Deutsche Beteiligungs AG

Annual Report
2022/2023

Long-term success Financial year 2022/2023

Net asset value

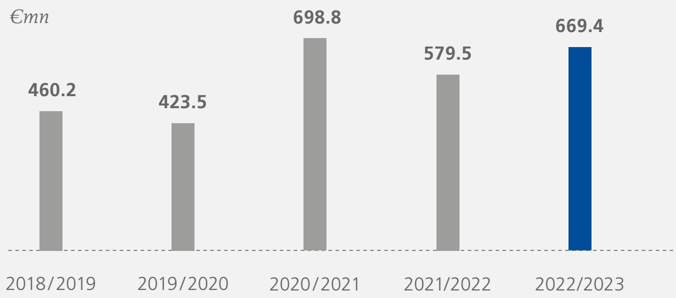
669.4

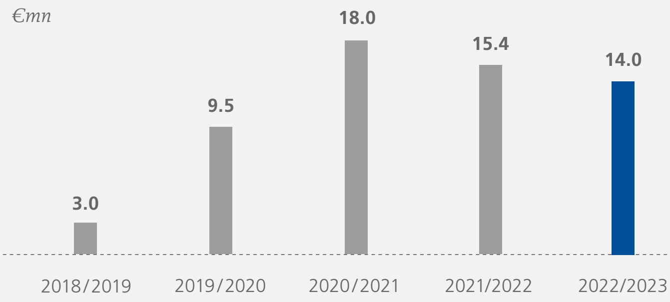
million euros

Earnings from Fund Investment Services

14.0

million euros





Net asset value[1]

The net asset value of the Group increased by 89.9 million euros to 669.4 million euros. Factoring in the dividends distributed (15.0 million euros), this is an 18.1 per cent increase on the figure for the previous year. Transaction-based effects and the positive change in multiples for listed reference companies were the main factors driving this development.

Earnings from Fund Investment Services

Earnings from Fund Investment Services totalled 14.0 million euros, compared to 15.4 million euros in the previous year. As expected, there was a slight growth in income while costs increased in line with the expansion of the team.

[1] Assets less all liabilities including provisions

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Jannick Hunecke
Member of the Board of Management

Born in 1974.
Member of the Board of Management since March 2021; appointed until end of February 2026.

Investment Business
Portfolio Valuation
Human Resources
ESG

Tom Alzin
Spokesman of the Board of Management

Born in 1980.
Spokesman of the Board of Management since March 2023; Member of the Board of Management since March 2021; appointed until end of February 2026.

Strategy and Business Development
Market Development Italy
Investment Business
Long-Term Investments
Investor Relations

Melanie Wiese
Chief Financial Officer

Born in 1974.
Member of the Board of Management since January 2023; appointed until end of December 2025.

Finance and Accounting
Law/Compliance/Risk Management
Organisation/IT

Dear shareholders,

Social, geopolitical and economic tensions have been on the rise across the globe for some years now. Now, it would appear, we have to brace for a lasting crisis on multiple fronts that calls our hitherto orderly world and economic order into question. This development is resulting in fundamental changes to the demands placed on the corporate sector.

More than ever, companies have to be able to pick up on changes quickly and be willing to adapt to them. DBAG has been proving its adaptability for almost 60 years now – that's how far back our roots go. There are only a handful of companies in our industry with such a solid foundation and this is precisely what sets us apart.

This decades-long successful track record would not have been possible if we had not also been willing and able to make fundamental changes. We would like to thank all of our employees, who – through their strong commitment – have contributed so much to the Company's further development. The overarching objective that guides us unwaveringly is to closely align the interests of all parties involved: the interests of a company and its shareholders, the interests of the members of our Investment Advisory Team and our portfolio companies and, of course, the interests of DBAG, our shareholders and our fund investors. We have put structures in place where possible and firmly established them in order to achieve this sort of alignment, but most importantly, it is also the focal point of our thoughts and actions.

We are convinced that this is the only way to achieve sustainable value enhancement. Nowadays, "sustainable" no longer means simply "long-term" and "durable". It also translates as "future-proof" from an ESG perspective – i.e. in terms of ecological, social and responsible corporate governance. ESG aspects have become much more important in recent years. And with climate change moving up a gear – another driver of fundamental change – we expect this trend to continue.

New companies are becoming established market players while existing ones are refining their business models to offer innovative solutions that will facilitate the climate transition. We want to contribute to climate protection and preserving an environment worth living in for the generations to come. This is why we are investing in this area, providing these companies with equity capital to help them exploit their market potential faster than they could on their own steam. Most importantly, however, we are also leveraging our experience to help them upgrade their processes to put them in the best possible position to adapt to the changing requirements of our times.

Over the past financial year, we have invested in no fewer than three companies that aim to contribute to reducing greenhouse gas emissions. Together with a fund advised by DBAG, we invested in the biogas platform Avrio Energie.

We also invested in TBD Technische Bau Dienstleistungen, again alongside a fund advised by DBAG. TBD was involved in the connection of the new LNG terminal in Wilhelmshaven. Headquartered in East Frisia in Northern Germany, TBD operates in a region that, as an energy hub, plays a major role in the energy supply of the future.

We also successfully concluded our first Long-Term Investment, which we structured entirely using funds from our own balance sheet. This saw us sell our portfolio company R+S to NOKERA and reinvest part of the proceeds in the buyer. This will allow us to continue participating in the attractive growth prospects offered by the market for cost-efficient and sustainable residential properties in which NOKERA operates, while investing in sustainable construction in tandem.

We are also continuing to focus on digital transformation. The solutions developed by this industry will determine the future of our society in many ways. The climate transition can only be a success if networking and smart control become the standard – from individual household appliances to entire production plants and even energy and transport systems. What is more, it is only with more digital economic processes and public administration that we will be able to achieve the productivity increases needed to secure our future prosperity in the face of demographic change.

The investment in AOE, together with a fund advised by us, already marks our seventh investment in the IT services & software growth sector. AOE Group is a leading service provider for agile software development that is benefiting from the strong tailwinds provided by transformative topics such as cloud, digitalisation and data management. ProMik is also reaping the benefits of increasing digital transformation. The company is a leading systems provider of programming and testing solutions for series production in the electronics industry. We agreed to invest in ProMik, once again alongside a fund advised by us, in September 2023.

Another particular highlight of the financial year 2022/2023 was the successful sale of Pmflex, the first investment we used to tap into the highly attractive Italian market back in 2020. Last but not least, we supported twelve add-on acquisitions by our portfolio companies, including transformative add-ons such as that of the Metalstudio Group by our portfolio company MTWH. This acquisition will strengthen the company’s strategic positioning as a centre of excellence for accessories in the luxury market and will double its revenues – another transaction that pays testimony to our expertise in the Italian market.

These deals are examples of the many successful developments in our portfolio in the financial year 2022/2023. Together with higher market multiples, they contributed to a successful reporting year. Taking into account the dividend we distributed, our net asset value increased by 18 per cent to 670 million euros, outstripping the original forecast for this key performance indicator and reaching the level predicted in our most recent forecast. At 14 million euros, earnings from Fund Investment Services were, as expected, slightly lower than the 15 million euros achieved in the previous year.

The successful financial year 2022/2023 highlights the attractive prospects that the private equity market has to offer, even in challenging times. Our tradition of excellent access to family businesses allows us to leverage a strong network of experienced names in the business in what are frequently bilateral negotiations. This opens up very special opportunities for us to invest in attractive companies, allowing our shareholders and our fund investors to benefit from value appreciation.

We want you, dear shareholders, to continue participating in DBAG's financial performance. Our distribution policy, which we have updated in November 2023, aims to have shareholders participate in the financial gains of a given financial year in the form of stable dividends amounting to at least 1.00 euro per share entitled to dividends. In addition, DBAG plans to consider share repurchases on a more regular basis, as a flexible option enabling shareholders to achieve additional participation in the Company's positive development. The purpose is to reflect the long-term orientation of DBAG's business model in its dividend policy. If you accept our dividend proposal, you will be receiving a current yield of 3.5 per cent on your investment in Deutsche Beteiligungs AG, measured against the average share price in 2022/2023, alongside the appreciation gained through the share price development.

Looking ahead to the future, we are aiming to further expand our strong market position and add private debt to the range of solutions we offer. This will see us establish ourselves as a full-service provider for the financing needs of mid-market companies across their entire capital structure. With this goal in mind, we acquired a majority stake in ELF Capital Group in September 2023. ELF Capital advises funds that provide flexible private debt financing for established, market-leading mid-market companies with a geographical focus on the Germany, Austria and Switzerland region, the Benelux countries and Scandinavia.

The private debt asset class is becoming increasingly attractive, a trend that is receiving a further boost from the current interest rate environment. The option of co-investing in ELF Capital funds will allow us to achieve rapid growth and capitalise on opportunities in the credit markets, which will in turn enhance our ability to generate capital. Our fund investors will benefit from the wider range of investment opportunities and a stronger market position overall. We also expect revenues to grow in the medium term and become less volatile. All in all, this move opens up a vast range of new opportunities for us and consolidates our position as a forward-looking, financially strong company. We are convinced that this will allow us to create further potential for value appreciation for our shareholders.

We are delighted that our shareholders approved the amendment to our corporate object and related amendments to the Articles of Association required for this transaction at the Extraordinary General Meeting held on 2 November 2023.

In the financial year 2023/2024, which has only just begun, we are aiming to continue with our successful development and anticipate a further increase in our net asset value. Earnings from Fund Investment Services are likely to drop vis-à-vis the previous financial year 2022/2023, in line with the life cycle of the funds and in view of cost developments. This would make the financial year 2023/2024 another successful year overall from the medium to long-term perspective that is decisive for our business.

Frankfurt/Main, 30 November 2023

The Board of Management

Tom Alzin Jannick Hunecke Melanie Wiese

Sector diversification and strategic decisions

Our market offers no end of attractive prospects. And we are quick to seize new opportunities as they arise – such as those created by structural changes in the economy as society moves towards sustainability. Above all, we are actively shaping the market by redefining the role we play. In the future, we will be adding private debt to our already broad range of equity solutions. But we will always retain our clear focus on SMEs and our in-depth understanding of founder-managed family businesses.

New potential for development

Investments in

5

new portfolio companies closed or agreed.

12

add-on acquisitions closed or agreed by our portfolio companies.

ELF CAPITAL GROUP

Full-service provider meeting the financing needs of mid-sized companies across their entire capital structure

Strategic partnership with ELF Capital Group. DBAG now also offering private debt in addition to equity solutions.

Commitment to sustainable transformation

Investments in transforming the energy sector. DBAG's ESG reporting further expanded.

Generational change now complete

Three new members of the Board of Management have taken the reins. At DBAG, a lot and not very much has changed at the same time.

Net asset value

669

million euros

+18 per cent[1] – due above all to successful disposals and higher market multiples.

Fund Investment Services segment Earnings before taxes of

14

million euros

Slightly lower year-on-year, as planned.

[1] Adjusted for the dividend payment of 15 million euros

Brisk investment activity in the DBAG portfolio

Our portfolio continues to go from strength to strength, with many acquisitions and disposals being effected throughout the year. Our reinvestments allow us to participate more and more in areas with untapped potential. And our new investments are extremely promising and help broaden our sector focus.

December 2022

Partial disposal

GMM Pfaudler

Corrosion-resistant technologies, systems, and services for various industries, especially the chemical and pharmaceutical sectors

Investment held
since 2014

GMM Pfaudler benefits from significant investments by pharmaceutical players in state-of-the-art production facilities in Europe, the US, China and especially in India.

January 2023

Disposal

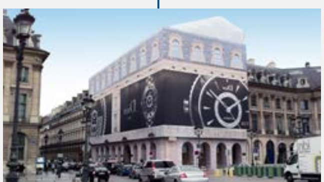
Pmflex

Production and commercialisation of protection conduits for electrical cables

Investment held
from 2020 to 2023

Disposal of DBAG's first investment in Italy

February 2023



Disposal

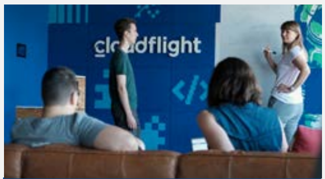
Heytex

Manufacturer of technical textiles

Investment held
from 2012 to 2023

Successful conclusion of DBAG Fund V

March 2023



Partial disposal

Cloudflight

Tailor-made services for cloud-first solutions and smart applications

Investment held
since 2019

DBAG has retained a minority shareholding

Unless stated otherwise, dates shown in this chapter denote the closing date of the relevant transaction.

BTV Multimedia

Equipment and services for broadband communications

Investment held
from 2018 to 2023

First disposal from the DBAG ECF III portfolio

Disposal

May 2023

July 2023

Investment

Avrio Energie

Best-in-class operator of renewable energy plants

Revenues 2022
8 million euros

Avrio Energie's portfolio includes a cutting-edge biogas plant that generates electricity and biomethane (renewable natural gas) from both agricultural produce and animal manure.

(agreed)

Disposal

R+S

A leading provider of technical building services, and a full-service provider for electrical system construction, energy and control technology as well as heating/air conditioning and ventilation technology

Investment held
since 2021

DBAG has acquired a minority stake in NOKERA, the buyer of R+S.

(agreed)

Investment

NOKERA

Producer of sustainable buildings in serial construction

Revenues 2022
78 million euros

NOKERA's highly automated series production offers significant cost and time advantages over conventional residential construction in an environment driven by the ESG trend towards sustainable construction.

August 2023

AOE

Agile software solutions for transformative topics such as cloud or digital innovation

Revenues 2022
18 million euros

AOE intends to seize the opportunities presented by the digital transformation to achieve rapid growth through a buy-and-build strategy.

Investment

TBD
Technische
Bau Dienstleistungen

A leading provider of construction services for infrastructure solutions

Total output 2022
36 million euros

TBD offers a range of services that are central to the energy transition. The company has a strategic geographical advantage due to its location, an area on the north-eastern coast of Germany seen as being instrumental for the transition of Germany's energy sector.

Investment

September 2023
(agreed)

Investment

ProMik

Leading systems provider of programming and testing solutions for series production in the electronics industry

Total output 2022
11 million euros

ProMik's range of services is geared towards sectors with a strong demand for electronic components: mobility, consumer goods, industrial, etc.

Unless stated otherwise, dates shown in this chapter denote the closing date of the relevant transaction.

The DBAG Board of Management talks about growth prospects, value enhancement and strategies to ensure sustainable economic success in times of transformation.

“Continuity through change”

Mr Alzin, when DBAG gets involved, succession is often on the cards. The companies might be handing over to the next generation. This was a task you also had to address within your own company. What has changed?

Tom Alzin: A lot and not very much at the same time. You could say that we stand for continuity through change. And that's always been the case. After all, we have been around – or at least the core of our organisation has – for almost 60 years now. And that's something of an exception in our business, to put it cautiously. What is more, this feat would have been impossible to achieve if we had not developed strategies to constantly adapt to changing market conditions.

Ms Wiese, you have only been on board since the beginning of the year and you've brought your outside perspective along with you. How adaptable do you think DBAG is?

Melanie Wiese: Change is indeed the order of the day here, but it's always something running quietly in the background, a matter of routine, one might say. This applies to our external orientation, for example when it comes to the composition of our portfolio. If you compare what our portfolio looked like in 2020 and what it looks like today, you can see significant increases in the IT sector and digital technology in general. Back then, IT services & software accounted for five per cent of our portfolio value. Today, that figure stands at 20 per cent. So things are always on the move here. But this is almost all the more true for our internal set-up. When I joined, I noticed right away that teamwork is a top priority at DBAG. The analysis and valuation of the portfolio companies take a wide range of perspectives and experience, as well as future trends, into account.

Jannick Hunecke: We have moved towards a culture where everyone is on first name terms. We've also got rid of outdated silo structures. And because word gets around, this open and cooperative DBAG culture also helps us to attract new employees.

Tom Alzin: Another reason why this is so hugely important is because our work also involves a much greater division of labour than it did in the past. I can recall times when everyone negotiated their own contracts, armed with mountains of files.

Melanie Wiese: From this angle, our procedures fit seamlessly together and our processes are well structured.

Tom Alzin: You could also describe it as an ecosystem of specialised consultants, making for a much swifter transaction execution process. We are constantly getting faster and more confident at assessing and making decisions on attractive investment opportunities. In the first half of 2023 alone, the number of investment opportunities that we reviewed increased by nine per cent year-on-year. We are able to handle several transactions at once and also support various portfolio companies with very large add-on acquisitions in parallel – i.e. when the companies we have invested in want to use acquisitions for their own further growth.

For DBAG, change has always been the order of the day

Jannick Hunecke: But this would be impossible if we were not so systematic in investing in our in-house continuing professional development (CPD), and in functional and robust standards and processes. Everyone in our team has a clear remit and receives regular evaluations and feedback.

Mr Alzin, Mr Hunecke, you have been with DBAG for 20 years. Don't you need more fresh ideas from outside to ensure you keep up in times of transformation?

Our business model was already sustainable before the word had even been coined

Tom Alzin: Yes, we actually started here as interns. And to be honest, that is still a very good recipe today for ensuring that our team remains successful in the long run. We love being approached by young people, with applications that show that the applicant not only meets the professional requirements, but is also enthusiastic about our business and wants to get on board. We often offer these applicants internships to familiarise them with our DBAG culture bit by bit.

Melanie Wiese: I'm not supposed to take that personally, am I? (laughing)

Tom Alzin (laughs): No, of course not. After all, every good rule has an even better exception!

Jannick Hunecke: The fact of the matter is that we have a very particular focus compared with our peers in the industry with our emphasis on owner-managed mid-market family businesses. This allows us to set ourselves apart from our competitors with our long tradition, our transparency – not least thanks to our stock exchange listing – and our track record.

Tom Alzin: A lot of the private equity firms that were big players in our industry 20 years ago no longer exist. We, on the other hand, pursued a long-term business model from the outset, one that was sustainable before the word had even been coined.

Jannick Hunecke: Our goal has always been to reconcile the interests of shareholders and the company. This is what makes us stand out and what shapes everything we do when we invest in a company. The aim is always to enhance the company's value in the long term. I can remember several examples where, before our exit, we supported add-on acquisitions by our portfolio companies that were having a negative impact on earnings, but we knew that they would pay off in the long run. These are cases in which the management is still benefiting from the investment decision years down the line.

Melanie Wiese: And that is precisely what gives DBAG its reputation. When I decided to move here and was talking to friends and people I know in the industry about my decision, the company's good reputation and track record kept coming up. It's an entrepreneurial strategy that involves thinking ahead and focusing on long-term value enhancement. With this strategy behind it, DBAG has been achieving above-average success for its portfolio companies for years now. And it has been doing the same for its shareholders and the investors in the funds we advise. The bottom line is that since 1997, there have been 41 investments and 16 growth financing arrangements that we have realised in full or for the most part. The disposals we have realised in full have allowed us to more than double the capital invested on average. That's quite an achievement.

Tom Alzin: Yes, you just need to look at the fact that, in terms of the number of transactions in Germany and based on the period from 2013 to 2022, we are the market leader in the segment for transaction volumes of 50 to 250 million euros. When we analyse the potential for value appreciation, it is important to be familiar with the market dynamics and competitive standing of the specific company concerned as opposed to simply applying an "off-the-shelf" concept. That is also what makes our work so interesting. The process involves a large number of financial performance indicators that we use to monitor a portfolio company's development and support the management team in implementing their strategy. But there are other aspects, too: how is the company positioned in terms of research and development? Are its processes clearly defined? Is the corporate culture stable? And what about sustainability? Considerable strides have been made in this area over the last few years.

Jannick Hunecke: Yes, but that doesn't mean that we see the issue as a trend or fad. We don't consider it a pesky legal obligation either. Rather, economic and social sustainability have been part of our DNA for the reasons mentioned earlier. We think in terms of generations. One comparatively new area is the environmental aspect of sustainability with a clear focus on reducing carbon emissions. But this is yet another area in which we have built up experience and expertise to help our portfolio companies implement the management systems that are the best fit for them.

Melanie Wiese: And we are increasingly reflecting this topic in our portfolio. The new investments we made in July this year include, for example, the investment in the biogas platform Avrio Energie or the investment in TBD Technische Bau Dienstleistungen, which specialises in renewable energies.

Tom Alzin: That's right. And we are in no doubt that many more opportunities will arise in this field in the future. Renewable energies and the related technologies offer enormous growth potential for German mid-market companies. I expect the number of investments in this area to increase even further.

Speaking of growth, what do you have planned for the years that lie ahead?

Melanie Wiese: First of all, we are delighted to see how well things are going at the moment. I keep hearing that things are currently relatively quiet in our market. But our figures tell a different story entirely. We currently advise or manage assets worth around 2.5 billion euros. This is the highest level witnessed in DBAG's history. We have also revised our forecasts upwards several times in the current year, and even the most recent forecast values were fully achieved. DBAG's net asset value rose by 18.1 per cent to 669.4 million euros in the past financial year; Earnings from Fund Investment Services reached 14 million euros for the same period.

At the same time, we can report an excellent equity ratio of around 95 per cent, as well as available liquidity of around 20 million euros and undrawn credit lines in excess of 100 million euros. This means that we have considerable leeway to take action and our effective team will help ensure that we make the most of this potential.

To assess and understand each and every one of our portfolio companies is highly important to us

Around 2.5 billion euros in assets under management or advisory – this is close to our all-time high

Tom Alzin: It's all thanks to our team and our unique network. We have access to a large number of bilateral negotiation opportunities with founders and family entrepreneurs alike. So we currently have some very attractive individual situations on the horizon. And fortunately, this does not only apply to the Germany, Austria and Switzerland region. Our Italian business is showing excellent development. The ownership structure and corporate culture in Italy is fairly similar to the situation in Germany: founder-led family businesses, with hidden champions often spearheading technological development.

Could you give us an example?

Tom Alzin: Yes, our investment in MTWH – our third in Italy and one that we entered into in summer 2022 – is showing excellent development. The group, consisting of three companies that complement each other in terms of product range and client relationships, produces high-quality fashion accessories.

Typical products include belt buckles, clasps and fittings for handbags, shoes and clothing, alongside jewellery or logos for iconic – and predominantly global – brands. This is a real recipe for success, which the management is now expanding even further as part of a major transformational acquisition: the company has taken over the Metalstudio Group, doubling its revenues and headcount in the process. The transaction will also give MTWH broader access to clients and make it a true centre of excellence for the luxury industry. This is a very typical example of what we mean by sustainable value enhancement.

Melanie Wiese: And of what we are now extending to companies that are seeking neither a management buyout nor the sort of long-term investment that we also offer using funds from our own balance sheet. Rather, companies that are looking for an alternative to conventional credit solutions so that they can achieve swift further growth. We now also offer these companies access to private debt funds – something that has been made possible thanks to our new partnership with ELF Capital.

Jannick Hunecke: Exactly. This sees us expand our range of flexible financing solutions to include private debt capital for German and European mid-market companies – a perfect fit.

If it's such a good fit, why is the move only being made now?

Jannick Hunecke: That has to do with the overall conditions. On the one hand, a certain interest rate level is, of course, necessary to be able to achieve a risk-commensurate return in the lending business. On the other hand, however – and this is the structural background – conventional lenders, i.e. primarily banks, are faced with mounting regulatory restrictions, meaning that they often can no longer really respond to companies' individual needs. Companies might end up being turned away because the risk assessment is unfavourable for their industry – even if their specific business is likely to be unaffected by these risks. Companies like these rely on private loans. And they are happy if they can get them based on flexible conditions from a partner who understands their business.

Tom Alzin: Absolutely. In Germany alone, there are around 80,000 mid-market companies in the size segment that is relevant to DBAG – from mechanical engineering companies with long traditions behind them to fledgling start-ups or platform companies. Experts predict that between 2022 and 2026, around 11,000 family businesses will be ready to be handed over. If we want to remain successful, we at DBAG have to identify around a dozen companies from this group that we believe offer particular potential for development every year. And we are in a position to do exactly that. After all, we have a unique network with very close relationships to help us do so. Apart from anything else, this network is characterised first and foremost by mutual respect and, on our part, an in-depth understanding of the needs of and opportunities open to mid-market companies, but also the challenges they face. This is something that we, but most importantly our portfolio companies and our shareholders, can build on going forward, too!

Ms Wiese, Mr Alzin, Mr Hunecke – thank you very much for the interview.

Together with ELF Capital, we will also offer private debt in the future

The DBAG share

An exceptional business model – an exceptional share
DBAG shares allow investors to participate in a unique integrated business model: they are given access to continuous earnings contributions made by the advisory services provided to private equity funds and, at the same time, the opportunity to participate in the performance of a portfolio of top-performing unlisted mid-sized companies.

DBAG shares opened the 2022/2023 financial year at 21.55 euros on 3 October 2022. The lowest (closing) share price during the financial year was 21.95 euros on 3 October 2022, while the highest was 33.20 euros on 20 September 2023. DBAG shares closed the financial year at 31.50 euros on 30 September 2023. The average daily trading volume for the shares on the Xetra platform was 9,325 shares, down from 15,604 shares in the previous year, reflecting a general decline in trading volumes for second-line issues, combined with investor preference for larger, more liquid shares in the wake of high macroeconomic uncertainty.

Taking into account the distributed dividend of 0.80 euros per share, the share price experienced a performance of 50.0 per cent during the past financial year, clearly outperforming the Dax (27.0 per cent) and S-Dax (22.4 per cent) indices.

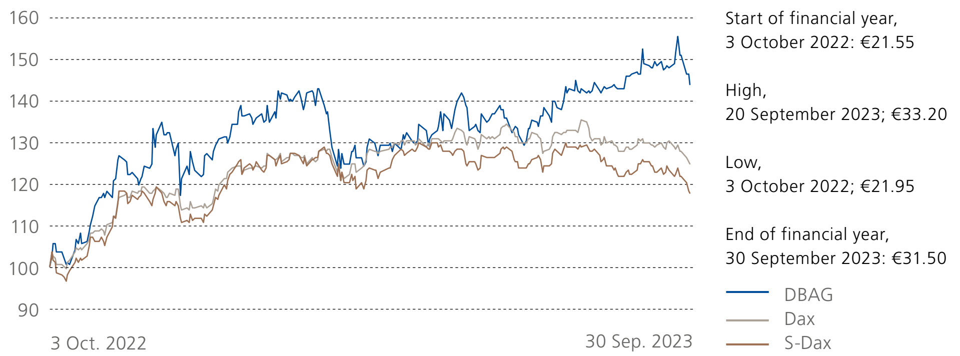
After a very pleasing start to the new financial year, the DBAG share made the leap into the S-Dax on 27 February 2023.

Our business model is a key factor driving our share price performance – capital markets volatility has a two-fold effect on our share price. Firstly, movements in the market as a whole inevitably have an effect on individual securities; secondly, changes in capital markets multiples lead to valuation adjustments in our investment portfolio and have a direct impact on the net asset value of our Private Equity Investments, which is highly correlated with the share price over the long term.

We therefore continue to stress that short-term considerations are only of limited value when assessing DBAG shares, because the value enhancement strategies of our portfolio companies are designed for a horizon of several years. We believe that the longer-term performance of our shares is of greater importance. On a five-year comparison, DBAG shares underperformed the Dax but outperformed the S-Dax. This was mainly due to negative capital markets developments in 2022, from which larger, more liquid shares have so far emerged stronger than second-line issues. This is also evident over a three-year observation period. On a ten-year comparison, DBAG shares outperformed both the Dax and the S-Dax.

Performance of DBAG versus key indices

3 October 2022 to 30 September 2023, 3 October 2022 = 100



Performance[1] over...

(p.a., in %)

		DBAG shares	Dax	S-Dax
1 year	Financial year 2022/2023	50.0	27.0	22.4
3 years	Financial years 2020/2021 to 2022/2023	5.7	6.4	1.0
5 years	Financial years 2018/2019 to 2022/2023	2.3	4.7	1.7
10 years	Financial years 2013/2014 to 2022/2023	9.9	6.0	7.3

[1] Allowing for the distribution of dividends

We attach particular importance to personal discussions with our capital markets partners

Broad analyst coverage

Renowned analysts and banks have been covering DBAG shares for many years. Our business performance is currently reviewed and reported on by six analysts providing recommendations and target prices for our shares. These analyst assessments are available under “Investor Relations” on the DBAG website.

Dividend of 1.00 euro per share to be proposed to Annual General Meeting

We intend to have our shareholders participate in financial gains in the form of stable dividends amounting to at least 1.00 euro per share. In addition, we plan to consider the option of share repurchases on a more regular basis, in order to providing our shareholders with an additional participation in the Company's positive development. The purpose is to reflect the long-term orientation of DBAG's business model in its dividend policy.

We also view an attractive dividend yield – relative to the average for S-Dax constituents – as a significant element of our shareholders’ participation in DBAG’s success. When deciding on the dividend amount, cash inflows from our two business segments, future funding requirements for (co-)investments and the ability to pay a sustainable dividend also have to be considered.

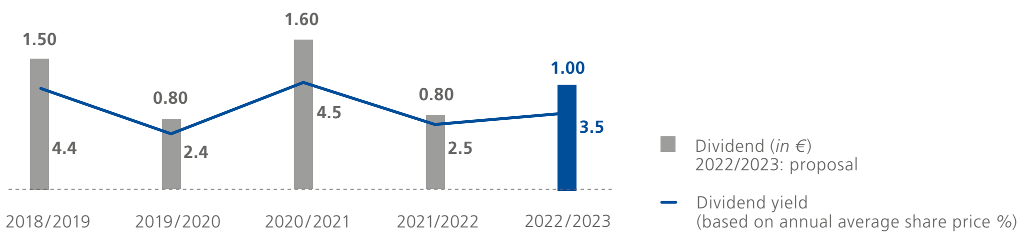
Against this background, we would like to propose to the Annual General Meeting to distribute a dividend of 1.00 euro per share entitled to dividend payments. This translates into a yield of 3.5 per cent, based on the average share price of 28.62 euros for the financial year under review. The total dividend payout as per this proposal will amount to 18.8 million euros.

The distributable net retained profit (Bilanzgewinn) of Deutsche Beteiligungs AG amounted to 264.2 million euros at the end of the financial year.

Investor Relations: Focus on proactive communications

Deutsche Beteiligungs AG is synonymous with maintaining close, transparent communications with the capital markets; that is, with private shareholders, institutional investors, financial analysts and journalists. We employ a variety of communication channels and offer dedicated conferences for this purpose. We always place the emphasis on face-to-face communication, as well as making sure that we actively approach our capital markets partners. We put on 24 days (previous year: 19 days) of roadshows, including seven days of investor conferences (previous year: four days), and held around 70 meetings with investors during the past financial year, clearly exceeding the previous year’s figure of 54 meetings. Expanding our activities during the year under review, we also gained experience through participation in new conference formats. Discussions took place in both face-to-face and online formats. We presented our shares, talked about the attractiveness of our business model and the development potential for our portfolio companies, and explained DBAG’s strategic outlook. Investor discussions covered topics such as the interest rate turnaround and inflation, as well as changes in DBAG's portfolio structure over time.

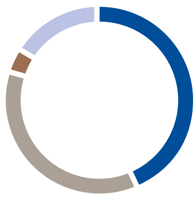
Dividend and dividend yield



Shareholder structure still dominated by private investors, family offices and institutional investors

DBAG has always enjoyed a great deal of trust among private individual investors, family offices and foundations – investors from these three groups hold more than three quarters of DBAG's shares. This basic structure has remained the same over the past twelve months. In addition to German, European and American small-cap funds, among the institutional investors who hold our shares are those who focus on investments in listed private equity companies. As at 30 September 2023, 43 per cent of our shares were held by around 16,800 private individuals and joint shareholders. The proportion of this investor group is about three percentage points higher than last year , while the proportion attributable to family offices declined by around two percentage points, to 36 per cent. These family offices include the two shareholders who hold more than five per cent of the shares: Rossmann Beteiligungs GmbH announced in November 2019 that it holds a 25.01 per cent investment in the Company and Mr Ricardo Portabella holds a stake of 6.65 per cent in DBAG via Anpora S.A., an investment vehicle associated with him, according to a notification dated December 2017. These two positions reduce the proportion of shares in free float. According to the voting right notifications that are available to us, the free float was at 68.3 per cent as at the reporting date, calculated in accordance with Deutsche Börse's definition.

Shareholder structure (per 30 September 2023) *in %*



Private investors	43.2
Family offices	36.2
Foundations	4.4
Institutional investors	16.1

DBAG shares at a glance

First listing
19 December 1985

Ticker symbol
Bloomberg: DBAN
Reuters: DBANn.DE

ISIN / WKN
A1TNUT / DE000A1TNUT7

Number of shares issued
18,804,992 registered shares

Listing segment
Regulated market (Prime Standard)

Listings
Frankfurt (Xetra and trading floor), Berlin-Bremen, Dusseldorf, Hamburg, Hanover, Munich, Stuttgart

Index affiliation (selection)
S-Dax; C-Dax; Prime All Share; Classic All Share; DAX Financial Services; DAXsubsector All Private Equity & Venture Capital; LPX50; LPX Composite; LPX Europe.

[1] We have refined our data analysis in the course of preparing this year's evaluation: as at the reporting date of 30 September 2023, private investors held 43.2 per cent and institutional investors 16.1 per cent. In the previous year, this approach yielded 40.2 per cent of private investors, 17.4 per cent of institutional investors, 37.9 per cent of family offices and 4.5 per cent of foundations.

Sustainability at DBAG

Sustainable actions are more important than ever. For us, that means striving for a long-term increase in DBAG's value, while taking ecological, social and corporate governance criteria into account (ESG criteria). As we remain committed to improving DBAG's sustainability performance, we started compensating all greenhouse gas emissions from DBAG's operations attributable to our registered office in Frankfurt/Main during the year under review and extended the scope of sustainability reporting to include our portfolio companies.

Sustainability at DBAG and its portfolio companies

The fields of action DBAG defined to improve its sustainability performance remained valid during the 2022/2023 financial year: greenhouse gas emissions, employee satisfaction and compliance. For our portfolio companies, add occupational health and safety as well as gender parity.

The non-financial key performance indicators defined for these fields of action at DBAG are similar to those applied to portfolio companies, but they are not the same. Instead they are defined in a way that caters to the specific characteristics of DBAG – a private equity company – and the portfolio company in question, each with their own business model. In any case, they are determined in line with generally applicable standards and commonly used definitions for sustainability reporting to the capital markets.

With ESG-based key performance indicators having been integrated into budget planning at our portfolio companies for this past business year for the first time, we are also able to report on their sustainability performance as outlined below.

To prepare for future compliance with the reporting requirements set by the EU's CSRD, DBAG has set up a comprehensive project with an external partner.

Our first report as a signatory to the UN Principles for Responsible Investment was published in September 2023. DBAG had signed the PRI as early as December 2021, but the registration process – and subsequently the first report – were delayed by the COVID-19 pandemic and other factors.

In the 2022/2003 financial year, we also continued to engage with political decision-makers as part of our sustainability approach by actively participating in working groups and joint initiatives; for example, the head of DBAG's legal department is represented on a committee of the German Private Equity and Venture Capital Association.

Sustainability goals for DBAG

In the following section we explain the progress DBAG has made in each of the fields of action and non-financial key performance indicators.

Greenhouse gas emissions

2022/2023 was another financial year that saw news of record-busting heat, periods of drought and heavy rainfall underscoring the importance of reducing greenhouse gas emissions.

By consistently cutting carbon emissions from operations per employee (FTE), we intend to do our part. We determine the scope 1, scope 2 and scope 3 emissions from DBAG's operations at its registered office in Frankfurt/Main on an annual basis and in line with the internationally recognised Greenhouse Gas Protocol (GHG).

When looking at scope 3, our key performance indicator currently takes into account emissions from our employees' business travel and commuting; these are emissions we can actually influence. Further emissions from operations are those stemming from advisory services we purchase. Most advisers however do not (yet) provide evidence of their carbon footprint, which prevents us from aligning our purchasing decisions with our ambition to reduce emissions.

It is our ambition to reduce greenhouse gas emissions in line with the Paris Agreement goals by 2030. In pursuit of this ambition, we have agreed a clearly-defined path of science-based targets, drawing on guidance by the Science Based Targets initiative (SBTi). We want to cut our greenhouse gas emissions by 2030 to a level that would be compliant with the 1.5 degrees benchmark. Consultants account for the majority of our external carbon emissions. It can be expected that more and more consultants will produce evidence of their emissions over the coming years, which would allow us to better manage the emissions associated with external consulting services by having a consultant's carbon footprint play a role in our selection process.

We take guidance from the SBTi when it comes to reducing greenhouse gas emissions

Local reforestation project
In November 2022, the DBAG team planted around 500 trees, bushes and shrubs in the Taunus region.

As the climate crisis accelerates, we want to take action even faster

As we look to reduce carbon emissions per employee, currently defined by business travel and commuting, we encourage our staff to use the train as an alternative to short-haul flights and use video conferencing wherever possible and sensible to avoid travel. What is more, we ceased to offer company cars in the 2022/2023 financial year. The current fleet will not be replaced once lease contracts expire. Instead, we have been offering employees a transit card since 1 January 2023, making it easier for them to increase use of public transport and reduce private car trips.

Carbon emissions per employee rose to 2.9 tonnes during the reporting year, mainly as a result of the increase in transaction activity warranting more business trips.

As the climate crisis accelerates, we want to do more than gradually reduce emissions from our operations and decided in the year under review to fully compensate the greenhouse gas emissions remaining in any given financial year. Emissions from the 2021/2022 financial year were compensated through a project chosen by our employees and managed by FirstClimate AG, a carbon offset provider committed to the highest quality and sustainability standards.

The Rainforest Community Project was launched to prevent forest devastation. It brings together hundreds of local families and forest owners to harvest Brazil nuts in the Peruvian Amazon rainforest using sustainable techniques. The project has been awarded gold level status by the Climate, Community & Biodiversity Alliance (CCBA) in recognition of its outstanding positive impact on both the environment and the local population.

At the beginning of the 2022/2023 financial year we supported a local reforestation campaign launched for the Hesse state forest. The funds we provided – and the commitment of our staff – enabled the reforestation of 4.5 hectares with a robust mixed forest of 6,000 trees comprising species that will thrive even in a changing climate.

We also decided to support a carbon reduction project in Italy. DBAG Italia helped fund a regenerative agroforestry project in Lombardy in 2023, which saw 200 trees of different species being planted. Once grown, these trees will store 900 kilogrammes of carbon every year. Agroforestry means deliberately cultivating woody perennials and agricultural crops on the same piece of land to create a particularly productive ecosystem. In its 2021 report, the Intergovernmental Panel on Climate Change named agroforestry one of the best ways to combat climate change in the agricultural sector. A single hectare of agroforestry can store 20 to 30 tonnes of carbon equivalents each year – ten to 20 times more than if it were cultivated with traditional or even ecological agricultural practices.

Employee satisfaction

DBAG's material business processes are almost exclusively based on our employees' expertise, their experience and dedication. With our business requiring a high level of commitment and identification with the job, we look to continuously improve employee satisfaction. We ask our employees on various occasions during the year for up-to-date metrics and feedback on how to improve our business processes. For these surveys we use TeamEcho.

In the reporting year, the arithmetic mean of all the survey values was 65 per cent, coming in above the 62 per cent of the 2021/2022 financial year and the 63 per cent target for 2022/2023. With a steady improvement, the intra-year trajectory of the survey values is particularly pleasing. The idea of using staff feedback to develop our business processes and trigger positive change in the Board of Management in the context of the next generation taking the helm seems to have been successful. We want our staff to know that their feedback has a direct impact on their working environment.

Helping employees reconcile family and working life is an integral part of our efforts to keep employee satisfaction high. That is why we introduced paid parental leave in March 2023: we will continue to pay an employee's regular salary for up to 24 weeks in the first twelve months after their child is born or the adoption of a child of up to twelve years of age. Benefits like a transit card will not be discontinued during the leave. Paid parental leave at DBAG is available to the primary caregiver.

DBAG's ESG indicators

Field of action	Non-financial KPI	Definition	Financial year 2021/2022	Target for financial year 2022/2023	Financial year 2022/2023	Target for financial year 2023/2024
Greenhouse gas emissions	Carbon emissions from operations	Scope 1, scope 2 and scope 3 emissions in compliance with the GHG Protocol attributable to DBAG's Frankfurt/Main offices, CO_2 emissions per FTE (scope 3 currently comprises emissions from business travel and commuting)	2.5 tonnes	2.4 tonnes	2.9 tonnes	2.8 tonnes
Employee satisfaction	Metric as per TeamEcho	Arithmetic mean, based on all TeamEcho surveys for a given financial year (value between 0 and 100 per cent)	62 per cent	63 per cent	65 per cent	66 per cent
Compliance	Penalties due to compliance violations	Total penalties, fines for violation or similar expenses (in euros) as a result of compliance or transparency violations	0 euros	0 euros	0 euros	0 euros

We continue to support Level 20, a British non-profit organisation founded in 2015 to improve gender diversity in the private equity sector whose goal is for women to hold at least 20 per cent of senior positions in private equity. Women in our workforce have experienced at first hand the benefit of the numerous working meetings and mentoring programmes organised by Level 20.

We have also been expanding our own initiatives to improve gender diversity at DBAG, with a particular focus on attracting talented women right at the start of their careers. In the past business year, we established the DBAG Women in Private Equity Campus – a platform dedicated to inspiring women to network with our women, to learn from and support each other. With this platform, we want to encourage women to build a strong community where they will empower and open doors for each other.

We have also launched a programme dedicated to supporting female staff across all career stages, to help them find their way to a senior position. To ensure fair and equal pay in the Investment Advisory Team, salary brackets have been defined for different ranks. Salaries are regularly analysed by corporate functions, with gender pay aspects included in this review.

DBAG's commitment to gender diversity also shows in our active participation in events or discussions. Complementary trainings, both for employees and senior staff, focusing on diversity and inclusion will be intensified going forward and offered on a regular basis.

Five women were on DBAG's Investment Advisory Team as at 30 September 2023. After another female colleague joined on 1 October 2023, 17 per cent of our Investment Advisory Team were women.

Compliance

With zero tolerance for any form of corruption and other unethical business practices, we have set a goal of 0 euros in fines for compliance violations in any given financial year. This goal was again met during the financial year under review.

Sustainability performance of DBAG's portfolio companies

As new investments are made, portfolio companies are sold or continue to be developed in a different constellation, DBAG's portfolio changes from year to year. And so does the comparison basis for DBAG's portfolio companies and their key performance indicators on sustainability.

Each portfolio company is in a different development and implementation phase of its sustainability strategy. A code of conduct is today seen as a cornerstone of good corporate governance, and all of our portfolio companies have established one.

However, sustainability management goes beyond creating a code of conduct, and this is where we can add value with our support – in particular in portfolio companies where DBAG, or DBAG together with its funds, holds a majority stake. 65 per cent of these companies included sustainability indicators in their management system for the 2023 financial year.

The financial years of DBAG and most of its portfolio companies do not align. The following numbers for DBAG's portfolio companies refer to the 2022 calendar year, the previous year's numbers consequently refer to 2021.

At 56 per cent, more than half of these portfolio companies use regular surveys to manage employee satisfaction. Of the highest-earning ten per cent of employees in these portfolio companies, 24 per cent are women.

A look at ecological key performance indicators also shows that awareness for sustainability is strong. 36 per cent of total energy consumption in our portfolio companies was sourced from renewables, and carbon emissions from operations were down by eleven per cent year-on-year. This rate of change refers to those among DBAG's portfolio companies that were part of DBAG's portfolio at the end of the reporting year, and had also been at the end of the previous year and that had calculated their carbon emissions at that time.

Our portfolio companies are already keenly aware about sustainability

Combined Management Report

of Deutsche Beteiligungs AG
and the
Deutsche Beteiligungs AG Group
for financial year 2022/2023

COMBINED MANAGEMENT REPORT

for the financial year from 1 October 2022 to 30 September 2023

BUSINESS OVERVIEW

Deutsche Beteiligungs AG (DBAG) reported better-than-expected results for the financial year 2022/23. Higher capital market valuations and a number of disposals – including very successful ones – helped DBAG beat its original guidance. The DBAG funds once again made encouraging investment progress, and value appreciation in the portfolio exceeded overall expectations. Higher capital market valuations had a positive impact that more than offset the strain the overall economy put on some portfolio companies, particularly those with industrial business models.

The Group's net asset value improved by 89.9 million euros in this context. Taking into account the dividend distributed (15.0 million euros), the net asset value was up by 18.1 per cent as against the value for the previous year. Earnings from Fund Investment Services totalled 14.0 million euros, compared to 15.4 million euros in the previous year. Net income stood at 105.8 million euros.

DBAG added three investments during the financial year 2022/2023, sold four completely and two partially. This brings the portfolio to 38 equity investments, plus one investment in an international buyout fund managed by third parties.

The Private Equity Investments segment generated earnings before taxes of 96.8 million euros in 2022/2023, significantly exceeding the previous year's result. The Fund Investment Services segment meanwhile reported a decrease in its earnings before taxes as higher other operating expenses and provisions for variable remuneration, triggered by the above-mentioned successful sales, took their toll.

All in all, DBAG posted good results for the year under review. Key performance indicators may be subject to short-term volatility – for example, if external factors change at short notice (see the section "Target system comprising financial and non-financial objectives"). However, the evaluation of DBAG's success requires a long-term observation period, as is common in the private equity sector.

At 54.6 million euros, the Group's parent company also posted higher net income than in the previous year – a good overall result as well. Again, however, given our business model, the limited informational value of a single annual result must be taken into account in the evaluation. The parent company's net retained profit stood at 264.2 million euros. 1.00 euro per share thereof is to be distributed to shareholders, i.e. a total of 18.8 million euros.

FUNDAMENTAL INFORMATION ABOUT THE GROUP

Structure and business activity

Deutsche Beteiligungs AG (hereinafter also referred to as "DBAG") is a publicly-listed private equity company with its roots dating back to 1965. It initiates and structures closed-end private equity funds ("DBAG funds") for investment in equity or equity-like instruments predominantly of unlisted companies, and provides advice for these funds. It enters into investments, also employing its own assets, as a co-investor alongside DBAG funds ("co-investments") and also independently of these funds exclusively using its own financial resources ("Long-Term Investments"). DBAG traditionally focuses on mid-market companies. On a regional level, most of the portfolio companies have their registered office or main business focus in the German-speaking region of Europe ("Germany, Austria and Switzerland region"). Since 2020, DBAG has also been investing in companies in Italy. In individual cases, DBAG also invests in companies elsewhere in Europe.

However, all of the Company's business processes and management are conducted at DBAG's registered office in Frankfurt/Main, Germany. The Company also has an office in Milan, Italy: there is close and continuous dialogue between the two locations.

DBAG supports its portfolio companies during a phase of strategic development that usually spans several years, as a financial investor seeing itself as a partner and committed to increasing value. Once the planned development phase is completed, each company continues to grow and develop under a different arrangement: with a strategic partner, a new financial investor, or as a listed company, for example. It is at this point that the achieved increase in value is realised.

DBAG's shares have been listed on the Frankfurt Stock Exchange since 1985. They are traded in the market segment with the highest transparency requirements, the Prime Standard.

In the reporting year, Deutsche Beteiligungs AG was recognised as a special investment company, as defined by German statutory legislation on special investment companies (Gesetz über Unternehmensbeteiligungsgesellschaften – UBGG), and was therefore exempt from municipal trade tax. DBG Managing Partner GmbH & Co. KG, which is registered as a small capital management company (Kapitalverwaltungsgesellschaft – KVG) in accordance with the German Capital Investment Code (Kapitalanlagegesetzbuch – KAGB) is responsible for the management of DBAG's German funds; DBG Management GP (Guernsey) Ltd. is registered in Guernsey as a KVG pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, and manages the funds based in Luxembourg and Guernsey.

Majority stake in ELF Capital Group

In September 2023, DBAG expanded its range of flexible financing solutions for mid-market companies to include private debt. For this purpose, DBAG has acquired a majority stake in

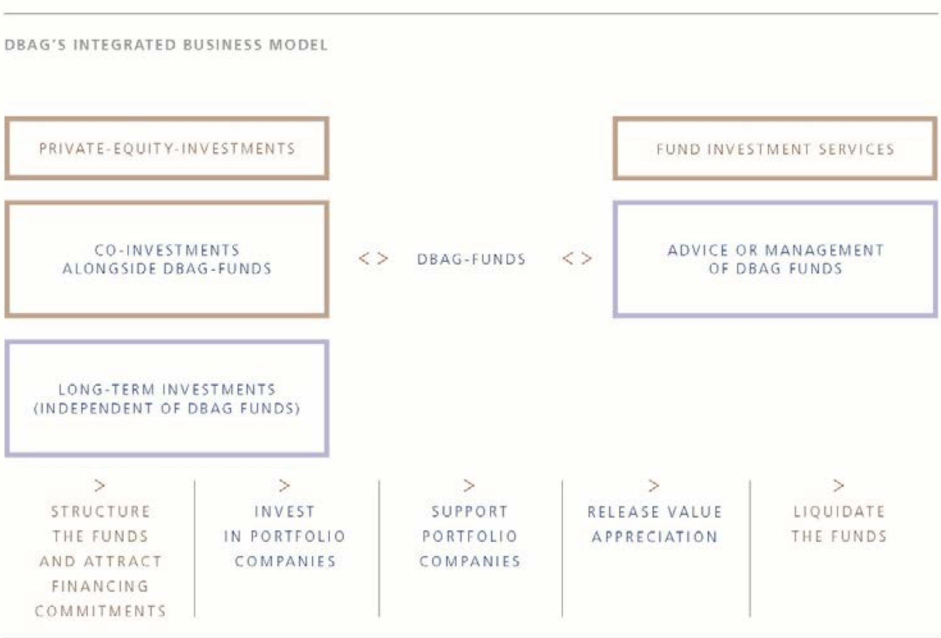
ELF Capital Group ("ELF Capital"), which comprises ELF Capital Advisory GmbH as well as the three general partners of the ELF funds. ELF Capital Advisory GmbH advises funds providing flexible private debt financings to medium-sized enterprises with a geographical focus on the Germany, Austria and Switzerland ("DACH") region, the Benelux countries and Scandinavia. DBAG's investment in ELF Capital offers both companies the potential to generate rapid and sustainable growth, and to realise synergies.

With this transaction, DBAG has initiated a significant evolution of its enterprise. As a limited partner, DBAG stands ready to make co-investments of up to 100 million euros in ELF Capital funds. This volume is comparable with DBAG's usual strategy for co-investments alongside DBAG funds.

Supplementing DBAG's product range by adding private debt financing required an extension of DBAG's corporate object. The corresponding amendment to the Memorandum and Articles of Association was resolved at DBAG's Extraordinary General Meeting on 2 November 2023; the corresponding entry into the Commercial Register was effected on 16 November 2023. Completion of the transaction and first-time consolidation of ELF Capital are envisaged for the first quarter of the financial year 2023/2024. The completion will require DBAG to give up its status as a special investment company.

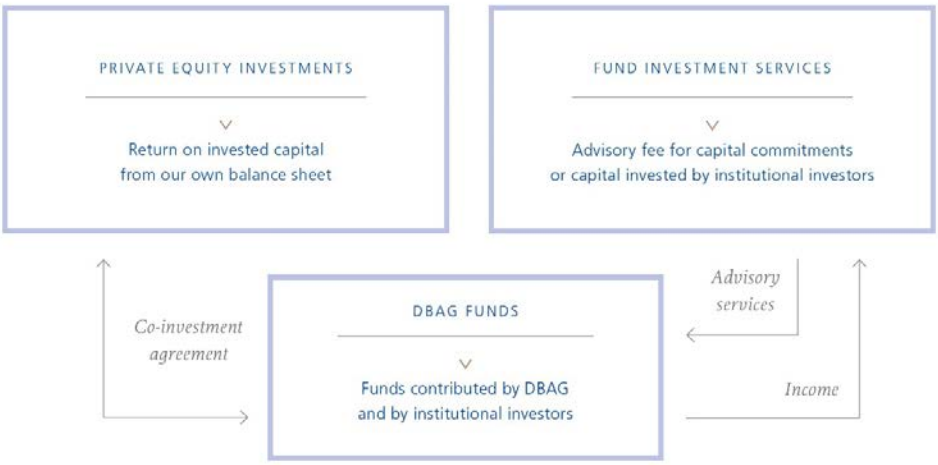
Since the transaction was not completed by the end of the reporting year, this management report for the 2022/2023 financial year is based on DBAG's position prior to the acquisition of a majority stake in ELF Capital. For information concerning the likely impact of the acquisition, please refer to the chapters "Opportunities and risks" and "Report on expected developments".

DBAG's integrated business model



DBAG's business model, which is geared towards increasing value for its shareholders, rests on two pillars – Private Equity Investments and Fund Investment Services. These segments are strongly interlinked through the DBAG funds. Because the DBAG funds are at its core, we refer to our business model as being integrated. The chart above outlines DBAG's integrated business model; it illustrates DBAG's remit in respect of the DBAG funds – from fund structuring and raising capital to liquidation. DBAG also uses its own assets to co-invest alongside the DBAG funds, as well as investing exclusively from its own assets in Long-Term Investments. These Long-Term Investments are described in the section entitled "Long-Term Investments that exceed the terms of standard private equity funds".

INTEGRATION BETWEEN DBAG FUNDS AND DBAG'S TWO BUSINESS SEGMENTS



Raising capital for DBAG funds is advantageous for DBAG and its shareholders, as well as for the investors in the funds.

- DBAG's shareholders participate in the fee income earned for advising DBAG funds ("Fund Investment Services") and in the value appreciation from the co-investments ("Private Equity Investments").
- The funds' assets create a substantially larger capital base, enabling it to invest in larger companies without reducing the portfolio's diversity.
- As a special investment company, DBAG is only permitted to take majority positions within strict limits; it can, however, structure management buyouts (MBOs) together with the DBAG funds.
- Fund investors can be confident that their advisor is pursuing the same interests as they are, as DBAG enters into co-investments alongside its funds.

Five DBAG funds at different stages of their life cycle

The following table summarises key information about current DBAG funds:

Fund	Target	Start of investment period	End of investment period	Size[1]	thereof DBAG	Share of DBAG's co-investment
DBAG Fund V (in liquidation)	Buyouts	February 2007	February 2013	€539mn	€105mn	19%
DBAG ECF I: DBAG Expansion Capital Fund	Growth financing	May 2011	May 2017	€212mn	€100mn	47%
DBAG ECF II: DBAG Expansion Capital Fund First New Vintage	Growth financing and small buyouts	June 2017	June 2018	€85mn	€35mn	41%
DBAG ECF III: DBAG Expansion Capital Fund Second New Vintage	Growth financing and small buyouts	June 2018	December 2020	€96mn	€40mn	41%
DBAG ECF IV: DBAG Expansion Capital Fund IV	Small buyouts	December 2022	December 2028 by the latest	€140mn	€69mn	49%
DBAG Fund VI	Buyouts	February 2013	December 2016	€700mn	€133mn	19%
DBAG Fund VII	Buyouts	December 2016	July 2022	€1,010mn[2]	€200mn[3]	20%[4]
DBAG Fund VIII	Buyouts	August 2020	December 2026 by the latest	€1,109mn[5]	€255mn[6]	23%[6]

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

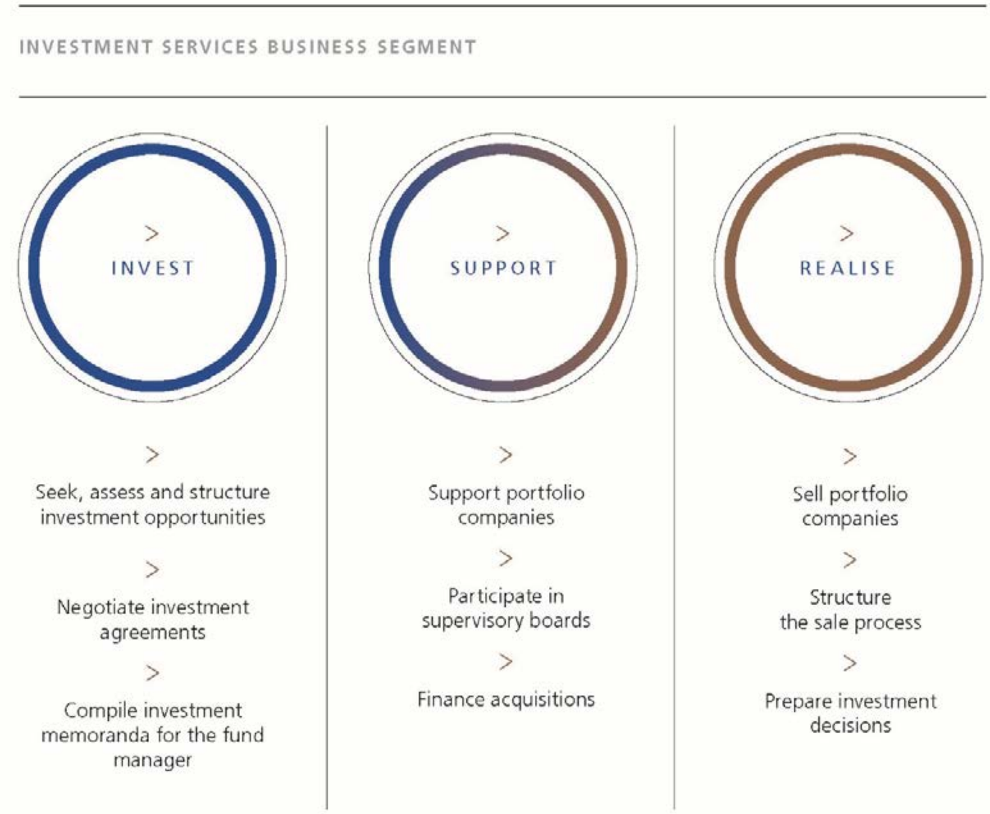
› DBAG Fund V is currently in liquidation. DBAG Fund VI and DBAG Fund VII are in the disinvestment phase. DBAG Fund VI still holds investments in six out of a previous total of eleven MBOs, of which two are already partly sold. The investment period of DBAG Fund VII ended in July 2022. The fund structured eleven MBOs. In addition, in the case of one company, a sub-segment was spun off and subsequently developed as an independent investment of the fund. One portfolio company was sold, with partial sales of two further portfolio companies.

› DBAG ECF I ended its original investment period in May 2017. It made growth financing available to eight companies and entered into one MBO. Five of these investments have since been sold. The investment period of DBAG ECF II began in June 2017, and the investment period of DBAG ECF III in June 2018, ending in December 2020. DBAG ECF II and DBAG ECF III each participated in three MBOs. Two companies merged with each other. The investment period for DBAG ECF IV – a fund in the fundraising phase – began in December 2022; this fund already made three investments in July and August 2023. The investments agreed upon represent around 64 per cent of the fund's capital commitments. DBAG ECF IV closed another investment in October 2023.

› DBAG Fund VIII was initiated in 2019. The fund's investment period spans six years and started in August 2020. As at the reporting date, DBAG had structured seven MBOs for the fund. The investments agreed upon represent around 53 per cent of the fund's capital commitments.

DBAG's wide range of services for the DBAG funds

DBAG's primary task with regard to its funds is first of all to initiate and structure new funds. The advisory services provided for the DBAG funds during their term are summarised in the following chart and are also described in the section on "Implementing a structured investment process".



As a fund advisor, DBAG prepares recommendations for the fund manager's investment decisions. In addition, the manager makes all of the decisions typically made by a shareholder, for example electing and appointing members of administrative bodies or approving distributions and capital increases. In order to ensure absolute certainty that the fund manager and their decisions are impartial, the right to appoint fund managers does not lie with DBAG, but rather with legal entities supervised by the Investment Advisory Team members.

DBAG enters into co-investments alongside the DBAG funds based on co-investment agreements with the DBAG funds that provide for a fixed investment ratio for the lifetime of a fund. This means that DBAG always invests in the same companies and in the same instruments as the funds, on the same terms.

Private Equity Investments business segment

The Private Equity Investments business segment largely comprises equity investments that DBAG has entered into either as co-investments alongside its funds or as Long-Term Investments. Income is generated from the value appreciation achieved when investments are sold, as well as from profit distributions and interest during the term of the investment.

Co-investments alongside DBAG funds

Investments alongside DBAG funds are mostly entered into as MBOs and generally have an investment term of four to seven years.

The focus is on investments in companies with an enterprise value of between 50 and 250 million euros as at the time of investment – i.e. companies at the upper end of the mid-market segment according to DBAG's definition of this segment for its business. If the DBAG Fund VIII top-up fund is incorporated, investments with an enterprise value of up to 400 million euros can be structured. The companies generally achieve revenues in the range of 50 to 500 million euros.

Long-Term Investments that exceed the terms of standard private equity funds

DBAG makes Long-Term Investments exclusively funded by its own assets. This enables us to support companies' value appreciation strategies that span a longer time horizon, while at the same time pursuing the same disciplined and professional investment strategy for value creation that we apply to co-investments alongside DBAG funds. The approach also means that, in principle, other investment scenarios that are not consistent with the investment strategies pursued by the existing DBAG funds may become feasible.

We structure Long-Term Investments as minority investments with a non-controlling interest and invest predominantly in family businesses, for example when they find themselves in need of capital to finance growth. We also offer majority investments in exceptional cases.

Limitation of the volume of individual investments

DBAG aims to limit the importance of individual risks in its investment portfolio. This is why DBAG Fund VIII, which is currently in its investment phase, largely provides for equity investments in individual MBOs of between 40 and 100 million euros. When it comes to structuring larger transactions with equity investments of up to 220 million euros, the top-up fund is included. For DBAG, this equates to equity investments of between approximately nine and 23 million euros, and for transactions involving the top-up fund, equity investments of up to 50 million euros in principle. Long-Term Investments are set to amount to between 15 and 35 million euros; larger investments may be entered into with co-investors.

Investments in attractive mid-market companies

We invest in established, well-positioned companies with a proven and scalable business model and potential for development. The latter can come about from companies strengthening their strategic positioning – for example, by introducing a broader product range or by expanding regionally. Add-ons that accelerate the strategic development of companies or drive consolidation in an industry are often part of companies' development strategies. These strategies almost invariably involve improving operational processes and adapting them to reflect changes in the overall conditions, in particular. In this current phase of considerable geopolitical change, this strategic component has recently become especially important. We support our portfolio companies in developing and implementing their respective sustainability strategies, and in seizing the chances that arise during the transformation of our economy and society.

Moreover, we attach importance to an entrepreneurial mindset in our management teams and for these teams to be able to realise the agreed objectives and to react efficiently to new developments – for example due to lasting changes in supply chains or refinancing opportunities or because a new generation of employees is looking for companies to offer them different perks and prospects. The companies that are a good fit for our investment universe are also characterised by leadership positions in their (possibly small) markets, strong innovative capacity and products with good prospects. The business models of these companies are also aimed at reaping the benefits from the key structural trends in their respective sectors. Germany is home to many such mid-market companies.

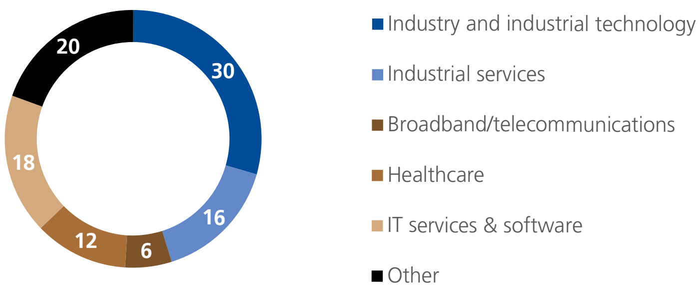
Broadly diversified sector spectrum

DBAG's investment focus traditionally has been on manufacturing companies and their service providers, who together form the basis for the excellent global reputation enjoyed by Germany's Mittelstand. Within this market segment, DBAG concentrates on the industry and industrial technology sectors in particular – i.e. companies from the automotive supplier, industrial components and mechanical plant engineering sectors whose products provide the foundation for automation, robotics and digitalisation. For around a decade, we have also been investing in companies from the broadband/telecommunications, IT services & software and healthcare sectors.

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

The decarbonisation of our way of life is also associated with extensive changes that open up new attractive investment opportunities. Companies that contribute to more sustainable lifestyles and business practices are therefore gaining importance in our portfolio, which includes, for example, companies whose business is reaping the benefits of stricter regulations for more efficient energy use, those involved in the circular economy, or those that advocate more sustainable construction.

SECTOR STRUCTURE BY ACQUISITION COSTS
%



Some of our portfolio companies produce capital goods or offer services for industrial companies. These sectors are traditionally characterised by stronger cyclicality than those previously mentioned. This means that we pay particular attention to an appropriate financing structure for these companies. We also aim to achieve a diversified portfolio within individual sectors. For investments in several companies in the same sector, we make sure that they serve different niche markets, have their own regional sales markets, operate in different geographical areas and pursue different business models.

Expansion of the portfolio's geographical focus

Most of our portfolio companies operate internationally. This applies to the markets they serve, but also to their production sites in part. In geographical terms, the majority of the portfolio companies have their registered office or main business focus in the German-speaking region of Europe. Since 2020, we have also invested in Italy, one of the most important industrialised economies in the European Union with a high proportion of family-owned companies. Up to a quarter of DBAG Fund VIII's volume can be invested there.

In exceptional cases, we also invest in companies that operate outside of German-speaking countries and Italy, focusing on sectors in which we have a lot of experience. As at 30 September 2023, companies domiciled in the Germany, Austria and Switzerland region accounted for 84 per cent of the portfolio value of our equity investments (30 September 2022: 81 per cent), including six per cent that were domiciled in Switzerland (30 September 2022: 6 per cent). Companies domiciled in Italy accounted for seven per cent of the portfolio value (30 September 2022: 10 per cent).

Long-term financing of DBAG's co-investments and Long-Term Investments via the stock market

DBAG finances its equity investments over the long term through the stock market. 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 share repurchases (as in 2005, 2006 and 2007) and capital increases (as in 2004, 2016 and 2021). Distributions also have an impact on the amount of equity capital.

The private equity business requires DBAG 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 returns. Considerable uncertainty regarding planning is the other side of the coin and is due to the nature of private equity business: investments and realisations depend on market conditions; some years are dominated by investments and others by realisations. This results in considerable fluctuation in cash flow from investment activity. As regular income from Fund Investment Services can only mitigate this effect to a very limited extent,

DBAG is using two revolving credit lines in an aggregate amount of 106.7 million euros to provide any funds required to finance investments until it receives funds from realisations. Please refer to the chapter "Financial position – assets" for details on the drawdown of credit lines during the reporting period.

Fund Investment Services business segment

Advisory services provided to, and the management of, DBAG funds are aligned in the Fund Investment Services business segment, based on task-sharing. DBAG receives fees for its advisory services to the DBAG funds that are calculated predominantly based on the size of the funds it advises; they constitute a continuous and readily forecastable source of income and make a key contribution to financing our business operations.

For the buyout funds (currently DBAG Fund VI, DBAG Fund VII and DBAG Fund VIII – principal fund in each case), fees during the investment period are based on the committed capital. After that, they are measured by the invested capital. The fees for the services provided to the DBAG Fund VII and DBAG Fund VIII top-up funds are based on the capital invested or committed, whichever is lower, during the entire fund term. DBAG receives a fee based on the capital invested for DBAG ECF I and, for DBAG ECF II and DBAG ECF III, additional one-off transaction-related fees. The fact that the fees after the end of the investment period are based on the capital invested means that fee income falls every time an investment from a fund's portfolio is sold. In principle, considerable increases can only be achieved when a new fund is launched.

Implementing a structured investment process

We use the same investment process for both our Long-Term Investments and our co-investments alongside DBAG funds. It has proven effective over a period of many years and is being enhanced and increasingly standardised as part of an ongoing process. We will explain key elements of the process below.

Invest

IDENTIFYING INVESTMENT OPPORTUNITIES

The relationships that we have built up over several decades of market presence are some of the most important channels to identify investment opportunities. These include relationships with both potential sellers and M&A advisors. We also actively generate investment opportunities by engaging with prominent entrepreneurs offering long-standing industry experience, i.e. our Executive Circle (see the section entitled "Investment Advisory Team supported by strong network"), through targeted marketing and by attending industry events, as well as through our own research capacities. We often gain access to companies at an early stage of the sales process by way of these channels. This increases the chances of successfully closing the transaction.

ALLOCATION OF INVESTMENTS

An Allocation Committee determines whether an investment opportunity will be proposed for DBAG fund(s) in the investment phase, or whether it will be classified as a potential Long-Term Investment. The decision-making process is fully documented and substantiated for each individual case so as to avoid any potential conflict of interest.

DUE DILIGENCE

If the initial assessment is positive, the next step is to conduct a detailed assessment of the potential portfolio company using a comprehensive process. This is to ensure that we concentrate our resources on the most attractive investment opportunities and examine all key issues in detail.

Support

As soon as an investment opportunity is under consideration, DBAG's Investment Advisory Team opens discussions with the company's management team concerning future development strategy and creating the resulting potential for value appreciation. The company's management implements the strategy. Interests are kept aligned due to the management's personal involvement in the company.

During the investment period, a member of DBAG's project team typically takes a seat on the advisory board or supervisory board of the respective portfolio company. Additionally, experienced entrepreneurs – usually from DBAG's Executive Circle – who have experience relevant to the portfolio company in question, are appointed to sit on these boards. These managers also usually hold (indirect) stakes in the company. The Investment Advisory Team and the members of DBAG's Executive Circle are not involved in the operational management of portfolio companies.

Realise

We do not trade in investments but instead support our portfolio companies as an equity investor over several years. However, due to the limited term of the DBAG funds, all investments of a DBAG fund must be completely settled during its term. Our experience suggests that it usually takes four to seven years before the further development of a portfolio company leads to a significant increase in its profitability and, as a result, to an increase in the value of the company that can be realised by selling it. In principle, we use the following methods in the disposal of a portfolio company, depending on whether we are selling to: a strategic or financial investor, or via the stock market, for example by placing shares. In the case of non-controlling interests, there may also be the option of selling to the main shareholder. When a company shows signs of very attractive further potential, the realised proceeds can also be used for a reinvestment.

DBAG's particular strengths play a key role in market success

We strongly believe that DBAG's unique selling point lies in a number of particular strengths, which is why we are continuously working on building on these strengths.

Experienced Investment Advisory Team

The DBAG Investment Advisory Team, including the two members of the Board of Management, consists of 34 investment professionals (previous year: 37), of which 13 are senior members: in recent years the team has seen constant expansion. The senior members have been with DBAG for an average of 13.46 years. The Investment Advisory Team has a broad skill set combined with multifaceted experience in the investment business. It is supplemented by four employees in Research and Business Development, two debt financing specialists and three lawyers.

Alignment of interest and incentives for the Investment Advisory Team

A key element of our strategy is to align the interests of DBAG and its shareholders, our Investment Advisory Team and investors in the DBAG funds. This is why those members of the Investment Advisory Team with greater experience in investing, the two Board of Management members responsible for the Investment Advisory Team, and additional staff members (21 individuals in total) personally co-invest their own money alongside the DBAG funds, investing between around one and two per cent of the capital raised by the fund investors and DBAG, as is common practice in the industry. The total amount of these personal co-investments stood at 17.3 million euros as at 30 September 2023.

Eligible members of the Investment Advisory Team have an incentive for generating the best possible financial performance for a fund: they also disproportionately participate in a fund's performance ("carried interest") in return for the contribution they make as shareholders after the fund investors and DBAG have realised their invested capital plus a preferred return.

Investment Advisory Team supported by strong network

The Investment Advisory Team can draw on a strong external network, the nucleus of which is an "Executive Circle" consisting of 87 people at the end of the financial year. Its members support the team in identifying and initiating investment opportunities, assessing specific sectors or, prior to making an investment, providing support during the due diligence of a target company. The Executive Circle comprises experienced entrepreneurs, including partners of earlier investment transactions. The members have industry experience that is relevant to DBAG. The network is supplemented by a large group of financial experts, consultants, lawyers and auditors.

Strong brand opens up attractive investment opportunities

DBAG structured its very first MBO back in 1997. Since then, DBAG has financed a total of 68 MBOs. In addition, 19 minority investments have been structured with the aim of driving corporate growth ("growth financing"): since the 2019/2020 financial year these have been joined by Long-Term Investments. DBAG currently holds four Long-Term Investments.

To date, the value of the equity invested since 1995 has been increased to 1.9 times (MBOs) and 2.7 times (growth financing) the original amount. 41 MBOs and 16 growth financing arrangements had been realised completely, or for the most part, by the end of the reporting period. Disposals and partial disposals generated multiples of 2.7 (MBOs) and 2.9 (growth financing) times the invested capital.

This track record demonstrates our ability to build a brand that, in our view, is strengthened further by our listing in the Frankfurt Stock Exchange's Prime Standard –the segment with the highest transparency requirements. This in turn repeatedly gives us direct access to investment opportunities beyond public offerings.

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

A total of 34 of the 68 MBOs that DBAG has financed since 1997 involved companies that were previously family-owned. We see this high proportion as one of our unique selling points. Between 2013 and 2022, approximately 58 per cent of the MBOs structured by DBAG involved this type of company, compared to 53 per cent in the overall market during the same period. The foundations of this success lie in a comprehensive understanding of the specifics of the mid-market sector and the industries in which we invest. This also includes our focus on value creation by enhancing business models and thus offering our portfolio companies more than purely financial support.

Comprehensive equity platform for mid-market companies

With its advisory and financing offering for MBOs and Long-Term Investments alike, DBAG sees itself as a provider of full-service equity capital solutions for mid-market companies. These solutions open up access to family businesses for whom financing with a rather shorter investment time horizon is difficult to secure. The DBAG funds we advise also benefit from this broad market access. As a private equity investor seeking to exploit the potential for value appreciation during a limited investment period, we also pursue a different approach than holding companies pursuing a buy-and-hold strategy.

Target system comprising financial and non-financial objectives

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

We enhanced our target system in the reporting year. The changes will apply as of the beginning of the 2023/2024 financial year, and the forecasts in accordance with the enhanced system are explained in the section of "Expected business development". The previous target system and the upcoming changes are explained below.

The core business objective of Deutsche Beteiligungs AG's activity remains unchanged: we aim to increase the value of DBAG in the long term. In this context, we have defined financial and non-financial targets.

This objective will continue to be achieved by increasing the value of the two business segments, namely Private Equity Investments and Fund Investment Services, while taking ESG aspects into account – i.e. environmental and social aspects of our business activities, as well as the principles of good corporate governance. It is consistent with the long-term nature of our business that we take responsibility for the impact that our decisions have on others, both now and in the future.

As is common in the private equity sector, a long period of time is required before DBAG can be judged on its success. This is why, for us, "sustainable" first of all means "in the long term". Income from investment activity is influenced to a significant degree by the appreciation in value of our portfolio companies. DBAG generally supports MBOs over a period of four to seven years, and enters into Long-Term Investments for typically more than seven years. Income from Fund Services is significantly influenced by the initiation of new funds. A fund is launched approximately every four to five years, while the usual lifetime of a fund is ten years.

Key indicators can also be headed on a downward trajectory in the short term. This is partly a typical feature of the business because, for example, income from Fund Services falls after investments are disposed of. This can also be attributable to external factors that can change significantly at short notice. This is the case, for example, with the valuation levels of listed peer group companies when we measure the fair value of our equity investments on a quarterly basis.

Financial objectives

Financial objective: Build the value of the Private Equity Investments business segment

Building the value of Private Equity Investments in the long run requires investments to be made in promising mid-market business models. To grow the value of the equity investments, DBAG supports the portfolio companies during a phase of strategic development spanning several years. The higher the increases in value that can be realised with the investments we have made, and the more pronounced the gross portfolio value increases as a result, the greater the increase in the value of the business segment.

Financial objective: Build the value of the Fund Investment Services business segment

An increase in the value of the Fund Investment Services business segment requires substantial assets under management or advisory that increase in the medium term. The higher the growth in fee income from Fund Investment Services, which tends to be volume-based, and the extent to which it exceeds the corresponding expenses, the greater the long-term increase in the value of the business segment.

Financial objective: Have shareholders participate in the Company's success through dividends that are stable and which rise whenever possible

Having shareholders participate in the Company's success through dividends that are stable and which rise whenever possible has been one of DBAG's financial targets so far. Three aspects played a key role when it came 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. DBAG also viewed an attractive dividend yield – in relation to the capital markets environment – as a significant element of shareholder participation in the Company's success.

Whilst we intend to continue having our shareholders participate in the Company's success through stable dividends, we will no longer be gearing management of our Company towards this. This former financial target will henceforth no longer be a part of our target system.

Non-financial objectives

We have not changed our non-financial objectives in the year under review. Greenhouse gas emissions, employee satisfaction and compliance remain essential factors for DBAG's business success. Taking this as a basis, we have defined the following three non-financial objectives:

Non-financial objective: Reduce or avoid greenhouse gas emissions

Business travel and company cars account for a major part of DBAG's carbon footprint. To prevent the generation of climate-damaging greenhouse gas emissions through travel, we encourage our staff to use the train as an alternative to short-haul flights and use video conferencing wherever possible and sensible to avoid travel. As from the 2022/2023 financial year, we will no longer add new company cars to our fleet and lease contracts of company cars currently in use will not be renewed. Instead, we have been offering employees a transit card since 1 January 2023, making it easier for them to increase use of public transport and reduce private car trips.

Non-financial objective: Improve employee satisfaction

Our success is virtually impossible without the professional and personal skills of our people, their experience and commitment. Improving employee satisfaction is therefore at the heart of our management. The more satisfied our employees are, the more we can assume that they will want to continue their professional development at DBAG.

In particular, we promote a project organisation based on teamwork and a system that ensures that responsibility is transferred swiftly in all areas of DBAG. Measures to promote employee health are just as much a part of the benefits we offer our employees as options to work remotely are. We cultivate a culture of respect, openness and flat hierarchies – just as we promote professionalism and stable processes. Our remuneration and incentive system is geared towards encouraging achievement and offering a motivating work environment.

Non-financial objective: Prevent compliance breaches

We are strictly against all forms of corruption or other unethical business practices. In order to meet these high compliance standards both within DBAG and in our dealings with portfolio companies, we have introduced a comprehensive compliance system that documents and regulates our obligations. Our Code of Conduct sets out our central values and guiding principles. Our Compliance Guideline sets out detailed regulations and information on implementation, for example with regard to dealing with gifts and invitations or the cooperation with sales partners.

Steering and control

Key performance indicators

Key performance indicator for the core business objective of achieving a "sustainable increase in DBAG's value"

The net asset value is the key performance indicator for any increase in DBAG's value. It is determined from the total assets less the total liabilities.

The main asset item is financial assets. They mainly include the gross portfolio value, reduced by carried interest entitlements resulting from shareholder contributions made by members of the Investment Advisory Team in the DBAG funds. The gross portfolio value corresponds to the market value of the portfolio companies on the relevant reporting date, which is calculated using the recognised valuation methods that are applied as standard in the industry. It is entirely possible for the gross portfolio value to fall in some years because it is also subject to influences that DBAG cannot control, such as the economy or developments on the capital market.

The net asset value does not change directly as a result of investments and disposals. In a first step, these merely produce a shift between financial investments and financial resources. The net asset value changes primarily as a result of changes in the value of the portfolio over the holding period of investments.

While the dividend allows DBAG's shareholders to participate in the Company's success, the distribution reduces the financial resources and, as a result, the net asset value. In order to make the increase in the net asset value visible in a given financial year, the closing balance of the net asset value is adjusted to reflect the distribution made in that financial year and, where appropriate, the inflow from a capital increase.

The business performance of Deutsche Beteiligungs AG is generally subject to the same key performance indicators as the DBAG Group. As a result, the statements made regarding the key performance indicators for DBAG Group above also apply to Deutsche Beteiligungs AG.

Key performance indicator for the financial objective "Build the value of the Private Equity Investments business segment"

In order to measure and manage our financial objective of "building the value of the Private Equity Investments business segment", we used to focus on the development of this business segment's earnings, just as we had focused on earnings in the Fund Investment Services segment. However, earnings before taxes in Private Equity Investments is largely determined by the increase in the value of our portfolio companies. This means that both the direction and magnitude of change in the result are consistent with the change in net asset value. That is why we will only use the net asset value, as defined above, to measure and manage the objective of "building the value of the Private Equity Investments business segment" from the 2023/2024 financial year onwards.

Key performance indicator for the financial objective "Build the value of the Fund Investment Services business segment"

In order for the Fund Investment Services business segment to be successful, there have to be substantial assets under management or advisory that increase in the medium term; the volume of these assets determines the income from Fund Services. In addition to income from Fund Services, which is determined by the volume of assets under management or advisory, earnings before taxes generated by Fund Investment Services are significantly influenced by the cost of identifying investment opportunities, of supporting the portfolio companies, and of their ultimate disinvestment. We measure whether we have achieved the financial objective "Build the value of Fund Investment Services" by looking at the long-term development of earnings from Fund Investment Services. We do not carry out our own valuation for this business segment. By offering the greatest possible degree of transparency, we instead want to ensure that market participants can carry out their valuation on the most objective basis possible.

Earnings from Fund Investment Services may decline in individual periods. This is due to the fact that the calculation basis for advisory fee income depends on the portfolio volume. Even if advisory fees remain constant for a longer period of time, as is generally the case during a fund's investment phase, higher costs can send results on a downward trajectory. This explains why a longer observation period is important for this key performance indicator, too.

Key performance indicator for the financial objective "Have shareholders participate in the Company's success through dividends that are stable and which rise whenever possible"

We used the dividend per share and dividend yield metrics to measure and manage the degree to which shareholders participated in our performance. Our goal was a stable, if not annually increasing distribution per share in euros, and an attractive dividend yield.

Key performance indicator for the non-financial objective "Reduce or avoid greenhouse gas emissions"

We intend to do our part by cutting emissions from operations per employee (FTE). Progress is measured based on total scope 1, scope 2 and scope 3 emissions from business activities at our Frankfurt/Main offices, calculated in compliance with the Greenhouse Gas Protocol. When looking at scope 3, we currently take into account emissions from business travel and commuting as these are emissions we can influence.

Further emissions from operations are those stemming from advisory services we purchase. Most advisers however do not yet provide evidence of their carbon footprint, which prevents us from aligning our purchasing decisions with our ambition to reduce emissions.

Key performance indicator for the non-financial objective "Improve employee satisfaction"

We use software to monitor employee satisfaction, asking our staff for feedback on issues relating to organisational culture, leadership at DBAG, working conditions and other aspects. The software also calculates the employee satisfaction index as the arithmetic mean of all surveys conducted in a given financial year. We use this index as a key performance indicator.

Key performance indicator for the non-financial objective "Prevent compliance breaches"

In accordance with our strict approach, the target value for fines, penalties or similar expenses imposed for compliance or transparency violations at DBAG amounts to zero euros.

ESG aspects in budget planning for DBAG's portfolio companies

DBAG assumes responsibility not only for how its own business activities impact the environment and society, but also for the impact from business activities of its portfolio companies. That is why ESG aspects form part of the due diligence we undertake prior to any investment decision. During the investment term, we support our portfolio companies in expanding their sustainability strategy and establishing management on the basis of non-financial indicators. In addition to DBAG's three ESG-related fields of action presented above, occupational health and safety are further relevant fields of action. We have been requesting information on all five fields from our portfolio companies since 2020. In the 2023 financial year, ESG-based key performance indicators that cover a multi-year horizon were integrated into the budget planning of our portfolio companies for the first time, helping them enhance their contribution to society and increase their enterprise value.

BUSINESS REVIEW OF THE GROUP

Comparison between actual business developments and the forecast

		Actual 2021/2022 and 30 Sep 2022	Original forecast December 2022	New forecast July 2023[2]	Actual 2022/2023 and 30 Sep 2023	Degree of fulfillment forecast December 2022	Degree of fulfillment forecast July 2023
Financial performance indicators							
Net asset value[1] (reporting date)	€mn	579.5	680.0 to 755.0	570.0 to 630.0	669.4	Expectation met	Expectation met
Earnings before taxes Private Equity Investments	€mn	(111.3)	60.0 to 75.0		96.8	Expectation exceeded	
Earnings from Fund Investment Services	€mn	15.4	50.0 to 65.0		14.0	Expectation met	
Planned dividend per share for the financial year	€	0.80	1.60		1.00	Expectation not met	
Non-financial performance indicators							
CO_2 Footprint (scope 1-3)[2]	tCO_2/MA	2.5	2.4		2.9	Expectation not met	
Employee satisfaction	%	62	266 to 294		65	Expectation exceeded	
Payments from compliance breaches	€	0.00	0.0		0.0	Expectation met	
Other indicators							
Net income in accordance with IFRS	€mn	(97.6)	70.0 to 80.0	85.0 to 115.0	105.8	Expectation exceeded	Expectation met

1 Also used as a key performance indicator for the core business objective
2 On 17 July 2023, DBAG specified its forecast, indicating that it expected to achieve the upper half of the ranges previously forecast for net asset value and net income for the 2022/2023 financial year.

During the financial year 2022/2023, we upgraded our forecasts for the key performance indicators relevant to DBAG several times. This was driven by rising capital market multiples enhancing the valuations of our portfolio companies, combined with successful disposals that also contributed positively to valuations. In the course of our most recent forecast adjustment, we specified assumptions for net income and net asset value. The original guidance was exceeded for most key performance indicators and the most recent forecast was achieved.

The net asset value and earnings before taxes in the Private Equity Investments segment are largely defined by the performance of the portfolio companies; earnings before taxes in Private Equity Investments was clearly above the original expectations, driven in particular by the positive performance of the portfolio companies.

Income from Fund Services reached the target, supported by DBAG Fund VIII and DBAG Fund VII, which accounted for the majority of income as anticipated. Earnings from Fund Investment Services has met original expectations.

The dividend proposed for the year under review is above the previous year's dividend but does not meet the forecast. The proposal reflects DBAG's dividend policy, which was updated in November 2023. Carbon emissions per employee were 2.9 tonnes, mainly as a result of the increase in transaction activity warranting more business trips. Net income did exceed our original expectations for the same reasons as net asset value and earnings before taxes of Private Equity Investments.

Macroeconomic and sector-specific environment

Overall economic outlook: Recovery towards pre-pandemic trends increasingly seems out of reach

The same factors worldwide are influencing the macroeconomic environment: recovery from the COVID-19 pandemic has been slow, with the additional burden of Russia’s war of aggression against Ukraine, accompanied by some massive price increases for consumers and businesses and the sharp interest rate hikes conducted by central banks to combat inflation. Against this backdrop, the International Monetary Fund (IMF) believes that overall economic development has proved to be remarkably resilient: growth however remains slow, uneven and increasingly divergent around the world. Global economic activity bottomed out at the end of 2022, but a full recovery towards pre-pandemic trends increasingly appears to be out of reach.

According to the IMF's latest projections, global growth will slow from 3.5 per cent in 2022 to 3.0 per cent in 2023. This remains well below the historical average. For developed countries, the IMF expects growth to slow from 2.6 per cent in 2022 to 1.5 per cent in 2023. The United States is expected to see stable development, while growth in the euro area is likely to weaken. Germany is the only country in the euro area that is even expected to see a contraction of gross national product in absolute terms. In China, which has suffered from particularly strict zero-COVID measures, growth is expected to accelerate from 3.0 per cent in 2022 to 5.0 per cent in 2023, although there might be further escalation of the country’s real estate crisis on the horizon. This represents one of the main risks for the global economy.[1]

DBAG’s portfolio companies are feeling the challenging operating conditions, even though their exposure to Russia, Belarus and Ukraine is very limited indeed. Whilst higher energy prices are a burden that most portfolio companies can still manage, it is supply chain bottlenecks in particular that continue to impede performance.

By expanding its investment strategy to sectors outside of the manufacturing industry in recent years, DBAG has been able to reduce the risks arising from economic and structural changes for the entire portfolio. In this way, DBAG benefits from the trend towards digitalisation, and from growing demand for its portfolio companies’ products and services in the IT services & software sector, which accounted for 22 per cent of DBAG’s portfolio value as at 30 September 2023 – up from just 9 per cent two years before. DBAG further diversified its range of sectors in the year under review, through several new investments in companies whose business development is being driven by ESG trends.

Financial markets: Funds are still available, albeit at more restrictive terms

Net demand for corporate loans in Germany, which had been positive until the third calendar quarter of 2022, saw a dramatic decline in the fourth quarter of 2022 and turned negative on balance. Demand has thus far failed to recover during 2023, tending to move sideways. In a parallel development, banks began imposing much more restrictive credit standards towards the end of 2022. Even though terms were relaxed to some extent in the second and third quarters of 2023, overall they remain more restrictive than in the coronavirus-ridden calendar year 2021.[2] The overall picture shows that financing conditions have deteriorated for companies in Germany. Leveraging our decades of experience, we continuously support

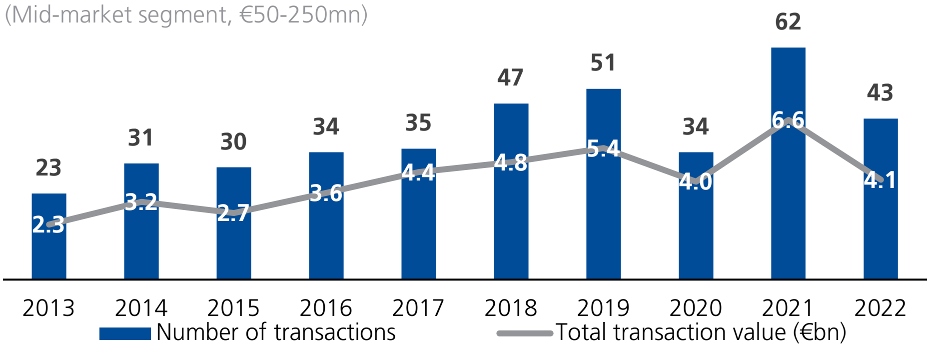
[1] International Monetary Fund, World Economic Outlook October 2023
[2] 24 Oct 2023 Press release by Deutsche Bundesbank: October results of the Bank Lending Survey (BLS) in Germany

our portfolio companies in adapting their financing structures to changing framework conditions and help them to optimise their position in the respective environment.

The supply of acquisition finance, which is key to our business, remained intact until the end of 2022, thanks in particular to private debt funds which financed 52 per cent of transactions in the German market during that year. There were 159 transactions financed by all providers during 2022. Their aggregate volume even slightly exceeded the record figure of 2021 (based on 158 transactions). Private debt funds financed slightly more than half of transactions (55 per cent).[3] According to data provided by Houlihan Lokey for the first half of 2023, the number of transactions during this period declined to 48. Banks and debt funds each accounted for half of the deals. Houlihan Lokey believes that both sources continue to be ready to provide new financings, albeit applying more conservative terms regarding debt multiples and other financing parameters.[4]

Private equity market 2022: The German mid-market buyout segment has shifted down a gear

NUMBER OF MBOS AND TRANSACTION VOLUME
(Mid-market segment, €50-250mn)



Due to the limited size and varied structure of the private equity market, comparisons over short periods of time continue to offer only low informational value. Furthermore, transparency is limited, since for every transaction on which a value is published, there are several transactions where no such information is released. We therefore regularly perform our own market analyses, together with the industry magazine FINANCE, in order to examine the market segment which DBAG addresses[5].

According to the most recent analysis available, financial investors structured a total of 43 management buyouts (MBOs) in 2022, a third less than the year before: the combination of war in Ukraine, soaring energy costs and accompanying inflation, along with higher interest rates, placed a major burden on the M&A market. Some developments already observed in 2021 persisted: primaries – transactions not executed between financial investors – accounted for a high share of the total, and the IT services and software sectors now account for an even larger proportion of mid-market MBOs. A total of 16 transactions took place in this sector in 2022, more than a third of the entire year's MBO total and significantly higher than the ten-year average of 17 per cent.

[3] Houlihan Lokey MidCapMonitor Q4 2022
[4] Houlihan Lokey MidCapMonitor Q2 2023
[5] Transactions where financial investors have acquired a majority stake in a German company alongside the management team, and which had a transaction value of between 50 and 250 million euros for the debt-free company. This information was compiled from publicly available sources, together with DBAG's own estimates and research in cooperation with the German industry magazine FINANCE.

Founders or family owners sold to financial investors in 27 out of the 43 transactions. Transactions with families and founders as sellers had already represented more than half of all transactions in the previous year. One buyout was the result of a larger group spinning out peripheral businesses to a financial investor. The remaining 15 MBOs were agreed upon between financial investors. Over the long term, Germany's *Mittelstand* buyout market is growing at an average annual rate of around seven per cent (CAGR 2013-2022).

In the year under review, DBAG successfully completed the partial disposal of one portfolio company in the IT services & software sector, and closed or agreed upon two new investments. At the same time, DBAG also structured succession arrangements for several founder-managed or family-owned businesses in the course of its investment. Between 2013 and 2022, roughly 58 per cent of DBAG's transactions involved family-owned companies, whereas these companies only acted on the market as sellers in 53 per cent of transactions.

Competition on the private equity market remained intense. Transactions were split among a large number of financial investors in 2022. 30 private equity firms were involved in the 43 transactions observed last year. DBAG figures in the buyout list with two MBOs in 2022 (previous year: three out of 62). It did complete an additional MBO in 2022, but this was not included in the analysis because the company was based in Italy. Over the past ten years DBAG has the highest market share in a fragmented market, with 26 of 390 MBOs (seven per cent); it is followed in the ranking by two competitors with 22 and 18 transactions respectively in the market segment under review.

The environment in the private equity market remained challenging in the first half of the 2023 calendar year, as revealed by a further survey conducted by FINANCE Magazine: although 45 per cent of respondents stated that they had a "great appetite for exits", another 45 per cent said that they had a "low" need for disposals. Nonetheless, DBAG managed to conclude attractive disposals. In the financial year 2022/2023, the Company closed or agreed upon a total of six disposals or partial disposals. At the end of the reporting year, DBAG assessed the risk that the general economy and economic cycles could have a negative impact on the financial position and financial performance of the portfolio companies as "high" – and hence, slightly lower than in the previous year, when the risk was deemed "very high". This also includes the risk of extended holding periods of investments, resulting in the gains on disposal being postponed or reduced.

Review of key events and transactions

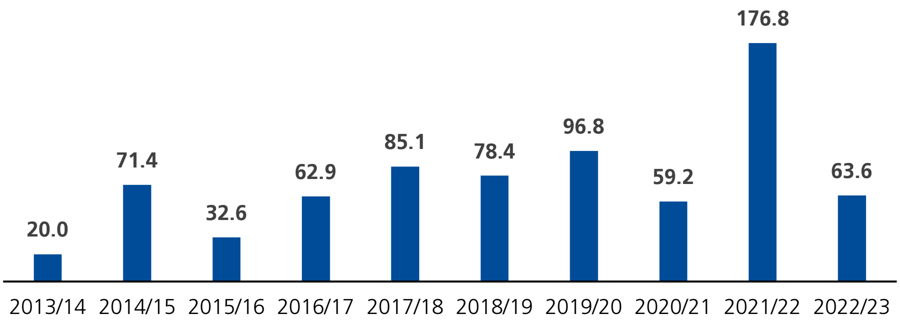
Private Equity Investments: Portfolio rejuvenation through realisations and investments in new companies

Realisations increase significantly

Following the financial year 2021/2022, which focused on expanding the portfolio with new equity investments and add-ons to existing portfolio companies, the financial year 2022/2023 saw a marked increase in realisations of equity investments. In addition, DBAG again made new attractive equity investments.

DBAG invested 63.6 million euros from its balance sheet in 2022/2023 (previous year: 176.8 million euros); this sum not only comprises new investments, but also increases in existing investments that were completed in the year under review. Of this amount, 28.8 million euros was accounted for by three new investments completed in the year under review (previous year: 145.1 million euros). 13.6 million euros (previous year: 9.5 million euros) was attributable to financing provided by DBAG (largely) alongside DBAG Fund VII and DBAG Fund VIII for add-ons made by portfolio companies. Increases in existing investments totalled 21.2 million euros (previous year: 22.2 million euros).

INVESTMENT IN THE PORTFOLIO
€mn



Successful disposals and expanding the portfolio to include attractive, new investments, dynamic development of the existing portfolio

The period under review saw a high level of disposal activity and new investments. The latter related to both management buyouts (MBOs) and Long-Term Investments as well as add-ons. We were again able to explore a wide range of new investment opportunities and provide support for three new equity investments completed in the year under review. The following transactions were made in the year under review:

- Investments: three new MBOs (AOE, Avrio Energie and TBD Technische Bau Dienstleistungen) were completed. In addition, one new MBO (ProMik) and one new Long-Term Investment (NOKERA) were agreed.
- Disposals: the disposal of three portfolio companies (BTV Multimedia, Heytex, Pmflex), partial disposal of two portfolio companies (Cloudflight and GMM Pfaudler) and derecognition of one portfolio company (Frimo) were completed. In addition, the disposal of one Long-Term Investment (R+S) was agreed.
- Add-ons: Ten add-on acquisitions by existing portfolio companies were completed and two were agreed.

One of the three newly agreed and completed MBOs is AOE, a specialised developer of agile software solutions, with customers from the e-commerce, telecommunications, aviation, healthcare, production, fintech and the public sector. Avrio Energie is an operator of renewable energy plants. Its portfolio includes a cutting-edge biogas plant that generates electricity and biomethane (renewable natural gas) from both agricultural produce and animal manure, thus contributing to improving the carbon footprint of biomethane clients. TBD Technische Bau Dienstleistungen is a provider of construction services for infrastructure solutions. The company was involved, for example, in the connection of the LNG terminal in Wilhelmshaven, where TBD, as an accredited testing laboratory, conducted the weld seam inspections.

The investments newly agreed in the reporting year but not yet completed include ProMik (MBO), a leading global systems provider of programming and testing solutions for series production in the electronics industry. Its broad range of services is geared towards sectors such as mobility, consumer goods or industrial applications. NOKERA (Long-Term Investment structured as a minority interest) is a producer of sustainable buildings in serial construction.

The new equity investments were offset by three disposals, two partial disposals, and the derecognition of one portfolio company in the year under review. This compares with two partial disposals and one derecognition in the financial year 2021/2022. The three completed disposals are: BTV Multimedia, a broadband telecommunications equipment and services provider, Heytex, a leading manufacturer of technical textiles serving a variety of end markets, Pmflex, a leading European manufacturer of electrical installation conduits.

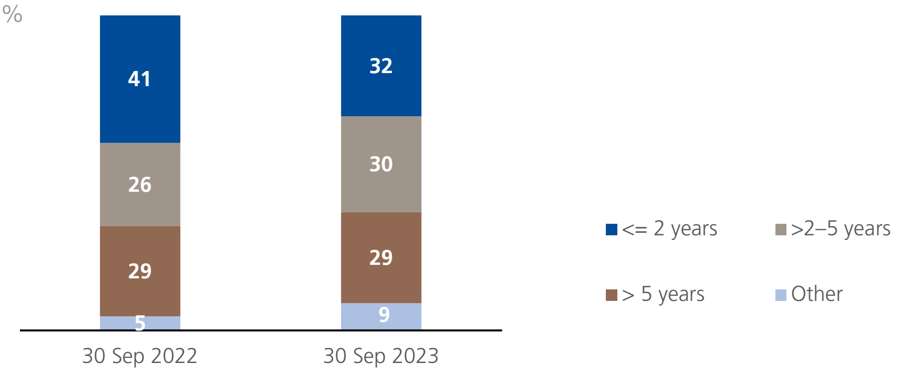
The two completed partial disposals related to: Cloudflight, a leading European full-service provider for industrial digital transformation, and GMM Pfaudler, a firm specialising in mechanical engineering solutions for the chemical and pharmaceutical industries. The derecognition of Frimo, a provider of tools and machinery for the automotive industry, following its insolvency did not have any effect on earnings in the year under review, since the investment's negative performance had been taken into consideration as at previous reporting dates. A further portfolio company is involved in challenging restructuring negotiations, which might lead to insolvency proceedings. That company's negative performance has already been taken into account in the portfolio valuation as at 30 September 2023.

The disposal of the Long-Term Investment in R+S, a leading provider of technical building services, was agreed in the reporting year but has not yet been completed.

At the end of the financial year 2022/2023, DBAG's investment portfolio therefore consisted of 38 companies (previous year: 39), including the four partially disposed equity investments Cloudflight, evidia, GMM Pfaudler and Telio. The investments which are no longer expected to deliver any appreciable value contributions, including the investment in an externally managed foreign buyout fund, and companies through which warranties on disposals are settled, must be added.

STRUCTURE OF THE PORTFOLIO ON BASIS OF ACQUISITION COSTS

%



Holding period of the portfolio companies

The share of investments in the portfolio for up to two years was 32 per cent on the reporting date on the basis of the acquisition costs (previous year: 41 per cent). Investments that we have already been supporting for two to five years account for around 30 per cent (previous year: 26 per cent). This is typically the period during which the implementation of the agreed measures for realising the development potential gain momentum. The negative economic influences experienced in manufacturing industry since 2019, the pandemic, the growing upward pressure on energy and raw material prices, interest rates and the resulting macro-economic impact since the war in Ukraine started could delay the companies' performance and lead to a longer holding period. The share of companies that have been in the portfolio for more than five years amounted to 29 per cent on the reporting date on the basis of the acquisition costs (previous year: 29 per cent).

DBAG's portfolio consisted of 38 portfolio companies as at 30 September 2023, plus one investment in an externally-managed foreign buyout fund.[1]

Name, event, registered office	DBAG fund	Description of company activities	Date of agreement or closing	Employees, revenues (€mn, rounded)	Equity contribution from DBAG (€mn, rounded)
MTWH Add-ons FIXO, Italy Metalstudio, Italy	DBAG FUND VIII	Industry and industrial technology Manufacturer of metal applications for the luxury goods industry	12/2022 (FIXO closing) 9/2023 (Metalstudio closing)	40, 14 (2022B² Fixo) resp. 320, 86 (2023B² Metalstudio)	8
in-tech Add-on ProIT, Romania	DBAG Fund VIII	IT services & software Engineering services and software	4/2023 (Closing)	123, 8 (2023B²)	-
akquinet Add-ons SI Consulting, Poland EKC, Germany MSC, Switzerland	DBAG Fund VII	IT services & software IT services	5/2023 (SI Consulting closing) 4/2023 (EKC closing) 4/2023 (MSC agreement)	292, 39 (2023FC³ resp. 2023B²)	2
Cloudflight Partial disposal, Germany	DBAG Fund VII	IT services & software Tailor-made services for cloud-first, digital product development and digital transformation	3/2023 (Closing)	1000, 92 (2022)	-
Karl Eugen Fischer Add-on KTT, Slovakia	DBAG Fund VII	Industry and industrial technology Mechanical engineering for the tyre industry	12/2022 (Closing)	229, 22 (2023B²)	-
operasan Add-ons NZ St. Wendel, Germany NZ Kamen, Germany NZ Roth, Germany	DBAG Fund VII	Healthcare Nephrology and dialysis	1/2023 (NZ St. Wendel Closing) 4/2023 (NZ Kamen Closing) 8/2023 (NZ Roth agreement)	96, 13 (2022B² and 2023FC³)	4
Pmflex Disposal, Italy	DBAG Fund VII	Industry and industrial technology Production and marketing of protection conduits for electrical cables	1/2023 (Closing)	142, 155 (2022FC³)	-
Frimo Derecognition, Germany	DBAG Fund VI	Industry and industrial technology Tools and machinery for the automotive industry	2/2023 (Closing)	1028, 179 (2022)	-
GMM Pfaudler Partial disposal, India	DBAG Fund VI	Industry and industrial technology Corrosion-resistant technologies, systems, and services for the chemical, pharmaceutical, food and energy industries	12/2022 und 8/2023 (Closing)	984, 327 (2021/2022)	-
Heytex Disposal, Germany	DBAG Fund V	Industry and industrial technology Manufacturer of technical textiles	2/2023 (Closing)	543, 160 (2022FC³)	-
Netzkontor Add-ons IMT, Germany Adams, Germany	DBAG ECF I	Broadband/telecommunications Services for the telecommunications sector	12/2022 (IMT closing) bzw. 3/2023 (Adams closing)	176, 26 (2023B²)	-
BTV Multimedia Disposal, Germany	DBAG ECF III	Broadband/telecommunications Equipment and services for broadband communications	5/2023 (Closing)	222, 140 (2023B²)	-

[1] For acquisitions, the figures in the tables relate to the companies acquired.
[1] "B" refers to budgeted value
[3] "FC" indicates forecast

Name, event, registered office	DBAG fund	Description of company activities	Date of agreement or closing	Employees, revenues (€mn, rounded)	Equity contribution from DBAG (€mn, rounded)
AOE Acquisition	DBAG ECF IV	IT services & software Agile software development	8/2023 (Closing)	200, 21 (2023FC[3])	11
Avrio Energie Acquisition	DBAG ECF IV	Other Biogas platform	7/2023 (Closing)	10, 10 (2023B[2])	9
TBD Technische Bau Dienstleistungen Acquisition	DBAG ECF IV	Industrial services Construction services for infrastructure solutions	8/2023 (Closing)	369, 38 (2023FC[3])	10
ProMik Acquisition	DBAG ECF IV	Industry and industrial technology Programming and testing solutions for the electronics manufacturing industry	9/2023 (Agreement)	60, 15 (2023FC[3])	15
NOKERA Minority stake, Switzerland	Long-Term Investment	Other Construction supplier & industry	7/2023 (Agreement)	400, 78 (2022)	21
R+S Disposal, Germany	Long-Term Investment	Industrial services Technical building equipment	7/2023 (Agreement)	2123, 338 (2022)	-

Fund Investment Services

Having started its investment period in December 2022, DBAG ECF IV made good investment progress in the year under review. The fund had a positive impact on callable capital commitments and hence, on the volume of assets under management or advisory; disposals and partial disposals had the opposite effect. On balance, assets under management or advisory remained roughly unchanged compared to the previous year, at approximately 2.5 billion euros.

Majority investment in ELF Capital Group expands range of flexible financing solutions

Deutsche Beteiligungs AG has acquired a majority stake in ELF Capital Group ("ELF Capital") in the year under review, thereby expanding its range of flexible financing solutions for mid-market companies to include private debt. Closing of the transaction and first-time consolidation of ELF Capital are envisaged for the first quarter of the financial year 2023/2024 – subject, in particular, to the amendment of DBAG's corporate object. (Please refer to the chapter "Fundamental information about the Group".)

Financial performance

Overall assessment: Net income up significantly on the previous year

At 105.8 million euros, DBAG's net income for the financial year 2022/2023 is significantly above the previous year. It is defined in particular by increased valuation multiples for the peer group companies we use to value our portfolio companies, and by transaction effects related to the successful disposals we realised in the year under review. Last year, net income was still influenced by the negative capital market development following the interest rate turnaround and by burdened earnings at the portfolio companies, and was therefore very negative.

In the Private Equity Investments segment, net income from investment activity rose from -98.9 million euros in the previous year to 109.6 million euros in the financial year under review. The positive contribution was especially due to changes in multiples. As communicated in our ad-hoc releases in January, February, April and July 2023, the successful disposals of our portfolio companies and the positive performance of peer group companies on the capital market led to an increase in net gains and losses on measurement and disposal.

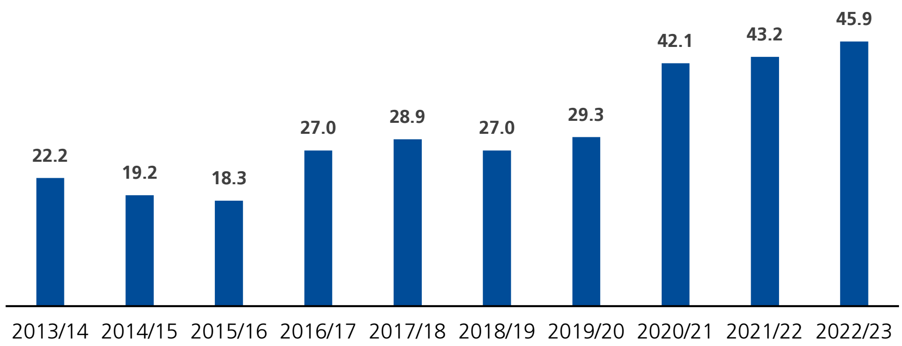
At 45.9 million euros, income from Fund Services was higher than in the previous year (43.2 million euros).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
€'000	**2022/2023**	2021/2022
Net income from investment activity	109,577	(98,883)
Income from Fund Services	45,859	43,156
Income from Fund Services and investment activity	**155,435**	**(55,726)**
Personnel expenses	(27,088)	(24,550)
Other operating income	4,748	3,739
Other operating expenses	(22,320)	(18,274)
Net interest income	(2,191)	(1,107)
Other income/expense items	**(46,851)**	**(40,192)**
Earnings before taxes	**108,585**	**(95,918)**
Income taxes	(2,799)	(1,639)
Earnings after taxes	**105,786**	**(97,557)**
Net income attributable to other shareholders	(6)	(7)
Net income	**105,780**	**(97,564)**
Other comprehensive income	(753)	8,624
Total comprehensive income	**105,026**	**(88,939)**

Overview: Positive capital market development influences investment activity

INCOME FROM FUND SERVICES AND INVESTMENT ACTIVITY soared compared with the previous year, driven by higher net income from investment activity that mainly determines this item (for details, please refer to the information under "Net income from investment activity") and by income from Fund Services that exceeded the previous year's results, as expected (for details on the development of fees, please refer to the information under "Fund Investment Services segment").

INCOME FROM FUND SERVICES
€mn



Other income/expense items: Increase in net expenses

The rise in net expenses in **OTHER INCOME/EXPENSE ITEMS**, i.e. the net amount of personnel expenses, other operating income and expenses, as well as net interest income, resulted primarily from higher other operating expenses and higher personnel expenses.

PERSONNEL EXPENSES (see note 11 to the consolidated financial statements) increased by 2.5 million euros as a result of higher provisions for performance-related remuneration, which went up by 3.9 million euros mainly driven by the successful disposals in the year under review. 1.2 million euros of the increase was attributable to provisions for Board of Management members. Expenses for fixed salaries, on the other hand, increased only slightly in the financial year 2022/2023. The number of employees averaged 91 in the financial year under review, compared to 85 for the previous year. The fact that one-off expenses related to the retirement of a Board of Management member were not incurred in the year under review contained the increase in personnel expenses. For more information on Board of Management remuneration, please refer to the remuneration report available on our website[7].

OTHER OPERATING INCOME increased compared to the previous year (see note 12 to the consolidated financial statements). This item is largely made up of income from consultancy expenses that can be passed through, which was higher than in the previous year.

Income from consultancy expenses that can be passed through was offset by corresponding expense items, which are reported under **OTHER OPERATING EXPENSES** (for more information, please refer to note 13 to the consolidated financial statements). The latter increased in the year under review. In particular, increases were seen in consultancy expenses (including in connection with transactions for which expenses cannot be passed on to DBAG funds), maintenance costs for IT infrastructure, hiring expenses, as well as costs for interim management and freelance fees. Depreciation of property, plant and equipment also increased following the move to new premises.

Higher interest expenses (2.3 million euros versus 1.1 million euros in the previous year) due to the credit line drawn down in the year under review were the main reason for **NET INTEREST INCOME** (see note 14 to the consolidated financial statements) declining overall, whilst interest income increased only slightly, from 0.0 million euros to 0.1 million euros.

Other comprehensive income influenced by slightly higher pension provisions

OTHER COMPREHENSIVE INCOME declined in the year under review, mainly as a result of higher pension provisions. The previous year's figure benefited from higher actuarial gains on measurement of pension obligations reflecting a marked increase in the underlying discount rate for pension provisions. In the year under review, the discount rate only saw a slight increase from 3.74 per cent to 4.06 per cent (see note 24 to the consolidated financial statements "Gains (+)/ losses (-) on remeasurement of the net defined benefit liability (asset)").

Net income from investment activity: Positive impact from capital market development

The change in **NET INCOME FROM INVESTMENT ACTIVITY** from -98.9 million euros in the previous year to 109.6 million euros in the 2022/2023 financial year was due primarily to the performance of the investments in the portfolio companies, which – with one exception (JCK) – are held via investment entity subsidiaries, as reflected in **GROSS GAINS AND LOSSES ON MEASUREMENT AND DISPOSAL**. This means that the net gains depend not only on the earnings outlook of the portfolio companies, but also – due to their valuation based on multiples of listed reference companies (peer groups) – on capital market developments. Net income from investment activity also includes current portfolio income and the net amount of expenses and income of the investment entity subsidiaries.

NET INCOME ATTRIBUTABLE TO OTHER SHAREHOLDERS OF INVESTMENT ENTITY SUBSIDIARIES corresponds to gross gains and losses on measurement and disposal. Specifically, this relates to carried interest entitlements resulting from private investments made by members of the Investment Advisory Team in the DBAG funds' investment entity subsidiaries. The carried interest entitlements essentially reflect the net performance of the DBAG fund investments. This means that carried interest changes, depending on the further

[7] See https://www.dbag.com/investor-relations/corporate-governance

performance of the fund investments and in the course of distributions following disposals from a fund's portfolio, provided that the contractual conditions are met. The beneficiaries of these entitlements are those active and former members of the DBAG Investment Advisory Team who co-invested alongside the funds.

Whilst entitlements that had to be accounted for DBAG ECF and DBAG Fund VII were higher in the year under review, entitlements for DBAG Fund VI were lower. DBAG Fund VIII commenced investments in August 2020. No carried interest has been recognised for this fund to date. In the previous year, lower entitlements especially for DBAG ECF and DBAG Fund VI had to be taken into account.

NET INCOME FROM INVESTMENT ACTIVITY

€'000	2022/2023	2021/2022
Gross gains and losses on measurement and disposal portfolio	114,643	(130,033)
Net income attributable to other shareholders of investment entity subsidiaries	(10,508)	28,263
Net gains and losses on measurement and disposal portfolio	**104,134**	**(101,771)**
Current portfolio income	17,179	14,587
Net portfolio income	**121,313**	**(87,184)**
Net gains and losses from other assets and liabilities of investment entity subsidiaries	(13,032)	(13,191)
Net gains and losses from other financial assets and other financial instruments	1,295	1,492
Net income from investment activity	**109,577**	**(98,883)**

CURRENT PORTFOLIO INCOME mainly relates to interest payments on shareholder loans, and exceeded the previous year's figure which largely related to one DBAG Fund VII company. The year-on-year increase in the amount of loans granted to existing and new portfolio companies also had an effect.

Changes to **NET GAINS AND LOSSES FROM OTHER ASSETS AND LIABILITIES OF INVESTMENT ENTITY SUBSIDIARIES** are mainly a result of remuneration for the respective managers of DBAG Fund VI, DBAG Fund VII and DBAG Fund VIII, based on the capital invested/committed by DBAG, plus incidental transaction costs for Long-Term Investments. **INCOME FROM OTHER FINANCIAL ASSETS** were lower in the year under review, in particular due to measurement effects through other financial assets.

Analysis of gross gains and losses on measurement and disposal

SOURCE ANALYSIS 1: As at the 30 September 2023 reporting date, we determined the fair value of 33 portfolio companies (previous year: 29) using the multiples method. We based this calculation (largely) on the expected result for 2023 and the company debt levels expected at the end of the year, as well as on capital market valuations and exchange rates at the reporting date. Three portfolio companies (previous year: eight) are still carried at their original transaction price because they have been held for less than twelve months. They account for 4.6 per cent of the portfolio value (previous year: 25.6 per cent). Our valuation of the externally-managed foreign buyout fund was based on the valuation of the fund manager. The valuation of the shares in GMM Pfaudler Ltd. (listed in India) is based on the agreed disposal valuation.

In the financial year 2022/2023, the contribution from the companies' **CHANGES IN EARNINGS** was positive, at 39.4 million euros. 19 companies (previous year: 19) made a positive contribution, whilst ten companies (previous year: five) made a negative contribution. The remaining companies made no contribution from changes in earnings. For several companies, improved earnings were the result of add-ons, which were accompanied by an increase in debt. Positive earnings contributions were mainly delivered by companies from the IT services & software and broadband/telecommunications sectors. Negative earnings contributions were attributable, for example, to supply chain bottlenecks, which resulted in one company reducing its earnings expectations. And market disruptions dampened customer spending at two other companies.

GROSS GAINS AND LOSSES ON MEASUREMENT AND DISPOSAL PORTFOLIO BY SOURCES: SOURCE ANALYSIS 1

€'000	2022/2023	2021/2022
Fair value of unlisted investments		
Change in earnings	39,354	80,667
Change in debt	(59,420)	(78,612)
Change in multiples	121,003	(150,797)
Change in exchange rates	(6,638)	2,014
Change – other	(41,852)	2,293
Other	(814)	(519)
Subtotal	51,633	-144,954
Net gains and losses on disposal	63,009	14,921
	114,643	**(130,033)**

As a general rule, we do not receive any current distributions from portfolio companies during the holding period. The portfolio companies therefore mostly use surpluses to reduce their **DEBT** and occasionally also for distributions in conjunction with refinancings. At the same time, growth through add-ons is a core element of the corporate strategy of many of our portfolio companies, designed to accelerate the expansion of their market presence. This applies in particular to our investments in broadband/telecommunications, IT services & software and healthcare, where our portfolio companies rely heavily on buy-and-build strategies. The resulting higher debt levels are offset by positive earnings contributions from the add-ons. Supply chain bottlenecks also led some of the portfolio companies to increase their funding requirements.

The change in **MULTIPLES** includes two effects. Firstly, we report the earnings contribution from changes to valuation multiples of listed peer group companies, which we use for the valuation of portfolio companies. Secondly, we take into consideration the findings derived from transaction processes. The earnings multiples of listed peer group companies on the reporting date of the financial year were largely higher than those on the reporting date of the previous year. The change in multiples led to a positive effect on earnings in the year under review, primarily among investments in the industry and industrial technology, industrial services and IT services & software sectors – following noticeably negative net contributions from this earnings component in the previous year.

Changes in **EXCHANGE RATES** impacted in particular on the value of the investments in duagon (Swiss francs) and congatec (US dollar). As in the previous year, **CHANGES IN THE OTHER** item had a negative impact on net gains and losses on measurement and disposal.

NET GAINS AND LOSSES ON DISPOSAL was driven, in particular, by value contributions from the partial disposal of the investments in Cloudflight and GMM Pfaudler, and from the disposal of the investments in BTV Multimedia and Pmflex. Net gains and losses on disposal in the financial year 2021/2022 in turn had been marked by the partial disposal of Telio and the von Poll Immobilien refinancing.

Contributions to net measurement gains and losses shown in the **OTHER** item mainly relate to effects associated with the partial disposal of the investments in Cloudflight and GMM Pfaudler. Discounting effects relating to residual items also played a role.

SOURCE ANALYSIS 2: 23 portfolio companies (previous year: 12) made a positive contribution to the development of net gains and losses on measurement and disposal in the year under review. Of these, one company is valued at its disposal price.

Eleven (previous year: 20) equity investments made a negative contribution to net gains and losses on measurement and disposal of the 2022/2023 financial year. A negative valuation effect also occurred for the remaining stake in an externally-managed foreign buyout fund.

GROSS GAINS AND LOSSES ON MEASUREMENT AND DISPOSAL PORTFOLIO BY SOURCES: SOURCE ANALYSIS 2

€'000	2022/2023	2021/2022
Positive movements	146,997	42,702
Negative movements	(32,354)	(172,735)
	114,643	**(130,033)**

SOURCE ANALYSIS 3: Net gains and losses on measurement and disposal in the 2022/2023 financial year reflect the overall positive development of multiples of the listed peer group companies. Disposals and partial disposals have also contributed their part to significantly positive net gains and losses on disposal. For information on net gains and losses on disposal, we refer to source analysis 1.

GROSS GAINS AND LOSSES ON MEASUREMENT AND DISPOSAL PORTFOLIO BY SOURCES: SOURCE ANALYSIS 3

€'000	2022/2023	2021/2022
Net measurement gains and losses	51,634	(144,954)
Net gains and losses on disposal	63,009	14,921
	114,643	**(130,033)**

TEN-YEAR SUMMARY OF EARNINGS

	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	**2022/ 2023**
		11 months								
Net income from investment activity[1]	50.7	29.2	59.4	85.8	31.1	49.6	(16.9)	178.4	(98.9)	109.6
Income from Fund Services	22.2	19.2	18.3	27.0	28.9	27.0	29.3	42.1	43.2	45.9
Other income/expense items[2]	(24.5)	(21.3)	(28.4)	(30.9)	(30.2)	(31.5)	(28.2)	(34.7)	(40.2)	(46.9)
EBT	48.4	27.1	49.3	82.0	29.7	45.1	(15.8)	185.7	(95.9)	108.6
Net income	48.0	27.0	49.5	82.0	29.7	45.9	(16.8)	185.1	(97.6)	105.8
Other comprehensive income[3]	(6.4)	0.4	(6.5)	2.9	(1.2)	(7.7)	2.7	2.2	8.6	(0.8)
Total comprehensive income	41.6	27.4	43.0	84.9	28.5	38.2	(14.1)	187.3	(88.9)	105.0
Return on equity per share (%)[4]	15.9	9.6	14.9	24.1	6.9	9.1	(3.2)	44.2	(12.7)	18.1

1 Net gains and losses on measurement and disposal as well as current income from financial assets
2 Net amount of other income and expense items
3 Actuarial gains and losses on remeasurement of the net defined benefit liability are recognised directly in equity, via other comprehensive income.
4 Since the financial year 2020/2021: total comprehensive income divided by the opening balance of equity (in previous years: total comprehensive income divided by opening balance).

Financial position – liquidity

Overall assessment: Redemption of credit lines from successful disposals

As at 30 September 2023, DBAG's financial resources totalling 20.0 million euros comprised cash and cash equivalents. The investment entity subsidiaries hold additional financial resources – exclusively cash and cash equivalents – amounting to 9.1 million euros. Credit lines totalling 106.7 million euros remained undrawn as at the reporting date (for the financing strategy and credit lines, please refer to the information under "Long-term financing of DBAG's co-investments and Long-Term Investments via the equity market").

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

INFLOWS (+)/OUTFLOWS (-)

€'000	**2022/2023**	2021/2022
Net income	105,780	(97,564)
Measurement gains (-)/losses (+) and gains (-)/losses (+) on disposal of financial assets	(107,235)	101,751
Other non-cash changes	10,802	25,350
Cash flow from operating activities	**9,347**	**29,538**
Proceeds from disposals of financial assets and other financial instruments	162,963	122,111
Payments for investments in financial assets and other financial instruments	(113,575)	(253,727)
Cash flow from investment activity	49,388	(131,617)
Proceeds from (+)/payments for (-) investments in securities	0	74,802
Other cash inflows and outflows	(719)	(861)
Cash flow from investing activities	**48,669**	**(57,675)**
Proceeds from capital increases	(42)	(280)
Payments for lease liabilities	(1,072)	(1,073)
Proceeds from drawdowns of credit facilities	15,000	41,000
Payments for redemption of credit lines	(56,000)	0
Payments to shareholders (dividends)	(15,044)	(30,088)
Cash flow from financing activities	**(57,157)**	**9,559**
Net change in cash and cash equivalents	**860**	**(18,579)**
Cash and cash equivalents at start of reporting period	19,158	37,737
Cash and cash equivalents at end of reporting period	**20,018**	**19,158**

CASH AND CASH EQUIVALENTS in accordance with IFRS increased in the financial year 2022/2023. The balance of **CASH FLOW FROM OPERATING ACTIVITIES** was positive and significantly below the previous year's figure. Firstly, this is attributable to the fact that net income is largely based on the change in value in connection with the fair-value measurement of the portfolio. Realised proceeds from disposals are shown in cash flow from investing activities. The receipt of 27.8 million euros in advisory fees for DBAG Fund VII in the financial year 2021/2022 (which had been deferred since July 2019) was a material factor leading to the decline from the previous year's result.

CASH FLOW FROM INVESTING ACTIVITIES was positive in the year under review. It is characterised mainly by the cash flow from investment activity and is also influenced by the change in securities holdings, in which surplus funds are temporarily invested until they are needed for investments. Money market fund units in the amount of 74.8 million euros were sold in the financial year 2021/2022, whereas no net change was recorded in the year under review.

Investment activity resulted in an inflow of funds in the year under review, compared to an outflow in the previous year. The volatility of the cash flows from investment activity is due to reporting date factors and also due to cash flows being concentrated on a few – yet sizeable – amounts in the transaction business, which is typical for Deutsche Beteiligungs AG's business model.

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

Proceeds from disposals of financial assets and other financial instruments mainly related to the inflow of funds from the partial disposal of Cloudflight and the disposals of BTV Multimedia, Heytex and Pmflex (see the chapter "Review of key events and transactions"). Payments for investments in financial assets and other financial instruments resulted from capital calls made by investment entity subsidiaries for the investments and add-ons made by DBAG ECF, DBAG Fund VI, DBAG Fund VII and DBAG VIII or the Long-Term Investments, as described in the chapter mentioned.

CASH FLOW FROM FINANCING ACTIVITIES was largely driven by the redemption of the credit line that had been drawn in the previous year. In addition, the dividend was paid out to DBAG's shareholders following the Annual General Meeting on 28 February 2023.

TEN-YEAR SUMMARY OF CASH POSITION

€'000	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	**2022/2023**
		11 months								
Cash flow from operating activities	0.0	7.1	(0.6)	(0.5)	9.9	(12.3)	(6.7)	(7.6)	29.5	9.3
Cash flow from investing activities	67.9	20.1	1.9	95.1	(93.2)	54.5	(8.4)	(47.0)	(57.7)	48.7
Cash flow from financing activities	(16.4)	(27.4)	23.5	(18.1)	(21.1)	(21.8)	(10.5)	74.0	9.6	(57.2)
Net change in financial resources[1]	51.5	(0.1)	24.8	76.6	(104.4)	20.4	(25.6)	19.4	(18.6)	0.9

1 Financial resources: cash and cash equivalents along with securities, excluding financial resources of investment entity subsidiaries

Financial position – assets

Overall assessment: Solid statement of financial position with high equity ratio

DBAG's financial position is defined by its predominantly equity-financed financial assets. The equity ratio amounts to 94.5 per cent of total assets (previous year: 89.6 per cent). Equity still covers non-current assets in full and current assets at 30.9 per cent (previous year: 22.7 per cent).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€'000	**30 Sep 2023**	30 Sep 2022
Financial assets	635,404	553,323
Other non-current assets	14,779	3,317
Deferred tax assets	1,790	3,190
Non-current assets	**651,973**	**559,831**
Other financial instruments	17,990	42,225
Receivables and other assets	16,584	23,137
Cash and cash equivalents	20,018	19,158
Other current assets	1,705	2,056
Current assets	**56,296**	**86,576**
Total assets	**708,269**	**646,407**
Equity	669,379	579,455
Non-current liabilities	16,813	5,840
Current liabilities	22,077	61,112
Total equity and liabilities	**708,269**	**646,407**

Asset and capital structure: further increase in financial assets

Total assets as at the reporting date of 30 September 2023 stood at 708.3 million euros – above the levels seen at the end of the financial year 2021/2022. On the assets side, factors increasing total assets included above all the higher valuation of financial assets. On the capital side, this effect led to an increase in equity.

The main factors reducing total assets were declines in other financial instruments, as well as receivables and other assets. On the capital side, the dividend payment reduced DBAG's equity, while the redemption of the credit line reduced current liabilities.

The **ASSET STRUCTURE** has shifted in favour of non-current assets; this is mainly down to the higher valuation of financial assets. Non-current assets now account for 92.1 per cent of total assets (previous year: 86.6 per cent). Of the total assets, 89.7 per cent (previous year: 85.6 per cent) are accounted for by financial assets. Cash and cash equivalents account for 2.8 per cent (previous year: 3.0 per cent) of total assets.

The **CAPITAL STRUCTURE** has shifted in favour of equity compared to the end of the last financial year.

EQUITY stood at 669.4 million euros (previous year: 579.5 million euro) – an increase that mainly reflected the higher net income. Equity per share thus increased from 30.81 euros at the beginning of the reporting period to 35.59 euros at the end of the period. Based on equity per share (reduced by the dividend payment) at the beginning of the financial year, this corresponds to a return on equity of 18.1 per cent; a return on equity of -12.7 per cent was achieved in the previous year. Please refer to the notes to the consolidated financial statements (note 22) regarding purchases of treasury shares.

NON-CURRENT LIABILITIES increased in particular due to the rise in non-current lease liabilities, as a result of the move to new premises. The decrease in **CURRENT LIABILITIES** largely resulted from the redemption of the credit lines.

Financial assets: Portfolio value increased significantly

Financial assets are largely determined by the **VALUE OF THE PORTFOLIO** which, excluding interests of other shareholders in investment entity subsidiaries (largely carried interest), amounted to 631.9 million euros as at 30 September 2023, compared with 567.3 million euros at the end of the previous financial year. During the reporting period, additions from three new equity investments, from ongoing investing activities as well as positive changes in the value of the portfolio companies were offset by disposals of three portfolio companies, partial disposals of two portfolio companies, and the derecognition of one portfolio company (cf. the comments on portfolio value below).

INTERESTS OF OTHER SHAREHOLDERS IN INVESTMENT ENTITY SUBSIDIARIES have increased in absolute terms compared to the levels at the beginning of the year under review, largely due to the increase in performance-based profit shares from private investments by members of the Investment Advisory Team for the DBAG ECF (please refer to the information under “Net income from investment activity”).

OTHER ASSETS AND LIABILITIES OF THE INVESTMENT ENTITY SUBSIDIARIES include cash and cash equivalents of 9.1 million euros, receivables vis-à-vis investments from loans and interest in the amount of 38.5 million euros and other financial assets and assets of 34.0 million euros. This is offset by liabilities from other financial instruments and unpaid advisory fees of 19.6 million euros.

FINANCIAL ASSETS

€'000	**30 Sep 2023**	30 Sep 2022
Portfolio value		
gross	631,917	567,280
Interests of other shareholders in investment entity subsidiaries	(31,029)	(23,462)
net	600,887	543,818
Other assets and liabilities of investment entity subsidiaries	34,322	9,371
Other financial assets	195	135
Financial assets	**635,404**	**553,323**

Portfolio and portfolio value

As at 30 September 2023, DBAG's total investment portfolio consisted of 38 equity investments, including the four partially sold equity investments Cloudflight, evidia, GMM Pfaudler and Telio. In addition, there is one investment in an externally-managed foreign private equity fund, which is of minor significance, and investments in companies through which representations and warranties on previous disposals are settled, and which are no longer expected to deliver any appreciable value contributions ("Other" investments).

As at 30 September 2023, the value of the 38 equity investments, including loans and receivables extended to them and excluding short-term bridge financing, amounted to 625.8 million euros (previous year: 565.1 million euros). These are attributable to 31 management buyouts – including the four partially disposed equity investments, three growth financings and four Long-Term Investments – two of which are majority and two non-controlling interests; in addition, other investments totalled 5.9 million euros (previous year: 5.4 million euros). This brought the portfolio value to a total of 631.9 million euros (previous year: 567.3 million euros).

The portfolio's growth during the course of the financial year 2022/2023 was attributable to positive net changes in the amount of 51.6 million euros, additions of 63.6 million euros and disposals of 50.6 million euros. With regard to the number of portfolio companies that contributed to the net amount of positive and negative changes in value respectively, and the reasons for this development, we draw attention to source analysis 1 and 2, respectively (please refer to the information under "Financial performance").

The additions mainly relate to the new investments AOE, TBD Technische Bau Dienstleistungen and Avrio Energie. We also supported add-ons by portfolio companies with additional equity: MTWH, Green Datahub and vitronet accounted for the highest individual amounts in this respect. The disposals relate first and foremost to the sale of Pmflex, BTV Multimedia and Heytex as well as to the partial sale of Cloudflight and GMM Pfaudler.

In the year under review, the change in multiples of listed peer group companies led to a value increase of our equity investments in industry and industrial technology. As a result, their valuation increased to 1.14 times acquisition cost as at the reporting date, compared to 0.96 times in the previous year. On balance, the valuation of investments in the broadband/telecommunications, IT services & software and healthcare sectors deteriorated slightly to 1.32 times (previous year: 1.33 times). This was also due to transactions, as new equity investments are initially measured at acquisition cost.

The share of companies with leverage (net debt/EBITDA) of 3.0 or more increased again in the year under review, to 74 per cent, which was also due to the portfolio composition. As at the previous year's reporting date, this figure amounted to 69 per cent. For information on the development of the portfolio companies' debt, please refer to source analysis 1 (see the section on "Financial performance").

Our portfolio companies are measured at fair value, which corresponds to the acquisition cost in the first twelve months after the investment was made, unless we see indications for a change in value. The bulk of the expected increase in value is often generated in the second to fifth year after entering into the investment. Therefore, in absolute terms, the largest share of the increase in value of our portfolio is accounted for by investments with this holding period. The number of companies that we have held in the investment portfolio for five years or longer saw their valuation improve to 1.19 times their original acquisition cost (previous year: 1.07 times) as at the reporting date.

The 15 largest investments accounted for 69 per cent of the portfolio value as at 30 September 2023 (30 September 2022: 67 per cent). The table below shows these 15 companies sorted by their portfolio value. They are split into three groups of five companies each, and are listed alphabetically within their group. The first group consists of the five companies with the highest portfolio value, followed by the next five, which includes the sixth- to tenth-largest, and the last group with the eleventh- to fifteenth-largest companies (in each case by their value in the portfolio).

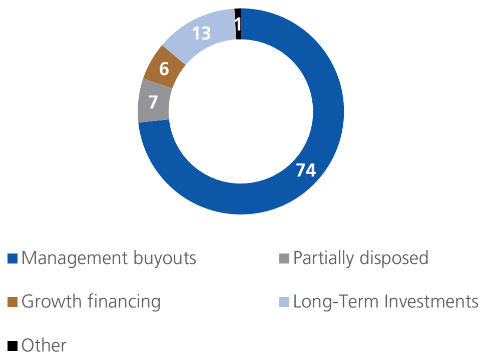
The following information on the structure of the portfolio is based on the valuations and resulting portfolio value of the 38 equity investments as at the reporting date. The information on leverage (net debt, EBITDA) relates largely to the (updated) expectations of the portfolio companies for the 2023 financial year.

PORTFOLIO STRUCTURE (15 LARGEST INVESTMENTS IN TERMS OF PORTFOLIO VALUE AS AT 30 SEPTEMBER 2023)

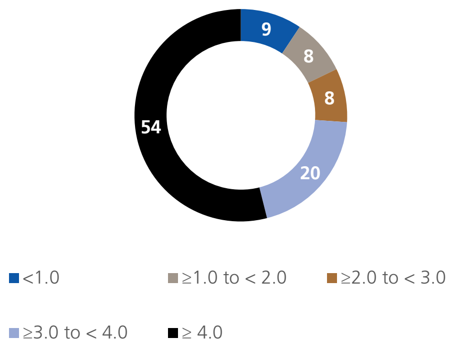
Company	Acquisition cost	Equity share DBAG	Investment type	Sector	Group share of the portfolio
	€mn	%			%
Cartonplast	25.3	15.8	MBO	Industrial services	
freiheit.com	20.8	16.7	MBO	IT services/software	
R+S	18.3	67.6	Long-Term Investments	Industrial services	
Solvares	18.4	27.9	MBO	IT services/software	
vitronet	19.9	39.2	MBO	Broadband/telecommunications	30.5
congatec	23.6	21.7	MBO	Industry and IndustryTech	
Dantherm	23.6	8.1	MBO	Industry and IndustryTech	
duagon	27.4	20.9	MBO	Industry and IndustryTech	
Green Datahub	25.7	100.0	Long-Term Investments	IT services/software	
Itelyum	not published	not published	MBO	Industrial services	22.1
in-tech	17.0	15.3	MBO	IT services/software	
Karl Eugen Fischer	22.7	20.2	MBO	Industry and IndustryTech	
MTWH	21.7	10.9	MBO	Industry and IndustryTech	
Oechsler	11.2	8.4	Growth	Industry and IndustryTech	
vhf	25.0	21.3	Long-Term Investments	Healthcare	16.5

Portfolio structure[1]

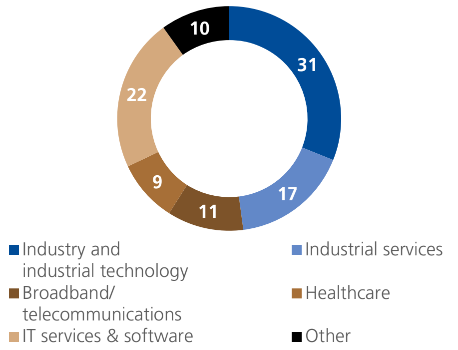
PORTFOLIO VALUE BY TYPE OF INVESTMENT
%



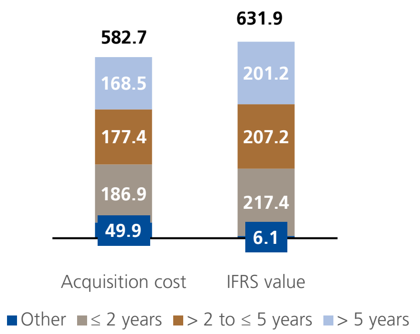
PORTFOLIO VALUE BY NET DEBT/EBITDA
%



PORTFOLIO VALUE BY SECTORS
%



PORTFOLIO VALUE BY AGE STRUCTURE
€mn as at 30 September 2023



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

TEN-YEAR SUMMARY OF THE STATEMENT OF FINANCIAL POSITION

	31 Oct 2014	30 Sep 2015	30 Sep 2016	30 Sep 2017	30 Sep 2018	30 Sep 2019	30 Sep 2020	30 Sep 2021	30 Sep 2022	**30 Sep 2023**
			adjusted[1]	adjusted[2]	adjusted[2]					
Financial assets[3]	163.4	247.7	316.3	254.2	318.9	385.7	390.7	545.3	553.3	635.4
Securities/cash and cash equivalents	140.7	58.3	72.6	161.6	119.0	69.4	18.4	112.8	19.2	20.0
Other assets	28.5	21.2	15.2	48.2	43.4	36.5	65.5	76.8	73.9	52.8
Equity	303.0	303.1	369.6	436.4	443.8	460.2	423.5	698.8	579.5	669.4
Liabilities	29.6	24.1	34.5	27.5	37.5	31.5	51.1	36.2	67.0	38.9
Total assets	332.6	327.2	404.2	464.0	481.3	491.6	474.6	735.0	646.4	708.3

1 Adjusted due to amendments to IFRS 10 (see note 3 to the consolidated financial statements 2016/2017)
2 Restated in accordance with IAS 8
3 Until 2018/2019: including loans and receivables

Business performance by segment

Private Equity Investments segment

SEGMENT EARNINGS STATEMENT – PRIVATE EQUITY INVESTMENTS

€'000	2022/2023	2021/2022
Net income from investment activity	109,577	(98,883)
Other income/expense items	(12,754)	(12,413)
Earnings before taxes	**96,823**	**(111,296)**

EARNINGS BEFORE TAXES in the Private Equity Investments segment were higher than the previous year's noticeably negative figure. This is due to the increase in **NET INCOME FROM INVESTMENT ACTIVITY.** Please refer to the notes on this item in the section on "Financial performance". The negative balance of **OTHER INCOME/EXPENSE ITEMS** (the sum of internal management fees, personnel expenses, other operating income and expenses, as well as net interest income) was affected by two opposing developments. On the one hand, unlike in the previous year, there were no severance payments related to a member of the Board of Management stepping down in the reporting year. On the other hand, variable remuneration increased (please also refer to the explanations in the section on "Financial performance"). On balance, other income/expense items increased slightly. This balance also comprises internal management fees for the Fund Investment Services segment which today only concern DBAG ECF. These internal management fees are recognised as expenses in the Private Equity Investments segment and as income in the Fund Investment Services segment (see the explanations in the notes to the consolidated financial statements).

NET ASSET VALUE AND AVAILABLE LIQUIDITY

€'000	30 Sep 2023	30 Sep 2022
Non-current assets	651,973	559,831
Current assets	56,296	86,577
Non-current liabilities	(16,813)	(5,840)
Current liabilities	(22,077)	(61,113)
Net asset value	**669,379**	**579,455**
Financial resources	20,018	19,158
Credit lines	106,660	65,660
Available liquidity	**126,678**	**84,818**
Co-investment commitments alongside DBAG funds	**244,038**	**199,267**

The **NET ASSET VALUE** exceeded the previous year's figure during the year under review. Significantly positive net measurement gains and losses reported in financial assets through portfolio value were the main driver.

Key factors for the net change in financial resources in the financial year 2022/2023 were the proceeds from disposals, payments for investments, dividend payments to our shareholders and the repayment of credit lines. On balance, the effects of these items largely offset each other in the year under review. Please refer to the "Financial position – assets" and "Financial position – liquidity" sections for information on the changes to financial assets and financial resources as at the reporting date.

Available liquidity increased significantly in the year under review. Cash flow from investment activity in the amount of 49.4 million euros contributed in particular to the rise in financial resources, which include only cash and cash equivalents (please refer to the information under "Financial position – liquidity").

With a view to the co-investment commitments and the funds required for Long-Term Investments, DBAG has two credit lines at its disposal, with which we aim to compensate for the irregular cash flows typical of our business: one credit line totalling 66.7 million euros and one credit line totalling 40 million euros, both expiring in May 2025. Both credit lines were not drawn down as at the reporting date.

Pending **CO-INVESTMENT COMMITMENTS ALONGSIDE DBAG FUNDS** were higher year-on-year as at the current reporting date, due to the increase in investment commitments in connection with the DBAG ECF IV and despite DBAG's continued investing activity. The largest share remains attributable to DBAG Fund VIII, whose investment period runs until December 2026 at the longest.

Due to the increase in available liquidity compared to the increase in co-investment commitments, the latter were covered by available liquidity to a higher extent on 30 September 2023 (51.9 per cent) compared to 42.6 per cent in the previous year. This was despite new investments weighing on available liquidity. The surplus of co-investment commitments relative to financial assets fell to 18.5 per cent, compared to 20.7 per cent on 30 September 2022.

Fund Investment Services segment

SEGMENT EARNINGS STATEMENT – FUND INVESTMENT SERVICES

€'000	2022/2023	2021/2022
Income from Fund Services	46,931	44,279
Other income/expense items	(32,885)	(28,902)
Earnings before taxes	**14,046**	**15,377**

The Fund Investment Services segment ended the financial year with lower **EARNINGS BEFORE TAXES** compared to the previous year, as expected. **INCOME FROM FUND SERVICES** slightly increased in a year-on-year comparison.

DBAG has earned fees in the amount of 2.4 million euros from the new DBAG ECF IV fund for the first time. Further add-ons executed by existing portfolio companies had a positive effect on DBAG Fund VII; fees from the fund increased to 17.5 million euros (previous year: 16.2 million euros). At 19.2 million euros, income from DBAG Fund VIII was roughly on a par with the previous year's level of 19.1 million euros. Income from DBAG Fund ECF and DBAG Fund VI declined as expected, to 1.2 million euros (previous year: 1.4 million euros) and 5.3 million euros (previous year: 6.4 million euros) respectively, as the income from these funds is now calculated on the basis of capital invested and no longer on the basis of the committed funds. The segment information also takes into consideration internal income from the Private Equity Investments segment (see the explanations in the notes to the consolidated financial statements).

The negative balance of **OTHER INCOME/EXPENSE ITEMS** was higher year-on-year, due in particular to higher other operating expenses and provisions for variable remuneration, triggered by the above-mentioned successful sales (see the explanations in the notes to the consolidated financial statements).

ASSETS UNDER MANAGEMENT OR ADVISORY

€'000	30 Sep 2023	30 Sep 2022
Funds invested in portfolio companies	1,947,318	1,810,313
Funds called but not yet invested	4,486	2,017
Short-term bridge financing for new investments	75,288	182,833
Outstanding capital commitments of third-party investors	452,375	489,997
Financial resources (of DBAG)	20,018	19,158
Assets under management or advisory	**2,499,484**	**2,504,318**

ASSETS UNDER MANAGEMENT OR ADVISORY were slightly below the level at the end of the financial year 2021/2022. Short-term bridge financing for new investments and outstanding commitments by fund investors declined a result of investing activities. This contrasts with an increase in the amount of funds invested in or drawn down for portfolio companies. DBAG's financial resources rose slightly in the reporting period, in particularly as a result of investing activities and the repayment of credit lines. In addition, dividends were paid to the Company's shareholders in early March 2023. Please refer to the "Financial position – liquidity" section for information on changes in DBAG's financial resources.

FINANCIAL REVIEW OF DEUTSCHE BETEILIGUNGS AG (COMMENTARY BASED ON THE GERMAN COMMERCIAL CODE – HGB)

The management report and the Group management report of Deutsche Beteiligungs AG for the financial year 2022/2023 are presented combined, in conformity with section 315 (5) in conjunction with section 298 (2) sentence 1 of the HGB. The presentation of DBAG's economic position is based on a condensed statement of financial position and a condensed profit and loss account derived from the statement of financial position and profit and loss account as prescribed by the HGB. The complete annual financial statements of DBAG based on the HGB are published in the German Company Register (Unternehmensregister), together with the consolidated financial statements.

Comparison between actual business developments and the forecast

		Actual 2021/2022	Expectations 2022/2023	**Actual 2022/2023**	
Dividend	€	0.80	1.60	1.00	Expectation not met

The dividend proposed for the year under review is above the previous year's dividend but does not meet the forecast. The proposal reflects DBAG's dividend policy, which was updated in November 2023.

Financial performance

Overall assessment: Net income significantly higher year-on-year

Net income for 2022/2023 markedly exceeded the previous year's figure, mainly because gains from disposal of investments were realised to a significantly greater extent and write-downs of financial assets were lower in the year under review than in the previous year. This bolstered net gains and losses on measurement and disposal. In contrast to the previous year, however, income from investments was negative; income from Fund Services fell slightly short of the previous year's figure. The negative balance of other income/expense items increased compared with the previous year.

Income from Fund Services and investment activity: Income more than doubled

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

The sale of BTV Multimedia and Pmflex and the partial disposal of Cloudflight had a particular impact on **NET GAINS AND LOSSES ON MEASUREMENT AND DISPOSAL**, while write-downs on financial assets (in particular relating to DBAG Fund VI) posed a strain. Write-downs on financial assets had been a major factor in the previous year's net gains and losses on measurement and disposal, driven by negative changes in the value of several portfolio companies and the partial disposal of the investment in Telio.

INCOME FROM INVESTMENTS is mainly attributable to loss allocations from affiliated companies in the amount of 7.4 million euros and distributions from one directly held portfolio company in the amount of 0.5 million euros.

CONDENSED PROFIT AND LOSS STATEMENT OF DEUTSCHE BETEILIGUNGS AG (BASED ON THE HGB)

€'000	**1 Oct 2022 to 30 Sep 2023**	1 Oct 2021 to 30 Sep 2022
Net gains and losses on measurement and disposal[1]	63,728	(16,159)
Result from investments	(6,898)	14,924
Income from Fund Services	39,286	40,392
Total income from Fund Services and investment activity	**96,117**	**39,158**
Personnel expenses	(27,764)	(24,135)
Other operating income (excluding write-ups)	1,112	1,587
Other operating expenses	(14,087)	(12,687)
Depreciation and amortisation on intangible fixed assets and property, plant and equipment	(330)	(402)
Income from other securities, or loans and advances held as financial assets	48	35
Other interest and similar income	916	1,360
Interest and similar expenses	(1,730)	(3,643)
Total other income/expense items	**(41,834)**	**(37,885)**
Earnings before taxes	**54,283**	**1,274**
Income taxes	305	(524)
Other taxes	(2)	(5)
Net income	**54,587**	**744**

1 Net gains and losses on measurement and disposal comprise the income statement items "Gains from disposal of investments" of 83.8 million euros (previous year: 9.9 million euros), and "Write-downs of financial assets" in the aggregate of 20.1 million euros (previous year: 26.0 million euros).

INCOME FROM FUND SERVICES fell short of the previous year's figure. While the gross income from Fund Investment Services is taken into account in the consolidated financial statements, this item in the financial statements in accordance with the HGB includes net income less the expenses of the subsidiaries involved in management and fund advisory services.

Other income/expense items: Higher negative balance than in the previous year

The negative balance of other income/expense items was higher than in the previous year. Specifically, personnel expenses in the year under review were higher than in the previous year, mainly on account of the successful business performance and the associated increase of provisions for performance-related remuneration. Other operating expenses rose too, mainly as a result of higher consultancy expenses, IT infrastructure maintenance costs, recruitment costs, costs for interim management and freelance fees. As interest cost for pension obligation decreased, so did interest and similar expenses.

Following 0.7 million euros for 2021/22, DBAG reported **NET INCOME** of 54.6 million euros for the year under review.

Financial position – assets

DBAG's total assets largely consist of the investment portfolio held via investment entity subsidiaries, short-term receivables and financial resources.

CONDENSED STATEMENT OF FINANCIAL POSITION OF DEUTSCHE BETEILIGUNGS AG (BASED ON THE HGB)

€'000	30 Sep 2023	30 Sep 2022
Interests in affiliated companies	560,260	518,691
Loans to affiliated companies	1,800	1,000
Investments	3,346	3,349
Other non-current assets	1,199	854
Non-current assets	**566,605**	**523,893**
Receivables and other assets	52,835	94,649
Cash and cash equivalents	7,358	7,838
Current assets	**60,192**	**102,487**
Prepaid expenses	**1,024**	**807**
Total assets	**627,822**	**627,187**
Subscribed capital	66,725	66,733
Capital reserve	267,282	267,344
Retained earnings	403	403
Net retained profit	264,165	224,622
Equity	**598,574**	**559,102**
Provisions	**28,903**	**26,085**
Liabilities	**345**	**41,999**
Total equity and liabilities	**627,822**	**627,187**

Non-current assets: Increase driven by new investments

INTERESTS IN AFFILIATED COMPANIES are the largest item in DBAG's non-current assets. Affiliated companies are companies through which DBAG makes its investments. The co-investments in the investments made by the individual DBAG funds are bundled in these investment entity subsidiaries. DBAG also enters into Long-Term Investments via one investment entity subsidiary in each case. The increase in the item during the financial year 2022/2023 resulted from additions totalling 94.3 million euros, primarily consisting of new investments and funds to support add-on acquisitions made by DBAG's portfolio companies. Disposals have an offsetting effect; this mainly involves disposals which generated returns from investment entity subsidiaries. As at 30 September 2023, write-downs in the amount of 20.1 million euros were recognised on shares in three affiliated companies since the fair value is expected to be permanently below the acquisition costs.

Loans to affiliated companies relates to our subsidiary in Italy and our newly-established subsidiary in Luxembourg. The investments item relates to an older directly held investment.

Current assets: Receivables from affiliated companies decrease

On the back of lower receivables from loans and profit allocations, current assets saw a significant decrease in receivables from affiliated companies.

Liabilities: Credit line not drawn as at the reporting date

To manage its short-term financing requirements, DBAG uses two revolving credit lines in an aggregate amount of 106.7 million euros. The main reason behind the year-on-year differences in liabilities is that while 41.0 million euros had been drawn as at the previous reporting date, DBAG's credit lines had not been tapped as at this year's reporting date.

Financial position – liquidity

Financial resources were always sufficient during the course of the year under review to fulfil co-investment agreements, and to finance the Company’s operations.

Particularities in assessing the liquidity position: Cash flows characterised by uneven outflows

At the end of the year under review, DBAG had financial resources of 7.4 million euros (previous year: 7.8 million euros). In addition, it can draw on the aforementioned credit lines at any time. We assume that we will be able to cover the anticipated need for the planned investments in the new financial year and the two years that follow through financial resources, returns form disposals and credit lines.

Capital structure: Equity ratio remains at a high level

DBAG funded most of its activities in the financial year 2022/2023 using its own cash flow. The equity ratio improved to 95.4 per cent as at the reporting date, compared to 89.1 per cent at the end of financial year 2021/2022, as net retained profit increased significantly more than total assets.

OPPORTUNITIES AND RISKS

Objective: Contribution to value creation by consciously balancing opportunities and risks

Deutsche Beteiligungs AG is exposed to multiple risks through its business activities in the Private Equity Investments and Fund Investment Services business segments. These risks result, among other things, from the expected returns that are customary in our business, from our geographical focus, our sector focus and from the investment volume targeted annually.

As a private equity company, we consider risk management to be one of our core competencies. We believe our track record of more than 50 years shows our ability to successfully balance the risks and rewards of our business. We want to exploit our opportunities and moderately take on the exposure to the risks involved. Taking risks that could jeopardise the Group's continued existence is not acceptable.

DBAG's risk profile is influenced by our risk propensity. We steer it using the risk management activities set out subsequently. Our risk propensity derives from our objective of sustainably augmenting the value of DBAG. To that end, we pursue a conservative approach, which, among other things, is reflected in the high equity ratio in DBAG's statement of financial position.

Risk management system

We consider risk management to be a proactive and preventative process for controlling risk. Risk, in our opinion, refers to potentially negative events that ensue from possible hazards and can lead to a deviation from the forecast. Hazards, in turn, are either non-predictable events or basically predictable, but nevertheless coincidental, events.

The risk management system is an integral part of our business processes. It takes into account the statutory requirements set out by legislation and resulting from court decisions, the German Corporate Governance Code and international accounting standards.

The system is based on our values and our experience, and it serves the objective of contributing to value creation by balancing rewards and risks. To achieve this, our risk management needs to ensure a comprehensive overview of the Group's risk profile. In particular, risks involving material negative financial implications must be recognised promptly so that action can be taken to avoid, mitigate, pass on or control these risks.

Structures: Decentralised organisation of risk management

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

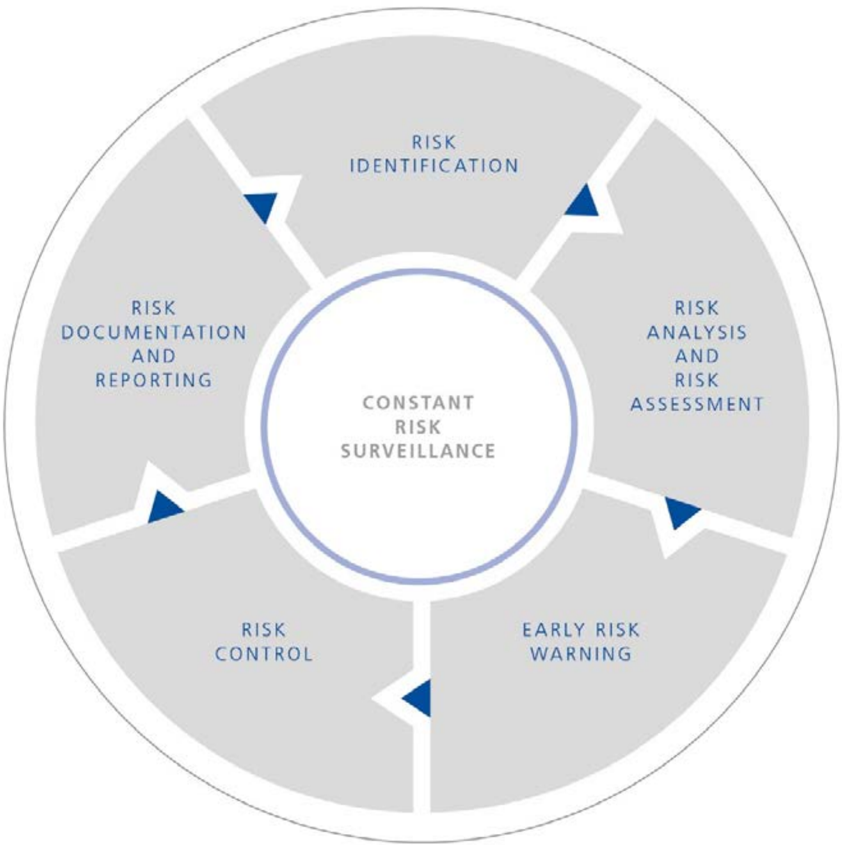
The Risk Committee, which reflects the organisation of risk management within DBAG, plays a key role. The committee consists of the Board of Management and the Risk Manager, who reports directly to the member of the Board of Management responsible for risk management, and also comprises risk officers at the level below the Board of Management. The Managing Directors in charge of the individual corporate departments support the Risk Manager in identifying and assessing risk in their areas of responsibility.

The Risk Manager develops the risk management system on an ongoing and systematic basis, most recently mainly in response to the requirements stipulated in section 91 (3) of the AktG. For example, a quarterly calculation of risk-bearing capacity was incorporated into the risk assessment process and related processes documented in a manual. Moreover, the objectives of the risk management system were operationalised further with regard to risk avoidance, risk reduction, risk sharing and risk transfer, and risk acceptance. Additional improvements were also made to the risk culture and to the objectives of the risk management system.

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

Processes: Risk identification in individual corporate departments

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



Risks are identified directly at a departmental level by the Managing Directors responsible for these units. Particular attention is paid to risks that may jeopardise the continuity of the Company as well as risks of major significance to the financial position and financial performance of DBAG. To that end, appropriate early warning indicators are employed – measures, in other words, that are either themselves indicators of changes to a risk or suitable as measurement tools to identify changes in risk-driving factors. Such indicators include, for instance, the number of transaction opportunities screened, the employee turnover rate or employee satisfaction.

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

EXPECTED VALUE (COMBINATION OF PROBABILITY AND IMPACT)

PROBABILITY							
	> 70%	**likely**	**4**	moderate	high	very high	very high
	> 50–70%	**possible**	**3**	very low	moderate	high	very high
	20–50%	**seldom**	**2**	very low	moderate	high	high
	< 20%	**unlikely**	**1**	very low	very low	moderate	high
				1	**2**	**3**	**4**
				low	**moderate**	**high**	**very high**

Financial consequences	< €10mn	€10–50mn	> €50–100mn	> €100mn
Reputational consequences	Isolated negative media coverage	Broader negative media coverage	Extensive negative media coverage and temporary loss of confidence by investors	Extensive negative media coverage and long-term loss of confidence by investors
Regulatory consequences	Conditional caution	Reorganisation	Reorientation of business activity	Suspension of business activity
Management action required	Event covered by normal routine	Critical event addressed with existing resources	Critical event requiring more extensive management action	Disaster requiring significant management action

IMPACT

The Risk Manager subsequently examines the individual risks and the actions adopted for completeness. The implementation of these actions as well as their management and monitoring is the responsibility of the Risk Administrators in the respective corporate units.

The principal objective for risk management is to keep overall risk at acceptable and manageable levels for DBAG. The objective is therefore not to completely preclude risk, since that would generally also mean precluding opportunities for reward. This form of risk intervention can thus only be applied to risks for which security takes priority over other corporate objectives. Measures taken to reduce risk are meant to decrease the probability of occurrence of the risk and/or limit extent of impact. The residual risk that remains after the action has been implemented is consciously accepted or transferred to third parties. Insurance contracts, a classical risk management instrument, serve to transfer risk. Special contractual arrangements and financial instruments are also examples of transferring risk to third parties.

Risks are reported to the entire Board of Management on a quarterly basis. Risks that are identified outside of these regular intervals must be reported to the Risk Manager or directly to the Board of Management, depending on their significance. This ensures a comprehensive and current analysis of risk exposure at all times. Once every financial year, the Board of Management extensively informs the Audit Committee about DBAG's risk exposure. In the event of an unexpected material change in the exposure to risk, the Board of Management informs the Audit Committee of the Supervisory Board immediately.

Instruments: Risk register with 61 individual risks

DBAG's risk management manual contains company-specific principles on the methodology of risk management and describes the risk management instruments and their mode of operation. The risk register is updated on a quarterly basis; on the reporting date of 30 September 2023, it outlined and evaluated 61 individual risks (previous year: 59). The material risks, their causes and effects, as well as the actions required to manage these risks, are also documented on a quarterly basis in a risk report addressed to DBAG's Board of Management.

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

RISK FACTORS WITH A HIGH EXPECTED VALUE

	Risk exposure vs previous year	Probability of occurence	Extent of impact
Risks of the Fund Investment Services segment			
Inability to cover the personnel requirement	unchanged	possible	high
Inability to raise capital commitments from external investors for DBAG Fund IX to the extent necessary	unchanged	low	very high
Extraordinary termination of investment period or extraordinary liquidation of one or several DBAG funds	unchanged	unlikely	very high
Risks of the Private Equity Investments Segment			
Investment strategy proves to be unattractive or is insufficiently implemented	unchanged	low	high
Insufficient access to new, attractive investment opportunities	unchanged	low	high
Transaction opportunities not transformed into investments	unchanged	low	high
External risks			
Negative impact of general economy and economic cycles on earnings, financial and asset position of portfolio companies	lower	possible	high
Lower valuation level on the capital markets	unchanged	possible	high
Threat to DBAG's independence	unchanged	unlikely	very high
Operational risks			
Insufficient protection of confidential data against unauthorised access	unchanged	possible	high

Material changes compared with the preceding year

DBAG encountered no new material risks during the reporting year, nor did any cease to exist. For the risk "Negative impact of general economy and economic cycles on the financial position and financial performance of portfolio companies", the expected value has decreased from "very high" to "high" in the 2022/2023 financial year, as we now consider the probability of occurrence of this risk to be "possible", whereas we had still considered it to be "probable" on the reporting date of the 2021/2022 financial year.

For the other material risks, the expected values remain "high". However, as at the reporting date, we assessed the probability of occurrence for the risk "Insufficient protection of confidential data against unauthorised access" as "possible", whereas at the end of the previous year we still considered it to be "low".

Explanation of individual risks

The following section outlines those risks (out of the total of 61 individual risks in our risk register) with a "high" expected value based on our definition; DBAG is currently not exposed to risks with a "very high" expected value. We allocate operational risks to the business segment that is most strongly affected by the respective risk. However, over the long term, the consequences of risks allocated to the Fund Investment Services segment would also affect the Private Equity Investments segment and vice versa.

Risks of the Fund Investment Services segment

Inability to cover the personnel requirement

Performance in the private equity business is closely linked to the people acting in the field. Investors in funds also base their capital commitment decision on the stability and experience of the Investment Advisory Team. Dissatisfied employees or a high staff fluctuation rate can cause greater workloads for other employees; if DBAG were to earn a negative reputation as an employer, this would be detrimental to the Company's personnel recruitment. We limit the risk of possible staff turnover among other things using a competitive remuneration scheme that conforms to standard industry practice, and by allowing members of the Investment Advisory Team with prolonged investment experience, as well as selected other employees, to participate in fund performance that is disproportionate to the profit-sharing awards (carried interest). We regularly offer individualised training programmes; personality-based training activities are an integral constituent of career plans. We also attach great value to our employees being able to reconcile family and working life. Since employee satisfaction is one of our non-financial key performance indicators, we conduct recurring surveys several times a year to determine this KPI. We use the feedback to improve work processes with the objective of increasing employee satisfaction. The number of employees increased by seven in the year under review, to 96 as at 30 September 2023. In view of the Company's current position, we do not envisage staff shortages over the short or medium term.

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

DBAG will only be able to continue to pursue its strategy in the long term if the Company succeeds in soliciting capital commitments to DBAG funds. Following DBAG Fund VIII whose investment period will end no later than in December 2026, this risk will affect DBAG Fund IX, for which fundraising has yet to commence.

To achieve this, the Company and its Investment Advisory Team must establish a proven track record over many years of successful investing activity yielding attractive returns, which depends on the solid performance of investments in absolute terms and on the investment progress of a fund. More recently, the consideration of ESG aspects in a company's business activities has also become increasingly important. Further influencing factors are the macroeconomic environment, sentiment on the capital markets and general readiness of private equity investors to make new capital commitments. Changes to tax legislation that would lead to taxes being imposed on foreign partners of German fund entities would have serious disadvantages for DBAG. Without further capital commitments, the stability of the management and staff that DBAG needs to support the portfolio would not be ensured.

We address this risk, among other things, by a regular dialogue with existing and potential investors in DBAG funds. In selecting investors, we place special emphasis on their ability to possibly also invest in follow-on funds. Additionally, we regularly review our investment strategy. ESG aspects have also become a firm component of our target system.

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

The investment period of DBAG funds ends automatically when fund investment services are no longer provided by certain key persons defined in the fund agreements (the leading members of the Investment Advisory Team). Moreover, the fund investors have the right (typically with a 75 per cent majority) to end the investment period of that respective fund. Various reasons could cause them to initiate such a resolution, including an unsatisfactory performance of the fund's investments, insufficient investment progress or a fundamental lack of confidence. In cases involving serious contractual breaches, investors have the right to replace the fund management company or liquidate the fund.

Ending the investment period of a fund would consequently lead to a considerable reduction in fee income for advisory services to that fund. Should fund investors revoke DBAG's advisory mandate for a DBAG fund, DBAG would forfeit the fee income from that fund. Should this happen with all funds, it would forfeit fee income from Fund Investment Services altogether. Furthermore, DBAG would no longer be able to exert any influence over the management of the investments entered into with the fund in question. Without the funds at its side, DBAG's opportunities to make its own investments would also be limited. Ongoing communication and early response to the concerns of fund investors serve to mitigate this risk. Above all, however, our investment performance counteracts this risk.

Risks of the Private Equity Investments segment

Investment strategy proves to be unattractive or its implementation is inadequate

A key prerequisite for our performance is an attractive investment strategy. Without successful investing activity, we would be unable to realise the targeted value appreciation, investors would withdraw their committed capital, and new commitments to funds could not be raised. In order to mitigate this risk, the Board of Management and the Investment Advisory Team regularly examine on a regular basis the extent to which our sector focus, our geographical emphasis and the financing solutions we offer for the mid-market segment provide a sufficient number of promising investment opportunities. For example, our successful entry into the Italian market contributes to risk reduction.

Moreover, we regularly review our investment strategy and monitor the market. The Investment Advisory Team discusses experience gleaned from due diligence processes with consultants and service providers on a regular basis, in order to prevent incorrect due diligence results. The standardisation of internal processes and the accelerated transfer of knowledge within the Investment Advisory Team also help us achieve this.

Insufficient access to new, attractive investment opportunities

Access to new investment opportunities is crucial for our operations. We need these opportunities to be able to achieve an increase in net asset value in the first place, at least in the long term. Moreover, the structure of our statement of financial position would change even in the absence of new investments. The portfolio value and, as a result, the net asset value would exhibit a slower growth and the proportion of financial resources on the statement of financial position would increase. In the medium term, the performance of the Fund Investment Services segment would also be adversely affected: the investors in the DBAG funds expect investment progress that is commensurate with the committed fund size.

If this progress was not achieved, our chances of raising funds for a successor fund would be diminished, thus impacting the performance of Fund Investment Services in the medium term.

We have no influence on developments in the private equity market. With a view to the low interest rate environment of recent years and the abundant supply of capital associated with it, we are now not only competing with strategic investors and other private equity companies, but also with foundations and family offices seeking more profitable investment opportunities. Despite the interest rate turnaround seen on global markets, these capital providers have not fully backed away from the private equity market so far. By contrast, the maintenance of our network and our marketing efforts are aspects that we can influence ourselves.

Our ability to mitigate the risk that the number of potential transactions declines is very limited. If we invest less, the potential for value growth in the Private Equity Investments segments will decline in the medium term. We address this risk, among other things, by originating investment opportunities that are not broadly available in the market. We have also implemented an ongoing process to improve how we identify investment opportunities. This also includes the constant expansion of our network of M&A consultants, banks and industry experts. The various investments agreed or concluded in the reporting year demonstrate that we are able to successfully tap into new investment opportunities even when times are rough.

Transaction opportunities are not transformed into investments

Even if there is a sufficient supply of attractive investment opportunities, there is a risk of these not culminating in concrete investments. One reason for this may be a lack of competitiveness – for example because we react too slowly due to insufficient processes, offer a price which is too low or are unable to arrange the acquisition financing. To avoid the consequences arising from this risk, we continually strive to improve our internal knowledge transfer and to adapt the relevant processes to a changed competitive environment.

External risks

Negative impact of general economy and economic cycles on the financial position and financial performance of portfolio companies

The development of our portfolio companies is influenced by market factors such as geographical and sector-related economic cycles, political and financial changes, energy and commodity prices, bottlenecks along the supply chain and exchange rate changes. These market factors, in turn, are subject to a variety of influences themselves.

What started as an individual crisis when the Covid-19 pandemic broke out a few years ago, has since evolved into somewhat of an ongoing polycrisis. Russia’s war of aggression in Ukraine, China’s hunger for global power and recurring terrorist attacks (most recently by Hamas in Israel in October 2023) has caused the global political power structure to change – significantly impacting global economic flows, and hence – albeit often indirectly – on DBAG’s portfolio companies. However, it is not only politics that have the potential to cause sustainable changes. Short-term supply chain disruptions, highly volatile financial markets and especially strongly fluctuating energy and raw material costs are also likely. Fundamental technological changes can also have a negative impact on individual companies, or on companies operating in a certain sector.

These factors – either individually or as a whole – could extend the holding periods of investments and result in postponed or reduced gains on disposal which may lead to a total loss of capital for individual investments in a worst-case scenario. In such an event, our reputation would be at stake. Market factors, in particular, sometimes change at very short notice, and our ability to address them is limited.

In general, short-term results are not decisive for success in the private equity business. Our investment decisions are based on plans that target value development over a span of several years. The holding periods for investments generally extend beyond the duration of individual cyclical phases. If appropriate, the value development approach to an individual investment has to be adapted by the management of the portfolio company. This requires close monitoring of the portfolio companies' progress. The portfolio's diversification basically already counters the risk arising from cyclical trends in individual sectors.

Lower valuation levels on the capital markets

Valuation levels on the capital markets are reflected in the measurement of the fair value of our portfolio companies and, thereby, the portfolio value. A lower valuation level, expressed in lower valuation multiples of listed peer group companies, generally results in a lower portfolio value. Even though valuation levels on the capital markets have increased in the year under review, a decline in valuations is possible going forward – especially if interest rates continue to rise, which many experts anticipate will happen.

We cannot avert the risk arising from developments on the capital markets. We can, however, mitigate that risk by avoiding excessive entry prices. Achieving an improved strategic position of the portfolio companies would justify a higher multiple. Since sectors are rarely all equally affected by changes in the equity market, diversifying the portfolio also counters exposure to this risk.

Threat to DBAG's independence

A sub-par valuation of DBAG shares could enable the entry of a principal shareholder and result in them exerting control over the Company. But since the investors in DBAG funds expect the DBAG Investment Advisory Team to provide their advisory services free from the influence of third parties, this loss of independence would basically jeopardise DBAG's business model: investors would possibly neither commit to new DBAG funds – on the contrary, they could terminate existing advisory agreements – nor would future capital increases be possible at attractive terms. As described above, investors could also end the funds' investment period if (e.g. through the control of a principal investor) the key personnel defined in the fund agreements were no longer materially involved in investment services to the funds.

By fostering intensive contact with current and potential equity investors we mitigate this risk. We have additionally set out a legal structure that shields the Fund Investment Services business from the influence of third parties. In the event that such control is exercised, DBAG's management authority for the Group company charged with providing advisory or management services to DBAG funds may be withdrawn.

Operational risks

Insufficient protection of confidential data against unauthorised access

Our business not only requires suitable software and hardware, but also effective data security as well as data access by authorised persons at any time. Of key significance is secure protection against unauthorised access, for instance, to sensitive information about potential transactions, the portfolio companies or DBAG's economic data. There is a risk of such unauthorised access through cyberattacks, weak spots in our network or, for example, through installation of undesirable software by DBAG staff. Our knowledge advantage would be lost, and we could be open to extortion. We would also risk losing our good reputation with our investors or investment partners if confidential information were to fall into the hands of unauthorised third parties.

DBAG has its own qualified IT specialists; they are supported by external consultants, if needed. DBAG responds to the continually growing IT risk by, among other things, conducting regular internal and external reviews. We have considerably stepped up the efforts made to protect our systems and data in recent years – with regard to both staff and technical resources. In addition, we have continuously increased staff training with regard to IT risks. Last but not least, we perform recurring security audits for the DBAG systems that can be accessed from the internet, for the configuration of our office communication software and for the website, implementing the insights gained from these audits in a timely manner.

Description of opportunities

Opportunity management is an integral constituent of our operating business; we therefore continuously improve its processes. We do not actively pursue opportunity management outside of ordinary business operations, such as optimising investments of cash and cash equivalents.

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

DBAG acquired a majority stake in ELF Capital in September 2023, which will allow the Company to expand its range of flexible financing solutions to include private debt. Debt funds are gradually seizing market share from traditional bank lenders, assuming a growing role in financing mid-market enterprises. The partnership between DBAG and ELF Capital aims to act as a full-service provider for the financing needs of mid-market companies across their entire capital structure. Both parties contribute attractive, complementary networks and will benefit from economies of scale in terms of financing solutions for mid-market companies and additional investment opportunities for fund investors. DBAG shareholders in turn will benefit from the new investment because low-volatility income from Fund Investment Services is set to show stronger growth in the medium term and because DBAG will further diversify its range of investments.

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

In the financial year 2019/2020, we added Long-Term Investments (cf. section "Long-Term Investments that exceed the terms of standard private equity funds") to the platform we use to provide equity solutions to the mid-market segment, expanding our offering and tapping into new investment opportunities. This offering has been very well-received in the market. DBAG currently holds four Long-Term Investments, and agreed one disposal and one investment in the year under review, neither of which was concluded by the reporting date. We aim to increase the number of Long-Term Investments.

The expansion of our geographical focus to include investments in Italy has opened the door to new investment opportunities. We successfully sold our first investment in Italy in the year under review and are currently invested in two Italian companies. The prospects for further MBOs in Italy are favourable: there are only a few private equity companies active in Italy with as strong a focus on companies with industrial business models as DBAG. We have been present on the Italian market via our office in Milan since September 2021 and had four investment professionals helping us serve the Italian market directly as at 30 September 2023. The successful disposal of our investment in Pmflex in the year under review clearly shows how attractive the Italian market is.

Private Equity Investments: Strengthening our competitive edge with a large and experienced Investment Advisory Team

Competition for attractive investment opportunities remains intense. A factor that is sometimes crucial in the competitive field is the ability to come to an agreement with the vendor within a tight time frame. Among other things, this means that due diligence has to be performed, acquisition financing structured and management participation programmes have to be agreed in a short space of time. The size of its Investment Advisory Team, which continuously welcomed more new members over the past years, and its entire workflow can open up opportunities for DBAG. After all, the Company is in a position to execute transactions, and sometimes several transactions at once, within a short period of time. The size of our Investment Advisory Team remained nearly unchanged vis-à-vis the previous year as at the reporting date 30 September 2023 (33 employees versus 34 employees as at 30 September 2022).

Aside from its speed and capacity to act during the investment phase, a large and experienced Investment Advisory Team offers attractive perspectives to future portfolio companies when it comes to supporting the implementation of value creation strategies. That allowed DBAG to support add-on acquisitions by many of its portfolio companies in the year under review which also strengthens DBAG's competitive edge when company owners choose a private equity partner.

Fund Investment Services: Higher fees thanks to investment progress made by the top-up fund of DBAG Fund VIII and additional fees from the DBAG Expansion Capital Fund IV

Income from Fund Investment Services is readily forecastable, because fee agreements are largely fixed for a fund's term. Following the start of the investment period of DBAG Fund VIII in August 2020, fee income from buyout funds is therefore capped initially until the end of the investment period, which will last for six years at the most. Opportunities may arise from the use of the top-up fund: the fee for this sub-fund is based not on the amount of funds committed, but rather on the lower of funds committed and invested. If we are successful in structuring transactions using the top-up fund, DBAG generates correspondingly higher income from Fund Investment Services.

In addition, the DBAG Expansion Capital Fund IV is currently raising funds. The more successful fundraising turns out – in other words: the higher future investment volumes are – the higher future fee income from Fund Investment Services should be.

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

General statement on opportunities and risks

In the financial year 2022/2023, we seized numerous opportunities by investing in attractive new companies and supporting our portfolio companies in realising their development potential. There has been no fundamental change in the opportunity and risk situation compared to the previous year, although we consider the ongoing geopolitical challenges to be significant. Whilst our portfolio companies will continue to be required to demonstrate a high degree of adaptability, we believe that they are very well placed to do so. Based on the information at our disposal today, there are currently still no recognisable individual or cumulative risks that would endanger the continued existence of DBAG or the Group as a going concern. This estimation is based on an analysis and assessment of the previously mentioned significant individual risks to which the Company is exposed, as well as on the risk management system in place. We do not perceive any extraordinary opportunities either.

Key features of the accounting-related internal control and risk management system[8]

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

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

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

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

The extent and design of the internal control and risk management system are aligned with the special requirements of the Fund Investment Services and investment activity. The task of Internal Audit – which has been delegated to an external service provider – is to monitor the functioning and effectiveness of the ICS independently of processes in a multi-year examination scheme at Group level and at Deutsche Beteiligungs AG, and to thereby promote ongoing improvements to business processes.

Risk management is an ongoing process that is firmly integrated into DBAG's workflows. Please refer to the chapter "Risk management system" for details on the key features.

During the financial year 2022/2023, the Board of Management did not receive any information that would suggest material inefficiencies in the effectiveness or inadequacy of the ICS. As a matter of principle, it should be noted that an internal control system, irrespective of its design, cannot provide absolute certainty of detecting flaws in our business processes.

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

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

DBAG prepares its separate and consolidated financial statements in conformity with the applicable accounting policies of the HGB and the International Financial Reporting Standards (IFRSs). The internal accounting guidelines are set out in an accounting manual and in measurement/valuation guidelines; they consider the different principles of the IFRSs and HGB

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

standards. New accounting rules are regularly reviewed to ascertain the implications for DBAG and its subsidiaries, and if necessary, the accounting guidelines are adapted.

Moreover, DBAG possesses clearly defined organisational, control and surveillance structures. Explicit assignments of responsibility within the accounting process are in place. The IT systems used in accounting are largely operated with standard software products; these are protected against unauthorised internal and external access by comprehensive access restrictions. All individuals involved in the accounting process are qualified for their assignments. The number of individuals working here is sufficient to handle the workflow. The aim is to minimise the risk of erroneous accounting. Staff regularly participate in continuous development programmes on tax- and accounting-related topics. Additionally, advice from external experts is solicited on specific accounting issues.

We regularly analyse material accounting-related processes in respect of the availability and operability of the installed internal controls, focusing on different aspects each time, implementing the insights gained without undue delay. The completeness and validity of accounting data are regularly reviewed manually, based on random samples and plausibility checks. For processes that are particularly relevant to accounting, we consistently employ the principle of dual control.

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

REPORT ON EXPECTED DEVELOPMENTS

Period covered by this report: Short-term predictions do not do justice to business model

Medium- to long-term planning and forecast horizons characterise our business. This applies equally to co-investments, to Long-Term Investments and to Fund Services.

Individual events or short-term trends that were not predictable at the beginning of a financial year frequently have a significant impact on the earnings contribution of investment activities for a given period. These include company disposals that, at times, achieve prices in excess of their most recent valuation, as well as unexpected developments in the individual customer markets of portfolio companies, or on the capital markets.

DBAG funds have a term of ten years. With the exception of the DBAG VII top-up fund, the DBAG VIII top-up fund and DBAG ECF, the fees we receive for fund management or advisory services are contractually fixed over that period. That is why fee income is readily projectable, but at the same time it is also capped. Increases can only result from a follow-on fund, as a matter of principle. The size of such a follow-on fund, and consequently its income potential, is largely determined by the predecessor fund's investment performance, which can only be determined at the end of its term. This, too, is indicative of the long-term nature of our business.

As a result, we will be forecasting key figures not only for the current, new financial year 2023/2024. We will also use these forecasts as a basis for setting financial year 2025/2026 targets.

The forecast is based on our medium-term planning for 2026, which consists of a projected profit and loss statement, a projected statement of financial position, and a projected statement of cash flows. For the Private Equity Investments segment, it is based on detailed assumptions concerning future co-investments alongside the DBAG funds and on Long-Term Investments, as well as on the holding period and the expected capital multiple for each individual portfolio company. We use this information to predict the development of the acquisition cost and fair values of the portfolio and, based on these figures, net gains and losses on measurement and disposal based on the IFRSs, the net gains or losses from disposal based on the HGB and – at the level of the individual DBAG fund via which the Company made investments in the companies – the development of carried interest. We do not assume a linear increase in the value of the individual portfolio companies over the holding period. Rather, we apply a standardised value appreciation trend that includes smaller increases in value at the start of the holding period and larger ones towards the end.

In the Fund Investment Services segment, we take into account the development in income from Fund Services and other income/expense items, i.e. mainly personnel expenses, variable remuneration and advisory expenses, including expenses for fundraising (such as for a successor fund or other private equity fund) in individual years. We prepare detailed plans for expenses in the first planning year; thereafter, the various expense items are projected based on aggregate assumptions.

All plan assumptions that have an impact on cash are included in the projection of cash and cash equivalents.

Various types of forecast for different key performance indicators

For the key performance indicator (KPI) of our core business objective "Sustainable increase in DBAG's value" and the KPIs for our financial targets, we forecast ranges between two numerical values between which the respective performance indicators are expected to lie in the forecast period. The interval ranges for the indicators included in the forecast are based on the varying degrees to which they can be planned: Earnings from Fund Investment Services are largely pre-determined for the forecast period, making them easy to plan. As this indicator is smaller, in absolute terms, than net asset value, we forecast it using a comparatively larger percentage interval than that used for the development in net asset value. By contrast, we use point forecasts for our non-financial KPIs. We no longer forecast any other indicators. The acquisition of [a majority stake in] ELF Capital was already taken into account when forecasting the financial performance indicators. The business performance of Deutsche Beteiligungs AG is generally subject to the same key performance indicators as the DBAG Group. As a result, the statements made for the DBAG Group above also apply to Deutsche Beteiligungs AG.

Expected development of underlying conditions

M&A market: Marked increase in activity

In terms of the investment opportunities we were able to review in the financial year 2022/2023, M&A activity has increased steadily. In the year under review as a whole, we investigated 241 opportunities, down slightly on the 246 reviewed in the previous year. It is important to remember, however, that the market slowed considerably in the financial year 2021/2022 after getting off to a strong start. After bottoming out in the fourth quarter of the financial year 2021/2022, the market environment showed a significant and lasting improvement. In the months from January to September 2023, for example, the number of investment opportunities we looked into was up by 17 per cent year-on-year. In any event, it is also not only the absolute number of opportunities that matters, but first and foremost their quality. We believe that we are still well positioned in this respect – primarily due to our excellent access to family businesses and what are often bilateral negotiation situations generated through our network.

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

Although we observed a slight normalisation of the debt financing market in the second half of the 2023 calendar year, both banks and debt funds remained highly selective in their lending approach overall. Against the backdrop of the weak macroeconomic environment, higher interest rates and geopolitical risks, we do not expect this to change to any fundamental degree in the financial year 2023/2024. While very defensive companies and companies that are not being hit as hard by the current risk factors will probably be able to obtain financing at attractive conditions, the financing market will remain much tighter for companies that are exposed to greater macroeconomic risks, as well as for those whose corporate strategy is more difficult to communicate. In line with the current situation, we expect financiers to remain open to increasing existing credit lines in a buy-and-build context, as well as to follow-up financing and loan renewals. If, on the other hand, geopolitical risks start to subside and macroeconomic expectations stabilise further, or even improve, we expect to see a rapid increase in risk appetite again, particularly among banks.

Private equity firmly rooted as an asset class worldwide

Private equity is firmly rooted as an asset class worldwide. As an integral part of many institutional investors' investment strategy, it offers access to the development potential offered by the SME sector. That was true in the past and continues to hold true. What has changed, however, is the economic and political environment which has persistently become more challenging and could turn out to be more volatile. As a result, the relative attractiveness of different asset classes is bound to change more frequently than in the recent past, with market participants' expectations as to the interest rate environment and future movements being the main drivers. Generally, rising interest rates mean that asset classes competing with private equity become more attractive, which could significantly hamper growth of the private equity asset class.

However, we wish to point out again that in our experience the attractiveness of DBAG funds is not only dependent on investors' general view of the market, but also on their sentiment toward specific sub-markets (Europe, Germany, manufacturing industry, services, etc.) – and in particular on the investment performance DBAG funds have delivered so far. Although we are aware of the hit that the relative attractiveness of the German market has taken and of the risk that the challenging macroeconomic environment might impact DBAG fund performance – at least temporarily, successful fundraising for DBAG ECF IV supports our view that, given its investment history, DBAG can expect to succeed in launching successor funds in due time before the end of the investment period of the currently investing fund, with sufficient capital commitments solicited, even in the current market environment.

Macroeconomic environment: Soft landing expected with what remains a long list of risks hanging over the global economy

The IMF expects the global economy to grow by 3.0 per cent in the 2023 calendar year and by 2.9 per cent in 2024. This means that it is predicting a soft landing scenario overall, albeit with significant regional differences. Growth of 1.5 per cent and 1.4 per cent is forecast for the world's industrialised nations in 2023 and 2024 respectively, with growth in the US likely to slow from 2.1 per cent to 1.5 per cent and Chinese growth set to drop back from 5.0 per cent to 4.2 per cent, while the eurozone might be able to up its growth rate from 0.7 per cent to 1.2 per cent, with Germany also able to return to an increase in gross national product of 0.9 per cent in 2024 after contracting by 0.5 per cent in 2023.

The IMF recently identified greater balance in terms of the relative importance of the various individual risks for the purposes of this outlook, as central banks across the globe have acted decisively to contain financial turbulence. This means that a hard landing for the global economy is looking less likely, although a large number of different risks still outweigh the opportunities on balance. The crisis in the Chinese real estate sector, for example, could intensify further with a knock-on effect on the global economy as a whole. Sustained high inflation would call for higher key interest rates than currently expected. More climate-related and geopolitical shocks might trigger high levels of volatility in food and energy prices. Increasing geoeconomic fragmentation would hamper global trade and translate into volatile prices within supply chains. Last but not least, more than half of the world's low-income developing countries are faced with, or are at a serious risk of, debt problems due to rising interest rates.[9]

Although the challenging global economic and geopolitical framework is affecting the corporate sector as a whole, our portfolio companies nevertheless operate in a large number of markets and regions. Since we expanded our sector spectrum – most recently to include

[9] International Monetary Fund, World Economic Outlook October 2023

companies whose business is driven by ESG topics – and increased the share of companies from the IT services & software sector contributing to the portfolio value, this holds all the more true. These companies are less exposed to cyclical influences than industrial business models, for example. Individual assessments are particularly important; that applies to the economic environment for the different business models and to the development potential of the companies in 2024 that form the basis of our forecasts. Given the variety of business models in our portfolio, we expect these different factors to offset each other, at least in part.

Expected business development

Our forecasts assume that the expectations outlined above regarding the development of the private equity market, the supply of debt financing and capital as well as the economy will materialise. A scenario in which the circumstances described in the risks mentioned would materialise to a greater degree is not reflected in our planning.

		2022/2023 and 30 Sep 2023	Expectations 2023/2024	Expectations 2025/2026
Financial performance indicators				
Net asset value (reporting date)[1]	€mn	669.4	675.0 to 790.0	840.0 to 980.0
Earnings from Fund Investment Services	€mn	14.0	9.0 to 13.0	11.0 to 16.0
Non-financial performance indicators				
CO2 Footprint (scope 1-3)[2]	t CO_2/MA	2.9	2.8	2.6
Employee satisfaction	%	65	66	68
Payments from compliance breaches	€	0.0	0.0	0.0

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

We concluded the reporting year with results that were significantly higher than the expectations we had at the start of the financial year 2022/2023. This can be traced back, in particular, to higher multiples of peer group companies on the capital market, which influenced the performance of our portfolio companies, as well as to successful disposals, which boosted our net asset value. In light of the outlined macroeconomic developments expected and having weighed up the risks and opportunities, we expect the further development in our portfolio value to initially remain muted in 2023/2024, especially concerning the industrial portfolio.

Taking into account the distribution to be made after the 2024 Annual General Meeting – 18.8 million euros is the proposed figure – the **NET ASSET VALUE** as at the reporting date of 30 September 2024 is expected in a range between 675 and 790 million euros. Adjusted for the proposed distribution, this equates to an increase in value of between four and 21 per cent.

We then expect to see this value increase further in the following two years, meaning that by the end of the 2025/2026 financial year, i.e. by the end of our planning horizon, the net asset value is projected to amount to between 840 and 980 million euros. Adjusted for the anticipated dividend distribution, these projections point towards an average annual increase in the net asset value of between 10 and 16 per cent.

Net income from investment activity is the item that has the greatest impact on the portfolio value and, consequently, on the net asset value. At the same time, net income from investment activity is also the item with the greatest budgetary and forecast uncertainty. It is determined to a considerable degree by net gains and losses on measurement and disposal; current income from financial assets and loans and receivables, on the other hand, is less relevant.

Projections of the earnings contribution for the portfolio are based on current assumptions regarding the holding period and on a standardised annual increase in the value of the investments during this holding period. The assumptions on the holding period include our assessment of the impact that the current macroeconomic environment will have on the individual investments. We also take into account deviations from the initial premises on which our assessment on the absolute value contribution of the change measures initiated in the portfolio companies is based.

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

The changes in earnings multiples for the listed reference companies are not predictable either. We therefore always assume unchanged multiples from when the forecast is prepared. On the other hand, the value contribution generated from their actual development during a planning period can be positive as well as negative, as in the recently concluded financial year. Current income from financial assets and loans and receivables is also not forecast individually. We assume that earnings generated from the portfolio companies are ploughed back in and therefore flow into the achievable market price to the same extent.

Based on our assumptions, we expect to see **EARNINGS FROM FUND INVESTMENT SERVICES** ranging from 9 to 13 million euros in the current financial year 2023/2024. This is below the levels seen in the last financial year, as we essentially anticipate lower income and increased expenses. This decline is not unusual; it assumes that the launch of the investment phase of a planned successor fund, and thus the income inflow for advisory services rendered, will only occur at some point in time during the financial year 2025/2026, whilst expenses are incurred for the entire financial year. Turning to the last year of the planning period, earnings from Fund Investment Services are expected to be between 11 and 16 million euros.

We intend to systematically reduce our **CARBON FOOTPRINT**, aiming to cut carbon emissions per employee (scope 1 to 3; scope 3 currently comprises business travel and commuting) to 2.8 tonnes in the financial year 2023/2024 and to 2.6 tonnes by the financial year 2025/2026, following 2.9 tonnes in the year under review. In pursuit of this goal, we encourage our staff to use the train as an alternative to short-haul flights and use video conferencing wherever possible and sensible to avoid travel. We will continue not to add any new company cars to our fleet, and lease contracts of company cars currently in use will not be renewed. In addition, we will continue to offer our employees a transit card, making it easier for them to increase use of public transport and reduce private car trips.

We make sure to include the feedback we receive from our surveys on **EMPLOYEE SATISFACTION** in our business processes, refining the processes accordingly. Our aim is to increase employee satisfaction and raise the arithmetic mean of all the survey values during a financial year from 65 per cent in the financial year 2022/2023 to 66 per cent in 2023/2024 and to 68 per cent towards the end of our medium-term planning period.

Our zero tolerance policy for any form of corruption and other unethical business practices remains fully and firmly in place and we continue to adhere to our goal of 0 euros in **PAYMENTS FOR COMPLIANCE VIOLATIONS** in any given financial year.

General forecast

Performance expected to normalise after exceptional year

The forecasting framework for the current financial year 2023/2024 is a subdued one, meaning that we can expect the economy’s business processes to remain under pressure. We therefore expect a continuously challenging environment. In view of the increasing number of investment opportunities, we remain optimistic regarding the M&A market and anticipate a further improvement in demand compared to the reporting year.

We believe that Deutsche Beteiligungs AG’s performance should remain positive in the current financial year, and we anticipate a further increase in net asset value from the higher comparison base. Earnings from Fund Investment Services are likely to drop vis-à-vis the previous financial year 2022/2023, in line with the life cycle of the funds and in view of cost developments. This would make 2023/2024 another successful financial year when measured against a ten-year period.

Frankfurt/Main, 24 November 2023

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 October 2022 to 30 September 2023

€'000	Notes	**1 Oct 2022 to 30 Sep 2023**	1 Oct 2021 to 30 Sep 2022
Net income from investment activity	9	109,577	(98,883)
Income from Fund Services	10	45,859	43,156
Income from Fund Services and investment activity		**155,435**	**(55,726)**
Personnel expenses	11	(27,088)	(24,550)
Other operating income	12	4,748	3,739
Other operating expenses	13	(22,320)	(18,274)
Interest income		128	28
Interest expenses	14	(2,319)	(1,135)
Other income/expense items		**(46,851)**	**(40,192)**
Earnings before taxes		**108,585**	**(95,918)**
Income taxes	15	(2,799)	(1,639)
Earnings after taxes		**105,786**	**(97,557)**
Net income attributable to other shareholders	23	(6)	(7)
Net income		**105,780**	**(97,564)**
Items that will not be reclassified subsequently to profit or loss			
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset), after deferred taxes	20, 24	(753)	8,624
Other comprehensive income		**(753)**	**8,624**
Total comprehensive income		**105,026**	**(88,939)**
Earnings per share in € (diluted and basic)[1]	34	5.63	(5.19)

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 during the reporting period.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 October 2022 to 30 September 2023

INFLOWS (+) / OUTFLOWS (-)

€'000	Notes	1 Oct 2022 to 30 Sep 2023	1 Oct 2021 to 30 Sep 2022
Net income		105,780	(97,564)
Measurement gains (-)/losses (+) on financial assets and other financial instruments, depreciation/amortisation/impairment of property, plant and equipment and intangible assets, gains (-)/losses (+) on securities	9, 16, 17, 19	(105,216)	103,472
Gains (-)/losses (+) from disposals of assets	9, 16	0	12
Increase (+)/decrease (-) in income tax assets	20	521	(832)
Increase (+)/decrease (-) in other assets (net)	18, 20, 21	7,294	23,393
Increase (+)/decrease (-) in pension provisions	24	392	(9,388)
Increase (+)/decrease (-) in income taxes payable	20	(2,655)	137
Increase (+)/decrease (-) in other provisions	25	3,141	1,441
Increase (+)/decrease (-) in other liabilities (net)	20, 23, 28	90	8,867
Cash flow from operating activities		**9,347**	**29,538**
Proceeds from disposals of financial assets	9, 17	119,452	40,124
Payments for investments in financial assets	9, 17	(94,300)	(151,323)
Proceeds from disposals of other financial instruments	19	43,510	81,987
Payments for investments in other financial instruments	19	(19,275)	(102,405)
Cash flow from investment activity	30	49,388	(131,617)
Proceeds from disposals of property, plant and equipment and intangible assets	16	33	21
Payments for investments in property, plant and equipment and intangible assets	16	(752)	(881)
Proceeds from disposals of securities		0	74,802
Cash flow from investing activities		**48,669**	**(57,675)**
Proceeds from capital increases		(42)	(280)
Payments for lease liabilities	27, 28, 30	(1,072)	(1,073)
Proceeds from drawdowns of credit facilities	26, 30	15,000	41,000
Payments for redemption of credit lines	26, 30	(56,000)	0
Payments to shareholders (dividends)	22	(15,044)	(30,088)
Cash flow from financing activities		**(57,157)**	**9,559**
Net change in cash and cash equivalents		860	(18,579)
Cash and cash equivalents at start of reporting period	30	19,158	37,737
Cash and cash equivalents at end of reporting period		**20,018**	**19,158**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2023

€'000		30 Sep 2023	30 Sep 2022
ASSETS			
Non-current assets			
Intangible assets	16	158	155
Property, plant and equipment	16	13,769	2,310
Financial assets	17	635,404	553,323
Other non-current assets	21	852	852
Deferred tax assets	20	1,790	3,190
Total non-current assets		**651,973**	**559,831**
Current assets			
Receivables	18	15,444	21,475
Other financial instruments	19	17,990	42,225
Income tax assets	20	1,141	1,661
Cash and cash equivalents		20,018	19,158
Other current assets	21	1,705	2,056
Total current assets		**56,296**	**86,576**
Total assets		**708,269**	**646,407**
EQUITY AND LIABILITIES			
Equity	22		
Subscribed capital		66,725	66,733
Capital reserve		260,019	260,069
Retained earnings and other reserves		(1,256)	(503)
Consolidated retained profit		343,891	253,156
Total equity		**669,379**	**579,455**
Liabilities			
Non-current liabilities			
Liabilities under interests held by other shareholders	23	59	58
Provisions for pensions obligations	24	4,687	4,295
Other non-current provisions	25	420	546
Lease liabilities	27	11,647	941
Total non-current liabilities		**16,813**	**5,840**
Current liabilities			
Other current provisions	25	17,138	13,871
Credit liabilities	26	0	41,000
Income tax liabilities	20	1,541	4,196
Lease liabilities	27	1,490	0
Other current liabilities	28	1,908	2,045
Total current liabilities		**22,077**	**61,112**
Total liabilities		**38,890**	**66,952**
Total equity and liabilities		**708,269**	**646,407**

1 In the previous year, this item was designated as "Other non-current liabilities".

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 October 2022 to 30 September 2023

€'000		**1 Oct 2022 to 30 Sep 2023**	1 Oct 2021 to 30 Sep 2022
Subscribed capital			
At start of reporting period		66,733	66,733
Change in reporting period		(8)	0
At end of reporting period	22	**66,725**	**66,733**
Capital reserve			
At start of reporting period		260,069	260,349
Change in reporting period		(50)	(280)
At end of reporting period	22	**260,019**	**260,069**
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 remeasurements of the net defined benefit liability (asset), after deferred taxes			
At start of reporting period	24	(16,925)	(25,550)
Change in reporting period	20, 24	(753)	8,624
At end of reporting period	20, 24	(17,678)	(16,925)
At end of reporting period		**(1,256)**	**(503)**
Consolidated retained profit			
At start of reporting period		253,156	380,807
Dividend	22	(15,044)	(30,088)
Net income		105,780	(97,564)
At end of reporting period		**343,891**	**253,156**
Total		**669,379**	**579,455**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR FROM 1 OCTOBER 2022 TO 30 SEPTEMBER 2023

GENERAL DISCLOSURES

1. Principal activity of the Group

Deutsche Beteiligungs AG (DBAG) is a listed private equity company in the form of a German public limited company (*Aktiengesellschaft*). It initiates and structures closed-end private equity funds ("DBAG funds") for investments in equity or equity-like instruments predominantly of unlisted companies, and provides advice for these funds. It enters into investments, also employing its own assets, as a co-investor alongside DBAG funds ("co-investments") and also independently of these funds exclusively using its own financial resources ("Long-Term Investments").

DBAG traditionally focuses on mid-market companies. On a regional level, most of the portfolio companies have their registered office or main business focus in the German-speaking region of Europe (Germany, Austria and Switzerland). DBAG has also been investing in Italian companies since 2020. In individual cases, DBAG also invests in companies elsewhere in Europe.

DBAG receives income as an investor through the increase in value of the companies in which it has invested, and also as a fund advisor, performing services for the DBAG funds.

In September 2023, DBAG agreed to acquire a majority stake in ELF Capital Group, which includes ELF Capital Advisory GmbH based in Frankfurt/Main. Accordingly, DBAG plans to expand its offering to include private debt financing, starting from the new financial year 2023/2024. DBAG will generate income from the provision of services to the ELF Capital funds and also intends to invest its own assets in these funds.

DBAG's registered office is at Untermainanlage 1, 60329 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 2023 are consistent with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as applicable in the European Union. The interpretations of the IFRS Interpretations Committee (IFRIC) 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"). The accounting policies set out in note 6 are applied consistently.

Apart from DBAG, eight (previous year: seven) of the companies included in the consolidated financial statements prepare their respective financial statements as at the reporting date of 30 September. For the remaining five (previous year: four) 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 IFRS require changes to be made (see note 3) or the changes result in more reliable and relevant information. To improve clarity of presentation, we have separately reported lease liabilities for the year under review for the first time; in the previous year, these were included in other 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 to the consolidated financial statements.

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 30).

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. As a result, rounding differences may occur in the tables of this report.

The consolidated financial statements were prepared on a going concern basis

On 24 November 2023, the Board of Management of DBAG authorised the consolidated financial statements and the combined management report. The consolidated financial statements will be submitted to the Supervisory Board for acknowledgement at its meeting on 29 November 2023.

Pursuant to section 264b of the HGB, DBG Advising GmbH & Co KG, Frankfurt/Main, Germany has refrained from preparing financial statements and a management report, from having these audited, and from publishing them.

3. Changes in accounting methods due to amended rules

Standards as well as amendments to standards applicable for the first time in the year under review

The following amendments to standards must be applied for the first time in the consolidated financial statements as at 30 September 2023:

- Amendments to IAS 16 "Property, Plant and Equipment"

The amendment prohibits the deduction of proceeds generated from certain disposals from the cost of an item of property, plant and equipment. The amendment had no material impact on DBAG's consolidated financial statements.

- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"

The amendment clarifies what items are included in the cost of fulfilling an onerous contract. DBAG does not expect the amendment to have any impact on its consolidated financial statements.

- Amendments to IFRS 3 "Business combinations"

The amendment represents an update of an outdated reference to the Conceptual Framework. DBAG does not expect the amendment to have any impact on its consolidated financial statements.

- Annual Improvements to IFRS Accounting Standards – 2018-2020 cycle
    - IFRS 1 "First-time Adoption of International Financial Reporting Standards"
    - IFRS 9 "Financial Instruments"
    - IAS 41 "Agriculture"

The amendment to IFRS 9 clarifies which fees are to be included when applying the "ten per cent test", and is not relevant for DBAG. IFRS 1 relates to first-time adopters of IFRS whilst IAS 41 concerns biological assets; neither is generally relevant for DBAG.

New standards as well as amendments to standards that have not yet been applied

a) Standards adopted by the European Union

The new standards (or amendments to standards) set out below were issued by the IASB and adopted for use in the European Union. The effective date, indicating when the respective standard or amendment is required to be applied, is given in parentheses. DBAG aims for first-time application of the respective standard in the financial year beginning after that date. No use will therefore be made of voluntary early application of these standards or amendments.

- Amendments to IAS 1 "Presentation of Financial Statements" (1 January 2023)

The amendments to IAS 1 have introduced the requirement to disclose "material" rather than "significant" accounting policies, as was previously required. DBAG expects the amendments to have no impact on its consolidated financial statements.

- Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (1 January 2023)

The amendment specifies the distinction between changes in accounting policies and changes in accounting estimates. It is clarified that determining the measurement concept is an accounting policy, while the selection of the specific measurement technique and the determination of the value represent an accounting estimate. DBAG believes that these amendments represent a clarification of existing accounting standards, and has already applied this distinction. Accordingly, DBAG does not expect any effect on its consolidated financial statements to arise upon first-time application.

› Amendments to IAS 12 "Income Taxes" (1 January 2023)

The first amendment clarifies how to account for deferred taxes on transactions such as leases or asset retirement obligations. The second amendment provides for a temporary, mandatory exemption from recognising deferred taxes, as a result of the introduction of global minimum tax. DBAG expects the amendments to have no impact on its consolidated financial statements.

› IFRS 17 "Insurance Contracts" and Amendments to IFRS 17 "Insurance Contracts" (1 January 2023)

DBAG has not entered into any agreements that are within the scope of IFRS 17; accordingly, this standard and its amendments are not relevant for DBAG.

b) Standards not yet adopted by the European Union

The following standards and amendments to standards 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"

- Classification of liabilities as current or non-current: According to this, classification has to be based on the rights existing as at the reporting date rather than the expectations as to whether the reporting entity makes use of its option to defer settlement.

- Classification of debt with covenants: The amendments clarify that only those covenants which an entity must fulfill on or before the reporting date influence classification as current or non-current.

DBAG expects these amendments to have no impact on its consolidated financial statements.

› Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures"

The amendments provide for an extension of existing disclosure requirements to include qualitative and quantitative information on financing agreements with suppliers. DBAG expects the amendments to have no impact on its consolidated financial statements:

› Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"

The amendments relate to determining the exchange rate where a currency is not exchangeable over the long term. DBAG expects the amendments to have no impact on its consolidated financial statements.

› Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Long-term Interests in Associates and Joint Ventures"

The amendments concern the disposal of assets or 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.

› Amendments to IFRS 16 “Leases”

The amendments relate to the subsequent measurement of sale-and-leaseback transaction with the seller or the lessee, and are not relevant for DBAG.

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.

In the year under review, DBAG was recognised as a special investment company, as defined by German statutory legislation on special investment companies (Gesetz über Unternehmensbeteiligungsgesellschaften – UBGG). It 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 2023:

Name	Registered office	Equity Interest %	If different, voting interest %
AIFM-DBG Fund VII Management (Guernsey) LP	St. Peter Port, Guernsey	0.00	
DBAG Italia S.r.l.	Milan, Italy	100.00	
DBAG Luxembourg S.à r.l.	Luxembourg, Luxemburg	100.00	
DBG Advising GmbH & Co. KG	Frankfurt/Main, Germany	20.00	
DBG ECF IV GP S.à r.l.	Senningerberg, Luxemburg	13.04	
DBG Fund VI GP (Guernsey) LP	St. Peter Port, Guernsey	0.00	
DBG Fund VII GP S.à r.l.	Luxembourg-Findel, Luxemburg	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 provide management or 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. DBG Managing Partner GmbH & Co. KG, which is registered as a small capital management company (Kapitalverwaltungsgesellschaft – KVG) in accordance with the German Capital Investment Code (Kapitalanlagegesetzbuch – KAGB) is responsible for the management of DBAG's German funds; DBG Management GP (Guernsey) Ltd. is registered in Guernsey as a KVG pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, and manages the funds based in Luxembourg and Guernsey.

DBAG Luxembourg S.à r.l. and DBG ECF IV GP S.à r.l. were consolidated for the first time as at the reporting date. DBAG Luxembourg S.à r.l. was established in the year under review; it provides management or investment-related services to Luxembourg companies and enterprises. DBG ECF IV GP S.à r.l. was established in the previous year; it provides management services for DBAG ECF IV. The company was not consolidated in the previous year due to immateriality.

In the case of DBAG Italia S.r.l., DBAG Luxembourg 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 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 ECF IV GP S.à r.l., 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.à 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 co-investments of DBAG alongside a fund.

Long-Term Investments that DBAG enters into 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 holding a Long-Term Investment of DBAG; it does not provide any investment-related services. In the reporting year, a new company – DBAG Bilanzinvest V GmbH & Co. KG – was established for this purpose. DBAG will enter into its fifth Long-Term Investment via this company.

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 %
DBAG Bilanzinvest I (Smart Metering) GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest II (TGA) GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest III (data centers) GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest IV (Dental) GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest V GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBAG Expansion Capital Fund Konzern GmbH & Co. KG[1]	Frankfurt/Main, Germany	99.00
DBAG Expansion Capital Fund IV Konzern SCSp	Senningerberg, Luxemburg	99.14
DBAG Fund V Konzern GmbH & Co. KG i.L.	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, 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, Germany	100.00

1 DBAG Expansion Capital Fund Konzern GmbH & Co. KG comprises three consecutive investment periods of DBAG ECF: DBAG ECF I, DBAG ECF II, and DBAG ECF III, all of 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 Commitment	Accumulated capital calls as at 30 Sep 2023	Callable capital commitments as at 30 Sep 2023
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF I)	120,457	104,739	33,096
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF II)	34,751	25,742	15,959
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF III)	43,302	41,713	7,932
DBAG Expansion Capital Fund IV Konzern SCSp	68,696	30,597	38,099
DBAG Fund V Konzern GmbH & Co. KG i.L.	103,950	103,805	0
DBAG Fund VI Konzern (Guernsey) L.P.	133,000	148,890	4,060
DBAG Fund VII Konzern SCSp	183,000	205,226	36,592
DBAG Fund VII B Konzern SCSp	17,000	20,090	1,408
DBAG Fund VIII A Konzern (Guernsey) L.P.	210,000	130,819	79,181
DBAG Fund VIII B Konzern (Guernsey) L.P.	45,000	17,291	27,709
	959,156	**828,911**	**244,038**

€'000 Name	Capital Commitment	Accumulated capital calls as at 30 Sep 2022	Callable capital commitments as at 30 Sep 2022
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF I)	120,457	99,202	46,507
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF II)	34,751	25,647	16,054
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF III)	43,302	39,163	4,139
DBAG Fund V Konzern GmbH & Co. KG i.L.	103,950	103,805	1,181
DBAG Fund VI Konzern (Guernsey) L.P.	133,000	149,233	3,685
DBAG Fund VII Konzern SCSp	183,000	198,532	3,407
DBAG Fund VII B Konzern SCSp	17,000	19,105	1,600
DBAG Fund VIII A Konzern (Guernsey) L.P.	210,000	115,925	94,075
DBAG Fund VIII B Konzern (Guernsey) L.P.	45,000	16,383	28,617
	890,460	**766,995**	**199,267**

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 callable distributions. The partnership agreements for the DBAG funds allow distributions of up to 20 per cent[10] of the initial capital commitment 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 the co-investment vehicles of DBAG ECF I, DBAG ECF II, DBAG ECF III, DBAG Fund VI and DBAG Fund VII include callable distributions.

[10] In DBAG ECF I, of the distributions made after 30 April 2020, up to 10 per cent of the relevant capital commitments are callable for follow-on investments.

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	2022/2023	
Name	Disbursements	Investments
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF I)	2,862	6,501
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF II)	0	95
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF III)	30,181	2,550
DBAG Expansion Capital Fund IV Konzern SCSp	0	30,597
DBAG Fund V Konzern GmbH & Co. KG i.L.	6,056	0
DBAG Fund VI Konzern (Guernsey) L.P.	16,630	1,500
DBAG Fund VII Konzern SCSp	56,648	17,420
DBAG Fund VII B Konzern SCSp	7,072	1,611
DBAG Fund VIII A Konzern (Guernsey) L.P.	0	32,720
DBAG Fund VIII B Konzern (Guernsey) L.P.	0	1,074
	119,450	**94,068**

€'000	2021/2022	
Name	Disbursements	Investments
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF I)	0	57
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF II)	20,198	97
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF III)	0	5,693
DBAG Fund V Konzern GmbH & Co. KG i.L.	629	0
DBAG Fund VI Konzern (Guernsey) L.P.	18,751	3,734
DBAG Fund VII Konzern SCSp	546	25,830
DBAG Fund VII B Konzern SCSp	0	3,009
DBAG Fund VIII A Konzern (Guernsey) L.P.	0	52,839
DBAG Fund VIII B Konzern (Guernsey) L.P.	0	5,994
	40,124	**97,253**

The disbursements of the co-investment vehicle of DBAG ECF I refer to returns from a portfolio company already disposed of. The co-investment vehicle of DBAG ECF I primarily made follow-on investments in one existing portfolio company.

The disbursements of the co-investment vehicle of DBAG ECF III refer to returns from a portfolio company following disposal. The investments largely concern follow-on investments in one existing portfolio company.

The co-investment vehicle of DBAG ECF IV invested in three new portfolio companies.

The disbursements of the co-investment vehicle of DBAG Fund V refer to returns from the disposal of the last remaining portfolio company in the fund.

The disbursements of DBAG Fund VI's co-investment vehicle are largely attributable to a distribution following the partial disposal of two portfolio companies.

The disbursements of the co-investment vehicle of DBAG Fund VII refer to returns from two portfolio companies following disposal. DBAG Fund VII Konzern SCSp (Main Pool) supported follow-on investments in four existing portfolio companies by contributing additional equity, with DBAG Fund VII B Konzern SCSp (Top-up Fund) co-investing in three of these.

DBAG Fund VIII A Konzern (Guernsey) L.P. (Main Pool) supported follow-on investments in five existing portfolio companies by contributing additional equity, with DBAG Fund VIII B Konzern (Guernsey) L.P. (Top-up Fund) co-investing in two of these.

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").

4.5. Unconsolidated subsidiaries

The following subsidiaries are not included in the consolidated financial statements:

Name	Registered office	Equity/ voting interest *%*
DBAG Bilanzinvest I (Smart Metering) Verwaltungs GmbH	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest II (TGA) Verwaltungs GmbH	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest III (data centers) Verwaltungs GmbH	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest IV (Dental) Verwaltungs GmbH	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest V Verwaltungs GmbH	Frankfurt/Main, Germany	100.00
DBG Advising Verwaltungs GmbH	Frankfurt/Main, Germany	20.00
DBG New HoldCo GmbH & Co. KG	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 New HoldCo 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 three new companies, all of which were not consolidated (due to immateriality) but are instead accounted for at fair value through profit or loss. DBAG Bilanzinvest V Verwaltungs GmbH is the general partner of the fifth on-balance sheet-investment vehicle. In the future, DBG ELF Advisor Holding GmbH & Co. KG is set to hold and manage the shareholding in ELF Capital Advisory GmbH as well as provide support and other services to that company. The company will be consolidated for the first time after closing of the transaction; it was not consolidated as at the reporting date due to immateriality but accounted for at fair value through profit or loss. DBG New HoldCo Verwaltungs GmbH is the general partner of DBG ELF Advisor Holding GmbH & Co. KG.

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 start of the respective investment period. As in the previous year, there were no prepaid costs in the reporting year.

The following companies that DBAG initiated within the scope of its business activity described above are investment vehicles for the German and international investors in DBAG funds. From the DBAG Group'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 2023:

Name	Registered office	Equity/ voting interest %
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 Expansion Capital Fund IV SCSp	Senningerberg, Luxemburg	0.00
DBAG Fund V GmbH & Co. KG i.L.	Frankfurt/Main, Germany	0.00
DBAG Fund V International GmbH & Co. KG i.L.	Frankfurt/Main, Germany	0.00
DBAG Fund V Co-Investor GmbH & Co. KG i.L.	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 an obligation to transfer 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 37).

Exposure to losses from these structured entities result mainly from receivables in relation to the payment of the contractually agreed management fee. This fee is due within 30 days after payment is requested.

€'000	30 Sep2023	30 Sep 2022
Name	**Maximum loss exposure**	Maximum loss exposure
DBAG Expansion Capital Fund International GmbH & Co. KG (DBAG ECF I)	43	0
DBAG Fund VI (Guernsey) L.P.	946	1,279
DBAG Fund VII SCSp	60	8,158
DBAG Fund VII B SCSp	1,424	2,533
DBAG Fund VIII A (Guernsey) L.P.	3,609	4,456
DBAG Fund VIII B (Guernsey) L.P.	212	226
DBAG Fund VIII Feeder GmbH & Co. KG	20	20
	6,313	**16,672**

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) of the HGB

The disclosures on the list of shareholdings pursuant to section 313 (2) of the HGB can be found in note 41 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 amortised in subsequent periods.

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 assets 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 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 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, one employee from 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 2022, insofar as these are consistent with IFRS. DBAG's valuation guidelines specify the application of the IPEV Guidelines, insofar as the latter are unspecific, 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.

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 inputs. 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 date (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 upon disposal 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 costs. 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 or discounts 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 of unlisted companies can be based on relevant comparative amounts of recent transactions involving equity or equity-like instruments of the portfolio company (financing rounds) or based on relevant comparative prices of transactions that have recently 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 methods 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 Advisory Team, along with selected Managing Directors who are not members of the Investment Advisory Team, participate in a fund's performance in return for their intangible shareholder contribution to the respective fund ("carried interest") after the fund investors and DBAG have realised their invested capital plus a preferred return ("full payout"; see note 37). 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 equity 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.

The portfolio companies are measured using the multiples method. One Indirectly held international fund investment is measured using the DCF method.

In case of the multiples method, the total enterprise value is determined at first by applying a multiple for a reference value of the company to be valued. Earnings before interest, tax, depreciation and amortisation (EBITDA) are generally used as the reference value. Two portfolio companies were measured using revenue as the reference value since these companies are still in the start-up phase.

The reference value is derived 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 risks. In addition, discounts or premiums are applied to the reference values used 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 (so-called calibration), which is in turn determined using the median for a peer group of similar companies that are as comparable as possible. This calibration is applied consistently.

For the sake of consistency, an exception to the rule exists for single companies that have been included in the portfolio for a longer time. Instead of calibration, premiums or discounts are applied to the median of the peer group in order to account for the differences between the portfolio companies and the peer group companies in terms of business model, geographical focus of their business activities and their size.

The Investment In an externally-managed international fund was measured using the DCF method. Under this method, the net proceeds expected by the manager to be received from the sale of the last remaining portfolio company (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 disposal, current income from financial assets net of carried interest, as well as net gains and losses from other financial instruments.

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 disposal contain gains realised upon the (partial) disposal of financial assets. For regular-way transactions, (partial) disposals are recognised at the settlement date. The gains achieved on the transaction are therefore recorded in profit or loss at that date, as net gains and losses on 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 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 comprises distributions from investment entity subsidiaries as well as dividends and interest payments of the directly held portfolio company:

› 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 vehicles 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.

Net gains and losses from other financial instruments comprise accrued interest (see comments under the heading "Other financial instruments").

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 their 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 also comprise right-of-use assets from leases (please also refer to the explanations under the heading "Leasing").

They are measured at amortised cost. Intangible assets have a determinable useful life ranging from two to five years. Property, plant and equipment have useful lives of between three and 13 years, while leases have a term of three to ten 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 recognition.

Receivables

The line item "Receivables" contains receivables from co-investment vehicles and receivables from DBAG funds. They are measured at amortised cost, taking into account a loss allowance for expected credit losses (see comments under the heading "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".

Other financial instruments

The item "Other financial instruments" includes short-term loans to our co-investment vehicles and to one on-balance sheet-investment vehicle. They are measured at fair value through profit or loss as they are allocated to our investment business. Changes in the fair value are recognised in net income from investment activity.

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 in line with receivables.

Other assets

Other assets comprise 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, other assets are financial assets. These are accounted for in line with receivables.

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 the applicable income tax rate of the respective Group company. As a special investment company, DBAG is exempt from municipal trade tax. Deferred tax assets and liabilities are offset if the relevant criteria are met. 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 future 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 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 of the Group companies 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. 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 assets". 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 cost for 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

Provisions are recognised if there is a third-party obligation, it is probable that there will be an outflow of resources and the expected amount of the obligation can be reliably estimated. The amount of the provision corresponds to the best estimate of the obligation as at the reporting date. Provisions with a remaining term of more than one year are discounted to their settlement amount as at the reporting date.

Credit liabilities

Credit liabilities refer to liabilities to banks. They are measured at fair value upon initial recognition; the fair value corresponds to the disbursement amount. These items are re-measured at amortised cost.

Other liabilities

Other liabilities comprise current non-interest-bearing liabilities and lease liabilities. Non-interest-bearing liabilities are recognised at their nominal value. We refer to the explanations with regard to lease liabilities included in the following section.

Leasing

In the case of leases, an asset for the usage right as well as a corresponding lease liability for the outstanding lease payments is recognised.

The carrying amount of lease liabilities upon initial measurement corresponds to the present value of the lease payments required to be made. The present value is determined using the incremental borrowing rate that is applicable when the leased asset is made available for use. For subsequent measurement, the carrying amount of the lease liability is increased by the same interest rate and reduced to reflect the lease payments made. Lease liabilities were reported separately for the first time in the reporting year (in the previous year, they were included in other liabilities); interest on 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.

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 as well as 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. Right-of-use assets are recognised in property, plant and equipment.

DBAG does not record a right-of-use asset or a lease liability in the case of leases for low-value assets. Instead, lease payments are recorded as other operating expenses.

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, if any, 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 consolidated financial statements.

The judgement that has the largest effect on the amounts recognised in the consolidated financial statements is the assessment whether DBAG, as the parent company, 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 recognised at fair value, instead of being included in the consolidated financial statements as fully-consolidated companies.

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 on 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 in the light of 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.

In the year under review, our estimate of the multiples changed in relation to three portfolio companies. We no longer considered the composition of the sector-specific peer group used to date to be adequate, and have added further companies to the peer group. The cumulative effect from these changes on total comprehensive income and consolidated equity amounts to 4,869,000 euros.

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 reference to 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 Group’s 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 under the heading “Fair value measurement methods on hierarchy level 3”, and note 31.1).

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

9. Net income from investment activity

€'000	2022/2023	2021/2022
Interests in investment entity subsidiaries	107,728	(100,787)
Interests in portfolio companies	966	424
Other financial assets	884	1,481
	109,577	**(98,883)**

Interests in investment entity subsidiaries are subsidiaries of DBAG (see note 4.3) 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. The significant assets of these investment entity subsidiaries are interests in and receivables from portfolio companies. Interests in investment entity subsidiaries are recognised at fair value through profit or loss.

The item includes the gross change in the fair values of the interests in portfolio companies held via the investment entity subsidiaries in the amount of 20,016,000 euros (previous year: -125,139,000 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 87,713,000 euros (previous year: 24,351,000 euros). The gross change is reduced by the 10,933,000 euro increase in imputed carried interest (previous year: increased by the reduction of 28,305,000 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 income results from the change in the fair value of the interests as well as from current income from distributions.

Net gains from other financial assets and other financial instruments mainly refer to interest income from other financial instruments.

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	2022/2023	2021/2022
DBAG ECF	1,237	1,361
DBAG Fund VI	5,283	6,391
DBAG Fund VII	17,532	16,203
DBAG Fund VIII	19,247	19,107
DBAG ECF IV	2,443	0
Other	116	95
	45,859	**43,156**

Income from Fund Services results from management or advisory services for the DBAG funds.

Income from DBAG ECF and DBAG Fund VI fell compared to the previous year, following portfolio divestments.

Income from DBAG Fund VII increased due to follow-on investments in the existing portfolio.

Income from the principal fund of DBAG Fund VIII is calculated on the basis of capital commitments. Income from the top-up fund is determined using the lower of committed or invested capital.

Income from DBAG ECF IV has been earned since 17 November 2022.

11. Personnel expenses

€'000	**2022/2023**	2021/2022
Wages and salaries		
Fixed salary and fringe benefits	14,325	16,070
Variable remuneration, performance-related	10,767	6,418
Variable remuneration, transaction-related	22	37
	25,115	22,524
Social contributions and expenses for pension plans	**1,974**	**2,026**
thereof for state pension plan	546	608
	27,088	**24,550**

The decrease in fixed salary and fringe benefits reflects a payment in the amount of 2,036,000 euros made in the previous year in connection with the retirement of a member of the Board of Management.

The performance-related variable remuneration refers to members of the Board of Management and DBAG employees.

Since the financial year 2014/2015, the performance-related variable remuneration scheme for managing members of the Investment Advisory Team has been based primarily on portfolio performance, new investments entered into and the success of divestments. For the other members of the Investment Advisory Team and employees in corporate functions, the variable remuneration is based on company and personal performance.

Transaction-related variable remuneration refers to current and former members of the Board of Management and members of the Investment Advisory Team based on older systems no longer in use. More information regarding these systems is included in the remuneration report. The remuneration report was prepared in compliance with legal requirements and published on our website.

The number of employees (excluding members of the Board of Management) in the DBAG Group was as follows as at the reporting date:

	30 Sep 2023	30 Sep 2022
Employees (full-time)	84	78
Employees (part-time)	12	11

As at the end of the financial year 2022/2023, the Board of Management consisted of three (previous year: three) members.

In the financial year 2022/2023, an average of 91 (previous year: 85) people were employed in the DBAG Group.

12. Other operating income

€'000	2022/2023	2021/2022
Income from consultancy expenses that can be passed through	3,938	2,863
Income from positions held on supervisory boards and advisory councils	15	15
Income from the reversal of provisions	423	597
Other	372	263
	4,748	**3,739**

Consultancy expenses that can be passed through refer to advances on behalf of DBAG funds and/or portfolio companies. Income from consultancy expenses that can be passed through was offset by corresponding expense items (see note 13).

13. Other operating expenses

€'000	2022/2023	2021/2022
Consultancy expenses that can be passed through	3,899	2,781
Other consultancy expenses	3,191	1,979
Consultancy expenses for deal sourcing	716	628
Audit and tax consultancy expenses	1,279	809
Other consultancy expenses	9,085	6,197
Value-added tax	1,926	2,767
Travel and hospitality expenses	1,090	912
Premises expenses	618	438
Maintenance and license costs for hardware and software	1,245	1,069
External employees and other personnel expenses	2,342	1,350
Corporate communications, investor relations, media relations	447	422
Fund Investor Relations	366	545
Depreciation and amortisation of property, plant and equipment and intangible assets	2,037	1,477
Annual report and general meeting	710	590
Supervisory Board remuneration	497	508
Other	1,958	1,999
	22,320	**18,274**

The item "Consultancy expenses that can be passed through" largely comprises consultancy expenses incurred for the review of investment opportunities. The increase of these expenses of 1,118,000 euros in the year under review was related to the new DBAG ECF IV fund.

The item "Other consultancy expenses" largely comprises transaction-related expenses; the increase seen in the year under review was attributable to consultancy expenses incurred in connection with the majority shareholding acquired in ELF Capital.

The line item "External employees and other personnel expenses" includes costs for interim management, fees for freelance staff as well as expenses for recruitment and employee training. Project-related expenses increased by 992,000 euros compared to the previous year.

Depreciation and amortisation of property, plant and equipment and intangible assets increased by 560,000 euros year-on-year, due to the rental of a new office building and recognition in accordance with IFRS 16.

14. Interest expenses

€'000	2022/2023	2021/2022
Interest cost for pension obligation	1,000	327
Expected interest income from plan assets	(866)	(214)
Net interest on net defined benefit liability	134	113
Credit lines	1,651	927
Tax authorities	56	62
Other	478	34
	2,319	**1,135**

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 24 for information on the parameters for the two components of the net interest on net defined benefit liability.

Interest expenses for the credit lines relate to the annual commitment fee as well as interest for the drawdown of these credit lines (see note 26).

The interest expenses from leases amounts to 470,000 euros (previous year: 30,000 euros) and is reported under the item "Other". This item also comprises expenses from the interest cost on jubilee payment obligations.

15. Income taxes

€'000	2022/2023	2021/2022
Current taxes	821	1,659
Deferred taxes	1,978	(20)
	2,799	**1,639**

Expenses from current taxes result from the recognition of liabilities for income taxes payable for the assessment period 2023. At the level of DBAG, tax income of 305,000 euros (previous year: tax expenses of 661,000 euros) was recognised, comprising corporate income tax and solidarity surcharge, as well as trade tax expenses of 966,000 euros (previous year: 998,000 euros) at the level of one subsidiary.

Tax expenses for corporate income tax and solidarity surcharge in the amount of 615,000 euros refer to the 2023 assessment period; tax income of 920,000 refers to the 2021 assessment period (reflecting a "true-up" effect within the scope of preparing the tax returns for the 2021 assessment period). In the year under review, an amount of 160,000 euros (previous year: 137,000 euros) of corporate income tax was attributable to subsidiaries.

Trade taxes in the amount of 1,048,000 euros refer to the 2023 assessment period (previous year: 1,029,000 euros). Moreover, trade tax refunds of 82,000 euros were received in the reporting year for the 2018 and 2020 assessment periods.

Expenses for deferred tax assets in the amount of 1,978,000 euros (previous year: income in the amount of 20,000 euros) resulted from the reversal of deferred tax assets on utilisable corporate income tax loss carryforwards in the amount of 1,491,000 euros (previous year: 6,000 euros). The figure also includes expenses of 578,000 euros for deferred taxes on pension claims, with an offsetting item recognised in other comprehensive income. In the reporting year, one of the fully-consolidated Group companies reported 91,000 euros in income from deferred tax assets (previous year: 26,000 euros).

As at the reporting date, DBAG had corporate income tax loss carryforwards in the amount of 81,671,000 euros (previous year: 88,479,000 euros; the loss carryforward of the previous year increased from 83,291,000 euros to 88,479,000 euros compared to the preliminary calculation set out in the 2021/2022 Annual Report within the context of preparing the tax returns for the 2021 assessment period). Since DBAG has been subject to accumulated (taxable) gains during the observation period, which includes the reporting year as well as the two previous years, deferred tax assets have to be recognised in the amount of losses that are expected to be utilised. Based on the adopted medium-term planning for the next three financial years and the tax planning derived therefrom, it can be assumed that the corporate income tax loss carryforwards of 10,572,000 euros (previous year: 19,996,000 euros) will be used within the next three assessment periods. Deferred tax assets are calculated using the applicable tax rate of 15.825 per cent and amount to 1,673,000 euros (previous year: 3,164,000 euros). The deferred tax expense for the reporting year amounts to 1,491,000 euros (previous year: 6,000 euros) due to the reduction of deferred tax assets.

Deferred tax liabilities on temporary differences exist in a total amount of 5,092,000 euros (previous year: 3,134,000 euros). These result from financial assets (698,000 euros), from pension provisions (2,252,000 euros), from right-of-use assets (1,867,000 euros), from current assets (142,000 euros), from provisions for expenses (76,000 euros) and from tax adjustment items (57,000 euros), which were offset against deferred tax assets on temporary differences in the same amount. These deferred tax assets on temporary differences are primarily attributable to securities used to cover pension obligations (3,881,000 euros), to lease liabilities (1,946,000 euros), current assets (167,000 euros), other liabilities (80,000 euros), property, plant and equipment (6,000 euros), other provisions and liabilities (49,000 euros) as well as provisions for jubilee payments and partial retirement (15,000 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.

None of the other fully-consolidated Group companies had temporary differences between IFRS measurements and the tax base.

In the case of one subsidiary, there is an excess of deferred tax assets which is due to trade tax loss carryforwards (which can be utilised for an indefinite period of time) in the amount of 7,285,000 euros (previous year: 7,141,000 euros); the loss carryforward of the previous year decreased to 7,103,000 euros compared to the preliminary calculation set out in the 2021/2022 Annual Report as a result of tax returns prepared during the reporting year for the 2021 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 2023 – 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 expense that can be expected in theoretical terms to the tax expense actually recognised in DBAG’s consolidated financial statements is as follows:

€'000	2022/2023	2021/2022
Earnings before taxes	108,585	(95,918)
Applicable tax rate for corporations (%)	31.925	31.925
Theoretical tax expenses/income	**34,666**	**(30,622)**
Change in theoretical tax expenses/income:		
Tax-exempt net gain on measurement and on disposal	(2,036)	19,848
Current income from financial assets	(12,541)	(4,186)
Non-deductible operating expenses	50	102
Effect from trade tax exemption	(18,526)	14,511
Effects from the recognition of previously unrecognised deferred tax assets on loss carryforwards	414	(286)
Effect from taxes subsidiaries	32	87
Unrecognised deferred tax assets on tax loss carryforwards	(275)	531
Effect of tax rate differences	658	611
Effect from taxes relating to previous years	(425)	404
Other effects	781	637
Income taxes	**2,799**	**1,639**
Tax rate (%)	2.58	(1.71)

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). 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 -18,526,000 euros in the reporting year (previous year: 14,511,000 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 of the German Corporate Income Tax Act (Körperschaftsteuergesetz – KStG) amounts to -14,576,000 euros (previous year: 15,662,000 euros), comprising tax-exempt net gains and losses on measurement and disposal as well as current income from financial assets.

The tax effect resulting from non-deductible operating expenses amounts to 50,000 euros in the reporting year (previous year: 102,000 euros).

The recognition of deferred tax assets on corporate income tax loss carryforwards results in a tax effect of 414,000 euros (previous year: -286,000 euros).

Unrecognised deferred tax assets on temporary differences lead to a tax effect of -275,000 euros in the reporting year (previous year: 531,000 euros).

As a result of varying rules applicable for the determination of taxable income of foreign subsidiaries, the tax effect for the reporting year was 32,000 euros (previous year: 87,000 euros).

The tax effect from tax rate differences amounted to 658,000 euros in the reporting year (previous year: 611,000 euros).

The tax effect from taxes on income as well as deferred taxes for prior years amounts to -425,000 euros in the reporting year (previous year: 404,000 euros).

The other effects in the amount of 781,000 euros in the reporting year (previous year: 637,000 euros) are mainly due to consolidation effects.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

16. Intangible assets/property, plant and equipment

€'000	Acquisition cost			
	1 Oct 2022	Additions	Disposals	**30 Sep 2023**
Intangible assets	2,220	80	0	2,300
Property, plant and equipment	7,324	13,474	2,790	18,008
of which right-of-use assets	4,075	12,828	2,531	14,371
	9,544	**13,554**	**2,790**	**20,308**

€'000	Depreciation, amortisation and impairment				Carrying amounts	
	1 Oct 2022	Additions	Disposals	**30 Sep 2023**	**30 Sep 2023**	30 Sep 2022
Intangible assets	2,065	76	0	2,142	158	155
Property, plant and equipment	5,014	1,960	2,735	4,240	13,769	2,310
of which right-of-use assets	2,745	1,648	2,531	1,862	12,510	1,330
	7,079	**2,037**	**2,735**	**6,381**	**13,926**	**2,465**

€'000	Acquisition cost			
	1 Oct 2021	Additions	Disposals	30 Sep 2022
Intangible assets	2,220	0	0	2,220
Property, plant and equipment	8,238	2,068	2,982	7,324
of which right-of-use assets	5,741	1,187	2,854	4,075
	10,458	**2,068**	**2,982**	**9,544**

€'000	Depreciation, amortisation and impairment				Carrying amounts	
	1 Oct 2021	Additions	Disposals	**30 Sep 2022**	**30 Sep 2022**	30 Sep 2021
Intangible assets	1,781	285	0	2,065	155	439
operty, plant and equipment	4,018	1,192	196	5,014	2,310	4,220
of which right-of-use assets	1,807	1,037	100	2,745	1,330	3,934
	5,799	**1,477**	**196**	**7,079**	**2,465**	**4,659**

The right-of-use assets primarily refer to the business premises at Untermainanlage in Frankfurt/Main, in the amount of 12,270,000 euros (previous year: 1,052,000 euros), as well as motor vehicles and copiers in the amount of 139,000 euros (previous year: 278,000 euros).

Disposals of property, plant and equipment mainly refer to right-of-use assets for the previously used business premises at Börsenstrasse in Frankfurt/Main, as the respective rental agreement was terminated on 31 December 2022.

Depreciation, amortisation and impairment for the financial year exclusively comprised scheduled depreciation/amortisation. An amount of 1,506,000 euros (previous year:

856,000 euros) of the depreciation for right-of-use assets was attributable to business premises.

DBAG makes use of the option provided for under IFRS 16 and does not recognise right-of-use assets from leases for assets of only low value. The expenses from such leases amounted to 33,000 euros in the reporting year (previous year: 20,000 euros).

17. Financial assets

€'000	**30 Sep 2023**	30 Sep 2022
Interests in investment entity subsidiaries	631,733	550,147
Interests in portfolio companies	3,479	3,042
Other financial assets	192	135
	635,404	**553,323**

Financial assets are measured at fair value through profit or loss.

This item exhibited the following movements during the reporting period:

€'000	1 Oct 2022	Additions	Disposals	Changes in value	**30 Sep 2023**
Interests in investment entity subsidiaries	550,147	94,243	32,673	20,016	631,733
Interests in portfolio companies	3,042	0	0	437	3,479
Other financial assets	135	57	3	3	192
	553,323	**94,300**	**32,676**	**20,456**	**635,404**

€'000	1 Oct 2021	Additions	Disposals	Changes in value	30 Sep 2022
Interests in investment entity subsidiaries	541,748	151,296	17,759	(125,139)	550,147
Interests in portfolio companies	3,483	0	0	(442)	3,042
Other financial assets	107	27	0	1	135
	545,339	**151,323**	**17,759**	**(125,580)**	**553,323**

Additions to interests in investment entity subsidiaries mainly refer to capital calls for investments in equity interests.

Disposals of interests in investment entity subsidiaries resulted from distributions due to the divestment of shares in portfolio companies.

The changes in 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".

18. Receivables

€'000	30 Sep 2023	30 Sep 2022
Receivables from Fund Services	8,093	15,637
Receivables from expenses that can be passed through	1,650	1,328
Receivables from DBAG funds	9,743	16,965
Receivables from co-investment vehicles	5,656	4,510
Receivables from portfolio companies	44	0
	15,444	**21,475**

The receivables from Fund Services are mainly due from DBAG Fund VII and DBAG Fund VIII. They declined after the deferred management fee of DBAG Fund VII was received at the beginning of the reporting period.

The receivables from expenses that can be passed through are mainly due from DBAG ECF IV and DBAG Fund VIII. They refer to advisory costs for transactions that eventually were not entered into.

Receivables from co-investment vehicles also primarily result from the management fee for DBAG Fund VII and DBAG Fund VIII.

19. Other financial instruments

Other financial instruments comprise loans with a term of up to 270 days granted to co-investment vehicles to pre-finance investments, as well as loans granted to an on-balance sheet-investment vehicle. As at the reporting date, these related to DBAG Fund VII in the amount of 6,654,000 euros (previous year: 12,018,000 euros), DBAG Fund VIII in the amount of 8,755,000 euros (previous year: 30,207,000 euros) as well as loans to DBAG Bilanzinvest II (TGA) GmbH & Co. KG in the amount of 2,581,000 euros (previous year: nil euros).

20. Tax assets, deferred tax assets and income taxes payable

€'000	30 Sep 2023	30 Sep 2022
Tax assets		
Deferred tax assets	1,790	3,190
Income tax assets	1,141	1,661
Income tax liabilities	1,541	4,196

Income tax assets of 1,141,000 euros (previous year: 1,661,000 euros) comprise applicable taxes for the financial year 2022/2023 and the previous years.

Corporate income tax and solidarity surcharge in the amount of 615,000 euros refer to the 2023 assessment period, and in the amount of 89,000 euros to previous years.

Trade tax in the amount of 449,000 euros refers to the 2023 assessment period (previous year: 1,029,000 euros); 228,000 euros refer to previous years.

Tax loss carryforwards were recognised in deferred taxes as follows:

€'000	**30 Sep 2023**	30 Sep 2022
Tax loss carryforwards for corporation tax	81,671	88,479
thereof usable	10,572	19,996
Tax loss carryforwards for trade tax	7,285	7,141
thereof usable	0	0

As at 30 September 2023, DBAG had corporate income tax loss carryforwards in the amount of 81,671,000 euros (previous year: 88,479,000 euros; the loss carryforward of the previous year increased from 83,291,000 euros to 88,479,000 euros compared to the preliminary calculation set out in the 2021/2022 Annual Report within the context of preparing the tax returns for the 2021 assessment period).

No deferred taxes were recorded for the trade tax loss carryforwards of a subsidiary.

Since DBAG has been subject to accumulated (taxable) gains during the observation period, which includes the reporting year as well as the two previous years, deferred tax assets have to be recognised in the amount of corporate income tax losses that are expected to be utilised. Based on the adopted medium-term planning for the next three financial years and the tax planning derived therefrom, it can be assumed that the corporate income tax loss carryforwards of 10,572,000 euros (previous year: 19,996,000 euros) will be used within the next three assessment periods. Deferred tax assets are calculated using the combined tax rate of 15.825 per cent and amount to 1,673,000 euros (previous year: 3,164,000 euros). The deferred tax expense for the reporting year amounts to 1,491,000 euros due to the reduction of deferred tax assets (previous year: 6,000 euros), plus a deferred tax expense of 578,000 euros from pension provisions, with an offsetting item recognised in other comprehensive income. Deferred tax assets of 117,000 euros (previous year: 26,000 euros) were recognised at the level of a subsidiary.

Deductible temporary differences exist at DBAG in the amount of 6,666,000 euros (previous year: 7,073,000 euros) which were not recognised in the financial statements.

21. Other assets

Other assets can be broken down as follows:

€'000	**30 Sep 2023**	30 Sep 2022
Rental deposit	579	984
Value-added tax	545	727
Other loans and advances	1,433	1,197
	2,557	**2,908**

Rental deposits in the amount of 579,000 euros (previous year: 579,000 euros) and other loans and advances in the amount of 274,000 euros (previous year: 274,000 euros) have a term of more than one year and are shown as non-current assets.

Value-added tax pertains to outstanding refunds of input tax credits.

Other loans and advances mainly comprise prepaid expenses, trade receivables from third parties and loans granted to employees.

22. Equity

Share capital/number of shares

The Company's subscribed capital (share capital) amounts to 66,724,933.01 euros as at 30 September 2023 (previous year: 66,733,328.76 euros) and is divided into 18,802,627 (previous year: 18,804,992) registered no-par value shares.

The notional interest in the share capital amounts to approximately 3.55 euros per share. Each share is entitled to one vote.

The Company held 2,365 treasury shares as at the reporting date, equivalent to a portion of the share capital of 8,395 euros, or less than one per cent. These treasury shares were purchased in connection with the acquisition of employee shares, without utilising the authorisation to purchase treasury shares resolved by the Annual General Meeting on 28 February 2023.

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.

Authorised capital

On 17 February 2022, the ordinary Annual General Meeting authorised the Board of Management to increase the Company’s share capital, with the consent of the Supervisory Board, until 16 February 2027 by up to a total of 13,346,664.34 euros through one or more issues of new no-par value registered shares in exchange for cash or non-cash contributions (Authorised Capital 2022). In principle, the shareholders shall be entitled to subscription rights. However, the Board of Management is authorised to exclude shareholders’ statutory subscription rights in the circumstances set out in the authorising resolution, subject to approval by the Supervisory Board.

In the reporting year, the Board of Management did not make use of this authorisation.

Purchase of treasury shares

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

In the reporting year, the Board of Management did not make use of this authorisation.

Conditional capital

The Board of Management is authorised on the basis of the resolution adopted by the ordinary Annual General Meeting on 17 February 2022, subject to the consent of the Supervisory Board, to issue on one or more occasions in the period up to 16 February 2027 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 210,000,000.00 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").

In the reporting year, the Board of Management did not make use of this authorisation.

Capital reserve

€'000	**2022/2023**	2021/2022
At start of reporting period	260,069	260,349
Changes	(50)	(280)
At end of reporting period	**260,019**	**260,069**

As before, the capital reserve comprises amounts received in the issuance of shares in excess of nominal value. In the reporting year, a difference between the nominal amount and the cost of the treasury shares in the amount of 61,968.91 euros was netted against the capital reserve.

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 24) as well as
- the effects from first-time adoption of IFRS 9.

Consolidated retained profit

The ordinary Annual General Meeting on 28 February 2023 resolved to use the net retained profit (*Bilanzgewinn*) for the financial year 2021/2022 of 224,621,994.07 euros to pay a dividend of 0.80 euros per no-par value share on the 18,804,992 shares entitled to dividends, and to carry forward to new account the remaining amount (209,578,000.47 euros).

	2022/2023	2021/2022
Total distribution	**15,043,993.60**	**30,087,987.20**

The net retained profit of DBAG as reported in the separate financial statements as at 30 September 2023 in accordance with the HGB amounts to 264,164,613.39 euros (previous year: 224,621,994.07 euros).

The Board of Management and the Supervisory Board will propose to the Annual General Meeting a distribution of 1.00 euro per share for the 2022/2023 financial year based on the number of shares outstanding, and to carry forward the remaining net retained profit of 245,361,986.39 euros 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 dividend-paying company pays directly to the taxation authority.

23. Liabilities under interests held by other shareholders

€'000	2022/2023	2021/2022
At start of reporting period	58	58
Distribution	1	2
Share of earnings	2	2
At end of reporting period	**59**	**58**

Liabilities under interests held by other shareholders include interests in capital and earnings attributable to non-Group shareholders. They relate to the following entities: AIFM-DBG Fund VII Management (Guernsey) LP, DBG Advising GmbH & Co. KG, DBG Fund VI GP (Guernsey) LP, DBG Fund VIII GP (Guernsey) LP, DBG Management GP (Guernsey) Ltd., DBG Managing Partner GmbH & Co. KG and European PE Opportunity Manager LP (see note 4.2).

24. Provisions for pension obligations

The measurement in the statement of financial position has been derived as follows:

€'000	30 Sep 2023	30 Sep 2022
Present value of pension obligations	28,286	27,443
Fair value of plan assets	(23,599)	(23,148)
Provisions for pension obligations	**4,687**	**4,295**

The present value of the pension obligations changed as follows:

€'000	2022/2023	2021/2022
Present value of pension obligations at start of reporting period	27,443	38,015
Interest expenses	1,000	327
Service cost	236	354
Benefits paid	(1,309)	(1,231)
Actuarial gains (-) / losses (+)	917	(10,022)
Present value of pension obligations at end of reporting period	**28,286**	**27,443**

Of the actuarial loss of 917,000 euros (previous year: gain of 10,022,000 euros), 238,000 euros (previous year: 11,009,000 euros) is attributable to the increased discount rate. Additional effects result from experience adjustments in the amount of -1,155,000 euros (previous year: -987,000 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:

	30 Sep 2023	30 Sep 2022
Discount rate (%)	4.06	3.74
Salary trend (incl. career trend) (%)	2.50	2.50
Pension trend (%)	2.30	2.00
Life expectancy based on modified mortality tables by Klaus Heubeck	2018G	2018G
Increase in income threshold for state pension plan (%)	2.30	2.00

Company-specific employee turnover probabilities depending on age and gender are used to take into account employee turnover. The turnover probability 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.

DBAG applies the mortality tables issued by Klaus Heubeck (RT 2018G).

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.

As at 30 September 2023, the weighted average term of defined benefit obligations was 18 years (previous year: 17 years).

Plan assets changed as follows in the reporting year:

€'000	**2022/2023**	2021/2022
Fair value of plan assets at start of reporting period	23,148	24,331
Expected interest income	866	214
Gains (+)/losses (-) from the difference between actual and expected return on plan assets	(414)	(1,397)
Fair value of plan assets at end of reporting period	**23,599**	**23,148**

The loss of 415,000 euros (previous year: loss of 1,397,000 euros) reflects the difference between projected and actual yield, 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	**2022/2023**	2021/2022
Service cost	236	354
Interest expenses	1,000	327
Expected interest income from plan assets	(866)	(214)
	371	**467**

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 year under review:

€'000	**2022/2023**	2021/2022
Actuarial gains (+)/losses (-) at start of reporting period	(16,925)	(25,550)
Gains (+)/losses (-) from the difference between actual and expected return on plan assets	-414	-1,397
Actuarial gains (+)/losses (-) from changes in the present value of pension obligations	-917	10,022
Gains (+)/ losses (-) on remeasurement of the net defined benefit liability (asset)	-1,331	8,624
Actuarial gains (+)/losses (-) at end of reporting period	**-18,256**	**-16,925**

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 2023**	30 Sep 2022
Discount rate		
Increase by 50 bps	(1,357)	(1,375)
Decrease by 50 bps	1,484	1,506
Average life expectancy		
Increase by 1 year	(784)	(737)
Decrease by 1 year	790	741

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 long-term horizon aiming at capital preservation. The objective of the investment strategy is to generate returns that at least correspond to the discount rate.

The fair value of plan assets (a fund listed on an active market) consists of investments in debt instruments (71.4 per cent), fixed income funds (26.0 per cent) as well as balances held with banks (1.9 per cent). Debt instruments are domestic public-sector bonds. Other components account for 0.6 per cent.

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).

25. Other provisions

€'000	1 Oct 2022	Utilisation	Reversals	Additions	**30 Sep 2023**
Personnel-related obligations	9,638	8,238	168	11,201	12,434
Expert opinions and other advisory services	491	461	30	1,574	1,574
Audit fees	333	316	0	462	478
Costs for annual report and annual general meeting	448	293	155	390	390
Tax advisory expenses	176	28	4	229	373
Other	3,330	2,899	84	1,963	2,310
	14,417	**12,235**	**442**	**15,818**	**17,558**

The provisions for personnel-related obligations mainly contain variable remuneration in the amount of 11,067,000 euros (previous year: 7,125,000 euros). Of that amount, 10,996,000 euros (previous year: 7,039,000 euros) are attributable to performance-related remuneration; an additional amount of 71,000 euros (previous year: 85,000 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 36,000 euros (previous year: 22,000 euros) was paid out and an amount of 24,000 euros (previous year: 83,000 euros) was reversed.

As at 30 September 2023, there were non-current provisions for personnel-related obligations in the amount of 420,000 euros (previous year: 546,000 euros). These primarily relate to one partial retirement agreement and jubilee payment obligations.

The other provisions have a remaining term of up to one year.

26. Credit liabilities

As at the reporting date, credit liabilities from the drawdown of credit lines amounted to nil euros (previous year: 41,000,000 euros).

27. Leases

As at 30 September 2023, property, plant and equipment includes right-of-use assets from leases in the amount of 12,484,000 euros (previous year: 1,330,000 euros) (see note 16).

The corresponding liabilities are included in non-current lease liabilities (11,647,000 euros; 30 September 2022: 941,000 euros, reported in other non-current liabilities) and in current lease liabilities (1,490,000 euros; 30 September 2022: 513,000 euros, reported in other current liabilities). The interest cost on lease liabilities is recorded as interest expenses (see note 14).

28. Other liabilities

Other current liabilities can be broken down as follows:

€'000	30 Sep 2023	30 Sep 2022
Liabilities to co-investment vehicles	784	9
Trade payables	409	555
Lease liabilities	0	513
Other liabilities	715	969
	1,908	**2,045**

The other liabilities mainly refer to liabilities for Supervisory Board remuneration as well as liabilities for value-added tax.

In the previous year, other liabilities contained lease liabilities in the amount of 1,454,000 euros. In the reporting year, the lease liabilities are reported separately for the first time (see note 27).

29. Contingent liabilities and trusteeships

Trust assets amounted to 4,000 euros as at the reporting date (previous year: 4,000 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.

30. 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 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. In order to provide information that is relevant for DBAG's activities as a private equity company, the subtotal "Cash flow from investment activity" is reported.

Proceeds and payments arising on interest are presented in the cash flow from operating activities. In the reporting year, this includes interest received in the amount of 828,000 euros (previous year: 649,000 euros) as well as interest paid in the amount of -1,651,000 euros (previous year: -173,000 euros).

Furthermore, this item includes income taxes received and paid in the amount of -2,989,000 euros (previous year: -1,586,000 euros) as well as dividends in the amount of 509,000 euros (previous year: 865,000 euros).

The cash flows from financing activities includes payments for lease liabilities, proceeds from drawdowns of credit lines as well as payments for redemption of credit lines and payments to shareholders.

€'000	**1 Oct 2022**	Cash flows	Other changes	**30 Sep 2023**
Credit liabilities[1]	41,000	(41,000)	0	0
Lease liabilities	1,454	(1,072)	12,755	13,137
	42,454	**(42,072)**	**12,755**	**13,137**

1 The cash flow comprises proceeds of 15,000,000 euros and payments of 56,000,000 euros.

The other changes in lease liabilities are primarily due to the rental agreements for new office premises at Untermainanlage 1 in Frankfurt/Main. They comprise 12,282,000 euros in additions for new lease liabilities plus interest of 470,000 on existing lease liabilities.

Cash and cash equivalents at the start and end of the period mainly existed in the form of bank balances.

OTHER DISCLOSURES

31. 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, and from the investment of financial resources (sum total of cash and cash equivalents and, if any, securities). 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.

31.1. 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.

31.1.1. Currency risk

The exposure to currency risk results from investments denominated in British pounds sterling, 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 the respective portfolio companies. Moreover, the changes in exchange rates have an influence on their operations and competitiveness. The extent of that impact depends in particular on the value-creation structure and the 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 168,000 euros (previous year: 46,000 euros), to Swiss franc exchange rate risk of 35,261,000 euros (previous year: 31,270,000 euros), and to US dollar exchange rate risk of 44,124,000 euros (previous year: 54,471,000 euros). The effect on profit or loss resulting from taking into account changes in the fair value of financial assets amounts to -4,224,000 euros (previous year: 12,180,000 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 7,955,000 euros (previous year: 8,579,000 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.

31.1.2. Interest rate risk

Changes in the interest rate level primarily affect income generated from investing financial resources, the fair values of the indirectly held international fund 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 20,018,000 euros (previous year: 19,158,000 euros) and include cash and cash equivalents. They are invested with a short-term horizon; these investments did not result in any interest income. Financial assets are subject to interest rate risk in the amount of 4,798,000 euros (previous year: 1,635,000 euros). Of that amount, 185,000 euros (previous year: 366,000 euros) are attributable to an indirectly held international fund investment measured using the DCF method; and 4,418,000 euros (previous year: 1,269,000 euros) to portfolio companies already sold where the expected returns are discounted to the reporting date. Existing credit liabilities amount to nil euros (previous year: 41,000,000 euros).

In relation to the international fund investment measured using the DCF method and the discounted returns from the disposed portfolio company, 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 25,000 euros (previous year: 10,000 euros).

Interest rate risk management

The exact amount of financial resources may be subject to strong fluctuations and cannot be reasonably forecast; therefore, no hedging transactions are concluded in this regard. There is also no hedge for the indirectly held international fund investment since both the remaining term of the fund and the amount of the returns is uncertain. The interest rate risk is reduced when there are any returns from the fund. 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.

31.1.3. Other price risks

Exposures 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 measurement gains and losses amount to 20,456,000 euros (previous year: -125,580,000 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 +/- 10 per cent, the fair value of the Level 3 financial instruments, ceteris paribus, would have to be adjusted by up to +/- 120,253,000 euros (previous year: +/- 84,939,000 euros). This equates to 18.0 per cent of Group equity (previous year: 7.4 per cent).

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 Advisory Team hold offices on supervisory or advisory boards of the portfolio companies. In addition, the responsible Investment Advisory 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.

31.2.Liquidity risk

There is currently no liquidity risk identifiable for DBAG. Freely available cash and cash equivalents amount to 20,018,000 euros (previous year: 19,158,000 euros). Including the portion of two credit lines that has not been utilised in a total of 106,660,000 euros (previous year: 65,660,000 euros), available financial resources amount to 126,678,000 euros (previous year: 84,818,000 euros).

Other current liabilities and current lease liabilities in a total amount of 3,398,000 euros (previous year: 2,045,000 euros) are due within one year. The co-investment agreements alongside the DBAG funds amount to 244,038,000 euros (previous year: 199,267,000 euros).

DBAG expects that it will be able to cover the shortfall of 120,758,000 euros (previous year: 116,494,000 euros) by cash inflows from the disposal of portfolio companies.

Financial liabilities and lease liabilities (undiscounted) have the following maturities:

	30 Sep 2023			
€'000 €	Remaining term of less than 1year	Remaining term of 1-5 years	Remaining term of more than 5 years	**Total**
Liabilities under interests held by other shareholders	0	0	59	**59**
Credit liabilities	0	0	0	**0**
Other liabilities	1,908	0	0	**1,908**
Lease liabilities	1,942	7,024	6,462	**15,428**
	3,850	7,024	6,521	**17,395**

	30 Sep 2022			
€'000 €	Remaining term of less than 1year	Remaining term of 1-5 years	Remaining term of more than 5 years	Total
Liabilities under interests held by other shareholders	0	0	58	**58**
Credit liabilities	41,000	0	0	**41,000**
Other liabilities	1,533	0	0	**1,533**
Lease liabilities	524	946	48	**1,518**
	43,057	946	106	**44,109**

31.3.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 2023**	30 Sep 2022
Receivables	15,444	21,475
Other financial instruments	17,990	42,225
Cash and cash equivalents	20,018	19,158
Other assets[1]	1,363	1,365
	54,814	**84,224**

1 Excluding deferred items, value-added tax and other items in the amount of 1,194,000 euros (previous year: 1,545,000 euros).

The loss allowance for financial assets measured at amortised cost amounted to 29,000 euros (previous year: 30,000 euros).

Management of default risk

Receivables: debtors are our co-investment vehicles and the DBAG funds. The payment obligations may be fulfilled by capital calls from DBAG or from their investors, respectively.

Other financial instruments: this item includes short-term loans to our co-investment vehicles and to one on-balance sheet-investment vehicle. In the case of loans to co-investment vehicles, the related funds are called at DBAG after the end of the term of up to 270 days and the loans are repaid. The loan to the on-balance sheet-investment vehicle is repaid after the closing of an agreed sale.

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

32. Financial instruments

Financial assets and other financial instruments are all carried at fair value. Receivables, cash and cash equivalents and financial instruments contained in other assets are measured at amortised cost and largely reported under current assets. They are of good credit quality and are unsecured. For these instruments, we assume that the carrying amount reflects their fair value.

Financial liabilities are measured at amortised cost. We assume that the carrying amount reflects their fair value.

CARRYING AMOUNT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

€'000	Carrying amount 30 Sep 2023	Fair value 30 Sep 2023	Carrying amount 30 Sep 2022	Fair value 30 Sep 2022
Financial assets measured at fair value through profit or loss				
Financial assets	635,404	635,404	553,323	553,323
Other financial instruments	17,990	17,990	42,225	42,225
	653,393	**653,393**	**595,548**	**595,548**
Financial assets at amortised cost				
Receivables	15,444	15,444	21,475	21,475
Cash and cash equivalents	20,018	20,018	19,158	19,158
Other assets[1]	1,363	1,363	1,365	1,365
	36,824	**36,824**	**41,999**	**41,999**
Financial liabilities at amortised cost				
Liabilities under interests held by other shareholders	59	59	58	58
Loan liabilities	0	0	41,000	41,000
Other liabilities[2]	1,799	1,799	1,124	1,124
	1,858	**1,858**	**42,182**	**42,182**

1 Excluding deferred items, value-added tax and other items in the amount of 1,194,000 euros (previous year: 1,545,000 euros).

2 Excluding tax liabilities in the amount of 109,000 euros (previous year: excluding lease liabilities and tax liabilities in the amount of 1,863,000 euros).

32.1.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 parameters). 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 2023	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Financial assets	635,404	0	0	635,404
Other financial instruments	17,990	0	0	17,990
	653,393	**0**	**0**	**653,393**

MEASUREMENT HIERARCHY FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE

€'000	Fair value 30 Sep 2022	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Financial assets	553,323	0	0	553,323
Other financial instruments	42,225	0	0	42,225
	595,548	**0**	**0**	**595,548**

There are no assets or liabilities that were not measured at fair value on a recurring basis.

Level 3 financial instruments are allocated to the following classes:

CLASSIFICATION OF LEVEL 3 FINANCIAL INSTRUMENTS

€'000	Investment entity subsidiaries	Portfolio companies	Other	Total
30 Sep 2023				
Financial assets	631,733	3,479	192	635,404
Other financial instruments	17,990	0	0	17,990
	649,722	**3,479**	**192**	**653,393**
30 Sep 2022				
Financial assets	541,748	3,483	107	545,339
Other financial instruments	20,332	0	0	20,332
	562,080	**3,483**	**107**	**565,671**

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 2022	Additions	Disposals	Changes in value	**30 Sep 2023**
Investment entity subsidiaries	592,372	113,518	76,184	20,016	649,722
Portfolio companies	3,042	0	0	437	3,479
Other	135	57	0	0	192
	595,548	**113,575**	**76,184**	**20,453**	**653,393**

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

€'000	1 Oct 2021	Additions	Disposals	Changes in value	30 Sep 2022
Investment entity subsidiaries	562,080	253,700	99,746	(123,663)	592,372
Portfolio companies	3,483	0	0	(442)	3,042
Other	107	27	0	0	135
	565,671	**253,727**	**99,746**	**(124,104)**	**595,548**

The changes in value are recognised in net income from investment activity.

In both the year under review and the previous year, there were no transfers between levels.

Given their short maturities, the fair value of other financial instruments is approximated using their amortised cost. The following tables, therefore, only present financial assets. The possible ranges for unobservable inputs regarding financial assets are as follows:

RANGES FOR UNOBSERVABLE INPUTS

€'000	**Fair value 30 Sep 2023**	Valuation method	Unobservable inputs	Range
Financial assets				
Investment entity subsidiaries	631,733	Net asset value[1]	EBITDA-margin	2 to 83 %
			Net Debt[2] to EBITDA	(0,1) to 11,0
			Multiples discount	0 to 10 %
Portfolio companies	3,479	Multiples method	EBITDA-margin	6 %
			Net Debt[2] to EBITDA	4,0
			Multiples discount	0 %
Other	192	Net asset value	n/a	n/a
	635,404			

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 parameters 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 2022	Valuation method	Unobservable inputs	Range
Financial assets				
Investment entity subsidiaries	550,147	Net asset value[1]	EBITDA-margin	(2) to 47 %
			Net Debt[2] to EBITDA	0,5 to 48,8
			Multiples discount	0 to 10 %
Portfolio companies	3,042	Multiples method	EBITDA-margin	6%
			Net Debt[2] to EBITDA	2,3
			Multiples discount	0 %
Other	135	Net asset value	n/a	n/a
	553,323			

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 2023	Change in unobservable inputs		Change in fair value
Financial assets[1]				
Investment entity subsidiaries	631,733	EBITDA	+/- 10%	119,166
		Net debt	+/- 10%	63,034
		Multiples discount	+/- 5 percentage points	1,082
Portfolio companies	3,479	EBITDA	+/- 10%	795
		Net debt	+/- 10%	447
		Multiples discount	+/- 5 percentage points	0
Other	192		n/a	n/a
	635,404			

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 2022	Change in unobservable inputs		Change in fair value
Financial assets[1]				
Investment entity subsidiaries	550,147	EBITDA	+/- 10%	82,487
		Net debt	+/- 10%	48,320
		Multiples discount	+/- 5 percentage points	1,027
Portfolio companies	3,042	EBITDA	+/- 10%	341
		Net debt	+/- 10%	154
		Multiples discount	+/- 5 percentage points	0
Other	135		n/a	n/a
	553,323			

1 See footnote 1 in the preceding table

Two portfolio companies held indirectly via investment entity subsidiaries are measured on the basis of revenue. Should the underlying multiples change by +/- 10 per cent, this would result ceteris paribus in an adjustment in the fair values by +/- 292,000 euros (previous year: 2,111,000 euros), as determined using the adjusted measurement method.

32.2.Net gain or loss on financial assets measured at fair value

The net gain or loss on financial assets measured at fair value comprises fair value changes recognised through profit or loss, realised gains or losses from the disposal of financial instruments, current income 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	**2022/2023**	**2021/2022**
Net income from investment activity	109,577	(98,883)
Other operating expenses	0	(257)
	109,577	**(99,140)**

32.3.Net gain or loss on financial assets measured at amortised cost

Net gain or loss on financial assets measured at amortised cost mainly comprises interest income and changes in loss allowance.

NET GAIN OR LOSS ON FINANCIAL ASSETS CARRIED AT AMORTISED COST

€'000	**2022/2023**	**2021/2022**
Other operating income	30	(34)
Interest income	91	28
	121	**(6)**

32.4.Net gain or loss on financial liabilities measured at amortised cost

Net gain or loss on financial liabilities measured at amortised cost mainly comprises interest expenses on credit lines drawn.

NET GAIN OR LOSS ON FINANCIAL LIABILITIES CARRIED AT AMORTISED COST

€'000	**2022/2023**	**2021/2022**
Iinterest expenses	(1,651)	(927)
	(1,651)	**(927)**

33. Capital management

The objective of DBAG’s capital management is to ensure the availability of the Group's long-term 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 by capital increases.

Overall, the capital of DBAG consists of the following components:

€'000	30 Sep 2023	30 Sep 2022
Liabilities		
Liabilities under interests held by other shareholders	59	58
Provisions	22,245	18,712
Credit liabilities	0	41,000
Lease liabilities	13,137	1,454
Other liabilities	3,449	5,728
	38,890	**66,952**
Equity		
Subscribed capital	66,725	66,733
Reserves	258,763	259,566
Consolidated retained profit	343,891	253,156
	669,379	**579,455**
Equity as a proportion of total capital (in %)	94.51	89.64

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.

34. Earnings per share based on IAS 33

	2022/2023	2021/2022
Net income (€'000)	105,780	-97,564
Number of shares at the reporting date 30 September	18,804,992	18,804,992
Number of shares outstanding at the reporting date 30 September	18,802,627	18,804,992
Average number of shares outstanding	18,803,853	18,804,992
Basic and diluted earnings per share (in €)	5.63	-5.19

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.

35. Disclosures on segment reporting

DBAG's business model 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.

To separately manage these business lines, DBAG's internal reporting system calculates a separate operating result (segment earnings). For that reason, the business lines "Private Equity Investments" and "Fund Investment Services" are presented as operating segments.

SEGMENTAL ANALYSIS FROM 1 OCTOBER 2022 TO 30 SEPTEMBER 2023

€'000	Private Equity Investments	Fund Investment Services	Group Reconciliation[1]	Group 2022/2023
Net income from investment activity	109,577	0	0	109,577
Income from Fund Services	0	46,931	(1,073)	45,859
Income from Fund Services and investment activity	**109,577**	**46,931**	**(1,073)**	**155,435**
Other income/expense items	(12,754)	(32,885)	(1,214)	(46,853)
Earnings before taxes (segment result)	**96,823**	**14,046**	**(2,287)**	**108,582**
Income taxes				(2,799)
Earnings after taxes				**105,783**
Net income attributable to other shareholders				(6)
Net income				**105,777**
Assets under management or advisory[2]		**2,499,484**		

1 A synthetic internal administration fee is calculated for the Private Equity Investments segment in the internal reporting system and taken into account when determining segment earnings. The fee is based on DBAG's co-investment interest. This column also includes expenses for DBAG's strategic development.

2 Assets under management or advisory comprises the funds invested in portfolio companies, other financial instruments and the financial resources of DBAG as well as the funds invested in portfolio companies and the callable capital commitments of the funds managed or advised by DBAG.

SEGMENTAL ANALYSIS FROM 1 OCTOBER 2021 TO 30 SEPTEMBER 2022

€'000	Private Equity Investments	Fund Investment Services	Group Reconciliation[1]	Group 2021/2022
Net income from investment activity	(98,883)	0	0	(98,883)
Income from Fund Services	0	44,279	(1,122)	43,156
Income from Fund Services and investment activity	**(98,883)**	**44,279**	**(1,122)**	**(55,726)**
Other income/expense items	(12,413)	(28,902)	1,122	(40,192)
Earnings before taxes (segment result)	**(111,296)**	**15,377**	**0**	**(95,918)**
Income taxes				(1,639)
Earnings after taxes				**(97,557)**
Net income attributable to other shareholders				(7)
Net income				**(97,564)**
Assets under management or advisory[3]		**2,504,318**		

1 A synthetic internal administration fee is calculated for the Private Equity Investments segment in the internal reporting system and taken into account when determining segment earnings. The fee is based on DBAG's co-investment interest. In the Annual Report 2021/2022, this column was called "Group reconciliation".

2 See footnote 2 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. 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 disposal as well as current income from financial assets totalling 109,577,000 euros (previous year: -98,883,000 euros). Income from Fund Services amounted to 45,859,000 euros in the reporting year (previous year: 43,156,000 euros).

Geographical scope of activities

In geographical terms, the majority of the portfolio companies have their registered office or main business focus in the German-speaking region of Europe. Since 2020, we have also invested in companies in Italy, one of the most important industrialised economies in the European Union with a high proportion of family-owned companies. In exceptional cases, we also invest in companies that operate outside of German-speaking countries and Italy. Net income from investment activity refers to companies domiciled in the Germany, Austria and Switzerland region in the amount of 89,052,000 euros (previous year: -95,941,000 euros), to companies domiciled in Italy in the amount of 18,437,000 euros (previous year: 4,679,000 euros), and to companies domiciled in other European countries in the amount of 3,848,000 euros (previous year: -6,140,000 euros).

For more information on the composition of the portfolio and its development, we refer to the section "Private Equity Investments business line" in the combined management report.

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 income from Fund Services from investors, none of whom account for more than ten per cent of DBAG's total income.

36. 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[11].

37. Disclosures on related parties

Related companies within the meaning of IAS 24 are: investment entity subsidiaries (see note 4.3) and the companies indirectly held via the investment entity subsidiaries, provided DBAG holds at least 20 per cent of the relevant company's shares (holding companies in the DBAG funds, subsidiaries of Deutsche Beteiligungsgesellschaft mbH, of DBAG Bilanzinvest II (TGA) GmbH & Co. KG and of DBAG Bilanzinvest IV (Dental) GmbH & Co. KG), the unconsolidated subsidiaries of DBAG (see note 4.5) as well as the unconsolidated structured companies (see note 4.6).

Related persons, within the meaning of IAS 24, are key management personnel. At the DBAG Group, 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 ECF IV GP S.à r.l., DBG Fund VI GP (Guernsey) LP, DBG

[11] https://www.dbag.com/investor-relations/corporate-governance/declarations-of-compliance

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 DBAG Italia S.r.l., 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 10,353,000 euros (previous year: 8,932,000 euros) and income from the DBAG funds in the amount of 35,157,000 euros (previous year: 33,953,000 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 8,093,000 euros (previous year: 15,637,000 euros, see note 18), while receivables from management fees against the co-investment vehicles amounted to 5,656,000 euros (previous year: 4,510,000 euros, see note 18).

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 are held by the Board of Management members who are part of the Investment Advisory Team. Income from the interest on their capital accounts amounts to 840 euros (previous year: 236 euros). 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. 80 per cent of the shares are held by the Board of Management members who are part of the Investment Advisory Team. Income from the interest on their capital accounts amounts to 388 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 members of the Board of Management, please refer to note 23.

Relationships to DBG Fund HoldCo GmbH & Co. KG and DBG Fund LP (Guernsey) Limited

DBAG holds 13.04 per cent of the shares in DBG Fund HoldCo GmbH & Co. KG (Fund HoldCo). The remaining 86.96 per cent of the shares in Fund HoldCo are held by the Board of Management members who are part of the Investment Advisory Team. Income from the interest on their capital accounts amounts to 464 euros (previous year: 465 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 2,622 euros (previous year: 3,188 euros) was allocated to Fund HoldCo from these companies, and an amount of 2,827 euros (previous year: 3,260 euros) was paid out to Fund HoldCo.

Via the interest held by DBAG in Fund HoldCo, DBAG indirectly holds 13.04 per cent of the shares in Fund HoldCo's subsidiary, DBG ECF IV GP S.à r.l., DBG Fund LP (Guernsey) Limited. 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 2,622 euros (previous year: 3,188 euros) was allocated to DBG Fund LP (Guernsey) Limited from these companies, and an amount of 2,827 euros (previous year: 3,260 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. As in the previous year, no distribution was made in the financial year 2022/2023.

Relationships to investment entity subsidiaries

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; another short-term loan was granted to an on-balance sheet-investment vehicle as follow-on financing. These loans are reported in the item "Other financial instruments" (see note 19); the fair value changes amount to 880,000 euros (previous year: 1,480,000 euros) and are recognised in net income from investment activity (see note 9). As at the reporting date, there were liabilities to co-investment vehicles in the amount of 784,000 euros (previous year: 9,000 euros).

Other related party disclosures

As at the reporting date, receivables from portfolio companies amounted to 44,000 euros (previous year: nil euros, see note 18).

Private co-investments of team members and carried interest

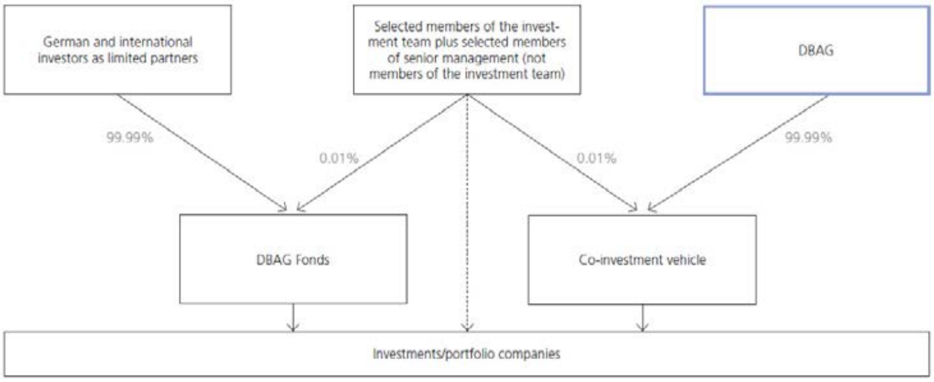
Selected members of the Investment Advisory Team, along with selected Managing Directors who are not members of the Investment Advisory Team, participate in a fund's performance in return for their intangible shareholder contribution to the respective fund ("carried interest") after the fund investors and DBAG have realised their invested capital plus a preferred return ("full repayment of capital"). Carried interest of not more than 20 per cent[12] is paid out once proceeds on disposal are generated and full repayment has been achieved; the remaining 80 per cent[13] (net sales proceeds) is paid to the investors in the relevant DBAG fund and to DBAG. The structure of the investment, its implementation and key economic aspects 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.

[12] The maximum disproportionate share of earnings for DBAG Fund VII B [Konzern] SCSp and DBAG Fund VIII B [Konzern] (Guernsey) L.P. amounts to 10 per cent.
[13] The 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 of 90 per cent.

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.



Company included in DBAG's consolidated financial statements
Fixed shareholding, usually between 0.5 per cent and 2.0 per cent

The Board of Management members who are part of the Investment Advisory Team as well as the senior executives entitled to carried interest made the following investments in the reporting year and the previous year, respectively, and received the following repayments from the DBAG funds and the co-investment vehicles:

	Investments during the reporting period		Repayments during the reporting period	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
1 Oct 2022 - 30 Sep 2023				
DBAG Fund V	9	5	337	207
DBAG ECF I	105	6	43	8
DBAG ECF II	29	18	0	0
DBAG ECF III	55	13	721	271
DBG ECF IV	646	327	0	0
DBAG Fund VI	29	10	736	358
DBAG Fund VII	357	101	2,162	1,132
DBAG Fund VIII	285	186	0	0
Total 2021/2022	**1,515**	**666**	**3,999**	**1,976**

€'000	Investments during the reporting period		Repayments during the reporting period	
	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
1 Oct 2021 - 30 Sep 2022				
DBAG Fund V	8	5	30	18
DBAG ECF I	17	3	5	1
DBAG ECF II	21	5	447	233
DBAG ECF III	130	30	0	0
DBAG Fund VI	233	108	909	438
DBAG Fund VII	1,489	777	797	420
DBAG Fund VIII	3,734	2,477	0	0
Total 2020/2021	**5,632**	**3,406**	**2,188**	**1,110**

The following table outlines carried interest entitlements from the co-investment vehicles and DBAG funds for the Board of Management members entitled to carried interest and the members of senior management entitled to carried interest. For details regarding the share of the co-investment vehicles, we refer to the section "DBAG's integrated business model" in the combined management report.

€'000	1 Oct 2021[1]		Reduction due to disbursement[1]		Addition (+) / reversal (-)[1]		**30 Sep 2023**	
	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	3,125	1,932	(2,848)	(1,760)	(241)	(149)	36	22
DBAG ECF I	12,224	2,277	(948)	(176)	2,712	505	13,988	2,605
DBAG ECF II	10,440	2,420	0	0	(1,890)	(415)	8,550	2,006
DBAG ECF III	0	0	0	0	16,781	3,702	16,781	3,702
DBAG Fund VI	410	195	0	0	(410)	(195)	0	0
DBAG Fund VII	3,737	1,570	0	0	4,432	1,863	8,170	3,433
	29,936	**8,394**	**(3,796)**	**(1,937)**	**21,384**	**5,310**	**47,525**	**11,768**

1 Carried interest entitlements at the start and end of the financial year relate to key management personnel and the members of the Board of Management as at the respective reporting date. Additions and reversals may be due – inter alia – to key management personnel and members of the Board of Management joining or leaving the Company as well as – with regard to the "of which" disclosure in relation to the Board of Management – due to key management personnel joining the Board of Management during the year.

€'000	1 Oct 2020		Reduction due to disbursement		Addition (+) / reversal (-)		**30 Sep 2022**	
	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	2,979	1,842	-196	-121	341	211	3,125	1,932
DBAG ECF I	20,294	3,779	-143	-27	-7,927	-1,476	12,224	2,277
DBAG ECF II	20,871	5,016	-1,956	-454	-8,475	-2,143	10,440	2,420
DBAG ECF III	20,111	4,436	0	0	-20,111	-4,436	0	0
DBAG Fund VI	11,118	5,293	0	0	-10,708	-5,098	410	195
DBAG Fund VII	4,602	1,935	0	0	-865	-364	3,737	1,570
	79,974	**22,301**	**-2,295**	**-601**	**-47,744**	**-13,306**	**29,936**	**8,394**

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 I, DBAG ECF II, DBAG ECF III and DBAG Fund VII (top-up fund) were reduced by carried interest entitlements, by a total amount of 30,343,000 euros (previous year: 21,991,000 euros), of which 11,444,000 euros (previous year: 11,252,000 euros) are attributable to key management personnel. The carried interest for DBAG Fund VI, DBAG Fund VII (main pool) and DBAG Fund VIII amounts to nil euros (previous year: 410,000 euros for DBAG Fund VI).

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 the Articles of Association are met.

Remuneration based on employment or service contracts

Total remuneration for members of the Board of Management amounted to 3,731,000 euros (previous year: 5,331,000 euros). This includes undisbursed short-term benefits of 537,000 euros (previous year: 416,000 euros), long-term benefits of 1,690,000 euros (previous year: 685,000 euros), current service cost of 67,000 euros (previous year: 112,000 euros) and termination benefits of nil euros (previous year: 2,054,000 euros). An amount of 2,556,000 euros (previous year: 2,312,000 euros) of the provisions for pension obligations was attributable to Board of Management members. There was no share-based payment.

The total remuneration for senior executives amounts to 9,412,000 euros (previous year: 8,866,000 euros). This includes undisbursed short-term benefits of 3,451,000 euros (previous year: 3,252,000 euros), long-term benefits of 1,419,000 euros (previous year: 4,000 euros) and current service cost of 53,000 euros (previous year: 64,000 euros). An amount of 2,282,000 euros (previous year: 2,157,000 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 475,000 euros (previous year: 495,000 euros).

Former Board of Management members and their surviving dependants received total payments of 1,131,000 euros (previous year: 1,066,000 euros). The present value of pension obligations to former Board of Management members and their surviving dependants amounted to 16,353,000 euros at the reporting date (previous year: 15,932,000 euros).

Other transactions with key management personnel

Senior executives acquired 2,000 (previous year: 2,125) shares of DBAG at preferential terms. The resulting pecuniary advantage amounted to 17,000 euros (previous year: 20,000 euros), and was recognised under personnel expenses.

DBAG granted loans to senior executives in the amount of 295,000 euros at standard market conditions (previous year: 291,000 euros). Interest income amounted to 8,000 euros (previous year: 9,000 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.

38. Events after the reporting date

Majority stake in ELF Capital Group

The majority stake in ELF Capital Group entered into in the reporting year required an extension of DBAG's corporate object. The corresponding amendment to the Memorandum and Articles of Association was resolved at DBAG's Extraordinary General Meeting on 2 November 2023, and the respective application for entry into the Commercial Register was submitted on 3 November 2023. The completion will require DBAG to give up its status as a special investment company.

The entry in the commercial register was made on 16 November 2023, with DBAG relinquishing its status as a private equity company. The closing of the transaction and the initial consolidation of ELF Capital Group are planned for the first quarter of the 2023/2024 financial year.

A key entity within ELF Capital Group is ELF Capital Advisory GmbH, based in Königstein im Taunus near Frankfurt/Main. ELF Capital Advisory GmbH advises funds providing flexible private debt financings to medium-sized enterprises with a geographical focus on the Germany, Austria and Switzerland ("DACH") region, the Benelux countries and Scandinavia. The Group also includes three general partners of ELF funds, which provide management services for these funds.

Fair values of assets and debt acquired, as well as the amount of any goodwill to be capitalised and of non-controlling interests are currently being evaluated. This means that no further details can be provided at the time of preparing these consolidated financial statements.

DBAG stands ready to make co-investments of up to 100 million euros as a limited partner in ELF Capital funds.

Other

DBAG alongside DBAG ECF IV agreed the investment in ProMik in the fourth quarter of the year under review. The transaction was completed in October 2023.

One portfolio company in DBAG Fund VI is in challenging restructuring negotiations, which may lead to insolvency proceedings. The negative performance of this company has already been taken into account in the portfolio valuation as at 30 September 2023.

With effect from 2 November 2023, Dr Kathrin Köhling was appointed to the Supervisory Board of DBAG.

39. Fees for the auditor

Total fees paid to the auditor BDO are composed of as follows:

	2022/2023			2021/2022		
€'000	**Parent company**	**Subsidiary**	**Total**	Parent company	Subsidiary	Total
Audit of separate/consolidated financial statements	358	120	478	407	16	423
Other assurance services	44	51	95	39	18	57
Other services	12	0	12	0	0	0
	415	**171**	**586**	**446**	**35**	**480**

The services associated with auditing the separate and consolidated financial statements also include audit activities relating to the audit of the financial statements as at

30 September 2023 that were conducted early. Of this total amount, 36,000 euros refer to the additional expense for the audit of the previous year's consolidated financial statements (previous year: 113,000 euros) and 99,000 euros to (additional) expenses for the audit of the previous years' annual financial statements of two subsidiaries (previous year: nil euros).

Other assurance services mainly refer to confirmations of financial covenants included in loan agreements, the audit of the remuneration report, activities concerning the review of the half-yearly financial statements as at 31 March 2023 as well as the review of measures to prevent financial crime (of which 20,000 euros are attributable to the previous year's additional expense).

Other services include the services provided in the context of the preparation of an expert opinion.

40. Members of the Supervisory Board and the Board of Management

Supervisory Board*

Dr Hendrik Otto
Dusseldorf, Germany (Chairman)

Consultant at Egon Zehnder and Attorney, Dusseldorf, Germany

No statutory offices or comparable offices in Germany and abroad

Dr Jörg Wulfken
Bad Homburg v. d. Höhe, Germany (Vice Chairman)

Attorney and Partner at Bruski, Smeets & Lange Rechtsanwälte, Frankfurt/Main, Germany

Comparable offices in Germany and abroad

- Georgian Credit, Tbilisi, Georgia (Chairman of the Supervisory Board)

Prof. Dr Kai C. Andrejewski
Pullach im Isartal, Germany (since 17 January 2023)

Member of the Board of Management of Sixt SE

Comparable offices in Germany and abroad

- SEEHG Securing Energy for Europe Holding GmbH, Berlin, Germany

Sonja Edeler
Hanover, Germany (until 30 September 2023)

Head of Finance, Audit and Corporate Security at Dirk Rossmann GmbH, Burgwedel, Germany

No statutory offices or comparable offices in Germany and abroad

Axel Holtrup
London, United Kingdom

Independent investor

No statutory offices or comparable offices in Germany and abroad

Dr Kathrin Köhling
Mülheim, Germany (since 2 November 2023)

Chief Financial Officer of LEG Immobilien SE

No statutory offices or comparable offices in Germany and abroad

Dr Maximilian Zimmerer
Munich/Stuttgart, Germany

Supervisory Board

Statutory offices

- Investmentaktiengesellschaft für langfristige Investoren TGV, Bonn, Germany (Chairman of the Supervisory Board)
- Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft, Munich, 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 2023

Board of Management*

Tom Alzin

Luxembourg, Luxembourg (Spokesman since 1 March 2023)

Comparable offices in Germany and abroad

- Discus Investment S.à r.l., Senningerberg, Luxembourg
- Verde Midco S.r.l., Milan, Italy

Torsten Grede

Frankfurt/Main, Germany (Spokesman until his retirement on 28 February 2023)

Comparable offices in Germany and abroad

- Treuburg Beteiligungsgesellschaft mbH, Ingolstadt, Germany
- Treuburg GmbH & Co. Familien KG, Ingolstadt, Germany

Jannick Hunecke

Frankfurt/Main, Germany

Comparable offices in Germany and abroad

- Frimo International GmbH, Lotte, Germany (until 30 March 2023)
- Gienanth Group GmbH, Eisenberg, Germany (until 31 December 2022)

Melanie Wiese

Bad Honnef, Germany (since 1 January 2023)

No statutory offices or comparable offices in Germany and abroad

*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 2023 or until the date of retirement from the Board of Management, respectively

41. 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
DBAG Bilanzinvest I (Smart Metering) Verwaltungs GmbH[1]	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest II (TGA) Verwaltungs GmbH[1]	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest III (data centers) Verwaltungs GmbH[1]	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest IV (Dental) Verwaltungs GmbH[1]	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest V Verwaltungs GmbH[1]	Frankfurt/Main, Germany	100.00
DBAG Italia S.r.l.	Milan, Italy	100.00
DBAG Luxembourg S.à r.l.	Luxembourg, Luxemburg	100.00
DBG Advising GmbH & Co. KG	Frankfurt/Main, Germany	20.00
DBG Advising Verwaltungs GmbH[1]	Frankfurt/Main, Germany	100.00
DBG ECF IV GP S.à r.l.	Senningerberg, Luxemburg	0.00
DBG ELF Advisor Holding GmbH & Co. KG[1]	Frankfurt/Main, Germany	20.00
DBG Fund HoldCo GmbH & Co. KG[1]	Frankfurt/Main, Germany	13.04
DBG Fund LP (Guernsey) Ltd.[1]	St. Peter Port, Guernsey	0.00
DBG Fund VI GP (Guernsey) LP	St. Peter Port, Guernsey	0.00
DBG Fund VII GP S.à r.l.	Luxembourg-Findel, Luxemburg	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	100.00
DBG New Fund Management GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBG New HoldCo Verwaltungs GmbH (künftig: DBG ELF Advisor Holding Verwaltungs GmbH)[1]	Frankfurt/Main, Germany	100.00
DBG Service Provider Verwaltungs GmbH	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 Bilanzinvest II (TGA) GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBAG Co-Invest (TGA) GmbH & Co. KG	Frankfurt/Main, Germany	0.00
DBAG Co-Invest (TGA) Verwaltungs GmbH	Frankfurt/Main, Germany	0.00
R+S Holding GmbH	Frankfurt/Main, Germany	0.00
R+S Beteiligungs GmbH[2]	Fulda, Germany	0.00
DBAG Bilanzinvest III (data centers) GmbH & Co. KG	Frankfurt/Main, Germany	100.00
Green Datahub Holding GmbH[2]	Frankfurt/Main, Germany	0.00
DBAG Bilanzinvest IV (Dental) GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	Ammerbuch, Germany	0.00
DBAG Expansion Capital Fund IV Konzern SCSp	Frankfurt/Main, Germany	100.00
DBAG Fund V Konzern GmbH & Co. KG i.L.	Frankfurt/Main, Germany	99.00
DBAG Fund VI Konzern (Guernsey) L.P.	Senningerberg, Luxemburg	99.01
DBAG Fund VII Konzern SCSp	Frankfurt/Main, Germany	99.00
DBAG Fund VII B Konzern SCSp	St. Peter Port, Guernsey	99.99
DBAG Fund VIII A Konzern (Guernsey) L.P.	Luxembourg-Findel, Luxembourg	99.99
DBAG Fund VIII B Konzern (Guernsey) L.P.	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
Deutsche Beteiligungsgesellschaft mbH	Königstein/Taunus, Germany	100.00
DBG Advisors Kommanditaktionär GmbH & Co. KG	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 As at the time of the preparation of the annual financial statements of DBAG as at 30 September 2023, there were no annual financial statements for these companies since the respective companies prepare their first annual financial statements as at the reporting dates of 30 September 2023 and 31 December 2023.

2 The Company holds interests in subsidiaries both directly and indirectly. Disclosures to these subsidiaries are not provided due to insignifica

This is a convenience translation of the German original. Solely the original text in German language is authoritative.

INDEPENDENT AUDITOR'S REPORT

To Deutsche Beteiligungs AG, Frankfurt/Main

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit opinions

We have audited the consolidated financial statements of Deutsche Beteiligungs AG, Frankfurt/Main, and its subsidiaries (the group), which comprise the consolidated statement of financial position as at September 30, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from October 1, 2022 to September 30, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the combined management report (report on the position of the company and of the group) of Deutsche Beteiligungs AG for the financial year from October 1, 2022 to September 30, 2023. In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report listed in section "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 § 315e (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 September 30, 2023, and of its financial performance for the financial year from October 1, 2022 to September 30, 2023, 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 section "OTHER INFORMATION".

Pursuant to § 322 (3) sentence 1 HGB (German Commercial Code), 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 auditor 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) letter (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 audit 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 October 1, 2022 to September 30, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

We have identified the following matters as key audit matters to be disclosed in our auditor's report:

Valuation of financial assets

Matter

In the consolidated financial statements of Deutsche Beteiligungs AG the financial statement position "financial assets" in the amount of EUR 635.4 million (89.5 % of total assets or 94.9 % of total equity) mainly consists of Deutsche Beteiligungs AG's share in investment entity subsidiaries that are not consolidated in the Company's consolidated financial statement according to IFRS 10.31 sentence 1. In accordance with IFRS 10.31 sentence 2 in connection with IFRS 9, investments are valued at fair value through profit or loss. The fair value is determined according to IFRS 13 considering the International Private Equity and Venture Capital Valuation (IPEV) Guidelines effective 2022.

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 advisory 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 uses the multiples method to determine the fair values of the portfolio companies based on financial results (market approach). 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.

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.

Due to the significance of the amounts of the financial assets for the consolidated financial statements of Deutsche Beteiligungs AG, the complexity of the valuation and the uncertainties associated with the valuation as a result of the judgement and estimates made by the executive directors, the valuation of the financial assets is a key audit matter in the context of our audit.

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), on the net result of investment activity (note 9), disclosures on the financial assets (note 17), notes on financial instruments (note 32), disclosures regarding related party transactions (note 37), as well as to the statements in the combined management report regarding the Company's operations.

Auditor´s response

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 three 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. In addition, we conducted interviews with members of the investment advisory team on business development, target achievement and individual issues for a risk-oriented conscious selection of portfolio companies. 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 through comparison with ranges derived from external market data for the respective performance indicators. Regarding the 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.

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 or the supervisory board are responsible for the other information. The other information comprises:

- the group statement on corporate governance provided in section "corporate governance statement" of the combined management report
- the disclosures extraneous to the combined management report and marked as unaudited
- the other parts of the annual report, except for 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 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 thereby acknowledge 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 (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 control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) 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) and supplementary compliance with the ISAs 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 audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- obtain an understanding of internal control 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 audit 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 audit 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 (1) HGB.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express audit 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 audit 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 control 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 actions taken or safeguards applied to eliminate independence threats.

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

Report on the assurance on the electronic rendering of the consolidated financial statements and the combined management report, prepared for publication purposes in accordance with § 317 (3a) hgb

Assurance Opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "deutschebeteiligungsag-2022-09-30.zip" and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from October 1, 2022 to September 30, 2023 contained in the "Report on the audit of the consolidated financial statements and of the combined management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file identified above in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards, which implement the IAASB's International Standards on Quality Management.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic renderings of the consolidated financial statements and the combined management report in accordance with § 328 (1) sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) sentence 4 No. 2 HGB.

In addition, the executive directors of the company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.

- evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited combined management report.

- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the consolidated general meeting on February 28, 2023. We were engaged by the Chair of the Audit Committee on July 26, 2023. We have been the group auditor of the Deutsche Beteiliguns AG without interruption since the financial year 2018/2019.

We declare that the audit 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).

OTHER MATTERS – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format — including the versions to be published in the German Federal

Gazette — are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents provided in electronic form

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Jennifer Becker.

Frankfurt/Main, 24 November 2023

BDO AG
Wirtschaftsprüfungsgesellschaft

Dr Freiberg
German Public Auditor

Becker
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 assets, liabilities, financial position and profit or loss of the Group, 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 Group, together with a description of the material risks and opportunities associated with the expected development of the Group.

Frankfurt/Main, 24 November 2023

The Board of Management

Tom Alzin Jannick Hunecke Melanie Wiese

Corporate Governance

REPORT OF THE SUPERVISORY BOARD

A recovery in capital markets valuations, the disposal of several portfolio companies, and some very interesting new investments were the principal features of Deutsche Beteiligungs AG's 2022/2023 financial year (1 October 2022 to 30 September 2023). The positive impact of higher capital markets valuations and successful disposals contributed to an increase in the net asset value, more than offsetting negative economic effects.

In the reporting year, the Supervisory Board paid close attention to the Company's situation and performance. We consistently and conscientiously performed the supervisory and advisory duties incumbent upon us by law, the Articles of Association and rules of procedure. The Supervisory Board was updated regularly, in detail and without delay by the Board of Management about business development, the financial position, financial performance, the competitive environment, the outlook, risk management and compliance at DBAG, both in writing and orally. The Board of Management also informed us of all strategic and major operational decisions, as well as its future business policy.

Changes to the Board of Management

The composition of DBAG's Board of Management changed during the year under review. Melanie Wiese joined DBAG's Board of Management as our new Chief Financial Officer on 1 January 2023. Torsten Grede retired from the Board of Management at the end of February 2023, having worked at DBAG for 32 years. The Supervisory Board would like to sincerely thank Mr Grede for so many years of successful collaboration. Tom Alzin succeeded Mr Grede as Spokesman of the Board of Management.

Changes within the Supervisory Board

Prof. Dr Kai C. Andrejewski has been a member of the Supervisory Board since 17 January 2023. He succeeded Mr Philipp Möller, who had resigned from office. Prof. Andrejewski was first appointed by the court, upon application by the Supervisory Board and the Board of Management, and subsequently elected by the Annual General Meeting on 28 February 2023. He has also served as Chairman of the Audit Committee since 28 February 2023.

The Supervisory Board elected Dr Jörg Wulfken as Deputy Chairman of the Supervisory Board with effect from 1 March 2023, succedding Dr Maximilian Zimmerer.

Ms Sonja Edeler retired from her office at the end of the 2022/2023 financial year. Ms Edeler considerably enriched the work of the Supervisory Board with her financial expertise over the past years. Dr Kathrin Köhling was elected as her successor by the Extraordinary General Meeting on 2 November 2023.

Supervisory Board meetings during the year under review

Seven Supervisory Board meetings were held in the 2022/2023 financial year, two of which were held as an in-person meetings, three were held as hybrid meetings with some members attending physically and others virtually, and two as conference calls or video conferences. The Supervisory Board also met on a regular basis without the Board of Management to discuss items on the agenda relating to the Board of Management itself or internal Supervisory Board affairs. Examples in the year under review included Supervisory Board deliberations on the appointment of a new Chief Financial Officer, the termination of Mr Grede's service contract, and the determination of variable Board of Management remuneration.

Reports on the situation of individual portfolio companies constituted an integral part of the meetings, for which we received detailed quarterly written reports from the Board of Management.

The annual financial statements as at 30 September 2022 were approved at the in-person meeting and as video conference (hybrid meeting) on **28 NOVEMBER 2022**; that meeting also adopted the Remuneration Report and the Report of the Supervisory Board to the General Meeting. The agenda for the Annual General Meeting on 28 February 2023 was also discussed – as were portfolio performance, the Company's strategic development, and remuneration for the Board of Management.

A conference call of the Supervisory Board on **14 DECEMBER 2022** resolved the termination of Torsten Grede's service contract. At a hybrid meeting on **8 FEBRUARY 2023**, the Supervisory Board discussed allocation of responsibilities for the Board of Management, as applicable from 1 March 2023, and appointed Tom Alzin as the new Spokesman of the Board of Management.

At an in-person meeting on **28 FEBRUARY 2023**, which was held following the Annual General Meeting, Dr Jörg Wulfken was elected Deputy Chairman of the Supervisory Board, and Prof. Dr Kai C. Andrejewski was elected Chairman of the Audit Committee.

We were informed about portfolio developments and various strategic topics at DBAG during a hybrid meeting held on **10 MAY 2023**.

The Supervisory Board was first informed about the planned partnership with ELF Capital Group during a Supervisory Board meeting held as a conference call on **9 AUGUST 2023**. This meeting established a Transaction Committee comprising Dr Otto, Mr Holtrup and Dr Zimmerer, which subsequently held detailed discussions concerning the planned partnership with the Board of Management during three meetings on 18 August, 25 August and 4 September 2023.

At an in-person meeting on **14 SEPTEMBER 2023**, we approved the acquisition of a stake in ELF Capital Group and adopted resolution proposals for the Extraordinary General Meeting on 2 November 2023. At this meeting, the Board of Management also informed us about portfolio developments, the budget for the 2023/2024 financial year and the planning for financial years 2024/2025 and 2025/2026. We worked on the Corporate Governance Statement and issued the Declaration of Compliance on the German Corporate Governance Code. We were also presented with proposals for training and continuous professional development measures with regard to our duties as Supervisory Board members.

The Spokesman of the Board of Management always informed the Chairman of the Supervisory Board without delay about important business transactions throughout the reporting period; the information was shared accordingly with the entire Supervisory Board thereafter. We were involved in all major decisions.

Corporate Governance

We continuously monitor the development of corporate governance practices in Germany. During the financial year under review, we focused on the principles, recommendations and suggestions of the German Corporate Governance Code (GCGC). The Board of Management, together with the Supervisory Board, provides a detailed report about the Company's corporate governance in the Corporate Governance Statement. The Corporate Governance Statement is made available on the Company's website. The Board of Management and the Supervisory Board issued their most recent annual Declaration of Compliance (pursuant to section 161 of the AktG) in September 2023, on the basis of the GCGC as amended on 28 April 2022, and made this Declaration permanently available to the public on the Company's website.

Every member of the Supervisory Board discloses any potential conflicts of interest that may arise to the Chairman of the Supervisory Board, as recommended in the GCGC. There was no evidence of any conflicts of interest in the financial year under review.

Supervisory Board Committees

To be able to carry out its work more efficiently, the Supervisory Board has followed the recommendations of the AktG and the GCGC and established an Executive Committee (which also performs the functions of a Nomination Committee), and an Audit Committee.

Work of the Executive Committee (also Nomination Committee)

The Executive Committee met twice during the financial year under review, by video conference or conference call: on **1 OCTOBER 2022**, the Committee discussed the appointment of Melanie Wiese as Chief Financial Officer. At its meeting on **1 SEPTEMBER 2023**, the Committee adopted its recommendation to the Supervisory Board to propose the appointment of Dr Kathrin Köhling as a member of the Supervisory Board to the Annual General Meeting.

Work of the Audit Committee

The Audit Committee convened five times during the financial year under review. The meetings focused mainly on the annual financial statements and consolidated financial statements, the half-yearly financial report and the quarterly statements, which were discussed in the committee meetings with the Board of Management prior to their publication.

In a hybrid meeting on **17 NOVEMBER 2022**, we were presented with preliminary results for the 2021/2022 financial year. Drafts of the annual and consolidated financial statements as at 30 September 2022 were also addressed, and the external auditors reported on the status and initial results of the audit.

At a hybrid meeting held on **28 NOVEMBER 2022**, the Board of Management reported on the 2021/2022 financial year and BDO provided information about the financial statements audit result. The Audit Committee members then resolved to recommend that the Supervisory Board approve the financial statements and consolidated financial statements as at 30 September 2022. The Audit Committee also proposed to the Supervisory Board that the Frankfurt/Main office of Hamburg-based BDO AG Wirtschaftsprüfungsgesellschaft (BDO) be appointed at the Annual General Meeting as external auditors for the 2022/2023 financial year, and as auditor for a review of the condensed financial statements and condensed interim management report as at 31 March 2023. This was duly approved by the Annual General Meeting on 28 February 2023.

Discussions at a hybrid Audit Committee meeting on **8 FEBRUARY 2023** included the interim financial statements as at 31 December 2022 and the quarterly statement.

A hybrid Audit Committee meeting was convened and held on **10 MAY 2023,** with some attendees participating in person and others dialling in. BDO, the external auditors elected by the Annual General Meeting on 28 February 2023, reported on the results of their review of the interim financial statements as at 31 March 2023, which we also discussed with the Board of Management during the same meeting. We also assessed the auditing quality at this meeting, and duly acknowledged the Board of Management's risk report.

The interim financial statements as at 30 June 2023 were the focus of a hybrid meeting held on **9 AUGUST 2023**. The Audit Committee discussed the Board of Management's report on the interim financial statements and the quarterly statement for that reporting date. During that meeting we also received and discussed the report provided by DBAG's Internal Audit. Other topics dealt with at the meeting were the audit strategy, together with the audit plans and focus for the external audit as at 30 September 2023.

During the course of the financial year under review, the Audit Committee monitored the accounting process and the effectiveness of the internal control and auditing system, as well as the risk management system. We had no objections relating to the Company's practices. We looked at the independence of the auditors and the additional (non-audit) services performed by the external auditors. Furthermore, members of the Audit Committee held discussions with selected employees at the second management level.

Meeting attendance

All members of the Supervisory Board attended all meetings of the Supervisory Board during the reporting period. All committee members attended all the meetings of the Audit Committee, the Executive Committee and the Nomination Committee during the period under review.

Continuous professional development

Supervisory Board members are responsible for organising their own training and continuous professional development, and the Company supports them in this.

During the period under review, members accordingly attended various appropriate internal and external events. Several members participated in an event with the investors in the DBAG funds; this event was recorded and the recordings subsequently made available to all members of the Supervisory Board. At one of its meetings, the Supervisory Board addressed the current regulatory developments in detail with regard to auditing and accounting, and discussed these with the external auditor. The Supervisory Board members individually took part in various external events.

Annual financial statements and consolidated financial statements without objections

Prior to submitting its proposal to the Annual General Meeting that the Frankfurt/Main office of Hamburg-based BDO AG Wirtschaftsprüfungsgesellschaft ("BDO") be appointed DBAG's external auditors for the financial year 2022/2023, the Supervisory Board received a statement of independence from BDO. Following the 2023 Annual General Meeting, where our proposal was accepted, the Chairman of the Audit Committee instructed BDO to carry out the audit. The instruction stipulated that we be informed immediately of any major findings and issues arising in the course of the audit that are relevant to our work.

The external auditors explained their audit planning at the Audit Committee meeting on 9 August 2023. BDO first acted as auditors for DBAG in the 2018/2019 financial year.

BDO audited the annual financial statements of Deutsche Beteiligungs AG for the 2022/2023 financial year and the combined management report of Deutsche Beteiligungs AG and the Group, including the underlying accounts, and returned an unqualified auditor's opinion. The same applies to the 2022/2023 consolidated financial statements. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The auditors confirmed that the consolidated financial statements complied with IFRS, as applicable in the European Union, and the applicable supplementary regulations pursuant to section 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB), and that the consolidated financial statements as a whole accurately present the position of the Group, as well as the opportunities and risks associated with its future performance.

The Supervisory Board received the audited annual financial statements of Deutsche Beteiligungs AG as at 30 September 2023 in good time, along with the combined management report of Deutsche Beteiligungs AG and of the Group. The statements and reports were duly examined taking into account the report of the Chairman of the Audit Committee and the external auditors, and subsequently discussed in detail with the Board of Management and the external auditors. This also applies to the consolidated financial statements and the profit appropriation proposal.

The auditors explained the preliminary audit findings during the Audit Committee meeting on 16 November 2023. The auditors' report was discussed without the members of the Board of Management being present. At our plenary meeting on 29 November 2023, and at the Audit Committee meeting held on the same day, they presented the results of their audit. There were no objections. BDO also reported on services they had performed in addition to audit services. Our questions to them were met with comprehensive and detailed answers. There were also no objections raised after the Supervisory Board conducted its own detailed examination of the annual and consolidated financial statements and the combined management report of Deutsche Beteiligungs AG and of the Group as at 30 September 2023, BDO's report on the outcome of the audit, and the report of the Board of Management for the 2022/2023 financial year. We concurred with the results of the audit put forward by the external auditors. On 29 November 2023, we approved the consolidated financial statements and annual financial statements of Deutsche Beteiligungs AG as recommended by the Audit Committee. The annual financial statements are thus adopted.

On 20 November 2023. the Board of Management resolved its proposal for the appropriation of net retained profit; on the same day, the Supervisory Board resolved to approve the Board of Management's proposal to the Annual General Meeting to distribute a dividend of 1.00 euro per share entitled to dividends.

The Supervisory Board wishes to recognise and extend special thanks to the Board of Management and all the employees who, over the past year, have contributed so much to successful transactions and the Company's further development.

Frankfurt/Main, 29 November 2023

Dr Hendrik Otto

Chairman of the Supervisory Board

REMUNERATION REPORT IN ACCORDANCE WITH SECTION 162 OF THE AKTG

The remuneration report presents the structure and amount of remuneration paid to current and former members of the Board of Management and the Supervisory Board of Deutsche Beteiligungs AG (hereinafter referred to as "DBAG" or "the Company") in the reporting year 2022/2023. The report complies with the requirements set out in section 162 of the AktG. DBAG also follows the recommendations of the German Corporate Governance Code (GCGC), as amended on 28 April 2022, as per the Declaration of Compliance published in September 2023.

Preliminary remarks

Deutsche Beteiligungs AG completed the generational transition within the Board of Management in the year under review. Tom Alzin was appointed as the new Spokesman of the Board of Management, following the retirement of Torsten Grede, previous Spokesman of the Board of Management, with effect from 28 February 2023. Melanie Wiese joined the Board of Management as Chief Financial Officer on 1 January 2023 and assumed responsibility for Finance from Mr Grede.

At Supervisory Board level, Prof. Dr Kai C. Andrejewski was initially appointed by court order on 17 January 2023 to replace Philipp Möller (who had resigned with effect from 30 September 2022), and was then elected as a member of the Supervisory Board by the Annual Meeting held on 28 February 2023. He was elected for a term of office until the end of the Annual Meeting that resolves upon the formal approval for the financial year 2026/2027. Sonja Edeler resigned from the Supervisory Board as at the end of the reporting year
(30 September 2023). Dr Kathrin Köhling was elected to the Supervisory Board by the Extraordinary General Meeting on 2 November 2023.

Board of Management remuneration

The Supervisory Board adopted the present remuneration system by way of resolution at its meeting on 14 December 2022 ("the Remuneration System 2022"), refining and updating the Remuneration System 2020 as adopted by the Supervisory Board on 11 September 2020 with regard to a number of items: the Remuneration System 2022 was first applicable in the financial year 2022/2023; it was approved by the ordinary Annual General Meeting held on 28 February 2023, in accordance with section 120a (1) of the AktG.

In the reporting year, all Board of Management members (current members, as well as those who left the Board of Management in the year under review) received remuneration according to the Remuneration System 2022, the basic principles of which are summarised below.

Basic principles of Board of Management remuneration and the underlying remuneration system

Total remuneration of the Board of Management consists of the following remuneration components:

1. a fixed salary;
2. one-year variable remuneration;
3. multi-year variable remuneration;
4. a bonus for DBAG's Long-Term Investments, if applicable;
5. pension commitments, if applicable;
6. fringe benefits.

Out of the current Board of Management members, Jannick Hunecke may also receive follow-on remuneration from completed remuneration models.

The following table gives an overview of the remuneration system's key components, the basic principles of their structure and their relevance for the Company's long-term development, i.e. their link to DBAG's strategy:

REMUNERATION ELEMENT	STRUCTURE	LINK TO STRATEGY
Fixed remuneration elements		
Fixed remuneration	Disbursement in twelve monthly instalments	Ensuring adequate basic remuneration, avoiding incentives for taking unreasonable risks
Fringe benefits	Fringe benefits comprise a company car or a car allowance, insurance services (term life and accident insurance) and limited contributions to health and pension insurance Total value limited to 10 per cent of the respective Board of Management member's fixed salary	Provision of market-standard fringe benefits, contributing to the retention of qualified Board of Management members
Pension scheme regulations	Defined direct commitment for Jannick Hunecke (vested rights); for all Board of Management members: payment of the employer's statutory social security contributions for BVV Versicherungsverein des Bankgewerbes a.G. (recognised as fringe benefits)	Securing an adequate pension as part of competitive remuneration

Variable remuneration elements		
One-year variable remuneration	Annual bonus disbursed in December of the following financial year Ascertained at reasonable discretion in terms of collective performance (weighting: 75 per cent) in the following performance criteria: › Corporate strategy › Development of net asset value and earnings from Fund Investment Services › Development of the compliance system and ESG system › Positioning on the capital markets › Personnel development Ascertained at reasonable discretion in terms of individual performance (weighting: 25 per cent) in the business segment the respective member is responsible for. Disbursement limited to 40 per cent of the respective Board of Management member's fixed salary	Short-term variable remuneration element with performance incentives, in particular for operational key issues and strategic core topics
Multi-year variable remuneration	Annually determined long-term bonus with a three-year reference period Ascertained based on achievement of defined targets for two performance criteria: › average development of the net asset value (NAV), taking into consideration dividends and capital measures (weighting: 75 per cent) › average earnings before taxes in the Fund Investment Services segment (weighting: 25 per cent) Disbursement limited to 80 per cent of the respective Board of Management member's fixed salary	Long-term remuneration element incentivising sustainable corporate success, measured by ambitious targets in the Private Equity Investments and Fund Investment Services segments
Long-Term Investments bonus	Bonus for Board of Management members on the Investment Advisory Team If DBAG has realised its invested capital plus a minimum return of eight per cent per annum, 15 per cent of the total performance achieved during a two-year investment period is paid out to members of the Investment Advisory Team. As Investment Advisory Team members, the Board of Management members receive a share; however, only if	Additional incentive to successfully drive DBAG's Long-Term Investments

	Deutsche Beteiligungs AG has received returns of capital. Disbursement limited to 65 per cent of the respective Board of Management member's annual fixed salary. In the event that this threshold is exceeded, the excess amount is "carried over" into the following financial year twice.	
Other remuneration provisions		
Maximum remuneration	Maximum remuneration expenses per financial year and Board of Management member of 1,888,000 euros	Upper limit to avoid excessive remuneration
Penalty and clawback	DBAG can reduce variable remuneration (penalty) or even demand its repayment (clawback), in whole or in part respectively, if a member of the Board of Management commits certain serious breaches of duty.	Additional compliance responsibility element for the Board of Management
Share purchase obligation	Obligation of Board of Management members to invest at least 35 per cent of the net amount of the multi-year variable remuneration they are paid in any given year in DBAG shares; obligation to hold the shares so acquired for a minimum period of four years; no longer, however, than their service contract on the Board of Management	Increased alignment of Board of Management remuneration with shareholder interests

Appropriateness of Board of Management remuneration

Criteria for the appropriateness of total 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, DBAG considers the structure and level of remuneration schemes common to the private equity industry which are required to attract and retain qualified key personnel, whilst also taking into account the structure and level of remuneration schemes of comparable listed S-Dax companies and an individual peer group to assess the market conformity of Board of Management remuneration. To ensure the appropriateness of remuneration, the Supervisory Board regularly carries out both a horizontal and a vertical remuneration comparison.

The remuneration system most recently subjected to an external review was the 2020 remuneration system on which the current 2022 remuneration system is based. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("EY") was called upon at the time to evaluate the appropriateness of the remuneration. In the course of this review, EY evaluated the appropriateness of the specific total remuneration of the Board of Management members compared with other companies, using a suitable peer group. EY conducted the evaluation of the remuneration system and appropriateness of the remuneration as an independent external remuneration expert and issued a corresponding statement of independence. EY found that the Board of Management remuneration system meets the regulatory requirements, and that the amount and structure of the Board of Management remuneration is standard and appropriate. The aforementioned S-Dax companies and an individual peer group were used for the peer group comparison. The individual peer group comprised Bellevue Group AG, Brookfield Asset Management Inc., DeA Capital S.p.A., eQ Oyj, Eurazeo SE, INDUS Holding AG, IP Group PLC, Liontrust Asset Management PLC, Lloyd Fonds AG, MBB SE, Onex Corporation, Partners Group Holding AG, Record PLC, Sanne Group PLC, Tamburi Investment Partners S.p.A. and UBM Development AG.

Individual remuneration components

Fixed remuneration

The members of the Board of Management receive an annual fixed salary paid in twelve equal instalments. The fixed salary disbursed in the reporting year is set out in the tables below (section "Remuneration granted and owed to current Board of Management members and to those members who retired from the Board of Management during the reporting year").

One-year variable remuneration

75 per cent of the one-year variable remuneration is based on the Board of Management's overall performance and 25 per cent is based on the individual performance of the respective Board of Management member during the financial year under review.

One-year variable remuneration may amount to up to 40 per cent of the fixed salary of the respective member of the Board of Management; it is paid out once a year, in December of the following financial year. If the Supervisory Board gives the performance of a Board of Management member a 100 per cent rating, the relevant member receives 80 per cent of the maximum possible one-year variable remuneration. A performance rating of up to 120 per cent may be assigned, resulting in the payment of the maximum possible one-year variable remuneration. Where the performance rating is 80 per cent, the Board of Management member receives 60 per cent of the maximum possible one-year variable remuneration. If the performance rating is between 80 per cent and 100 per cent, or between 100 per cent and 120 per cent, the amount of the one-year variable remuneration to be paid must be ascertained in a linear manner. No one-year variable remuneration will be paid for a performance rating of less than 80 per cent.

After the end of the respective financial year, the Supervisory Board ascertains the overall performance of the Board of Management at its reasonable discretion, taking into consideration the following performance criteria:

- implementation of corporate strategy;
- short-term development of net asset value and earnings from Fund Investment Services;
- implementation and ongoing development of the compliance system and the ESG system;
- development of capital market positioning; and
- personnel development.

After the end of the respective financial year, the Supervisory Board ascertains the performance of individual members of the Board of Management at its reasonable discretion, using the performance of the business unit for which the respective member is responsible as a benchmark.

The Supervisory Board takes any compliance breaches or other breaches of duty on the part of the respective member of the Board of Management into consideration at its reasonable discretion; this may result in the one-year variable remuneration being reduced or, in the case of serious breaches, not being paid at all.

Along with the other variable remuneration elements, one-year variable remuneration is geared towards incentives for a long-term increase in the Company's value by increasing the value of the Private Equity Investments and Fund Investment Services segments. The stipulated performance criteria allow for a balanced consideration of strategic key issues in the Company's development, including consideration of sustainability criteria.

Performance assessment for the year under review

Following the end of financial year 2022/2023, the Supervisory Board assessed the Board of Management's performance as a whole as well as individual members' performances, taking into account the assessments and recommendations of the Supervisory Board's Executive Committee.

When assessing the Board of Management's overall performance in the reporting year, the Supervisory Board paid particular attention to business results, strategic development, especially the expansion into the private debt arena, completed and agreed exits, investment progress and share price performance.

The relevant individual performances of the members of the Board of Management in the year under review were assessed based on developments seen in the respective Board of Management members' business units.

For an overview of the Supervisory Board's individual performance assessment, please refer to the following table ("One-year variable remuneration – overview of target achievement").

ONE YEAR VARIABLE REMUNERATION – OVERVIEW OF TARGET ACHIEVEMENT

Board of Management member	Joint Board of Management performance	Individual Board of Management performance
Tom Alzin	100%	105%
Jannick Hunecke	100%	105%
Melanie Wiese	100%	95%
Torsten Grede	100%	100%

The Supervisory Board was not (made) aware of any indications of compliance violations or other breaches of duty by the Board of Management members which would have given reason to reduce the one-year variable remuneration.

The Supervisory Board may also factor in extraordinary developments, as appropriate, when granting and disbursing variable remuneration components. There were no such exceptional developments in the reporting year.

For the amount of granted one-year variable remuneration disbursed for the reporting year, please refer to the tables below ("Remuneration granted and owed pursuant to section 162 (1) sentence 1 of the AktG – current Board of Management members" and ("Remuneration granted and owed pursuant to section 162 (1) sentence 1 of the AktG – Board of Management members who retired from the Board of Management during the reporting year").

Multi-year variable remuneration

Multi-year variable remuneration stipulated in the current remuneration system for the Board of Management is based on the following two criteria: (i) average development of the net asset value (NAV) generated plus dividends distributed, and adjusted in the event of capital measures such as capital increases or share buybacks (hereinafter referred to as "NAV growth rate") and (ii) earnings before taxes of the Fund Investment Services business segment (hereinafter referred to as "earnings from Fund Investment Services"). A three-year reference period is decisive for the fulfilment of both criteria. Target achievement is measured based on the targets for both criteria determined by the Supervisory Board at the beginning of each three-year period. 75 per cent of the multi-year variable remuneration is based on the NAV growth rate criterion and 25 per cent is based on the earnings from Fund Investment Services criterion. Multi-year variable remuneration may amount to up to 80 per cent of the respective Board of Management member's fixed salary.

The Supervisory Board takes any compliance breaches or other breaches of duty on the part of the respective member of the Board of Management into consideration at its reasonable discretion; this may result in the multi-year variable remuneration being reduced or, in the case of serious breaches, not being paid at all.

Multi-year variable remuneration offers specific incentives for increasing the Company's long-term success in the two business segments Private Equity Investments and Fund Investment Services, always keeping in mind the overarching strategic objective of a long-term increase in the Company's value.

The multi-year variable remuneration is paid once a year in December. If a Board of Management service contract commences during the course of the year, the relevant member of the Board of Management will be paid the multi-year variable remuneration for the respective financial year pro rata temporis. No multi-year variable remuneration will be paid for the year during which the relevant member leaves the Company.

Melanie Wiese's service contract stipulates multi-year variable remuneration based on a lump-sum calculation of the determination criteria (that is, NAV growth rate and earnings from Fund Investment Services) following her appointment to the Board of Management with effect from 1 January 2023. The lump-sum calculation takes account of the fact that new members of the Board of Management can only "grow into" the current reference periods.

An agreement on the service contract termination, as concluded between the Company and Board of Management member Torsten Grede with effect from 28 February 2023, stipulates that disbursements of multi-year variable remuneration for the reference period ranging from financial year 2020/2021 to financial year 2022/2023 will be made in December 2023; they will account for 2/3 of the amount that would have been payable if Torsten Grede had remained in his position until the end of the reference period. Multi-year variable remuneration – for the reference period ranging from financial year 2021/2022 to financial year 2023/2024 – will be disbursed in December 2024, under the still applicable provisions and in a pro-rata amount of one-third of the relevant amount. Torsten Grede will not receive any multi-year variable remuneration for the period between 1 October 2022 and 28 February 2023, the date of his retirement from the Board of Management.

Target achievement in the financial year 2022/2023

The Supervisory Board had defined the targets set out below for the period from 2020/2021 to 2022/2023 for the two performance criteria "NAV growth rate" and "earnings before taxes from Fund Investment Services" in November 2020. Target definition was based on the Company's medium-term planning.

Target definition for the NAV growth rate (2020/2021 to 2022/2023):

CAGR NAV (3-year average)	Multiplier for 75% of the maximum amount of the multi-year variable remuneration	Target achievement rate
5.9% or lower	0.0	0
6.0-6.9%	0.1	75%
7.0-7.9%	0.2	80%
8.0-8.9%	0.3	85%
9.0-9.9%	0.4	90%
10.0-10.9%	0.5	95%
11.0-11.9%	0.6	100%
12.0-12.9%	0.7	105%
13.0-13.9%	0.8	110%
14.0-14.9%	0.9	115%
15.0% or higher	1.0	120%

Target definition for earnings before taxes from Fund Investment Services (2020/2021 to 2022/2023):

Earnings from Fund Investment Services €mn (3-year average)	Multiple for 25% of the maximum amount of the multi-year variable remuneration	Target achievement rate
5.9 or lower	0.0	0
6.0-6.9	0.1	75%
7.0-7.9	0.2	80%
8.0-8.9	0.3	85%
9.0-9.9	0.4	90%
10.0-10.9	0.5	95%
11.0-11.9	0.6	100%
12.0-12.9	0.7	105%
13.0-13.9	0.8	110%
14.0-14.9	0.9	115%
15.0 or higher	1.0	120%

The following figures were calculated for the NAV growth rate performance criterion in the reference period:

NAV growth rate in the reference period	
NAV 2020/2021[1]	€613.1mn
NAV 2021/2022[1]	€516.2mn
NAV 2022/2023[1]	€631.0mn
Growth rate (3-year average)	14.35%
Multiple for 75% of the maximum amount of the multi-year variable remuneration[2]	0.9

1 As at the reporting date 30 September, adjusted for dividends distributed, capital measures and share buybacks

2 Multiple according to target definition for the reference period

The following figures were calculated for the earnings before taxes from Fund Investment Services performance criterion in the reference period:

Fund Investment Services EBT in the reference period	
Fund Investment Services EBT in 2020/2021	€18.0mn
Fund Investment Services EBT in 2021/2022	€15.4mn
Fund Investment Services EBT in 2022/2023	€14.0mn
Fund Investment Services EBT (3-year average)	€15.8mn
Multiple for 25 per cent of the maximum amount of the multi-year variable remuneration[1]	1.0

1 Multiple according to target definition for the reference period

Melanie Wiese receives multi-year variable remuneration, which has been determined by the Supervisory Board based on a lump-sum calculation taking into account the performance criteria defined above, on a pro rata basis (9/12 of the amount for a full financial year).

The Supervisory Board was not (made) aware of any indications of compliance violations or other breaches of duty by the Board of Management members which would have given reason to reduce the multi-year variable remuneration.

In line with the aforementioned provisions on multi-year variable remuneration, the disbursement amounts for the current Board of Management members are as set out below.

DISBURSEMENT AMOUNT – MULTI-YEAR VARIABLE REMUNERATION IN THE REFERENCE PERIOD 2020/2021 TO 2022/2023

	Tom Alzin	Jannick Hunecke
75% of the maximum amount (€'000)	330	330
NAV multiple	0.9	0.9
25% of the maximum amount (€'000)	110	110
Fund Investment Services EBT multiple	1	1
Total disbursement amount (€'000)	407	407

1 Member of the Board of Management since 1 January 2023

Disbursements of multi-year variable remuneration for the reference period ranging from financial year 2020/2021 to financial year 2022/2023 for Board of Management member Torsten Grede will be made in December 2023; they will account for 2/3 of the amount that would have been payable if Torsten Grede had remained in his position until the end of the reference period. Torsten Grede will not receive any multi-year variable remuneration for the period between 1 October 2022 and 28 February 2023, the date of his retirement from the Board of Management.

On this basis, Torsten Grede will receive the following multi-year variable remuneration disbursement amounts for the reference period 2020/2021 to 2022/2023:

DISBURSEMENT AMOUNT – MULTI-YEAR VARIABLE REMUNERATION IN THE REFERENCE PERIOD 2020/2021 TO 2022/2023

	Torsten Grede
75% of the maximum amount (€'000)	265
NAV multiple	0.9
25% of the maximum amount (€'000)	85
Fund Investment Services EBT multiple	1
Total disbursement amount (€'000)	316

Long-Term Investments bonus

The members of the Board of Management who are also members of the Investment Advisory Team may also receive a bonus for the success of DBAG's Long-Term Investments. This bonus takes into account the performance of Long-Term Investments from two successive financial years ("investment period"). The entitlement to the bonus arises only if DBAG has realised its invested capital plus a minimum return of eight per cent per annum ("internal rate of return"). If this requirement is met, 15 per cent of the total performance achieved in the investment period concerned is paid out to members of the Investment Advisory Team. Those Board of Management members who are also members of the Investment Advisory Team will receive a specific portion of this amount. Payment will only be made once the capital inflows have been received by DBAG.

Remuneration paid from the Long-Term Investments bonus is capped at 65 per cent of the annual fixed salary of the respective Board of Management member. If this threshold is exceeded, the excess amount is not paid out until the next financial year. This "carry-over" arrangement can only be applied twice for each entitlement. Payments made from the Long-Term Investments bonus can also be paid after the Board of Management member's service contract has been terminated, although they remain subject to the cap limiting them to 65 per cent of the member's (final) fixed salary.

The Long-Term Investments bonus sets targeted incentives for a successful development of DBAG's portfolio of Long-Term Investments which – in addition to the investments entered into alongside the DBAG funds – are an element of DBAG's investment strategy.

Whilst the disposal of R+S Group was agreed in the year under review, closing was not completed by the reporting date. Any bonus based on the performance of this Long-Term Investment will thus be reported in the remuneration report for the financial year 2023/2024.

Follow-on variable remuneration from legacy remuneration models

Jannick Hunecke may also receive follow-on variable remuneration components from legacy remuneration models for members of the Investment Advisory Team. The same applies to Torsten Grede, who left the Board of Management in the reporting year, and to other former members of the Board of Management according to legacy provisions.

All follow-on variable remuneration from legacy remuneration models considers particularly the long-term measurement of investment success and thus contributes to the Company's long-term development.

- Bonus on return on equity: the profit-sharing scheme for investments entered into up to 31 December 2000 is geared to DBAG's return on equity. Profit-sharing awards are only granted if the return on equity for the reporting year has reached a level of 15 per cent before taxes and bonuses. The computation base of equity relates exclusively to these investments. Torsten Grede is entitled to 2,045.20 euros from this remuneration model in the financial year 2022/2023, Jannick Hunecke to 360.00 euros.

- TP2001 bonus: for investments that were made between 2001 and 2006, profit-sharing starts from a minimum return on investment of eight per cent per year after imputed costs of two per cent. Profit-sharing is exclusively paid from realised 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. No entitlements resulted from this remuneration model in the financial year 2022/2023.

Please refer to the condensed disclosures, in the section on remuneration granted and owed to former Board of Management members, for specific follow-on variable remuneration due to former Board of Management members who retired from the Board of Management in a financial year that goes back more than ten years.

Pension commitments

The pension schemes initially offered by DBAG have been closed to new members since 2 January 2001 (pension commitment) and since the beginning of the 2004/2005 financial year (contribution plan). To the extent that a Board of Management member had received pension commitments from DBAG before they became part of the Board of Management, whether in the form of an undertaking for a specific annual pension or in the form of annual contributions to a pension scheme, these will be continued.

Jannick Hunecke's service contract stipulates that the pension commitments granted by the Company in form of a defined direct commitment before his appointment to the Board of Management remain valid; however, they are fixed in the amount realised when Jannick Hunecke commenced his Board of Management activity. No additional contributions to pension commitments and/or increases in Jannick Hunecke's benefit entitlements will occur. The present value of this pension obligation was 1,052,000 euros as at 30 September 2023 (previous year: 1,029,000 euros).

Neither Tom Alzin nor Melanie Wiese have received any pension commitments. Torsten Grede, who was first appointed to the Board of Management on 1 January 2001 and who retired in the year under review, received a pension commitment that provides for a defined annual pension of 87,000 euros. The present value of this pension obligation was 2,777,000 euros as at 30 September 2023 (previous year: 2,291,000 euros).

All Board of Management members are insured via BVV Versicherungsverein des Bankgewerbes a.G., with Deutsche Beteiligungs AG paying the employer's statutory social security contributions (recognised as a fringe benefit).

Fringe benefits

Members of the Board of Management may receive the following fringe benefits:

- company car, which may also be used for private purposes, or a car allowance;
- smartphone, which may also be used for private purposes;
- accident insurance cover;
- term life insurance cover;
- statutory or private health insurance premiums;
- private pension insurance scheme contributions in line with the contributions that would be payable to a statutory pension plan if the respective member of the Board of Management was subject to an insurance obligation under statutory pension plans;
- payment for the costs of one comprehensive health check per year; and
- payment for the costs of participating in corporate talks and similar networking and business development initiatives.

The fringe benefits granted essentially consist of private pension insurance scheme contributions in line with the contributions that would be payable to a statutory pension plan if the respective member of the Board of Management was subject to an insurance obligation under statutory pension plans, statutory or private health insurance premiums, and the use of a company car. The employer's social security contribution to the mentioned insurance via BVV Versicherungsverein des Bankgewerbes a.G. is also recognised as a fringe benefit. The aggregate value of fringe benefits per financial year is limited to a maximum of ten per cent of the fixed salary of the particular member of the Board of Management.

The amount of fringe benefits granted to the individual members in the reporting year is set out in the tables below (section "Remuneration granted and owed to current Board of Management members and to those members who retired from the Board of Management during the reporting year"). Fringe benefits are considered with their costs or in the amount of their non-cash benefits.

Calculation of the most recently reported fringe benefit amounts included an incorrect reimbursement of expenses, as a result of which the remuneration amounts of fringe benefits granted are actually lower than previously reported. The corrected fringe benefit amounts are disclosed in this remuneration report in the corresponding sections.

Adherence to maximum remuneration

The remuneration paid for any single financial year, which is made up of the fixed salary, the one-year variable remuneration, the multi-year variable remuneration and, if applicable, the Long-Term Investments bonus, pension commitment and any fringe benefits, is capped at a maximum amount of 1,888,000 euros gross per member of the Board of Management. The calculation assigns any payment of the variable remuneration to the financial year preceding the year in which the payment is made. Any follow-on variable remuneration payments under remuneration models completed in the past are also taken into account. The determination of the amount of the pension commitment is based on the pension expenses of the respective financial year, both for fixing the target total remuneration and the maximum remuneration.

Maximum remuneration was complied with during the year under review. Please refer to the following table for an overview of remuneration granted to the current Board of Management members.

ADHERENCE TO MAXIMUM REMUNERATION

	Tom Alzin €'000	**Jannick Hunecke** €'000	**Melanie Wiese** €'000
Fixed remuneration			
Fixed salary	550	550	300
Fringe benefits	32	33	28
Pension service costs	0	67	0
Variable remuneration			
One-year variable remuneration[1]	179	179	95
Multi-year variable remuneration1	407	407	222
Long-Term Investments bonus[1]	0	0	0
Subsequent variable remuneration from old remuneration models	-	0,36	-
Total remuneration	**1,168**	**1,236**	**645**
Maximum remuneration	**1,888**	**1,888**	**1,888**

1 Disbursed after the end of the reporting year

The maximum remuneration set for Torsten Grede, who left the Board of Management in the reporting year, was also complied with (total remuneration granted in the amount of 683,000 euros).

Penalty and clawback (reclaim or reduction of variable remuneration)

In line with provisions stipulated in the service contracts, the Supervisory Board can reclaim (clawback) or withhold (penalty) the one-year variable remuneration and/or the multi-year variable remuneration, in whole or in part, if the respective member of the Board of Management commits a serious breach of duty; this clawback or penalty relates to the remuneration paid for the year during which the serious breach of duty occurred. A clawback may also be asserted after the relevant Board of Management member has left the Company.

The Supervisory Board did not make use of the option to claw back any variable remuneration components in the year under review, since no events occurred which would have given reason to do so.

Obligation to invest in Company shares

The members of the Board of Management are obliged to invest at least 35 per cent of the net amount of the multi-year variable remuneration they are paid in any given year in DBAG shares. The Board of Management members are obliged to hold the shares so acquired for a minimum period of four years; no longer, however, than their service contract on the Board of Management. The DBAG shares must be acquired within six months following payment of the respective multi-year variable remuneration. However, the shares may only be acquired at a time when their acquisition is permissible under insider trading rules and in compliance with DBAG's internal guidelines.

The current Board of Management members acquired DBAG shares in the amount set out below in the reporting year. The investment targets of 35 per cent of the net amount of the multi-year variable remuneration paid in the reporting year were reached or exceeded:

SHARE PURCHASES BY CURRENT BOARD OF MANAGEMENT MEMBERS IN THE REPORTING YEAR

	Tom Alzin €'000	Jannick Hunecke €'000	Melanie Wiese €'000
Purchase volume DBAG shares[1]			
Financial year 2022/2023	184	51	17

1. Volume of DBAG share purchases in the year under review (acquisition cost less ancillary acquisition cost)

Further provisions concerning the termination of Board of Management mandates

Board of Management service contracts are usually entered into for a term of three to five years. The Supervisory Board may depart from this approach, if warranted, in individual cases. Where a Board of Management service contract is terminated early, any payments to the relevant Board of Management member are contractually limited to twice the annual remuneration (including fringe benefits) and must not exceed the remuneration for the residual term of the Board of Management service contract that would have been owed had the contract not been terminated early. The payment of outstanding variable remuneration components, which are attributable to the period until contract termination, is based on the originally agreed targets and comparison parameters, also in the case of early termination, and takes place at the agreed due dates.

The agreement on the termination of Torsten Grede's service contract ending on 31 December 2023, as concluded between the Company and Mr Grede due to the latter's retirement from the Board of Management with effect from 28 February 2023, does not provide for any severance payments. Please refer to the table below for the remuneration total granted to Torsten Grede in the year under review ("Remuneration granted and owed pursuant to section 162 (1) sentence 1 of the AktG – Board of Management members who retired from the Board of Management during the reporting year").

Remuneration granted and owed to current Board of Management members and to those members who retired from the Board of Management during the reporting year

The following tables provide an overview of remuneration "granted and owed" to current Board of Management members and to those members who retired from the Board of Management during the reporting year, including the relative share of each remuneration component pursuant to section 162 (1) sentence 1, sentence 2 no. 1 of the AktG.

Accordingly, the overview comprises all remuneration components paid to the Board of Management members in the reporting year (granted remuneration) and all remuneration components legally due but not yet paid (owed remuneration).

One-year variable remuneration for the performance during the reporting year is considered to be remuneration granted in the reporting year, even if disbursement takes place after the close of the reporting year, since the underlying activity was performed in full in the reporting year. The same applies to multi-year variable remuneration. The table also shows any remuneration granted in form of the Long-Term Investments bonus, the bonus on return on equity and the TP2001 bonus in the reporting year.

The relative shares of the individual remuneration elements are shown as percentages of granted and owed total remuneration. The remuneration shares are thus not identical to remuneration shares from the remuneration system on which target total remuneration is based.

REMUNERATION GRANTED AND OWED PURSUANT TO SECTION 162 (1) SENTENCE 1 OF THE AKTG – CURRENT BOARD OF MANAGEMENT MEMBERS[1]

	Tom Alzin Spokesman of the Board of Management				Jannick Hunecke Member of the Board of Management				Melanie Wiese Member of the Board of Management			
	2022/2023		2021/2022		2022/2023		2021/2022		2022/2023		2021/2022	
	€'000	(%)	€'000	(%)	€'000	(%)	€'000	(%)	€'000	(%)	€'000	(%)
Fixed remuneration	550	47	529	55	550	47	529	55	300	47	-	-
Fringe benefits[2]	32	3	44	5	33	3	30	3	28	4	-	-
Total	**582**	50	**573**	59	**583**	50	**559**	59	**328**	51	-	-
One-year variable remuneration	179	15	130	13	179	15	130	14	95	15	-	-
Multi-year variable remuneration	407	35	265	27	407	35	265	28	222	34	-	-
Long-Term Investments bonus	0	0	0	0	0	0	0	0	0	0	-	-
"Bonus on return on equity"	0	0	0	0	0.36	0.03	1	0	0	0	-	-
"TP2001 bonus"	0	0	0	0	0	0	0	0	0	0	-	-
Total remuneration pursuant to section 162 of the AktG	**1,168**	**100**	**968**	**100**	**1,169**	**100**	**955**	**100**	**645**	**100**	-	-
Pension service costs[3]	0	-	0	-	67	-	65	-	0	0	-	-
Total remuneration including pension service costs	**1,168**	**-**	**968**	**-**	**1,236**	**-**	**1,020**	**-**	**645**	**-**	**-**	**-**

1 The percentages may not always amount to 100 per cent due to rounding.

2 The amounts reported here are corrected amounts for the previous year (financial year 2021/2022; see "Fringe benefits" section).

3 Pension service costs are reported for transparency reasons; however, they are not part of remuneration granted or owed. The employer's statutory social security contributions to BVV Versicherungsverein des Bankgewerbes a.G. are recognised in the fringe benefits

REMUNERATION GRANTED AND OWED PURSUANT TO SECTION 162 (1) SENTENCE 1 OF THE AKTG – BOARD OF MANAGEMENT MEMBERS WHO RETIRED FROM THE BOARD OF MANAGEMENT DURING THE REPORTING YEAR[1]

	Torsten Grede Member and Spokesman of the Board of Management until 28 February 2023			
	2022/2023		2021/2022	
	€'000	(%)	€'000	(%)
Fixed remuneration	267	39	640	65
Fringe benefits[2]	13	2	29	3
Total	**280**	**41**	**669**	**68**
One-year variable remuneration	85	12	157	16
Multi-year variable remuneration	316	46	146	15
Long-Term Investments bonus	0	0	0	0
"Bonus on return on equity"	2	0	8	1
"TP2001 bonus"	0	0	0	0
Total remuneration pursuant to section 162 of the AktG	**683**	**100**	**980**	**100**
Pension service costs[3]	0	-	46	-
Total remuneration including pension service costs	**683**	**-**	**1,026**	**-**

1 The percentages may not always amount to 100 per cent due to roundin
2 The amounts reported here are corrected amounts for the previous year (financial year 2021/2022; see "Fringe benefits" section).
3 Pension service costs are reported for transparency reasons; however, they are not part of remuneration granted or owed. The employer's statutory social security contributions to BVV Versicherungsverein des Bankgewerbes a.G. are recognised in the fringe benefits

To the extent that members of the Board of Management receive remuneration for executive offices held in portfolio companies, this is transferred to DBAG. Remuneration for executive functions in other companies or institutions may remain with the respective member of the Board of Management upon approval by the Supervisory Board.

The current members of the Board of Management and those members who retired from the Board of Management during the year under review were neither promised nor granted remuneration for activities as board of management members by a third party.

Remuneration granted and owed to former Board of Management members

Dr Rolf Scheffels is entitled to a subsequent variable remuneration component (bonus on return on equity) of 2,045.20 euros in the reporting year. Pursuant to section 162 (5) of the AktG, no personal details are provided for former members of the Board of Management who left prior to 30 September 2013.

The present value of pension obligations for former Board of Management members and their surviving dependants amounted to 21,601,000 euros at the reporting date (previous year: 20,667,000 euros).

Supervisory Board remuneration

Basic principles of Supervisory Board remuneration

Remuneration granted and owed to the Supervisory Board members was determined by a resolution adopted by the Annual General Meeting on 20 February 2020 and confirmed by a resolution adopted by the Annual General Meeting on 25 February 2021.

The remuneration paid consists of two components: an annual fixed remuneration of 60,000 euros (base remuneration) and additional disbursements to the Chair, Vice Chair and for committee membership (additional remuneration). The Chairman of the Supervisory Board receives a maximum of twice the base remuneration, irrespective of their membership on various committees. The Vice Chairman of the Supervisory Board and the Chairman of the Audit Committee receive a maximum of one and a half times the base remuneration. Membership of the Executive Committee and the Audit Committee carries remuneration corresponding to one-quarter of this amount, with the Chair of the Audit Committee receiving half the base remuneration.

Supervisory Board remuneration takes into consideration the specific functions and responsibilities of the individual Supervisory Board members. In particular, the greater time commitment of the Chairman, the Vice Chairman, and the chairmen and members of the committees, is taken into account in an appropriate manner. The remuneration structure follows the GCGC recommendations. To ensure the Supervisory Board's unlimited control and advisory function there is no intention to grant variable remuneration to the Board.

Remuneration shall be paid at the end of the respective financial year. Supervisory Board members who only belong to the Supervisory Board or a committee during a part of the financial year, or who are Chairman or Vice Chairman of the Supervisory Board or Chairman of the Audit Committee during a part of the financial year, shall receive a lower fee, proportional to the time spent in office.

Supervisory Board remuneration in the reporting year was fully in line with the provisions defined above. No remuneration clawback options are in place; accordingly no clawback occurred.

Remuneration granted and owed to Supervisory Board members

The following table provides an overview of remuneration granted and owed to the respective Supervisory Board members in the past financial year 2022/2023, including the relative share of each remuneration component pursuant to section 162 (1) sentence 1, sentence 2 no. 1 of the AktG. The table states the disbursed remuneration even if payment is made after the end of the reporting year.

INDIVIDUAL PRESENTATION OF GRANTED AND OWED REMUNERATION (SUPERVISORY BOARD)[1]

Member of the Supervisory Board (position)	Base remuneration		Additional remuneration		**Total**
	€'000	(%)	€'000	(%)	€'000
Dr. Hendrik Otto (Chairman)	60	50	60	50	120
Previous year (2021/2022)	60	50	60	50	120
Dr. Jörg Wulfken[2] (Vice Chaiman)	60	66,6	30	33,3	90
Previous year (2021/2022)	60	66,6	30	33,3	90
Prof. Dr. Kai C. Andrejewski[3]	42	71	21	29	63
Previous year (2021/2022)	-	-	-	-	-
Sonja Edeler[4]	60	80	15	20	75
Previous year (2021/2022)	60	80	15	20	75
Axel Holtrup	60	100	0	0	60
Previous year (2021/2022)	60	100	0	0	60
Dr. Maximilian Zimmerer[5]	60	91	6	9	66
Previous year (2021/2022)	60	100	0	0	60
Total	**342**	72	**132**	28	**474**
Previous year (2021/2022)[6]	300	74	105	26	405

1 The percentages may not always amount to 100 per cent due to rounding.
2 Vice Chairman of the Supervisory Board since 1 October 2022; Chairman of the Audit Committee between 1 October 2022 and 28 February 2023.
3 Joined the Supervisory Board on 17 January 2023; Chairman of the Audit Committee and member of the Executive Committee since 1 March 2023.
4 Sonja Edeler resigned from the Supervisory Board as at the end of the reporting year (30 September 2023).
5 Member of the Executive Committee between 1 October 2022 and 28 February 2023.
6 Adjusted previous-year value, excluding remuneration for Philipp Möller (Supervisory Board member until 30 September 2022), to whom no remuneration was granted or owed in the year under review.

Comparison of remuneration and earnings development

The following section comprises "a presentation allowing comparisons to be made" pursuant to section 162 (1) sentence 2 no. 2 of the AktG of the annual change in remuneration granted to the Board of Management and Supervisory Board members, of the performance of the Company, and of the annual change in average remuneration on a full-time equivalent basis of employees of the Company over the five most recent financial years (also known as a vertical comparison). DBAG will gradually align this presentation with section 26j (2) of the Introductory Law to the German Stock Corporation Act (Einführungsgesetz zum Aktiengesetz – EGAktG), first comparing the developments in the past financial year 2022/2023 and in the financial year 2021/2022 with the preceding financial year, respectively.

The comparison shows the remuneration granted and owed to current and former members of the Board of Management and Supervisory Board in the respective financial year. To present the performance, DBAG has not only used the Company's net income/loss (as legally required), but also the development of net asset value in the Private Equity Investments segment and earnings from Fund Investment Services, both of which are also used to measure multi-year variable remuneration under the new remuneration system. Reported average employee remuneration (excluding members of the corporate bodies and committees, interns, working students and trainees) on a full-time equivalent basis is based on personnel expenses for wages and salaries, including wage tax, employer contributions to social security, fringe benefits and variable remuneration components for DBAG's entire workforce.

	2022/2023	2021/2022	Change 2022/2023 - 2021/2022	2020/2021	Change 2021/2022 - 2020/2021
	€'000	€'000	(%)	€'000	(%)
I. Board of Management members (financial year 2022/2023)					
Tom Alzin (Spokesman of the Board of Management since 1 March 2023; Member of the Board of Management since 1 March 2021)	1,168	968	21	527	84
Jannick Hunecke (since 1 March 2021)	1,169	955	22	531	80
Melanie Wiese (since 1 January 2023)	645	-	-	-	-
Torsten Grede (until 28 February 2023)	683	980	-30	1,161	-16
II. Ehemalige Vorstandsmitglieder					
Dr. Rolf Scheffels (bis 28. Februar 2021)	2	8	-75	547	-99
II. Supervisory Board remuneration					
Dr Hendrik Otto (Chairman)	120	120	0	120	0
Dr Jörg Wulfken (Vice Chairman)	90	90	0	90	0
Prof Dr Kai C. Andrejewski (since 17 January 2023)	63	-	-	-	-
Sonja Edeler[2]	75	75	0	75	0
Axel Holtrup	60	60	0	60	0
Dr Maximilian Zimmerer	66	60	10	60	0
III. Earnings performance					
Net asset value	669,379	573,707	16.7	678,466	-15.4
Earnings from Fund Investment Services	14,046	15,377	-22.0	18,012	-14.6
Net income (HGB)	54,587	744	>100,0	64,550	-98.8
IV. Average employee remuneration					
Average remuneration	259	217	19	249	-13

1 The remuneration granted or owed to (former) Board of Management members in the past financial years 2020/2021 and 2021/2022, as stipulated in the table, takes into account corrected figures on the amount of fringe benefits (see explanation in the "Fringe benefits" section).

2 Sonja Edeler resigned from the Supervisory Board as at the end of the reporting year (30 September 2023).

Note: This is a convenience translation of the German original. Solely the original text in the German language is authoritative.

REPORT OF THE INDEPENDENT AUDITOR ON THE AUDIT OF THE REMUNERATION REPORT PURSUANT TO § 162 (3) AKTG

To Deutsche Beteiligungs AG, Frankfurt/Main

Audit Opinion

We have formally audited the remuneration report of Deutsche Beteiligungs AG, Frankfurt/Main, for the financial year from October 1, 2022 to September 30, 2023, to determine whether the disclosures pursuant to § 162 (1) and (2) AktG (Aktiengesetz: German Stock Corporation Act) have been made in the remuneration report. In accordance with § 162 (3) AktG, we have not audited the content of the remuneration report.

In our opinion, the accompanying remuneration report complies, in all material respects, with the disclosure requirements pursuant to § 162 (1) and (2) AktG. Our audit opinion does not cover the content of the remuneration report.

Basis for the Audit Opinion

We conducted our audit of the remuneration report in accordance with § 162 (3) AktG and in compliance with the IDW Auditing Standard: The Audit of the Remuneration Report pursuant to § 162 (3) AktG (IDW PS 870 (09.2023)). Our responsibilities under this regulation and this standard are further described in the "Auditor's Responsibilities" section of our auditor's report. Our audit firm has applied the requirements of the IDW Quality Management Standards. We have complied with our professional duties pursuant to the German Public Auditors Act (WPO) and the Professional Charter for Auditors/Chartered Accountants (BS WP/vBP), including the independence requirements.

Responsibilities of the Executive Directors and the Supervisory Board

The Executive Directors and the Supervisory Board of Deutsche Beteiligungs AG are responsible for the preparation of the remuneration report, including the related disclosures, in compliance with the requirements of § 162 AktG. They are also responsible for internal controls they consider to be necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to obtain reasonable assurance about whether the remuneration report complies, in all material respects, with the disclosure requirements pursuant to § 162 (1) and (2) AktG, and to issue an auditor's report that includes our opinion.

We planned and performed our audit to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by § 162 (1) and (2) AktG. In accordance with § 162 (3) AktG, we have not audited whether the disclosures are correct or individual disclosures are complete or whether the remuneration report is fairly presented.

Consideration of Misleading Representations

In connection with our audit, our responsibility is to read the remuneration report considering the knowledge obtained in the audit of the financial statements and to remain alert for indications as to whether the remuneration report contains misleading representations in relation to the correctness of the content of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

If, based on the work we have performed, we conclude that such a misleading representation exists, we are required to report that fact. We have nothing to report in this regard.

Frankfurt/Main, 24 November 2023

BDO AG
Wirtschaftsprüfungsgesellschaft

Dr Freiberg
German Public Auditor

Becker
German Public Auditor

TAKEOVER-RELATED DISCLOSURES (SECTIONS 289A (1) AND 315A (1) OF THE HGB)

At 30 September 2023, the share capital of Deutsche Beteiligungs AG amounted to 66,733,328.76 euros. It is divided into 18,804,992 no-par value registered ordinary shares (no-par value shares) with a notional interest in the share capital of 3.55 euros (rounded). There is only one class of shares. All shares carry the same rights and obligations. Pursuant to section 67 (2) of the AktG, the rights and obligations arising from shareholdership in relation to the Company exist only for and against the person registered in the share ledger. With the exception of any treasury shares over which the Company is not entitled to exercise rights, each no-par value share carries one vote. The voting right does not begin until the contribution has been made in full. Rights and obligations attached to the shares ensue from statutory provisions, in particular sections 12, 53a et seqq., 118 et seqq., and 186 of the AktG.

In November 2019, the Company was last notified in accordance with section 33 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) that 25.01 per cent of the voting rights were held directly by Rossmann Beteiligungs GmbH, Burgwedel, Germany. An agreement for the relinquishing of control has existed between DBAG and this company since March 2013. The agreement initially had a term of five years or until the end of the 2018 ordinary Annual General Meeting; the agreement is extended automatically until the end of the subsequent ordinary Annual General Meeting, unless due notice to terminate is given. According to the agreement, Rossmann Beteiligungs GmbH undertakes to exercise, for resolutions concerning the election or dismissal of Supervisory Board members, the voting rights attached to shares in DBAG attributable to the Rossmann Group as a whole, now and in the future, within a scope of no more than 45 per cent of the voting capital present at an Annual General Meeting. The Board of Management is not aware of any other restrictions relating to voting rights or the transfer of shares.

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

Amendments to the Articles of Association may be adopted pursuant to the provisions of sections 179, 133 of the AktG and pursuant to Article 5 (4) and Article 17 of the Articles of Association. The Supervisory Board may adopt amendments to the Articles of Association that relate merely to wording. The Articles of Association provide that resolutions at the Annual General Meeting shall be generally adopted with a simple majority of the votes, or, insofar as a majority of the share capital is required, by a simple majority of the share capital, except where the law or the Articles of Association demand otherwise.

At the Annual General Meeting on 28 February 2023, the Board of Management was authorised, in accordance with section 71 (1) no. 8 of the AktG, to purchase own shares of up to ten per cent of the share capital existing at the time of the Annual General Meeting (66,733,328.76 euros) up to and including 27 February 2028. The Board of Management may choose to acquire shares via the stock exchange or via a public tender to all shareholders or an invitation to submit such a tender. The Board of Management is authorised, subject to the consent of the Supervisory Board, to resell its own shares, for example, as consideration in conjunction with corporate acquisitions or mergers, or acquisitions of investments in enterprises, under exclusion of shareholders' subscription rights in other ways than via the stock exchange or by public offer to all shareholders. The Board of Management did not make use of these authorisations pursuant to section 71 (1) no. 8 of the AktG during the financial year under review.

On 17 February 2022, the ordinary Annual General Meeting authorised the Board of Management to increase the Company's share capital, with the consent of the Supervisory Board, until 16 February 2027 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 2022). In principle, the shareholders shall be entitled to subscription rights. However, the Board of Management is authorised to exclude shareholders' statutory subscription rights in the circumstances set out in the authorising resolution, subject to approval by the Supervisory Board. In the past financial year, the Board of Management did not make use of this authorisation.

The Board of Management is authorised on the basis of the resolution adopted by the ordinary Annual General Meeting on 17 February 2022, subject to the consent of the Supervisory Board, to issue on one or more occasions in the period up to 16 February 2027 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 210,000,000.00 euros. It is also authorised to grant holders of warrant-linked bonds, and the holders or creditors of convertible bonds, option or conversion rights (or to impose option or 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 bonds cum warrants or convertible bonds (together referred to as "bond conditions"). In the reporting year, the Board of Management did not make use of this authorisation.

The existing authorisations are detailed in the respective resolutions passed at the Annual General Meetings mentioned above. Details on Authorised and Conditional Capital, and on the acquisition of treasury shares, are also provided in DBAG's notes to the consolidated financial statements (under "Notes to the consolidated statement of financial position"), and in DBAG's annual financial statements. The members of the Board of Management do not have a special right to terminate their service contracts in the event of a change of control at Deutsche Beteiligungs AG. In this event, they are also not entitled to severance payments based on compensation agreements.

CORPORATE GOVERNANCE STATEMENT (SECTIONS 289F AND 315D OF THE HGB)

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

INFORMATION FOR SHAREHOLDERS

DEUTSCHE BETEILIGUNGS AG
Investor Relations
Roland Rapelius

Untermainanlage 1
60329 Frankfurt/Main

Telephone: +49 69 95787-365
E-mail: ir@dbag.de

Internet: www.dbag.com

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements related to the prospects and progress of Deutsche Beteiligungs AG. These statements reflect the current views of the management of Deutsche Beteiligungs AG and are based on projections, estimates and expectations. Our assumptions are subject to risks and uncertainties, and actual results may var materially. Although we believe these forward-looking statements to be realistic, there can be no guarantee.

IMPRINT

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As at 30 November 2023

DISCLAIMER

The amounts in this Report are generally presented in thousands and millions of euros. Rounding differences can occur between the amounts presented and their exact value; these, of course, are not of a significant nature.

The Report is published in German and in English. The German version of this report is authoritative.

TEN-YEAR OVERVIEW

€mn	**2022/2023**	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
						adjusted[1]	adjusted[1]	adjusted[2]	11 month	
Key performance indicators										
Net asset value[3] (reporting date)	669.4	579.5	698.8	423.5	460.2	443.8	436.4	369.6	303.1	303.0
Earnings from Fund Investment Services	14.0	15.4	18.0	9.5	3.0	5.6	4.7	(3.0)	2.2	8.0
CO_2-footprint (Scope 1-3, *tonnes)*	2.9									
Employee satisfaction *(%)*	65.0									
Payment from breaches of rules *(€)*	0.0									
Fund Investment Services segment										
Income from Fund Services	46.9	44.3	43.4	30.6	28.2	29.7	28.1	19.5	20.5	24.5
Earnings before taxes	14.0	15.4	18.0	9.5	3.0	5.6	4.7	(3.0)	2.2	8.0
Assets under management or advisory (reporting date)	2.499.5	2.504.3	2.473.2	2.582.6	1.704.4	1.831.4	1.805.9	1.775.9	1.073.7	
Co-investment commitments alongside the funds	244.0	199.3	273.4	311.3	129.7	198.5	253.7	278.2	110.7	
Excess of co-investment commitments over available funds	117.4	114.4	53.9	216.1	10.3	29.4	42.1	155.6	54.0	
Private Equity Investments segment										
Net income from investment activity	109.6	(98.9)	178.4	(16.9)	49.6	31.1	85.8	59.4	29.2	50.7
Earnings before taxes	96.8	(111.3)	167.7	(25.2)	42.1	24.2	77.3	52.3	24.9	40.4
Cash flow from investing activities	49,4	(131.6)	28.2	(33.5)	(15.5)	(30.6)	108.9	(6.0)	(72.7)	37.5
Number of investment opportunities	241	246	306	193	258	261	321	221	253	299
Number of portfolio investments	38	39	33	33	29	29	24	25	24	19
Available liquidity	126.7	84.8	219.5	95.3	119.4	169.0	211.6	122.6	56.7	140.7
Financial resources[4]	20.0	19.2	112.8	18.4	69.4	119.0	161.6	72.6	56.7	140.7
Credit line	106.7	106.7	106.7	90.0	50.0	50.0	50.0	50.0	-	-
Ratio of invested to non-invested capital	32.64 times	31.09 times	5.02 times	22.69 times	5.80 times	2.95 times	1.79 times	4.35 times	4.52 times	1.18 times
Information on DBAG shares										
Number of shares at the end of the financial year	18,804,992	18,804,992	18,804,992	15,043,994	15,043,994	15,043,994	15,043,994	15,043,994	13,676,359	13,676,359
Share price at the end of the financial year *(€)*	31.50	21.55	35.85	31.00	34.70	35.40	45.51	29.57	24.90	21.83
Market capitalisation at the end of the financial year	592.28	405.25	674.16	466.36	522.03	532.56	684.65	444.85	340.54	298.55
Dividend per share (2022/2023: proposal; *€*)	1.00	0.80	1.60	0.80	1.50	1.45	1.40	1.20	1.00	2.00
Dividend yield[5]	3.5	2.5	4.5	2.4	4.4	3.5	3.9	4.4	3.6	9.5
Total amount distributed[6] (2022/2023: proposal)	18.8	15.0	30.1	12.0	22.6	21.8	21.1	18.1	13.7	27.4
Other Information										
Number of employees[7]	96	89	79	81	75	71	67	63	62	56

The table contains the information as originally reported in the respective consolidated financial statements.
[1] Adjusted due to changes in IFRS 10
[2] Adjusted as per IAS 8
[3] Defined as total assets less total liabilities.
[4] Cash and cash equivalents and current and non-current securities
[5] Based on the average Xetra closing price in the financial year
[6] The respective financial year
[7] Status at reportig date

FINANCIAL CALENDAR

30 NOVEMBER 2023
Publication of 2022/2023 consolidated financial statements, Analysts' conference call (online)

15 JANUARY 2024
ODDO BHF Forum (online)

17 JANUARY 2024
German Corporate Conference (GCC), Frankfurt am Main

8 FEBRUARY 2024
Publication of the quarterly statement on the first quarter 2023/2024, Analysts' conference call

22 FEBRUARY 2024
General Annual Meeting 2024, Frankfurt/Main

8 MAY 2024
Publication of the half-yearly financial report 2023/2024, Analysts' conference call

8 AUGUST 2024
Publication of the quarterly statement on the third quarter 2023/2024, Analysts' conference call