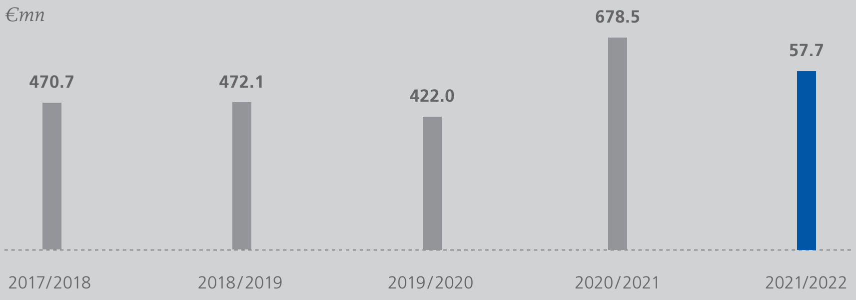
Deutsche Beteiligungs AG

Annual Report

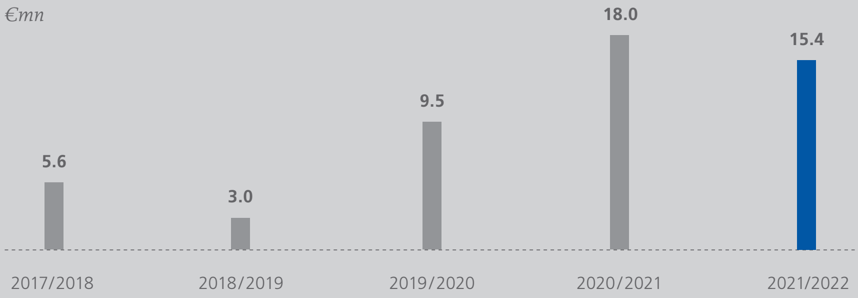
2021/2022

Long-term success



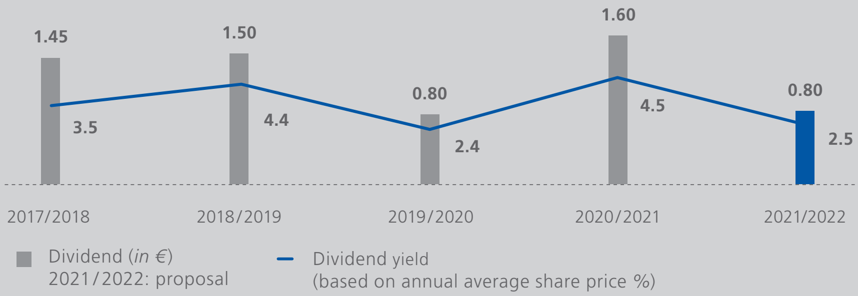
Net asset value

The net asset value of the Group's Private Equity Investments segment fell by 104.8 million euros, to 573.7 million euros. Taking into account the dividends distributed (30.1 million euros) and the deferred management fees received for DBAG Fund VII (27.8 million euros), this represents a 15.1 per cent decline over the value for the previous year, largely due to the negative change in the value of the portfolio.



Earnings from Fund Investment Services

Earnings from Fund Investment Services totalled 15.4 million euros, compared to 18.0 million euros in the previous year. Costs increased as expected, reflecting the expansion of DBAG's team.



Dividend and dividend yield

Given the considerable influence that the combination of inflation, supply chain disruptions and recession forecasts have had on our business, we have suspended our dividend policy, which remains in place. The proposed dividend of 0.80 euros per share equates to a dividend yield of 2.5 per cent, in relation to the average share price for the year.

Financial year 2021/2022

Net asset value

573.7

million euros

Earnings from Fund Investment Services

15.4

million euros

Shareholders' dividend yield

2.5

per cent

Contents

Legend

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Tom Alzin
Member of the Board of Management

Born in 1980.
Member of the Board of Management since March 2021, appointed until February 2026.

Investment Business
Market Development Italy
Organisation/IT

Torsten Grede
Spokesman of the Board of Management

Born in 1964.
Spokesman of the Board of Management since March 2013; Member of the Board of Management since January 2001, appointed until December 2023.

Strategy and Business Development
Investment Business
Finance and Accounting
Investor Relations

Jannick Hunecke
Member of the Board of Management

Born in 1974.
Board of Management since March 2021, appointed until February 2026.

Investment Business
Long-Term Investments
Human Resources

Dear shareholders,

The past financial year was marked by a rapid and unexpected change in macroeconomic conditions. The war in Ukraine and reduced gas supplies have contributed to massively rising inflation rates, especially in Germany. This has significantly intensified the inflationary trend that was already emerging. The central banks have reacted to this by raising the reference interest rates, accepting the risk that the economy might be entering a recession. The higher interest rates are burdening some of our portfolio companies. Prices and valuation multiples on the stock market declined, which strongly affected the valuations of our portfolio companies. The change in multiples led to a negative effect on our portfolio companies in the amount of 150.8 million euros. As our forecasts are always based on the valuation ratios at the time they are prepared, we had to adjust our forecast for the past financial year several times in the course of the year. This related to the Private Equity Investments segment and resulted in an unsatisfactory outcome to the financial year. Fund Investment Services, our second segment, delivered stable earnings as expected.

We cannot influence the macroeconomic environment and the cyclical development of the capital market. However, our strategic initiatives counteract these developments. The build-up of our activities in the Italian market is progressing well after our first investment in 2020. At the end of the reporting year, our portfolio already included three investments based in Italy. Our entire equity offering for medium-sized and primarily family-owned companies also continues to prove its worth. DBAG has now entered into four Long-Term Investments, two of which were structured in the last financial year. Last but not least, the further diversification of our portfolio is progressing well. In the year under review, we invested primarily in sectors with structural growth, such as IT services & software. These are little or only disproportionately affected by the weakening of the overall economy. This is mirrored in the successful exit of our investment in Cloudflight, which was agreed in November 2022. After a holding period of around three years, DBAG managed to realise more than four times the invested capital in a very challenging capital market environment.

The basis for all of this is the advancement of our team and our processes. The size of our entire team grew significantly from 77 to 89 employees. This growth was mainly driven by additions to our investment advisory team, which now consists of 37 investment professionals. This is an increase of nine members – or almost a third more than a year earlier. We consider this a great achievement given the tight labour market in our industry. We have also further developed our internal business processes.

Furthermore, we enhanced our target system by adding ESG-related targets starting with the new financial year. We believe that the integration of ESG aspects into our decision processes is a necessity as a good corporate citizen and becoming increasingly important in the capital market. In this context, we have defined the ESG action areas that are of particular importance to DBAG and the portfolio companies. We consider these areas to be greenhouse gas emissions, employee satisfaction and compliance.

The portfolio companies worked intensively on their value-enhancing development. A total of 28 agreed or completed add-on acquisitions of existing portfolio companies in the reporting year underline the high level of activity in our investment portfolio. However, the challenges for our portfolio companies, especially those in the industrial sector, remain high in the current environment. In overcoming these challenges, we accompany our portfolio companies closely through representation on supervisory and advisory boards, making DBAG's wealth of experience, accumulated over several decades, available to them.

Our forecast for 2022/2023 is based on our expectation of improved performance of our portfolio companies in a continuously challenging macroeconomic environment. Hence, in the Private Equity Investments segment, we expect a double-digit increase in net asset value. In our forecast, we have assumed stable multiples for the peer groups, which we use for the valuation of the majority of our portfolio companies. In the Fund Investment Services segment, we expect stable earnings. On a group level, we expect net income in accordance with IFRS in 2022/2023 above the average level of the past five financial years. Given that the average holding period of our investments also spans over five years, this is an appropriate period to assess the success of our long-term oriented business model.

Our portfolio is young: 39 per cent (30 September 2021: 20 per cent) of its value is attributed to investments we have held for two years or less, setting the stage for future value increases. Our segment Fund Investment Services delivers stable returns with a high degree of visibility. We are determined to take advantage of opportunities for new investments and increases in the value of our portfolio companies, even in a challenging environment. In this way, we aim to prepare and realise attractive disposals for the benefit of our shareholders and the investors of the DBAG funds.

Frankfurt/Main, 1 December 2022

The Board of Management

Torsten Grede | Tom Alzin | Jannick Hunecke

Strategic initiatives refined

Activities on the Italian market intensified

Three out of 39 portfolio companies domiciled in Italy; two of the three Italian investments closed in the year under review

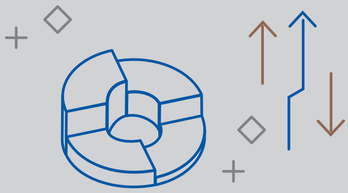
Long-Term Investments

doubled during the year under review, from two to

4

doubled

Portfolio diversification progressed

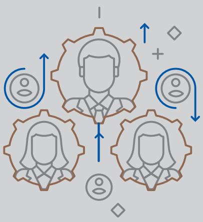


Organisation enhanced as planned

Investment advisory team expanded to

37

members



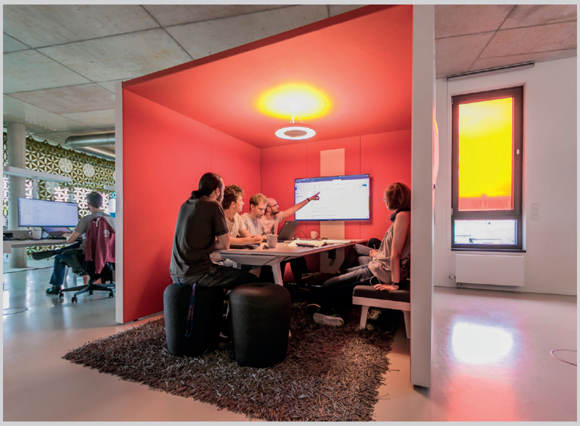
ESG criteria added to target system

28

acquisitions agreed upon by our portfolio companies,

with DBAG providing support through its experience, expertise and additional equity

Selected portfolio newsflow from the 2021/2022 financial year



Brisk investment activity in the past financial year

Investment activity was strong in the year under review. We acquired eight new companies for our portfolio, two of which had been agreed during the previous financial year. We have thus rejuvenated our portfolio, enhancing future value creation potential.

Now that our investment advisory team has grown significantly, we are not only able to specifically select the most attractive companies but also give our very best in supporting such investments in realising their strategic objectives – of which company acquisitions are often a key element. Almost one-third of DBAG's portfolio companies made one or more acquisitions in the year under review.

DBAG Fund VII investment €27.9mn
Equity share DBAG €5.2mn
Start of investment June 2022
MBO
Sector IT services & software
Registered office Hamburg (Germany)
Revenues in 2021 €139mn

akquinet

IT services company with a broad offering

Strongly positioned in a market with average annual growth of eight per cent

Development potential

Aiming to grow not only organically, but also inorganically by drawing on acquisition experience and continuing its buy-and-build strategy in order to strengthen mainly existing business lines.

Profile

akquinet specialises in the implementation of ERP systems and the customised development of software solutions. In addition the company also provides IT systems outsourcing to businesses of all sizes in its own high-performance data centres and offers not only the infrastructure, but also installation, operation and maintenance of IT systems for mid-sized companies.

Unique selling proposition

akquinet's individual software development expertise ranges across a variety of areas, especially in the health and social welfare sectors, as well as mechanical and plant engineering, the public sector and logistics. This wealth of experience along with the company's comprehensive portfolio of services – after all, akquinet can offer its clients almost all IT services from a single source – is so attractive that many clients have long-term commitments with the company.

freiheit.com

Pioneering developer of very large software systems based on internet technologies

High annual market growth of between 20 and 25 per cent expected

Development potential

Develop and scale the organisation, expand the marketing and sales unit and the partner network.

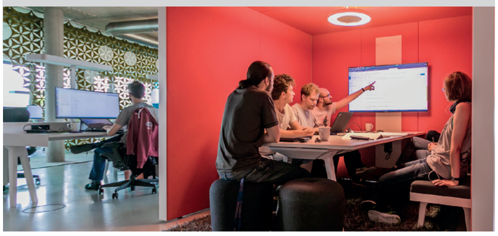
Profile

freiheit.com covers a broad range of services – from B2C and B2B e-commerce platforms in the food and non-food industries over applications for connected cars through to cloud-based platforms and artificial intelligence applications in the healthcare sector. Its main focus lies on client projects with high strategic relevance for a medium- to long-term competitive edge.

Unique selling proposition

freiheit.com is a pioneering developer of very large software systems based on internet technologies. The company has maintained long-standing business relationships with most of its clients, which are mainly large groups and mid-sized companies. Its one-of-a-kind corporate culture enables freiheit.com to implement complex development tasks in a short period of time, in order to shape the digital transformation of business models.

DBAG Fund VII investment €90.4mn
Equity share DBAG €18.8mn
Start of investment January 2022
MBO
Sector IT services & software
Registered office Hamburg (Germany)
Revenues in 2021 €30mn



Digital economy and infrastructure companies:

34%

of portfolio value

Digitalisation of business processes in the economy and large sections of society is moving forward at an unbelievable pace. DBAG recognised the opportunities inherent to this development.
We have been investing in companies that are paving the way for an improved digital infrastructure through fast internet, especially in rural areas, for a long time.
Our IT services & software investments shape the technological progress. They support companies aiming to digitalise and future-proof their business models.

DBAG investment
€24.9mn

Start of investment
June 2022

Long-Term Investment

Sector
IT services & software

Registered office
Hamburg (Germany)

Revenues in 2021
€4mn

Green Datahub

Date centre operator

Demand for data centre capacities anticipated to triple between 2020 and 2025 alone

Development potential

Organic and inorganic growth in line with the pace of market development, amongst other things due to the go-live of an additional data centre in 2023.

Profile

Green Datahub operates IT centres known as co-location data centres, used by multiple customers to run their own servers in a suitable, secure environment.

Unique selling proposition

Energy efficiency is a top priority at Green Datahub. The existing data centre uses electric-ity exclusively from renewable energy sources and its energy consumption is approximately one-third below the average of other data centres. Green Datahub is planning a brand new data centre where further improvements will be integrated, which will provide not only maximum security but also maximum availability.

in-tech

Technological and process consulting, engineering services and software development

Technological macro trends pointing to up to double-digit growth rates in some market segments

Development potential

Company acquisitions to supplement strong growth foreseen due to market dynamics.

Profile

in-tech's engineers and software developers conceive, create, test and validate electronic components and systems integrated into vehicles, industrial plants and transport systems. The company is particularly active in the automotive sector, but also in several other customer industries.

Unique selling proposition

in-tech is working towards the goal that in future all cars will be autonomous, electrical and connected, thus developing smart mobility solutions for tomorrow. The company specialises not only in development services for tomorrow's trends, such as the integration of electronics, driver assistance systems, connected cars, infotainment in vehicles and electromobility; it also positions itself as a partner to manufacturers throughout the entire development process of new systems, increasingly taking charge of test management for the full range of system prototypes or vehicle series.

DBAG Fund VIII investment
€67.0mn

Equity share DBAG
€15.4mn

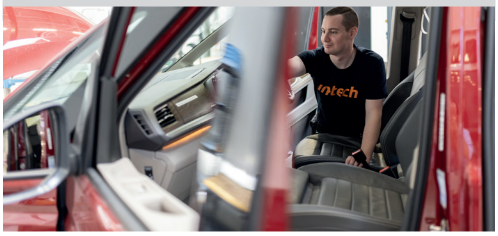
Start of investment
March 2022

MBO

Sector
IT services & software

Registered office
Garching (Germany)

Revenues in 2021
€115mn



Companies with a holding period of two years and less:

39%

of portfolio value

Our investment portfolio has grown considerably over the past years and is thus quite young. The value creation we aim to realise by implementing the strategic objectives of a company's management team will generally be achieved towards the end of what is usually a four-to seven-year investment period. However, we agree on these objectives, and decide on specific plans and measures, upon entry into the investment. When we select investments, we make sure that the management teams are capable of realising such objectives.

DBAG Fund VIII investment €63.1mn | **Equity share DBAG** €14.6mn

Start of investment June 2022 | **MBO**

Sector Industry and industrial technology | **Registered office** Castelli Calepio (Italy)

Revenues in 2021 €59mn

MTWH

Manufacturer of metal applications for the luxury goods industry

Well-established on a market with a global annual growth rate of ap-prox. six per cent over the past 25 years

Development potential

Inorganic growth via company acquisitions to broad-en the product portfolio, in addition to organic growth via the introduction of innovative products made from sustainable materials.

Profile

The MTWH Group designs and produces high-quality accessories for luxury fashion brands, made from metals such as brass, zamac or steel, as well as from plastic. Examples are belt buckles, clasps and fittings for handbags, but also jewellery or logos for nearly all major iconic luxury brands.

Unique selling proposition

The secret to the company's success is its ability to develop ready-to-use high-quality products based on customers' design ideas within a very short time-frame. Its proximity to Italian and French high-end fashion brands that focus on innovation and creativ-ity is an-other bonus.

vhf

CNC milling tools for the dental sector, industry and sign making

Attractive niche market with ample growth potential driven by demographic change and digitalisation

Development potential

Driving the internationalisation and expansion of its innovative product portfolio for dental and industrial applications.

Profile

vhf develops and produces computer-controlled milling machines that are predominantly used by commercial dental laboratories – as well as dentists in their own laboratories – for making dental prostheses. Another growth area is machinery for selected industrial applications.

Unique selling proposition

The company benefits from the special system architecture of its machines: vhf machines can be combined with all commonly used equipment and third-party software deployed in the manufacturing of dental prostheses. They are considered partic-ularly reliable and held in high esteem by the market due to their good price-performance ratio.

DBAG investment €25.0mn

Start of investment July 2022 | **Long-Term Investment**

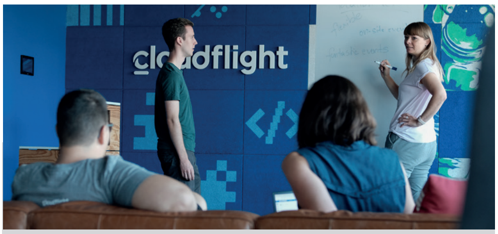
Sector Healthcare | **Registered office** Ammerbuch (Germany)

Revenues in 2021 €46mn

37

employees on the investment advisory team

We are active in an attractive market offering numerous investment opportunities. In order to find and efficiently select the most promising opportunities from the vast number of potential options, and to offer our portfolio companies the best possible support, we increased our investment advisory team during the 2021/2022 financial year by hiring nine new employees. With 37 team members, DBAG's investment advisory team today is one of the largest and most experienced units in our market, supporting our portfolio companies as financial investors and partners and creating value for shareholders and fund investors alike.



DBAG investment
€10.3mn

Start of investment
June 2019

MBO

Sector
IT services & software

Registered office
Munich (Germany)

Revenues in 2021
€80mn

Cloudflight

Tailor-made services for cloud-first, digital product development and digital transfor-mation

The successful disposal of the investment was agreed upon in November 2022

Development potential

Aiming to establish a European champion via organic and inorganic growth to expand the range of services, with company acquisitions expected to increase the regional footprint and thus facilitate access to new clients and recruitment of new employees.

Profile

Cloudflight is one of the leading full-service providers for the industrial digital transfor-mation in Europe. Its expertise comprises artificial intelligence, cloud applications and operations, embedded software development, human/machine interface design and global e-commerce solutions.

Unique selling proposition

Cloudflight is a business combination of a software developer and an IT research and con-sultancy firm specialised in cloud computing – explicitly structured as a holding company with the built-in ability to make acquisitions. Following three further acquisitions, the company has now become a leading full-service provider for industrial digital trans-formation in Germany, Austria and Switzerland.

Dantherm

Heating, cooling, drying, ventilation, and air purification technology products

Leading player in a market with long-term annual growth of between four and six per cent – driven by climate change and the wellness trend, as well as stricter regulations for more efficient energy use

Development potential

Additional organic growth and continuation of the buy-and-build strategy in a European market that is still very fragmented.

Profile

Dantherm develops and manufactures products for mobile and fixed heating, ventilation and air conditioning. The range includes mobile dehumidifiers for restoration following water damage, air purifiers to help protect against viruses, and heaters for various temporary applications.

Unique selling proposition

Whilst Dantherm used to cater mainly to business customers, the acquisition of Trotec in May 2022 not only significantly improved access to private customers; a successful multi-language online portal also materially increased the number of sales channels.

DBAG Fund VIII investment
€97.3mn

Equity share DBAG
€22.4mn

Start of investment
November 2021

MBO

Sector
Industry and industrial technology

Registered office
Skive (Denmark)

Revenues in 2021
DKK 1,369mn

28

acquisitions in the 2021/2022 financial year

Acquisitions expand the range of products and services, regional coverage and technological capabilities. They also diversify the customer base, helping companies improve their competitive positioning. This is why company acquisitions are a key element of the development strategy for many companies in DBAG's portfolio.
The 2021/2022 financial year saw 26 such transactions being closed, whilst two acquisitions were agreed. Almost one-third of DBAG's portfolio companies made one or more acquisitions. In some cases, such transactions are producing landmark strategic changes.

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 from 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 mid-sized companies that are not themselves listed.

DBAG shares opened the 2021/2022 financial year at 35.45 euros on 1 October 2021. The lowest share price during the financial year was 20.90 euros on 29 September 2022, while the highest was 40.50 euros on 15 November 2021. DBAG shares closed the financial year at 21.55 euros on 30 September 2022. The decline in trading volume registered after March 2022 and an increased investor preference for larger, more liquid securities amid rising macroeconomic uncertainty triggered a decrease in average daily trading volume for DBAG shares on the Xetra platform to 15,604 shares, down from 18,261 shares in the previous year.

Taking into account the distributed dividend of 1.60 euros per share, the share price experienced a performance of -36.7 per cent during the past financial year. This compares to the Dax at -20.7 per cent and S-Dax at -35.7 per cent.

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, while 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 significance to DBAG, 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 and S-Dax largely due to a basis effect that arose from the high price for DBAG shares at the beginning of this five-year period in October 2017. On a ten-year comparison, DBAG shares outperformed the Dax and slightly underperformed the S-Dax.

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

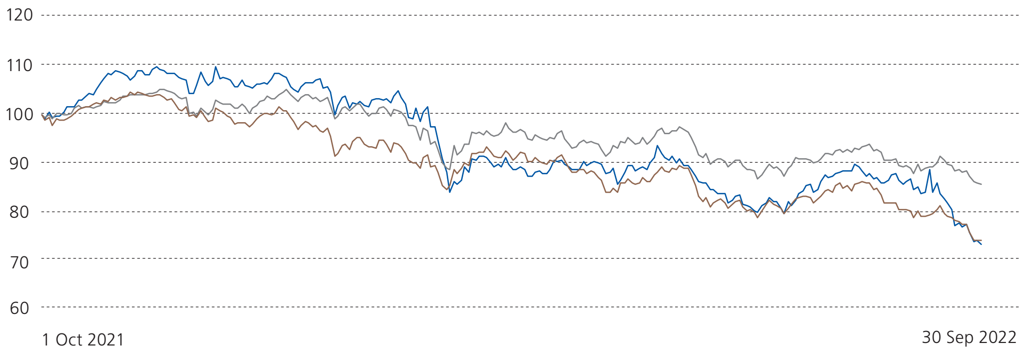
Listing segment
Regulated market (Prime Standard)

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

Index affiliation (selection)
Prime All Share,
CDAX,
Classic All Share,
DAXsector All Financial Services,
DAXsubsector
All Private Equity & Venture Capital,
LPX50,
LPX Buyout,
LPX Europe

Performance of DBAG versus key indices

1 October 2021 to 30 September 2022, 1 October 2021 = 100



Start of financial year,
1 October 2021: €35.45

High,
15 November 2021: €40.50

Low,
30 September 2022: €20.90

End of financial year,
30 September 2022: €21.55

Performance[1] over...

(p.a. in %)

		DBAG shares	Dax	S-Dax
1 year	Financial year 2021/2022	(36.7)	(20.7)	(35.7)
3 years	Financial years 2019/2020 to 2021/20221	(9.2)	(0.4)	(1.4)
5 years	Financial years 2017/2018 to 2021/2022	(9.9)	(1.3)	(2.6)
10 years	Financial years 2012/2013 to 2021/2022	6.2	5.2	7.7

[1] Allowing for the distribution of dividends

Broad analyst coverage

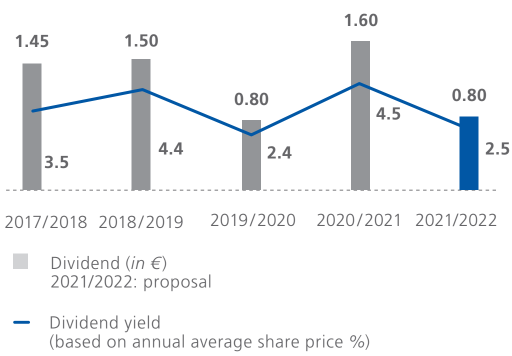
Renowned analysts and banks have been covering DBAG shares for many years. Our business performance is currently reviewed and reported on by six analysts providing recommendations and target prices for our shares. These analyst assessments are available under "Investor Relations" on the DBAG website.

Dividend of 0.80 euros per share to be proposed to Annual General Meeting

We intend to have our shareholders participate in financial gains in the form of stable, preferably increasing, dividends. We also view an attractive dividend yield – in relation to the capital markets environment – 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.

With inflation, supply chain disruptions and an expected recession impinging on our business, we would like to propose a dividend distribution of 0.80 euros per share to the Annual General Meeting. This corresponds to a dividend yield of 3.7 per cent, based on the share price at the end of the financial year and 2.5 per cent on the average price for the financial year. The total dividend payout as per this proposal will amount to 15.0 million euros. The distributable net retained profit (Bilanzgewinn) of Deutsche Beteiligungs AG amounted to 224.6 million euros at the end of the financial year.

Dividend and dividend yield



We intend to have our shareholders participate in financial gains in the form of stable, preferably increasing, dividends.

Investor Relations: Focus on proactive communications

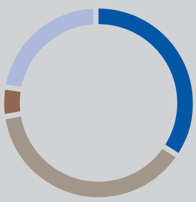
Deutsche Beteiligungs AG is synonymous with maintaining close, transparent communications with the capital markets; that is, with private shareholders, institutional investors, financial analysts and journalists. We employ a variety of communication channels and offer dedicated conferences for this purpose. 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 19 days of roadshows, including four days of investor conferences, and held around 54 meetings with investors during the past financial year. This is a decline compared to the previous year, when we had pushed our activities significantly to prepare for the capital increase. Most talks were held online. 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. As the market environment changed, so did investor priorities, and during the course of the year the focus of our talks switched to energy-related costs, inflation and the change in interest rate policies.

Stable shareholder structure

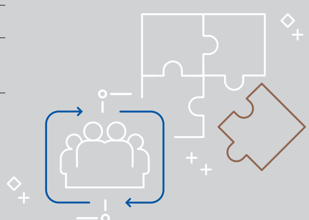
DBAG has always enjoyed a great deal of trust among private individual investors, family offices and foundations – investors from these three groups hold more than three quarters of DBAG's shares. This basic structure has remained the same over the past twelve months. In addition to German, European 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 2022, 36 per cent of our shares were held by around 16,400 private individuals and joint shareholders. The proportion of this investor group is about two percentage points higher than last year, while the proportion attributable to family offices remained stable at 38 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 rights 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 (as at 30 September 2022)

in %



Private individual shareholders	35.7
Family offices	37.9
Foundations	4.5
Other institutional investors	21.8



Sustainability at DBAG

For us, sustainability means achieving a long-term increase in DBAG's value, taking ecological, social and governance criteria into account. We remain committed to improving sus-tainability at DBAG, and in the year under review enhanced our target system with regard to ESG criteria. These new criteria will be used to support DBAG's management and incorporated into budget planning for our portfolio companies, starting with the 2022/2023 financial year.

Sustainability goals for DBAG and its portfolio companies

Back in 2020/2021 we defined fields of action to improve sustainable development at DBAG and its portfolio companies. These fields of action are greenhouse gas emissions, employee satisfaction and compliance. For our portfolio companies, add occupational health and safety, gender parity as well as metrics that are specific to each company and each company's business model.

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.

We have been requesting data on these fields of action from our portfolio companies since 2020, and during the fourth quarter of 2022 we plan to integrate ESG-based key performance indicators that will cover a multi-year horizon into portfolio companies' budget plans for the 2023 financial year. We look forward to reporting on this in the Annual Report 2022/2023.

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

Sustainability goals for DBAG

Greenhouse gas emissions

With climate change intensifying rapidly it is time to act and reduce carbon emissions. By consistently cutting 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 on an annual basis in line with the internationally recognised Greenhouse Gas Protocol (GHG).

When looking at scope 3, we currently take into account emissions from business travel and commuting; these are emissions we can influence. Further emissions from operations are those stemming from advisory services we purchase. 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.

In pursuit of our goal to reduce carbon emissions per employee, 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. There will be no new company cars added to our fleet as from the 2022/2023 financial year and lease contracts of company cars currently in use will not be renewed. Instead we will be offering our employees a transit card starting 1 January 2023, making it easier for them to increase use of public transport and reduce private car trips.

Carbon emissions per employee were 2.5 tonnes in the 2021/2022 financial year, above the 1.7 tonnes of the previous year as our employees travelled significantly more in the year under review than in 2020/2021 when the pandemic was still exerting a limiting effect. We adjusted the figure for 2020/2021 to reflect a new calculation convention that we adopted in the 2021/2022 financial year and that allows us to calculate the emissions of a given financial year faster. In other words, it allows us to report figures that were calculated closer to the reporting date.

Another decision we took during the year under review was to support a local reforestation campaign launched for the Hesse state forest. Funds will be transferred to the campaign at the beginning of the 2022/2023 financial year, enabling the reforestation of 4.5 hectares with a robust mixed forest of around 6,000 trees comprising species that will thrive even in a changing climate. Our support helps create a carbon sink that will store around 45 tonnes of carbon dioxide per year once the trees are around 30 years old.

We support a reforestation campaign, creating a carbon sink for the future.

Employee satisfaction

DBAG's material business processes are almost exclusively based on our employees' skills, their expertise and dedication. With private equity being a business that requires 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, which is software developed by a company of the same name that is a spinoff from our portfolio company Cloudflight. More than 100 companies comprising several thousand employees rely on TeamEcho for employee satisfaction surveys.

In the reporting year, the arithmetic mean of all the survey values was 62 per cent, coming in below the 68 per cent of the 2020/2021 financial year. We believe the decline to be partially due to the stress and strain that people were experiencing in the aftermath of the COVID-19 pandemic, but uncertainty caused by the outbreak of war in Europe and soaring inflation undoubtedly had an impact, too. Further reasons include heavier workloads because it is generally taking longer to fill and re-fill positions due to a general shortage of staff. Last but not least DBAG's business processes are altering in the course of the generation change taking place on the Board of Management. We have received feedback on these process changes that is being taken seriously as we continue to optimise our workflow.

To further improve our corporate culture, we support Level 20, a British non-profit organisation founded in 2015 to improve gender diversity in the private equity sector. Level 20's goal is for women to hold at least 20 per cent of senior positions in private equity. To this end, Level 20 organises numerous networking meetings and coaching sessions. The organisation now has more than 2,500 members, and more than 80 private equity companies support Level 20 as sponsors.

DBAG's investment advisory team included five women as at 30 September 2022, a share of 14 per cent. This serves to demonstrate that the efforts of the past years are starting to bear fruit. By addressing young women in particular at events in universities and other higher educational institutions, DBAG is trying to dispel prejudices against the financial services sector. Particular attention is paid to career development. Here, the objective is to retain female interns as employees – hopefully, in the years ahead, becoming Managing Directors. After all, DBAG is aiming for a higher percentage of women amongst its decision-makers.

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.

Zero tolerance for any form of corruption and unethical business practices.

DBAG's ESG indicators

Field of action	Non-financial KPI	Definition	Financial year 2020/2021	Financial year 2021/2022	Target for financial year 2022/2023
Greenhouse gas emissions	Carbon intensity of operations	Scope 1, scope 2 and scope 3 emissions in compliance with the GHG Protocol, CO2 emissions per FTE (scope 3 currently comprises emissions	1.7 tonnes [1]	2.5 tonnes	2.4 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)	68 per cent	62 per cent	63 per cent
Compliance	Fines for compliance violations	Total penalties, fines or similar expenses (in euros) as a result of compliance or transparency violations	0 euros	0 euros	0 euros

[1] Figure adjusted to reflect new calculation convention; the pandemic resulted in a distortion to the downside and the number is therefore unsuitable for comparison purposes.

Combined Management Report

of Deutsche Beteiligungs AG
and the
Deutsche Beteiligungs AG Group
for financial year 2021/2022

COMBINED MANAGEMENT REPORT

BUSINESS OVERVIEW

Not even well-established private equity companies with decades of a successful history can escape external, unexpected events as the 2021/2022 financial year served to demonstrate. Up until mid-February the economic sentiment was upbeat, with businesses expecting demand to continue to grow as consumers "caught-up" on spending following the pandemic, and supply chain bottlenecks to subside. The war in Ukraine and the resulting sanctions against Russia led to a sharp increase in energy prices, especially in Germany. This significantly exacerbated the inflationary trend, which was already emerging before. Central banks responded by raising reference interest rates, thus accepting a deteriorating economic outlook. This burdened earnings at some of our portfolio companies. Capital markets reacted with declining multiples that weighed heavily on the valuations of our portfolio companies. Value contribution from multiples amounted to -150.8 million euros (see the section on "Financial performance"). These developments led us to adjust our original forecast several times.

The net asset value of the Group's Private Equity Investments fell by 104.8 million euros. Taking into account the dividends distributed (30.1 million euros) and the deferred management fees received for DBAG Fund VII (27.8 million euros), this represents a 15.1 per cent decline over the value for the previous year, largely due to the negative change in the value of the portfolio. Eight companies were newly included in the portfolio during the 2021/2022 financial year, two investments were partially sold, while another one was refinanced. The portfolio consists of 39 equity investments as at the reporting date, plus one investment in an international buyout fund managed by third parties.

The Private Equity Investments segment closed the year with a loss of -111.3 million euros and was thus markedly below the previous year. Earnings from Fund Investment Services totalled 15.4 million euros, compared to 18.0 million euros in the previous year. As expected, the costs associated with the expansion of the team have increased.. Net income was -97.6 million euros, primarily driven by Private Equity Investments.

All in all, the results of the reporting period were unsatisfactory. In the short term, key figures can also show declining values if external factors change significantly at short notice, as happened in the year under review (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 0.7 million euros, the net income generated by the Group's parent company was lower than in the financial year 2020/2021, when it amounted to 64.6 million euros. The main reason for this decline were net gains and losses on measurement and disposal, which were down year-on-year. Here too, the result is not satisfactory overall, as the expectations were clearly not met. Again, however, given our business model, the limited informational value of a single annual result must be taken into account in the evaluation.

Following numerous profitable disposals in previous financial years, the parent company now reports a slight decrease in its net retained profit to 224.6 million euros; 0.80 euros per share is to be distributed to shareholders, i.e. a total of 15.0 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 Germany, Austria and Switzerland region. DBAG has also been investing in Italian companies since 2020. Going forward, up to a quarter of a fund's volume will be invested in this country. In individual cases, DBAG also invests in companies elsewhere in Europe.

All of the Company's business processes and management are bundled at DBAG's registered office in Frankfurt/Main, Germany. The Company also has its own office in Milan, Italy, with a team responsible for identifying and structuring investment opportunities for DBAG funds and supporting the portfolio companies in their further development. The two DBAG offices engage in close dialogue.

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.

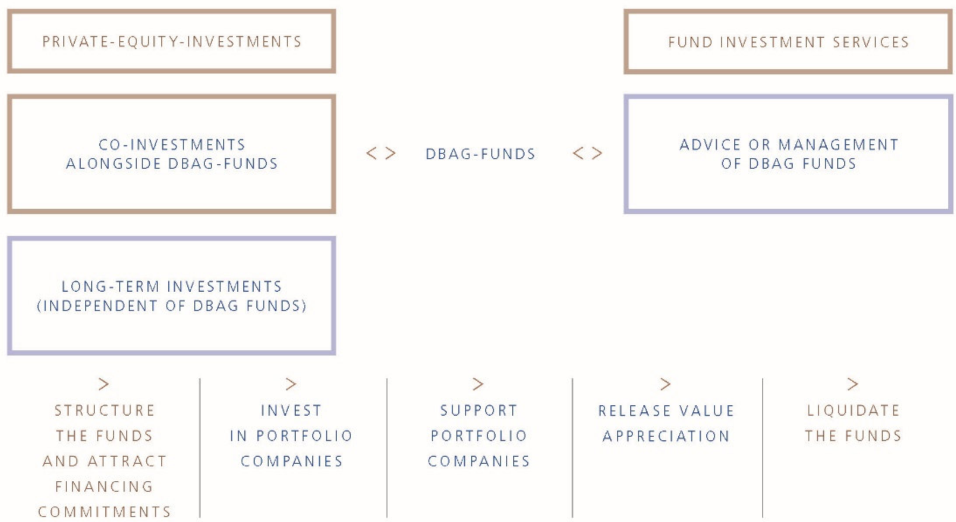
DBAG's shares have been listed on the Frankfurt Stock Exchange since 1985. They are traded in the market segment with the highest transparency requirements, the Prime Standard.

Deutsche Beteiligungs AG is recognised as a special investment company, as defined by German statutory legislation on special investment companies (Gesetz über Unternehmensbeteiligungsgesellschaften – UBGG), and is 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.

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 below illustrates DBAG's remit in respect of the DBAG funds – from fund structuring and raising capital to liquidation. DBAG 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".

DBAG'S INTEGRATED BUSINESS MODEL



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 the key information about the current DBAG funds:

Fund	Target	Start of investment period	End of investment period	Size	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	4%
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%

1 DBAG Fund VI, DBAG Fund VII, DBAG Fund VIII: each excluding investments made by experienced members of the 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). The top-up fund invests exclusively in transactions involving an equity investment, whose total exceeds the concentration limit of the principal fund for a single investment.
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 20 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). The top-up fund invests exclusively in transactions involving an equity investment, whose total exceeds the concentration limit of the principal fund for a single investment.
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 seven 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 partly sold. Around 96 per cent of the fund had been invested by the reporting date. The fund can use those financial resources that are not yet invested to support the further development of its portfolio companies, for example with add-ons.

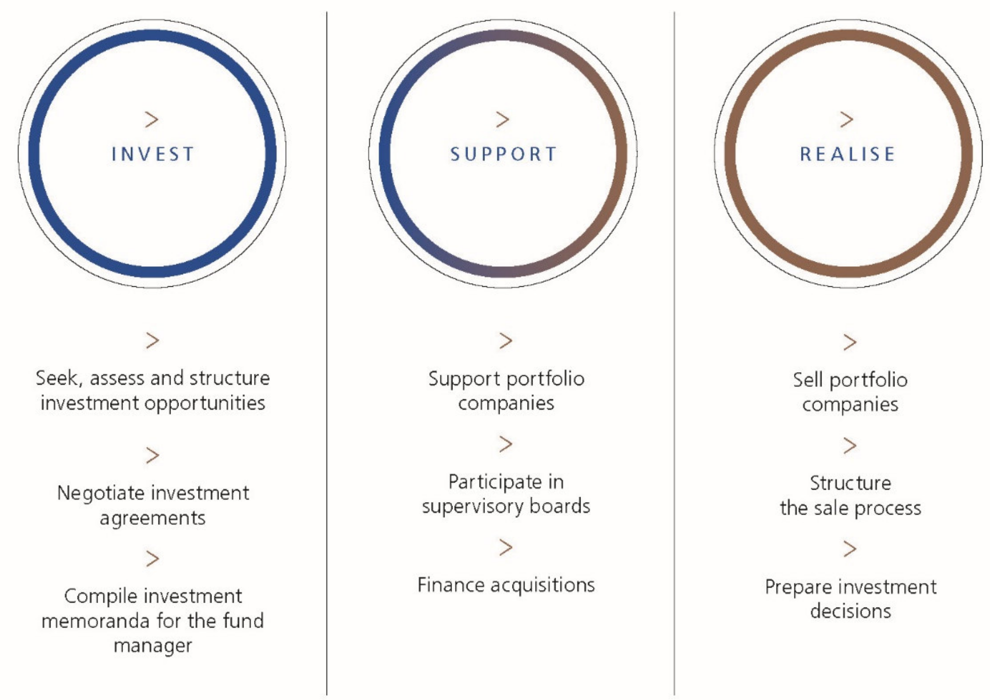
- The DBAG ECF funds have also completed their investment periods. DBAG ECF I ended its original investment period in May 2017. It made growth financing available to eight companies and entered into one MBO. Five of these investments have since been sold. The second investment period began in June 2017, followed by the third 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.

- DBAG Fund VIII was initiated in 2019. The fund 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 to represent around 49 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". The typical structure of a DBAG fund is illustrated using the example of DBAG Fund VI in the notes to the consolidated financial statements in Note 39.

INVESTMENT SERVICES BUSINESS SEGMENT



As a fund advisor, DBAG prepares the 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. To do even more to ensure that the fund manager and the latter's 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 In-vestments. 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 a value of between 50 and 250 million euros, that is, companies at the upper end of the mid-market segment. 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 term limits 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 con-siderable geopolitical change, this strategic component has recently become especially important.

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 because a new generation of employees is looking for companies to offer them different perks and pro-spects. 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.

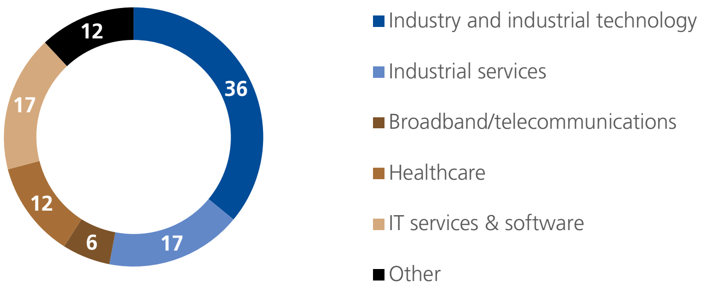
Broadly diversified sector spectrum

For many years, DBAG's investment focus lied in manufacturing companies and their service providers, which form the basis of the excellent global reputation of Germany's Mittelstand. In the meantime, this market segment also includes, above all, IndustryTech companies – i.e. compa-nies whose products provide the foundation for automation, robotics and digitalisation.

For almost a decade, we have also been investing in companies from the broad-band/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 less exposed to cyclical influences than business models linked to the manufacturing industry.

Companies that contribute to more sustainable lifestyles and business practices are also more resilient in the face of economic fluctuations. Our portfolio includes, for example, companies whose business is reaping the benefits of more stringent regulations for more efficient energy use, or which operate in the circular economy.

SECTOR STRUCTURE BY ACQUISITION COSTS
%



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. Going forward, up to a quarter of any given fund's volume will be invested in this country. For the first time, this applies to DBAG Fund VIII.

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 2022, companies domiciled in the Germany, Austria and Switzerland region accounted for 80.5 per cent of the value of our equity investments (30 September 2021: 90.3 per cent), including 5.5 per cent that were domiciled in Switzerland (30 September 2021: 4.4 per cent). Companies domiciled in Italy accounted for 9.5 per cent (30 September 2021: 3.1 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). Our distribution policy also has an impact on 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 changes in credit lines and their drawdowns 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 buy-out 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

We use several channels to identify investment opportunities. The most important of these come from the existing relationships that we have built up over several decades of market presence. 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 VIII, 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 discusses with the company's management team its future strategy for developing the company 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. They 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.

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 and highly motivated investment advisory team

The DBAG investment advisory team, including the three members of the Board of Management, consists of 37 (previous year: 28) investment professionals, of which 14 are senior members, and has been constantly expanded in recent years. The senior members have been with DBAG for an average of 18 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, one debt financing specialist 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. Therefore those members of the investment advisory team with greater experience in investing, the three Board of Management members and additional staff members (21 in total) 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 24.6 million euros as at 30 September 2022.

The 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 82 people as at 30 September 2022. 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.

Strong brand opens up attractive investment opportunities

DBAG structured its very first MBO back in 1997. Since then, a total of 65 MBOs have been financed together with DBAG Fund III, DBAG Fund IV, DBAG Fund V, DBAG Fund VI, DBAG Fund VII and DBAG Fund VIII, as well as with DBAG ECF since June 2017. In addition, 19 minority investments have been structured with the aim of driving corporate growth with

DBG Fund III and DBAG ECF ("growth financing"), plus Long-Term Investments since the 2019/2020 financial year. DBAG currently holds four Long-Term Investments.

To date, the value of the equity invested since 1997 has been increased to 1.8 times (MBOs) and 2.6 times (growth financing/Long-Term Investments) the original amount. 36 MBOs and 16 growth financing arrangements had been realised completely, or for the most part, by the end of the reporting period. Fully realised 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 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.

Tried-and-tested business processes

Each of the key elements of the investment process – see also the section entitled "Implementing a structured investment process" – is carried out internally by DBAG using its own resources based on tried-and-tested business processes. This also applies to the corporate functions that support the investment advisory team. DBAG has put an internal control system in place to minimise the risks inherent in its corporate processes. The principles, procedures and measures aimed at the organisational implementation of management decisions are documented in a manual that is enhanced as part of an ongoing process.

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

31 of the 65 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 2011 and 2021, 57 per cent of the MBOs structured by DBAG involved this type of company, compared to 46 per cent in the overall market during the same period (sources: FINANCE Magazine, Buy-out Statistics 2021; DBAG). 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.

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 2022/2023 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.

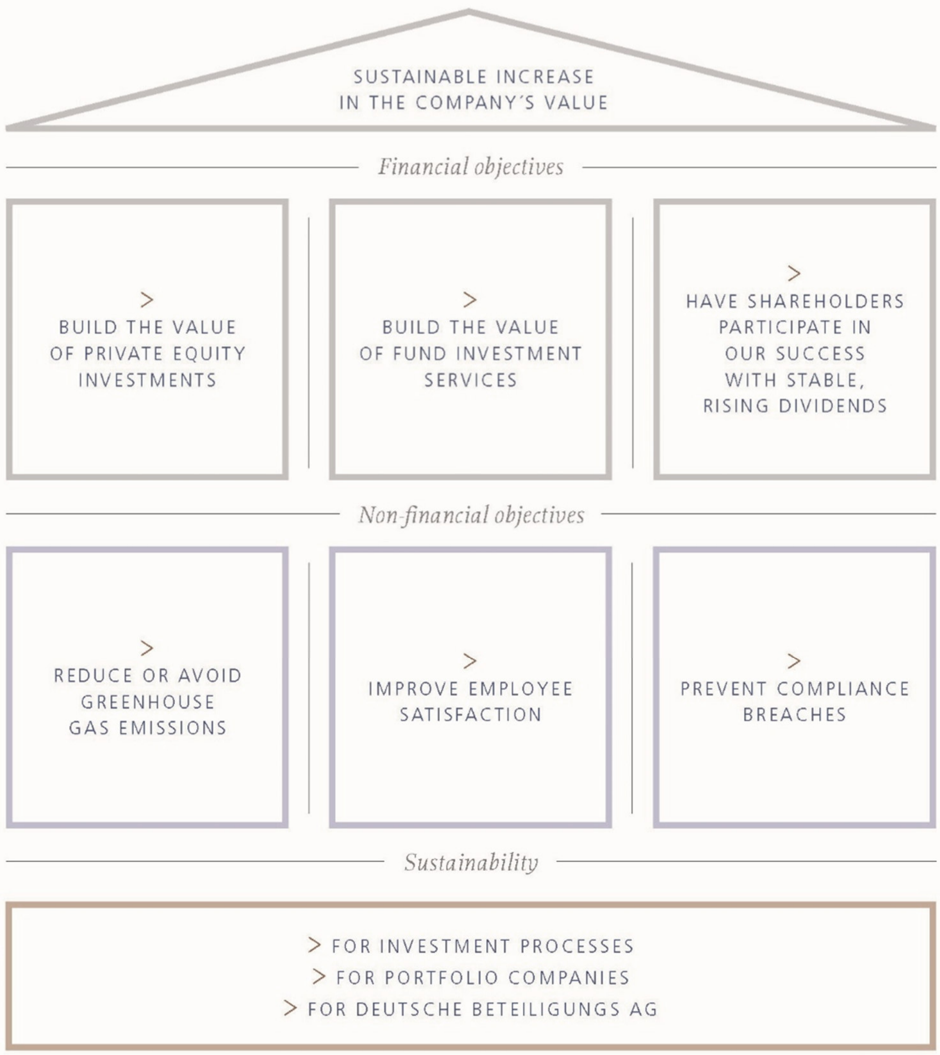
The core business objective of Deutsche Beteiligungs AG's activity remains unchanged: we aim to increase the value of DBAG in the long term.

This objective is to be achieved by increasing earnings in the two business segments, 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.

We measure and manage value appreciation using one financial indicator for each of the two business segments. When it comes to achieving a sustainable increase in DBAG's value, ESG aspects will be given even greater attention. Starting in the 2022/2023 financial year, they are reflected in our target system via the three non-financial indicators.

SUSTAINABILITY ENSHRINED IN OUR TARGET SYSTEM



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 Long-Term Investments for at least 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

We intend to have our shareholders participate in financial gains by paying stable dividends that will thrive as much as possible. Three aspects play a key role when it comes to deciding on the amount of the distribution: the inflow of funds from the two business segments (income from Fund Services and net inflows after disposals), future liquidity requirements for (co-)investments and securing the dividend capacity in the long run. DBAG also views an attractive dividend yield – in relation to the capital markets environment – as a significant element of shareholders' participation in the Company's success.

Non-financial objectives

We enhanced our non-financial objectives in the year under review. Previously, our target system included the non-financial objective "Garner esteem as a financial investor in the mid-market segment", which involved reporting the key performance indicator "Number of investment opportunities that we address each year". In the current environment dominated by fundamental macroeconomic changes, however, the quality of investment opportunities is becoming even more important than it was in the past and is now more of a priority than the number of opportunities pursued. Since, however, assessing the factors that determine the quality of an investment opportunity is a complex matter, it is not possible to summarise and report them in a single indicator.

Our target system has also included the non-financial objective "Garner esteem as an advisor of private equity funds" in the past. The key performance indicator used for this objective to date has been "Share of capital commitments of returning investors". We can only, however, update this figure in a year in which a new DBAG fund has been launched. What is more, there are several reasons why it might change. While in general, a high proportion of returning investors signals that we are held in high esteem, there are some funds where a relatively low proportion can signify that DBAG has been successful in addressing new investors, a success story for its placement power.

At the same time, non-financial objectives relating to ESG aspects are evidently becoming increasingly important on the capital market and among the public at large. DBAG has been committed to the principles of sustainable corporate conduct for many years out of conviction. Aside from voluntary commitments entered into by the business world, which are considered to be very important in social dialogue, these calls are now also increasingly finding their way into statutory and regulatory requirements. This is why the Board of Management is convinced that ESG aspects have become extremely important when it comes to achieving the core business objective for DBAG's business activities, namely achieving a sustainable increase in the Company's value.

This has prompted us to remove the two previous non-financial objectives "Garner esteem as a financial investor in mid-sized companies" and "Garner esteem as an advisor of private equity funds" from our target system starting in the 2022/2023 financial year and replace them with non-financial objectives relating to ESG aspects.

Within this context, we have defined those ESG action areas that are of particular importance to DBAG and its portfolio companies. We consider greenhouse gases, employee satisfaction and compliance to be essential 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. There will be no new company cars added to our fleet as from the 2022/2023 financial year and lease contracts of company cars currently in use will not be renewed. Instead we will be offering our employees a transit card starting 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. Whereas our previous non-financial objective was to retain experienced and motivated employees, our focus from the 2022/2023 financial year onwards will be on boosting employee satisfaction. 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"

We had not previously defined a separate indicator for the achievement of our core business objective, but had rather reported on the development of our six financial and non-financial objectives, which influenced the core business objective both directly and indirectly.

As of the 2022/2023 financial year, we will be using net asset value as the key performance indicator for the sustainable increase in DBAG's value. It is calculated as total assets minus total liabilities. This value is directly influenced by our financial objectives.

The main asset item is financial assets. These 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. 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 DBAG'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.

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

In the past we have used the net asset value of Private Equity Investments to measure and manage our previous financial objective of "building the value of Private Equity Investments". We used the following definition: financial assets, other financial instruments and financial resources, with credit lines being deducted to the extent that they had been drawn.

Going forward, we will focus on the development of earnings in this business segment, as with the key performance indicator for Fund Investment Services. Earnings before taxes in Private Equity Investments is largely determined by the increase in the value of our portfolio companies. We calculate their fair values on a quarterly basis using valuation multiples of listed peer group companies. The fact that the resulting values can fluctuate considerably, depending on the valuation multiples that apply on a given date, lies in the very nature of our business. This is why an appropriately long period of time is required to evaluate DBAG's success.

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.

Earnings from Fund Investment Services can fall 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 measure and manage the participation of the shareholders in our performance using the dividend per share and the dividend yield. We aim for a stable distribution per share in euros that would ideally increase on an annual basis. At the same time, we aim to provide our shareholders with an attractive dividend yield. In other words: we also take the capital markets environment into consideration when determining the dividend proposal.

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

By cutting emissions from operations per employee (FTE), we intend to do our part. We measure our progress regarding the reduction of emissions based on the total scope 1, scope 2 and scope 3 emissions from our business activities, which we calculate in accordance with the Greenhouse Gas Protocol. When looking at scope 3, we currently take into account emissions from business travel and commuting; these are emissions we can influence. Further emissions from operations are those stemming from advisory services we purchase. 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"

In the past, we measured whether we had succeeded in retaining experienced employees on the basis of the average length of service. We monitor the employee satisfaction trend on an ongoing basis with the help of the digital tool TeamEcho, which gives us feedback on issues relating to organisational culture, leadership at DBAG, working conditions and other aspects. The tool also calculates the employee satisfaction index as the arithmetic mean of all surveys conducted in a given financial year. We will use this index as a key performance indicator starting in the 2022/2023 financial year.

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.

BUSINESS REVIEW OF THE GROUP

Comparison between actual business developments and the forecast

		Actual 2020/2021 and 30 Sep 2021	Original forecast November 2021	New forecast July 2022	Actual 2021/2022 and 30 Sep 2022	Degree of fulfillment forecast November 2021	Degree of fulfillment forecast July 2022
Financial performance indicators							
Private Equity Investments							
Net asset value (reporting date)	€mn	678.5	680.0 to 755.0	570.0 to 630.0	573.7	Expectation not met	Expectation met
Net income from investment activity	€mn	178.4	60.0 to 75.0		(98.9)	Expectation not met	
Cash flow from investment activity	€mn	28.2	50.0 to 65.0		(131.6)	Expectation not met	
Fund Investment Services							
Income from Fund Services	€mn	43.4	41.0 to 44.0		44.3	Expectation exceeded	
Earnings from Fund Investment Services[1]	€mn	18.0	11.0 to 12.0	14.0 to 16.0	15.4	Expectation exceeded	Expectation met
Assets under management or advisory (reporting date)	€mn	2,473.2	2,475.0 to 2,605.0		2,504.3	Expectation met	
Shareholders							
Dividend per share	€	1.60	1.60		0.80	Expectation not met	
Non-financial performance indicators							
Private Equity Investments							
Investment opportunities		306	266 to 294		246	Expectation not met	
Fund Investment Services							
Share of capital commitments of returning investors[2]	%	86	at least 75		86	Expectation met	
Employees							
Average length of company service	Years	7.4	unchanged		6.6	Expectation not met	
Other indicators							
Net income in accordance with IFRS	€mn	185.1	60.0 to 75.0	(70) to (85.0)	(97.6)	Expectation not met	Expectation not met
Net income in accordance with the HGB	€mn	64.5	70,0 to 80,0		0.7	Expectation not met	

1 Also used as a key performance indicator for the core business objective

Negative developments throughout the 2021/2022 business year on the capital markets with falling multiples impacting heavily on the valuations of our portfolio companies, coupled with changes to the macroeconomic environment which burdened earnings at some of our portfolio companies, caused us to downgrade our forecasts for the key performance indicators relevant to DBAG several times. In the course of our most recent forecast adjustment, we reduced assumptions for net income. The original guidance was not met for most key performance indicators, but the most recent forecast was achieved.

The net asset value and net income from investment activity were largely defined by the performance of the portfolio companies; net income from investment activity was clearly lower than the original expectations, driven in particular by the negative performance of the portfolio companies.

Cash flow from investment activity was clearly negative during the year under review, marked in particular by six acquisitions, offset by two partial disposals and a refinancing. The volatility of the cash flow 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.

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 exceeded original expectations and achieved the increased range. The assets under management or advisory decreased slightly during the period under review instead of modestly increasing as forecasted. Because of the weakened M&A market, we were able to examine fewer investment opportunities than originally assumed. As no new funds were raised in the period under review, the share of capital commitments of returning investors was not applicable in this period.

The dividend proposed for the year under review is below the previous year's figure and does not meet the forecast. The proposed dividend reflects the considerable influence that the combination of inflation, supply chain disruptions and recession forecasts has had on our business. The average length of service of employees of Deutsche Beteiligungs AG declined due to new employee hires and the departure of employees. Net income did not meet our original expectations for the same reasons as net asset value of Private Equity Investments and net income from investment activity. Net income in accordance with the HGB fell below the expected forecast range, primarily because net gains and losses on measurement and disposal were lower than expected due to unrealised disposals as well as write-downs on financial assets as a result of the changed macroeconomic and geopolitical environment.

Macroeconomic and sector-specific environment

Real economy: The war in Ukraine sets off global economic downturn

The global macroeconomic environment was on a path to recovery before the war of aggression against Ukraine broke out in February 2022. Immediately thereafter, severe uncertainty set in. Adding to this, energy prices skyrocketed in the wake of economic sanctions against Russia.

In Germany, the ifo business climate index plummeted by more than 8 points to 90.7 in March. Expectations declined more dramatically by 14 points to 84.6[1]. The war also left a clear mark on consumer confidence. According to GfK, consumers' economic and income expectations collapsed in March and nearly reached some of the record lows seen during the financial markets crisis in 2009[2].

ifo's business forecasts continued to fall over the course of the year and, by September 2022, had reached the floor established when the pandemic broke out in early 2020[3]. A similar picture developed for consumer confidence. In light of widespread concerns about a recession and very high inflation, expectations of future income in particular declined to a record low[4].

[1] ifo Business Climate Index March 2022
[2] GfK Consumer Climate Study for March 2022
[3] ifo Business Climate Index September 2022
[4] GfK Consumer Climate Study for September 2022

The rate of inflation in Germany (consumer prices) was 10.0 per cent in September 2022 – its highest level since reunification. The key drivers of inflation are energy (+43.9 per cent) and food prices (+18.7 per cent)[5].

The same trends can be seen around the world: on a broad front, the global economy is experiencing a downturn, with a slight decrease in global economic output in the second quarter of 2022 according to the International Monetary Fund (IMF). Meanwhile inflation rates, driven largely by energy and food prices, have been increasing dramatically. In the eurozone, inflation reached the double-digit mark for the first time in September at 10.0 per cent. The US was technically experiencing a recession in the first half of 2022, with real GDP again declining in the second quarter. However, the robust jobs market there fuelled private consumption despite dramatic increases in inflation[6]. The Chinese economy continued to suffer under the government's very restrictive zero-Covid policy. In particular, this negatively impacted performance in the second quarter, with economic output again receding. The property/construction sector, which accounts for a fifth of economic output, represents another fundamental risk for the Chinese economy[7].

DBAG's portfolio companies also feel the deteriorated operating conditions, even though their exposure to Russia, Belarus and Ukraine is very limited, with these three countries accounting only for about one per cent of the revenues all the portfolio companies are expected to have generated in 2022. Despite high orders on the books, a wide range of supply bottlenecks for components, sharp upticks in raw materials and energy costs and freight rates continue to have a negative effect on the overall situation. By expanding its investment strategy to sectors outside of the manufacturing industry, DBAG was able to reduce the risks arising from economic and structural changes for the entire portfolio in the previous years. Broadband telecommunications investments, for example, continued to benefit from the trend towards nationwide coverage with high-performance gigabyte networks. The digitalisation trend is also supporting the demand for services and products of the investments in the IT services & software sector.

Financial markets: Controlling inflation is a top priority

In response to the sharp rise in inflation, most central banks have instituted restrictive interest rate and monetary policies. As a result, short-term interest rates were hiked across the board, sometimes considerably, with the US Federal Reserve being the first to do so, and bond buy-back programmes were terminated. Nominal interest rates are generally again at higher levels than before the Covid-19 pandemic broke out. The Federal Reserve has clearly signalled that fighting inflation is a priority and is prepared to significantly increase interest rates again to achieve its target of 2 per cent for inflation[8]. Due to the Federal Reserve's trend-setting role, the value of the US dollar rallied against other currencies.

In the eurozone, by contrast, the key interest rates were not raised until July 2022: the main refinancing rate was lifted from its floor of zero per cent (since March 2016) to 2.00 per cent, the marginal lending facility rate that had been 0.25 per cent since March 2016 was increased to 2.25 per cent and the deposit rate, which had been -0.5 per cent since September 2019 was raised to 1.50 per cent[9]. There was once again interest on commercial bank deposits held with the ECB.

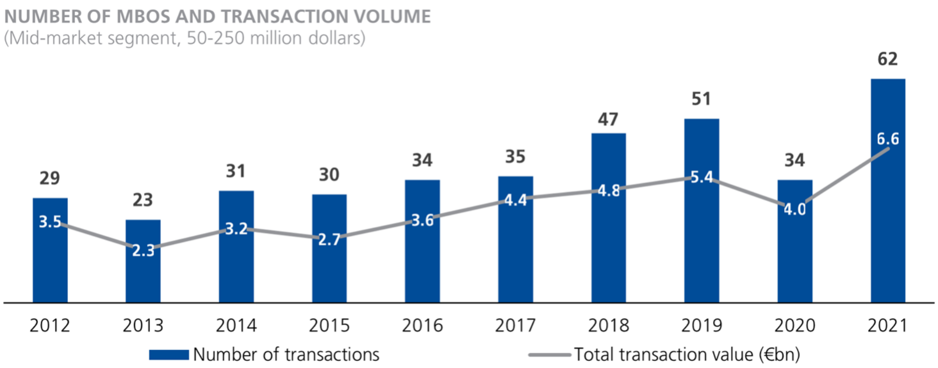
Demand for corporate loans continued to rise in Germany in the first six months of 2022, before declining sharply in the third quarter, yet remained positive on balance, thanks to the high demand for short-term funding of inventories and current assets. At the same time, banks

[5] Federal Statistical Office, press release no. 438 from 13 October 2022
[6] US Bureau of Economic Analysis; 29 September 2022
[7] International Monetary Fund, World Economic Outlook October 2022
[8] Federal Reserve Issues, FOMC Statement 21 September 2022
[9] European Central Bank, press release from 27 October 2022

started to be more restrictive on loan terms.[10] The overall picture shows that financing conditions have deteriorated for companies in Germany. Where DBAG's portfolio companies have been hit harder than others by the challenging environment, we committed additional equity to support individual companies in adapting their financing structure. This applied to nine investments, for which a total volume of 13.9 million euros was made available.

The important supply of acquisition financing remained good through the end of 2021, supported above all by the offerings from private debt funds that accounted for over 63 per cent of all financings in the German market in calendar year 2021, according to the most recent figures provided by Houlihan Lokey. Indeed, the number of debt-financed transactions rose dramatically to a record high in 2021 after 2020 had been shaped by the Covid-19 pandemic. The most recent volume of 161 transactions showed a nearly six-fold increase in the decade from 2012 to 2021[11]. Since the beginning of 2022, however, we have seen a significant decline in offerings from private debt funds, and other debtors have become more selective, too, leading to rising loan prices.

Private equity market 2021: New records – pandemic slump overcome



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 on which no quantitative information is released. As a result, the statistical information available from various sources does not provide a true picture of market activity. We therefore perform our own market analysis once a year, together with the industry magazine FINANCE, to examine the market segment which DBAG addresses.

According to the most recent analysis available, in 2021, i.e. before Russia's invasion of Ukraine, financial investors structured a record number of 62 management buyouts (MBOs) in German mid-sized companies – 80 per cent more than the historical average of the previous ten years. The dip of 34 transactions brought on by the pandemic the year before was overcome, and the previous high of 51 transactions that was registered in 2019 markedly exceeded. The same holds true for the company assets involved in these transactions, which posted a 1.2 billion euro increase from the pre-pandemic levels of 2019, to reach 6.6 billion euros. Over the past five years, the market has grown by around 13 per cent per annum on average.

In more than half of these cases – 33 out of 62 deals – it was founders or family owners selling their companies. This often also involved handing over company management to successors.

[10] European Central Bank, Bank Lending Survey, third quarter of 2022
[11] Houlihan Lokey: "MidCapMonitor Q4 2021"

Up to the middle of the last decade, transactions of this kind were more of an exception than the norm. 13 MBOs were transactions between financial investors, pushing the share of secondary buyouts to a record low. The remaining buyouts involved groups spinning off non-core activities by selling them to a financial investor. The sector breakdown of *Mittelstand* MBOs has continued to shift towards the healthcare and IT services & software sectors; investments in industry and industrial technology play a lesser role.

DBAG contributes to the two dominant market trends. Among DBAG's MBOs agreed and completed in the year under review, four out of five related to IT services & software companies. As part of the investments, DBAG also structured succession arrangements for the founder-managed or family-owned businesses. Over the past ten years, roughly 60 per cent of DBAG's transactions involved family-owned companies. Only 40 per cent of the 376 *Mittelstand* buyouts fell into this category between 2012 and 2021.

Competition on the private equity market remains intense. During 2021, more than 40 financial investors were involved in the 62 transactions in German mid-market companies. Over half these transactions were structured by German private equity firms (32 out of 62 MBOs). The share of multinational, pan-European private equity funds declined year-on-year (48 per cent after 56 per cent). One private equity company structured five MBOs; DBAG and three other firms structured three transactions each. Over the past ten years, DBAG has achieved the highest market share with 25 out of 376 MBOs (seven per cent). The runner-up in this market segment has 19 transactions, while three competitors have 16 MBOs each. Besides DBAG, the statistics show that only six private equity houses have structured more than ten mid-market buyouts since 2012[12].

This information, however, refers to the time before the war in Ukraine, as pointed out earlier. A survey conducted by the industry magazine FINANCE in the second half of May 2022 – i.e. after Russia attacked Ukraine – among investment managers working for mid-market private equity companies (i.e. the same market segment as described above) revealed that only six per cent of the surveyed managers reported difficulties buying or selling companies. On a scale from 1 to 10, the investment managers rated their deal flow at 5.65, with 10 being a strong deal flow. Compared to the multiple-year average value of 5.47, this year's result is thus above average; compared to the last two surveys in summer and winter 2021 however the result is weaker. In summer 2021, private equity investors rated the deal flow at 6.07, in winter 2021 even at 6.43, marking an all-time high. Catch-up effects, which were felt on the M&A market especially in the second half of 2021, should have largely petered out since the beginning of this year.

At the end of the 2021/2022 financial 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 "very high". This also includes the risk of extended holding periods of investments, resulting in the gains on disposal being postponed or reduced.

[12]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 estimates and research by DBAG in cooperation with the German industry magazine FINANCE.

Review of key events and transactions

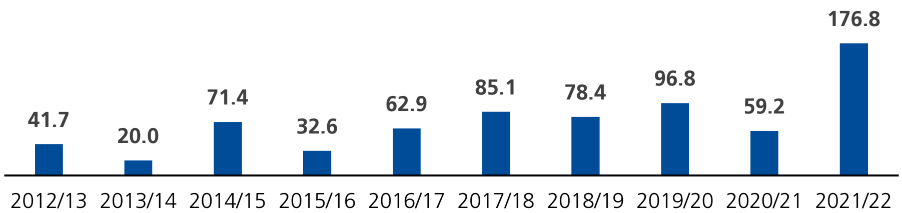
Private Equity Investments: Focusing on expanding the portfolio to include attractive new investments and add-ons

Long-Term Investments make up a growing share of the overall investments

Following the 2020/2021 financial year, which focused on disposals of mature equity investments and the development of recently acquired investments, the focus shifted in the 2021/2022 financial year to expanding the portfolio with new equity investments and add-ons to existing portfolio companies. Where companies have been hit harder than others by the challenging environment, such as the steep hike in commodities prices or supply chain disruptions, we committed additional equity to support individual companies in adapting their financing structure. This applied to nine investments, for which a total volume of 13.9 million euros was made available.

DBAG invested 176.8 million euros from its balance sheet in 2021/2022 (previous year: 59.2 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, 39.1 million euros was accounted for by two new investments completed in the year under review that had been agreed in the year prior. 109.8 million euros (previous year: 57.6 million euros) of the investment decisions transacted in the year under review were attributable to the co-investments made by DBAG (largely) alongside DBAG Fund VII and DBAG VIII. A further 53.2 million euros (previous year: 16.0 million euros) were accounted for by Long-Term Investments, with the volume of investing in this new offering introduced two years ago more than doubling year-on-year. The investment decisions made as advisers and/or managers of DBAG funds not only related to the new MBOs, but 45.5 million euros (thereof DBAG: 11.3 million euros) were also attributable to the financing of add-ons by the portfolio companies.

INVESTMENT IN THE PORTFOLIO
€mn



Expanding the portfolio to include attractive new investments, dynamic development of the existing portfolio, successful partial disposals and refinancing

The period under review saw a high level of investment activity involving both new 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 eight new equity investments completed in the year under review, two of which had been agreed upon in the previous year but were not completed until the year under review. The following transactions were made in the year under review:

- six new MBOs (Dantherm, freiheit.com, in-tech, Itelyum, akquinet and MTWH) and two new Long-Term Investments (Green Datahub, vhf) completed; two of the six new MBOs had already been agreed in the year prior (Dantherm, Itelyum);

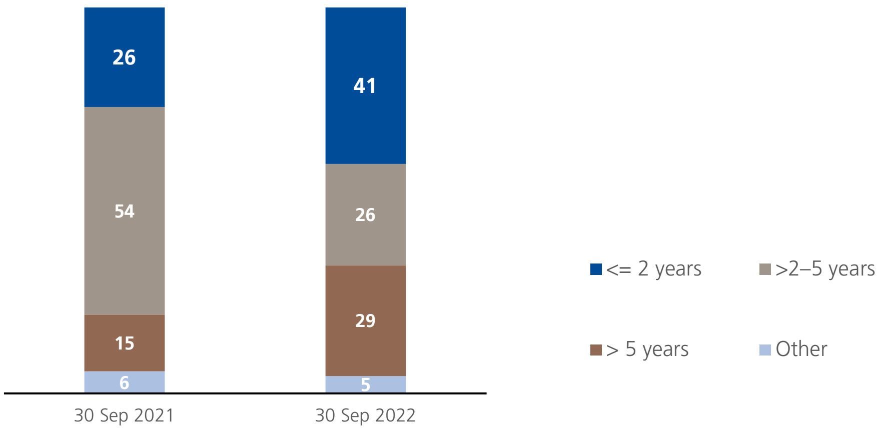
- 28 add-ons of existing portfolio companies, of which 26 completed and two were agreed;
- partial disposals of two portfolio companies (Telio, GMM Pfaudler), disposal of one portfolio company (Sjoelund);
- refinancing of one portfolio company (von Poll Immobilien).

freiheit.com was one of the four new MBOs agreed and completed in the year under review. The company specialises in developing large-scale software systems using internet technology. in-tech offers global technological and process consulting, engineering services and software development. akquinet specialises in rolling out EPR systems (SAP and Microsoft) and the customised development of software solutions. MTWH designs and produces high-quality metal accessories for luxury fashion brands. MTWH represents the third equity investment in Italy.

The new equity investments were offset by two partial disposals completed in the year under review. This compares with four disposals in the 2020/2021 financial year, two of which were partial disposals. The two completed partial disposals related to: GMM Pfaudler, a firm specialising in mechanical engineering solutions for the chemical and pharmaceutical industries, and Telio, a provider of communications and media systems for correctional facilities. The investment in Sjoelund, a manufacturer of bent aluminium and steel components, was disposed of for the symbolic price of one Danish krone; its disposal translated into a very small negative earnings contribution in the year under review.

At the end of the financial year 2021/2022, DBAG's investment portfolio therefore consisted of 39 companies (previous year: 32), including the three partially disposed equity investments evidia, GMM Pfaudler and Telio. Added to this are 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.

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 41 per cent on the reporting date on the basis of the acquisition costs (previous year: 26 per cent). Investments that we have already been supporting for more than two to five years account for around 26 per cent (previous year: 54 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 recession forecasts since the war in Ukraine started coupled with supply chain disruptions could delay the companies' development and lead to a longer holding period. The share of companies that have been in the portfolio for more than five years rose in the period under review accordingly to 29 per cent on the reporting date on the basis of the acquisition costs (previous year: 15 per cent).

Long-Term Investments: Acquisition of Green Datahub and vhf Group

Completed in July 2022, Green Datahub marks DBAG's third Long-Term Investment. DBAG invested around 25 million euros, thereby strengthening the company's equity base. Green Datahub operates two co-location data centres, which are used by multiple customers to run their own servers in a suitable, secure environment.

The investment in vhf Group is DBAG's fourth Long-Term Investment. It was completed in July 2022, with DBAG investing 25 million euros. vhf develops and produces computer-controlled milling machines that are predominantly used by commercial dental laboratories – as well as dentists in their own laboratories – for making dental prostheses.

As at 30 September 2022, DBAG's portfolio comprised 39 portfolio companies and one investment in an externally managed foreign buy-out fund.[13]

DBAG Fund VIII

Name, event, registered office	Description of company activities	Date of agreement or closing	Employees, revenues (€mn, rounded)	Equity contribution from DBAG (€mn, rounded)
Dantherm MBO, Denmark Add-on: Trotec, Germany	Industry and industrial technology Heating, cooling, drying, ventilation and air cleaning technology	11/2021 (closing Dantherm) 5/2022 (closing Trotec)	822, 336 (forecast 2021 resp. 2022)	22
Fire Add-on: ABBS Group, Belgium	Industrial services Fire protection systems	10/2021 (closing)	250, 70 (2020)	-
freiheit.com MBO, Germany	IT services & software Software Engineering	1/2022 (closing)	150, 30 (forecast 2021)	21
in-tech MBO, Germany Add-on: Ruetz, Germany	IT services & software Provider for technological and organisational advisory and engineering services	3/2022 (closing in-tech) 5/2022 (closing Ruetz)	1.581, 132 (prelim. figures 2021 resp. budget 2022)	17
MTWH MBO, Italy	Industry and industrial technology Manufacturer of metal applications for the luxury goods industry	6/2022 (closing)	ca. 250, 64 (budget 2022)	15

DBAG Fund VII

Name, event, registered office	Description of company activities	Date of agreement or closing	Employees, revenues (€mn, rounded)	Equity contribution from DBAG (€mn, rounded)
akquinet MBO, Germany	IT services & software Implementation of ERP systems (SAP and Microsoft) and customised development of software solutions	6/2022 (closing)	751, 135 (budget 2022)	up to 5
Cloudflight Add-ons: Cognostics, Germany Macio, Germany Divante, Poland mogree, Austria	IT services & software Beratung, Software-Entwicklung und Cloud-Betrieb	11/2021 (closing Cognostics, Macio) 1/2022 (closing Divante) 8/2022 (closing mogree)	total >470, 34 (prelim. figures 2021 resp. 2022)	-
Itelyum MBO (minority investment), Italy	Industrial services Recycling of complex industrial waste	10/2021 (closing)	>800, 353 (budget 2021)	n/a
operasan Add-ons: MVZ Herne, Germany NZ Kamen, Germany NZ Leipzig, Germany NZ St. Wendel, Germany	Healthcare Nephrology	2/2022 (closing MVZ Herne) 7/2022 (closing NZ Leipzig) 8/2022 (agreement NZ Kamen, NZ St. Wendel)	190, 25 (prelim. figures 2021 resp. budget 2022)	7
Sero Add-on: Syncron EMS, USA	Industrial services Development and manufacturing service provider for electronic components	1/2022 (closing)	70, 12 (prelim. figures 2021)	-

[13] For acquisitions, the figures in the tables relate to the companies acquired.

DBAG Fund VI

Name, event, registered office	Description of company activities	Date of agreement or closing	Employees, revenues (€mn, rounded)	Equity contribution from DBAG (€mn, rounded)
Dieter Braun Add-on: Assmann, Germany	Industry and industrial technology Cable systems and interior lighting	7/2022 (closing)	80, 22 (2021)	-
GMM Pfaudler Partial disposal, Germany	Industry and industrial technology Corrosion-resistant technologies, systems, and services for the chemical, pharmaceutical, food and energy industry	8/2022 (agreement)	989, 216 US$mn (2020/2021)	-
Silbitz Add-on: Eisengießerei Torgelow, Germany	Industry and industrial technology Hand-moulded and automated machine-moulded castings on steel and iron basis	11/2021 (closing)	>320, 6 (prelim. figures 2021)	1
Telio Partial disposal, Germany	Other Communications and media systems for correctional facilities	12/2021 (closing)	294, 83 (2020)	-

DBAG ECF

Name, event, registered office	Description of company activities	Date of agreement or closing	Employees, revenues (€mn, rounded)	Equity contribution from DBAG (€mn, rounded)
BTV Multimedia Add-on: STW, Austria	Broadband/telecommunications Equipment and service for broadband communications	8/2022 (closing)	10, 40 (budget 2022)	2
netzkontor Add-ons: MFB-Com, Germany MMD, Germany KaDu, Germany KLU, Germany S&P, Germany SAS, Germany	Broadband/telecommunications Services for the telecommunications sector	11/2021 (closing MFB-Com) 12/2021 (closing MMD) 8/2022 (closing KaDu, KLU) 9/2022 (closing S&P, SAS)	289, 42 (2020 resp. prelim. figures 2021)	-
Solvares Add-ons: FLS UK, UK mobileX, Germany Opheo Solutions, Germany	IT services & software Resource scheduling and route optimisation software	11/2021 (closing FLS UK) 12/2021 (closing Opheo Solutions) 7/2022 (closing mobileX)	126, 14 (prelim. figures 2020 resp. 2021 resp. budget 2022)	4
vitronet Add-ons: Alexander Pitzen Tief- und Straßenbau, Germany, Horstmann Fernmeldebau, Germany Diroba, Germany Kabel- und Tiefbau, Germany	Broadband/telecommunications Fibre optic and energy infrastructure in Germany	11/2021 (closing Alexander Pitzen Tief- und Straßenbau) 12/2021 (closing Horstmann Fernmeldebau, Closing Diroba) 2/2022 (closing Kabel- und Tiefbau)	186, 42 (forecast 2021)	-
von Poll Immobilien Re-financing	Other Premium real estate agency with some 380 offices across Germany, Austria and Switzerland	12/2021 (closing)	Approx. 1.500 including estate agents, 144 (2021)	-

Long-Term Investments

Name, event, registered office	Description of company activities	Date of agreement or closing	Employees, revenues (€mn, rounded)	Equity contribution from DBAG (€mn, rounded)
Green Datahub MBO, Germany	IT services & software Data centre	6/2022 (closing)	n.m., 10 (budget 2022)	In total up to 25
Hausheld Follow-on investment	Industrial services Development of smart metering solutions for electricity networks	3/2022 (closing)	34, 1 (2021)	3
vhf Minority investment, Germany	Healthcare CNC milling machines and tools for the dental, industrial and sign making sectors	8/2022 (closing)	Approx. 350, 56 (budget 2022)	25

Fund Investment Services

As planned, no new investment periods began for DBAG funds in the period under review. For DBAG Fund VIII, the investment period began in August 2020, and solid investment progress was made during the year under review. The callable capital commitments, and therefore the assets under management or advisory, have increased significantly to around 2.5 billion euros with DBAG Fund VIII, positively influencing income from Fund Services.

Developing activities in Italy

DBAG continued to develop its activities in Italy in the year under review. Staffing levels at the Milan office that was opened in the 2020/2021 financial year were increased to service the Italian market even better. The investment advisory team based at the DBAG Italia s.r.l. subsidiary office in Milan that identifies and structures investment opportunities for the DBAG funds and supports the portfolio companies in their further development was increased to four members. Following the investment in Pmflex in the previous year, another two larger investments in Italian companies were completed during the year under review, namely Itelyum and MTWH. On the reporting date, roughly one year after the Milan office opened, three of DBAG's 39 portfolio companies were Italian. In future, up to 25 per cent of any given fund's volume may be invested in Italy.

Financial performance

Overall assessment: Net income down significantly on the previous year

At -97.6 million euros, DBAG’s net income for the financial year 2021/2022 is significantly below the previous year. It is defined in particular by lower valuation multiples of peer group companies, which we use to value our portfolio companies. In addition, the significant changes to the macroeconomic environment which emerged during the year under review burdened earnings at some of our portfolio companies. Last year, net income was still influenced by the positive development of the results of our portfolio companies, the post-pandemic capital market performance and disposals, and was therefore very positive.

In the Private Equity Investments segment, net income from investment activity fell from 178.4 million euros in the previous year to -98.9 million euros in the financial year under review. The negative contribution was especially due to changes in multiples. As we communicated in our ad-hoc disclosures in March, April, July and October 2022, the negative development of the peer group companies on the capital market had an adverse impact on net measurement gains and losses. Many central banks have reverted to a more restrictive interest rate and monetary policy in response to the sharp increase in inflation. The outbreak of war in Ukraine in the second quarter of 2021/2022 impacted significantly on energy prices and is driving up inflation. It has become clear that rising energy and raw material prices along with supply chain disruptions have a stronger influence on some DBAG portfolio companies, making it unlikely that these companies will reach their earnings targets.

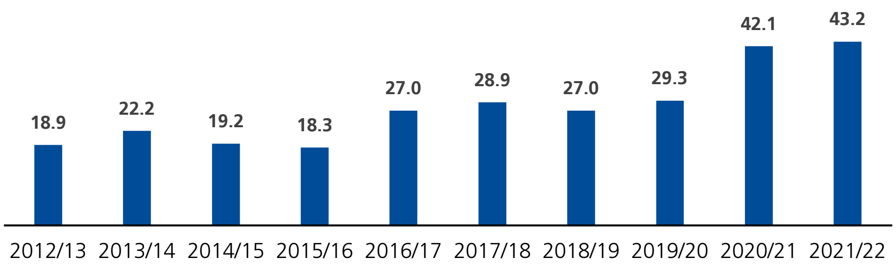
In the Fund Investment Services segment, at 43.2 million euros, income from Fund Services was slightly higher than in the previous year (42.1 million euros). Net expenses under “other income/expense items” in the condensed consolidated statement of comprehensive income increased, especially due to the expansion of DBAG’s team and higher advisory expenses, plus one-off expenses related to a member of the Board of Management stepping down.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
€'000	**2021/2022**	2020/2021
Net income from investment activity	(98,883)	178,378
Income from Fund Services	43,156	42,083
Income from Fund Services and investment activity	**(55,726)**	**220,461**
Personnel expenses	(24,550)	(23,101)
Other operating income	3,739	3,623
Other operating expenses	(18,274)	(14,546)
Net interest income	(1,107)	(718)
Other income/expense items	**(40,192)**	**(34,741)**
Earnings before taxes	**(95,918)**	**185,720**
Income taxes	(1,639)	(577)
Earnings after taxes	**(97,557)**	**185,143**
Net income attributable to other shareholders	(7)	(9)
Net income	**(97,564)**	**185,134**
Other comprehensive income	8,624	2,199
Total comprehensive income	**(88,939)**	**187,333**

Overview: Negative capital market development adversely impacts investment activity

INCOME FROM FUND SERVICES AND INVESTMENT ACTIVITY declined considerably compared with the previous year. This was as a result of lower net income from investment activity that mainly determines this item, both in terms of amount and volatility (for details, please refer to the information under "Net income from investment activity"). Income from Fund Services was slightly above the previous year's level, as had been expected. In the year under review, we received fees of 19.1 million euros from DBAG Fund VIII, compared to 18.7 million euros in the previous year. Fees from DBAG Fund VII also increased slightly to 16.2 million euros (previous year: 14.5 million euros). As expected, income from DBAG ECF and DBAG Fund VI fell slightly (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, to a lesser extent, from higher personnel expenses.

PERSONNEL EXPENSES (see note 11 to the consolidated financial statements) increased by 1.4 million euros. This was partly attributable to higher expenses for fixed salaries because the number of employees averaged 85 in the financial year under review, compared to 77 for the previous year. On the other hand, provisions for performance-related remuneration declined by a total of 1.6 million euros, of which 0.5 million euros is attributable to provisions for the members of the Board of Management. One-off expenses related to a member of the Board of Management leaving the Company increased personnel expenses in the year under review. For more information on Board of Management remuneration, please refer to the remuneration report available on our website[14].

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 down slightly from the previous year's figure (2.9 million euros). In addition, the item "Other" declined to 0.3 million euros (previous year: 0.4 million euros), while at 0.6 million euros, income from the reversal of provisions was higher (previous year: 0.2 million euros).

Income from consultancy expenses that can be passed through is offset by corresponding expense items of 2.8 million euros (previous year: 3.0 million euros), 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. Consulting expenses associated with identifying and developing new investment opportunities fell to 0.6 million euros (previous year: 2.0 million euros) as a result of the lower number of potential investments the investment advisory team was able to explore. In addition, maintenance and license costs for hardware and software increased to 1.1 million euros as part of the continuous expansion of our digital networks and security enhancements (previous year: 0.9 million euros). Travel and hospitality expenses of 0.9 million euros (previous year: 0.3 million euros) rose from the previous year's very low level due to the pandemic, and premises expenses were up slightly to 0.4 million euros (previous year: 0.3 million euros). Expenses for external staff and other personnel costs rose to 1.4 million euros (previous year: 0.5 million euros), and depreciation and amortisation to 1.5 million euros (previous year: 1.2 million euros).

NET INTEREST INCOME (see notes 14 and 15 to the consolidated financial statements) deteriorated overall, especially due to lower interest income of 0.0 million euros (previous year: 0.8 million euros) following the reclassification of interest income received from other financial instruments in net income from investment activity. Interest expenses declined in the year under review, to 1.1 million euros after 1.5 million euros in the previous year.

Other comprehensive income: Positive impact from increased discount rate

OTHER COMPREHENSIVE INCOME increased in the year under review. This is mainly due to higher actuarial gains on measurement of pension obligations (see note 26 to the consolidated financial statements "Gains (+) / losses (-) on remeasurement of the net defined benefit liability (asset)"). The underlying discount rate for pension provisions increased significantly by 2.86 percentage points to 3.74 per cent.

Net income from investment activity: Heavily burdened by developments on the capital markets

The change in **NET INCOME FROM INVESTMENT ACTIVITY** from 178.4 million euros in the previous year to -98.9 million euros in the 2021/2022 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

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

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 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. These entitlements account for those active and former members of the DBAG investment advisory team who co-invested alongside the funds.

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

NET INCOME FROM INVESTMENT ACTIVITY

€'000	2021/2022	2020/2021
Gross gains and losses on measurement and disposal portfolio	(130,033)	202,722
Net income attributable to other shareholders of investment entity subsidiaries	28,263	(32,780)
Net gains and losses on measurement and disposal portfolio	**(101,771)**	**169,942**
Current portfolio income	14,587	14,809
Net portfolio income	**(87,184)**	**184,752**
Net gains and losses from other assets and liabilities of investment entity subsidiaries	(13,191)	(6,690)
Net gains and losses from other financial assets and other financial instruments	1,492	316
Net income from investment activity	**(98,883)**	**178,378**

CURRENT PORTFOLIO INCOME mainly relates to interest payments on shareholder loans, and exceeded the previous year's figure which had been mainly driven by the disposals of investments in DNS:Net and Rheinhold & Mahla closed in the previous year. In accordance with contractual agreements concluded in connection with these investments, DBAG was able to recognise interest. In the period under review, income 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 2022 reporting date, we determined the fair value of 29 portfolio companies (previous year: 26) using the multiples method. We based this calculation (largely) on the expected result for 2022 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. When Russian troops invaded Ukraine on 24 February 2022, negative news about the economy increased and reduced the willingness of consumers to spend and of companies to invest. In response to higher energy and raw material prices, as well as disruptions to supply chains and their negative impact on some of our portfolio companies, we used a sustainable result from today's perspective to value some of the portfolio companies. Eight portfolio companies (previous year: three) are still carried at their original transaction price because they have been held for less than twelve months. They account for 25.6 per cent of the portfolio value (previous year: 7.5 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., which is listed on the stock market in India, is based on the closing price of the shares on the reporting date, to which we have applied a discount.

In the financial year 2021/2022, the contribution from the companies' **CHANGES IN EARNINGS** was positive, at 80.7 million euros. 19 companies (previous year: 16) made a positive contribution, whilst five companies (previous year: six) made a negative contribution. 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 industry and industrial technology sectors, largely attributable to add-on acquisitions. Negative earnings contributions were attributable to rising input costs, among other things, which led to reduced earnings assumptions among some portfolio companies.

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

€'000	**2021/2022**	2020/2021
Fair value of unlisted investments		
Change in earnings	80,667	148,021
Change in debt	(78,612)	(73,748)
Change in multiples	(150,797)	85,581
Change in exchange rates	2,014	(247)
Change – other	2,293	1,415
Other	(519)	423
Subtotal	(144,954)	161,445
Net gains and losses on disposal	14,921	41,277
	(130,033)	**202,722**

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 to accelerate the expansion of their market presence. 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.

During the financial year 2021/2022, our portfolio companies' increased borrowings provided a higher net negative value contribution than in the previous year. 16 companies provided a negative value contribution from debt, while ten portfolio companies made a positive contribution from debt amounting to 23.4 million euros.

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 lower than those on the reporting date of the previous year. In the year under review, the change in multiples led to a negative effect on earnings, primarily among investments in broadband/telecommunications and industrial services, whereas net contributions from this earnings component had been noticeably positive in the year before.

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 only had a minor impact on net gains and losses on measurement and disposal.

NET GAINS AND LOSSES ON DISPOSAL largely arose in the first three months of the period under review. This includes the value contributions from the partial sale of the investment in Telio and from the refinancing of von Poll Immobilien. In the previous year, net gains and losses on disposal largely arose from the disposals of evidia (formerly blikk), DNS:Net and Rheinhold & Mahla, a refinancing of netzkontor and the partial disposal of the investment in GMM Pfaudler.

The contributions to net measurement gains and losses shown in the **OTHER** item largely relate to the valuation of the shares in GMM Pfaudler Ltd., which is listed on the stock market in India. Discounting effects relating to residual items also played a role.

SOURCE ANALYSIS 2: Twelve portfolio companies (previous year: 18 portfolio companies) made a positive contribution to the development of net gains and losses on measurement and disposal in the year under review. Of these, two companies are valued at their disposal price.

20 (previous year: eleven) equity investments made a negative contribution to net gains and losses on measurement and disposal of the 2021/2022 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	**2021/2022**	2020/2021
Positive movements	42,702	216,725
Negative movements	(172,735)	(14,003)
	(130,033)	**202,722**

SOURCE ANALYSIS 3: Net gains and losses on measurement and disposal in the 2021/2022 financial year mainly reflect the overall negative development of multiples of the listed peer group companies. Furthermore, fewer disposals were possible, which – had they been realised – could have resulted in higher 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	**2021/2022**	2020/2021
Net measurement gains and losses	(144,954)	161,099
Unrealised disposal gains on imminent sales basis	0	346
Net gains and losses on disposal	14,921	41,277
	(130,033)	**202,722**

TEN-YEAR SUMMARY OF EARNINGS

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	**2021/2022**
			11 months							
Net income from investment activity[1]	41.0	50.7	29.2	59.4	85.8	31.1	49.6	(16.9)	178.4	(98.9)
Income from Fund Services		22.2	19.2	18.3	27.0	28.9	27.0	29.3	42.1	43.2
Other income/expense items[2]	(7.3)	(24.5)	(21.3)	(28.4)	(30.9)	(30.2)	(31.5)	(28.2)	(34.7)	(40.2)
EBT	33.8	48.4	27.1	49.3	82.0	29.7	45.1	(15.8)	185.7	(95.9)
Net income	32.3	48.0	27.0	49.5	82.0	29.7	45.9	(16.8)	185.1	(97.6)
Other comprehensive income[3]	(3.7)	(6.4)	0.4	(6.5)	2.9	(1.2)	(7.7)	2.7	2.2	8.6
Total comprehensive income	28.6	41.6	27.4	43.0	84.9	28.5	38.2	(14.1)	187.3	(88.9)
Return on equity per share (%)[4]	11.5	15.9	9.6	14.9	24.1	6.9	9.1	(3.2)	44.2	(12.7)

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; up to and including financial year 2012/2013, including income from Fund Investment Services
3 Actuarial gains/losses on plan assets are recognised directly in equity, via other comprehensive income. Since financial year 2020/2021: total comprehensive income divided by the opening balance of equity (in previous years: total comprehensive income divided by opening balance less distributions).
4 Since 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: Financial resources defined by the cash flow from investment activity

As at 30 September 2022, DBAG's financial resources totalling 19.2 million euros comprised cash and cash equivalents. The investment entity subsidiaries hold additional financial resources – exclusively cash and cash equivalents – amounting to 11.4 million euros. 41.0 million euros of credit lines totalling 106.7 million euros were drawn 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 statement of cash flows in accordance with IFRSs shows the changes in cash and cash equivalents.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INFLOWS (+)/OUTFLOWS (-)

€'000	**2021/2022**	2020/2021
Net income	(97,564)	185,134
Measurement gains (-)/losses (+) and gains (-)/losses (+) on disposal of financial assets	101,751	(177,135)
Other non-cash changes	25,350	(15,637)
Cash flow from operating activities	**29,538**	**(7,638)**
Proceeds from disposals of financial assets and other financial instruments	122,111	138,631
Payments for investments in financial assets and other financial instruments	(253,727)	(110,439)
Cash flow from investment activity	(131,617)	28,192
Proceeds from (+)/payments for (-) investments in securities	74,802	(75,112)
Other cash inflows and outflows	(861)	(75)
Cash flow from investing activities	**(57,675)**	**(46,996)**
Proceeds from capital increases	(280)	99,933
Payments for lease liabilities	(1,073)	(795)
Proceeds from drawdowns of credit facilities	41,000	60,500
Payments for redemption of credit lines	0	(73,600)
Payments to shareholders (dividends)	(30,088)	(12,035)
Cash flow from financing activities	**9,559**	**74,003**
Net change in cash and cash equivalents	**(18,579)**	**19,370**
Cash and cash equivalents at start of reporting period	37,737	18,367
Cash and cash equivalents at end of reporting period	**19,158**	**37,737**

CASH AND CASH EQUIVALENTS in accordance with IFRSs decreased in the 2021/2022 financial year. In spite of the Group's highly negative net income, the balance of **CASH FLOW FROM OPERATING ACTIVITIES** was positive and significantly exceeded the previous year's figure. This is mainly attributable to the fact that net income is largely based on the change in value in connection with the valuation of the portfolio at fair value, not on realised proceeds from disposals. A material impact during the period under review came from the receipt of advisory fees for DBAG Fund VII (deferred since July 2019) in the amount of 27.8 million euros. This amount was received in October 2021.

The negative balance of **CASH FLOW FROM INVESTING ACTIVITIES** increased 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. In the financial year 2021/2022, money market fund units in the amount of 74.8 million euros were sold.

Investment activity resulted in an outflow of funds in the year under review, compared to an inflow 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 other financial instruments"), which are subsequently refinanced ("Payments for investments in financial assets", "Proceeds from disposals of other financial instruments").

Proceeds from disposals of financial assets and other financial instruments mainly related to the inflow of funds from the refinancing of von Poll Immobilien and the partial disposals of Telio and GMM Pfaudler (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 follow-on investments 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 drawdowns of credit lines. In addition, the dividend was paid out to DBAG's shareholders following the Annual General Meeting on 17 February 2022.

TEN-YEAR SUMMARY OF CASH POSITION

€'000	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/2021	**2021/2022**
			11 months							
Cash flow from operating activiies	(12.0)	0.0	7.1	(0.6)	(0.5)	9.9	(12.3)	(6.7)	(7.6)	29.5
Cash flow from investing activities	18.7	67.9	20.1	1.9	95.1	(93.2)	54.5	(8.4)	(47.0)	(57.7)
Cash flow from financing activities	(16.4)	(16.4)	(27.4)	23.5	(18.1)	(21.1)	(21.8)	(10.5)	74.0	9.6
Net change in financial resources[1]	(9.8)	51.5	(0.1)	24.8	76.6	(104.4)	20.4	(25.6)	19.4	(18.6)

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 89.6 per cent of total assets (previous year: 95.1 per cent) despite the negative net income reported. Equity still covers non-current assets in full and current assets at 22.7 per cent (previous year: 65.9 per cent).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€'000	**30 Sep 2022**	30 Sep 2021
Financial assets	553,323	545,339
Long-term securities	0	75,059
Other non-current assets	3,317	5,306
Deferred tax assets	3,190	3,170
Non-current assets	**559,831**	**628,874**
Other financial instruments	42,225	20,332
Receivables and other assets	23,137	45,962
Cash and cash equivalents	19,158	37,737
Other current assets	2,056	2,049
Current assets	**86,576**	**106,079**
Total assets	**646,407**	**734,953**
Equity	579,455	698,762
Non-current liabilities	5,840	18,409
Current liabilities	61,112	17,782
Total equity and liabilities	**646,407**	**734,953**

Asset and capital structure: Further increase in financial assets and decrease in cash and cash equivalents as well as long-term securities

Total assets as at the reporting date of 30 September 2022 stood at 646.4 million euros – down by 88.5 million euros compared to the end of the 2020/2021 financial year. The main factors reducing total assets on the assets side were the payment of the dividend (-30.1 million euros), which reduced cash and cash equivalents, and net losses from investment activity (-98.9 million euros), which are largely a consequence of the lower valuation multiples of peer group companies on the capital markets, thus reducing financial assets. On the capital side, both effects reduced DBAG's equity.

The main factors expanding total assets on the assets side were the drawdown of credit lines and acquisition of investments leading to an increase in financial assets. On the capital side, this effect led to an increase in current liabilities.

The **ASSET STRUCTURE** has shifted slightly, in favour of non-current assets; this is mainly due to reduced total assets. Non-current assets now account for 86.6 per cent of total assets (previous year: 85.6 per cent). Of the total assets, 85.6 per cent (previous year: 74.2 per cent) are accounted for by financial assets. Cash and cash equivalents account for 3.0 per cent (previous year: 15.3 per cent) of total assets.

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

EQUITY stood at 579.5 million euros – a decline of 119.3 million euros compared to the figure as at 30 September 2021, which mainly reflected lower net income and the dividend distribution for the previous period. Equity per share thus fell from 37.16 euros at the beginning of the reporting period to 30.81 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 -12.7 per cent; a return on equity of 44.2 per cent was achieved in the previous year.

NON-CURRENT LIABILITIES declined in particular as a result of lower provisions for pension obligations, reflecting increased interest rate levels. The increase in **CURRENT LIABILITIES** largely resulted from drawdowns on the credit lines.

Financial assets: Portfolio value almost unchanged

Financial assets are largely determined by the **VALUE OF THE PORTFOLIO** which, excluding interests of non-controlling shareholders in investment entity subsidiaries (largely carried interest), amounted to 567.3 million euros as at 30 September 2022, compared to 569.9 million euros at the end of the previous financial year. During the reporting period, additions from ongoing investing activities were offset by disposals following two partial sales and a refinancing plus negative changes in the value of the portfolio companies (see the comments on the portfolio value below).

INTERESTS OF OTHER SHAREHOLDERS IN INVESTMENT ENTITY SUBSIDIARIES have decreased compared to the levels at the beginning of the year under review, particularly due to the fall in performance-based profit shares from private investments by members of the investment advisory team for 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 11.4 million euros, receivables vis-à-vis investments from loans and interest in the amount of 33.7 million euros and other financial assets and assets of 10.2 million euros. This is offset by liabilities from other financial instruments and unpaid advisory fees of 45.9 million euros.

FINANCIAL ASSETS

€'000	**30 Sep 2022**	30 Sep 2021
Portfolio value		
gross	567,280	569,875
Interests of other shareholders in investment entity subsidiaries	(23,462)	(53,318)
net	543,818	516,557
Other assets and liabilities of investment entity subsidiaries	9,371	28,675
Other financial assets	135	107
Financial assets	**553,323**	**545,339**

Portfolio and portfolio value

As at 30 September 2022, DBAG's total investment portfolio consisted of 39 equity investments, including the three partially sold equity investments 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 2022, the value of the 39 equity investments, including loans and receivables extended to them and excluding short-term bridge financing, amounted to 565.1 million euros (previous year: 564.5 million euros). These are attributable to 29 management buyouts, three growth financings and four Long-Term Investments – two majority and two non-controlling interests each – and the three aforementioned partially sold equity investments; in addition, other investments totalled 2.4 million euros (previous year: 5.4 million euros). This brought the portfolio value to a total of 567.3 million euros (previous year: 569.9 million euros).

The portfolio's growth during the course of the financial year 2021/2022 was attributable to negative changes in value of 145.0 million euros, additions of eight new equity investments amounting to 172.9 million euros and disposals of 30.6 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 vhf, Green Datahub, Dantherm, freiheit.com, Itelyum and in-tech. We also supported add-ons by portfolio companies with additional equity: operasan, Solvares and BTV Multimedia accounted for the highest individual amounts in this respect. Disposals mainly relate to the partial sale of Telio and the reduction in acquisition costs relating to a refinancing at von Poll Immobilien.

The changes in capital market multiples for peer group companies continued to affect our industry and industrial technology investments in the year under review. Nonetheless, some companies succeeded in achieving positive value contributions from improved earnings compared with the previous year's figures, some of which had been very low. As a result, their valuation only increased to 0.96 times acquisition cost as at the reporting date, compared to 0.92 times in the previous year. On balance, the valuation of investments in the broadband/telecommunications, IT services & software and healthcare sectors deteriorated to 1.33 times (previous year: 2.80 times), due to the marked declined in the capital market multiples for peer group companies. In addition, the significant changes to the macroeconomic environment which emerged during the year under review burdened earnings at some of our portfolio companies.

The share of companies with leverage (net debt/EBITDA) of 3.0 or more increased again in the year under review, to 69 per cent. As at the previous year's reporting date, this figure had fallen to 63 per cent due to post-pandemic recovery effects and the portfolio composition. 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 smaller number of companies that we have held in the investment portfolio for five years or longer saw their valuation deteriorate to 1.07 times their original acquisition cost (previous year: 1.57 times) as at the reporting date – albeit over a longer period of time than the group of companies mentioned above.

As at 30 September 2022, the 15 largest investments accounted for 67 per cent of the portfolio value (30 September 2021: 82 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).

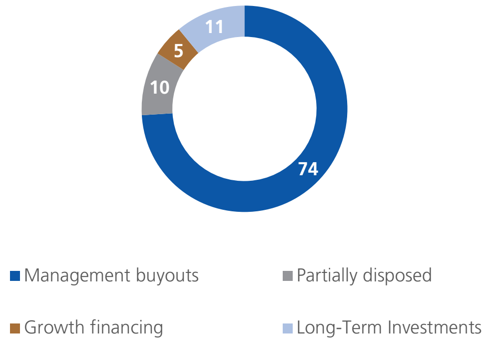
The following information on the structure of the portfolio is based on the valuations and resulting portfolio value of the 39 equity investments as at the reporting date. The information on leverage (net debt, EBITDA) relates largely to the (updated) expectations of the portfolio companies for the 2022 financial year.

PORTFOLIO STRUCTURE (15 LARGEST INVESTMENTS IN TERMS OF PORTFOLIO VALUE AS AT 30 SEPTEMBER 2022)

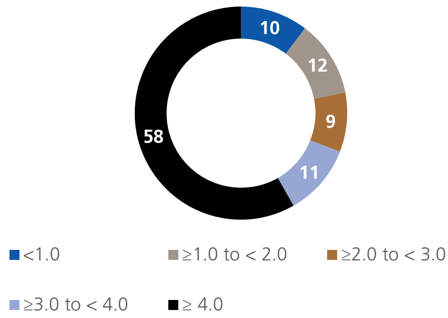
Company	Acquisition cost	Equity share DBAG	Investment type	Sector	Group share of the portfolio
	€mn	%			%
Cartonplast	25.3	16.4	MBO	Industrial services	
Cloudflight	9.1	15.8	MBO	IT services & software	
duagon	26.8	21.4	MBO	Industry and IndustryTech	
GMM Pfaudler	1.2	17.3	partially disposed	Industry and IndustryTech	
vitronet	14.7	41.6	MBO	Broadband/telecommunications	30.6
congatec	23.4	21.2	MBO	Industry and IndustryTech	
Dantherm	22.4	13.3	MBO	Industry and IndustryTech	
Green Datahub	25.0	100.0	Long-Term Investments	IT services & software	
Pmflex	11.2	12.5	MBO	Industry and IndustryTech	
vhf	25.0	21.3	Long-Term Investments	Healthcare	20.6
evidia	16.3	2.3	partially disposed	Healthcare	
freiheit.com	20.8	12.0	MBO	IT services & software	
Itelyum	Not published	Not published	MBO	Industrial services	
Karl Eugen Fischer	22.6	20.9	MBO	Industry and IndustryTech	
Oechsler	11.2	8.4	Growth	Industry and IndustryTech	15.3

Portfolio structure[1]

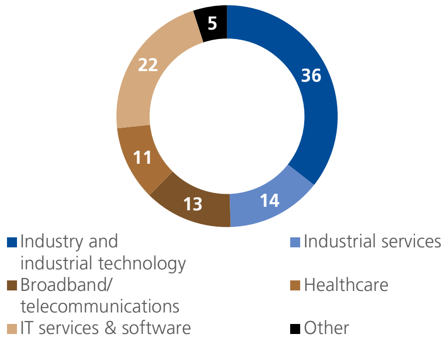
PORTFOLIO VALUE BY TYPE OF INVESTMENT
%



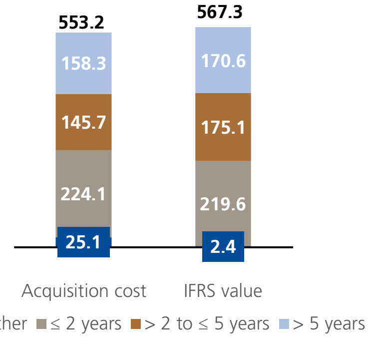
PORTFOLIO VALUE BY NET DEBT/EBITDA
%



PORTFOLIO VALUE BY SECTORS
%



PORTFOLIO VALUE BY AGE STRUCTURE
€mn at 30 September 2022



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 2013	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**
				adjusted[1]	adjusted[2]	adjusted[2]				
Financial assets[3]	166.8	163.4	247.7	316.3	254.2	318.9	385.7	390.7	545.3	553.3
Securities/cash and cash equivalents	98.3	140.7	58.3	72.6	161.6	119.0	69.4	18.4	112.8	19.2
Other assets	45.6	28.5	21.2	15.2	48.2	43.4	36.5	65.5	76.8	73.9
Equity	278.4	303.0	303.1	369.6	436.4	443.8	460.2	423.5	698.8	579.5
Liabilities	32.3	29.6	24.1	34.5	27.5	37.5	31.5	51.1	36.2	67.0
Total assets	310.7	332.6	327.2	404.2	464.0	481.3	491.6	474.6	735.0	646.4

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	**2021/2022**	2020/2021
Net income from investment activity	(98,883)	178,378
Other income/expense items	(12,413)	(10,670)
Earnings before taxes	**(111,296)**	**167,708**

EARNINGS BEFORE TAXES in the Private Equity Investments segment were lower than the previous year's noticeably positive figure. This is due to the decline in **NET INCOME FROM INVESTMENT ACTIVITY**. Please refer to the explanations on this item in the section on "Financial performance". The negative balance of **OTHER INCOME/EXPENSE ITEMS** (the sum of internal management fees, personnel expenses, other operating income and expenses, as well as net interest income) exceeded the previous year's figure, mainly reflecting higher severance payments related to a member of the Board of Management stepping down and lower variable remuneration (please also refer to the explanations in the section on "Financial performance"). This item also comprises internal management fees of 1.1 million euros (previous year: 1.3 million euros) 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.

NET ASSET VALUE AND AVAILABLE LIQUIDITY		
€'000	**30 Sep 2022**	30 Sep 2021
Financial assets	553,323	545,339
Other financial instruments	42,225	20,332
Financial resources	19,158	112,796
Credit liabilities	(41,000)	0
Net asset value	**573,707**	**678,466**
Financial resources	19,158	112,796
Credit lines	65,660	106,660
Available liquidity	**84,818**	**219,456**
Co-investment commitments alongside DBAG funds	**199,267**	**273,401**

The **NET ASSET VALUE** decreased during the year under review, falling below the previous year's figure. Significantly negative net measurement gains and losses reported in financial assets through portfolio value were the main driver. All in all, financial assets rose in the year under review, as investments in new companies more than offset these charges.

Key factors for the net change in financial resources were payments for investments and for dividends to our shareholders, along with the receipt of the deferred management fee for DBAG Fund VII. 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 declined significantly in the year under review. Cash flow from investment activity of -131.6 million euros contributed in particular to the decline 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. As at the balance sheet date, a total of 41 million euros was drawn down on the lines.

Pending **CO-INVESTMENT COMMITMENTS ALONGSIDE DBAG FUNDS** were lower year-on-year as at the current reporting date, due to DBAG's continued investing activity. The largest share is attributable to DBAG Fund VIII, whose investment period runs until December 2026 at the longest.

Due to the stronger decline in available liquidity compared to the decrease in co-investment commitments, the latter were covered by available liquidity to a significantly lower extent on 30 September 2022 (42.6 per cent) compared to 80.3 per cent in the previous year. DBAG's Long-Term Investments also reduced available liquidity. The surplus of co-investment commitments relative to financial assets rose to 20.7 per cent, compared to 9.9 per cent on 30 September 2021.

Fund Investment Services segment

SEGMENT EARNINGS STATEMENT – FUND INVESTMENT SERVICES

€'000	2021/2022	2020/2021
Income from Fund Services	44,279	43,408
Other income/expense items	(28,902)	(25,397)
Earnings before taxes	**15,377**	**18,012**

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** increased in a year-on-year comparison. At 19.1 million euros, income from DBAG Fund VIII exceeded the previous year's result of 18.7 million euros.

Income from DBAG ECF and DBAG Fund VI declined as expected, to 1.4 million euros (previous year: 1.7 million euros) and 6.4 million euros (previous year: 7.2 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. However, two factors had an offsetting effect on DBAG Fund VII: the fact that a new investment (akquinet) was structured, and existing portfolio companies executing add-ons. Fees are no longer paid for DBAG Fund V, as agreed. The segment information also takes internal income from the Private Equity Investments segment in the amount of 1.1 million euros (previous year: 1.3 million euros) into account.

The negative balance of **OTHER INCOME/EXPENSE ITEMS** was higher year-on-year, due in particular to the expansion of DBAG's team and higher advisory expenses, as well as one-off expenses related to a member of the Board of Management leaving the Company[15] (see the explanations in the notes to the consolidated financial statements).

[15] Pro-rata recognition in the Fund Investment Services segment, with the remainder recognised in the Private Equity Investments segment

ASSETS UNDER MANAGEMENT OR ADVISORY

€'000	**30 Sep 2022**	30 Sep 2021
Funds invested in portfolio companies	1,810,313	1,375,459
Funds called but not yet invested	2,017	0
Short-term bridge financing for new investments	182,833	106,882
Outstanding capital commitments of third-party investors	489,997	878,099
Financial resources (of DBAG)	19,158	112,796
Assets under management or advisory	**2,504,318**	**2,473,235**

ASSETS UNDER MANAGEMENT OR ADVISORY are above the levels seen at the end of the financial year 2020/2021. Pending capital commitments by fund investors declined by a total of 388 million euros, reflecting investing activities. This was offset by a 512 million euro increase in funds invested in or called for portfolio companies or bridge financings. DBAG's financial resources have fallen particularly in connection with the structuring of additional investments in the period under review. In addition, the dividend was paid out to the Company's shareholders at the end of February 2022. 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 on Deutsche Beteiligungs AG and the Group management report for the financial year 2021/2022 are presented combined, in conformity with section 315 (5) in conjunction with section 298 (2) sentence 1 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 HGB. The complete annual financial statements of DBAG based on HGB are published in the Federal Gazette, together with the consolidated financial statements.

Comparison between actual business developments and the forecast

		Actual 2020/2021	Expectations 2021/2022	**Actual 2021/2022**	
Net income	€mn	64.5	70,0 to 80,0	0.7	Expectation not met
Dividend	€	1.60	1,00 to 1,20	0.80	Expectation exceeded

Net income for the year under review came in significantly below the expected forecast range, mainly because net gains and losses on measurement and disposal were lower than expected and turned red in the review period after being positive in the previous year. This was due to lower realised disposals and write-downs of financial assets due to shifts in the macroeconomic and geopolitical environment. The dividend of 0.80 euros per share proposed for the year under review is below the previous year's figure and does not meet the forecast. The proposed dividend reflects the considerable influence that the combination of inflation, supply chain disruptions and recession forecasts has had on our business.

Financial performance

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

Net income for 2021/2022 remained significantly below the previous year's figure, mainly because gains from disposal of investments were realised to a significantly lesser extent and write-downs of financial assets were higher in the year under review than in the previous year. This burdened net gains and losses on measurement and disposal. Current income from investments and from Fund Services, on the other hand, exceeded their respective figures for the previous year. The negative balance of other income components remained at the previous year's level.

Income from Fund Services and investment activity: Significantly below the previous year's levels

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 according to the moderate lower of cost or market principle and the applicable procedure for the reversal of impairment losses according to the HGB.

Current **NET GAINS AND LOSSES ON MEASUREMENT AND DISPOSAL** are largely influenced by higher write-downs of financial assets due to negative changes in the value of several portfolio companies and by the sale of the investment in Telio in the year under review. The previous year's net gains and losses on measurement and disposal were significantly influenced by the disposal of investments in DNS:Net, evidia, GMM Pfaudler and Rheinhold & Mahla, as well as the partial disposal of netzkontor following refinancing.

One significant component of **CURRENT INCOME FROM INVESTMENTS** are profit allocations and distributions from portfolio companies. In the year under review, profit allocations from nine affiliated companies accounted for 14.1 million euros (previous year: 13.4 million euros from six affiliated companies).

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

€'000	**1 Oct 2021 to 30 Sep 2022**	1 Oct 2020 to 30 Sep 2021
Net gains and losses on measurement and disposal[1]	(16,159)	54,263
Current income from investments	14,924	13,770
Income from Fund Services	40,392	35,687
Total income from Fund Services and investment activity	**39,158**	**103,720**
Personnel expenses	(24,135)	(22,436)
Other operating income (excluding write-ups)	1,587	1,099
Other operating expenses	(12,687)	(13,973)
Depreciation and amortisation on intangible fixed assets and property, plant and equipment	(402)	(249)
Income from other securities, or loans and advances held as financial assets	35	1
Other interest and similar income	1,360	779
Interest and similar expenses	(3,643)	(3,458)
Total other income/expense items	**(37,885)**	**(38,239)**
Earnings before taxes	**1,274**	**65,481**
Income taxes	(524)	(925)
Other taxes	(5)	(6)
Net income	**744**	**64,550**

1 Net gains and losses on measurement and disposal comprise the income statement items "Income from disposal of investments" of 9.9 million euros (previous year: 56.3 million euros), and "Write-downs of financial assets" in the aggregate of 26.0 million euros (previous year: 2.0 million euros).

INCOME FROM FUND SERVICES exceeded 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 HGB includes net income less the expenses of the subsidiaries involved in fund advisory and management services.

Other income/expenses: Balance essentially at the previous year's level

The (negative) balance of other income/expense items remained at the previous year's level. Personnel expenses were higher than in the previous year, primarily because the average number of employees increased to 82 compared to 77 in the previous year, and because of one-off expenses related to a member of the Board of Management leaving the Company. Other operating income increased mainly due to higher income from costs that can be passed on. Other operating expenses decreased compared to the previous year. This item did not comprise any expenses related to the capital increase, which amounted to 5.6 million euros in the previous year. However, other consultancy expenses, IT infrastructure maintenance costs, recruitment and training costs as well as costs for interim management, freelance fees and travel expenses were all higher. The item "Miscellaneous" also increased significantly, and primarily comprised expenses for motor vehicles, insurance and office material.

The **FINANCIAL RESULT** improved, due mainly to the positive effect of higher interest income from short-term loans to investment entity subsidiaries.

Net income for the year: 0.7 million euros

Deutsche Beteiligungs AG generated net income of 0.7 million euros for the financial year 2021/2022. Taking into account profit carried forward from the previous year and the dividend distribution, net retained profit amounted to 224.6 million euros.

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 2022**	30 Sep 2021
Interests in affiliated companies	518,691	411,181
Loans to affiliated companies	1,000	1,000
Investments	3,349	3,349
Securities held as non-current assets	0	75,112
Other non-current assets	854	720
Non-current assets	**523,893**	**491,362**
Receivables and other assets	94,649	86,606
Cash and cash equivalents	7,838	33,240
Current assets	**102,487**	**119,847**
Prepaid expenses	**807**	**626**
Total assets	**627,187**	**611,835**
Subscribed capital	66,733	66,733
Capital reserve	267,344	267,344
Retained earnings	403	403
Net retained profit	224,622	253,966
Equity	**559,102**	**588,446**
Provisions	**26,085**	**22,690**
Liabilities	**41,999**	**700**
Total equity and liabilities	**627,187**	**611,835**

Assets: Increase due to new investments and investment of cash and cash equivalents

EQUITY SHARES IN ASSOCIATES represent the largest item in DBAG's non-current assets. Associates 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 2021/2022 resulted from additions totalling 151.3 million euros, primarily consisting of new investments and funds to support add-ons made by DBAG's portfolio companies. This was offset by disposals of 17.8 million euros, mainly involving disposals which generated returns from investment entity subsidiaries. In addition, write-downs amounted to 26.1 million euros net.

The item "Loans to affiliated companies" relates to our subsidiary in Italy. The item "Investments" relates to an older directly held investment. Money market fund units, which were still held at the previous year's reporting date, were sold during the course of the year under review and the proceeds reinvested. Therefore, unlike the previous year, no investment securities were being held as fixed assets at the reporting date.

Current assets: Significant changes in composition

There have been significant changes in the composition of current assets in the year under review: cash and cash equivalents decreased during the course of our investing activities, while receivables from affiliated companies, which refer to short-term loans in particular, increased.

Higher provisions for pension obligations

The increase in provisions compared to the previous year's reporting date resulted essentially from the change in capital market interest rates, which resulted in an increase in the valuation of these obligations. The pension obligations are discounted using the average matched-maturity (market) interest rate of the past ten financial years as calculated and published by Deutsche Bundesbank on a monthly basis pursuant to the Regulation on the Discounting of Provisions. The rate came to 1.78 per cent as against 1.98 per cent in the previous year.

Liabilities: Credit line 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. These remained undrawn at the previous year's reporting date, but 41.0 million euros had been utilised as at the reporting date. This is the main reason behind the year-on-year differences in liabilities.

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 7.8 million euros (previous year: 108.4 million euros). In addition, it can continue to 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 with financial resources, returns form disposals and credit lines.

Capital structure: Equity ratio remains at a high level

DBAG funded its activities in the financial year 2021/2022 temporarily by drawing on some of its credit lines, using existing financial resources and its own cash flow. The equity ratio fell to 89.1 per cent as at the reporting date, compared to 96.2 per cent at the end of financial year 2020/2021. This resulted primarily from the increase in total assets during the course of our investing activities and from the dividend distribution of 30.1 million euros.

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. In our more than 50-year history, we have proven 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 or control these risks.

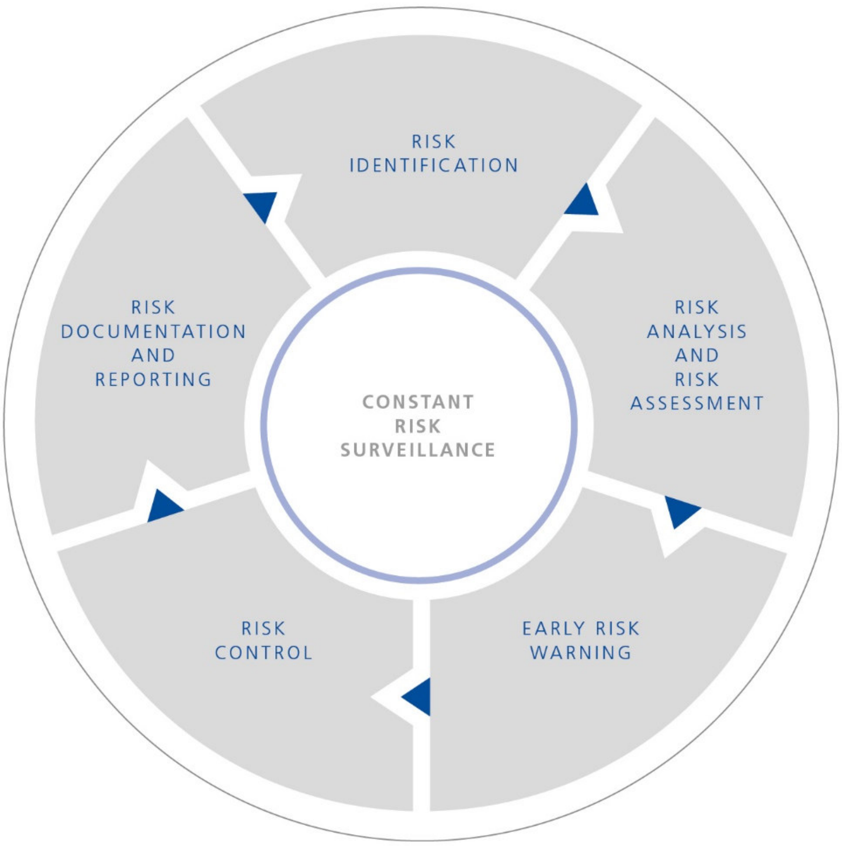
Structures: Decentralised organisation of risk management

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 decentralised 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. The risk management system underwent further development in response to the new requirements of section 91 (3) of the German Stock Corporation Act (Aktiengesetz – AktG). For example, a quarterly calculation of risk-bearing capacity was incorporated into the risk assessment process, and 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 ("significant risks"; 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 impact is evaluated, based on four criteria; potential 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 the 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 immediately. 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 59 individual risks

The risk management system is based on the risk management manual and the risk register. The 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; at the period ending 30 September 2022, it outlined and evaluated 59 individual risks (previous year: 56). The significant 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 significant risks as at the reporting date. One risk was classified as having a "very high" expected value.

RISK FACTORS WITH A HIGH AND VERY 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	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	higher	likely	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	low	high

Material changes compared with the preceding year

DBAG encountered no new significant 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 increased from "high" to "very high" in the 2021/2022 financial year, as we now consider the probability of occurrence of this risk as "probable", whereas on the reporting date of the 2020/2021 financial year, we had still considered it as "possible".

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 "Inability to cover the personnel requirement" as "possible", whereas at the end of the previous year we still considered it as "low". Meanwhile, the probability of occurrence for the risk "Insufficient access to new and attractive investment opportunities" was reduced from "possible" to "low".

The table below summarises the changes to individual risks during the reporting period. Three new risks were added in total.

CHANGE IN INDIVIDUAL RISK EXPOSURES IN THE RISK REGISTER, COMPARED TO THE END OF THE PRECEDING QUARTER

	Q1 2021/2022	Q2 2021/2022	Q3 2021/2022	Q4 2021/2022
Changes in risk exposure	**6**	**6**	**2**	**2**
of which: material risks	**2**	**1**	**0**	**0**
Increase in probability of occurrence/ extent of losses	1	1	0	0
Decrease in probability of occurrence/ extent of losses	1	0	0	0
of which: other risks	**4**	**5**	**2**	**2**
Increase in probability of occurrence/ extent of losses	2	2.5	2	2
Decrease in probability of occurrence/ extent of losses	2	2.5	0	0
New risks	**2**	**0**	**1**	**0**

Explanation of individual risk factors

We subsequently outline those risks (out of the total of 59 individual risks in our risk register) with a "high" or "very high" expected value based on our definition. 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 fits to standard practice in the industry, 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 conduct recurring surveys several times a year to check employee satisfaction levels. We use the feedback to improve work processes with the objective of increasing employee satisfaction. In the year under review, the number of employees increased by twelve to 89 as at 30 September 2022. In view of the Company's current position, we do not expect bottlenecks to occur over the short or medium term.

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

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. 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 were included in our target system in the year under review and will take effect from financial year 2022/2023.

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 examine on a regular basis the extent to which our sector focus, our geographical emphasis and the equity solutions we offer for the mid-market segment provide an adequate deal flow and 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 of Private Equity Investments 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. It remains to be seen whether and how quickly these capital providers will pull back again following the interest rate reversal in the year under review and switch their attention to other investments. 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.

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 along with supply chain disruptions and exchange rate changes. These market factors, in turn, are subject to a variety of influences themselves.

While the overall development of the economy at the beginning of the reporting year continued to suffer from the effects of the pandemic – in particular, disrupted supply chains and resulting huge price increases, especially in raw materials, intermediate products and logistics services – there were also significant increases in energy costs even before Russia's war of aggression against Ukraine began. The outbreak of the war further exacerbated all of these factors. Central banks also reacted to the persistent upward shift in inflation by ending their low interest rate policies. Looking beyond the economic key data, we can now assume that there will be lasting geopolitical shifts. Technological changes can also have a negative impact on individual companies, or on those companies operating in a certain sector.

These factors – either individually or as a whole – could extend the holding periods of investments, resulting in the gains on disposal being postponed or reduced. In extreme cases, it could lead to a total loss of capital for individual investments. In such an event, our reputation would be at stake. Market factors, in particular, sometimes change at very short notice, and our ability to 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 Valuation levels on the capital markets have already declined during the financial year under review, due to the aforementioned changes in the macroeconomic and geopolitical landscape. Still, there is potential for a further decline in valuations – 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 on the capital markets, 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 and 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 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 new service has been well received in the market. DBAG currently holds four Long-Term Investments. We aim to increase their number.

The expansion of our geographical focus to include investments in Italy has opened the door to new investment opportunities. We are currently invested in three 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 now have four investment professionals helping us to serve the Italian market directly.

Private Equity Investments: Strengthening our competitive edge by expanding the 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. As at the reporting date of 30 September 2022, we have expanded our investment advisory team to 34 employees – an increase of nine compared to the reporting date of 30 September 2021.

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

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.

If the addition of Long-Term Investments to the investment strategy continues to ramp up successfully, we could 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.

External changes: Positive effect from higher interest rates

Interest rate increases are associated with risks, as described above. At the same time, however, higher interest rate levels would allow us to reverse an additional part of our pension provisions in the consolidated financial statements; this would increase the equity per share by way of an increase in other comprehensive income.

General statement on opportunities and risks

In the financial year 2021/2022, 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 outbreak of Russia's war against Ukraine (and any further economic and political changes that may result) to be significant. Going forward, this will require companies to demonstrate a high degree of adaptability, but 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[16]

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, and thus to ensure DBAG's 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 current financial year, 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.

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

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

The accounting-related part of the ICS is a component of the annual audit within the scope of a risk-oriented audit approach. After all, the Supervisory Board's Audit Committee oversees the ICS, as required by section 107 (3) 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 standards. New accounting rules are regularly reviewed to ascertain the implications for DBAG and its Group companies, 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. We also gain important insights into the quality and operability of accounting-related internal controls through the annual audit of the separate and consolidated financial statements, as well as the review of the half-yearly consolidated financial statements.

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 Investment 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 2022/2023. We will also use these forecasts as a basis for setting financial year 2024/2025 targets.

The forecast is based on our medium-term planning for 2025, 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 German Commercial Code 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, with the exception of the dividend, 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: income from Fund Investment Services is largely pre-determined for the forecast period, making it easy to plan. As a result, we are forecasting this indicator using a narrower range than, for example, the development in net asset value. For our dividend and the non-financial KPIs we use point forecasts.

Expected development of underlying conditions

M&A market: Gradual improvement in demand expected

In terms of the investment opportunities we were able to review in the financial year 2021/2022, M&A activities have continuously slowed. We reviewed 246 opportunities over the entire reporting year, whereas the previous year had seen us examine 306 potential investments; a similar comparison applies to the fourth quarters, with 65 (2020/2021) versus 44 reviews (2021/2022). Whilst we believe that the market has (all but) bottomed out, timing and intensity of market recovery are going to be heavily dependent upon how interest rate expectations stabilise. This in turn is based on how efficiently monetary policy combats inflation.

Borrowings: Interest from financing partners to recover from 2023 onwards

In light of the war in Ukraine, rising inflation, the turnaround in interest rates and the associated weaker macroeconomic outlook, lenders have been following a more selective approach and interest margins have been on the rise. Market participants looking to finance new acquisitions via debt capital may have to search longer and will probably have to accept higher lending costs. Cyclical sectors may also face a lack of new financings on the market. Nevertheless, banks and debt funds are still open to renewing existing financings or increasing lending volumes, for example for acquisition financing. Whilst it is likely that activities will trend downwards somewhat more than in recent years during the final quarter of the calendar year, we anticipate financiers to lose some of their reticence in 2023.

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 become persistently 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. On the one hand, 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 performances – at least temporarily.

On the other hand, successful fundraising for DBAG Fund VIII supports our view that, given its investment history, DBAG can assume that it will 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. We continue to assume that the probability of the risk of not being able to raise capital is "low" and are convinced that we can successfully address this risk with our management measures.

Macroeconomic environment: Risk of global recession

Russia's war of aggression against Ukraine and reduced gas deliveries have exacerbated inflation, especially in Germany. Central banks have reacted by (severely) tightening monetary and interest rate policies over the course of the year, which had already become more restrictive during the second half of 2021. The US Federal Reserve has shown the strongest response: its sixth interest rate increase at the beginning of November saw the Federal Funds rate rise to a target range of between 3.75 and 4.00 per cent, making this the fourth consecutive three-quarter point interest rate hike year-to-date[17]. The Fed also made it quite clear that it was strongly committed to its inflation target of two per cent and would align any further interest rate decisions with this objective. In terms of the consumer price index, inflation in the US reached an annual rate of 8.2 per cent in September[18].

In view of the ongoing global inflationary pressure, other central banks are also likely to adhere to their restrictive stance. The IMF[19] sees persistent inflation pressures, along with strained supply chains as a result of the war in Ukraine and the slowdown of China's economic momentum, as the main challenges for global economic development, expecting more than one-third of the global economy to contract this year or next, while the United States, China and the EU should stall. For Germany's real GDP, the IMF anticipates a decrease of 0.3 per cent in 2023. The German federal government is more pessimistic and has set out a GDP decrease of 0.4 per cent for 2023 in its autumn projection[20]. The main driver for this downward correction compared to the spring projection is curtailed Russian gas deliveries. Despite the power and gas price caps stipulated in the Emergency Relief Act for Gas and Heating (Erdgas-Wärme-Soforthilfegesetz[21]), the government is expecting only a modest decline in inflation, from eight to seven per cent, in 2023.

Even though a potential global recession would impact the corporate world as a whole and hamper corporate development, we note that our portfolio companies operate in numerous markets and regions. Since we expanded our sector spectrum 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 2023 that form the basis of our forecasts. Given the variety of

[17] FOMC statement, 2 November 2022; New York Times, 2 November 2022, "Fed Makes Fourth Jumbo Rate Increase and Signals More to Come"
[18] U.S. Bureau of Labor Statistics, 13 October 2022, Consumer Price Index Summary
[19] International Monetary Fund, "World Economic Outlook Report October 2022", pages XIII, 9
[20] German federal government announces autumn projections, 12 October 2022
[21] German government passes gas and heating emergency relief for December, 2 November 2022

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.

		2021/2022 and 30 Sep 2022	Expectations 2022/2023	Expectations 2024/2025
Financial performance indicators				
Net asset value (reporting date)[1]	€mn	579.5	605.0 to 675.0	790.0 to 875.0
Earnings from investment activity	€mn	(111.3)	60.0 to 70.0	120.0 to 140.0
Earnings from Fund Investment Services	€mn	15.4	13.0 to 15.0	9.0 to 11.0
Dividend per share		0.80	1.60	1.60
Non-financial performance indicators				
CO2 Footprint (scope 1-3)[2]	t CO_2/MA	2.5	2.4	2.2
Employee satisfaction	%	62	63	65
Payments from compliance breaches	€	0.0	0.0	0.0
Other indicators				
Net income in accordance with IFRS	€mn	(97.6)	70.0 to 80.0	130.0 to 145.0

1 Defined as assets less all liabilities
2 Scope 3 currently comprises business travel and commuting

We concluded the reporting year with results significantly below the expectations we had at the start of the financial year 2021/2022. Key to this development were lower capital markets multiples of peer group companies, which significantly impacted valuations at our portfolio companies. In addition, the abrupt changes to the macroeconomic environment which emerged during the year under review burdened earnings at some of our portfolio companies. We updated our forecasts for the relevant KPIs several times. In light of the outlined challenging macroeconomic developments expected and having weighed up the risks and opportunities, we expect write-ups to portfolio value to initially remain muted in 2022/2023, especially concerning the industrial portfolio.

Taking into account the distribution to be made after the 2023 Annual General Meeting – 15.0 million euros is the proposed figure – the **NET ASSET VALUE** as at the reporting date of 30 September 2023 is expected in a range between 605 and 675 million euros. Adjusted for the proposed distribution, this equates to an increase in value of between seven and 19 per cent.

We then expect to see this value increase further in the following two years, meaning that by the end of the 2024/2025 financial year, i.e. by the end of our planning horizon, the net asset value is projected to amount to between 790 and 875 million euros. Adjusted for the anticipated dividend distribution, these projections point towards an average annual increase in the net asset value of between 14 and 18 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 value movements of the portfolio companies. These changes in value derive from the assumptions on the change in the fair value of an investment in comparison to the preceding reporting date. In the past, there were instances when sizeable gains were realised on disposal of investments, for example because industrial buyers were willing to pay premiums on the estimated fair value for strategic reasons or because financial investors paid such premiums after intense competition among bidders. Such events are not predictable. This is why we have assumed that the sale price corresponds to the fair value calculated in each case.

The changes in earnings multiples for the listed reference companies are not predictable either. 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 BEFORE TAXES IN THE PRIVATE EQUITY INVESTMENTS SEGMENT** ranging from 60 to 70 million euros in the current financial year 2022/2023. We anticipate an increase for the 2024/2025 financial year and expect net income in a range between 120 and 140 million euros.

EARNINGS FROM FUND INVESTMENT SERVICES are expected in a range of 13 to 15 million euros in 2022/2023 and thus on the levels seen in 2021/2022, as we anticipate largely unchanged income and expenses. Turning to the last year of the planning period, earnings from Fund Investment Services are expected to be between 9 and 11 million euros. This decline is not unusual; it assumes that the launch of the investment phase of a planned successor fund, and thus the earnings inflow for advisory services rendered, will only occur at some point in time during the financial year 2024/2025, whilst expenses are incurred for the entire financial year.

Following a dividend of 1.60 euros per share last year, we are proposing a **DIVIDEND** of 0.80 euros per share for the financial year 2021/2022. The proposed dividend reflects the considerable influence that the combination of inflation, supply chain disruptions and recession forecasts have had on our business. We have assumed dividends for the two subsequent planning years to return to the level seen in the 2020/2021 financial year, that is, a dividend of 1.60 euros per share, in line with our unchanged dividend policy.

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 2.4 tonnes in the financial year 2022/2023 and to 2.2 tonnes by the financial year 2024/2025, following 2.5 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. There will be no new company cars added to our fleet as from the 2022/2023 financial year and lease contracts of company cars currently in use will not be renewed. Instead we will be offering our employees a transit card starting

1 January 2023, 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 62 per cent in the financial year 2021/2022 to 63 per cent in 2022/2023 and to 65 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 2022/2023 paints a mixed picture. Whilst we expect demand on the M&A market to improve vis-à-vis the year under review and assume that financing partners will lose some of their reticence in the new financial year 2022/2023, the economic environment is likely to remain challenging, and GDP in Germany might decline, meaning that we can expect the economy's business processes to remain under pressure. We therefore expect a continuously challenging environment.

We believe that Deutsche Beteiligungs AG's performance should normalise in the current financial year, and we now anticipate net asset value to rise year-on-year from the lower comparison base. Earnings from Fund Investment Services are likely to show stable development vis-à-vis the previous financial year 2020/2021, in line with the life cycle of the funds and in view of cost developments. **NET INCOME FOR 2022/2023** is expected in a range of 70 million to 80 million euros. This would make the 2022/2023 financial year an above-average year when measured against a ten-year period.

Frankfurt/Main, 24 November 2022

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 October 2021 to 30 September 2022

€'000	Notes	1 Oct 2021 to 30 Sep 2022	1 Oct 2020 to 30 Sep 2021
Net income from investment activity	9	(98,883)	178,378
Income from Fund Services	10	43,156	42,083
Income from Fund Services and investment activity		**(55,726)**	**220,461**
Personnel expenses	11	(24,550)	(23,101)
Other operating income	12	3,739	3,623
Other operating expenses	13	(18,274)	(14,546)
Interest income	14	28	771
Interest expenses	15	(1,135)	(1,489)
Other income/expense items		**(40,192)**	**(34,741)**
Earnings before taxes		**(95,918)**	**185,720**
Income taxes	16	(1,639)	(577)
Earnings after taxes		**(97,557)**	**185,143**
Net income attributable to other shareholders	25	(7)	(9)
Net income		**(97,564)**	**185,134**
a) Items that will not be reclassified subsequently to profit or loss			
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset)	26	8,624	2,199
Other comprehensive income		**8,624**	**2,199**
Total comprehensive income		**(88,939)**	**187,333**
Earnings per share in € (diluted and basic)[1]	36	(5.19)	10.76

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 2021 to 30 September 2022

INFLOWS (+) / OUTFLOWS (-)

€'000	Notes	1 Oct 2021 to 30 Sep 2022	1 Oct 2020 to 30 Sep 2021
Net income		(97,564)	185,134
Measurement gains (-)/losses (+) on financial assets and other financial instruments, depreciation/amortisation/impairmant of property, plant and equipment and intangible assets, gains (-)/losses (+) on securities	9, 17, 18, 20, 21	103,472	(175,860)
Gains (-)/losses (+) from disposals of assets	9, 17	12	(6)
Increase (+)/decrease (-) in income tax assets	22	(832)	4,695
Increase (+)/decrease (-) in other assets (net)	19, 22, 23	23,393	(22,692)
Increase (+)/decrease (-) in pension provisions	26	(9,388)	(2,766)
Increase (+)/decrease (-) in income taxes payable	22	137	3,533
Increase (+)/decrease (-) in other provisions	27	1,441	4,108
Increase (+)/decrease (-) in other liabilities (net)	22, 25, 29	8,867	(3,785)
Cash flow from operating activities		**29,538**	**(7,638)**
Proceeds from disposals of financial assets	9, 18	40,124	112,643
Payments for investments in financial assets	9, 18	(151,323)	(90,107)
Proceeds from disposals of other financial instruments	21	81,987	25,988
Payments for investments in other financial instruments	21	(102,405)	(20,332)
Cash flow from investment activity	32	(131,617)	28,192
Proceeds from disposals of property, plant and equipment and intangible assets	17	21	14
Payments for investments in property, plant and equipment and intangible assets	17	(881)	(89)
Proceeds from disposals of securities	20, 32	74,802	0
Payments for investments in securities	20, 32	0	(75,112)
Cash flow from investing activities		**(57,675)**	**(46,996)**
Proceeds from capital increases		(280)	99,933
Payments for lease liabilities	29, 32	(1,073)	(795)
Proceeds from drawdowns of credit facilities	28, 32	41,000	60,500
Payments for redemption of credit lines	28, 32	0	(73,600)
Payments to shareholders (dividends)	24	(30,088)	(12,035)
Cash flow from financing activities		**9,559**	**74,003**
Net change in cash and cash equivalents		(18,579)	19,370
Cash and cash equivalents at start of reporting period	32	37,737	18,367
Cash and cash equivalents at end of reporting period		**19,158**	**37,737**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2022

€'000		30 Sep 2022	30 Sep 2021
ASSETS			
Non-current assets			
Intangible assets	17	155	439
Property, plant and equipment	17	2,310	4,220
Financial assets	18	553,323	545,339
Long-term securities	20	0	75,059
Other non-current assets	23	852	647
Deferred tax assets	22	3,190	3,170
Total non-current assets		**559,831**	**628,874**
Current assets			
Receivables	19	21,475	45,132
Other financial instruments	21	42,225	20,332
Income tax assets	22	1,661	829
Cash and cash equivalents		19,158	37,737
Other current assets	23	2,056	2,049
Total current assets		**86,576**	**106,079**
Total assets		**646,407**	**734,953**
EQUITY AND LIABILITIES			
Equity	24		
Subscribed capital		66,733	66,733
Capital reserve		260,069	260,349
Retained earnings and other reserves		(503)	(9,127)
Consolidated retained profit		253,156	380,807
Total equity		**579,455**	**698,762**
Liabilities			
Non-current liabilities			
Liabilities under interests held by other shareholders	25	58	58
Provisions for pensions obligations	26	4,295	13,683
Other non-current provisions	27	546	1,519
Other non-current liabilities	29	941	3,149
Total non-current liabilities		**5,840**	**18,409**
Current liabilities			
Other current provisions	27	13,871	11,457
Credit liabilities	28	41,000	0
Income tax liabilities	22	4,196	4,059
Other current liabilities	29	2,045	2,267
Total current liabilities		**61,112**	**17,782**
Total liabilities		**66,952**	**36,191**
Total equity and liabilities		**646,407**	**734,953**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 October 2021 to 30 September 2022

€'000		1 Oct 2021 to 30 Sep 2022	1 Oct 2020 to 30 Sep 2021
Subscribed capital			
At start of reporting period		66,733	53,387
Change in reporting period		0	13,347
At end of reporting period	24	**66,733**	**66,733**
Capital reserve			
At start of reporting period		260,349	173,762
Change in reporting period		(280)	86,587
At end of reporting period	24	**260,069**	**260,349**
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)			
At start of reporting period	26	(25,550)	(27,748)
Change in reporting period	26	8,624	2,199
At end of reporting period	26	(16,925)	(25,550)
At end of reporting period		**(503)**	**(9,127)**
Consolidated retained profit			
At start of reporting period		380,807	207,708
Dividend	24	(30,088)	(12,035)
Net income		(97,564)	185,134
At end of reporting period		**253,156**	**380,807**
Total		**579,455**	**698,762**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR FROM 1 OCTOBER 2021 TO 30 SEPTEMBER 2022

GENERAL INFORMATION

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 instru-ments 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"). 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 company in which it has invested, and also as a fund advisor, performing services for the DBAG funds.

DBAG's registered office is at Börsenstrasse 1, 60313 Frankfurt/Main, Germany. The Company is registered in the Commercial Register at the Frankfurt/Main local court (Amtsgericht Frankfurt/Main) under HRB 52491.

2. Basis of the consolidated financial statements

The consolidated financial statements of DBAG as at 30 September 2022 are consistent with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Commission for use in the European Union. The mandatory interpretations of the IFRS Interpretations Committee (IFRIC) relevant for the consolidated financial statements are also applied. In addition, the applicable commercial law requirements as stipulated in section 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB) have been taken into account.

The consolidated financial statements consist of the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of financial position, the consolidated statement of changes in equity as well as these notes to the consolidated financial statements. They comprise the financial statements of DBAG and its fully-consolidated subsidiaries ("DBAG Group").

Apart from DBAG, seven (previous year: seven) of the companies included in the consolidated financial statements prepare their respective financial statements as at the reporting date 30 September. For the remaining four (previous year: 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 IFRSs require changes to be made (see note 3) or the changes result in more reliable and relevant information. In the reporting period, we reported net gains and losses from other financial instruments for the first time as part of net income from investment activity to improve clarity of presentation (see note 6).

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 32).

The consolidated financial statements were prepared in euros. The amounts are rounded to thousands of euros, except when transparency reasons require amounts to be presented in euros. Rounding differences in the tables in this report may therefore occur.

On 24 November 2022, the Board of Management of DBAG authorised the consolidated financial statements and the combined management report for submission to the Supervisory Board. On 28 November 2022, the Supervisory Board will resolve on the approval of the consolidated financial statements.

3. Changes in accounting methods due to amended rules

Standards and interpretations as well as amendments to standards and interpretations applicable for the first time that have an impact on the reporting period ending 30 September 2022

In the financial year 2021/2022, there were no new standards and interpretations or amendments to standards and interpretations required to be applied for the first time that have an effect on the consolidated financial statements as at 30 September 2022.

Standards and interpretations as well as amendments to standards and interpretations applicable for the first time that have no impact on the reporting period ending 30 September 2022

In the consolidated financial statements as at 30 September 2022, the following new standards and interpretations or amendments to standards and interpretations are required to be applied for the first time:

- Amendments to IFRS 4 "Insurance Contracts",
- Amendments to IFRS 9 "Financial instruments", (IAS) 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases"
- Amendments to IFRS 16 "Leases".

These standards do not have any consequences for DBAG's consolidated financial statements.

New standards and interpretations that have not yet been applied

a) Endorsed by the European Union

The following new standards and interpretations and amendments to standards and interpretations were issued by the IASB and endorsed by the European Commission for application in the European Union. The effective date, indicating when the respective standard, interpretation or amendment is required to be applied, is given in parentheses. DBAG intends to initially apply the respective standard or interpretation for the financial year beginning after that date. No use will therefore be made of voluntary early application of these standards and interpretations.

- Amendments to IAS 1 "Presentation of Financial Statements" (1 January 2023),
- Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (1 January 2023),
- Amendments to IAS 12 "Income Taxes" (1 January 2023)
- Amendments to IAS 16 "Property, Plant and Equipment" (1 January 2022),
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (1 January 2022),
- Amendments to IFRS 3 "Business Combinations" (1 January 2022),
- IFRS 17 "Insurance Contracts" and Amendments to IFRS 17 "Insurance Contracts" (1 January 2023)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (1 January 2022):
- IFRS 1 "First-time Adoption of International Financial Reporting Standards"
- IFRS 9 "Financial Instruments",
- IAS 41 "Agriculture".

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

b) Not yet endorsed by the European Union

The following standards and interpretations and amendments to standards and interpretations have already been issued by the IASB, but have not yet been endorsed by the European Commission for application in the European Union.

- Amendments to IAS 1 "Presentation of financial statements",
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures",
- IFRS 14 "Regulatory Deferral Accounts"
- Amendments to IFRS 16 "Leases".

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

4. Disclosures on the group of consolidated companies and on interests in other entities

4.1. Status of DBAG as an investment entity as defined in IFRS 10

DBAG initiates closed-end private equity funds for investments in equity or equity-like instruments, predominantly in unlisted companies. It solicits capital commitments from institutional investors to DBAG funds and provides investment related 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.

DBAG is 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 2022:

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	
DBG Advising GmbH & Co. KG	Frankfurt/Main, Germany	20.00	
DBG Fund VI GP (Guernsey) LP	St. Peter Port, Guernsey	0.00	
DBG Fund VII GP S.à r.l.	Luxembourg-Findel, 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.

In the case of DBAG Italia S.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 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. DBAG Expansion Capital Fund IV Konzern SCSp, which was established in the reporting period, will in future combine DBAG's co-investments alongside DBAG ECF IV.

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 IV (Dental) GmbH & Co. KG – was established for this purpose. DBAG entered into its fourth 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 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 (called "original investment period" in the previous year), DBAG ECF II (called "first new investment period" in the previous year) and DBAG ECF III (called "second new investment period" in the previous year), 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 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	**766,994**	**199,267**

€'000

Name	Capital Commitment	Accumulated capital calls as at 30 Sep 2021	Callable capital commitments as at 30 Sep 2021
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF I)	120,457	99,145	46,565
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF II)	34,751	25,550	16,151
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF III)	43,302	33,470	9,832
DBAG Fund V Konzern GmbH & Co. KG i.L.	103,950	103,805	1,181
DBAG Fund VI Konzern (Guernsey) L.P.	133,000	144,261	7,419
DBAG Fund VII Konzern SCSp	183,000	179,608	21,785
DBAG Fund VII B Konzern SCSp	17,000	17,240	3,293
DBAG Fund VIII A Konzern (Guernsey) L.P.	210,000	33,616	176,384
DBAG Fund VIII B Konzern (Guernsey) L.P.	45,000	9,804	35,196
	890,460	**646,498**	**317,806**

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[22] of the initial capital commitment to be called 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 Fund V, DBAG Fund VI and DBAG Fund VII include callable distributions.

[22] 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	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**

€'000	2020/2021	
Name	Disbursements	Investments
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF I)	60,614	1,399
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF II)	10,526	22
DBAG ECF Konzern GmbH & Co. KG (DBAG ECF III)	0	5,055
DBAG Fund V Konzern GmbH & Co. KG i.L.	0	0
DBAG Fund VI Konzern (Guernsey) L.P.	19,290	1,660
DBAG Fund VII Konzern SCSp	18,393	18,497
DBAG Fund VII B Konzern SCSp	3,533	4,272
DBAG Fund VIII A Konzern (Guernsey) L.P.	0	31,542
DBAG Fund VIII B Konzern (Guernsey) L.P.	0	9,482
	112,355	**71,931**

The disbursements of the co-investment vehicle of DBAG ECF II refer to returns from two portfolio companies following their refinancing.

The co-investment vehicle of DBAG ECF III primarily made follow-on investments in two existing portfolio companies to support acquisitions.

The disbursements of DBAG Fund VI's co-investment vehicle are largely attributable to a distribution following the partial disposal of one shareholding. The investments were largely made to support follow-on investments in two existing portfolio companies by contributing additional equity.

DBAG Fund VII Konzern SCSp (main pool) invested in two new portfolio companies and supported follow-on investments in four existing portfolio companies by contributing additional equity. DBAG Fund VII B Konzern SCSp (top-up fund) acted as co-investor for the two new portfolio companies and for two of the follow-on investments.

The co-investment vehicle of DBAG Fund VIII invested in four new portfolio companies and supported follow-on investments in two existing portfolio companies by contributing additional equity. DBAG Fund VIII B Konzern (Guernsey) L.P. (top-up fund) acted as a co-investor for two of the new portfolio companies.

4.4. Interests in portfolio companies

DBAG holds direct interests in one portfolio company:

Name	Registered office	Equity interest %	If different voting interest %
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 Expansion Capital Fund IV SCSp	Senningerberg, Luxemburg	13.04
DBG Advising Verwaltungs GmbH	Frankfurt/Main, Germany	20.00
DBG ECF IV GP S.à r.l.	Senningerberg, Luxemburg	13.04
DBG Fund HoldCo GmbH & Co. KG	Frankfurt/Main, Germany	13.04
DBG Fund LP (Guernsey) Limited	St. Peter Port, Guernsey	13.04
DBG Fund VIII GP (Guernsey) Limited	St. Peter Port, Guernsey	13.04
DBG Managing Partner Verwaltungs GmbH	Frankfurt/Main, Germany	20.00
DBG Service Provider Verwaltungs GmbH	Frankfurt/Main, Germany	13.04
RQPO Beteiligungs GmbH	Frankfurt/Main, Germany	81.00
RQPO Beteiligungs GmbH & Co. Papier KG	Frankfurt/Main, Germany	90.00

These subsidiaries do not provide investment-related services and are therefore not consolidated but are instead accounted for at fair value through profit or loss.

In the reporting year, DBAG obtained control over three new companies. DBAG Bilanzinvest IV (Dental) Verwaltungs GmbH is the general partner of the fourth on-balance sheet-investment vehicle. DBAG Expansion Capital Fund IV SCSp is the future investment vehicle for DBAG ECF IV's investors. The company continues to be controlled by DBAG as at the reporting date. DBG ECF IV GP S.à r.l., which was founded in the reporting year, will in the future be providing management services for DBAG ECF IV. Since it did not conduct any business activities in the year under review, it is not required to be consolidated due to immateriality.

For further details, please refer to note 39 under the headings "Relationships to DBG Managing Partner GmbH & Co. KG and DBG Advising GmbH & Co. KG" and "Relationships to DBG Fund HoldCo GmbH & Co. KG and DBG Fund LP (Guernsey) Limited".

4.6. Unconsolidated structured companies

Within the scope of the business activity of DBAG and its subsidiaries as external capital management companies or investment service providers to private equity funds, contractual arrangements exist between DBAG and structured entities of managed or advised DBAG funds that DBAG initiated within the scope of its business activity. In particular, in the founding phase of a DBAG fund, the managed subsidiaries of DBAG prepay certain charges. These costs are reimbursed to the companies by the investors in the relevant funds upon the 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 the 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 2022:

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 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 financial resources or assets to these companies. Exposure to economic risk relates exclusively to the advisory or management activities conducted for the DBAG funds. Group companies receive fees based on contractual agreements for the services provided to the DBAG funds (see note 4.2 and note 39).

Exposure to losses from these structured entities result 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 Sep 2022	30 Sep 2021
Name	Maximum loss exposure	Maximum loss exposure
DBAG Expansion Capital Fund GmbH & Co. KG (DBAG ECF II)	0	35
DBAG Expansion Capital Fund International GmbH & Co. KG (DBAG ECF II)	0	97
DBAG Expansion Capital Fund International GmbH & Co. KG (DBAG ECF III)	0	204
DBAG Fund VI (Guernsey) L.P.	1,279	1,396
DBAG Fund VII SCSp	8,158	25,099
DBAG Fund VII B SCSp	2,533	3,822
DBAG Fund VIII A (Guernsey) L.P.	4,456	4,008
DBAG Fund VIII B (Guernsey) L.P.	226	123
DBAG Fund VIII Feeder GmbH & Co. KG	20	20
	16,672	**34,804**

All other unconsolidated structured entities in which DBAG acted as an initiator did not result in any contractual or economic commitments as at the reporting date (previous year: none) that could result in an inflow or outflow of funding, or involve an exposure to losses for the DBAG Group.

Disclosures on list of shareholdings pursuant to section 313 (2) HGB

The disclosures on the list of shareholdings pursuant to section 313 (2) of the German Commercial Code (Handelsgesetzbuch – HGB) can be found in note 43 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, two employees of the finance department and the investment controllers.

DBAG has developed valuation guidelines for fair value measurement in accordance with IFRS 13. These guidelines are based on the recommendations set out in the International Private Equity and Venture Capital Valuation (IPEV) Guidelines as amended in December 2018, insofar as these are consistent with IFRS. DBAG's valuation guidelines specify the application of the IPEV Guidelines, insofar as the latter are 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.

As part of the valuation as at 31 March 2022, we followed the IPEV Board recommendation to consider selected aspects of the Special Valuation Guidance dated March. In the context of uncertainty regarding the effects of the war in Ukraine on the two components of the multiples (numerator and denominator), discretionary judgements had to be made for deriving these multiples as at 31 March 2022 in order to enable comparability between the multiples and the valuation parameters of the portfolio companies. The Special Valuation

Guidance is no longer relevant for the valuation as at the current reporting date since the multiples and the valuation parameters of the portfolio companies are now comparable again.

General principles of fair value measurement

The fair values of the various classes of financial instruments are determined in accordance with consistent measurement methods and on the basis of uniform 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 recent transactions that have taken place in the market.

If the transaction price observable in the market as at the valuation date or the price of the most recent transaction made prior to the valuation date does not constitute a sufficiently reliable measurement – for example due to insufficient liquidity in the market or in the event of a forced transaction or distressed sale – valuation 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 as well as selected members of senior management who are not members of the investment advisory team participate in a fund's performance in return for their immaterial shareholder contribution to the respective fund ("carried interest") after the fund investors and DBAG have realised their invested capital plus a preferred return (full pay-out, see note 39). 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 gains and losses on measurement and disposal as well as current income from financial assets net of carried interest. In the year under review, this line item includes for the first time net gains and losses from other financial instruments (see comments under the heading "Other financial instruments").

The 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 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 at that date as 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 the changes in the fair value of these instruments (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").

These items 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 six months 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.

In addition, intangible assets and property, plant and equipment are tested for impairment if certain events or changes in circumstances indicate that the carrying amount is no longer recoverable. An impairment loss is recorded in the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of fair value (less costs to sell) and its value in use.

Securities

Securities include units held in mutual funds; they are measured at fair value. Changes in the fair value are reported in the item "Other operating income" or "Other operating expenses".

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. They are measured at fair value through profit or loss as they are allocated to our investment business. For the first time in the reporting year, the changes in the fair value are recognised in net income from investment activity. In the previous year, these changes were reported in the item "Interest income".

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. Any net defined benefit assets or liabilities are neither aggregated nor offset. Should the fair value of any plan assets exceed the present value of the related pension obligations, such net defined benefit asset will be recognised in "Other 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

Other provisions are recognised as liabilities if there is a third-party obligation and it is probable that there will be an outflow of resources to settle the obligation. Non-current provisions are subject to discounting.

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 subsequently 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. The lease liabilities are recognised in other liabilities; interest on the lease liabilities is recorded as interest expense. Both the principal portion and the interest portion of a lease payment are presented within cash flow from financing activities.

The cost of the right-of-use asset equals the present value of any lease payments to be made plus any lease payments made at or before the commencement of the lease term, any initial direct costs and any expected costs incurred in dismantling and removing the leased asset. Any lease incentives received are deducted. Upon subsequent measurement, the right-of-use asset is recognised at amortised cost. 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 financial commitments, contingent liabilities and trusteeships

Other financial commitments are disclosed outside the statement of financial position: they arise to the extent that there is a legal or constructive third-party obligation for DBAG as at the reporting date.

Permanent debt obligations are disclosed in the notes to the consolidated financial statements at the sum total of future minimum lease payments. Contingent liabilities are disclosed at the settlement amount and trusteeships at their fair values in the notes to the consolidated financial statements.

Other comprehensive income

In addition to net income, other comprehensive income is the second component of total comprehensive income. Transactions that do not affect net income are recognised through other comprehensive income. Non-Group shareholders are not allocated a share in other comprehensive income.

Currency translation

Foreign currency receivables and liabilities, 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 not included in the consolidated financial statements as fully-consolidated companies, but are instead recognised at fair value.

The consolidation methods and accounting policies applied that were based on the other judgements are detailed in notes 4 to 6.

8. Future-oriented assumptions and other major sources of estimation uncertainty

Preparation of the consolidated financial statements requires the use of future-oriented assumptions and estimations. These can have a material impact on the carrying amounts of consolidated statement of financial position items as well as the level of income and expenses. What future-oriented assumptions and estimations have in common is the uncertainty about the outcomes. The Board of Management makes decisions on assumptions and estimations after careful consideration of the most recently available reliable information as well as from past experience. Assumptions and estimations also relate to issues over which the Board of Management has no influence, for instance, economic or financial market conditions. The actual outcomes can therefore differ from the assumptions and estimations underlying these consolidated financial statements. In the event that new information or changed empirical values become available, the assumptions and estimations are adjusted accordingly. The effect of a change in an assumption or estimation is recognised in the financial year in which the change takes place and, if appropriate, in later financial years in the carrying amount of that item in the consolidated statement of financial position as well as in the consolidated statement of comprehensive income.

In the year under review, our estimate of the multiples changed in relation to six portfolio companies. Two of the portfolio companies were allocated to a different sector, and the multiples were derived from the corresponding sector-specific peer group for the first time. The reallocation was caused by significant changes to the corporate structure of one portfolio company, following add-on acquisitions, as well as by a re-assessment of the business model pursued by the other portfolio company. Two other portfolio companies were valued using the sector-specific peer group multiple following their successful or advanced restructuring and given their positive development overall. In the case of one portfolio company, calibration resulted in a valuation multiple that we regard as inadequate; therefore, the company was valued using the peer group multiple. The sixth portfolio company was valued using insights gained from an external analysis of a market participant; the multiple used for the valuation of the portfolio company is based on the lowest value of the applicable range. The cumulative effect from these changes on total comprehensive income and consolidated equity amounts to 44,265,000 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 means of the effects on Group equity. We consider an adjustment to the carrying amount in the range of three per cent of Group equity as being material. Moreover, we consider the effects on the overall presentation of the 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 34.1).

Fair values of level 3 are contained in the item “Financial assets” in the amount of 553,323,000 euros (previous year: 545,339,000 euros) (see note 34.1).

They largely concern those financial assets that are measured at fair value using the multiples method. The extent of possible effects on these fair values in the event of an adjustment of assumptions and estimations cannot be quantified. However, should the underlying multiples change by +/-10 per cent, this would result ceteris paribus in an adjustment in the fair values by +/-84,939,000 euros (previous year: +/-51,668,000 euros). This equates to 14.7 per cent of Group equity (previous year: 7.4 per cent).

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

9. Net income from investment activity

€'000	**2021/2022**	2020/2021
Interests in investment entity subsidiaries	(100,787)	178,676
Interests in portfolio companies	424	(301)
Other financial assets	1,481	3
	(98,883)	**178,378**

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 -125,139,000 euros (previous year: 120,938,000 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 24,351,000 euros (previous year: 57,738,000 euros). The gross change is increased by the reduction of the imputed carried interest (28,305,000 euros; previous year: reduced by the increase in the amount of 32,212,000 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. In the previous year, these gains amounted to 703,000 euros and were reported under interest income (see note 14).

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	**2021/2022**	2020/2021
DBAG ECF	1,361	1,678
DBAG Fund VI	6,391	7,182
DBAG Fund VII	16,203	14,489
DBAG Fund VIII	19,107	18,664
Other	95	70
	43,156	**42,083**

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 divestments of portfolio companies.

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

Income from the Mainfund 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 increased since the top-up fund acted as a co-investor as regards new investments of DBAG Fund VIII.

11. Personnel expenses

€'000	**2021/2022**	2020/2021
Wages and salaries		
Fixed salary and fringe benefits	16,070	13,273
Variable remuneration, performance-related	6,418	7,922
Variable remuneration, transaction-related	37	89
	22,524	21,284
Social contributions and expenses for pension plans	**2,026**	**1,817**
thereof for state pension plan	608	648
	24,550	**23,101**

The increase in fixed salary and fringe benefits results from the expansion of the investment advisory team as well as from a payment in the amount of 2,036,000 euros made in connection with the retirement of the CFO.

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 2022	30 Sep 2021
Employees (full-time)	78	63
Employees (part-time)	11	14
Trainees	0	2

As at the end of the financial year 2021/2022, the Board of Management consisted of three (previous year: four) members.

In the financial year 2021/2022, an average of 85 (previous year: 77) employees and no (previous year: two) trainees were employed in the DBAG Group.

12. Other operating income

€'000	**2021/2022**	2020/2021
Income from consultancy expenses that can be passed through	2,863	2,898
Income from positions held on supervisory boards and advisory councils	15	50
Income from the reversal of provisions	597	232
Other	263	443
	3,739	**3,623**

Consultancy expenses that can be passed through refer to advances on behalf of DBAG funds and/or portfolio companies. The decline of income from consultancy expenses that can be passed through corresponds to the decrease of the consultancy expenses that can be passed through (see note 13).

Income from the reversal of provisions results from the reversal of other personnel-related provisions in the amount of 228,000 euros (previous year: 173,000 euros) as well as from the reversal of other provisions in the amount of 369,000 euros (previous year: 58,000 euros).

13. Other operating expenses

€'000	**2021/2022**	2020/2021
Consultancy expenses that can be passed through	2,781	2,960
Other consultancy expenses	1,979	1,028
Consultancy expenses for deal sourcing	628	2,007
Audit and tax consultancy expenses	809	804
Other consultancy expenses	6,197	6,800
Value-added tax	2,767	1,163
Travel and hospitality expenses	912	278
Premises expenses	438	308
Maintenance and license costs for hardware and software	1,069	866
External employees and other personnel expenses	1,350	539
Corporate communications, investor relations, media relations	422	466
Fund investor relations	545	98
Depreciation and amortisation of property, plant and equipment and intangible assets	1,477	1,215
Annual report and general meeting	590	716
Supervisory Board remuneration	508	501
Other	1,999	1,596
	18,274	**14,546**

The item "Value-added tax" refers to VAT back payments amounting to 1,780,000 euros following a completed tax audit as well as non-recoverable input tax due to revenues that are not taxable.

The increase in travel and hospitality expenses is the result of the abating Covid-19 pandemic as an increasing number of face-to-face meetings could be held during the financial year.

Maintenance and license costs for hardware and software increased in connection with the further expansion of the digital network and as a result of intensified security measures.

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.

The item "Other" consists of miscellaneous operating expenses, mainly motor vehicles, fund fees, insurance and office material.

14. Interest income

€'000	**2021/2022**	2020/2021
Other financial instruments	0	703
Tax authorities	0	60
Other	28	9
	28	**771**

Interest income from other financial instruments for the first time is reported in net income from investment activity in the reporting year (see note 9).

15. Interest expenses

€'000	**2021/2022**	2020/2021
Interest cost for pension obligation	327	222
Expected interest income from plan assets	(214)	(142)
Net interest on net defined benefit liability	113	81
Credit lines	927	1,192
Tax authorities	62	166
Other	34	51
	1,135	**1,489**

The expected interest income from plan assets is calculated based on the same interest rate used for the determination of present value of the pension obligations. We refer to note 26 for information on the parameters for the two components of the net interest on net defined benefit liability.

Interest expenses for the credit lines relate to the annual commitment fee as well as interest for the drawdown of two credit lines (see note 28).

The interest expenses from leases amounts to 30,000 euros (previous year: 25,000 euros) and is reported under the item "Other". This item also comprises expenses from the interest cost on jubilee payment obligations.

16. Income taxes

€'000	**2021/2022**	2020/2021
Current taxes	1,659	3,534
Deferred taxes	(20)	(2,957)
	1,639	**577**

Expenses from current taxes result from the increase of income taxes payable for the assessment period 2022. The tax expense consists of corporate income tax and solidarity surcharge in the amount of 661,000 euros (previous year: 926,000 euros) at the level of DBAG as well as of trade taxes of 998,000 euros (previous year: 2,608,000 euros) at the level of one subsidiary.

Corporate income tax and solidarity surcharge in the amount of 226,000 euros refer to the 2022 assessment period and in the amount of 435,000 to the 2020 assessment period (corporate income tax and solidarity surcharge increased from 341,000 euros to 776,000 euros compared to the preliminary calculation set out in the 2019/2020 Annual Report within the context of preparing the tax returns for the 2020 assessment period). In the year under review, an amount of 137,000 euros (previous year: nil euros) of corporate income tax and solidarity surcharge was attributable to subsidiaries.

Trade taxes in the amount of 1,029,000 euros refer to the 2022 assessment period (previous year: 1,897,000 euros). Moreover, a provision for trade taxes for the 2018 assessment period was reduced by 32,000 euros in the reporting year.

Income from deferred tax assets in the amount of 20,000 euros (previous year: 2,957,000 euros) results from income in the amount of 26,000 euros on the level of one subsidiary (previous year: expense in the amount of 214,000 euros) and from expenses in the amount of 6,000 euros (previous year: income in the amount of 3,170,000 euros due to the first-time recognition of deferred tax assets) on the level of DBAG.

As at the reporting date, DBAG has corporation tax loss carryforwards in the amount of 83,291,000 euros (previous year: 85,134,000 euros; the loss carryforward of the previous year has increased from 81,983,000 euros to 85,134,000 euros compared to the preliminary calculation set out in the 2020/2021 Annual Report within the context of preparing the tax returns for the 2020 assessment period and following the completion of a tax audit). 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 19,996,000 euros (previous year: 20,033,000 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 3,164,000 euros (previous year: 3,170,000 euros). The deferred tax expense for the reporting year amounts to 6,000 euros due to the reduction of deferred tax assets (previous year: deferred tax income of 3,170,000 euros due to the first-time recognition of deferred tax assets).

Deferred tax liabilities on temporary differences exist in a total amount of 3,134,000 euros (previous year: 2,854,000 euros). These result from financial assets (404,000 euros), from pension provisions (2,189,000 euros), from right-of-use assets (69,000 euros), from current assets (334,000 euros), from provisions for expenses and liabilities (81,000 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 (78,000 euros), current assets (84,000 euros), other liabilities (78,000 euros), property, plant and equipment (54,000 euros), other provisions (34,000 euros) as well as provisions for jubilee payments (39,000 euros).

In the year under review, there are no temporary differences in connection with interests in subsidiaries for which no deferred tax liabilities were recognised.

In the reporting year, one of the fully-consolidated Group companies reports deferred tax assets in the amount of 26,000 euros on temporary differences from provisions (previous year: nil euros). 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 7,207,000 euros (previous year: 7,170,000 euros); the loss carryforward of the previous year increased from 6,879,000 euros to 7,170,000 euros compared to the preliminary calculation set out in the 2020/2021 Annual Report as a result of tax returns prepared during the reporting year for the 2020 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 2022 – 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	**2021/2022**	2020/2021
Earnings before taxes	(95,918)	185,720
Applicable tax rate for corporations (%)	31.925	31.925
Theoretical tax expenses/income	**(30,622)**	**59,291**
Change in theoretical tax expenses/income:		
Tax-exempt net gain on measurement and on disposal	19,848	(15,928)
Current income from financial assets	(4,186)	(8,871)
Non-deductible operating expenses	102	116
Effect from trade tax exemption	14,511	(28,024)
Effect from the utilisation of loss carryforwards not recognised	0	(920)
Effects from the recognition of previously unrecognised deferred tax assets on loss carryforwards	(286)	(3,170)
Effect from taxes subsidiaries	87	0
Unrecognised deferred tax assets on tax loss carryforwards	531	(1,140)
Effect of tax rate differences	611	(1,864)
Effect from taxes relating to previous years	404	1,128
Other effects	637	(41)
Income taxes	**1,639**	**577**
Tax rate (%)	(1.71)	0.31

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 14,511,000 euros in the reporting year (previous year: -28,024,000 euros).

A main pillar of DBAG's business is the acquisition and disposal of investments which mainly are corporations. The tax effect in accordance with section 8b German Corporation Tax Act (Körperschaftsteuergesetz – KStG) amounts to 15,662,000 euros (previous year: -24,799,000 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 102,000 euros in the reporting year (previous year: 116,000 euros).

Due to the use of the corporate income tax loss carryforwards, which previously have not been recognised as deferred tax assets, the tax effect arising in the reporting year amounts to nil euros (previous year: -920,000 euros). The recognition of deferred tax assets on corporate income tax loss carryforwards results in a tax effect of -286,000 euros (previous year: -3,170,000 euros).

Unrecognised deferred tax assets on temporary differences lead to a tax effect of 531,000 euros in the reporting year (previous year: -1,140,000 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 87,000 euros (previous year: nil euros).

The tax effect from taxes on income for prior years amounts to 404,000 euros in the reporting year (previous year: 1,128,000 euros).

The other effects in the amount of 637,000 euros in the reporting year (previous year: -41,000 euros) are mainly due to consolidation effects.

The tax effect from tax rate differences amounted to 611,000 euros in the reporting year (previous year: -1,864,000 euros).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

17. Intangible assets/property, plant and equipment

€'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
Property, 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**

€'000	Acquisition cost			
	1 Oct 2020	Additions	Disposals	30 Sep 2021
Intangible assets	2,167	53	0	2,220
Property, plant and equipment	8,236	233	231	8,238
of which right-of-use assets	5,722	197	177	5,741
	10,403	**286**	**231**	**10,458**

€'000	Depreciation, amortisation and impairment				Carrying amounts	
	1 Oct 2020	Additions	Disposals	**30 Sep 2021**	**30 Sep 2021**	30 Sep 2020
Intangible assets	1,677	103	0	1,781	439	490
Property, plant and equipment	3,092	1,112	185	4,018	4,220	5,144
of which right-of-use assets	987	965	145	1,807	3,934	4,735
	4,769	**1,215**	**185**	**5,799**	**4,659**	**5,634**

The right-of-use assets primarily refer to business premises in the amount of 1,052,000 euros (previous year: 3,700,000 euros) as well as motor vehicles and copiers in the amount of 278,000 euros (previous year: 234,000 euros).

Disposals of property, plant and equipment mainly refer to right-of-use assets for the business premises in Börsenstrasse; the respective rental agreement ends on 31 December 2022.

Depreciation, amortisation and impairment for the financial year exclusively comprised scheduled depreciation/amortisation. An amount of 856,000 euros (previous year: 801,000 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 20,000 euros in the reporting year (previous year: 14,000 euros).

18. Financial assets

€'000	**30 Sep 2022**	30 Sep 2021
Interests in investment entity subsidiaries	550,147	541,748
Interests in portfolio companies	3,042	3,483
Other financial assets	135	107
	553,323	**545,339**

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

This item exhibited the following movements during the reporting period:

€'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**

€'000	1 Oct 2020	Additions	Disposals	Changes in value	30 Sep 2021
Interests in investment entity subsidiaries	386,535	90,058	55,783	120,938	541,748
Interests in portfolio companies	4,152	0	0	(668)	3,483
Other financial assets	55	54	0	(2)	107
	390,741	**90,112**	**55,783**	**120,268**	**545,339**

Additions to interests in investment entity subsidiaries mainly refer to capital calls for investments in equity interests as well as acquisition cost for Long-Term Investments.

Disposals of interests in investment entity subsidiaries result from distributions due to the divestment of shares in portfolio companies as well as the repayment of equity and shareholder loans in connection with recapitalisations or short-term bridge financings granted to 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".

19. Receivables

€'000	30 Sep 2022	30 Sep 2021
Receivables from Fund Services	15,637	33,647
Receivables from expenses that can be passed through	1,328	1,863
Receivables from DBAG funds	16,965	35,510
Receivables from co-investment vehicles	4,510	9,593
Forderungen gegen Beteiligungsunternehmen	0	29
	21,475	**45,132**

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 Fund VII 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.

20. Securities

In the financial year 2021/2022, all securities were sold to finance investments in shareholdings.

21. Other financial instruments

Other financial instruments exclusively comprise loans to co-investment vehicles in the amount of 42,225,000 euros (previous year: 20,332,000 euros). As at the reporting date, these referred to DBAG Fund VII in the amount of 12,018,000 euros (previous year: 20,332,000 euros) as well as DBAG Fund VIII in the amount of 30,207,000 euros (previous year: nil euros). They represent loans that are granted by DBAG for the pre-financing of investments in new portfolio companies with a term of up to 270 days.

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

€'000	30 Sep 2022	30 Sep 2021
Tax assets		
Deferred tax assets	3,190	3,170
Income tax assets	1,661	829
Income tax liabilities	4,196	4,059

Income tax assets contain applicable taxes for the financial year 2021/2022 and the previous years.

As at 30 September 2022, income taxes payable in the amount of 4,196,000 euros (previous year: 4,059,000 euros) refer to a preliminary calculation of corporate income tax and solidarity surcharge in the amount of 661,000 euros (previous year: 926,000 euros); 137,000 euros thereof are attributable to subsidiaries (previous year: nil euros) and 998,000 euros are attributable to trade taxes of a subsidiary (previous year: 2,608,000 euros).

Corporate income tax and solidarity surcharge in the amount of 226,000 euros refer to the 2022 assessment period and in the amount of 435,000 euros to the 2020 assessment period. Corporate income tax and solidarity surcharge increased from 341,000 euros to 776,000 euros compared to the preliminary calculation presented in the 2019/2020 Annual Report within the context of preparing the tax returns for the 2020 assessment period.

Trade taxes in the amount of 1,029,000 euros refer to the 2022 assessment period (previous year: 1,897,000 euros). In addition, trade taxes decreased to 32,000 euros due to the 2018 assessment period as a result of changed assessments.

Tax loss carryforwards were recognised in deferred taxes as follows:

€'000	**30 Sep 2022**	30 Sep 2021
Tax loss carryforwards for corporation tax	83,291	85,134
thereof usable	19,996	20,033
Tax loss carryforwards for trade tax	7,207	7,170
thereof usable	0	0

One tax audit was completed in the year under review. As a result of adjusted carryforwards and the income tax returns prepared in the reporting year for the 2020 assessment period, the corporation tax loss carryforwards previously reported are increased from 81,983,000 euros to 85,134,000 euros as at 30 September 2021. As at 30 September 2022, corporation tax loss carryforwards were reported in the amount of 83,291,000 euros (previous year, adjusted: 85,134,000 euros).

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 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 19,996,000 euros (previous year: 20,033,000 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 3,164,000 euros (previous year: 3,170,000 euros). The deferred tax expense for the reporting year amounted to 6,000 euros due to the reduction of deferred tax assets (previous year: deferred tax income of 3,170,000 euros due to the first-time recognition of deferred tax assets). Deferred tax assets in the amount of 26,000 euros (previous year: nil euros) were determined for one subsidiary in the reporting year.

Deductible temporary differences exist at DBAG in the amount of 7,073,000 euros (previous year: 12,371,000 euros) which were not recognised in the financial statements.

23. Other assets

Other assets can be broken down as follows:

€'000	**30 Sep 2022**	30 Sep 2021
Rental deposit	984	405
Value-added tax	727	781
Other loans and advances	1,198	1,510
	2,908	**2,696**

One rental deposit in the amount of 579,000 euros (previous year: 405,000 euros) and other loans and advances in the amount of 274,000 euros (previous year: 242,000 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 and loans granted to employees.

24. Equity

Share capital/number of shares

The Company's subscribed capital (share capital) amounts to 66,733,328.76 euros as at 30 September 2022 (previous year: 66,733,328.76 euros) and is fully paid in.

Share capital in €'000	**2021/2022**	2020/2021
At start of reporting period	66,733	53,387
Additions	0	13,347
At end of reporting period	**66,733**	**66,733**

The share capital is divided into 18,804,992 no-par value registered shares (previous year: 18,804,992).

Number of shares	**2021/2022**	2020/2021
At start of reporting period	18,804,992	15,043,994
Additions	0	3,760,998
At end of reporting period	**18,804,992**	**18,804,992**

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

The shares are admitted to trading on the Frankfurt Stock Exchange (Prime Standard) and the Dusseldorf Stock Exchange (Regulated Market). Shares in the Company are also traded on the over-the-counter markets of the stock exchanges in Berlin, Hamburg-Hanover, Munich and Stuttgart.

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 13,346,664.33 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 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 21 February 2018, the Board of Management is authorised up to 20 February 2023, subject to the consent of the Supervisory Board, to acquire treasury shares for purposes other than trading in treasury shares up to a maximum volume of ten per cent of the existing share capital at the time (53,386,664.43 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	**2021/2022**	2020/2021
At start of reporting period	260,349	173,762
Additions	(280)	86,587
At end of reporting period	**260,069**	**260,349**

As before, the capital reserve comprises amounts received in the issuance of shares in excess of nominal value. The decrease in the capital reserve in the past financial year results from subsequent costs from the capital increase in the previous year.

Retained earnings and other reserves

Retained earnings and other reserves comprise

- the legal reserve as stipulated by German stock corporation law,
- first-time adopter effects from the IFRS opening statement of financial position as at 1 November 2003,
- the reserve for actuarial gains/losses from different pension plans/plan assets (see note 26) as well as
- the effects from first-time adoption of IFRS 9.

Consolidated retained profit

The ordinary Annual General Meeting on 17 February 2022 had resolved to use the net retained profit (*Bilanzgewinn*) for the financial year 2020/2021 of 253,965,509.03 euros to pay a dividend of 1.60 euros per no-par value share on the 18,804,992 shares with dividend entitlement and to carry forward to new account the remaining amount of 223,877,521.83 euros (previous year: 189,415,740.27 euros).

	2021/2022	2020/2021
Total distribution	**30,087,987.20**	**12,035,195.20**

The net retained profit of DBAG as reported in the separate financial statements as at 30 September 2022 in accordance with HGB amounts to 224,621,994.07 euros (previous year: 253,965,509.03 euros).

At the Annual General Meeting, the Board of Management and the Supervisory Board will propose to pay a dividend of 0.80 euros per share (equivalent to a total of 15,043,993.60 euros) for the financial year 2021/2022, and to carry forward the remaining net retained profit of 209,578,000.47 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.

25. Liabilities under interests held by other shareholders

€'000	2021/2022	2020/2021
At start of reporting period	58	57
Distribution	2	2
Share of earnings	2	4
At end of reporting period	**58**	**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).

26. Provisions for pension obligations

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

€'000	30 Sep 2022	30 Sep 2021
Present value of pension obligations	27,443	38,015
Fair value of plan assets	(23,148)	(24,331)
Provisions for pension obligations	**4,295**	**13,683**

The present value of the pension obligations changed as follows:

€'000	**2021/2022**	2020/2021
Present value of pension obligations at start of reporting period	38,015	40,435
Interest expenses	327	222
Service cost	354	349
Benefits paid	(1,231)	(996)
Actuarial gains (-) / losses (+)	(10,022)	(1,995)
Present value of pension obligations at end of reporting period	**27,443**	**38,015**

An amount of 11,009,000 euros (previous year: 1,565,000 euros) of the actuarial gain in the amount of 10,022,000 euros (previous year: gain in the amount 1,995,000 euros) is attributable to the increased discount rate. The discount rate amounted to 3.74 per cent as at the reporting date, compared to 0.88 per cent in the previous year. Additional effects result from experience adjustments in the amount of -987,000 euros (previous year: 430,000 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 2022	30 Sep 2021
Discount rate (%)	3.74	0.88
Salary trend (incl. career trend) (%)	2.50	2.50
Pension trend (%)	2.00	2.00
Life expectancy based on modified mortality tables by Klaus Heubeck	2018G	2018G
Increase in income threshold for state pension plan (%)	2.00	2.00

Company-specific employee turnover probabilities depending on age and gender are used to take into account employee turnover. The turnover is within a range of 0.1000 to 0.0050 for an age between 15 and 65 years.

The 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 2022, the weighted average term of defined benefit obligations was 17 years (previous year: 15.3 years).

Plan assets changed as follows in the reporting year:

€'000	2021/2022	2020/2021
Fair value of plan assets at start of reporting period	24,331	23,986
Expected interest income	214	142
Gains (+)/losses (-) from the difference between actual and expected return on plan assets	(1,397)	204
Fair value of plan assets at end of reporting period	**23,148**	**24,331**

The loss of 1,397,000 euros (previous year: gain of 204,000 euros) results from the decrease in the fair value of plan assets as well as the application of the same interest rate that is also used to determine the present value of pension obligations.

The following amounts were recognised in net income:

€'000	2021/2022	2020/2021
Service cost	354	349
Interest expenses	327	222
Expected interest income from plan assets	(214)	(142)
	467	**429**

The service cost is shown under personnel expenses.

The net amount from interest cost and expected interest income from plan assets is reported in the item "interest expense".

Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset) – reported in other comprehensive income – developed as follows in the financial year 2021/2022:

€'000	2021/2022	2020/2021
Actuarial gains (+)/losses (-) at start of reporting period	(25,550)	(27,748)
Gains (+)/losses (-) from the difference between actual and expected return on plan assets	(1,397)	204
Actuarial gains (+)/losses (-) from changes in the present value of pension obligations	10,022	1,995
Gains (+)/ losses (-) on remeasurement of the net defined benefit liability (asset)	8,624	2,199
Actuarial gains (+)/losses (-) at end of reporting period	**(16,925)**	**(25,550)**

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 2022	30 Sep 2021
Discount rate		
Increase by 50 bps	(1,375)	(2,471)
Decrease by 50 bps	1,506	2,766
Average life expectancy		
Increase by 1 year	(737)	(1,350)
Decrease by 1 year	741	1,383

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.

Depending on the asset class, the performance of the special fund is exposed to interest rate risk (interest-bearing securities) or market price risk (equities). If the interest rate for interest-bearing securities rises (falls), the return on plan assets will rise (fall). If the market price of equities rises (falls), the return on plan assets will rise (fall).

As is the case for interest-bearing securities, the present value of the pension obligations depends on the interest rate risk. If the market interest rate for interest-bearing securities rises (falls), the present value of pension obligations will fall (rise).

27. Other provisions

€'000	1 Oct 2021	Utilisation	Reversals	Additions	30 Sep 2022
Personnel-related obligations	10,885	8,833	323	7,909	9,638
Expert opinions and other advisory services	191	190	1	491	491
Audit fees	288	288	0	333	333
Costs for annual report and annual general meeting	440	313	127	448	448
Tax advisory expenses	207	117	23	109	176
Other	964	213	155	2,734	3,330
	12,976	**9,955**	**629**	**12,025**	**14,417**

The provisions for personnel-related obligations mainly contain variable remuneration in the amount of 7,125,000 euros (previous year: 8,236,000 euros). Of that amount, 7,039,000 euros (previous year: 8,072,000 euros) are attributable to performance-related remuneration; an additional amount of 85,000 euros (previous year: 164,000 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 22,000 euros (previous year: 138,000 euros) was paid out and an amount of 83,000 euros (previous year: 37,000 euros) was reversed.

In the year under review, “Miscellaneous” included, in particular, provisions for value-added tax (2,438,000 euros) as well as 404,000 euros for fund raising and fund structuring. Provisions for value-added tax were recognised due to a tax audit completed in September 2022 for the assessment periods of 2012 to 2015.

As at 30 September 2022, there were non-current provisions for personnel-related obligations in the amount of 546,000 euros (previous year: 1,519,000 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.

28. Credit liabilities

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

29. Other liabilities

Other non-current liabilities exclusively refer to lease liabilities.

Other current liabilities can be broken down as follows:

€'000	**30 Sep 2022**	30 Sep 2021
Liabilities to co-investment vehicles	9	9
Trade payables	555	365
Lease liabilities	513	948
Other liabilities	969	945
	2,045	**2,267**

The other liabilities mainly refer to liabilities for Supervisory Board remuneration as well as liabilities for wage taxes.

30. Leases

As at 30 September 2022, property, plant and equipment includes right-of-use assets from leases in the amount of 1,330,000 euros (previous year: 3,934,000 euros) (see note 17).

The corresponding lease liabilities are included in other non-current liabilities in the amount of 941,000 euros (previous year: 3,149,000 euros) and other current liabilities in the amount of 513,000 euros (previous year: 948,000 euros) (see note 29). The interest cost on lease liabilities is recorded as interest expenses (see note 15).

31. Other financial commitments, contingent liabilities and trusteeships

Other financial commitments consist of call commitments and permanent debt obligations in the following nominal amounts:

€'000	**30 Sep 2022**	30 Sep 2021
Call commitments	4	4
Permanent debt obligations	873	919
	877	**923**

The maturities of the permanent debt obligations as at 30 September 2022 are shown in the following table:

€'000	< 1 Year	1-5 Years	> 5 Years	**Total**
Permanent debt obligations	685	188	0	**873**

As in the previous year, there were no contingencies as at 30 September 2022.

Trust assets amounted to 4,000 euros as at the reporting date (previous year: 4,474,000 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.

32. Notes to the consolidated statement of cash flows

In accordance with IAS 7, cash flows are recorded in the consolidated statement of cash flows in order to present information about the changes in the Group's cash funds. Cash flows are broken down into cash flows from operating activities, cash flows from investing activities and cash flows from financing activities. The indirect presentation method was applied for cash flows from operating activities.

Proceeds and payments relating to financial assets 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 649,000 euros (previous year: 481,000 euros) as well as interest paid in the amount of -173,000 euros (previous year: -1,154,000 euros).

Furthermore, this item includes income taxes received and paid in the amount of -1,586,000 euros (previous year: 4,695,000 euros) as well as dividends in the amount of 865,000 euros (previous year: 367,000 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 2021**	Cash flows	Other changes	**30 Sep 2022**
Credit liabilities	0	41,000	0	41,000
Lease liabilities	4,096	(1,073)	(1,569)	1,454
	4,096	**39,927**	**(1,569)**	**42,454**

The other changes in lease liabilities are primarily due to the termination of the rental agreement for the property in Börsenstrasse 1 in Frankfurt/Main.

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

In the year under review, financial resources invested in mutual funds were sold.

OTHER DISCLOSURES

33. Financial risks and risk management

DBAG is exposed to financial risks that arise from investments in equity or equity-like instruments, predominantly in unlisted companies, and from the investment of financial resources (sum total of cash and cash equivalents and 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.

33.1. Market risk

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

33.1.1. Currency risk

The exposure to currency risk results from investments denominated in British pounds sterling, Danish krone, Swiss francs or US dollars, where future returns will be received in a foreign currency. The fact that future returns are impacted by currency risks may also lead to a change in fair values of 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 46,000 euros (previous year: 81,000 euros), to Danish krone exchange rate risk of nil euros (previous year: 170,000 euros), to Swiss franc exchange rate risk of 31,270,000 euros (previous year: 25,291,000 euros), and to US dollar exchange rate risk of 54,471,000 euros (previous year: 25,772,000 euros). The effect on profit or loss resulting from taking into account changes in the fair value of financial assets amounts to 12,180,000 euros (previous year: 224,000 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 8,579,000 euros (previous year: 5,131,000 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.

33.1.2. 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 19,158,000 euros and include cash and cash equivalents (previous year: 112,796,000 euros, consisting of cash and cash equivalents and securities). They are invested with a short-term horizon; these investments did not result in any interest income. An amount of 366,000 euros (previous year: 995,000 euros) of the financial assets was attributable to an indirectly held international fund investment measured using the DCF method; the expected returns arising from one portfolio company that has already been sold are discounted to the reporting date and amount to 1,269,000 euros (previous year: 1,252,000 euros). Existing credit liabilities amount to 41,000,000 euros (previous year: nil 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 10,000 euros (previous year: 20,000 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.

33.1.3. 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 -125,580,000 euros (previous year: 120,268,000 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 +/-84,939,000 euros (previous year: +/-51,668,000 euros) (also see note 8).

Management of other price risks

The Board of Management constantly monitors the market risk inherent in the portfolio companies held directly or through investment entity subsidiaries. For this purpose, DBAG receives information about the portfolio companies' business development on a timely basis. Board of Management members or other members of the investment 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.

33.2.Liquidity risk

There is currently no liquidity risk identifiable for DBAG. Freely available cash and cash equivalents amount to 19,158,000 euros (previous year: 37,737,000 euros). Including securities in the amount of nil euros (previous year: 75,059,000 euros) and the portion of two credit lines that has not been drawn in a total of 65,660,000 euros (previous year: 106,660,000 euros), available financial resources amount to 84,818,000 euros (previous year: 219,456,000 euros).

Other current liabilities of 2,045,000 euros (previous year: 2,267,000 euros) are due within one year; of that amount, 513,000 euros (previous year: 948,000 euros) refer to current lease liabilities. The co-investment agreements alongside the DBAG funds amount to 199,267,000 euros (previous year: 317,806,000 euros).

DBAG expects that it will be able to cover the shortfall of 116,494,000 euros (previous year: 100,617,000 euros) by cash inflows from the disposal of portfolio companies.

33.3.Default risk

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

Extent of default risk

The carrying amount represents the maximum exposure to default risk for the following items of the statement of financial position:

€'000	**30 Sep 2022**	30 Sep 2021
Receivables	21,475	45,132
Other financial instruments	42,225	20,332
Cash and cash equivalents	19,158	37,737
Other assets[1]	1,365	917
	84,224	**104,118**

1 Excluding deferred items, value-added tax and other items in the amount of 1,545,000 euros (previous year: 1,778,000 euros).

The loss allowance for financial assets measured at amortised cost amounted to 30,000 euros (previous year: 25,000 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. After the end of the term of up to 270 days, the funds are called at DBAG and the loans are repaid.

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

34. Financial instruments

Financial assets, other financial instruments and securities are carried completely 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 2022	Fair value 30 Sep 2022	Carrying amount 30 Sep 2021	Fair value 30 Sep 2021
Financial assets measured at fair value through profit or loss				
Financial assets	553,323	553,323	545,339	545,339
Other financial instruments	42,225	42,225	20,332	20,332
Securities	0	0	75,059	75,059
	595,548	**595,548**	**640,730**	**640,730**
Financial assets at amortised cost				
Receivables	21,475	21,475	45,132	45,132
Cash and cash equivalents	19,158	19,158	37,737	37,737
Other assets[1]	1,365	1,365	917	917
	41,999	**41,999**	**83,786**	**83,786**
Financial liabilities at amortised cost				
Liabilities under interests held by other shareholders	58	58	58	58
Loan liabilities	41,000	41,000	0	0
Other liabilities[2]	1,124	1,124	936	936
	42,182	**42,182**	**994**	**994**

1 Excluding deferred items, value-added tax and other items in the amount of 1,545,000 euros (previous year: 1,778,000 euros).
2 Excluding lease liabilities and tax liabilities in the amount of 1,863,000 euros (previous year: 4,480,000 euros).

34.1. Disclosures on the hierarchy of financial instruments

Financial instruments measured at fair value are allocated to the following three levels in accordance with IFRS 13:

LEVEL 1: Use of prices in active markets for identical assets and liabilities.

LEVEL 2: Use of inputs that are observable, 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 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**

MEASUREMENT HIERARCHY FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE

€'000	**Fair value 30 Sep 2021**	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Financial assets	545,339	0	0	545,339
Other financial instruments	20,332	0	0	20,332
Securities	75,059	0	75,059	0
	640,730	**0**	**75,059**	**565,671**

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

The valuation categories in accordance with IFRS 9 have been defined as classes in accordance with IFRS 13 for Level 1 and 2 financial instruments. Level 3 financial instruments are allocated to the following classes:

CLASSIFICATION OF LEVEL 3 FINANCIAL INSTRUMENTS

€'000	**Investment entity subsidiaries**	**Portfolio companies**	**Other**	**Total**
30 Sep 2022				
Financial assets	550,147	3,042	135	553,323
Other financial instruments	42,225	0	0	42,225
	592,372	**3,042**	**135**	**595,548**
30 Sep 2021				
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 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**

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

€'000	1 Oct 2020	Additions	Disposals	Changes in value	30 Sep 2021
Investment entity subsidiaries	412,523	110,390	81,771	120,938	562,080
Portfolio companies	4,152	0	0	(668)	3,483
Other	55	54	0	(2)	107
	416,730	**110,444**	**81,771**	**120,268**	**565,671**

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.

Other financial instruments have terms of up to 270 days; their fair value corresponds to their amortised cost. Measurement is based on unobservable inputs. 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 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 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 2021	Valuation method	Unobservable inputs	Range
Financial assets				
Investment entity subsidiaries	541,748	Net asset value[1]	EBITDA-margin	(2) to 48%
			Net Debt[2] to EBITDA	0.2 to 10.8
			Multiples discount	0 to 10%
Portfolio companies	3,483	Multiples method	EBITDA-margin	7%
			Net Debt[2] to EBITDA	2.4
			Multiples discount	0%
Other	107	Net asset value	n/a	n/a
	545,339			

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 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 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 2021	Change in unobservable inputs		Change in fair value[2]
Financial assets[1]				
Investment entity subsidiaries	541,748	EBITDA	+/- 10%	49,308
		Net debt	+/- 10%	17,281
		Multiples discount	+/- 5 percentage points	1,145
Portfolio companies	3,483	EBITDA	+/- 10%	371
		Net debt	+/- 10%	156
		Multiples discount	+/- 5 percentage points	0
Other	107		n/a	n/a
	545,339			

1 See footnote 1 in the preceding table
2 The measurement method was slightly adjusted in the year under review. The previous year's figures were restated accordingly.

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 +/-2,111,000 euros (previous year: 1,989,000 euros), as determined using the adjusted measurement method.

34.2.Net gain or loss on financial instruments measured at fair value

The net gain or loss on financial instruments measured at fair value 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	2021/2022	Level 1	Level 2	Level 3	2020/2021	Level 1	Level 2	Level 3
Net income from investment activity	(98,883)	0	0	(98,883)	178,378	0	0	178,378
Other operating income	0	0	0	0	0	0	0	0
Other operating expenses	(257)	0	(257)	0	(54)	0	(54)	0
Net interest income	0	0	0	0	703	0	0	703
	(99,139)	**0**	**(257)**	**(98,883)**	**179,028**	**0**	**(54)**	**179,081**

34.3.Net gain or loss on financial instruments measured at amortised cost

The net gain or loss on financial instruments measured at amortised cost largely comprises income from Fund Services, consultancy expenses and costs that can be passed through as well as interest.

NET GAIN OR LOSS ON FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

€'000	2021/2022	Level 1	Level 2	Level 3	2020/2021	Level 1	Level 2	Level 3
Income from Fund Services	43,156	0	0	43,156	42,083	0	0	42,083
Other operating income	2,863	0	0	2,863	2,898	0	0	2,898
Other operating expenses	(3,409)	0	0	(3,409)	(4,968)	0	0	(4,968)
Net interest income	28	0	0	28	(12)	0	0	(12)
	42,639	**0**	**0**	**42,639**	**40,002**	**0**	**0**	**40,002**

35. 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 2022	30 Sep 2021
Liabilities		
Liabilities under interests held by other shareholders	58	58
Provisions	18,712	26,659
Credit liabilities	41,000	0
Lease liabilities	1,454	4,096
Other liabilities	5,728	5,378
	66,952	**36,191**
Equity		
Subscribed capital	66,733	66,733
Reserves	259,566	251,221
Consolidated retained profit	253,156	380,807
	579,455	**698,762**
Equity as a proportion of total capital (in %)	89.64	95.08

Above and beyond the capital requirements as stipulated in the German Stock Corporation Act, DBAG is subject to capital restrictions pursuant to the German statutory legislation on special investment companies (Gesetz über Unternehmensbeteiligungsgesellschaften – UBGG). In order to maintain the status of a special investment company, a capital contribution of 1,000,000 euros on its share capital must have been paid in. This amount was fully paid in, both in the reporting year and the previous year.

36. Earnings per share based on IAS 33

	2021/2022	2020/2021
Net income (€'000)	(97,564)	185,134
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	18,804,992	18,804,992
Average number of shares outstanding	18,804,992	17,211,180
Basic and diluted earnings per share (in €)	(5.19)	10.76

Basic earnings per share are computed by dividing the net income for the year attributable to DBAG by the weighted average number of shares outstanding during the financial year.

Earnings per share may be diluted due to so-called potential shares arising under stock option programmes. DBAG has not launched such a stock option programme for years. Accordingly, there are no stock options outstanding as at the reporting date. Therefore, diluted earnings per share correspond to basic earnings per share.

37. Disclosures on segment reporting

DBAG's business 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. The investments are entered into as co-investor of DBAG funds and also independently from these funds: either as majority investments by way of management buyouts (MBOs) or minority investments aimed at financing growth.

In order to be able to separately manage the two described business lines of DBAG, the internal reporting system calculates a separate operating result (segment earnings). For that reason, the business lines "Private Equity Investments" and "Fund Investment Services" are presented as reportable segments.

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)**
Financial assets	553,323			
Other financial instruments	42,225			
Financial resources[2]	19,158			
Credit liabilities	(41,000)			
Net asset value	**573,707**			
Assets under management or advisory[3]		**2,504,318**		

1 A synthetic 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.
2 The financial resources are used by DBAG for investments in equity or equity-like instruments. They contain the line items "Cash and cash equivalents" and, if applicable, "Long-term securities" and "Short-term securities".
3 Assets under management or advisory 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 2020 TO 30 SEPTEMBER 2021

€'000	Private Equity Investments	Fund Invest-ment Services	Group Reconciliation[1]	Group 2020/2021
Net income from investment activity	178,378	0	0	178,378
Income from Fund Services	0	43,408	(1,325)	42,083
Income from Fund Services and investment activity	**178,378**	**43,408**	**(1,325)**	**220,461**
Other income/expense items	(10,670)	(25,397)	1,325	(34,741)
Earnings before taxes (segment result)	**167,708**	**18,012**	**0**	**185,720**
Income taxes				(577)
Earnings after taxes				**185,143**
Net income attributable to other shareholders				(9)
Net income				**185,134**
Financial assets	545,339			
Other financial instruments	20,332			
Financial resources[2]	112,796			
Credit liabilities	0			
Net asset value	**678,466**			
Assets under management or advisory[3]		**2,473,235**		

1 See footnote 1 in the preceding table
2 See footnote 2 in the preceding table
3 See footnote 3 in the preceding table

Products and services

DBAG invests in companies as a co-investor alongside DBAG funds by way of majority or minority investments. We basically structure majority investments as so-called management buyouts. 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 -98,883,000 euros (previous year: 178,378,000 euros). Income from Fund Services amounted to 43,156,000 euros in the reporting year (previous year: 42,083,000 euros).

Geographical activities and sector focus

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 -95,941,000 euros (previous year: 170,361,000 euros), to companies domiciled in Italy in the amount of 4,679,000 euros (previous year: 6,708,000 euros), and to companies domiciled in other European countries in the amount of -6,140,000 euros (previous year: 1,308,000 euros).

For many years, DBAG's investment focus was on manufacturing companies and their service providers, which form the backbone of Germany's *Mittelstand* and its excellent global reputation. This market segment now also includes IndustryTech companies in particular – i.e. companies whose products provide the foundation for automation, robotics and digitalisation. For almost a decade, we have also been investing in companies from the broadband/telecommunications, IT services & software and healthcare sectors. Further information on the key sectors can be found in the combined management report under the heading "Broadly diversified sector spectrum".

€'000	Industry und IndustryTech	Industrial services	Broadband/ telecommunications	IT services & software	Healthcare	Other	**Total**
30 Sep 2022							
Interests in investment entity subsidiaries	12,405	(9,864)	(77,675)	2,384	(2,910)	(25,127)	(100,787)
Interests in portfolio companies	0	0	0	0	0	424	424
Other financial assets and financial instruments	134	0	0	0	0	1,347	1,481
	12,539	**(9,864)**	**(77,675)**	**2,384**	**(2,910)**	**(23,357)**	**(98,883)**
30 Sep 2021							
Interests in investment entity subsidiaries	2,069	2,524	86,649	18,978	26,725	41,732	178,676
Interests in portfolio companies	0	0	0	0	0	(301)	(301)
Other financial assets	0	0	0	0	0	3	3
	2,069	**2,524**	**86,649**	**18,978**	**26,725**	**41,434**	**178,378**

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.

38. Declaration of Compliance with the German Corporate Governance Code

A "Declaration of Compliance" pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz – AktG) was submitted by the Board of Management and the Supervisory Board of Deutsche Beteiligungs AG and is permanently accessible to shareholders at DBAG's website[23].

39. Disclosures on related parties

Related companies within the meaning of IAS 24 are: the 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 (primarily holding companies in DBAG ECF, 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.

[23] https://www.dbag.com/investor-relations/corporate-governance/declarations-of-compliance

Income and expenses, receivables and liabilities from Fund Services

DBAG provides investment related services to the DBAG funds and the co-investment vehicles via its fully-consolidated subsidiaries.

The following fully-consolidated companies are responsible for fund management: AIFM-DBG Fund VII (Guernsey) LP, DBG Fund VI GP (Guernsey) LP, DBG Fund VII GP S.à r.l., DBG Fund VIII GP (Guernsey) L.P., DBG Management GmbH & Co. KG, DBG Management GP (Guernsey) Limited, DBG Managing Partner GmbH & Co. KG and DBG New Fund Management GmbH & Co. KG. DBAG pays no fees for the management of the co-investment vehicles of DBAG ECF and DBAG Fund V. Since the launch of DBAG Fund VI, DBAG has paid a volume-based fee for the management of its co-investments to DBG Fund VI GP (Guernsey) LP, to DBG Fund VII GP S.à r.l., and to AIFM DBG Fund VII (Guernsey) L.P. as well as to DBG Fund VIII GP (Guernsey) L.P. Based on the same principles and terms and conditions as for the investors in DBAG funds, this fee is determined by reference to a fixed percentage of a fund's committed or invested capital.

The management companies receive advisory services from DBG Advising GmbH & Co. KG and 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 8,932,000 euros (previous year: 8,641,000 euros) and income from the DBAG funds in the amount of 33,953,000 euros (previous year: 33,134,000 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 amount to 15,637,000 euros (previous year: 33,647,000 euros, see note 19), while receivables from management fees against the co-investment vehicles amounted to 4,510,000 euros (previous year: 9,593,000 euros, see note 19).

Relationships to DBG Managing Partner GmbH & Co. KG and DBG Advising GmbH & Co. KG

DBAG itself holds a capital interest of 20 per cent in the fully-consolidated DBG Managing Partner GmbH & Co. KG. The remaining 80 per cent 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 236 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 113 euros (previous year: 113 euros). The interests in the general partner of DBG Advising GmbH & Co. KG are held by DBG Advising GmbH & Co. KG itself. The general partner receives an annual liability fee in the amount of 3,125 euros.

For more information on the interests held by the members of the Board of Management, we refer to note 25.

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 3,188 euros (previous year: 3,583 euros) was allocated to Fund HoldCo from these companies, and an amount of 3,260 euros (previous year: 3,728 euros) was paid out to Fund HoldCo.

Via the interest held by DBAG in Fund HoldCo, 13.04 per cent of the shares in Fund HoldCo's subsidiary, DBG Fund LP (Guernsey) Limited, are indirectly held by DBAG. DBG Fund LP (Guernsey) is the founding limited partner of the fully-consolidated companies AIFM-DBG Fund VII (Guernsey) LP, DBG Fund VI GP (Guernsey) LP, DBG Fund VIII GP (Guernsey) L.P. and European PE Opportunity Manager LP. In the year under review, net retained profit totalling 3,188 euros (previous year: 3,583 euros) was allocated to DBG Fund LP (Guernsey) Limited from these companies, and an amount of 3,260 euros (previous year: 3,728 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 2021/2022.

Relationships to co-investment vehicles

The co-investment vehicles of DBAG Fund VII and DBAG Fund VIII are granted short-term loans as pre-financing of investments in new portfolio companies. These are reported in the item "Other financial instruments" (see note 21); the fair value changes amount to 1,480,000 euros (previous year: 703,000 euros) and are recognised in net income from investment activity (previous year: interest income) (see note 14). As at the reporting date, there are liabilities to co-investment vehicles in the amount of 9,000 euros (previous year: 9,000 euros).

Other related party disclosures

As at the reporting date, there are no receivables from portfolio companies (previous year: 29,000 euros, see note 19).

Private co-investments of team members and carried interest

Selected members of the investment advisory team as well as selected members of senior management who are not members of the investment advisory team participate in a fund's performance in return for their immaterial shareholder contribution to the respective fund ("carried interest") after the fund investors and DBAG have realised their invested capital plus a preferred return (full pay-out of capital). Carried interest of not more than 20 per cent[24] is paid out once proceeds on disposal are generated and full repayment has been achieved; the remaining 80 per cent[25] (net sales proceeds) is paid to the investors in

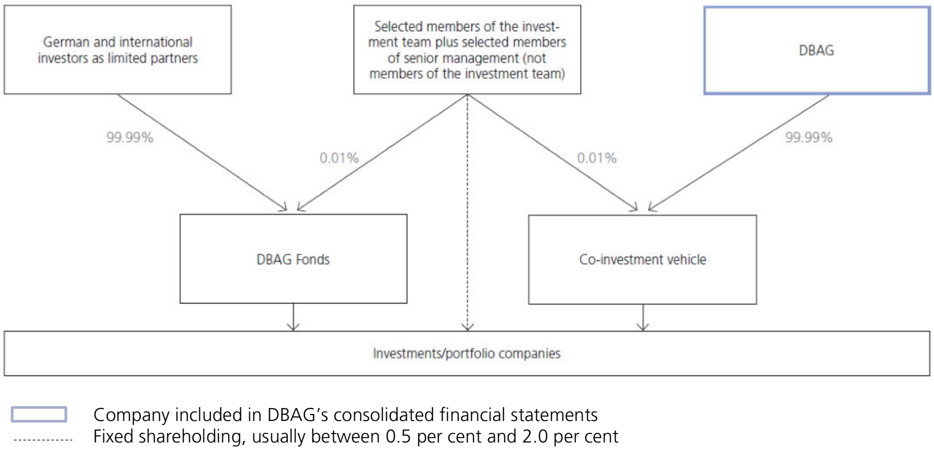
[24] The maximum disproportionate share of earnings for DBAG Fund VII B [Konzern] SCSp and DBAG Fund VIII B [Konzern] (Guernsey) L.P. amounts to 10 per cent.
[25] The share of the investors and DBAG for DBAG Fund VII B [Konzern] SCSp and DBAG Fund VIII B [Konzern] (Guernsey) L.P. amounts to a total 90 per cent.

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.

Since the launch of DBAG Fund VI, the investment structure of DBAG funds is as follows (significantly simplified):

OVERVIEW INVESTMENT STRUCTURE

The percentages relate to the equity interest.



The 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 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 2021/2022	**5,632**	**3,406**	**2,188**	**1,110**

	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 2020 - 30 Sep 2021				
DBAG Fund IV	0	0	146	146
DBAG ECF I	32	5	457	84
DBAG ECF II	24	11	0	0
DBAG ECF III	198	49	0	0
DBAG Fund VI	131	58	1,054	426
DBAG Fund VII	440	231	0	0
DBAG Fund VIII	1,237	699	0	0
Total 2020/2021	**2,061**	**1,054**	**1,657**	**656**

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.

	1 Oct 2021[1]		Reduction due to disbursement[1]		Addition (+) / reversal (-)[1]		**30 Sep 2022**	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
DBAG Fund V	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**

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.

	1 Oct 2020		Reduction due to disbursement		Addition (+) / reversal (-)		**30 Sep 2021**	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
DBAG Fund V	6,101	2,638	0	0	(3,122)	(797)	2,979	1,842
DBAG ECF I	24,969	4,913	(11,321)	(2,108)	6,646	975	20,294	3,779
DBAG ECF II	8,016	2,535	0	0	12,854	2,482	20,871	5,016
DBAG ECF III	0	0	0	0	20,111	4,436	20,111	4,436
DBAG Fund VI	10,869	3,729	0	0	249	1,564	11,118	5,293
DBAG Fund VII	0	0	0	0	4,602	1,935	4,602	1,935
	49,956	**13,815**	**(11,321)**	**(2,108)**	**41,340**	**10,595**	**79,974**	**22,301**

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 Fund VI and DBAG Fund VII (top-up fund) are reduced by carried interest entitlements, by a total amount of 21,991,000 euros (previous year: 51,649,000 euros), of which 11,252,000 euros (previous year: 30,672,000 euros) are attributable to key management personnel. The carried interest for DBAG ECF III, DBAG Fund VII (main pool) and DBAG Fund VIII amounts to nil euros (previous year: 9,945,000 euros for DBAG ECF III).

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 amount to 5,331,000 euros (previous year: 3,944,000 euros). This includes short-term benefits of 416,000 euros (previous year: 734,000 euros), long-term benefits of 685,000 euros (previous year: 884,000 euros), current service cost of 112,000 euros (previous year: 160,000 euros) and termination benefits of 2,054,000 euros (previous year: nil euros). An amount of 2,312,000 euros (previous year: 3,851,000 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 8,866,000 euros (previous year: 9,874,000 euros). This includes short-term benefits of 3,252,000 euros (previous year: 4,150,000 euros), long-term benefits of 4,000 euros (previous year: 3,000 euros) and current service cost of 64,000 euros (previous year: 114,000 euros). An amount of 2,157,000 euros (previous year: 3,638,000 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 495,000 euros (previous year: 495,000 euros).

Former Board of Management members and their surviving dependants received total payments of 1,066,000 euros (previous year: 962,000 euros). The present value of pension obligations to former Board of Management members and their surviving dependants amounted to 15,932,000 euros at the reporting date (previous year: 21,524,000 euros).

Other transactions with key management personnel

Senior executives acquired 2,125 (previous year: 1,600) shares of DBAG at preferential terms. The resulting pecuniary advantage amounted to 20,000 euros (previous year: 19,000 euros), and is recognised under personnel expenses. The resulting receivables from the senior executives were settled (previous year: receivables in the amount of 42,000 euros).

DBAG granted loans to senior executives in the amount of 291,000 euros at standard market conditions (previous year: 252,000 euros). Interest income amounts to 9,000 euros (previous year: 6,000 euros). Loan commitments to senior executives were fully drawn (previous year: undrawn loan commitments in the amount of 53,000 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.

40. Events after the reporting date

The first close of subscriptions for DBAG ECF IV, a successor fund of DBAG ECF, occurred in November 2022. Investors made capital commitments in the amount of almost 97 million euros, of which almost 72 million euros were accepted in the first closing. DBAG entered into a co-investment agreement for the fund amounting to 49 per cent of the total commitment, not more than 100 million euros.

In addition, the term of DBAG Fund VI was extended by one year. Accordingly, the fund's contractual term ends in February 2024.

In November 2022, we agreed the sale of our investment in Cloudflight. The disposal price was taken into account in the measurement of the co-investment vehicle of DBAG Fund VII as at 30 September 2022. DBAG and DBAG Fund VII remain invested as non-controlling shareholders.

In mid-November 2022, DBAG founded DBAG Luxembourg SARL. The purpose of this subsidiary is to provide management or investment-related services to Luxembourg companies and enterprises in future. The company was founded by means of contributions in kind in the amount of 12,000 euros; DBAG holds 100 per cent of the shares.

41. Fees for the auditor

Total fees paid to the auditor BDO are composed of as follows:

	2021/2022			2020/2021		
€'000	**Parent company**	**Subsidiary**	**Total**	Parent company	Subsidiary	Total
Audit of separate/consolidated financial statements	407	16	423	369	2	371
Other assurance services	39	18	57	3	0	3
Other services	0	0	0	312	0	312
	446	**35**	**480**	**683**	**2**	**685**

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 2022 that were conducted early. Of that amount, 113,000 euros refer to the additional expense for the audit of the previous year's consolidated financial statements (previous year: 42,000 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 2022 as well as the review of measures to prevent financial crime.

42. Members of the Supervisory Board and the Board of Management

Supervisory Board*

Dr Hendrik Otto

Dusseldorf, Germany (Chairman)

Member of the Board of Management of WEPA SE, Arnsberg, Germany (until 21 November 2022)

No statutory offices or comparable offices in Germany and abroad

Philipp Möller

Hamburg, Germany (Deputy Chairman until his departure on 30 September 2022)

Managing Partner of Möller & Förster GmbH & Co. KG, Hamburg, Germany

Statutory offices

- GWF Messsysteme AG, Luzern, Switzerland

Dr Maximilian Zimmerer

Munich, Germany (Deputy Chairman since 1 October 2022)

Supervisory Board

Statutory offices

- Investmentaktiengesellschaft für langfristige Investoren TGV, Bonn, Germany (Chairman)
- Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft, Munich, Germany

Sonja Edeler

Hanover, Germany

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 Jörg Wulfken

Bad Homburg v. d. Höhe, Germany

Attorney and Partner at Bruski, Smeets & Lange Rechtsanwälte, Frankfurt/Main, Germany

Comparable offices in Germany and abroad

- Georgian Credit, Tbilisi, Georgia (Chairman)

*Statutory office: offices held on other statutory supervisory boards; comparable offices in Germany and abroad: offices held on comparable domestic and international supervisory bodies of commercial enterprises, each as at 30 September 2022

Board of Management*

Torsten Grede

Frankfurt/Main, Germany (Spokesman)

Comparable offices in Germany and abroad

- Treuburg Beteiligungsgesellschaft mbH, Ingolstadt, Germany
- Treuburg GmbH & Co. Familien KG, Ingolstadt, Germany

Tom Alzin

Frankfurt/Main, Germany

Comparable offices in Germany and abroad

- Discus Investment SARL, Senningerberg, Luxembourg
- Calypso Investment B.V., Amsterdam, Netherlands (until 14 December 2021)
- Verde Bidco SpA, Milan, Italy (until 29 April 2022)
- Verde Midco S.r.l., Milan, Italy

Jannick Hunecke

Frankfurt/Main, Germany

Comparable offices in Germany and abroad

- Gienanth Group GmbH, Eisenberg, Germany
- Frimo International GmbH, Lotte, Germany

Susanne Zeidler

Frankfurt/Main, Germany (until 31 January 2022)

Statutory offices

- Fresenius Management SE, Bad Homburg v. d. Höhe, Germany

Comparable offices in Germany and abroad

- DWS Investment GmbH, Frankfurt/Main, Germany

*Statutory office: offices held on other statutory supervisory boards; comparable offices in Germany and abroad: offices held on comparable domestic and international supervisory bodies of commercial enterprises, each as at 30 September 2022 or until the date of retirement from the Board of Management, respectively

43. List of subsidiaries and associates pursuant to section 313 (2) HGB

Name	Registered office	Equity interest *in %*
Fully-consolidated and unconsolidated subsidiaries		
AIFM-DBG Fund VII Management (Guernsey) LP	St. Peter Port, Guernsey	0.00
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 Verwaltungs GmbH[1]	Frankfurt/Main, Germany	100.00
DBAG Bilanzinvest IV (Dental) Verwaltungs GmbH1	Frankfurt/Main, Germany	100.00
DBAG Expansion Capital Fund IV SCSp1	Senningerberg, Luxemburg	0.00
DBAG Italia S.r.l.	Milan, Italy	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.[1]	Senningerberg, Luxemburg	0.00
DBG Fund HoldCo GmbH & Co. KG[1]	Frankfurt/Main, Germany	13.04
DBG Fund LP (Guernsey) Limited[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, Luxembourg	100.00
DBG Fund VIII GP (Guernsey) L.P.	St. Peter Port, Guernsey	0.00
DBG Fund VIII GP (Guernsey) Limited[1]	St. Peter Port, Guernsey	0.00
DBG Management GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBG Management GP (Guernsey) Ltd.	St. Peter Port, Guernsey	15.00
DBG Managing Partner GmbH & Co. KG	Frankfurt/Main, Germany	20.00
DBG Managing Partner Verwaltungs GmbH[1]	Frankfurt/Main, Germany	100.00
DBG New Fund Management GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBG Service Provider Verwaltungs GmbH[1]	Frankfurt/Main, Germany	0.00
European PE Opportunity Manager LP	St. Peter Port, Guernsey	0.00
RQPO Beteiligungs GmbH[1]	Frankfurt/Main, Germany	49.00
RQPO Beteiligungs GmbH & Co. Papier KG[1]	Frankfurt/Main, Germany	90.00
Unconsolidated investment entity subsidiaries		
DBAG Bilanzinvest I (Smart Metering) GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBAG 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	Frankfurt/Main, Germany	99.00
DBAG Expansion Capital Fund IV Konzern SCSp	Senningerberg, Luxemburg	99.01
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, Luxembourg	99.99
DBAG Fund VII B Konzern SCSp	Luxembourg-Findel, Luxembourg	99.99
DBAG Fund VIII A Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99
DBAG Fund VIII B Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99
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 Unconsolidated subsidiary – see note 4.5
2 The Company holds interests in subsidiaries both directly and indirectly. Disclosures to these subsidiaries are not provided due to insignificance.

This is a convenience translation of the German original. Solely the original text in German language is authoritative.

INDEPENDENT AUDITOR'S REPORT

To the Deutsche Beteiligungs AG, Frankfurt/Main

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Opinions

We have audited the consolidated financial statements of Deutsche Beteiligungs AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 September 2022, and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 October 2021 to 30 September 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the combined management report of Deutsche Beteiligungs AG for the financial year from 1 October 2021 to 30 September 2022. In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report listed in the chapter "other information".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 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 30 September 2022, and of its financial performance for the financial year from 1 October 2021 to 30 September 2022, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in the chapter "other information".

Pursuant to § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2021 to 30 September 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We identified the following matters as key audit matters:

Valuation of financial assets

The financial statement position "Financial assets" amounts to 553.3 million euro and mainly consists of DBAG's share in investment entity subsidiaries that are not consolidated in the Company's consolidated financial statement according to IFRS 10.31 sentence 1. Per IFRS 10.31 sentence 2 in connection with IFRS 9, investments are valued at their fair value through profit and losses. The fair value is determined according to IFRS 13 considering the International Private Equity and Venture Capital Valuation (IPEV) Guidelines effective 2018 and the Corona Pandemic Supplements from March 2020.

The fair value of the investment entity subsidiaries corresponds to the Company's share of the sum of the fair values of each portfolio company (sum-of-the-parts-methodology). The valuation at the fair value assumes the sale of all shares of portfolio Company's at the balance sheet date. Individual contractual agreements are included in the valuation, in particular agreements with members of the investmentadvisory 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.

We refer to the notes to the consolidated financial statements regarding the Company's accounting and valuation methods (note 6). We refer to future-oriented assumptions and other significant sources of estimation uncertainties (note 8), disclosures on the financial assets (note 18), on the net result of investment activity (note 9), notes on financial instruments (note 34), disclosures regarding related party transactions (note 39), as well as to the statements in the combined management report regarding the Company's operations.

Our audit approach

First, we obtained an understanding of the Company's process to determine the fair values as part of the valuation of the shares in investment entity subsidiaries and assessed whether the valuation guidelines implemented by the Company are deemed appropriate to meet the requirements of IFRS 13. In order to gain an understanding of the organizational structure of the valuation process, we inquired with responsible employees, and obtained process descriptions, status reports, valuation documentation as well as minutes of board meetings. Based on the evidence obtained, we assessed the appropriateness of the controls implemented, particularly regarding the valuation proposals made by the Valuation Committee.

Our substantive audit procedures included reviewing the documentation of the calculations of the fair values of the portfolio companies and the assessment whether these calculations were consistent with the valuation process implemented and whether the valuation methodologies applied were deemed appropriate. In case of 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 investmentadvisory 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 (EBITDA margins in particular) 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 respectively the supervisory board are responsible for the other information. The other information comprises:

- the statement on corporate governance included in section "Declaration on Corporate Governance" of the combined management report
- the disclosures extraneous to the combined management report and marked as unaudited
- the remaining parts of the annual financial report, with the exception of the audited consolidated financial statements and combined management report and our auditor's report.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The executive directors board are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal controls as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance in Accordance with § 317 (3A) HGB on the Electronic Reproduction of the Annual Financial Statements and the Management Report Prepared for Publication Purposes

Reasonable Assurance Opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance about whether the reproduction of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the attached electronic file [deutschebeteiligungsag-2022-09-30-de.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 only extends to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within this reproduction nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the annual financial statements and the management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 October 2021 to 30 September 2022 contained in the „AUDITOR'S REPORT ON THE ANNUAL FINANCIAL STATEMENTS AND ON THE COMBINED MANAGEMENT REPORT" above.

Basis for the Reasonable Assurance Opinion

We conducted our assurance work on the reproduction of the annual financial statements and the management report contained in the above-mentioned electronic file in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance in Accordance with § 317 (3a) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW AsS 410 (10.2021)). Accordingly, our responsibilities are further described below in the "AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE WORK ON THE ESEF DOCUMENTS" section. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

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 including the electronic reproduction of the annual financial statements and the combined management report in accordance with § 328 (1) sentence 4 no. 1 HGB and for the markup of the consolidated financial statement in accordance with § 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined 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 preparation of 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 that 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 scepticism 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 opinions.

- 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 electronic file containing the ESEF documentation meets the requirements of the Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file applicable at the reporting date.

- Evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited annual financial statements and to the audited management report.

- Evaluate whether the markup of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as applicable on the reporting date, provides an adequate 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 auditor by the annual general meeting on February 17, 2022. We were engaged by the audit committee on the same day. We have been the group auditor of the Deutsche Beteiligungs AG since the financial year 2018/2019.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTERS – USE OF THE AUDITOR'S REPORT

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the combined management report as well as the audited ESEF documents. The consolidated financial statements and combined management report converted to ESEF format - including the versions to be published in the Federal Gazette - are merely electronic reproductions of the audited consolidated financial statements and combined management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Dr Jens Freiberg.

Frankfurt/Main, 28 November 2022

BDO AG
Wirtschaftsprüfungsgesellschaft

Dr Freiberg German Public Auditor	Gebhardt German Public Auditor

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge, and in accordance with the applicable accounting principles, that the consolidated financial statements give a true and fair view of the financial position and financial performance 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 2022

The Board of Management

Torsten Grede   Tom Alzin   Jannick Hunecke

Corporate Governance

REPORT OF THE SUPERVISORY BOARD

Deutsche Beteiligungs AG's 2021/2022 financial year (1 October 2021 to 30 September 2022) was shaped by an abrupt transformation in the business and market environment. Stock markets reacted to this transformation with lower multiples, which in turn affected the net asset value of the Private Equity Investments and thus DBAG's enterprise value.

In the reporting year, we 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 the rules of procedure. The Supervisory Board was updated regularly, in detail and without delay by the Board of Management about business performance, financial position and 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 within the Board of Management

The composition of DBAG's Board of Management changed during the year under review. Susanne Zeidler resigned from her office as at 31 January 2022 and left the Company. The Supervisory Board would like to thank Ms Zeidler for her many years of successful service with Deutsche Beteiligungs AG.

Supervisory Board meetings during the year under review

Eight Supervisory Board meetings were held in the 2021/2022 financial year, of which one was held as an in-person meeting, two were held as hybrid meetings with some members attending physically and others virtually, and five 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 determination of variable Board of Management remuneration and the self-assessment of the Supervisory Board's work.

Each and every meeting dealt with reports on the situation of individual portfolio companies, for which we received detailed quarterly written reports from the Board of Management.

One Supervisory Board meeting, held as a video conference on **28 OCTOBER 2021**, produced a resolution regarding the amount of variable remuneration for the Board of Management in the 2020/2021 financial year.

At the **12 NOVEMBER 2021** meeting, also held as a video conference, the Supervisory Board discussed selected valuation issues with BDO, the external auditors, prior to publication of the annual financial statements.

At the in-person meeting held on **1 DECEMBER 2021**, we adopted the annual financial statements as at 30 September 2021, dealt with the agenda for the ordinary Annual General Meeting on 17 February 2022, the portfolio performance and the Company's strategic development. This meeting also saw the Supervisory Board approve the proposal of the Board of Management to hold the 2022 Annual General Meeting without the physical presence of shareholders, in line with the requirements of the COVID-19 Infection Protection Act. In addition, we examined the Supervisory Board's report on the previous financial year's activities.

A video conference meeting of the Supervisory Board on **16 JANUARY 2022** resolved the termination of Ms Zeidler's service contract.

At the in-person meeting held on **3 MARCH 2022** the discussions included portfolio performance and the further strategic development of DBAG's business.

We were informed about portfolio and staff developments at DBAG during a hybrid meeting (physical and virtual attendance) held on **11 MAY 2022**, during which the new target quotas for women on the Supervisory Board and Board of Management were resolved.

In a hybrid meeting held on **15 SEPTEMBER 2022** at DBAG's premises in Milan and as a video conference, the Board of Management informed us about the budget for the 2022/2023 financial year and the planning for 2023/2024 to 2024/2025. In this meeting, we were also informed of current investment plans and the performance of individual portfolio companies and discussed questions regarding strategic development. We worked on the Corporate Governance Statement and issued the Declaration of Compliance with the German Corporate Governance Code. We were also presented with concrete proposals for training and continuous professional development measures with regard to our duties as Supervisory Board members. The results of the self-assessment of the Supervisory Board's work and its committees, conducted on the basis of a questionnaire, were also discussed. In a video conference meeting held on **29 SEPTEMBER 2022** we dealt again with strategy issues.

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 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 2021/2022 financial year, 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 recently issued their annual Declaration of Compliance (pursuant to section 161 of the AktG) in September 2022, on the basis of the GCGC as amended on 16 December 2019 and 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 provisions of the AktG and the recommendations of 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 five times in this function during the financial year under review, by video conference or conference call: on **26 OCTOBER 2021**, it made proposals for the one-year and multi-year variable remuneration of the Board of Management members for the 2020/2021 financial year to the entire Supervisory Board, which subsequently approved the proposals on 28 October 2021.

In its meeting on **14 JANUARY 2022**, the Executive Committee discussed the termination of Susanne Zeidler's service contract. In its meetings held on **8 FEBRUARY 2022**, **2 APRIL 2022** and **14 SEPTEMBER 2022**, the Executive Committee discussed the re-appointment to the vacant Chief Financial Officer position.

Work of the Audit Committee

The Audit Committee convened five times during the financial year under review. 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.

The Audit Committee discussed preliminary results for the 2020/2021 financial year and the Board of Management's dividend proposal at the in-person meeting held on **18 NOVEMBER 2021**. Drafts of the annual and consolidated financial statements as at 30 September 2021 were also addressed, and the external auditors reported on the status and initial results of the audit.

In the in-person meeting held on **1 DECEMBER 2021**, the Board of Management reported on the 2020/2021 financial year and BDO informed all present about the results of the audit. The Audit Committee members then resolved to recommend that the Supervisory Board approve the annual financial statements and consolidated financial statements as at 30 September 2021. The Audit Committee also proposed to the Supervisory Board to propose the appointment of the Frankfurt/Main office of Hamburg-based BDO AG Wirtschaftsprüfungsgesellschaft (BDO) as external auditors for the financial year 2021/2022 and for the review of the condensed financial statements and interim management report as at 31 March 2022, to the Annual General Meeting. This was approved by the Annual General Meeting on 17 February 2022.

In the video conference meeting on **9 FEBRUARY 2022**, the Audit Committee dealt, among other things, with the interim financial statements as at 31 December 2021, the quarterly statement and DBAG's internal control system (ICS).

At a hybrid Audit Committee meeting held on **11 MAY 2022** (with some attendees participating in person, others dialling in), BDO, the external auditors elected by the Annual General Meeting on 17 February 2022, reported on the results of their review of the interim financial statements as at 31 March 2022, which we also discussed with the Board of Management during the same meeting. We also assessed the quality of the auditing at this meeting.

The interim financial statements as at 30 June 2022 were the focus of the hybrid meeting held on **10 AUGUST 2022**. The Audit Committee discussed the Board of Management's report on the interim financial statements and the quarterly statement for that reporting date. We also took note of the Board of Management's risk report. In this 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, audit plans and audit focus for the external audit as at 30 September 2022. The external auditors gave a detailed report on current regulatory developments.

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 of 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, the members of the Audit Committee held discussions with selected employees of the second level of management.

Meeting attendance

All members of the Supervisory Board attended all meetings of the Supervisory Board during the reporting period, with the following two exceptions: Philipp Möller was only able to attend part of the meeting on 15 September 2022, and unable to attend the meeting held on 29 September 2022.

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

The members of the Supervisory Board are responsible for organising their own training and continuous professional development, and the Company supports them in doing so.

During the period under review, members of the Supervisory Board attended various internal and external events in order to maintain and expand their individual expertise. Several members participated in an event with the DBAG funds' investors; the 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 current regulatory developments in detail with regard to auditing and accounting, and discussed these with the external auditor. Individually, the Supervisory Board members took part in various external events. Such events included CPD events for Supervisory Board members hosted by renowned auditing firms and conferences on current supervisory practice issues.

Annual financial statements and consolidated financial statements without objections

Prior to submitting its proposal to the Annual General Meeting to elect the Frankfurt/Main office of Hamburg-based BDO AG Wirtschaftsprüfungsgesellschaft (BDO) as external auditors for the 2021/2022 financial year, the Supervisory Board received a statement of independence from BDO. After the 2022 Annual General Meeting, where our proposal was accepted, the Chairman of the Audit Committee instructed BDO to carry out the audit. The instructions 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 laid out their audit plans in the meeting of the Audit Committee on 10 August 2022. BDO first acted as auditors for DBAG in the 2018/2019 financial year, with Dr Freiberg as lead auditor.

BDO audited the annual financial statements of Deutsche Beteiligungs AG for the 2021/2022 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 2021/2022 consolidated financial statements. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The auditors confirmed that the consolidated financial statements complied with IFRSs, as applicable in the European Union, and with 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 risks and opportunities associated with its future performance.

The Supervisory Board received the audited and verified annual financial statements of Deutsche Beteiligungs AG as at 30 September 2022 and the combined management report of Deutsche Beteiligungs AG and of the Group in good time, taking into account the report of the Chairman of the Audit Committee and the external auditors, examined them for itself, and discussed the documents 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 17 November 2022. The auditor's report was discussed without the presence of the Executive Board. At our meeting on 28 November 2022, and at the Audit Committee meeting held on the same day, they presented the results of their audit. There were no objections. They also reported on the services they performed in addition to audit services. The auditors provided detailed answers to our questions. 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 2022, BDO’s report on the outcome of the audit, and the report of the Board of Management for the 2021/2022 financial year. We concurred with the results of the audit put forward by the external auditors. On 28 November 2022, we confirmed the consolidated financial statements and annual financial statements of Deutsche Beteiligungs AG as recommended by the Audit Committee. The annual financial statements have thus been adopted.

The Board of Management’s dividend proposals were discussed at the Audit Committee meeting on 17 November 2022. The Board of Management resolved its proposal for the appropriation of net retained profit on 18 November 2022; and the Supervisory Board, by resolution on 28 November 2022, approved the Board of Management’s proposal, to propose to the Annual General Meeting the distribution of a dividend in the amount of 0.80 euros per dividend-bearing share.

DBAG also faced difficulties due to the drastic changes in the macroeconomic environment occurring over the course of the financial year under review. The Company was able to refine its strategic initiatives: its portfolio diversification showed progress and the investment advisory team, including its activities on the Italian market, was expanded as planned. The Supervisory Board wishes to recognise and extend special thanks to the Board of Management and the employees who have contributed to the Company’s further development during what has once again been an exceptionally difficult time.

Frankfurt/Main, 28 November 2022

Hendrik Otto

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 2021/2022. 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 2022.

Board of Management remuneration

At its meeting held on 11 September 2020, the Supervisory Board adopted a new remuneration system for the members of the Board of Management that takes account of the changes in the statutory requirements that apply under the German Act Implementing the Second Shareholder Rights Directive ("ARUG II"). The remuneration system was presented to, and approved by, the ordinary Annual General Meeting held on 25 February 2021 in accordance with section 120a (1) of the German Stock Corporation Act (Aktiengesetz – AktG).

In the reporting year, all Board of Management members received remuneration according to this remuneration system, 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:

- a fixed salary;
- one-year variable remuneration;
- multi-year variable remuneration;
- a bonus for DBAG's Long-Term Investments, if applicable;
- pension commitments, if applicable;
- fringe benefits.

Torsten Grede and 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 annual pension for Torsten Grede and defined direct commitment for Jannick Hunecke (vested rights, respectively); 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 (transitional provisions for the reporting year) Ascertained based on achievement of defined targets for two performance criteria:	Long-term remuneration element incentivising sustainable corporate success, measured by ambitious targets in the Private Equity

REMUNERATION ELEMENT	STRUCTURE	LINK TO STRATEGY
	〉 average development of the net asset value (NAV), taking into consideration dividends and capital measures (weighting: 75%) 〉 average earnings before taxes in the Fund Investment Services segment (weighting: 25%) Disbursement limited to 80 per cent of the respective Board of Management member's fixed salary	Investments and Fund Investment Services segments
Long-Term Investments bonus	Bonus for Board of Management members on the investment 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 team. As investment team members, the Board of Management members receive a share; however, only if capital inflows have been received by Deutsche Beteiligungs AG. 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 once only.	Additional incentive for DBAG to successfully drive the Long-Term Investments
Other remuneration provisions		
Maximum remuneration	Maximum remuneration expenses per financial year and Board of Management member of 1,888,000 euros[1]	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

1 Any subsequent variable remuneration payments from remuneration models concluded in the past are not taken into account.

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, On the other hand, the structure and level of remuneration schemes of comparable listed SDAX companies and an individual peer group are also taken into account. To ensure the appropriateness of remuneration, the Supervisory Board regularly carries out both a horizontal and a vertical remuneration comparison.

The remuneration system adopted for the Board of Management on 11 September 2022 was last reviewed during the 2020/2021 financial year as to its compliance with market practice; Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft („EY“) was called upon 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 SDAX 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, LiontrustAsset 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

After the end of the financial year 2021/2022, the Supervisory Board assessed the Board of Management's performance as a whole as well as the individual members' performance, taking into account the assessments and recommendations of the Supervisory Board's Executive Committee.

The Supervisory Board made special note of the successful implementation of the corporate strategy – particularly in terms of the business expansion in Italy, the implementation of the new investment strategy for Long-Term Investments and the further expansion of the investment advisory team – when assessing the Board of Management's total performance in the reporting year. On the other hand, the Supervisory Board also considered the negative development of net asset value. All in all, the Supervisory Board assessed the Board of Management's performance with a target achievement level of 75 per cent.

The relevant individual performances of the members of the Board of Management in the year under review were assessed based on the developments seen in the respective Board of Management members' business units. When assessing Torsten Grede's performance, the Supervisory Board especially considers the fact that he took over the financial function, ensured continuity of the Board of Management's work within the course of the generational change and worked on refining the Company's ESG strategy. The assessment of Tom Alzin depends on the development of the investment activity and the successful expansion into the Italian market with two further investments; and that of Jannick Hunecke depends on the development of the investment activity and the expansion of the investment advisory team. The Supervisory Board found all three Board of Management members to have reached an individual target achievement of 100 per cent.

Susanne Zeidler's performance was not assessed, since she waived all remuneration, including one-year variable remuneration for the 2021/2022 financial year, due to her departure from the Company.

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 member performance	Total performance
Torsten Grede	weighting: 75%	weighting: 25%	81.25%
Tom Alzin	75%	100%	81.25%
Jannick Hunecke	75%	100%	81.25%

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 table below ("Remuneration granted and owed pursuant to section 162 (1) sentence 1 of the AktG – current Board of Management members").

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 in the Private Equity Investments business segment 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, comprising the three subsequent financial years, forms the basis for the assessment of these criteria. The decisive factor is the extent to which the targets for both criteria, which were determined by the Supervisory Board at the beginning of each three-year period, have been met. 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.

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.

For the first two years of the remuneration system, which has been in place since 1 October 2020, special provisions apply to multi-year variable remuneration. Hence, the following applies to the 2021/2022 financial year:

› Members of the Board of Management who were already in office at the time when the new system of multi-year variable remuneration entered into force on 1 October 2020 will receive a multi-year variable remuneration for the 2021/2022 financial year in an amount resulting from the application of (i) the multi-year variable remuneration system in force until 30 September 2020 or (ii) the new multi-year variable remuneration system based on the target achievement in the 2020/2021 and 2021/2022 financial years, whichever amount is lower.

- Members of the Board of Management who were not yet in office when the new system of multi-year variable remuneration entered into force on 1 October 2020 will receive a multi-year variable remuneration for the 2021/2022 financial year in line with the new multi-year variable remuneration system, based on target achievement for the first two financial years during which they have been members of the Board of Management.

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.

When calculating the multi-year variable remuneration for the two members of the Board of Management who joined the Board of Management after 1 October 2020, Tom Alzin and Jannick Hunecke, the new remuneration system's provisions were applicable, whilst applicable multi-year variable remuneration for Board of Management member Torsten Grede was calculated based on a comparison with the multi-year variable remuneration applicable until 30 September 2020. Susanne Zeidler did not receive multi-year variable remuneration because she left the Company during the year under review.

Target achievement in the financial year 2021/2022

The Supervisory Board had defined the subsequently mentioned targets for the period from 2020/2021 to 2021/2022 for the two performance criteria "NAV growth rate" and "earnings from Fund Investment Services". Target definition was based on the Company's medium-term planning.

Target definition for the NAV growth rate (2020/2021 to 2021/2022):

CAGR NAV (2-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 2021/2022):

Earnings from Fund Investment Services €mn (2-year average)	Multiplier 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 2019/2020[1]	€466.4mn
NAV 2020/2021[1]	€613.1mn
NAV 2021/2022[1]	€516.2mn
Growth rate (2-year average)	10.60%
Multiple for 75% of the maximum amount of the multi-year variable remuneration[2]	0.5

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 (2-year average)	€16.7mn
Multiple[1]	1.0

1 Multiple according to target definition for the reference period

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 dis-bursement amounts for the current Board of Management members are as set out below. The disbursement amount for Torsten Grede shall be calculated by comparing it with the amount resulting from the provisions applicable to multi-year variable remuneration until 30 September 2020.

DISBURSEMENT AMOUNT – MULTI-YEAR VARIABLE REMUNERATION IN ACCORDANCE WITH THE APPLICABLE REMUNERATION SYSTEM

	Torsten Grede	Tom Alzin	Jannick Hunecke
75% of the maximum amount (€'000)	384	318	318
NAV multiple	0.5	0.5	0.5
25% of the maximum amount (€'000)	128	106	106
Fund Investment Services EBT multiple	1.0	1.0	1.0
Total disbursement amount (€'000)	320	265	265

Comparison with remuneration provisions applicable until 30 September 2020

To determine Torsten Grede's multi-year variable remuneration for the financial year 2021/2022, the disbursement amount of 320,000 euros calculated in line with the provisions for multi-year variable remuneration under the new remuneration system shall be compared with the amount resulting from the application of the provisions for multi-year variable remuneration in force until 30 September 2020; the lower amount of both will be applied.

The legacy provisions applicable until 30 September 2020 stipulated the disbursement of a bonus of up to 80 per cent of the fixed salary (512,000 euros), depending on the Company's business performance. Return on equity in the reference period, which includes the reporting year and the two prior financial years, is the relevant factor for assessing business performance. Remuneration is granted if the return on equity is at least equal to the three-year average cost of equity; the maximum amount of remuneration – 80 per cent of the fixed salary (512,000 euros) – is achieved with a return on equity of 20 per cent.

Return on equity

	Return on equity	Cost of equity
Financial year 2019/2020	-3.1%	6.3%
Financial year 2020/2021	45.4%	6.2%
Financial year 2021/2022	-13.1%	7.8%
3-year average	10.0%	6.7%

Application of the provisions in force until 30 September 2020 yields multi-year variable remuneration of 146,286 euros for Torsten Grede. This amount is below the distribution amount of 320,000 euros pursuant to the new remuneration system. Since the lower of the two amounts is relevant, Torsten Grede's multi-year variable remuneration amounts to 146,286 euros.

The Supervisory Board may also factor in extraordinary developments, as appropriate, when granting and disbursing variable remuneration components. There were no such exceptional developments regarding multi-year variable remuneration in the reporting year.

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 once 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.

Since DBAG did not sell any Long-Term Investments in the year under review, no Board of Management member was eligible for payments from the Long-Term Investments bonus.

Follow-on variable remuneration from legacy remuneration models

Torsten Grede and 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 former Board of Management members Dr Rolf Scheffels, Wilken Freiherr von Hodenberg and André Mangin 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 8,180.80 euros from this remuneration model in the financial year 2021/2022, Jannick Hunecke to 1,440.00 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 2021/2022.

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.

Tom Alzin does not receive pension commitments; the same applies to former Board of Management member Susanne Zeidler. Torsten Grede, as a member of the Board of Management appointed for the first time as at 1 January 2001, receives a pension commitment that provides for a defined annual pension of 87,000 euros. The present value of this pension obligation was 2,291,000 euros as at 30 September 2022 (previous year: 2,088,000 euros).

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 1,029,000 euros as at 30 September 2022 (previous year: 973,000 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.

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 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 (however, any follow-on variable remuneration payments under remuneration models completed in the past are not 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

	Torsten Grede €'000	Tom Alzin €'000	Jannick Hunecke €'000
Fixed remuneration			
Fixed salary	640	529	529
Fringe benefits	49	76	46
Benefit expense	46	0	65
Variable remuneration			
One-year variable remuneration[1]	157	130	130
Multi-year variable remuneration[1]	146	265	265
Long-Term Investments bonus[1]	0	0	0
Total remuneration	**1,038**	**1,000**	**1,035**
Maximum remuneration	**1,888**	**1,888**	**1,888**

1 Disbursed after the end of the reporting year

For Susanne Zeidler, who retired from the Board of Management during the year under review, it shall be noted that the Board of Management service contract expiring on 31 October 2025 was cancelled as at 31 January 2022 against a severance payment of 2,036,000 euros. The severance payment comprises remuneration payments up to the contract's initially agreed expiry date of 31 October 2025 and must thus be seen in the context of maximum remuneration for a period until 31 October 2025, that is, three financial years (2022/23, 2023/24 and 2024/25) and an additional month. The severance payment of 2,036,000 euros and additional remuneration payments made in the reporting year (fixed remuneration of approx. 183,300 euros, fringe benefits of approx. 12,800 euros and a settlement payment of approximately 17,500 euros for remaining holiday leave) are below the relevant maximum amount for a period of up until 31 October 2025.

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 Com-pany.

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

	Torsten Grede €'000	Tom Alzin €'000	Jannick Hunecke €'000
Purchase volume DBAG shares[1]			
Financial year 2021/2022	51	24	51

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.

During the course of discussions regarding the long-term strategic direction of DBAG's business model, the Supervisory Board and Susanne Zeidler agreed that Susanne Zeidler would resign from her position on the Board of Management, effective 31 January 2022, and would leave the Company. To compensate for the early termination (Susanne Zeidler's appointment had been made until 31 October 2025) Susanne Zeidler received a severance payment of 2,036,000 euros and a settlement payment of approximately 17,500 euros for remaining holiday leave, both of which was disbursed in the year under review. The payments resulting from termination of the contract are below the contractually-agreed maximum severance amount. Please refer to the table below for the remuneration total granted to Susanne Zeidler 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 consid-ered 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 the 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]

	Torsten Grede Spokesman of the Board of Management				Tom Alzin Member of the Board of Management				Jannick Hunecke Member of the Board of Management			
	2021/2022		2020/2021		2021/2022		2020/2021		2021/2022		2020/2021	
	€'000	(%)	€'000	(%)	€'000	(%)	€'000	(%)	€'000	(%)	€'000	(%)
Fixed remuneration	640	64	640	55	529	53	292	55	529	54	292	55
Fringe benefits	49	5	38	3	76	8	19	4	46	5	20	4
Total	**689**	**69**	**678**	**58**	**605**	**61**	**311**	**58**	**575**	**59**	**312**	**58**
One-year variable remuneration	157	15	230	20	130	13	105	20	130	13	105	20
Multi-year variable remuneration	146	15	256	22	265	27	117	22	265	27	117	22
Long-Term Investments bonus	0	0	0	0	0	0	0	0	0	0	0	0
"Bonus on return on equity"	8	1	0	0	0	0	0	0	1	0	0	0
"TP2001 bonus"	0	0	4	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total remuneration pursuant to section 162 of the AktG	**1,000**	**100**	**1,168**	**100**	**1,000**	**100**	**533**	**100**	**971**	**100**	**534**	**100**
Pension service costs²	46	-	85	-	0	-	0	-	65	-	75	-
Total remuneration including pension service costs	**1,046**	**-**	**1,253**	**-**	**1,000**	**-**	**533**	**-**	**1,036**	**-**	**609**	**-**

1 The percentages do not always amount to 100 per cent due to rounding.
2 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]

	Susanne Zeidler Member of the Board of Management until 31 January 2022			
	2021/2022		2020/2021	
	€'000	(%)	€'000	(%)
Fixed remuneration	183	8	550	55
Fringe benefits	13	1	32	3
Total	**196**	**9**	**582**	**58**
One-year variable remuneration	0	0	198	20
Multi-year variable remuneration	0	0	220	22
Long-Term Investments bonus	0	0	0	0
Other²	2,054	91	0	0
Total remuneration pursuant to section 162 of the AktG	**2,250**	**100**	**1,000**	**100**
Pension service costs³	0	-	0	-
Total remuneration including pension service costs	**2,250**	**-**	**1,000**	**-**

1 The percentages do not always amount to 100 per cent due to rounding.
2 This includes one-off payments for the settlement of holiday leave entitlements from past years as well as the severance payment set out above.
3 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 management board members by a third party.

Remuneration granted and owed to former Board of Management members

The following table gives an overview of remuneration granted and owed to former Board of Management members, including the relative share of each remuneration component pursuant to section 162 (1) sentence 1, sentence 2 no. 1 of the AktG.

REMUNERATION GRANTED AND OWED PURSUANT TO SECTION 162 (1) SENTENCE 1 OF THE AKTG – FORMER BOARD OF MANAGEMENT MEMBERS[1]

	Dr. Rolf Scheffels Member of the Board of Management until 28 February 2021				**Wilken Freiherr von Hodenberg** Member of the Board of Management until 26 March 2013				**André Mangin** Member of the Board of Management until 31 March 2013			
	2021/2022		2020/2021		2021/2022		2020/2021		2021/2022		2020/2021	
	€'000	(%)	€'000	(%)	€'000	(%)	€'000	(%)	€'000	(%)	€'000	(%)
Fixed remuneration and fringe benefits²	0	0	281	51	0	0	0	0	0	0	0	0
One-year and multi-year variable remuneration	0	0	264	48	0	0	0	0	0	0	0	0
Pension payments	0	0	0	0	197	95	191	98	115	100	115	97
"Bonus on return on equity"	8	100	0	0	10	5	0	0	0	0	0	0
"TP2001 bonus"	0	0	3	1	0	0	4	2	0	0	3	3
Total remuneration pursuant to section 162 of the AktG	**8**	**100**	**548**	**100**	**207**	**100**	**195**	**100**	**115**	**100**	**118**	**100**

1 The percentages do not always amount to 100 per cent due to rounding.
2 Dr Rolf Scheffels' mandate as a member of Deutsche Beteiligungs AG's Board of Management and the associated service contract expired on 28 February 2021. The amount reported under fixed remuneration and fringe benefits comprises the contractually agreed remuneration for Dr Rolf Scheffels' mandate in the financial year 2020/2021 prior to said termination date.

Pursuant to section 162 (5) of the AktG, no personal details are provided for former members of the Board of Management who left the Board of Management prior to 30 September 2012. Said former Board of Management members or their surviving dependants received total payments of 3,189,000 euros in the past financial year.

This also includes 18,000 euros in follow-on payments to former members of the Board of Management from older investments (investments committed up to 31 December 2000 or entered into between 2001 and 2006).

The present value of pension obligations for all former Board of Management members (including the aforementioned) and their surviving dependants amounted to 20,667,000 euros as at the reporting date (previous year: 20,312,000 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 Chair, the Vice Chair, 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 Deputy Chairman of the Supervisory Board or Chairman on 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 2021/2022, 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 (20/21)	60	50	60	50	120
Philipp Möller (Vice Chairman)	60	66.6	30	33.3	90
Previous year (20/21)	60	66.6	30	33.3	90
Sonja Edeler	60	80	15	20	75
Previous year (20/21)	60	80	15	20	75
Axel Holtrup	60	100	0	0	60
Previous year (20/21)	60	100	0	0	60
Dr Jörg Wulfken	60	66.6	30	33.3	90
Previous year (20/21)	60	66.6	30	33.3	90
Dr Maximilian Zimmerer	60	100	0	0	60
Previous year (20/21)	60	100	0	0	60
Total	**360**	**72.7**	**135**	**27.3**	**495**
Previous year (20/21)	360	72.7	135	27.3	495

1 The percentages do not always amount to 100 per cent due to rounding.

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 2021/2022 with the preceding financial year 2020/2021.

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.

	2021/2022	2020/2021	Change
	€'000	€'000	(%)
I. Board of Management members (as at 1 October 2021)			
Torsten Grede (Spokesman of the Board of Management)	1,000	1,168	(14)
Tom Alzin	1,000	533	88
Jannick Hunecke	971	534	82
Susanne Zeidler (until 31 January 2022)	2,250	1,000	125
II. Former Board of Management members			
Dr Rolf Scheffels (until 28 February 2021)	8	548	(99)
Wilken Freiherr von Hodenberg (until 26 March 2013)	207	195	6
André Mangin (until 31 March 2013)	115	118	(3)
III. Supervisory Board remuneration			
Dr Hendrik Otto (Chairman)	120	120	0
Philipp Möller (Vice Chairman)	90	90	0
Sonja Edeler	75	75	0
Axel Holtrup	60	60	0
Dr Jörg Wulfken	90	90	0
Dr Maximilian Zimmerer	60	60	0
IV. Earnings performance			
Net asset value of Private Equity Investments	573,707	678,466	(15.4)
Earnings from Fund Investment Services	15,377	18,012	(14.6
)Net income (HGB)	744	64,550	(98.8)
V. Average employee remuneration			
Average remuneration	217	249	(13)

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 for the financial year from October 1, 2021, to September 30, 2022, 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 (08.2021)). 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 Assurance Standard: Quality Assurance Requirements in Audit Practices (IDW QS 1). 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, 28 November 2022

BDO AG

Wirtschaftsprüfungsgesellschaft

Dr Freiberg German Public Auditor	Gebhardt German Public Auditor

TAKEOVER-RELATED DISCLOSURES (SECTIONS 289A (1) AND 315A (1) OF THE HGB)

At 30 September 2022, 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 21 February 2018, 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 (53,386,664.43 euros) up to and including 20 February 2023. 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. In the past financial year, the Board of Management did not make use of these authorisations.

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 bonds cum warrants 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 or creditors of 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

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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 2022

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.

€mn	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
					adjusted[1]	adjusted[1]	adjusted[2]	11 months		adjusted[3]
Core business objective: increase the Company's value										
Net asset value (reporting date)	573.7	678.5	422.0	472.1	470.7	451.5	389.0	313.0	304.2	
Net income from Fund Investment Services	15.4	18.0	9.5	3.0	5.6	4.7	(3.0)	2.2	8.0	
Financial objective: increase the value of Private Equity Investments										
Net income from investment activity	(98.9)	178.4	(16.9)	49.6	31.1	85.8	59.4	29.2	50.7	
Earnings before taxes	(111.3)	167.7	(25.2)	42.1	24.2	77.3	52.3	24.9	40.4	
Cash flow from investing activities	(131.6)	28.2	(33.5)	(15.5)	(30.6)	108.9	(6.0)	(72.7)	37.5	
Net asset value (reporting date)	573.7	678.5	422.0	472.1	470.7	451.5	389.0	313.0	306.4	
Financial assets[4]	553.3	545.3	390.7	385.7	318.9	254.2	316.3	256.3	163.4	
Other financial instruments	42.2	20.3	26.0	17.0	32.8	35.6	–	–	2.2	
Financial resources[5]	19.2	112.8	18.4	69.4	119.0	161.6	72.6	56.7	140.7	
Ratio of invested to non-invested funds	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	
Available liquidity	84.8	219.5	95.3	119.4	169.0	211.6	122.6	56.7	140.7	
Financial resources[5]	19.2	112.8	18.4	69.4	119.0	161.6	72.6	56.7	140.7	
Credit line	106.7	106.7	90.0	50.0	50.0	50.0	50.0	–	–	
Co-investment commitments alongside DBAG funds	199.3	273.4	311.3	129.7	198.5	253.7	278.2	110.7		
Surplus of co-investment commitments over available liquidity	114.4	53.9	216.1	10.3	29.4	42.1	155.6	54.0		
Financial objective: increase the value of Fund Investment Services										
Income from fund services	44.3	43.4	30.6	28.2	29.7	28.1	19.5	20.5	24.5	
Earnings before taxes	15.4	18.0	9.5	3.0	5.6	4.7	(3.0)	2.2	8.0	
Volume of assets under management or advisory (reporting date)	2,504.3	2,473.2	2,582.6	1,704.4	1,831.4	1,805.9	1,775.9	1,073.7		
Financial objective: ensure that shareholders participate in performance										
Dividend per share (2021/2022: proposal; €)	0.80	1.60	0.80	1.50	1.45	1.40	1.20	1.00	2.00	1.20
Dividend yield[6] (%)	2.5	4.5	2.4	4.4	3.5	3.9	4.4	3.6	9.5	6.2
Dividend yield[7] (2021/2022: proposal)	15.0	30.1	12.0	22.6	21.8	21.1	18.1	13.7	27.4	16.4
Non-financial objective: garner esteem as a financial investor in mid-sized companies										
Number of investment opportunities	246	306	193	258	261	321	221	253	299	316
Number of portfolio investments	39	33	33	29	29	24	25	24	19	20
Non-financial objective: garner esteem as a fund advisor										
Number of capital commitments of returning investors (most recent DBAG fund, %)	> 86	> 86	> 86	> 75	> 75	> 75	> 50	> 50	> 50	
Non-financial objective: retain experienced and motivated employees										
Number of employees	89	79	81	75	71	67	63	62	56	55
Average length of company service (*years*)	6.6	7.4	7.9	7.6	7.7	7.5	8.0	7.3	6.8	7.0
Other indicators										
Net income (IFRS)	(97.6)	185.1	(16.8)	45.9	29.7	82.0	49.5	27.0	48.0	32.3
Net income (HGB)	0.7	64.5	45.9	29.1	9.9	144.3	2.2	2.2	65.4	35.6
Information on DBAG shares										
Number of shares at the end of the financial year	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	13,676,359
Share price at the end of the financial year (€)	21.55	35.85	31.00	34.70	35.40	45.51	29.57	24.90	21.83	19.36
Market capitalisation at the end of the financial year	405.2	674.2	466.4	522.0	532.6	684.7	444.9	340.5	298.6	264.8

The table contains data as originally reported in the respective consolidated financial statements.
[1] Adjusted in accordance with IAS 8
[2] Adjusted in accordance with IFRS 10
[3] Data adjusted to the previous year's figure, based on changes in accounting (IFRS 10)
[4] Until 2018/2019: including loans and receivables
[5] Cash and cash equivalents plus short-term and long-term securities
[6] Based on the average Xetra closing price during the financial year
[7] Relates to the respective financial year

FINANCIAL CALENDAR

1 DECEMBER 2022
Publication of 2021/2022 consolidated financial statements, Analysts' conference (online)

16 JANUARY 2023
GCC Kepler Cheuvreux

9 FEBRUARY 2023
Publication of the quarterly statement on the first quarter 2022/2023, Analysts' conference call

28 FEBRUARY 2023
General Annual Meeting 2023, Frankfurt/Main

11 MAY 2023
Publication of the half-yearly financial report 2022/2023, Analysts' conference call

10 AUGUST 2023
Publication of the quarterly statement on the third quarter 2022/2023, Analysts' conference call