

Deutsche Beteiligungs AG: publication of an accounting error in accordance with section 109 paragraph 2 sentence 1 WpHG (German Securities Trading Act)

- convenience translation -

Frankfurt am Main, 27 July 2018 – The Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, Federal Financial Supervisory Authority) has determined that the consolidated financial statements of Deutsche Beteiligungs AG as at the reporting date of 30 September 2015 are incorrect:

In the consolidated statement of comprehensive income, the net result of investment activity was understated by 14.6 million euros: in the valuation of a subsidiary at fair value, the company took into account the profit participation in the form of a disproportionate share of profits (so-called carried interest) of a co-shareholder incorrectly for the first time in financial year 2014/15. The company should have already taken this profit sharing into account in previous years.

As a result, the company has recognised profits of EUR 14.6 million for previous years, which it was not entitled to.

This violates IFRS 10.31 in conjunction with IFRS 13.61, according to which the interest in a subsidiary must be measured at fair value through profit or loss. In its measurement, not only the future sales proceeds for the subsidiary must be taken into account in its entirety, but also negative factors influencing value, such as the profit participation of a co-shareholder, must be taken into account if they are likely to occur.