
Interests in investment entity subsidiaries	246,479	73,502	23,230	21,348	318,098
Interests in portfolio companies	4,948	21	0	(141)	4,828
International fund investment	974	0	895	225	303
Other	77	0	0	(2)	75
	252,478	**73,523**	**24,126**	**21,429**	**323,304**

ITEM IN STATEMENT OF FINANCIAL POSITION					
€'000	1 Oct. 2016	Addition	Disposal	Gains/losses through profit or loss	30 Sept. 2017
					adjusted[1]
Financial assets					
Interests in investment entity subsidiaries	289,600	54,764	46,162	(51,722)	246,479
Interests in portfolio companies	21,536	0	17,050	462	4,948
International fund investment	2,093	0	0	(1,120)	974
Other	64	30	8	(10)	77
	313,293	**54,793**	**63,220**	**(52,389)**	**252,478**

1 Adjusted in accordance with IAS 8 (see note 4)

Reclassification between Levels 1 and 3 takes place as of the date of the event causing the reclassification. There were no reclassifications between the levels during the reporting period.

Of the gains recorded through profit or loss totalling 21,429 thousand euros (previous year, adjusted: losses of 52,389 thousand euros), 21,429 thousand euros (previous year, adjusted: -52,389 thousand euros) were recognised in "Net result of investment activity".

For Level 3 financial instruments at fair value, the possible ranges for unobservable inputs are as follows:

ITEM IN STATEMENT OF FINANCIAL POSITION

€'000	**Fair value 30 Sept. 2018**	Valuation method	Unobservable parameter	Range
Financial assets				
Interests in investment entity subsidiaries	318,098	Net asset value[1]	Average EBITDA/EBITA margin	2% to 35%
			Net debt[2] to EBITDA	(3.4) to 6.0
			Multiples discount	0% to 20%
Interests in portfolio companies	4,828	Multiples method	Average EBITDA/EBITA margin	7%
			Net debt[2] to EBITDA	2.5
			Multiples discount	0%
International fund investment	303	DCF	N/A	N/A
Other	75	Net asset value	N/A	N/A
	323,304			

1 The net asset value of the investment entity subsidiaries is largely determined by the fair value of the interests in the portfolio companies and by the other assets and liabilities. If the multiples method is used for the interests in portfolio companies, the same unobservable inputs are used as those for calculating the fair value for "Interests in portfolio companies" (see commentary in note 7).

2 Net debt of portfolio company

ITEM IN STATEMENT OF FINANCIAL POSITION

€'000	Fair value 30 Sept. 2017	Valuation method	Unobservable parameter	Range
Financial assets				
Interests in investment entity subsidiaries	246,479	Net asset value[1]	Average EBITDA/EBITA margin	3% to 40%
			Net debt[2] to EBITDA	(4) to 6.4
			Multiples discount	0% to 20%
Interests in portfolio companies	4,948	Multiples method	Average EBITDA/EBITA margin	7%
			Net debt[2] to EBITDA	2.7
			Multiples discount	0%
International fund investment	974	DCF	N/A	N/A
Other	77	Net asset value	N/A	N/A
	252,478			

1 See footnote 1 in preceding table

2 See footnote 2 in preceding table

3 Adjusted due to correction in accordance with IAS 8 (see note 4)

By reasonable estimate, changes in unobservable inputs would have the following effects on fair value measurement of Level 3 financial assets:

ITEM IN STATEMENT OF FINANCIAL POSITION				
€'000	**Fair value 30 Sept. 2018**	Change in unobservable inputs		Change in fair value
Financial assets[1]				
Interests in investment entity subsidiaries	318,098	EBITDA and EBITA	+/-10%	22,450
		Net debt	+/-10%	5,566
		Multiples discount	+/-5 percentage points	1,145
Interests in portfolio companies	4,828	EBITDA and EBITA	+/-10%	1,978
		Net debt	+/-10%	777
		Multiples discount	+/-5 percentage points	0
International fund investment	303		N/A	N/A
Other	75		N/A	N/A
	323,304			

1 For financial assets that were acquired within the past twelve months, a change in the unobservable inputs has no effect on the fair value, insofar as these were valued at their transaction price at the valuation date, in accordance with the IPEVG.

ITEM IN STATEMENT OF FINANCIAL POSITION				
€'000	Fair value 30 Sept. 2017	Change in unobservable inputs		Change in fair value
	adjusted[1]			
Financial assets[2]				
Interests in investment entity subsidiaries	246,479	EBITDA and EBITA	+/-10%	22,339
		Net debt	+/-10%	8,317
		Multiples discount	+/-5 percentage points	1,940
Interests in portfolio companies	4,948	EBITDA and EBITA	+/-10%	734
		Net debt	+/-10%	265
		Multiples discount	+/-5 percentage points	0
International fund investment	947		N/A	N/A
Other	77		N/A	N/A
	252,478			

1 Adjusted due to correction in accordance with IAS 8 (see note 4)
2 See footnote 1 in preceding table

The difference between the unobservable inputs EBITDA and EBITA is depreciation on property, plant and equipment. The key factors influencing income have an effect on both unobservable inputs; consequently, there is an interrelationship between EBITDA and EBITA. For that reason, the change in fair value is shown together in the sensitivity analysis for the two unobservable inputs, with all other inputs remaining constant.

34.3 Net gains/losses on financial instruments recognised at fair value in the statement of financial position

Net gains and losses on financial instruments at fair value recognised in the statement of financial position comprise fair value movements in profit or loss, realised gains or losses on disposal of financial instruments, impairment losses, reversals in profit or loss and currency rate changes.

The following net gains/losses on financial instruments recognised at fair value in the statement of financial position are contained in the consolidated statement of comprehensive income:

NET GAINS AND LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS								
€'000	**2017/2018**	**Level 1**	**Level 2**	**Level 3**	2016/2017	Level 1	Level 2	Level 3
Other operating income	17	0	17	0	200	0	200	0
Other operating expenses	(79)	0	(79)	0	(33)	0	(33)	0
Other income/expenses	**(62)**	**0**	**(62)**	**0**	**167**	**0**	**167**	**0**
Unrealised gains (+)/losses (i) on available-for-sale securities	(47)	0	(47)	0	(585)	0	(585)	0
thereof transfers from other comprehensive income to profit or loss	0	0	0	0	(284)	0	(284)	0
Net result of valuation and disposal	**(47)**	**0**	**(47)**	**0**	**(300)**	**0**	**(300)**	**0**
Interest income	**(18)**	**0**	**(18)**	**0**	**(5)**	**0**	**(5)**	**0**

NET GAINS AND LOSSES ON FINANCIAL ASSETS MEASURED AT FAIR VALUE IN PROFIT OR LOSS								
€'000	**2017/2018**	**Level 1**	**Level 2**	**Level 3**	2016/2017	Level 1	Level 2	Level 3
					adjusted[1]			
Net result of investment activity	34,133	0	0	34,133	85,684	0	0	85,684
Other operating income	0	0	0	0	218	0	0	218
Other operating expenses	0	0	0	0	0	0	0	0
	34,133	**0**	**0**	**34,133**	**85,902**	**0**	**0**	**85,902**

1 Adjusted in accordance with IAS 8 (see note 4)

Net gains and losses on financial assets that are measured at fair value in profit or loss result in full from financial instruments that are measured at fair value in profit or loss upon initial recognition.

34.4 Net gains and losses on financial instruments recognised at amortised cost in the statement of financial position

Net gains and losses on financial instruments recognised at amortised cost in the statement of financial position largely comprise fee income from fund management and advisory services, consultancy expenses and reimbursable costs as well as interest.

€'000	**2017/2018**	**Level 1**	**Level 2**	**Level 3**	2016/2017	Level 1	Level 2	Level 3
Net result of investment activity	0	0	0	0	150	0	0	150
Fee income from fund management and advisory services	28,536	0	0	28,536	27,047	0	0	27,047
Total net result of fund services and investment activity	**28,536**	**0**	**0**	**28,536**	**27,197**	**0**	**0**	**27,197**
Other operating income	2,914	0	0	2,914	3,540	0	0	3,540
Other operating expenses	(4,215)	0	0	(4,215)	(5,043)	0	0	(5,043)
Interest income	305	0	0	305	142	0	0	142
Total other income/expenses	**(997)**	**0**	**0**	**(997)**	**(1,361)**	**0**	**0**	**(1,361)**

35. CAPITAL MANAGEMENT

The objective of DBAG's capital management is to ensure the Group's long-term capital requirement and augment the equity per share by a rate that at least exceeds the **cost of equity** on a long-term average.

For longer planning horizons, the amount of equity is managed by dividend distributions and share repurchases and, if appropriate, capital increases.

All in all, the capital of DBAG comprises the following:

€'000	**30 Sept. 2018**	30 Sept. 2017 adjusted[1]
Liabilities		
Minority interest	180	148
Provisions	21,488	26,140
Other liabilities	15,773	1,233
	37,441	**27,521**
Equity		
Subscribed capital	53,387	53,387
Reserves	167,431	168,633
Consolidated retained profit	226,962	214,427
	447,779	**436,447**
Equity as a proportion of total capital %	92.28	94.07

1 Adjusted in accordance with IAS 8 (see note 4)

In addition to the capital requirement as stipulated by the German Stock Corporation Act, DBAG is subject to capital restrictions under the German Special Investment Company Act (Gesetz über Unternehmensbeteiligungsgesellschaften – UBGG). To maintain the status of a special investment company, DBAG must have made a paid-in capital contribution of 1,000 thousand euros to its share capital. This amount was fully paid in, both in the reporting year and the preceding year.

36. EARNINGS PER SHARE BASED ON IAS 33

	2017/2018	2016/2017 adjusted[1]
Net income *€'000*	33,597	81,955
Shares issued at reporting date	15,043,994	15,043,994
Shares outstanding at reporting date	15,043,994	15,043,994
Average number of shares	15,043,994	15,043,994
Basic and diluted earnings per share in €	2.23	5.45

1 Adjusted in accordance with IAS 8 (see note 4)

Basic earnings per share are computed by dividing the net income for the year attributable to Deutsche Beteiligungs AG by the weighted average number of shares outstanding during the financial year.

"Potential shares" can dilute earnings per share within the scope of stock option programmes. DBAG has not had a stock option programme for years. There are therefore no outstanding stock options at the reporting date. Diluted earnings were therefore equal to basic earnings.

37. DISCLOSURES ON SEGMENT REPORTING

The business policy of Deutsche Beteiligungs AG is geared to augmenting the value of DBAG over the long term through successful investments in portfolio companies in conjunction with sustainable income from management and advisory services to funds. The investments are always entered into as a co-investor alongside DBAG funds, either as majority investments by way of management buyouts (MBOs) or minority investments aimed at financing growth.

In order to be able to separately manage the two described business lines of DBAG, the internal reporting system calculates an operating net income (segment net income) for each of the business lines of investments and fund management and advisory services. For that reason, the business lines of Private Equity Investments and Fund Investment Services are presented as reportable segments.

SEGMENTAL REPRESENTATION FOR FINANCIAL YEAR 2017/2018

€'000	**Private Equity Investments**	**Fund Investment Services**	**Reconciliation Group**	**Group 2017/2018**
Net result of investment activity	34,133	0	0	34,133
Fee income from fund management and advisory services[1]	0	29,388	(852)	28,536
Net result of fund services and investment activity	**34,133**	**29,388**	**(852)**	**62,669**
Other income/expenses	(6,536)	(23,345)	852	(29,029)
Earnings before tax (segment result)	**27,597**	**6,042**	**0**	**33,640**
Income taxes				(18)
Earnings after taxes				**33,622**
Minority interest gains (-)/losses (+)				(25)
Net income				**33,597**
Financial assets and loans and receivables	323,304			
Financial resources[2]	119,029			
Net asset value	**475,099**			
Assets under management or advisement[3]		**1,831,378**		

1 A synthetic internal administration fee is calculated for the Investment segment and taken into account when determining segment net income. The fee is based on DBAG's co-investment interest.
2 The financial resources serve DBAG for investments in financial assets and loans and receivables. They contain the line items "Cash and cash equivalents", "Long-term securities" and "Short-term securities".
3 Assets under management or advisement comprise financial assets, loans and receivables, the financial resources of DBAG as well as the investments and callable capital commitments to DBAG-managed private equity funds. The investments and loans and receivables are recognised at cost.

SEGMENTAL REPRESENTATION FOR FINANCIAL YEAR 2016/2017

€'000	**Private Equity Investments**	**Fund Investment Services**	**Reconciliation Group**	**Group 2016/2017**
				adjusted[4]
Net result of investment activity	85,835	0	0	85,835
Fee income from fund management and advisory services[1]	0	28,111	(1,065)	27,047
Net result of fund services and investment activity	**85,835**	**28,111**	**(1,065)**	**112,881**
Other income/expenses	(8,547)	(23,407)	1,065	(30,889)
Earnings before tax (segment result)	**77,288**	**4,704**	**0**	**81,993**
Income taxes				(1)
Earnings after taxes				**81,992**
Minority interest gains (-)/losses (+)				(37)

SEGMENTAL REPRESENTATION FOR FINANCIAL YEAR 2016/2017				
€'000	**Private Equity Investments**	**Fund Investment Services**	**Reconciliation Group**	**Group 2016/2017**
				adjusted[4]
Net income				**81,955**
Financial assets and loans and receivables	254,168			
Financial resources[2]	161,634			
Net asset value	**451,451**			
Assets under management or advisement[3]		**1,805,877**		

1 See footnote 1 in the preceding table
2 See footnote 2 in the preceding table
3 See footnote 3 in the preceding table
4 Adjusted due to correction in accordance with IAS 8 (see note 4)

Products and services

DBAG invests as a co-investor in companies alongside DBAG funds by way of majority takeovers or minority investments. We basically structure majority takeovers as so-called management buyouts (MBOs). Growth financing is made by way of a minority investment, for example, via a capital increase. Within the scope of its investment activity, DBAG achieved a net result of valuation and disposal as well as current income from financial assets and loans and receivables totalling 34,133 thousand euros (previous year, adjusted: 85,835 thousand euros). Fee income for management and advisory services to funds amounted to 28,536 thousand euros in the reporting year (previous year: 27,047 thousand euros).

Geographical activities and sector focus

Geographically, we concentrate our co-investments primarily on companies domiciled in German-speaking regions. Of the net result of investment activity, 31,643 thousand euros (previous year, adjusted: 83,261 thousand euros) are attributable to companies domiciled in German-speaking regions and 2,490 thousand euros (previous year, adjusted: 2,574 thousand euros) to companies located in the rest of the world.

DBAG prefers to co-invest alongside the DBAG funds in companies operating in the sectors of automotive suppliers, industrial services, industrial components as well as mechanical and plant engineering, but also invests in other sectors such as services, information technology, media and telecommunications as well as consumer goods. The net result of valuation and disposal as well as current income from financial assets are distributed over these sectors as follows:

€'000	Automotive suppliers	Industrial services	Industrial components	Machine and plant engineering	Other	**Total**
30 Sept. 2018						
Interests in investment entity subsidiaries	(2,989)	5,305	12,429	4,710	11,783	31,239
Interests in portfolio companies	0	0	0	0	609	609
International fund investment	0	0	0	0	2,386	2,386
Other	0	0	0	0	(100)	(100)
	(2,989)	**5,305**	**12,429**	**4,710**	**14,678**	**34,133**

30 Sept. 2017 adjusted[1]						
Interests in investment entity subsidiaries	21,830	(845)	12,024	35,775	4,464	73,248
Interests in portfolio companies	0	0	0	13,205	507	13,712
International fund investment	0	0	0	0	(1,120)	(1,120)
Other	0	0	0	0	(5)	(5)
	21,830	**(845)**	**12,024**	**48,980**	**3,846**	**85,835**

1 Adjusted in accordance with IAS 8 (see note 4)

For more information on the composition of the portfolio and its development, we refer to the management report, "Business and portfolio review", pages 45ff. and "Portfolio and portfolio value", pages 65ff.

Significant customers

DBAG's customers are the investors in DBAG funds. The funds raised by DBAG bundle the assets committed by German and international institutional investors, especially by pension funds, funds of funds, banks, foundations, insurance companies or family offices.

DBAG generates its fee income for advisory and management services from investors of whom none account for more than ten percent of total income.

38. DECLARATION OF CONFORMITY PURSUANT TO THE GERMAN CORPORATE GOVERNANCE CODE

A "Declaration of Conformity" pursuant to § 161 of the German Stock Corporation Act (Aktiengesetz – AktG) was submitted by the Board of Management and the Supervisory Board of Deutsche Beteiligungs AG and is permanently accessible to shareholders at DBAG's website.

39. INFORMATION ON RELATED PARTIES

Remuneration based on employment or service contracts for key management staff

Key management personnel in terms of IAS 24 are the Board of Management members, senior executives and the Supervisory Board members of Deutsche Beteiligungs AG. The basic principles of the remuneration system and the total remuneration paid to the members of the Board of Management, former Board of Management members and the members of the Supervisory Board are presented in the remuneration report. The remuneration report is an integral constituent of the combined management report. Personalised information in conformity with § 314 (1) no. 6 of the German Commercial Code (Handelsgesetzbuch – HGB) is also disclosed there.

Total payments to key management personnel consist of cash and non-cash remuneration. Total cash payments amounted to 10,677 thousand euros in the reporting year (previous year: 12,884 thousand euros). Non-cash remuneration primarily consists of the amounts recognised in accordance with the tax basis for the use of company cars.

In the reporting year, a total of 566 thousand euros was allocated to pension provisions (previous year: 614 thousand euros) as defined by the IFRS for key management staff (service cost and interest cost), thereof a service cost of 348 thousand euros (previous year: 379 thousand euros). Defined benefit obligations for key management staff amounted to 14,723 thousand euros at the end of the reporting period (previous year: 14,188 thousand euros).

Loans in the amount of 95 thousand euros were granted at standard market conditions to key management staff (previous year: 60 thousand euros). No loans or advances were granted to members of the Supervisory Board or the Board of Management. The DBAG Group has not entered into any guarantees for members of the Board of Management or the Supervisory Board.

No member of the Supervisory Board or the Board of Management holds shares, share options or other derivatives representing one percent or more of the subscribed capital.

For the financial year 2017/2018, the members of the Supervisory Board were granted fixed remuneration, as well as additional remuneration for the Chair, Vice Chair and for committee membership in the amount of 388 thousand euros (previous year: 388 thousand euros).

Two members of the Board of Management are minority partners in the consolidated entities DBG Advising GmbH & Co. KG and DBG Managing Partner GmbH & Co. KG. For their income we refer to note 27.

Participation in carried interest schemes by current and former key management staff

Current and former key management personnel have committed to investing in the DBAG Fund IV, DBAG Fund V, DBAG Fund VI, DBAG Fund VII and DBAG Expansion Capital Fund. For those participating, this can result in a profit share that is disproportionate to their capital commitment ("carried interest") after the fund has fulfilled certain conditions overall. These conditions have been fulfilled if the Deutsche Beteiligungs AG Group and the investors in the respective DBAG fund have realised their invested capital, plus a preferred return of 8.0 percent per annum ("full repayment"). Carried interest of not more than 20 percent[12] is paid on every euro of sales proceeds once capital has been repaid in full; the remaining 80 percent[13] (net sales proceeds) is paid to the investors in the relevant DBAG fund and to DBAG. The structure of the carried interest schemes, their implementation and performance conditions are in conformity with common practice in the private equity industry and constitute a prerequisite for the placement of DBAG funds. For the individuals participating, their partnership status constitutes a privately carried investment risk and is aimed at promoting the staff's initiative and dedication to the success of the investment.

Carried interest is recognised in the valuation of DBAG's interest in the co-investment vehicles of the respective funds at fair value ("net asset value"). For fair value measurement purposes, since 30 September 2018 the total liquidation of a fund's portfolio has been assumed at the reporting date (see note 4). In the financial year 2017/2018, the net asset value of the co-investment vehicles DBAG Fund V, DBAG ECF and DBAG Fund VI was reduced by carried interest of 25,553 thousand euros in total (previous year, adjusted: 19,278 thousand euros). This reduced the result of investment activity and, consequently, net income by 7,540 thousand euros (previous year, adjusted: 22,258 thousand euros – see management report, page 59f.). Carried interest for DBAG VII is unchanged at 0 thousand euros at the reporting date (previous year: 0 thousand euros). This carried interest, which is included in the valuation, can also increase or decrease in value and is not paid out until the conditions set out in the Articles of Association are met.

12 For DBAG Fund VII B Konzern SCSp, the maximum disproportionate profit share is 10 percent.
13 For DBAG Fund VII B Konzern SCSp, the share of investors and DBAG together is 90 percent.

DBAG Fund IV

DBAG Fund IV consists of the following fund companies that jointly enter into investments at a fixed ratio:

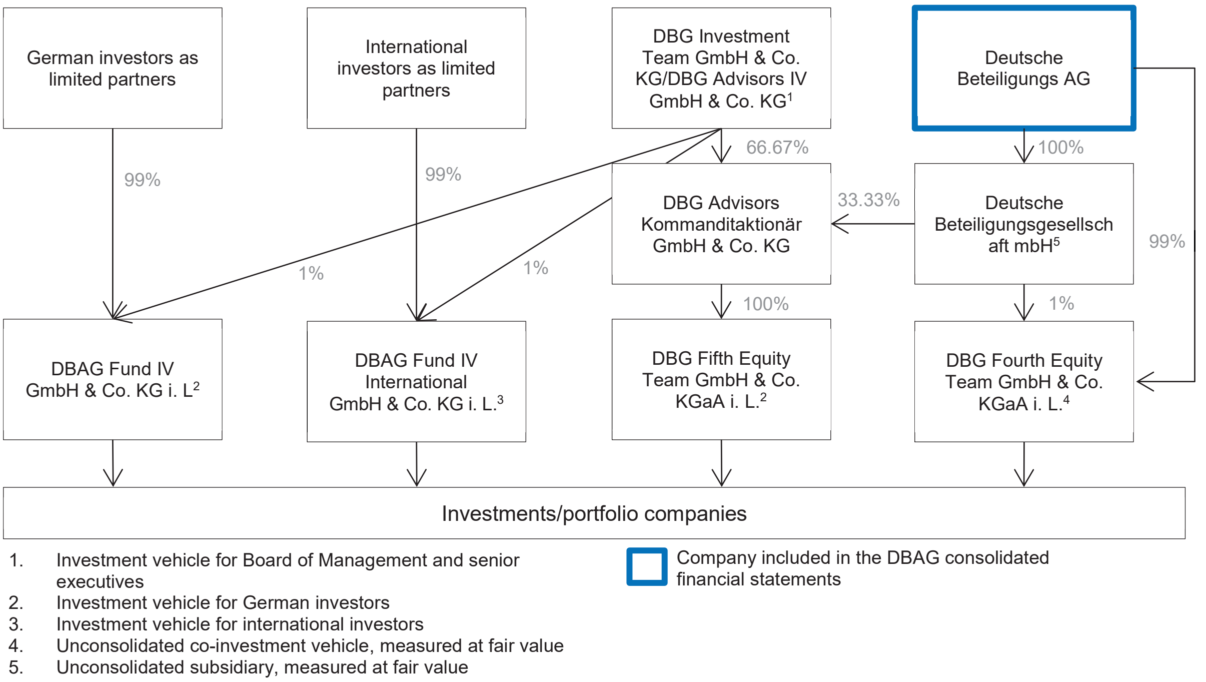
Fund company	Qualification	Investment by investment team %	Max. carried interest of investment team %
DBAG Fund IV GmbH & Co. KG i. L.	Related party	1	20.8
DBAG Fund IV International GmbH & Co. KG i. L.	Related party	1	20.8
DBG Fifth Equity Team GmbH & Co. KGaA i. L.	Related party	0.67	approx. 30
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	Unconsolidated subsidiary	0	0

For DBAG Fund IV, a group of key management personnel and former key management personnel have invested their own money at a fixed ratio in the companies listed above. DBG Advisors IV GmbH & Co. KG, which is a related party and not included in the consolidated accounts of DBAG, acts as an intermediary for investments in the first two fund companies named above. Key management personnel are invested directly through DBG Advisors IV GmbH & Co. KG, or indirectly through DBG Investment Team GmbH & Co. KG. Interests in DBG Fifth Equity Team GmbH & Co. KGaA i. L. are held indirectly through DBG Advisors Kommanditaktionär GmbH & Co. KG. DBAG indirectly holds a 33.33 percent interest in DBG Advisors Kommanditaktionär GmbH & Co. KG, while the other 66.67 percent are held by key management personnel. Key management personnel have not yet provided capital contributions amounting to 69 thousand euros in DBG Advisors Kommanditaktionär GmbH & Co. KG (previous year: 69 thousand euros).

Apart from that, no outstanding balances exist between DBG Advisors Kommanditaktionär GmbH & Co. KG and related parties.

OVERVIEW INVESTMENTS STRUCTURE OF DBAG FUND IV

The percentages relate to the equity share.



The key management personnel involved as well as former key management personnel received the following repayments in financial year 2017/2018 from parties related to DBAG FUND IV:

	Investments during the financial year		Cumulative investments at reporting date		Repayments during the financial year	
€'000	Board of Management	Senior management	Board of Management	Senior management	Board of Management	Senior management
Period from 1 Oct. 2017 to 30 Sept. 2018						
DBG Advisors IV GmbH & Co. KG	0	0	430	0	131	0
DBG Advisors Kommanditaktionär GmbH & Co. KG	0	0	84	0	0	0
DBG Investment Team GmbH & Co. KG	0	0	325	740	85	184
Total 2017 / 2018	**0**	**0**	**839**	**740**	**216**	**184**
Period from 1 Oct. 2016 to 30 Sept. 2017						
DBG Advisors IV GmbH & Co. KG	0	0	430	0	0	0
DBG Advisors Kommanditaktionär GmbH & Co. KG	0	0	84	0	289	0
DBG Investment Team GmbH & Co. KG	0	0	325	740	211	457
Total 2016 / 2017	**0**	**0**	**839**	**740**	**500**	**457**

DBAG Fund V

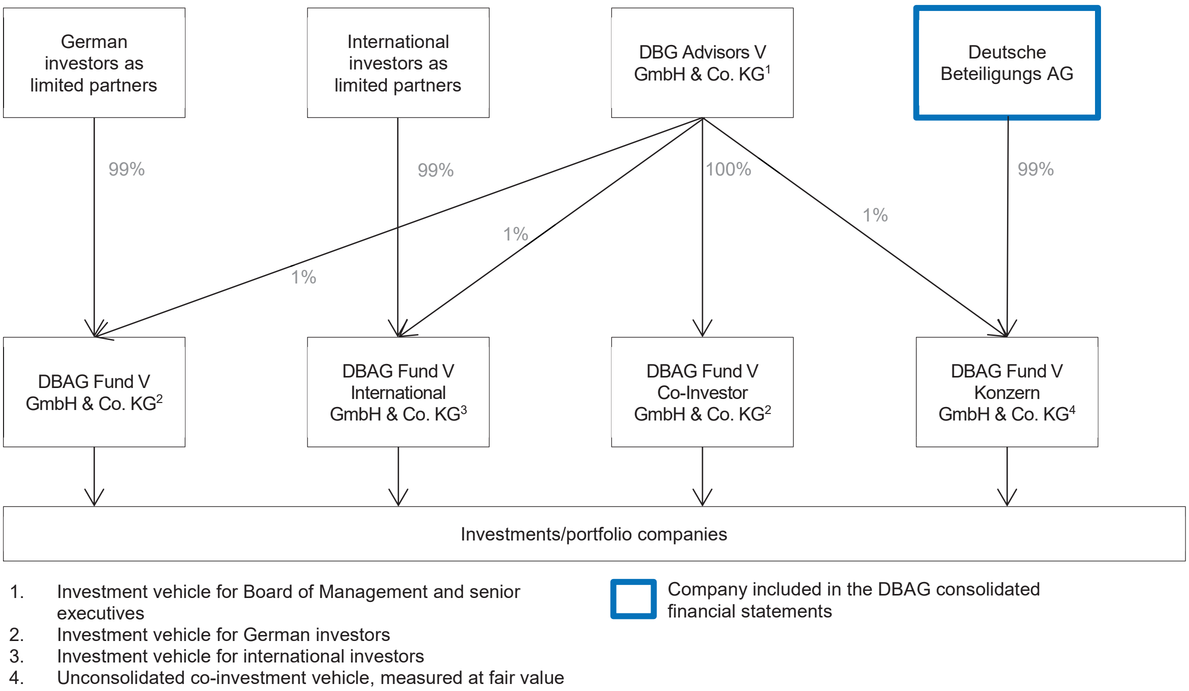
DBAG Fund V consists of the following fund companies that jointly enter into investments at a fixed ratio:

Fund company	Qualification	Investment by investment team %	Max. carried interest of investment team %
DBAG Fund V GmbH & Co. KG	Related party	1	20.8
DBAG Fund V International GmbH & Co. KG	Related party	1	20.8
DBAG Fund V Co-Investor GmbH & Co. KG	Related party	1	approx. 45
DBAG Fund V Konzern GmbH & Co. KG	Unconsolidated subsidiary	1	20.8

For DBAG Fund V, a group of key management personnel as well as individual former key management personnel and other members of the investment team have invested their own money at a fixed ratio in all of the four fund companies listed above. The interests in DBAG Fund V GmbH & Co. KG and DBAG Fund V International GmbH & Co. KG are transacted through the investing general partner of these fund companies, DBG Advisors V GmbH & Co. KG, which is a related party to DBAG. DBG Advisors V GmbH & Co. KG acts as the sole limited partner of DBAG Fund V Co-Investor GmbH & Co. KG. DBG Advisors V GmbH & Co. KG is the sole general partner of DBAG Fund V Konzern GmbH & Co. KG.

OVERVIEW INVESTMENTS STRUCTURE OF DBAG FUND V

The percentages relate to the equity share.



The key management personnel involved as well as former key management personnel have made the following investments or have the following repayments from the investment activity of DBAG Fund

V attributable to them; 19 percent is attributable to the DBAG co-investment vehicle (DBAG Fund V Konzern GmbH & Co. KG) in each case:

	Investments during the financial year		Cumulative investments at reporting date		Repayments during the financial year	
€'000	Board of Management	Senior management	Board of Management	Senior management	Board of Management	Senior management
Period from 1 Oct. 2017 to 30 Sept. 2018						
DBG Advisors V GmbH & Co. KG	18	13	3,464	2,568	3,928	3,002
Period from 1 Oct. 2016 to 30 Sept. 2017						
DBG Advisors V GmbH & Co. KG	37	27	3,446	2,554	88,883	67,848

DBAG Expansion Capital Fund

The DBAG Expansion Capital Fund consists of the following fund companies that jointly enter into investments at a fixed ratio:

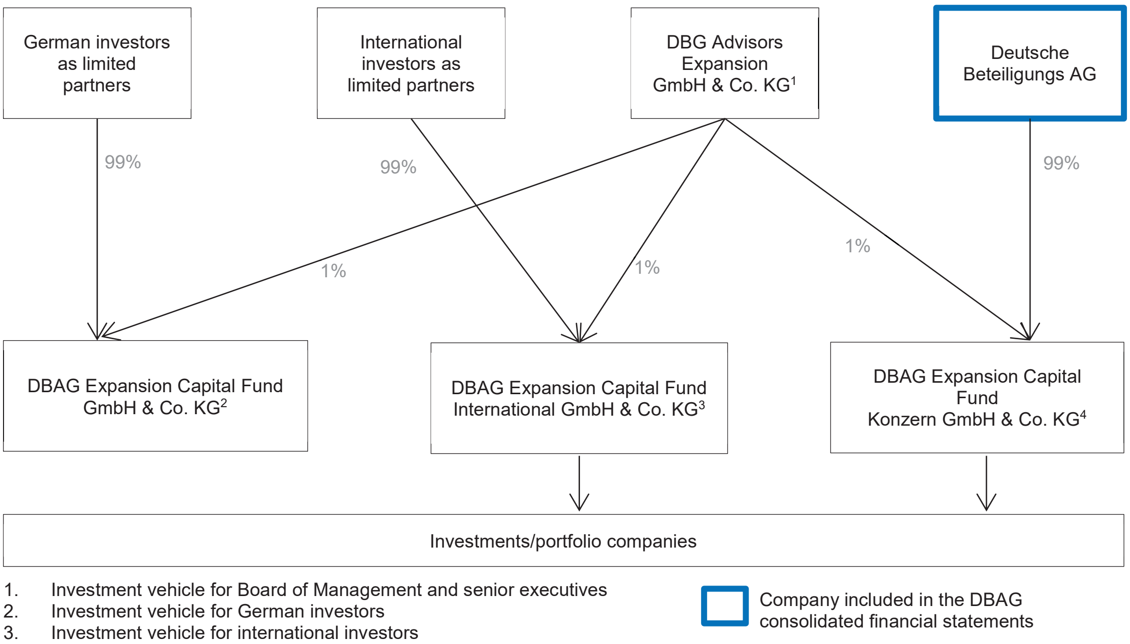
Fund company	Qualification	Investment by investment team %	Max. carried interest of investment team %
DBAG Expansion Capital Fund International GmbH & Co. KG	Related party	1	20.8
DBAG Expansion Capital Fund GmbH & Co. KG	Related party	1	20.8
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	Unconsolidated subsidiary	1	20.8

For the DBAG Expansion Capital Fund, a group of key management personnel as well as individual former key management personnel and other members of the investment team have invested their own money at a fixed ratio in all of the three fund companies listed above. The interests in DBAG Expansion Capital Fund GmbH & Co. KG and DBAG Expansion Capital Fund International GmbH & Co. KG were transacted at 31 May 2017 through the investing general partner of these fund companies, DBG Advisors Expansion GmbH & Co. KG. With effect from 1 June 2017, DBG Advisors Expansion GmbH & Co. KG switched to the role of limited partner; it is a related party with regard to DBAG. DBG Advisors Expansion GmbH & Co. KG is the sole general partner of DBAG Expansion Capital Fund Konzern GmbH & Co. KG.

The term of the DBAG Expansion Capital Fund was extended until 31 December 2020 this past financial year. The first extension of the term (DBAG ECF I) involved the establishment in 2017 of the two companies DBG Advisors Expansion FNV GmbH & Co. KG and DBG Team Expansion FNV GmbH & Co KG, which have held an interest in the investing limited partner, DBG Advisors Expansion GmbH & Co. KG, since 1 June 2017 and are related parties of DBAG. The second extension of the term (DBAG ECF II) involved the establishment in the past financial year of the two additional companies DBG Advisors Expansion SNV GmbH & Co. KG and DBG Team Expansion SNV GmbH & Co. KG, which have held an interest in the investing limited partner, DBG Advisors Expansion GmbH & Co. KG, since 1 June 2018 and are related parties of DBAG. The partners of the four companies newly established in 2017 and 2018 are also key management personnel/individual former key management personnel and other members of the investment team.

OVERVIEW INVESTMENTS STRUCTURE OF DBAG EXPANSION CAPITAL FUND

The percentages relate to the equity share.



1. Investment vehicle for Board of Management and senior executives
2. Investment vehicle for German investors
3. Investment vehicle for international investors
4. Unconsolidated co-investment vehicle, measured at fair value

The key management personnel involved as well as former key management personnel have made the following investments or have the following repayments from investment activity of the DBAG Expansion Capital Fund attributable to them. Depending on the respective investment period, DBAG's co-investment vehicle (DBAG Expansion Capital Fund Konzern GmbH & Co. KG) accounts for 47 percent of DBAG ECF and 41 percent each of DBAG ECF I and II:

	Investments during the financial year		Cumulative investments at reporting date		Repayments during the financial year	
€'000	Board of Management	Senior management	Board of Management	Senior management	Board of Management	Senior management
Period from 1 Oct. 2017 to 30 Sept. 2018						
DBG Advisors Expansion GmbH & Co. KG	13	53	334	1,250	47	174
DBG Advisors Expansion FNV GmbH & Co. KG	0	0	0	0	0	0
DBG Team Expansion FNV GmbH & Co. KG	350	229	350	229	0	0
DBG Advisors Expansion SNV GmbH & Co. KG	0	0	0	0	0	0
DBG Team Expansion SNV GmbH & Co. KG	123	0	123	0	0	0
Total 2017 / 2018	**486**	**283**	**807**	**1,479**	**47**	**174**
Period from 1 Oct. 2016 to 30 Sept. 2017						
DBG Advisors Expansion GmbH & Co. KG	73	283	321	1,197	21	79
DBG Advisors Expansion FNV GmbH & Co. KG	0	0	0	0	0	0
DBG Team Expansion FNV GmbH & Co. KG	0	0	0	0	0	0
Total 2016 / 2017	**73**	**283**	**321**	**1,197**	**21**	**79**

DBAG Fund VI

DBAG Fund VI consists of the following fund companies that jointly make co-investments at a fixed ratio:

Fund company	Qualification	Capital share held by investment team[1] %	Max. carried interest of investment team %
DBAG Fund VI (Guernsey) L.P.	Related party	0.01	20.0
DBAG Fund VI Konzern (Guernsey) L.P.	Unconsolidated subsidiary	0.01	20.0

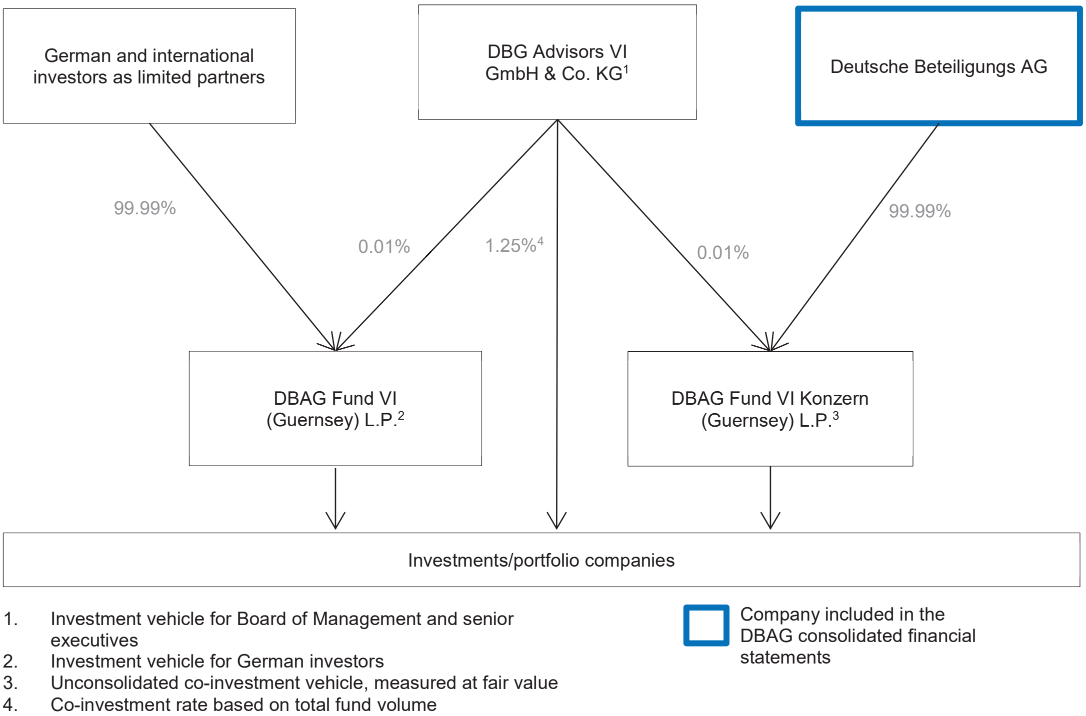
1 DBG Advisors VI GmbH & Co. KG makes investments in parallel with DBAG Fund VI; see the diagram on the investment structure below.

For DBAG Fund VI (consisting of DBAG Fund VI (Guernsey) L.P. and DBAG Fund VI Konzern (Guernsey) L.P.) through DBG Advisors VI GmbH & Co. KG, a group of key management personnel and individual former key management personnel as well as other members of the investment team are entitled to 20 percent of the profits of DBAG Fund VI, payable upon achieving a full repayment to German and international investors (limited partners). The full repayment is considered achieved when the limited partners of DBAG Fund VI receive cash or non-cash distributions in the amount of their paid-in capital in addition to a preferred return.

DBG Advisors VI GmbH & Co. KG is a related party to DBAG and serves the investment team as an investment vehicle. Supplemental to the 20 percent share of profits (after full repayment) of DBAG Fund VI, DBG Advisors VI GmbH & Co. KG makes a proportional direct investment in the investees of 1.25 percent. DBAG Fund VI Konzern (Guernsey) L.P. is an unconsolidated investment entity subsidiary (see note 4).

OVERVIEW INVESTMENTS STRUCTURE OF DBAG FUND VI

The percentages relate to the equity share.



The key management personnel involved as well as former key management personnel have made the following investments or have the following repayments from the investment activity of DBAG Fund VI attributable to them; 19 percent is attributable to the DBAG co-investment vehicle (DBAG Fund VI Konzern (Guernsey) L.P.) in each case:

	Investments during the financial year		Cumulative investments at reporting date		Repayments during the financial year	
€'000	Board of Management	Senior management	Board of Management	Senior management	Board of Management	Senior management
Period from 1 Oct. 2017 to 30 Sept. 2018						
DBG Advisors VI GmbH & Co. KG	104	201	2,986	4,537	335	547
Period from 1 Oct. 2016 to 30 Sept. 2017						
DBG Advisors VI GmbH & Co. KG	800	1,328	2,882	4,336	746	1,213

DBAG Fund VII

The fund consists of the following fund companies that jointly make co-investments at a fixed ratio:

Fund company	Qualification	Capital share held by investment team[1] %	Max. carried interest of investment team %
DBAG Fund VII SCSp	Related party	0.01	20.0
DBAG Fund VII B SCSp	Related party	0.01	10.0
DBAG Fund VII Konzern SCSp	Unconsolidated subsidiary	0.01	20.0
DBAG Fund VII B Konzern SCSp	Unconsolidated subsidiary	0.01	10.0

1 DBG Team VII GmbH & Co. KG makes investments in parallel with DBAG Fund VII; see the diagram on the investment structure on the next page.

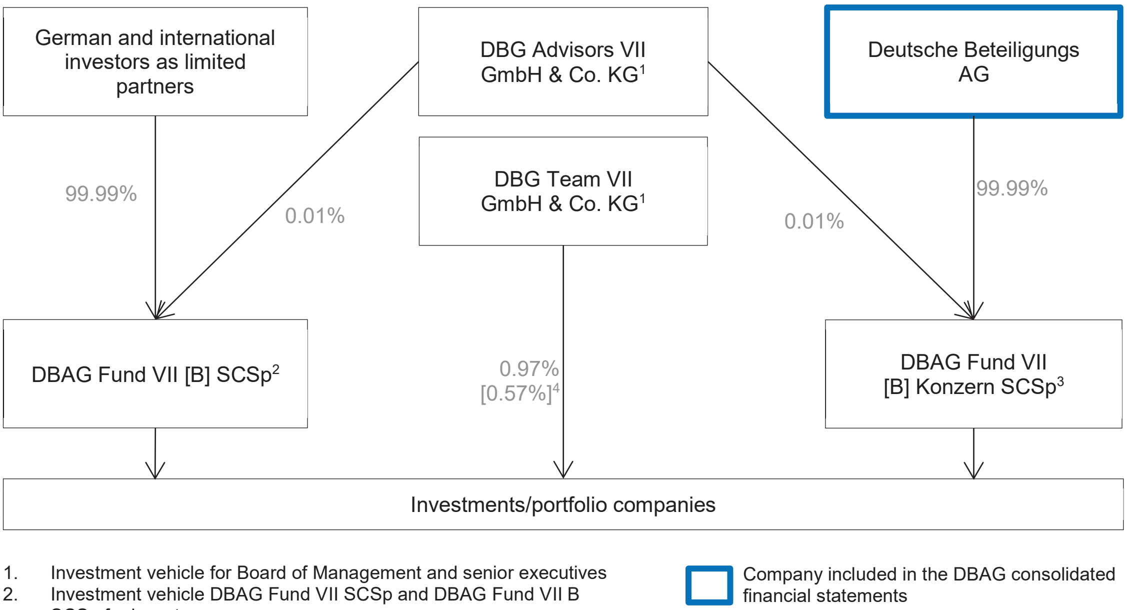
For DBAG Fund VII through DBG Advisors VII GmbH & Co. KG, a group of key management personnel and other members of the investment team are entitled to 20 percent of the profits of DBAG Fund VII, payable upon achieving a full repayment to German and international investors (limited partners). The full repayment is considered achieved when the limited partners of DBAG Fund VII receive cash or non-cash distributions in the amount of their paid-in capital in addition to a preferred return. In addition, pro rata direct investments are made by DBG Team VII GmbH & Co. KG, which has mainly the same shareholders as DBG Advisors VII GmbH & Co. KG.

DBG Advisors VII GmbH & Co. KG and DBG Team VII GmbH & Co. KG are related parties to DBAG. DBG Team VII GmbH & Co. KG serves the investment team as an investment vehicle.

DBAG Fund VII Konzern SCSp and DBAG Fund VII B Konzern SCSp are unconsolidated investment entity subsidiaries of DBAG (see note 4).

OVERVIEW INVESTMENTS STRUCTURE OF DBAG FUND VII

The percentages relate to the equity share.



1. Investment vehicle for Board of Management and senior executives
2. Investment vehicle DBAG Fund VII SCSp and DBAG Fund VII B SCSp for investors
3. Unconsolidated co-investment vehicles DBAG Fund VII Konzern SCSp and DBAG Fund VII B Konzern SCSp, measured at fair value
4. Co-investment rate based on capital commitments made by members of the investment team in relation to the DBAG Fund VII SCSp (or DBAG Fund VII B SCSp).

The key management personnel involved have made the following investments in DBAG Fund VII; a total of 23 percent is attributable to the DBAG co-investment vehicles (DBAG Fund VII Konzern SCSp and DBAG Fund VII Konzern B SCSp):

	Investments during the financial year		Cumulative investments at reporting date		Repayments during the financial year	
€'000	Board of Management	Senior management	Board of Management	Senior management	Board of Management	Senior management
Period from 1 Oct. 2017 to 30 Sept. 2018						
DBG Advisors VII GmbH & Co. KG	13	25	21	25	0	0
DBG Team VII GmbH & Co. KG	522	442	1,570	1,373	0	0
Total 2017 / 2018	**534**	**467**	**1,590**	**1,398**	**0**	**0**
Period from 1 Oct. 2016 to 30 Sept. 2017						
DBG Advisors VII GmbH & Co. KG	0	0	8	0	0	0
DBG Team VII GmbH & Co. KG	1,046	930	1,048	930	0	0
Total 2016 / 2017	**1,046**	**930**	**1,056**	**930**	**0**	**0**

Other related parties

Companies in the DBAG Group manage or provide advice to the following funds alongside which DBAG co-invests:

Fonds	Status
DBAG Fund IV	End of investment period: 15 Feb. 2007
DBAG Fund V	End of investment period: 15 Feb. 2013
DBAG ECF	Start of investment period: 27 Jan. 2011
DBAG ECF I	Start of investment period: 1 Jun. 2017
DBAG ECF II	Start of investment period: 20 Jun. 2018
DBAG Fund VI	End of investment period: 20 Dec. 2016
DBAG Fund VII	Start of investment period: 21 Dec. 2016

The DBAG Group earned the following fee income for management services and advisory services from the management of/ advice provided to the various DBAG funds (see also note 11):

€'000	**2017/2018**	2016/2017
DBAG Fund V	662	2,554
DBAG ECF	733	522
DBAG ECF I	983	0
DBAG ECF II	198	0
DBAG Fund VI	9,669	11,337
DBAG Fund VII	16,238	12,582
Other	53	52
	28,536	**27,047**

The contractual term of DBAG Fund IV ended on 15 September 2016. The fund companies of DBAG Fund IV, which comprise DBAG Fund IV GmbH & Co. KG, DBAG Fund IV International GmbH & Co. KG and DBG Fifth Equity Team GmbH & Co. KG, are being liquidated in accordance with statutory requirements and under company law. The full liquidation of these fund companies will presumably be completed in 2019. DBAG does not generate any income from the liquidation of companies.

The fund companies DBAG Fund V GmbH & Co. KG and DBAG Fund V International GmbH & Co. KG (DBAG Fund V) are managed by the managing general partner, DBG Managing Partner GmbH & Co. KG, a DBAG subsidiary. DBAG Fund V Co-Investor GmbH & Co. KG is managed through the subsidiary DBG Management GmbH & Co. KG.

The fund companies DBAG Expansion Capital Fund GmbH & Co. KG and DBAG Expansion Capital Fund International GmbH & Co. KG are also managed by DBG Managing Partner GmbH & Co. KG, the managing limited partner. Deutsche Beteiligungs AG itself holds a 20 percent interest in this, and Mr Grede and Dr Scheffels each hold a 40 percent interest. The interests in the general partner of DBG Managing Partner GmbH & Co. KG are held by DBG Managing Partner GmbH & Co. KG itself. It is entitled to annual income for the management services described above for several of the DBAG Fund V and DBAG Expansion Capital Fund companies. For DBAG Fund V, this income, pursuant to the partnership agreement, amounts to 2.0 percent of the historical cost of the fund companies' investments after the investment period has ended. For DBAG Expansion Capital Fund, the income corresponds to 0.875 percent of the cost of the investments made up until 31 May 2017, or 1.75 percent of the cost of all investments made from 1 June 2017 onwards. In addition, as of 1 June 2017 the company receives one-off remuneration of 2 percent of the cost for each new transaction.

DBG Advising GmbH & Co. KG has been advising DBG Managing Partner GmbH & Co. KG since 1 July 2017. Fee income from advisory services is based on a share of the management company's profits. As of 1 October 2017, the general partner receives an annual liability fee corresponding to 12.5 percent (until 30 September 2017: 5 percent) of its capital stock (financial year: 3,125 euros, previous year: 1,250 euros), Mr Grede and Dr Scheffels receive interest of 2 percent on their capital accounts (118 euros each) and the rest of the company's profit is allocated to Deutsche Beteiligungs AG.

Deutsche Beteiligungs AG is the managing limited partner of DBG Advising GmbH & Co. KG. Deutsche Beteiligungs AG holds a 20 percent interest in this company, and Mr Grede and Dr Scheffels each hold a 40 percent interest. Deutsche Beteiligungs AG receives 80 percent of this company's profits for the management of the company as a profit priority share. After deducting the liability charges of the general partner (3,125 euros) and expenses for interest paid on balances in shareholders' accounts (50 euro each), Deutsche Beteiligungs AG is also entitled to the company's residual profits. The general partner of DBG Advising GmbH & Co. KG can terminate the management agreement with DBAG at three months' notice to the end of a quarter. In this case, Deutsche Beteiligungs AG would also be entitled to the total residual profits of DBG Advising GmbH & Co. KG, after deducting the general partner's liability charges, expenses for interest paid on balances in shareholders' accounts and, if appropriate, expenses for setting up own operations for the fund management companies. Expenses for setting up own business operations would be incurred if management services were no longer rendered by Deutsche Beteiligungs AG and were performed by DBG Advising GmbH & Co. KG itself.

The interests in the general partner of DBG Advising GmbH & Co. KG are held by DBG Advising GmbH & Co. KG itself; the principals of the general partner of DBG Advising GmbH & Co. KG are Mr Grede, Dr Scheffels and Mr Döring.

The fund company DBAG Fund VI (Guernsey) L.P. is managed by the managing partner DBG Fund VI GP (Guernsey) LP. DBG Advising GmbH & Co. KG advises the management company of fund manager DBAG Fund VI (Guernsey) L.P. Fee income from advisory services to DBAG Fund VI is based on a share of the profits of the management company, DBG Fund VI GP (Guernsey) LP. For the management company and/or the fund manager of DBAG Fund VI, the income amounted to 2.0 percent of the capital commitments of 700 million euros, or, at 21 December 2016, to 2.0 percent of the cost for the fund's investments after the investment period has ended.

Concurrently, DBAG pays a fee through DBAG Fund VI Konzern (Guernsey) L.P. for the management of its co-investment. The advisory fee corresponded to 2.0 percent of the capital commitments totalling 133 million euros of DBAG Fund VI Konzern (Guernsey) L.P. as the co-investment vehicle of DBAG, or, at 21 December 2016, 2.0 percent of the cost for the fund's investments after the investment period has ended.

The management of the fund company DBAG Fund VII SCSp and DBAG Fund VII B SCSp (collectively known as DBAG Fund VII) is the responsibility of the managing partner DBG Fund VII GP S.à r.l. (LuxGP), which has outsourced the portfolio and risk management activities to AIFM-DBG Fund VII (Guernsey) L.P. (AIFM). DBG Advising GmbH & Co. KG provides advice to AIFM in connection with these activities. Fee income from advisory services to DBAG for Fund VII is based on a share of the profits of AIFM. The management fees (collected jointly by LuxGP and AIFM) correspond, during the investment period, to 2.0 percent of the investment commitments of 625 million euros of DBAG Fund VII SCSp and to 1.0 percent of the cost to DBAG Fund VII B SCSp. After the end of the investment period, fees will amount to 2.0 percent of the cost for the investments of DBAG Fund VII SCSp, and 1.0 percent of the cost for the investments to DBAG Fund VII B SCSp.

Concurrently, DBAG pays a fee through DBAG Fund VII Konzern SCSp and DBAG Fund VII Konzern B SCSp on each investment for the management of its co-investment. The advisory fee during the investment period amounts to 2.0 percent of the capital commitment of 183 million euros to DBAG Fund VII Konzern SCSp and 1.0 percent of the cost to DBAG Fund VII Konzern B SCSp. After the end of the investment period, fees amount to 2.0 percent of the cost of DBAG Fund VII Konzern SCSp and 1.0 percent of the cost of DBAG Fund VII B Konzern SCSp.

A requirement for raising the fund commitments was that Mr Grede and Dr Scheffels would be available for the management of the fund companies over the long term, irrespective of whether they remain appointed as members of the Board of Management of Deutsche Beteiligungs AG. For that reason, the two individuals named have dormant employment contracts with DBG Advising GmbH & Co. KG.

Key management personnel of DBAG serve on a number of supervisory bodies of existing or former DBAG portfolio companies. For the period from 1 October 2017 to 30 September 2018, they were entitled to compensation totalling 56 thousand euros (previous year: 221 thousand euros) for these services, which has been transferred in full to DBAG and recognised in "Other operating income".

Key members of the management team have also passed on to DBAG their remuneration for work on the boards of portfolio companies held via DBAG funds. This remuneration is included in the item "Income from fund management and fund advisory services" and is offset against the management fee for DBAG Fund V and DBAG ECF. For DBAG Fund VI and DBAG Fund VII they are only offset against the management fee when the amount of supervisory board or advisory board remuneration exceeds 25 thousand euros per annum and per portfolio company.

Metzler Trust e.V. is a related party that acts as a trustee within the scope of a bilateral contractual trust arrangement for pension-related plan assets. The company receives an annual net fee of eight thousand euros for administration services.

In October 2010, DBAG established an incorporated foundation under civil law named "Gemeinnützige Stiftung der Deutschen Beteiligungs AG". It was initially endowed with assets of 100 thousand euros in cash. In financial year 2017/2018, another 20 thousand euros (previous year: 20 thousand euros) were allocated to the Foundation's endowment to pursue its tax-privileged objectives. At 30 September 2018, total allocations to the Foundation's endowment amounted to 250 thousand euros (previous year: 230 thousand euros). The purpose of the Foundation is to support charitable causes. A further aim is to promote the arts and cultural projects in the greater Frankfurt area. The Foundation is considered a related party in terms of the IFRS.

40. RISK MANAGEMENT

For information on risk management objectives and methods, please refer to note 33 and to the discussion in the combined management report.

41. EVENTS AFTER THE REPORTING DATE

Three transactions were closed after the reporting date for which contracts were signed in financial year 2017/2018. DBAG received some 19 million euros in October 2018 from the sale of its investment in Cleanpart Group GmbH. In the same month, investments were made in the software company FLS GmbH (FLS) and in Kraft & Bauer Holding GmbH (Kraft & Bauer), a leading supplier of fire extinguishing systems for machine tools. DBAG invested around nine million euros in FLS and around 14 million euros in Kraft & Bauer.

At the start of the new financial year, DBAG Fund VII agreed an MBO of SERO Schröder Elektronik Rohrbach GmbH (Sero). DBAG is investing around eleven million euros alongside the fund.

Mr Andrew Richards retired from the Supervisory Board of DBAG with effect from the close of 13 October 2018. Mr Gerhard Roggeman, previously the Vice Chairman, was elected by the Supervisory Board as the new Chairman with effect from 14 October. Dr Hendrik Otto is now the Vice Chairman of the Supervisory Board and Chairman of the Audit Committee.

42. FEES FOR AUDIT AND AUDIT-RELATED SERVICES

Total fees paid to the auditors of the financial statements KPMG break down as follows:

€'000	2017 / 2018 Parent company	2017 / 2018 Subsidiary	2017 / 2018 Total	2016 / 2017 Parent company	2016 / 2017 Subsidiary	2016 / 2017 Total
Audit of consolidated/separate financial statements	455	37	492	538	35	573
Tax advisory services	39	27	66	57	41	99
Other consultancy services (not reimbursable)	7	13	20	28	0	28
	501	**77**	**578**	**623**	**76**	**699**
Other consultancy services (reimbursable)	0	0	0	0	0	0
	501	**77**	**578**	**623**	**76**	**699**

The services associated with auditing the consolidated and annual financial statements also include activities associated with the review of the half-yearly financial statements at 31 March 2018, audit activities relating to the audit of the annual financial statements at 30 September 2018 that were brought forward and consultancy services related to the latest enforcement procedure.

The drop in audit fees relate to lower expenses in connection with the enforcement procedure, which ended in July 2018, relating to the consolidated financial statements at 30 September 2015.

The tax advisory services include support services related to the preparation of tax returns and advice on individual matters concerning VAT.

The other consultancy costs relate to legal advice, advice on social security law matters and advice on mandatory statutory reporting requirements.

43. MEMBERS OF THE SUPERVISORY BOARD AND BOARD OF MANAGEMENT

Supervisory Board*

ANDREW RICHARDS

Bad Homburg v. d. Höhe (Chairman)

Corporate consultant

No statutory offices or comparable offices in Germany and internationally

GERHARD ROGGEMANN

Hanover (Vice Chairman)

Corporate consultant

Statutory offices

- Bremer AG, Paderborn
  (Vice Chairman since 28 August 2018)
- GP Günter Papenburg AG, Schwarmstedt (Chairman)
- WAVE Management AG, Hanover (Vice Chairman)

SONJA EDELER

Hanover

Head of Finance and Accounting of Dirk Rossmann GmbH, Burgwedel

No statutory offices or comparable offices in Germany and internationally

WILKEN FREIHERR VON HODENBERG

Hamburg

Lawyer

Statutory offices

- Schloss Vaux AG, Eltville
- SLOMAN NEPTUN Schiffahrts-AG, Bremen
- WEPA Instrustrieholding SE, Arnsberg

* Statutory offices: offices held on other statutory supervisory boards; comparable offices in Germany and internationally: offices held on comparable domestic and international supervisory bodies of commercial enterprises, at 30 September 2018

PHILIPP MÖLLER

Hamburg

Managing Partner of Möller & Förster GmbH & Co. KG, Hamburg

No statutory offices or comparable offices in Germany and internationally

DR HENDRIK OTTO

Dusseldorf

Member of the Board of Management of WEPA Industrieholding SE, Arnsberg

No statutory offices or comparable offices in Germany and internationally

Board of Management*

TORSTEN GREDE

Frankfurt am Main (Spokesman)

Comparable offices in Germany and internationally

- Treuburg Beteiligungsgesellschaft mbH, Ingolstadt
- Treuburg GmbH & Co. Familien KG, Ingolstadt

DR ROLF SCHEFFELS

Frankfurt am Main

Comparable offices in Germany and internationally

- JCK Holding GmbH Textil KG, Quakenbrück
- Preh GmbH, Bad Neustadt a. d. Saale

SUSANNE ZEIDLER

Bad Homburg v. d. Höhe

Comparable offices in Germany and internationally

- DBG Fifth Equity Team GmbH & Co. KGaA i. L., Frankfurt am Main (Vice Chairwoman)

* Statutory offices: offices held on other statutory supervisory boards; comparable offices in Germany and internationally: offices held on comparable domestic and international supervisory bodies of commercial enterprises, at 30 September 2018

44. LIST OF SUBSIDIARIES AND ASSOCIATES PURSUANT TO § 313 (2) HGB

Name	Domicile	Equity share %	Equity *€'000*	Operating result of past financial year *€'000*
SUBSIDIARIES				
Companies included in the consolidated financial statements				
AIFM-DBG Fund VII Management (Guernsey) LP	St Peter Port, Guernsey	0.00	254	16,192
DBG Advising GmbH & Co. KG	Frankfurt am Main	20.00	12,098	25,887
DBG Fund VI GP (Guernsey) LP	St Peter Port, Guernsey	0.00	1	0
DBG Fund VII GP S.à r.l.	Luxembourg	0.00	34	1
DBG Management GmbH & Co. KG	Frankfurt am Main	100.00	132	(38)
DBG Management GP (Guernsey) Ltd.	St Peter Port, Guernsey	3.00	229	140
DBG Managing Partner GmbH & Co. KG	Frankfurt am Main	20.00	4,072	22
DBG New Fund Management GmbH & Co. KG	Frankfurt am Main	100.00	3	(4)
European PE Opportunity Manager LP	St Peter Port, Guernsey	0.00	0	0
Companies not included in the consolidated financial statements				
Bowa Geschäftsführungsgesellschaft mbH i. L.	Frankfurt am Main	100.00	55	(5)
Change Management Verwaltungs GmbH	Frankfurt am Main	100.00	25	0
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	Frankfurt am Main	99.00	94,344	2,369
DBAG Fund V Konzern GmbH & Co. KG	Frankfurt am Main	99.00	9,588	1,429
DBAG Fund VI Konzern (Guernsey) L.P.	St Peter Port, Guernsey	99.99	120,101	18,407
DBAG Fund VII B Konzern SCSp	Luxembourg	99.99	1,589	(824)
DBAG Fund VII Konzern SCSp	Luxembourg-Findel, Luxembourg	99.99	32,326	(3,077)
DBG Advising Verwaltungs GmbH	Frankfurt am Main	100.00	18	(3)
DBG Advisors Kommanditaktionär GmbH & Co. KG	Frankfurt am Main	33.33	2,354	311
DBG Alpha 5 GmbH	Frankfurt am Main	100.00	25	0
DBG Beteiligungsgesellschaft mbH	Frankfurt am Main	100.00	85	(8)
DBG Epsilon GmbH	Frankfurt am Main	100.00	21	(1)
DBG Fifth Equity Team GmbH & Co. KGaA i. L.	Frankfurt am Main	33.33	1,123	(114)
DBG Fourth Equity International GmbH	Frankfurt am Main	100.00	37	1
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	Frankfurt am Main	100.00	460	(4)
DBG Managing Partner Verwaltungs GmbH	Frankfurt am Main	100.00	12	1
DBG My GmbH i. L.	Frankfurt am Main	100.00	132	(3)
DBV Drehbogen GmbH	Frankfurt am Main	100.00	31	(1)
Deutsche Beteiligungsgesellschaft mbH	Königstein/Taunus	100.00	11,560	1,825

Name	Domicile	Equity share %	Equity €'000	Operating result of past financial year €'000
ASSOCIATES				
antennen electronic GmbH	Hanover	40.96	31	6
braun teleCom GmbH	Hanover	40.96	4,762	2,123
DBAG ECF Fonds I Beteiligungs GmbH	Frankfurt am Main	47.54	17,370	6,759
DBAG ECF Pontis GmbH & Co. KG	Frankfurt am Main	25.00	14,910	(50)
DBAG ECF Pontis Verwaltungs GmbH	Frankfurt am Main	47.54	24	1
DBAG ECF Präzisionstechnik Beteiligungs GmbH	Frankfurt am Main	41.78	31	(40)
DBG Asset Management, Ltd.	Jersey	50.00	291	2,966
ECF Breitbandholding GmbH	Frankfurt am Main	41.78	17,059	(411)
Heinrich GmbH	Wismar	40.96	67	0
Netzkontor Gruppe GmbH Führungsholding	Flensburg	33.79	25	(2)
Plant Systems & Services PSS GmbH	Bochum	20.47	587	(92)
POTT Kabelservice GmbH	Hamburg	40.96	645	43
Rana Beteiligungsgesellschaft mbH	Frankfurt am Main	47.54	20	0
RQPO Beteiligungs GmbH	Frankfurt am Main	49.00	37	1
RQPO Beteiligungs GmbH & Co. Papier KG	Frankfurt am Main	44.10	0	(6)
Tridecima Grundstücksverwaltungsgesellschaft mbH	Neubiberg	30.08	1,322	3,560
Vitronet GmbH	Essen	33.90	7,810	1,166
OTHER COMPANIES				
Based on its investments, DBAG holds more than five percent of the voting rights in the following corporations:				
Coveright Surfaces Beteiligungs GmbH i. L.	Frankfurt am Main			
Heytex Bramsche GmbH	Bramsche			
JCK Holding GmbH Textil KG	Quakenbrück			
Mageba Holding AG	Bülach			

Frankfurt am Main, 20 November 2018

The Board of Management

Torsten Grede Dr Rolf Scheffels Susanne Zeidler

This is a translation of the German original. Solely the original text in German language is authoritative.

The following independent auditor's report (*Bestätigungsvermerk*) has been issued in accordance with Section 322 German Commercial Code (*Handelsgesetzbuch*) in German language on the German version of the consolidated financial statements of Deutsche Beteiligungs AG as of and for the financial year ended September 30, 2018 and the combined management report. The combined management report is not included in this Prospectus

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the consolidated financial statements and combined management report

Opinion

We have audited the consolidated financial statements of Deutsche Beteiligungs AG, Frankfurt am Main, and its subsidiaries (the Group) – comprising the consolidated statement of financial position at 30 September 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 October 2017 to 30 September 2018, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies. We have also audited the combined management report of Deutsche Beteiligungs AG, Frankfurt am Main, for the financial year from 1 October 2017 to 30 September 2018.

In our opinion, based on our audit findings,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS as adopted by the EU and the supplementary requirements of German commercial law pursuant to § 315e (1) HGB, and give a true and fair view of the net assets and financial position of the Group at 30 September 2018, and of its results of operations for the financial year from 1 October 2017 to 30 September 2018, in accordance with these requirements, and

- the accompanying combined management report as a whole provides a suitable view of the Group's position. In all material respects, the combined management report is consistent with the consolidated financial statements, complies with German statutory requirements and suitably presents the opportunities and risks of future development.

Pursuant to § 322 (3) clause 1 HGB, we state that our audit has not led to any reservations with respect to compliance of the consolidated financial statements and the combined management report.

Basis for opinion regarding the consolidated financial statements and the combined management report

We conducted our audit of the consolidated financial statements and combined management report in accordance with § 317 HGB and the EU Audit Regulation (No 537/2014; hereinafter referred to as EU Audit Regulation) and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (IDW). Our responsibilities under those regulations and guidelines are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and combined management report" section of our report. We are independent of the Group companies in accordance with the requirements of European Union law as well as German commercial law and the rules of professional conduct, and we have fulfilled our other ethical responsibilities under German professional law in accordance with these requirements. In addition, pursuant to Article 10 (2) (f) EU Audit Regulation, we hereby declare that we did not provide any of the prohibited non-audit services referred to in Article 5 (1) EU Audit Regulation. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements and combined management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2017 to 30 September 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

The measurement of financial assets

We refer to the statements set out in the notes to the consolidated financial statements on accounting and valuation methods (note 7), on the changes in the recognition of carried interest in the IFRS 13 measurement due to an error that was identified (note 4), on future-oriented assumptions and other major sources of estimation uncertainty (note 9), on the financial assets (note 19), on the net result of investment activity (note 10), on the financial instruments (note 33) and the information on related parties (note 38), as well as to the statements provided in the combined management report on the business review of the Group.

Financial statement risk

The "financial assets" item of the annual financial statements amounts to 323.3 million euros and consists largely of DBAG's interests in the investment entity subsidiaries that are not consolidated in accordance with IFRS 10.31. Pursuant to IFRS 13, these interests are recognised at fair value in profit or loss.

Due to the sum-of-the-parts procedure, changes in the fair value of the portfolio companies, in particular, have an impact on the fair values of the interests in the investment entity subsidiaries. In addition, the fair values of the interests in the investment entity subsidiaries that are attributable to DBAG are reduced by carried interest.

The valuation process implemented for calculating the fair values of the portfolio companies in IFRS 13 is complex. The multiples method is primarily used in order to calculate the fair values of the portfolio companies. The necessary valuation assumptions are discretionary, as they cannot be observed on the market. In addition, there are complex contractual provisions in place regarding the calculation of carried interest for the investment entity subsidiaries. These need to be given appropriate consideration when measuring the fair values of the interests in the investment entity subsidiaries.

As far as the annual financial statements are concerned, there is a risk that the fair values of the portfolio companies applied to the measurement of financial assets might not meet the requirements of IFRS 13, meaning that the value estimated might not be appropriate. Due to the complex contractual provisions regarding the calculation of carried interest, there is also a risk that these contractual provisions will not be given appropriate consideration when the interest is measured for the investment entity subsidiaries. Finally, there is a risk that the information provided in the notes on the measurement of financial assets is not appropriate.

Our audit approach

We started by arriving at an understanding of the procedure used to calculate the fair values as part of the measurement of interests in investment entity subsidiaries and evaluated whether the valuation guidelines implement the requirements of IFRS 13 in a sufficient and appropriate manner. In order to gain an understanding of the organisational structure of the valuation process, we used a structural audit of the valuation process to interview the individuals involved and consult process descriptions, status reports, valuation documentation and minutes of meetings. Based on this information, we assessed the appropriateness of the controls that had been put in place, in particular with regard to checking the valuation proposals made by the Valuation Committee.

Our substantive audit activities included checking the documentation on the calculation of the fair values of all portfolio companies to see whether the values were calculated based on the valuation process put in place by the Company for all portfolio companies. In cases involving portfolio companies that had been recognised at fair value for the first time, our evaluation also looked at whether the requirements for the selection of the valuation method applied had been met. We also clarified the calculation of all fair values for all portfolio companies.

We audited the unobservable valuation assumptions based on a risk-oriented, deliberate selection. Regarding selected estimates of the long-term results and debt of the portfolio companies, we verified that these estimates had been derived from the individual company projections and had been approved at the level of the portfolio company by the latter's supervisory body. If adjustments had been made to the company projections by Deutsche Beteiligungs AG, we consulted the documented grounds and discussed them with the responsible employees. We also compared selected value-driving assumptions used in the company projections (in particular the EBITDA margins) to check whether these were in a range that we had arrived at based on external information on the corresponding key performance indicators of peer group companies. Regarding the earnings multiples for the application of the multiples method, we consulted our valuation specialists in order to check that the group of peer group companies and the multiples had been derived appropriately from the company and capital market data on the peer group companies. As far the application of the DCF method with regard to the capitalisation interest rate is concerned, we once again consulted our valuation experts, comparing the underlying assumptions (in particular the riskfree rate and the market risk premium) against the publicly available data and evaluating these assumptions.

We also conducted substantive audit activities relating to the inclusion of carried interest when calculating the fair value of the interest in the investment entity subsidiaries attributable to DBAG. In particular, we verified whether Deutsche Beteiligungs AG had identified all investment entity subsidiaries for which carried interest had to be included in the measurement of the fair value of their interest. We also verified whether the calculation of carried interest had been included in accordance with the contractual provisions and in a manner that was arithmetically accurate, both in the reporting period and in the corrected prior-year comparative figures.

Finally, we assessed whether the information provided in the notes on the measurement of financial assets was appropriate.

Our conclusions

The discretionary decisions regarding the unobservable assumptions used in the valuation of the portfolio companies were made appropriately with regard to the requirements set out in IFRS 13. Carried interest is taken into account appropriately pursuant to IFRS 13 when measuring the fair value of the interests in the investment entity subsidiaries. The corresponding explanatory information provided in the notes to the consolidated financial statements is appropriate.

Other information

- The statutory representatives are responsible for the other information. The other information includes the Annual Report, which is likely to be presented to us after the date of the auditor's report, with the exception of the audited consolidated financial statements and combined management report, as well as our auditor's report.

Our audit opinions on the consolidated financial statements and on the combined management report do not include the other information and, as a result, we do not provide a separate opinion or reach any other kind of audit conclusion in this regard.

As part of our audit, we are responsible for reading the other information and evaluating whether the other information

- includes material inconsistencies compared with the consolidated financial statements, the combined management report or the knowledge we obtained as part of our audit or

- appears to contain any other material misstatements.

Responsibilities of the statutory representatives and the supervisory body for the consolidated financial statements and the combined management report

The statutory representatives are responsible for the preparation of the consolidated financial statements which, in all material respects, comply with IFRS, as adopted by the EU, and the supplementary requirements of German commercial law pursuant to § 315e (1) HGB, and for ensuring that the consolidated financial statements give a true and fair view of the asset, financial and earnings position of the Group in accordance with these requirements. Furthermore, the statutory representatives are responsible for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the statutory representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing, as applicable, matters related to the going concern. In addition, they are responsible for using the going concern basis of accounting unless the intention is to liquidate the Group or to cease operations, or there is no realistic alternative to doing so.

Moreover, the statutory representatives are responsible for preparing the combined management report, which as a whole provides a suitable view of the Group's position and, in all material respects, is consistent with the consolidated financial statements, complies with German statutory requirements and suitably presents the opportunities and risks of future development. Furthermore, the statutory representatives are responsible for such arrangements and measures (systems) as they determine are necessary to enable the preparation of a combined management report in compliance with the applicable requirements of German commercial law and for providing sufficient and appropriate evidence for the assertions in the combined management report.

The *Supervisory Board* is responsible for monitoring the Group's financial reporting process for preparing the consolidated financial statements and the combined management report.

Auditor's responsibilities for the audit of the consolidated financial statements and the combined management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the combined management report as a whole provides a suitable view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and our audit findings, complies with German statutory requirements, and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our opinion on the consolidated financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation, as well as in compliance with the German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (IDW), will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

As part of our audit we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatements of the consolidated financial statements and the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements, and of the arrangements and measures relevant to the audit of the combined management report, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used, and the feasibility of accounting estimates and related disclosures made, by the statutory representatives.
- draw conclusions as to the appropriateness of use of the going concern basis of accounting by the statutory representatives and, based on the audit evidence obtained, whether there is any material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that such material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and combined management report or, if such disclosures are inadequate, to modify our particular opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view of the assets, financial and earnings position of the Group in accordance with the IFRS, as adopted by the EU, and the supplementary requirements of German commercial law pursuant to § 315e (1) HGB.
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- evaluate the consistency of the combined management report with the consolidated financial statements, its legal compliance and presentation of the Group's position.
- perform audit procedures on the prospective information presented by the statutory representatives in the combined management report. Based on sufficient and appropriate audit evidence, we hereby understand the significant assumptions used by the statutory representatives to be a basis for the prospective information in particular and assess the appropriate derivation of the prospective information from these assumptions. We are not issuing a separate audit opinion on the prospective information or the underlying assumptions.

There is a significant, unavoidable risk that future events will deviate significantly from the prospective information.

We communicate with the individuals responsible for monitoring, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the individuals responsible for monitoring with a statement that we have complied with relevant ethical requirements regarding impartiality, and discuss with them all relationships and other matters that may reasonably be thought to bear on our impartiality, and any safeguards implemented within this context.

From the matters communicated with the individuals responsible for governance, we determine those matters that were of most significance during the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or other legal provisions preclude public disclosures about the matter.

Other statutory and legal requirements

Other disclosures pursuant to Article 10 of the EU Audit Regulation

We were appointed as group auditors at the Annual Meeting held on 21 February 2018 and were then commissioned orally by the Supervisory Board. The audit assignment was documented in the letter dated 14 March 2018. We have been engaged as group auditors of Deutsche Beteiligungs AG, Frankfurt am Main, without interruption since the financial year 1984/1985.

We declare that the audit opinions in this auditor's report are consistent with the additional report to the Audit Committee referred to in Article 11 of the EU Audit Regulation (audit report).

Responsible statutory auditor

The auditor responsible for the audit is Lars Erik Bertram.

Frankfurt am Main, 21 November 2018

KPMG AG
Wirtschaftsprüfungsgesellschaft

Bertram	Dr Faßhauer
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

STATEMENT OF RESPONSIBILITY

We confirm to the best of our knowledge and consistent with the applicable reporting principles for financial reporting that the consolidated financial statements give a true and fair view of the asset, financial and earnings position of the Group. We also confirm to the best of our knowledge that the combined management report presents a true and fair view of the business development and the position of the Group. This includes a discussion of the material risks and opportunities associated with the Group's expected development.

Frankfurt am Main, 20 November 2018

The Board of Management

Torsten Grede Dr Rolf Scheffels Susanne Zeidler

ANNUAL FINANCIAL STATEMENTS OF DEUTSCHE BETEILIGUNGS AG FOR THE 2019/2020 FINANCIAL YEAR

BALANCE SHEET AS AT 30 SEPTEMBER 2020

€'000	**30 Sep 2020**	30 Sep 2019
Assets		
A. Non-Current assets		
I. Intangible assets	490	301
II. Property, plant and equipment	409	582
III. Financial assets		
1 Shares in affiliated companies	378,808	309,406
2. Equity investments	3,349	3,413
	382,156	312,820
	383,055	**313,702**
B. Current assets		
I. Receivables and other assets		
1. Assets receivable	0	2
2. Receivables from affiliated companies	68,287	37,371
3. Other assets	7,595	9,545
	75,882	**46,918**
II. Securities		
Other securities	0	25,335
III. Cash on hand, central bank balances, bank balances and cheques	1,811	38,918
	77,693	**111,171**
C. Prepaid expenses	**357**	**492**
	461,106	**425,366**

Trust receivables 6,949 4,912

€'000	**30 Sep 2020**	30 Sep 2019
Equity and liabilities		
A. Equity		
I. Subscribed capital	53,387	53,387
II. Capital reserve	175,177	175,177
III. Retained earnings		
Legal reserve	403	403
IV. Net retained profit	201,451	178,080
	430,417	**407,046**
B. Provisions		
1. Provisions for pension obligations	7,625	7,155
2. Tax provisions	341	17
3. Other provisions	9,037	10,566
	17,003	**17,737**
C. Liabilities		
1. Liabilities to banks	13,100	0
1. Liabilities to affiliated companies	0	41
2. Other liabilities	586	541
	13,686	**582**
	461,106	**425,366**
Trust liabilities	6,949	4,912

INCOME STATEMENT

for the financial year from 1 October 2019 to 30 September 2020

€'000	**1 Oct 2019 to 30 Sep 2020**	1 Oct 2018 to 30 Sep 2019
1 Gains from disposal of investments	45,091	36,104
2 Losses from disposal of investments	0	(1)
3 Income from investments	2,735	11,053
4 Income from Fund Services	26,988	24,628
5 Write-downs of financial assets and securities held as current assets	(649)	(10,616)
6 Other operating income	1,250	1,174
7 Personnel costs	(16,741)	(21,713)
8 Depreciation and amortisation of property, plant and equipment and tangible fixed assets	(411)	(582)
9 Other operating expenses	(8,740)	(8,907)
10 Income from other securities and long-term loans receivable	0	138
11 Other interest and similar income	260	541
12 Interest and similar expenses	(3,517)	(2,684)
13 Income taxes	(324)	0
14 **Earnings after taxes**	45,943	29,135
15 Other taxes	(6)	(8)
16 **Net income for the year**	**45,937**	**29,128**
17 Profit carried forward from the previous year	155,514	148,952
18 **Net retained profit**	**201,451**	**178,080**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year from 1 October 2019 to 30 September 2020

GENERAL INFORMATION

Business activity of Deutsche Beteiligungs AG

Deutsche Beteiligungs AG (DBAG) is a publicly-listed private equity company. It initiates closed-end private equity funds ("DBAG funds") for investment in equity or equity-like instruments predominantly in unlisted companies, and provides advice regarding these funds. Employing its own assets, it enters into investments, predominantly as a co-investor alongside the DBAG funds, and since 2020 also independently from the DBAG funds with its first long- term investment Its investment focus, as an investor and fund advisor, is on mid-market German companies. It receives income as an investor through the increase in value of the company in which it has invested, and also as a fund advisor, performing services for the DBAG funds.

DBAG's registered office is at Börsenstrasse 1, 60313 Frankfurt/Main, Germany. The Company is registered in the Commercial Register at the Frankfurt/Main local court (Amtsgericht Frankfurt/Main) under HRB 52491.

Basis of preparation of the annual financial statements

The annual financial statements are prepared using the provisions of the German Commercial Code (*Handelsgesetzbuch*-HGB) as set out in sections 238 et seq. HGB and the provisions of the German Stock Corporation Act (*Aktiengesetz* – AktG). The Company is a large corporation (*große Kapitalgesellschaf*) within the meaning of section 267 (3) sentence 2 HGB.

The income statement has been prepared in accordance with the nature of expense method. Taking into account the special characteristics of a special investment company, the legally prescribed structure of the income statement as set out in section 265 (5) and (6) HGB has been changed and expanded by the items "Gains from disposal of investments" and "Losses from disposal of investments". Income generated by DBAG from fund advisory services is reported in the separate item "Income from Fund Services".

In accordance with section 265 (7) no. 2 HGB, some items of the income statement have been combined and disclosed separately in the notes to enhance clarity of presentation.

The information regarding items of the balance sheet and the income statement required to be made in accordance with legal requirements is provided as a whole in the notes to the financial statements, as is the information which the Company elects to provide in the balance sheet or the income statement

The annual and the consolidated financial statements as well as the combined management report of DBAG as at 30 September 2020 are published in the electronic German Federal Gazette (*Bundesanzeiger*).

The annual financial statements were prepared in euros. The amounts are rounded to thou- sands of euros, except when transparency reasons require amounts to be presented in euros. Rounding differences in the tables in these notes may therefore occur.

On 20 November 2020, the Board of Management of DBAG authorised the annual financial statements and the combined management report for submission to the Supervisory Board. On 26 November 2020, the Supervisory Board resolved to approve the annual financial statements.

The necessity to correct technical errors in the combined management report which occurred in the transmission of information was discovered on 29 November 2020. The amendments relate to the table outlining "Risk factors with a high expected value" in the "Opportunities and risks" section, sub-section "Explanation of individual risk factors". In the newly-dated document, in Note "22. Events after the reporting date" within the amended notes to the annual financial statements, we report on the (now resolved) appointment of Messrs Tom Alzin and Jannick Hunnecke to the Board of Management, effective 1 March 2021, and on the fact that Dr Rolf Scheffels will step down from the Board of Management, at his own request, when his contract expires at the end of February 2021. On 29 November 2020, the Board of Management of DBAG authorised the amended annual financial statements and the amended combined management report for submission to the Supervisory Board. The Supervisory Board will resolve on the approval of the annual financial statements on 30 November 2020.

Accounting policies

Fixed assets

Property, plant and equipment and intangible assets are measured at cost, taking into ac- count depreciation and amortisation, which is recognised on a straight-line basis. The rates and useful lives applied to depreciation and amortisation are generally based on the period in which the asset is expected to be used.

The useful life for motor vehicles is defined as three years in line with DBAG's company car policy. The depreciation and amortisation amounts are calculated based on the cost and taking into account an expected residual value after the end of the useful life of three years.

Additions to low-value assets are included in a collective account and the related assets are depreciated collectively over a period of five years regardless of their actual useful life or how long they remain within the Company. A disposal is recognised subsequently. In the year of acquisition, additions to movable items of Property, plant and equipment are depreciated *pro rata temporis* in the month of acquisition and for the following months until the end of the financial year.

Financial assets are measured at cost based on the individual measurement approach, less any impairment losses. The recoverability of this valuation is reviewed annually. For this purpose, the carrying amounts of the financial assets are compared with their fair values. Any expected permanent impairments are taken into account by way of extraordinary write downs to the lower fair value. A write-up, up to no more than the cost, is made when – and to the extent that – the reasons for an impairment cease to exist The fair value of equity investments and securities classified as fixed assets is determined based on an internal valuation guideline which defines the criteria for a permanent impairment as well as the methods and procedures used to calculate the fair value. If securities classified as fixed assets are purchased subject to a premium, such premium is initially capitalised and then amortised on a straight-line basis over the term of the security.

Current assets

Receivables and other assets are generally recognised at nominal value. Identifiable risks are taken into account through corresponding valuation allowances.

Securities held as current assets are capitalised at cost. If securities classified as current assets are purchased subject to a premium, such premium is initially capitalised and then amortised on a straight-line basis over the term of the security.

Securities held as current assets are written down to fair value even if the impairment is considered temporary. A write-up, up to no more than the cost, is made when – and to the extent that – the reasons for the impairment cease to exist

Cash funds, i.e. cash on hand and bank balances, are recorded at nominal value.

Prepaid expenses and deferred income

Prepaid expenses include services paid in advance. Deferred income comprises proceeds received prior to the balance sheet date to the extent they represent income for a period after the balance sheet date.

Pension obligations and plan assets

As in the previous years, pension obligations are measured using the projected unit credit method.

The funds used to settle the liabilities from pension obligations are ring-fenced from access by other creditors within the framework of a Contractual Trust Agreement As of the reporting date, these plan assets are invested in a special fund which is managed based on a capital protection concept Plan assets are measured at fair value.

They are offset against pension provisions. If the fair value of plan assets exceeds the amount of the pension provisions, the excess amount is capitalised and reported separately under the item "Excess of plan assets over benefit obligations". Any net defined benefit liability is re- ported under "Provisions for pension obligations".

Provisions

Provisions are recorded as liabilities in the amount of the required settlement amount, as determined based on prudent commercial judgement Future price and cost increases are taken into account for provisions with a remaining term of more than one year; such provisions are discounted to the reporting date. The discount rates used are the average market interest rates for the past seven financial years (corresponding to the remaining term of the provisions), as determined on a monthly basis and published by Deutsche Bundesbank pursuant to the German Regulation on the Discounting of Provisions (*Rückstellungsabzinsungsverordnung*).

Liabilities

Liabilities are recognised at their respective settlement amounts.

Deferred taxes

Tax burdens and benefits are calculated based on loss carryforwards and temporary differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income as reported in the HGB financial statements and their tax base. We did not make use of the possibility to capitalise any resulting tax benefits in accordance with section 274 (1) sentence 2 HGB.

Currency translation

Short-term foreign currency receivables (foreign currency liabilities) are measured at the ex-change rate applicable as at the acquisition date or at the lower (higher) closing exchange rate.

Gains/losses from disposal of investments

Gains from disposal of investments comprise distributions made by affiliated companies after the investments have been disposed of and the difference between the proceeds and the carrying amounts of investments to the extent that the proceeds are higher than the carrying amounts.

The losses from the disposal of investments include differences between the proceeds and the carrying amounts where the proceeds are below the carrying amounts.

Income from investments

Income from investments includes distributions made by equity investments and affiliated companies after dividends and interest payments received from portfolio companies.

Income from Fund Services

Income from Fund Services comprises fees and profit shares for DBAG funds where DBAG acts as a co-investor.

Write-downs of financial assets and securities held as current assets

This item includes write-downs in the case of a change in the fair values of equity investments resulting from an expected permanent impairment as well as straight-line write-downs of capitalised premiums recorded in the case of an acquisition of securities classified as fixed assets.

Income from other securities and long-term loans receivable

Income from other securities and long-term loans receivable comprises income from other long-term loans receivable as well as interest income from long-term securities.

Interest and similar expenses

Interest and similar expenses include interest payments and commitments fees for credit lines as well as interest expenses from discounting long-term provisions. Expenses/income from the change of the discount rate used for pension provisions as well as expenses/income from the fair value measurement of plan assets are offset and recorded in the net interest income/expense.

NOTES TO THE BALANCE SHEET

1. Fixed assets

€'000	Cost			
	1 Oct 2019	Additions	Disposals	30 Sep 2020
I. Intangible assets				
Purchased concessions, industrial property rights and similar rights	1,794	373	0	2,167
II. Property, plant and equipment				
Operating and office equipment	2,614	108	217	2,505
III. Financial assets				
1 Shares in affiliated companies	367,246	92,965	35,338	424,873
2 Equity investments	4,120	0	65	4,055
	371,366	92,965	35,403	428,929
	375,775	**93,446**	**35,620**	**433,600**

€'000	Amortisation, depreciation and impairment				Carrying amounts	
	1 Oct 2019	Additions	Disposals	30 Sep 2020	30 Sep 2020	30 Sep 2019
I. Intangible assets						
Purchased concessions, industrial property rights and similar rights	1,494	184	0	1,677	490	301
II. Property, plant and equipment						
Operating and office equipment	2,032	227	163	2,096	409	582
III. Financial assets						
1 Shares in affiliated companies	57,840	649	12,423	46,066	378,808	309,406
2 Equity investments	706	0	0	706	3,349	3,413
	58,547	649	12,423	46,772	382,156	312,820
	62,072	**1,060**	**12,586**	**50,545**	**383,055**	**313,702**

In the year under review, additions to shares in affiliated companies amounted to a total of 92,965,000 euros (previous year: 84,862,000 euros) These additions refer to contributions to the capital reserves of DBAG Fund VI Konzern (Guernsey) L.P. in the amount of 3,218,000 euros (previous year: 4,632,000 euros), of DBAG Fund VII Konzern SCSp and of DBAG Fund VII (B) Konzern SCSp in the total amount of 49,688,000 euros (previous year: 67,778,000 euros), of DBAG Fund VIII A Konzern (Guernsey) L.P. and of DBAG Fund VIII B Konzern (Guernsey) L.P. in the total amount of 2,396,000 euros (previous year: nil euros), of DBAG Expansion Capital Fund Konzern GmbH & Co. KG in the amount of 30,568,000 euros (previous year: 13,452,000 euros) as well as of the newly established DBAG Bilanzinvest I (Smart Metering) GmbH & Co. KG in the amount of 6,880,000 euros (previous year: nil euros).

Capital repayments were made in connection with seven affiliated companies in a total amount of 35,338,000 euros (previous year: 18,110,000 euros) These mainly refer to two co-investment vehicles after the disposal of two portfolio companies as well as the capital repayments after the unwinding of DBG Fourth Equity Team GmbH & Co. KGaA (in liquidation) and BOWA Geschäftsführungsgesellschaft mbH (in liquidation).

Disposals of equity investments refer to the externally managed international fund Harvest Partners IV GmbH & Co. KG, which was dissolved after the disposal of the last portfolio company.

In the financial year 2019/2020, write-downs in the amount of 649,000 euros (previous year 10,478,000 euros) were recognised on shares in affiliated companies since the fair value as at the reporting date was permanently below the acquisition costs.

Cumulative write-downs on affiliated companies and equity investments refer to four (previous year: five) portfolio companies held via DBAG funds and the amount retained in connection with a directly-held investment sold in the previous year.

The carrying amount of three affiliated companies totals 255,361,000 euros; the fair value totals 202,298,000 euros. A write-down to the lower fair value in each case was not recognised since this impairment is of a temporary nature in view of the medium-term planning.

2. Receivables

€'000	**30 Sep 2020**	30 Sep 2019
Assets receivable	0	2
Receivables from affiliated companies	68,287	37,371
thereof with a remaining maturity of more than 1 year	0	0
	68,287	**37,373**

Receivables from affiliated companies refer to loans to DBAG Fund VII Konzern SCSp and DBAG Fund VII B Konzern SCSp in the amount of 13,012,000 euros (previous year: 17,002,000 euros) as well as to loans to DBAG Fund VIII A Konzern (Guernsey) L.P. und die Fund VIII B Konzern (Guernsey) L.P. in the amount of 13,154,000 euros (previous year: nil euros) as interim financing of capital calls.

Moreover, there are receivables arising from profit allocations to DBAG Fund V Konzern GmbH & Co. KG in the amount of 5,381,000 euros (previous year: 5,628,000 euros), to DBG Advising GmbH & Co. KG in the amount of 34,250,000 euros (previous year: 11,087,000 euros) and to DBG Managing Partner GmbH & Co. KG in the amount of 564,000 euros (previous year: 1,542,000 euros) as well as to five other affiliated companies in the amount of 1,926,000 euros (previous year: 2,112,000 euros).

3. Other assets

€'000	**30 Sep 2020**	30 Sep 2019
Income tax assets	6,400	6,706
thereof with a remaining maturity of more than 1 year	0	0
Remaining purchase price receivable	0	1,679
thereof with a remaining maturity of more than 1 year	0	0
Receivables from DBAG funds	0	55
thereof with a remaining maturity of more than 1 year	0	0

Other receivables	1,195	1,104
thereof with a remaining maturity of more than 1 year	617	0
	7,595	**9,545**

Income tax assets contain applicable taxes for the financial year 2019/2020 and previous years.

Other receivables comprise VAT receivables in the amount of 538,000 euros (previous year: 518,000 euros), a rental deposit in the amount of 405,000 euros (previous year: 405,000 euros) and loans granted to employees in the amount of 236,000 euros (previous year: 140,000 euros) The rental deposit and the loans granted to employees in the amount of 212,000 euros have a remaining maturity of more than one year.

4. Securities held as current assets

€'000	**30 Sep 2020**	30 Sep 2019
Other securities	0	25,335
	0	**25,335**

All of the securities were sold during financial year 2019/2020.

5. Equity

Share capital/number of shares

€'000	**30 Sep 2020**	30 Sep 2019
At start of financial year	53,387	53,387
Additions	0	0
At end of financial year	**53,387**	**53,387**

All DBAG shares in the financial year 2019/2020 are no-par value registered shares. Each share is entitled to one vote.

The shares are admitted to trading on the Frankfurt Stock Exchange (Prime Standard) and the Dusseldorf Stock Exchange (Regulated Market) Shares in the Company are also traded on the over-the-counter markets of the stock exchanges in Berlin, Hamburg-Hanover, Munich and Stuttgart.

The subscribed capital (share capital) is divided into 15,043,994 no-par-value shares. The notional interest in the share capital amounts to approximately 3.55 euros per share.

Authorised capital

On 22 February 2017, the Annual General Meeting authorised the Board of Management to increase the share capital of the Company, with the consent of the Supervisory Board, until 21 February 2022 by up to a total of 13,346,664.33 euros through one or more issues of new no-par value registered shares in exchange for cash or non-cash contributions (Authorised Capital 2017). As a prerequisite, the number of shares has to increase by the same ratio as the share capital. In the financial year 2019/2020, the Board of Management did not make use of this authorisation.

Purchase of treasury shares

By way of a resolution passed by the Annual General Meeting held on 21 February 2018, the Board of Management is authorised up to 20 February 2023, 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 percent of the existing share capital in the amount of 53,386,644.43 euros at the time when the Annual General Meeting is held or – if this value is lower – of the share capital existing at the time of exercising this authorisation. In the financial year 2019/2020, the Board of Management did not make use of this authorisation.

Conditional capital

The Board of Management is authorised, subject to the consent of the Supervisory Board, to issue on one or more occasions in the period up to 21 February 2022 warrant-linked bonds and/or convertible bonds in bearer or registered form (together referred to as "bonds") with a limited or an unlimited term in a total nominal amount of up to 140,000,000.00 euros. It is also authorised to grant holders of warrant-linked bonds warrants, and the holders or creditors of convertible bonds conversion rights (or to impose conversion obligations, if applicable), to acquire registered shares in the Company with a proportionate interest in the share capital of up to 13,346,664.33 euros under the terms and conditions specified for the warrant- linked bonds or convertible bonds jointly referred to as "bond conditions").

As an alternative to the issuance in euro, the bonds may also be issued in any currency which is the legal tender of an OECD member state (limited, however, by the equivalent value in euro).

The bonds may also be issued by companies in which the Company directly or indirectly holds a majority stake. In such an event, the Board of Management shall be authorised, subject to the consent of the Supervisory Board, to assume the guarantee for the bonds on behalf of the Company and to grant the holders and/or creditors of such bonds option or conversion rights (or to impose conversion obligations) to acquire no-par value registered shares in the Company. In the financial year 2019/2020, the Board of Management did not make use of this authorisation.

Capital reserve

€'000	**30 Sep 2020**	30 Sep 2019
At start of financial year	175,177	175,177
Additions	0	0
At end of financial year	**175,177**	**175,177**

As before, the capital reserve comprises amounts received in the issuance of shares in excess of nominal value.

Retained earnings

Revenue reserves comprise the legal reserve as stipulated by German stock corporation law.

The legal reserve remained unchanged at 403,000 euros as it, together with the capital reserves pursuant to section 272 (2) no. 1) HGB, amounts to a tenth of the share capital.

Dividend and net retained profit

The Annual General Meeting on 20 February 2020 resolved to use the net retained profit (*Bilanzgewinn*) for the financial year 2018/2019 of 178,080,010.68 euros to pay a dividend of a total of 1.50 euros per no-par value share on the 15,043,994 shares with dividend entitlement and to carry forward to new account the remaining amount of 155,514,019.68 euros (previous year 148,952,344.02 euros).

€'000	**30 Sep 2020**	30 Sep 2019
Dividends paid	22,565,991.00	21,813,791.30
	22,565,991.00	**21,813,791.30**

The net retained profit of DBAG as at 30 September 2020 amounts to 201,450,935.47 euros (previous year: 178,080,010.68 euros). Of that amount, 2,978,000 euros (previous year: 3,823,000 euros) are subject to a prohibition of distribution in accordance with section 268 (8) sentence 3 HGB and section 253 (6) sentence 2 HGB (see Note 20)

At the Annual General Meeting, the Board of Management and the Supervisory Board will propose to pay a dividend of 0.80 euros per share (equivalent to a total of 12,035,195.20 euros) for the financial year 2019/2020. The remaining net retained profit of 189,415,740.27 euros will be carried forward to new account

Notifications of voting rights

We have received the following voting rights notifications in accordance with section 21 (1) sentence 1 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG)

	Date	Shareholding/ share in voting rights *in%*	Voting rights in registered share capital
Rossmann Beteiligungs GmbH, Burgwedel, Germany	27 Nov 2019	25.01	3,762,493
Taiko SA, Luxembourg	18 Dec 2017	6.65	1,000,000
Dimension Holdings Inc., Texas, USA	2 Sep 2020	3.00	451,106

In accordance with section 33 (1) WpHG, Rossmann Beteiligungs GmbH, Burgwedel, Germany notified us on 27 November 2019 that its share of voting rights in Deutsche Beteiligungs AG amounted to 25 01 per cent on 25 November 2019. These 25.01 per cent of the voting rights are attributable to Rossmann Beteiligungs GmbH, Burgwedel pursuant to section 34 (1) sentence 1 no. 1 WpHG.

In accordance with section 33 (1) WpHG, Taiko SA, Luxembourg, notified us on 18 December 2017 that its share of voting rights in Deutsche Beteiligungs AG amounted to 6.65 per cent on 18 December 2017. This share of voting rights is attributable to Taiko SA, Luxembourg, pursuant to section 34 (1) sentence 1 no. 6 WpHG.

In accordance with section 33 (1) WpHG, Dimension Holdings Inc., Texas, USA, notified us on 2 September 2020 that its share of voting rights in Deutsche Beteiligungs AG amounted to 3.00 per cent on 26 August 2020. This share of voting rights is attributable to Dimension Holdings Inc., Texas, USA, pursuant to section 34 (1) sentence 1 no. 6 WpHG.

6. Provisions

Pension provisions and plan assets

The measurement in the balance sheet has been derived as follows

€'000	**30 Sep 2020**	30 Sep 2019
Present value of pension obligations	31,610	31,772
Fair value of plan assets	(23,986)	(24,617)
Provisions for pension obligations	**7,625**	**7,155**

The fair value of plan assets was derived from the prices of plan assets as at the reporting date. The acquisition costs remain unchanged at 24,166,000 euros. Offsetting plan assets against the settlement amount of the pensions resulted in a net defined benefit liability as at 30 September 2020 which is reported under the item "Provisions for pension obligations".

Interest expenses from discounting the present value of the pension obligations and the interest expenses from the write-down (previous year: write-up) of plan assets to fair value are offset Interest expenses are reported in the item "Interest and similar expenses" (see Note 18)

The present value of the defined benefit obligations results from various defined benefit plans as well as from individual performance-based commitments. Application of the plans is subject to the date at which the respective employees joined the company. The amount of the pensions is generally measured on the basis of the amount of the salary and the employees' length of service. There are also individual benefit commitments.

The present value of the pension obligations changed as follows

€'000	**2019/2020**	2018/2019
Present value of pension obligations at start of financial year	31,772	28,566
Utilisation	1,094	898
Reversals	1,500	0
Additions	2,433	4,103
Present value of pension obligations at end of financial year	**31,610**	**31,772**

The present value of the benefit obligations was based on the following assumptions

€'000	**30 Sep 2020**	30 Sep 2019
Discount rate	2.41%	2.82%
Salary trend (incl. career trend)	2.50%	2.50%
Pension trend	2.00%	2.00%
Life expectancy based on modified mortality tables by Prof. Dr Klaus Heubeck	2018G	2018G
Increase in income threshold for state pension plan	2.00%	2.00%

Company-specific employee turnover probabilities depending on age and gender are used to take into account employee turnover. The turnover is within a range of 0.1000 to 0.0050 for an age between 15 and 65 years.

The pension obligations are discounted using the average matched-maturity (market) interest rate of the past ten financial years as calculated and published by Deutsche Bundesbank pursuant to the Regulation on the German Discounting of Provisions.

Taking into account a lump-sum remaining term of 15 years, the discount rates as at 30 September 2020 were as follows:

	Discount rate Ø 10 years	**Discount rate Ø 7 years**	Interest rate differential
30 Sep 2020	2.41%	1.71%	-0.70%

The difference between the recognition of provisions pursuant to the corresponding average interest rate of the past ten years and the recognition of provisions pursuant to the average market interest rate of the past seven years amounts to 2,978,000 euros (previous year: 3,372,000 euros) This amount is subject to a prohibition of distribution pursuant to section 253 (6) sentence 2 HGB (see Note 20).

€'000	**30 Sep 2020**	30 Sep 2019
Present value of the pension obligations based on the 10-year average interest rate	31,610	31,772
Present value of the pension obligations based on the 7-year average interest rate	34,589	35,143
Difference	**2,978**	**3,372**

Since the financial year 2018/2019, DBAG has applied the new mortality tables issued by Prof Dr Heubeck (RT 2018G) The effect resulting from the application of the new mortality tables amounted to 219,000 euros in the previous year. Since 31 October 2013, DBAG has used modified mortality tables in order to account for the particularities of the beneficiaries of its defined benefit plans and individual commitments. A comparison with similar groups of individuals outside the company revealed an average longer life expectancy of three years for DBAG scheme members and beneficiaries. This modification continued to be used upon the application of new mortality tables in the previous year.

Tax provisions

€'000	**2019/2020**	2018/2019
At start of financial year	17	17
Reversals	(17)	0
Additions	341	0
At end of financial year	**341**	**17**

The reversal of tax provisions refers to corporation tax and solidarity surcharge for the financial year 2017/2018 in line with the tax assessment.

Additions to tax provisions relate to corporation tax and solidarity surcharge for the financial year 2019/2020 since a positive taxable profit was determined which leads to a tax burden after application of the minimum tax rule, despite the existing tax loss carryforwards.

Other provisions

€'000	1 Oct 2019	Utilisation	Reversals	Additions	30 Sep 2020
Personnel-related obligations	9,140	8,023	401	6,489	7,205
Other	1,425	1,396	16	1,817	1,832
	10,566	**9,419**	**417**	**8,307**	**9,037**

Provisions for personnel-related obligations mainly refer to variable remuneration in the amount of 5,414,000 euros (previous year 7,232,000 euros) Of that amount, 5,165,000 euros (previous year 6,539,000 euros) are attributable to performance-related remuneration for the past financial year; an additional amount of 250,000 euros (previous year 641,000 euros) refers to transaction-related remuneration. This transaction-related remuneration refers variable remuneration components from legacy remuneration models applicable for investment team members for which provisions have been recognised since the financial year 2005/2006. In the reporting year, 135,000 euros were paid out of that amount and 394,000 euros were reversed.

The provision for jubilee payment obligations was discounted using an average market interest rate of 1.71 per cent (previous year: 2.05 per cent) which is determined based on an assumed remaining term of 15 years.

The item "Other" primarily includes provisions for outstanding supplier invoices, costs for the audit of financial statements, the annual report, the general meeting and the Supervisory Board. The other provisions have a remaining term of less than one year.

7. Liabilities

€'000	**30 Sep 20**	30 Sep 19
Liabilities to banks	13,100	0
Liabilities to affiliated companies	0	41
Other liabilities	586	541
thereof tax liabilities	364	326
	13,686	**582**

The liabilities to banks concern two credit facilities. One credit facility was set up in the amount of 50 million euros in December 2015 and was renewed in May 2018 until May 2023. A second credit facility with the same maturity was agreed in the amount of 40 million euros in the financial year 2019/2020.

The loans utilised were used to finance new investments; they are intended to be redeemed once proceeds from the portfolio are received.

All liabilities have remaining terms of up to one year.

8. Deferred taxes

As at 30 September 2020, temporary differences from measurement differences between the HGB financial statements and the tax base result in future tax benefits (deferred tax assets) or to future tax burdens (deferred tax liabilities) The applicable tax rate remains unchanged at 15.825 per cent (corporation tax of 15 per cent plus solidarity surcharge thereon of 5.5 per cent).

Tax benefits primarily result from corporation tax loss carryforwards, from the deviating tax base of investments in commercial partnerships (*Personenhandelsgesellschaften*) as well as from provisions for pensions and jubilee payments as well as other provisions.

After exercising the option to offset deferred tax assets and liabilities, a net deferred tax asset remains which is not capitalised in line with the election set out in section 274 (1) sentence 2 HGB.

NOTES TO THE INCOME STATEMENT

9. Gains from disposal of investments

€'000	2019/2020	2018/2019
Gains from disposal of investments	45,091	36,104
thereof from affiliated companies	44,767	35,770

Gains from disposal of investments largely refer to two affiliated companies after the disposal of two investments.

10. Losses from disposal of investments

The losses from the disposal of investments in the previous year result from the disposal of one portfolio company.

11. Income from investments

€'000	2019/2020	2018/2019
Current income from investments	2,735	11,053
thereof from affiliated companies	1,974	9,865

Income from investments is attributable to distributions of one affiliated company in the amount of 1,974,000 euros (previous year: from two affiliated companies in the amount of 9,865,000 euros) and to distributions from two investments in the amount of 761,000 euros (previous year: 1,188,000 euros)

12. Income from Fund Services

€'000	2019/2020	2018/2019
Income from Fund Services	26,988	24,628
thereof from affiliated companies	26,793	24,399

Income from Fund Services comprise profit allocations of DBG Advising GmbH & Co. KG (DBG A KG) and of DBG Managing Partner GmbH & Co. KG (DBG MP KG). Both entities provide management services to DBAG funds (DBG MP KG) and advisory services to the manager of DBAG funds (DBG A KG)

13. Write-downs of financial assets and securities held as current assets

€'000	2019/2020	2018/2019
Write-downs of financial assets	649	10,478
thereof from affiliated companies	649	10,478
Write-downs on securities held as current assets	0	139
	649	**10,616**

In the financial year 2019/2020, write-downs were made on one affiliated company (previous year: two affiliated companies) in the amount of 649,000 euros (previous year: 10,478,000 euros)

14. Other operating income

€'000	**2019/2020**	2018/2019
Income from the reversal of provisions	417	138
Income from reimbursable costs	144	293
Income from positions held on supervisory boards and advisory councils	54	51
Income from disposals of long- and short-term securities	289	220
Miscellaneous	346	471
	1,250	**1,174**

Income from the reversal of personnel-related provisions largely refers to unpaid variable remuneration for employees in the amount of 399,000 euros.

Income from reimbursable costs comprises advances on behalf of DBAG funds and/or portfolio companies.

In the financial year 2019/2020, miscellaneous income does not include income from exchange rate differences (previous year: 93,000 euros) Previous year income referred the remaining purchase price receivable from the sale of an equity investment.

15. Personnel costs

€'000	**2019/2020**	2018/2019
Wages and salaries	17,020	19,357
Social security contributions, pensions and other employee benefits	(279)	2,356
thereof for social security	955	931
thereof for pensions	(1,234)	1,425
	16,741	**21,713**

Income from the expenses for pensions amounts to 1,234,000 euros. This largely comprises an amount of 601,000 euros from the reversal of a pension obligation due to a case of fatality as well as prior-period income of 1,093,000 euros from a reduced pension obligation in accordance with an agreement with one employee.

Expenses from the interest cost on pension obligations are reported in the item "Interest and similar expenses" (see Note 18).

The number of employees (excluding members of the Board of Management) was as follows:

€'000	**30 Sep 20**	30 Sep 19
Employees (full-time)	64	57
Employees (part-time)	13	13
Trainees	4	5

As at the end of the financial year 2019/2020, the Board of Management consisted of three (previous year: three) members.

In the financial year 2019/2020, an average of 71 (previous year: 70) employees and five (previous year: five) trainees were employed at DBAG.

16. Other operating expenses

€'000	**2019/2020**	2018/2019
Other consultancy expenses	1,425	891
Costs for the preparation and audit of financial statements and tax consultancy expenses	538	570
Transaction -related advisory expenses	215	443
Internal audit	26	11
	2,204	1,915
Premises expenses	1,139	1,110
Value-added tax	622	923
Travel expenses	242	629
Annual report and Annual General Meeting	668	567
Corporate communications, investor relations, media relations	553	667
Other personnel expenses	637	660
Maintenance costs for hardware and software	538	529
Supervisory Board remuneration	502	397
External employees	207	231
Expenses for exchange rate differences	32	0
Miscellaneous	1,395	1,281
	8,740	**8,907**

Premises expenses mainly include office rents. The item "Value-added tax" refers to non- deductible input taxes as a result of revenues that are not taxable.

Other personnel expenses result from expenses for recruiting and staff training.

Expenses for external employees comprise fees for freelance staff.

The item "Miscellaneous" primarily comprises expenses for motor vehicles, insurance and office material.

17. Income from other securities and long-term loans receivable

€'000	2019/2020	2018/2019
Interest income from securities	0	138
	0	**138**

All of the fixed-income securities were sold in the previous year.

18. Net interest income

Other interest and similar income

€'000	2019/2020	2018/2019
Interest income from financial assets	233	535
thereof from affiliated companies	196	479
Interest income from tax authorities	21	0
Other interest income	6	6
	260	**541**

Interest income from financial assets includes interest on loans to affiliated companies (see Note 2) as well as interest on deferred remaining purchase price receivables from the sale of one equity investment (see Note 3).

Interest and similar expenses

€'000	2019/2020	2018/2019
Interest expenses for pensions	3,064	2,266
Interest expenses for credit facilities	441	406
Other interest expenses	12	12
	3,517	**2,684**

Interest expenses for pensions in the amount of 3,064,000 euros (previous year: 2,266,000 euros) refer to the interest cost on pension obligations in the amount of 2,433,000 euros (previous year: 2,921,000 euros) plus the expense from the adjustment of plan assets to reflect the fair value in the amount of 631,000 euros (previous year: income of 655,000 euros).

Interest expenses for the credit facilities in the amount of 441,000 euros (previous year: 406,000 euros) relate to the annual commitment fee for one credit line as well as interest for the drawdown of both credit facilities (see Note 7).

19. Taxes

€'000	**2019/2020**	2018/2019
Income taxes	324	0
Other taxes	6	8
	330	**8**

Expenses from taxes on income primarily result from the addition to the tax provision for the assessment period 2020 (see Note 6).

As a special investment company, the Company is exempt from trade tax.

Other taxes comprise motor vehicle taxes.

20. Prohibition of distribution

€'000	**2019/2020**	2018/2019
At start of financial year	3,823	3,474
Reversals	0	349
Additions	845	0
At end of financial year	**2,978**	**3,823**

As at 30 September 2020, 2,978,000 euros (previous year: 3,823,000 euros) are subject to a prohibition of distribution in accordance with section 268 (8) sentence 3 HGB and section 253 (6) sentence 2 HGB.

No amounts (previous year: 451,000 euros) arising from the difference between the fair value and the acquisition cost of plan assets as at the reporting date (see Notes 6 and 18) are subject to the prohibition of distribution pursuant to section 268 (8) sentence 3 HGB since the fair value is below its acquisition cost.

The positive difference as regards the measurement of the pension provisions with the interest rate based on the reference period of ten years (which was changed in 2016) in comparison with the previous seven years amounts to 2,978,000 euros (previous year: 3,372,000 euros) This measurement gain is subject to a prohibition of distribution pursuant to section 253 (6) sentence 2 HGB (see Note 6).

OTHER DISCLOSURES

21. Other financial commitments, contingent liabilities and trusteeships

Other financial commitments can be broken down as follows:

€'000	30 Sep 2020	30 Sep 2019
Call commitments	0	960
Permanent debt obligations	5,445	2,065
	5,445	**3,026**

The potential call commitments referred to an investment in an international fund managed by third parties, which was disposed of in the financial year 2019/2020.

The maturities of the permanent debt obligations as at 30 September 2020 are shown in the following table:

€'000	< 1 year	1-5 years	> 5 years	Total
Permanent debt obligations	1,395	3,440	609	**5,445**
thereof rental contracts	812	3,249	609	**4,671**

The permanent debt obligations mainly include office rents for the premises in Börsenstrasse 1, Frankfurt/Main. The non-cancellable rental contract commenced on 1 August 2011 and originally expired on 31 May 2021. DBAG has the right to extend the rental contract twice by five years in each case. This right was exercised for the first time in the financial year 2019/2020. The rental contract now runs until 31 May 2026.

There were no contingent liabilities as at 30 September 2020, in line with the previous year.

Trust assets amounted to 6,949,000 euros as at the reporting date (previous year: 4,912,000 euros). This amount is attributable to balances held on trust accounts for purchase price settlements. Trust liabilities exist in the same amount. DBAG does not generate any income from trustee activities.

22. Events after the reporting date

DBAG alongside DBAG Fund VIII agreed the investment in congatec in the fourth quarter of the year under review. The transaction was completed at the start of the new financial year. DBAG Fund VIII acquired the majority of the company's shares as part of an MBO. DBAG invested 23,769,000 euros and holds around 23 per cent of the shares in congatec.

At the end of November 2020, a partial disposal of our investment in the Pfaudler Group's core business was completed and returns from the disposal of the GMM shares were received; the transaction was agreed in August 2020. DBAG and DBAG Fund VI continue to have a stake of 20 per cent in the Pfaudler Group.

On 26 November 2020, the Supervisory Board of Deutsche Beteiligungs AG has appointed Messrs Tom Alzin and Jannick Hunecke to the Board of Management. They will take up their new roles on 1 March 2021. Dr Rolf Scheffels will step down from the Board of Management, at his own request, when his contract expires at the end of February 2021.

23. Governing bodies

The members of the Supervisory Board and the Board of Management are listed in Note 26.

The basic principles of the remuneration system and the amount of total remuneration for members of the Board of Management, former members of the Board of Management and the Supervisory Board are presented in the remuneration report The remuneration report is an integral constituent of the combined management report. It also discloses individual information as required pursuant to section 285 no. 9 HGB.

The total remuneration of the Board of Management consists of cash and non-cash remuneration. The total remuneration for the reporting year amounts to 2,609,000 euros (previous year: 3,483,000 euros). The non-cash remuneration mainly consists of the values to be applied under tax regulations for the use of a company car.

The present value of the pension obligations to members of the Board of Management amounts to 3,281,000 euros (previous year: 2,988,000)

Former Board of Management members and their surviving dependants received total payments of 942,000 euros (previous year: 961,000 euros) The present value of pension obligations to former Board of Management members and their surviving dependants amounted to 17,464,000 euros at the reporting date (previous year: 17,732,000 euros).

No loans or advances were granted to members of the Board of Management and the Supervisory Board. Contingent liabilities were entered into by DBAG neither for the members of the Board of Management nor for the members of the Supervisory Board.

No member of the Supervisory Board or Board of Management holds shares or options or other derivatives on shares representing one per cent of the share capital.

For the financial year 2019/2020, the members of the Supervisory Board were granted a fixed remuneration as well as additional remuneration for the Chair of the Supervisory Board, the Deputy Chair and the members of committees in a total amount of 495,000 euros (previous year: 370,000 euros).

24. Fees for the auditor

Total fees paid to the auditor BDO AG are composed of as follows

€'000	**30 Sep 2020**	30 Sep 2019
Audit of separate/consolidated financial statements	327	362
Other assurance services	5	0
	333	**362**

The services associated with auditing the separate and consolidated financial statements also include activities concerning the review of the half-yearly financial statements as at 31 March 2020, as well as audit activities relating to the audit of the financial statements as at 30 September 2020 that were conducted early.

25. Declaration of Compliance

A Declaration of Compliance pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz – AktG) was submitted by the Board of Management and the Supervisory Board of DBAG and is permanently accessible to shareholders at DBAG's website[14].

26. Members of the Supervisory Board and the Board of Management

Supervisory Board*

Dr Hendrik Otto

Dusseldorf, Germany (*Deputy Chairman until 20 February 2020, Chairman since 20 February 2020*)

Member of the Board of Management of WEPA Industrieholding SE, Arnsberg, Germany

No statutory offices or comparable offices in Germany and abroad

Philipp Möller

Hamburg, Germany (Deputy Chairman since 20 February 2020)

Managing Partner of Möller & Forster GmbH & Co. KG, Hamburg, Germany

Statutory offices

> GWF Messsysteme AG, Luzern, Switzerland (since 25 June 2020)

Gerhard Roggemann

Hanover, Germany (Chairman until his departure on 20 February 2020)

Consultant

Statutory offices

> Bremer AG, Paderborn, Germany (Vice-Chairman)

> Else Kröner Fresenius Stiftung, Bad Homburg vor der Höhe, Germany (since 1 January 2020)

> GP Günter Papenburg AG, Schwarmstedt, Germany (Chairman)

> WAVE Management AG, Hanover, Germany (Vice-Chairman)

Sonja Edeler

Hanover, Germany

14 https://www.dbag.de/investor-relations/corporate-governance/entsprechenserklaerunger

Head of Finance and Accounting, Audit at Dirk Rossmann GmbH, Burgwedel, Germany

No statutory offices or comparable offices in Germany and abroad

Wilken Freiherr von Hodenberg

Hamburg, Germany (until 20 February 2020)

Lawyer

Statutory offices

> Schloss Vaux AG, Eltville, Germany

> SLOMAN NEPTUN Schiffahrts-AG, Bremen, Germany

> WEPA Instrustrieholding SE, Arnsberg, Germany

Comparable offices in Germany and abroad

> NB Private Equity Partners Ltd., St Peter Port, Guernsey

Axel Holtrup

London, United Kingdom (since 20 February 2020)

Independent investor

No statutory offices or comparable offices in Germany and abroad

Dr Jörg Wulfken

Bad Homburg v.d. Höhe, Germany (since 20 February 2020)

Lawyer

Statutory offices

> Georgian Credit, Tbilisi, Georgia

Comparable offices in Germany and abroad

> Association of Loan Purchase and Servicing (Bundesvereinigung Kreditankauf und Servicing – "BKS")

Dr Maximilian Zimmerer

Munich, Germany

Supervisory Board

Statutory offices

> Investmentaktiengesellschaft für langfristige Investoren TGV, Bonn, Germany (Chairman)

> Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft, Munich, Germany

Comparable offices in Germany and abroad

> Möller & Förster GmbH & Co. KG, Hamburg, Germany (Chairman)

*Statutory office: offices held on other statutory supervisory boards; comparable offices in Germany and abroad: offices held on comparable domestic and international supervisory bodies of commercial enterprises, each as at 30 September 2020 or until the date of retirement from the Supervisory Board, respectively

Board of Management*

Torsten Grede

Frankfurt/Main, Germany (Spokesman)

Comparable offices in Germany and abroad

> Treuburg Beteiligungsgesellschaft mbH, Ingolstadt, Germany

> Treuburg GmbH & Co. Familien KG, Ingolstadt, Germany

Dr Rolf Scheffels

Frankfurt/Main, Germany

Comparable offices in Germany and abroad

> JCK Holding GmbH Textil KG, Quakenbrück, Germany

Susanne Zeidler

Frankfurt/Main, Germany

Comparable offices in Germany and abroad

> DWS Investment GmbH, Frankfurt/Main, Germany

* Statutory office: offices held on other statutory supervisory boards; comparable offices in Germany and abroad: offices held on comparable domestic and international supervisory bodies of commercial enterprises, each as at 30 September 2020

27. Shareholdings

List of shareholdings pursuant to section 285 (11) HGB as at 30 September 2020

Name	Registered office	Equity interest *in %*	Equity *in €'000*	Net income in the previous financial year *in €'000*
DBAG Bilanzinvest I (Smart Metering) GmbH & Co. KG[1]	Frankfurt/Main, Germany	100.00		
DBAG Bilanzinvest I (Smart Metering) Verwaltungs GmbH[1]	Frankfurt/Main, Germany	100.00		
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	Frankfurt/Main, Germany	99.00	77,617	7,491
Adler Co-Invest Verwaltungs GmbH	Hamburg	45.63	14	-2

Adler Investment S.à r.l.	Luxembourg-Findel, Luxembourg	40.96	9,117	-1,490
DBAG Cheetah Holding S.à r.l.	Senningerberg, Luxembourg	47.54	5,881	-121
DBAG ECF Fonds I Beteiligungs GmbH	Frankfurt/Main, Germany	25.00	46,844	49,107
DBAG ECF Pontis GmbH & Co. KG	Frankfurt/Main, Germany	47.54	11	-5
DBAG ECF Pontis Verwaltungs GmbH	Frankfurt/Main, Germany	41.78	24	0
DBAG ECF Präzisionstechnik Beteiligungs GmbH	Frankfurt/Main, Germany	40.96	-105	-12
DBAG Jupiter Holding S.à r.l.	Senningerberg, Luxembourg	47.54	5,536	-140
DBAG Virtus Holding S.à r.l.	Senningerberg, Luxembourg	40.96	6,244	176
DBAG Vision Holding S.à r.l.	Senningerberg, Luxembourg	41.78	5,036	693
ECF Breitbandholding GmbH	Frankfurt/Main, Germany	41.78	112,731	111,784
ECF Broadband Holding GmbH	Frankfurt/Main, Germany	40.96	15,474	-3
Force Holding S.à r.l.[1]	Senningerberg, Luxembourg	40.96		
Poseidon Holding S.à r.l.	Senningerberg, Luxembourg	47.54	9,213	-125
DBAG Fund V Konzern GmbH & Co. KG	Frankfurt/Main, Germany	99.00	9,268	6,937
DBAG Fund VI Konzern (Guernsey) L.P.	St Peter Port, Guernsey	99.99	106,610	7,060
DBAG Fund VII Konzern SCSp	Luxembourg-Findel, Luxembourg	99.99	93,176	-4,728
DBAG Fund VII B Konzern SCSp	Luxembourg-Findel, Luxembourg	99.99	1,417	-77
DBAG Fund VIII A Konzern (Guernsey) L.P.[1]	St Peter Port, Guernsey	99.99		
DBAG Fund VIII B Konzern (Guernsey) L.P.[1]	St Peter Port, Guernsey	99.99		
DBG Advising GmbH & Co. KG	Frankfurt/Main, Germany	20.00	34,923	27,454
DBG Advising Verwaltungs GmbH	Frankfurt/Main, Germany	100.00	16	-1
DBG Fund HoldCo GmbH & Co. KG	Frankfurt/Main, Germany	13.04	71	2
DBG Fund L.P. GmbH & Co. KG	Frankfurt/Main, Germany	100.00	20	4
AIFM-DBG Fund VII Management (Guernsey) L.P.	St Peter Port, Guernsey	100.00	537	171

DBG Fund VII GP S.à r.l.	Luxembourg-Findel, Luxembourg	100.00	51	1
DBG Fund VI GP (Guernsey) L.P.	St Peter Port, Guernsey	100.00	0	0
DBG Fund VIII GP (Guernsey) L.P.[1]	St Peter Port, Guernsey	100.00		
DBG Fund VIII GP (Guernsey) Limited[1]	St Peter Port, Guernsey	100.00		
European PE Opportunity Manager L.P.	St Peter Port, Guernsey	100.00	0	0
DBG Service Provider Verwaltungs GmbH	Frankfurt/Main, Germany	100.00	26	2
DBG Management GmbH & Co. KG	Frankfurt/Main, Germany	100.00	128	-13
DBG Managing Partner GmbH & Co. KG	Frankfurt/Main, Germany	20.00	597	22
DBG Management GP (Guernsey) Ltd.	St Peter Port, Guernsey	100.00	353	124
DBG Managing Partner Verwaltungs GmbH	Frankfurt/Main, Germany	100.00	12	0
DBG New Fund Management GmbH & Co. KG	Frankfurt/Main, Germany	100.00	3	-5
Deutsche Beteiligungsgesellschaft mbH	Konigstein/Taunus, Germany	100.00	3,114	-439
DBG Advisors Kommanditaktionär GmbH & Co. KG	Frankfurt/Main, Germany	33.33	250	-6
DBG Alpha 5 GmbH	Frankfurt/Main, Germany	100.00	24	0
DBG Asset Management Limited	St Helier, Jersey	50.00	321	539
DBG Epsilon GmbH	Frankfurt/Main, Germany	100.00	19	-1
DBG Fourth Equity International GmbH	Frankfurt/Main, Germany	100.00	38	0
DBV Drehbogen GmbH	Frankfurt/Main, Germany	100.00	30	-1
RQPO Beteiligungs GmbH	Frankfurt/Main, Germany	81.00	38	1
RQPO Beteiligungs GmbH & Co. Papier KG	Frankfurt/Main, Germany	90.00	46	-7

[1] As at the time of the preparation of the annual financial statements of DBAG as at 30 September 2020, there were no annual financial statements for DBAG Bilanzinvest I (Smart Metering) GmbH & Co. KG, DBAG Bilanzinvest I (Smart Metering) Verwaltungs GmbH, DBAG Fund VIII A Konzern (Guernsey) L.P., DBAG Fund VIII B Konzern (Guernsey) L.P., DBG Fund VIII GP (Guernsey) L.P., DBG Fund VIII GP (Guernsey) Limited and Force Holding S,à r.l., since the respective companies prepare their first annual financial statements for the year ended 31 December 2020.

FURTHER INFORMATION

Responsibility statement

We confirm to the best of our knowledge, and in accordance with the applicable accounting principles, that the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and that the combined management report presents a true and fair view of the business development and performance of the business and the position of the Company, together with a description of the material risks and opportunities associated with the expected development of the Company.

Frankfurt/Main, 20/29 November 2020

The Board of Management

Torsten Grede   Dr Rolf Scheffels   Susanne Zeidler

This is a translation of the German original. Solely the original text in German language is authoritative.

The following independent auditor's report (*Bestätigungsvermerk*) has been issued in accordance with Section 322 German Commercial Code (*Handelsgesetzbuch*) in German language on the German version of the consolidated financial statements of Deutsche Beteiligungs AG as of and for the financial year ended September 30, 2020 and the combined management report. The combined management report is not included in this Prospectus.

INDEPENDENT AUDITOR'S REPORT

To the Deutsche Beteiligungs AG, Frankfurt am Main

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Opinions

We have audited the annual financial statements of Deutsche Beteiligungs AG, Frankfurt am Main, which comprise the balance sheet as at September 30, 2020 and the statement of profit and loss for the fiscal year from October 1, 2019 to September 30, 2020, and notes to the financial statements, including the presentation of the recognition and measurement policies.

In addition, we have audited the combined management report of Deutsche Beteiligungs AG for the financial year from 1 October 2019 to 30 September 2020.

In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report listed in the chapter "other information".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply in all material respects with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets and financial position of the Company as at September 30, 2020 and of its financial performance for the fiscal year from October 1, 2019 to September 30, 2020 in compliance with German Legally Required Accounting Principles, and

- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in the chapter "other information".

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 October 2019 to 30 September 2020. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We identified the following matter as key audit matter:

Valuation of financial assets

The annual financial statement position "Financial assets" amounts to 378.8 million euro and mainly consists of DBAG's share in investment entity subsidiaries. Investments in portfolio companies are held with these investment entity subsidiaries.

Shares in affiliated companies are valued at acquisition cost (Section 253 (1) sentence 1 HGB), taking into account an internal valuation guideline. If an impairment is expected to be permanent, Deutsche Beteiligungs AG writes down the investment to its lower fair value (Section 253 (3) sentence 5 HGB); if the reasons for the write-down no longer apply, the investment is written up to the higher fair value (Section 253 sentence 1 HGB). The recoverability of the shares in the investment entity subsidiaries depends to a large extent on the recoverability of the shares in portfolio companies held by these companies. The fair value of the investment entity subsidiaries corresponds to the Company's share of the sum of the fair values of each portfolio company (sum-of-the-parts-methodology) based on the respective company's planning, expected sustainable earnings and debt. The Company primarily uses the multiples method to determine the fair values of the portfolio companies based on financial results, but also in one case the discounted cash flow method. Impairment losses are recognized in particular if the total fair value of an investment entity subsidiary is expected to fall permanently below the acquisition cost of all portfolio companies.

The process for identifying impairment risks for financial assets is based on the determination of the fair values of the portfolio companies. Some of the necessary valuation assumptions are discretionary, as they cannot be observed on the market. For the annual financial statements, there is a risk that the fair values of the portfolio companies are not estimated appropriately and that, as a consequence, impairment risks that could indicate a permanent impairment of the financial assets are not recognized in the annual financial statements prepared in accordance with German commercial law.

The disclosures of Deutsche Beteiligungs AG on financial assets are presented in the notes to the annual financial statements under accounting policies and in the comments on fixed assets. In addition, we refer to the comments in the combined management report on the economic situation of Deutsche Beteiligungs AG.

Our audit approach

First, we obtained an understanding of the Company's process to determine the fair values of the financial assets and assessed whether the Company's valuation policy sufficiently and appropriately implements the requirements of German commercial law. In order to gain an understanding of the organizational structure of the valuation process, we inquired with responsible employees, and obtained process descriptions, status reports, valuation documentation as well as minutes of board meetings. Based on the evidence obtained, we assessed the appropriateness of the controls implemented, particularly regarding the valuation proposals made by the Valuation Committee.

Our substantive audit procedures included reviewing the documentation of the calculations of the fair values of the portfolio companies and the assessment whether these calculations were consistent with the valuation process implemented and whether the valuation methodologies applied were deemed appropriate. In addition, we verified the calculation of the fair values for all portfolio companies as evidence of the recoverability of the shares in the Group's investment companies.

We tested the valuation assumptions used to determine the fair value based on a risk-oriented, deliberate selection. For selected estimates of the sustainable earnings and debt of the portfolio companies, we satisfied ourselves that they were derived appropriately from the corporate planning and that the approval of the Advisory Board or the other relevant body had been obtained. In the case of adjustments to individual valuation parameters by the Valuation Committee of Deutsche Beteiligungs AG, we discussed the documented reasons with the members of the Valuation Committee and subsequently assessed them. We also assessed the appropriateness of selected value-driving assumptions in the corporate planning (in particular the EBITDA margins) and compared whether these were within a range that we derived from external market information on the corresponding performance indicators. With regard to the earnings multiples for the application of the multiples method, we assessed, with the assistance of our valuation specialists, the appropriate derivation of the group of peer companies and the multiples from company and capital market data of the peer companies. Similarly, when applying the discounted cash flow method in relation to the discount rate, we consulted our valuation specialists and compared and assessed the underlying assumptions with publicly available data.

Other Information

The executive directors are responsible for the other information.

The other information comprises the statement on corporate governance included in section "Corporate Governance Statement" of the combined management report.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the combined management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company´s financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the company´s position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these annual financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cause to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, financial position and financial performance of the Company in accordance with German Legally Required Accounting Principles.

- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company´s position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Audit of Compliance with the provisions of the law on Private Equity Companies Audit Opinion

We have audited the Company's compliance with the provisions of the Gesetz über Unternehmensbeteiligungsgesellschaften [Private Equity Companies Act] (UBGG), which specifically require compliance with the provisions regarding the permissibility/impermissibility of transactions, investment limits and shareholding structure, for the fiscal year October 1, 2019 to September 30, 2020.

In our opinion, the requirements of the UBGG, in particular the requirements regarding the permissibility/impermissibility of transactions, investment limits and shareholding structure, have been complied with in all material respects.

Basis for the Audit Opinion

We conducted our audit in accordance with Section 8 (3) UBGG and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under those provisions and standards is further described in the section "Auditor's Responsibility for assessing compliance with The Requirements of the UBGG" and in the Section "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report". We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for compliance with the requirements of the UBGG

Management is responsible for compliance with the requirements of the UBGG and for such other arrangements and measures (systems) as management determines are necessary to enable the entity to comply with those requirements.

Auditor's Responsibility for assessing compliance with the requirements of the UBGG

Our objective is to obtain reasonable assurance about whether the provisions of the UBGG have been complied with in all material respects and to issue an opinion that includes our opinion on compliance with the provisions of the UBGG. The audit includes assessing whether the provisions of the UBGG have been complied with, in particular the provisions regarding the permissibility/impermissibility of transactions, the investment limits and the shareholding structure.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on February 20, 2020. We were engaged by the audit committee on February 20, 2020.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

NOTE ON THE SUPPLEMENTARY AUDIT

We have issued this opinion on the amended annual financial statements and the amended combined management report based on our audit, which we completed in accordance with professional standards on November 23, 2020, as well as our supplementary audit completed on November 30, 2020, which related to the amendment of the tabular presentation of "Risks factors with a high expected value" in the section "Opportunities and risks", subsection "Explanation of individual risks factors" of the combined management report and to the addition of disclosures in the section "Other disclosures", subsection "22. Events after the reporting date", of the notes. Reference is made to the presentation of the changes by the legal representatives in the amended Notes, section "General Information", subsection "Basis of preparation of the annual financial statements".

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Dr. Jens Freiberg.

Frankfurt/Main, 23 November 2020 / 30 November 2020 (the latter date limited to the amendments set out in the note on the supplementary audit)

BDO AG
Wirtschaftsprüfungsgesellschaft

Dr. Freiberg	Gebhardt
Wirtschaftsprüfer	Wirtschaftsprüfer

22 RECENT DEVELOPMENTS AND OUTLOOK

22.1 Recent Developments

Our business activities have been affected by the COVID-19 pandemic in various ways, as specified in more detail in the section "*1. Risk Factors—1.3(a) (a) Ongoing adverse developments in the global economic environment and volatility in the capital markets due to the COVID-19 pandemic may materially and adversely affect our business, financial condition and results of operations.*" above. The Board of Management has released guidelines for working under the conditions of the COVID-19 pandemic and implemented a Corona Task Force to set up specific rules, coordinate measures and support employees. Moreover, since March 2020, the Investment Team, led by two members of the Board of Management, has closely monitored and communicated with the Portfolio Companies to assess the negative effects of the COVID-19 pandemic. In addition, a senior member of the Investment Team was dedicated to coordinate advice on financing measures on Portfolio Company level (*e.g.* drawing of credit lines, applying for state-guaranteed loans). Furthermore, DBAG provided additional equity (EUR 5.2 million for the financial year 2019/2020) to support debt financing solutions to improve the financial resources of seven Portfolio Companies, and further equity contributions or other financing measures may be necessary if the COVID-19 pandemic persists.

In January 2021, the investment commitments for DBAG ECF II were increased by EUR 8.8 million, of which EUR 3.6 million was attributable to DBAG. The funds will be used to finance further add-ons by three Portfolio Companies (BTV Multimedia, FLS, DING Group).

As regards DBAG Fund VII, a spin-off of operasan GmbH from the blikk Holding GmbH was completed in January, 2021. DBAG invested an amount of EUR 3,179,000 to complete this transaction. operasan GmbH also completed the acquisition of a medical service centre.

On February 26, 2021, the Company increased the amount available under the 2015 Revolving Credit Facilty to EUR 66.7 million and extended its maturity until May 2025. As of the date of this Prospectus, loans in an amount of EUR 56.4 million were drawn from the Revolving Credit Facilities.

On March 26, 2021, by means of an ad-hoc announcement, the Company updated the outlook for the current financial year 2020/2021 initially included in DBAG's outlook published in the audited consolidated financial statements as of September 30, 2020 issued on November 30, 2020, as it anticipates performance for the financial year 2020/2021 to significantly exceed original expectations. The Company now expects net income for the financial year 2020/2021 in a range between EUR 70 and EUR 80 million, as compared to the originally expected range between EUR 40 and EUR 45 million. The improvement in expected earnings is based on markedly higher net income from investment activity, which is now expected to be between EUR 65 and EUR 75 million (as compared to EUR 30 to EUR 35 million, as previously anticipated). Accordingly, the NAV of private equity investments is forecasted to range between EUR 450 and EUR 505 million; to date, NAV of private equity investments was anticipated to range between EUR 415 and EUR 460 million. The forecast for income and earnings from the Company's Fund Investment Services Segment remains unchanged. For additional information on the Company's (Net) Income Forecast 2020/2021, please see section "*10. Profit Forecast*" above.

The raised forecast is based on the improved overall development of DBAG's 34 Portfolio Companies, which also improves the chances for successful disposals. Moreover, there are significant effects for individual Portfolio Companies, which supports the expectation that that these companies will make a significantly higher contribution to value in the current financial year 2020/2021 than originally expected. Specifically, this involves positive earnings contributions from acquisitions of individual investments, as well as a less severe impact of regulatory changes on the business of one Portfolio Company.

By the end of March 2021, the sale of the Company's stake in Rheinhold & Mahla GmbH, Hamburg, Germany, an industrial services provider for ship interior fittings, to a subsidiary of the China State Shipbuilding Corporation was closed after the conditions precedent were fulfilled, in particular the required regulatory approvals were granted. Even though Rheinhold & Mahla GmbH had substantially increased its revenue in recent years, the original earnings expectations were not met. The exit proceeds only cover a part of the original acquisition costs.

On April 1, 2021 the Company announced the successful conclusion of its investment in DNS:Net Internet Service GmbH, Schönefeld, Germany which comprised the sale of the non-controlling interests held by DBAG ECF as well as the stake held by the Company. The transaction, which is subject to regulatory approvals, is expected to close in the third quarter of the financial year 2020/2021. The proceeds from the transaction significantly exceed the fair value of the Company's non-controlling interest as reported on December 31, 2020. Accordingly, the disposal will increase net income from investment activity by approximately EUR 11 million in the current second quarter of the financial year 2020/2021. The value contribution is included in the Company's (Net) Income Forecast 2020/2021. For additional information on the Company's (Net) Income Forecast 2020/2021, please see section "*10. Profit Forecast*" above.

Other than described above, between December 31, 2020 and the date of this Prospectus, there have been no significant changes in the Group's financial performance.

22.2 Outlook

The COVID-19 pandemic caused an aprubt economic downturn. Global economic activity was abruptly slowed and in some cases even paralyzed. The COVID-19 pandemic is not yet over and some of the economic effects will only become apparent in the future. However, the Company believes that DBAG Group has come through this crisis well so far and expects that the effects of the COVID-19 pandemic are manageable for the DBAG Group going forward.

For the financial year 2020/2021, the Company anticipates the DBAG Group's NAV to range between EUR 450.0 million and EUR 505.0 million.

The Company expects DBAG Group's net income from investment activity to range between EUR 65.0 million and EUR 75.0 million, income from fund services to range between EUR 42.0 million and EUR 44.0 million, and net income in accordance with IFRS to range between EUR 70.0 million and EUR 80.0 million for the financial year 2020/2021. For additional information and especially the underlying assumptions, please see section "*10. Profit Forecast*" above.

Moreover, the Company expects DBAG Group's cash flow from investment activity to range between EUR -5.0 million and EUR 0.0 million and earnings from fund investment services to range between EUR 15.0 million and EUR 16.0 million for the financial year 2020/2021.

Furthermore, the Company anticipates that the volume of assets under management or advisory will range between EUR 2,320 million and EUR 2,440 million for the financial year 2020/2021.

For the financial year 2022/2023, the Company targets the NAV to range between EUR 590.0 million and EUR 660.0 million. Furthermore, the Company aims DBAG Group's net income from investment activity to range between EUR 95.0 million and EUR 105.0 million, and income from fund services to range between EUR 41.0 million and EUR 43.0 million in the same period.

Moreover, for the financial year 2022/2023, the Company targets DBAG Group's cash flow from investment activity to range between EUR 40.0 million and EUR 45.0 million, and earnings from fund investment services to range between EUR 10.0 million and EUR 11.0 million.

Furthermore, the Company targets a volume of assets under management or advisory in a range between EUR 2,010 million and EUR 2,115 million for the financial year 2022/2023.

The Company envisages to invest an average of around EUR 120.0 million in new corporate investments in the current financial year 2020/2021 and the two following financial years, which would represent an increase of approximately 40% compared to the previous three financial years ended September 30, 2018, 2019 and 2020.

23 GLOSSARY

Affiliates	Affiliated entities within the meaning of Sections 15 et seqq. German Stock Corporation Act (*Aktiengesetz*).
AIFM	The alternative investment fund manager of a DBAG Fund appointed by the GP, *e.g.* to perform risk management and portfolio management in respect of the DBAG Fund.
AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010.
AIFM Rules	The AIFM Directive together with the relevant European regulations and the relevant transpositions into national law.
AktG	German Stock Corporation Act (*Aktiengesetz*).
Allocation Committee	Refers to DBAG's Allocation Committee as more fully described in "*12. Business—12.4 Our Investment Processes*".
APMs	Abbreviation of alternative performance measures in accordance with the ESMA Guidelines.
Articles of Association	Articles of association (*Satzung*) of the Company.
Audited Consolidated Financial Statements	Refers to the Company's audited consolidated financial statements prepared in accordance with IFRS for the financial years ended September 30, 2018, 2019 and 2020.
Audited Consolidated Financial Statements 2017/2018	Refers to the Company's audited consolidated financial statements prepared in accordance with IFRS for the financial year ended September 30, 2018.
Audited Consolidated Financial Statements 2018/2019	Refers to the Company's audited consolidated financial statements prepared in accordance with IFRS for the financial year ended September 30, 2019.
Audited Consolidated Financial Statements 2019/2020	Refers to the Company's audited consolidated financial statements prepared in accordance with IFRS for the financial year ended September 30, 2020.
Audited Separate Financial Statements	Refers to the Company's audited separate financial statements prepared in accordance with the HGB for the financial year ended September 30, 2020.
Authorized Capital 2017	Current authorized capital of the Company as adopted by the Company's general shareholders' meeting (*Hauptversammlung*) on February 22, 2017.
BaFin	German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).
BDO	BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, Germany with its office in charge located at Hanauer Landstraße 115, 60314 Frankfurt am Main, Germany.
Board of Management	Refers to the Company's board of management (*Vorstand).*
CAGR	Abbreviation for compound annual growth rate.
CEO	Abbreviation of Chief Executive Officer.
CFIUS	Abbreviation of Committee on Foreign Investment in the United States.
CFO	Abbreviation of Chief Financial Officer.
Clearstream Banking AG	Clearstream Banking Aktiengesellschaft, Eschborn, Germany.

Code	Refers to the German Corporate Governance Code.
Code 2017	German Corporate Governance Code, as amended on 7 February 2017.
Code 2020	German Corporate Governance Code, as amended on 16 December 2019.
Co-Investment Agreement	Agreements entered into by DBAG Group investment entities with each of the DBAG Funds to co-invest alongside the DBAG Funds.
Co-Investment Entities	Group Investment Entities together with DBAG Fund VI, DBAG Fund VII, DBAG Fund VIII and DBAG ECF as well as together with the other eligible co-investors named in the Co-Investment Agreements.
Co-Investment Vehicles	DBAG's unconsolidated investment entity subsidiaries, through which DBAG makes its Co-Investments.
Co-Investments	DBAG's co-investments, employing its own financial resources, alongside the DBAG Funds.
Company	Deutsche Beteiligungs AG, Frankfurt am Main, Germany.
Conditional Capital 2017/I	Conditional capital of the Company as adopted by the Company's general shareholders meeting (*Hauptversammlung*) on February 22, 2017.
Congatec	Congatec Holding AG.
COVID-19 Pandemic or COVID-19	A disease caused by a novel coronavirus which was characterized as a pandemic by the World Health Organization.
D&O	Directors and officers.
D&O insurance	Directors and Officers Liability Insurance, a liability insurance payable to the directors and officers of a company as indemnification for certain damages or advancement of defence costs in the event any such insured suffers such a loss as a result of a legal action (whether criminal, civil or administrative) brought for alleged wrongful acts in their capacity as directors and officers or against the organization.
DACH or DACH region	Germany, Austria and Switzerland.
Data Protection Act	German Data Protection Act (*Bundesdatenschutzgesetz*).
DBAG	Deutsche Beteiligungs AG, Frankfurt am Main, Germany.
DBAG ECF	Abbreviation of DBAG Expansion Capital Fund.
DBAG Fund IV	DBAG Fund IV International GmbH & Co. KG, DBAG Fund IV GmbH & Co. KG, DBG Fifth Equity Team GmbH & Co. KGaA, together with any parallel and/or feeder vehicles as applicable and inclusive of DBAG's Co-Investment.
DBAG Fund V	DBAG Fund V International GmbH & Co. KG, DBAG Fund V GmbH & Co. KG, DBAG Fund V Co-Investor GmbH & Co. KG, together with any parallel and/or feeder vehicles as applicable and inclusive of DBAG's Co-Investment.
DBAG Fund VI	DBAG Fund VI (Guernsey) L.P. together with any parallel and/or feeder vehicles as applicable and inclusive of DBAG's Co-Investment.
DBAG Fund VII	DBAG Fund VII SCSp, Fund VII B SCSp together with any parallel and/or feeder vehicles as applicable and inclusive of DBAG's Co-Investment.
DBAG Fund VIII	DBAG Fund VIII A (Guernsey) L.P., DBAG Fund VIII B (Guernsey) L.P. together with any parallel and/or feeder vehicles as applicable and inclusive of DBAG's Co-Investment.
DBAG Funds	DBAG's closed-end private equity funds for investments in equity or equity-like instruments predominantly in unlisted companies.

DBAG Group or Group	Deutsche Beteiligungs AG, Frankfurt am Main, Germany together with its consolidated subsidiaries.
DBG.......................................	Deutsche Beteiligungsgesellschaft mbH.
DBG Management GP	DBG Management GP (Guernsey) Limited.
DBG Managing Partner	DBG Managing Partner GmbH & Co. KG.
DCF	Abbreviation of discounted cash flow.
Deal Captains	The three board members and the nine senior members of our Investment Team acting as deal captains.
Disruption protection mechanism	Mechanism to protect fund investors from external influence on key personnel and the effect of disruption events on their investment.
Dividend Paying Agent	The agent responsible for withholding tax on and for the account of the shareholders.
Domestic Paying Agent.........	The domestic credit or financial services institution, domestic securities trading company or a domestic securities trading bank, including domestic branches of foreign credit institutions or financial service institutions, which holds in custody or administers shares or subscription rights or if such an institution executes the disposal of the shares or subscription rights and pays out or credits the capital gains.
Draft Directive	The EU Commission adopted proposal for a Council Directive dated February 14, 2013 on a common financial transaction tax to be implemented in Austria, Belgium, France, Germany, Greece, Italy, Portugal, Spain, Slovakia, and Slovenia.
DZ Bank	DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Germany.
EBIT......................................	Defined as earnings before interest and taxes.
EBITA	Defined as earnings before interest, tax and amortization.
EBITDA	Defined as earnings before interest, tax, depreciation and amortization.
ECF I....................................	The second investment period of DBAG ECF.
ECF II	The third investment period of DBAG ECF.
EEA	European Economic Area (encompassing all of the members of the European Union and the European Free Trade Association).
ESG	Abbreviation of ecological, social and governance.
ESG Policy	DBAG's sustainability principles summarized in an Environmental – Social – Governance Policy.
ESMA....................................	European Securities and Markets Authority.
ESMA Guidelines.................	The guidelines on alternative performance measures of October 5, 2015 (the "ESMA Guidelines") issued by the ESMA on October 5, 2015.
EU..	Refers to the European Union.
EU Short Selling Regulation	Refers to the Regulation (EU) no. 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps.
Euro, EUR or €.....................	Refers to the single currency of the participating member states in the third stage of the European Economic Union pursuant to the Treaty Establishing the European Community.

Executive Circle....................	Refers to DBAG's executive circle, which institutionalizes and channels the interaction within DBAG's network as more fully described in "*12. Business—12.10 Executive Circle*".
Executives	Persons discharging managerial responsibilities pursuant to Article 19 of the Market Abuse Regulation.
Financial year 2018/2019/2020/2021	The financial year beginning in October and ending on September 30 on the following year 2018/2019/2020/2021, respectively.
Financing Agreements	2020 Revolving Credit Facility Agreement together with the 2015 Revolving Credit Facility Agreement.
FIT..	Common financial transaction tax.
Fund HoldCo	Refers to DBG Fund HoldCo GmbH & Co. KG.
Fund Investment Services Segment or Segment Fondsberatung......................	Refers to one of DBAG's two business segments, the fund investment services segment.
GCGC	German Corporate Governance Codex (Deutscher Corporate Governance Kodex (DCGK)).
GDP	Abbreviation of gross domestic product.
GDPR	Regulation (EU) No 679/2016 of the European Parliament and of the Council of 27 April, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
General Shareholders' Meeting	Refers to the general shareholders' meeting (*Hauptversammlung*) of the Company.
German GAAP	German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*).
Germany	The Federal Republic of Germany.
GmbH..................................	German limited liability company (*Gesellschaft mit beschränkter Haftung*).
Governing Bodies	DBAG's governing bodies are the Board of Management, the Supervisory Board and the general shareholders' meeting (*Hauptversammlung*) of the Company.
GP..	Abbreviation of general partner.
Group Investment Entities	DBAG Group's investment entities, being DBAG Fund V Konzern GmbH & Co. KG, DBAG Fund VI Konzern (Guernsey) LP, DBAG Fund VII Konzern SCSp, DBAG Fund VII Konzern B SCSp; DBAG Fund VIII A Konzern (Guernsey) LP, DBAG Fund VIII B Konzern (Guernsey) LP and DBAG Expansion Capital Fund Konzern GmbH & Co. KG.
Hauck & Aufhäuser	Hauck & Aufhäuser Privatbankiers AG, Kaiserstraße 24, 60311 Frankfurt am Main, Germany, LEI 529900OOZP78CYPYF471.
Helaba	Landesbank Hessen-Thüringen Girozentrale, Frankfurt, Germany.
HGB.....................................	German Commercial Code (*Handelsgesetzbuch*).
HRB......................................	Abbreviation of *Handelsregisternummer*, an individual number given to each company registered in the commercial register at the respective local court.
IDW	German Institute of Accountants (*Institut der Wirtschaftsprüfer*).

IFRS	Refers to the International Financial Reporting Standards as adopted by the European Union, including International Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB).
Investment Advisor	Refers to DBG Advising GmbH & Co. KG as investment advisor to the DBAG Funds and the Company.
Investment Allocation policy	Refers to DBAG's Investment Allocation Policy as more fully described in "*12. Business—12.4 Our Investment Processes*".
Investment Period	Refers to the performance of Long-term Investments from two successive financial years.
Investment Team	Investment team of DBAG comprising 27 investment professionals, thereof 9 Deal Captains as of the date of this Prospectus.
IPEV	Abbreviation of International Private Equity and Venture Capital Valuation.
IPO	Initial public offering.
IRR	Abbreviation of "Internal Rate of Return". A financial mathematic method of determining the return on an investment.
ISIN	International Securities Identification Number.
Issuer	Deutsche Beteiligungs AG, Frankfurt am Main, Germany.
IT	Abbreviation of information technology, which refers to the application of computers and telecommunications equipment in order to store, retrieve, transmit and manipulate data, often in the context of a business.
Jefferies	Jefferies GmbH, Frankfurt am Main, Germany.
KAGB	German Capital Investment Act (*Kapitalanlagegesetzbuch).*
KG	German Limited Partnership (*Kommanditgesellschaft*).
KPMG	KPMG AG Wirtschaftsprüfungsgesellschaft, Klingelhöferstraße 18, 10785 Berlin, Germany, Niederlassung Frankfurt am Main, The Squaire, Am Flughafen, 60549 Frankfurt am Main, Germany.
KStG	German Corporate Income Tax Act *(Körperschaftsteuergesetz*).
KWG	German Banking Act (*Kreditwesengesetz).*
LEI	Legal Entity Identifier Number.
Listing	Refers to the admission of the New Shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) and the regulated market of the Dusseldorf Stock Exchange (*Börse Düsseldorf*)
Listing Agent	Refers to UniCredit who will act as the listing agent.
Long-term Investment Bonus	Refers to the bonus, that members of the Board of Management are entitled to receive for the performance of Long-term Investments.
Long-term Investments	In DBAG's Private Equity Investments Segment DBAG enters into investments independently of the DBAG Funds using solely DBAG's own financial resources.
M&A	Mergers and acquisitions.
M.M. Warburg	M.M.Warburg & CO KgaA, Ferdinandstraße 75, 20095 Hamburg, Germany, LEI MZI1VDH2BQLFZGLQDO60.

Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation).
MBO	Management buy-out.
MBO Track Record	Refers to the record of investments in MBOs when DBAG has acted as manager or adviser to investment funds since 1997.
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May, 2014 on markets in financial instruments, as amended.
MiFID II Product Governance Requirements	MiFID II together with Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 of 7 April, 2016 supplementing MiFID II and local implementing measures.
Minimum Holding Period	A continuous period of at least 45 days during the period starting 45 days prior to the date when dividend becomes due and ending 45 days after such date.
MM	Money Multiple.
NAV	Abbreviation of net asset value.
(Net) Income Forecast 2020/2021	DBAG's currently expected net income from investment activity, income from fund services and net income for the financial year 2020/2021 in accordance with IFRS together with the respective explanatory notes.
New Shares	3,760,998 new shares of DBAG which are new, ordinary registered shares with no par value (*auf den Namen lautende Stückaktien*), each with a notional par value of (rounded) EUR 3.55 in the Company's share capital and with full dividend rights as from October 1, 2020.
Norges Bank	Norges Bank, Oslo, Norway.
OECD	Organization for the Economic Co-operation and Development.
Offering	The Rump Placement together with the Subscription Offer.
On-Balance Sheet Investment Vehicles	Unconsolidated investment entity subsidiaries through which DBAG enters into Long-term Investments since the financial year 2019/2020, currently comprising of DBAG Bilanzinvest I (Smart Metering) GmbH & Co. KG, which was established for the purpose of the Company's Long-term Investment in Hausheld AG.
Parent-Subsidiary Directive .	Council Directive 2011/96/EU of November 30, 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different member states, as amended.
Participating Member States	Austria, Belgium, France, Germany, Greece, Italy, Portugal, Spain, Slovakia, and Slovenia.
PE	Abbreviation of private equity.
Portfolio Companie	The portfolio of companies in which DBAG and the DBAG Funds co-invest or in which DBAG invests independently.
Portfolio Participation	A shareholder's participation of less than 10.0% in the Company's registered share capital at the beginning of the calendar year (*Streubesitzbeteiligung*).
Private Equity Investments Segment or Segment Private Equity Investments	Refers to one of DBAG's two business segments, the private equity investments segment.
Prospectus	This prospectus.

Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
QIBs.......................................	Abbreviation of qualified institutional buyers.
QPs	Abbreviation of qualified purchasers.
Qualified Holding.................	A period of five years, where at least 1.0% of the share capital of the Company is directly or indirectly held.
R&D	Research and development.
Revolving Credit Facilities or Facilities	2020 Revolving Credit Facility together with the 2015 Revolving Credit Facility.
Rossmann Beteiligungs GmbH....................................	Rossmann Beteiligungs GmbH, Burgwedel, Germany.
Rump Placement	Rump Shares offered by the Underwriters in a rump placement by way of private placements (i) in certain jurisdictions outside the United States to selected qualified investors other than U.S. persons as defined in, and in reliance on, Regulation S under the Securities Act and (ii) to QIBs that are also QPs.
Rump Shares	Any New Shares that are not subscribed for in the Subscription Offer.
Santander..............................	Santander Bank – Zweigniederlassung der (branch of the) Santander Consumer Bank.
Securities Act........................	U.S. Securities Act of 1933 (as amended).
Shares....................................	New Shares together with the existing shares of the Company.
SMEs	Abbreviation of small and medium-sized enterprises (*Mittelstand*).
Subscription Agent...............	UniCredit Bank AG.
Subscription Offer................	The offer of New Shares in a public offering in the Federal Republic of Germany to DBAG's existing shareholders in connection with an indirect subscription right at the subscription ratio and at the Subscription Price.
Subscription Period..............	Subscription rights must be exercised during the period from and including April 14, 2021, up to and including April 27, 2021.
Subscription Price	The subscription price of EUR 28.00 per New Share to be paid by the shareholders who want to take part in the Subscription Offer.
Subscription Ratio................	The ratio at which the holder of a share in the DBAG subscribe for New Share(s).
Subscription Rights..............	The rights the existing shareholders of the Company will be granted as indirect subscription rights (*mittelbare Bezugsrechte*) pursuant to Section 186 para. 5 of the German Stock Corporation Act (*Aktiengesetz*).
Summary...............................	Refers to the summary of this Prospectus.
Supervisory Board	Refers to the Company's supervisory board (*Aufsichtsrat).*
Taiko SA	Taiko SA, Luxembourg.
Target Market Assessment............................	Shares that are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II.
Tax indemnity.......................	In the context of the sale of participations, indemnity for taxes to be paid retrospectively for the period of their participation in favor of the buyer(s).

UBG......................................	Abbreviation of *Unternehmensbeteiligungsgesellschaft*, a special kind of investment company.
UBGG....................................	Investment Companies' Act (*Gesetz über Unternehmensbeteiligungsgesellschaften*).
UK	United Kingdom.
Unaudited Condensed Consolidated Interim Financial Statements............	Refers to the unaudited condensed consolidated interim financial statements of DBAG Group as of December 31, 2020 (including comparative figures as of December 31, 2019).
Underwriters / Joint Global Coordinators.........................	Jefferies together with UniCredit.
Underwriting Agreement......	The underwriting agreement entered into between DBAG and the Underwriters on April 12, 2021.
UniCredit	UniCredit Bank AG, Munich, Germany.
United States.........................	United States of America.
US GAAP	Generally accepted accounting principles required for public companies in the United States.
Variable Remuneration	Performance-related remuneration in addition to the fixed remuneration.
VAT	Abbreviation of value added tax.
Vintages.................................	Refers to the three investment periods of DBAG ECF.
WKN	German Securities Code (*Wertpapierkennnummer*).
WpHG	German Securities Trading Act (*Wertpapierhandelsgesetz*).
WpÜG	German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*)
2015 Revolving Credit Facility Agreement...............	The Company as borrower, DZ Bank and Santander as mandated lead arrangers and original lenders and DZ Bank as agent entered on December 18, 2015 into a EUR 50,000,000 syndicated revolving credit facility agreement (as amended on May 7, 2018, August 12, 2020 and subsequently amended and increased to EUR 66,660,000 on February 26, 2021).
2015 Revolving Credit Facility..................................	Pursuant to the 2015 Revolving Credit Facility Agreement, the lenders thereunder make available to the Company loans of up to an aggregate principal amount of EUR 66,660,000.
2020 Revolving Credit Facility Agreement...............	The Company as borrower and Helaba as mandated lead arrangers and original lenders, original lender and agent entered into a EUR 40,000,000 syndicated revolving credit facility on August 12, 2020.
2020 Revolving Credit Facility..................................	Pursuant to the 2020 Revolving Credit Facility Agreement, the lenders thereunder make available to the Company loans of up to an aggregate principal amount of EUR 40,000,000.