CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of comprehensive income

for the period from 1 October 2017 to 30 September 2018

€'000	Notes	1 Oct. 2017 to 30 Sept. 2018	1 Oct. 2016 to 30 Sept. 2017
			adjusted[1]
Net result of investment activity	10	34,133	85,835
Fee income from fund management and advisory services	11	28,536	27,047
Net result of fund services and investment activity		**62,669**	**112,881**
Personnel expenses	12	(16,812)	(20,743)
Other operating income	13	3,697	4,605
Other operating expenses	14	(15,557)	(14,349)
Interest income	15	344	154
Interest expenses	16	(702)	(556)
Other income/expenses		**(29,029)**	**(30,889)**
Earnings before tax		**33,640**	**81,993**
Income taxes	17	(18)	(1)
Earnings after taxes		**33,622**	**81,992**
Minority interest gains (-)/losses (+)	27	(25)	(37)
Net income		**33,597**	**81,955**
a) Items that will not be reclassified subsequently to profit or loss			
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset)	29	(1,155)	3,510
b) Items that will be reclassified subsequently to profit or loss			
Unrealised gains (+)/losses (-) on available-for-sale securities	22	(47)	(585)
Other comprehensive income		**(1,203)**	**2,925**
Total comprehensive income		**32,394**	**84,880**
Earnings per share in € (diluted and basic)[2]	36	2.23	5.45

1 Adjusted in accordance with IAS 8 (see note 4 of the notes to the consolidated financial statements)
2 The earnings per share calculated in accordance with IAS 33 are based on net income divided by the average number of DBAG shares outstanding in the reporting period.

Consolidated statement of cash flows

for the period from 1 October 2017 to 30 September 2018

INFLOWS (+)/OUTFLOWS (-)

€'000	Notes	1 Oct. 2017 to 30 Sept. 2018	1 Oct. 2016 to 30 Sept. 2017
			adjusted[1]
Net income		33,597	81,955
Valuation gains (-)/losses (+) on financial assets and loans and receivables, depreciation and amortisation of property, plant and equipment and intangible assets, gains (-)/losses (+) on long- and short-term securities	10, 18, 19, 20	(24,718)	(69,803)
Gains (-)/losses (+) from disposals of non-current assets	10, 18	(1,133)	(12,076)
Increase (-)/decrease (+) in income tax assets	24	78	1,824
Increase (-)/decrease (+) in other assets (netted)	21, 23, 24, 25	3,091	1,523
Increase (+)/decrease (-) in pension provisions	29	887	(3,753)
Increase (+)/decrease (-) in provisions for taxes	17, 24	17	0
Increase (+)/decrease (-) in other provisions	28	(5,556)	(2,518)
Increase (+)/decrease (-) in other liabilities (netted)	24, 26, 27, 30	3,595	(2,389)
Cash flows from operating activities[2]		**9,858**	**(460)**
Proceeds from disposals of property, plant and equipment and intangible assets	18	177	141
Purchase of investments in property, plant and equipment and intangible assets	18	(303)	(571)
Proceeds from disposals of financial assets and loans and receivables	10, 19, 20	30,302	199,286
Purchase of investments in financial assets and loans and receivables	10, 19, 20	(63,826)	(54,697)
Proceeds from disposals of other financial instruments		36,546	0
Payments for investments in other financial instruments	23	(33,664)	(35,649)
Proceeds from disposals of long- and short-term securities	22, 32	41,384	12,641
Payments for investments in long- and short-term securities	22, 32	(103,818)	(26,024)
Cash flows from investing activities		**(93,200)**	**95,127**
Payments to shareholders (dividends)	26	(21,062)	(18,053)
Cash flows from financing activities		**(21,062)**	**(18,053)**
Change in cash funds from cash-relevant transactions		(104,404)	76,614
Cash funds at start of period	32	127,976	51,361
Cash funds at end of period	32	**23,571**	**127,976**

1 Adjusted in accordance with IAS 8 (see note 4 of the notes to the consolidated financial statements)

2 This includes received and paid income taxes of 107 thousand euros (previous year: 1,805 thousand euros), as well as received and paid interest and dividends of 6,151 thousand euros (previous year: 1,405 thousand euros).

Consolidated statement of financial position

at 30 September 2018

€'000	Notes	30 Sept. 2018	30 Sept. 2017 adjusted[1]
ASSETS			
Non-current assets			
Intangible assets	18	438	693
Property, plant and equipment	18	839	1,129
Financial assets	19	323,304	252,830
Loans and receivables	20	0	1,338
Long-term securities	22	55,458	33,659
Total non-current assets		**380,039**	**289,648**
Current assets			
Receivables	21	1,091	3,649
Short-term securities	22	40,000	0
Other financial instruments	23	32,766	35,649
Income tax assets	24	345	423
Cash and cash equivalents		23,571	127,976
Other current assets	25	7,408	6,624
Total current assets		**105,181**	**174,320**
Total assets		**485,220**	**463,968**
EQUITY AND LIABILITIES			
Equity	26		
Subscribed capital		53,387	53,387
Capital reserves		173,762	173,762
Retained earnings and other reserves		(6,331)	(5,129)
Consolidated retained profit		226,962	214,427
Total equity		**447,779**	**436,447**
Liabilities			
Non-current liabilities			
Minority interests	27	180	148
Provisions for pension obligations	29	12,209	11,323
Total non-current liabilities		**12,389**	**11,471**
Current liabilities			
Other current liabilities	30	15,773	1,233
Other provisions	24	17	0
Tax provisions	28	9,262	14,818
Total current liabilities		**25,052**	**16,050**
Total liabilities		**37,441**	**27,521**
Total equity and liabilities		**485,220**	**463,968**

1 Adjusted in accordance with IAS 8 (see note 4 of the notes to the consolidated financial statements)

Consolidated statement of changes in equity

for the period from 1 October 2017 to 30 September 2018

€'000	Notes	1 Oct. 2017 to 30 Sept. 2018	1 Oct. 2016 to 30 Sept. 2017 adjusted[1]
Subscribed capital			
At start and end of reporting period	26	**53,387**	**53,387**
Capital reserves			
At start and end of reporting period	26	**173,762**	**173,762**
Retained earnings and other reserves			
Legal reserve			
At start and end of reporting period		403	403
First-time adoption of IFRS			
At start and end of reporting period		16,129	16,129
Reserve for gains/losses on remeasurements of the net defined benefit liability (asset)			
At start of reporting period		(21,605)	(25,115)
Change in reporting period	29	(1,155)	3,510
At end of reporting period		(22,760)	(21,605)
Change in unrealised gains/losses on available-for-sale securities			
At start of reporting period		(55)	529
Change in reporting period outside profit or loss	22	(47)	(300)
Change in reporting period through profit or loss	22	0	(284)
At end of reporting period		(102)	(55)
At end of reporting period		**(6,331)**	**(5,129)**
Consolidated retained profit			
At start of reporting period		214,427	150,525
Dividend		(21,062)	(18,053)
Net income		33,597	81,955
At end of reporting period		**226,962**	**214,427**
Total		**447,779**	**436,447**

1 Adjusted in accordance with IAS 8 (see note 4 of the notes to the consolidated financial statements)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the financial year from
1 October 2017 to 30 September 2018

General information

1. Principal activity of the Group

Deutsche Beteiligungs AG (DBAG) is a publicly-listed private equity company. It initiates closed-end private equity funds ("DBAG funds") for investment in equity or equity-like instruments predominantly in unlisted companies, and provides advice regarding these funds. Employing its own assets, it enters into investments as a co-investor alongside the DBAG funds. Its investment focus, as a co-investor and fund advisor, is on mid-market German companies. It receives income as a co-investor through the increase in value of the company in which it has invested and as a fund advisor, performing services for the DBAG funds.

DBAG returned its registration as a capital management company ("KVG") in accordance with the German Capital Investment Code (Kapitalanlagegesetzbuch – KAGB) based on a corresponding resolution passed by the Annual Meeting in February 2018. A Group company that is registered as a capital management company has been responsible for fund management since July 2017.

DBAG is domiciled at Börsenstraße 1 in 60313 Frankfurt am Main, Federal Republic of Germany. The company is listed in the register of the Frankfurt am Main Local Court under HRB 52491.

2. Basis of preparation

The consolidated financial statements of DBAG at 30 September 2018 have been prepared in conformity with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission for application in the European Union. The interpretations of the International Financial Reporting Interpretations Committee (IFRIC) relevant to the consolidated financial statements are also applied. Additionally, the commercial law requirements stipulated in § 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB) have been taken into account.

The consolidated financial statements fairly present the asset, financial and earnings position. To that end, the information contained therein constitutes a faithful representation of the effects of transactions, other events and conditions in conformity with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the IFRS framework.

The consolidated financial statements consist of the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of financial position, the consolidated statement of changes in equity and these notes to the consolidated financial statements.

The accounting, valuation and consolidation policies, as well as the notes and disclosures to the consolidated financial statements, are applied consistently, except when IFRS rules or the identification of an error in earlier consolidated financial statements by the financial supervisory authority BaFin necessitate changes (see Note 3 and Note 4).

The consolidated financial statements have been structured in conformity with the rules of IAS 1.

The consolidated statement of comprehensive income is structured based on the nature of expense method. In the interest of presenting information that is relevant to the business of DBAG as a private equity business, the net result of investment activity has been disclosed instead of revenues. Items of other comprehensive income are stated after taking into account all tax effects in that context as well as the respective reclassified amounts. Reclassifications between other comprehensive income and profit or loss are presented in the notes to the consolidated financial statements.

In the consolidated statement of cash flows, cash flows are differentiated according to operating activities as well as investing and financing activities (see Note 32). The cash flows from investing activities also include the proceeds and payments resulting from changes in the long- and short-term securities held.

The presentation in the consolidated statement of financial position differentiates between long- and short-term assets and liabilities. Assets and liabilities are categorised as short-term if they fall due or are met within twelve months after the closing date, otherwise as long-term.

For the sake of clarity, individual items on the consolidated statement of comprehensive income and on the consolidated statement of financial position have been presented together. These items are disclosed and discussed separately in the notes to the consolidated financial statements.

The consolidated financial statements have been drawn up in euros. The amounts are presented rounded to thousands of euros, except when transparency reasons require presenting amounts in euros. Rounding differences in the tables in this report may therefore occur.

On 20 November 2018, the Board of Management of DBAG authorised the consolidated financial statements and the combined management report for issue to the Supervisory Board. The Supervisory Board will pass a vote on 29 November 2018 as to its approval of the consolidated financial statements.

3. Changes in accounting methods due to amended rules

Standards and interpretations, as well as amendments to standards and interpretations applicable for the first time, that have an impact on the reporting period that ended at 30 September 2018

In the financial year 2017/2018, there were no new standards and interpretations or amendments to standards and interpretations that have become applicable for the first time and that have an impact on the consolidated financial statements at 30 September 2018.

Standards and interpretations, as well as amendments to standards and interpretations applicable for the first time, that have no effects on the reporting period that ended at 30 September 2018

In the consolidated financial statements at 30 September 2018, the following amendments to standards were applicable for the first time:

- Amendments to IAS 7 “Statement of Cash Flows”,
- Amendments to IAS 12 “Income Taxes”,
- Annual improvements to IFRS “2014 to 2016 Cycle”: Amendments to IFRS 12 “Disclosure of Interests in Other Entities”.

The Amendments do not have any impact on the consolidated financial statements of DBAG.

New standards and interpretations that have not yet been applied

a) Endorsed by the European Union

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

Amendments to IAS 40 "Investment Property" (1 January 2018)

These amendments relate to real estate investors and are not relevant to DBAG.

Annual improvements to IFRS "2014 to 2016 Cycle" (1 January 2018)

The following two standards were amended with effect from 1 January 2018 within the scope of the annual improvement project for the 2014 to 2016 cycle:

- IAS 28 "Investments in Associates and Joint Ventures" and
- IFRS 1 "First-time Adoption of IFRS".

The Amendments to IAS 28 "Investments in Associates and Joint Ventures" include the clarification that investment entities have a fair-value option when recognising each investment in an associate or a joint venture for the first time. DBAG already recognises its investments in associates at fair value through profit or loss, so the amendment has no effect on the presentation of the consolidated financial statements.

The Amendments to IFRS 1 "First-time Adoption of IFRS" are changes to the wording of transitional provisions. The amendments have no effect on the presentation of the consolidated financial statements of DBAG.

Amendments to IFRS 2 "Share-based Payment" (1 January 2018)

The Amendments to IFRS 2 involve clarifications on the classification and measurement of share-based payment. There are currently no share-based payment schemes in place at DBAG. The Amendments to IFRS 2 therefore have no impact on the presentation of the consolidated financial statements of DBAG.

IFRS 9 "Financial Instruments" (1 January 2018)

The new IFRS 9 "Financial Instruments" replaces the present standard IAS 39 "Financial Instruments: Recognition and Measurement". Like IAS 39, IFRS 9 comprises the topics of classification and measurement, impairment and hedging transactions. An implementation project was carried out in the reporting year to analyse the effects of IFRS 9.

According to the current status of our analysis, the following effects are expected on the presentation of the consolidated financial statements:

Classification and measurement

The new standard IFRS 9 brings fundamental changes to the classification and measurement of financial assets.

IFRS 9 introduces a uniform concept for classifying financial assets. From now on, financial instruments are classified according to two criteria, the business model criterion and the cash flow criterion, into three categories. Measurement follows from the classification.

IFRS 9 provides for the following three categories of financial assets:

- "measured at amortised cost",
- "measured at fair value through other comprehensive income",
- "measured at fair value through profit or loss".

Financial assets whose cash flows consist solely of payments of principal and interest satisfy the cash flow criterion. They are classified according to the IFRS 9 business model criterion for DBAG:

- If the business model provides for the asset to be held to collect contractual cash flows, the asset is measured at amortised cost.
- If the business model provides for both the holding and sale of assets, to cover a certain liquidity requirement for instance, these assets are measured at fair value through other comprehensive income.

However, financial assets attributable to DBAG's investment business are always measured at fair value through profit or loss. The same applies to financial assets whose cash flows do not consist solely of payments of principal and interest.

In the future, the measurement method results directly from the classification. The following overview shows the categories and resulting measurement methods according to IAS 39 (until 30 September 2018) and IAS 9 (expected from 1 October 2018):

Financial assets	Category according to IAS 39	Measurement method according to IAS 39	Category and measurement method according to IFRS 9
Financial assets	Measured at fair value through profit or loss	Measured at fair value through profit or loss	Measured at fair value through profit or loss
Loans and receivables[1]	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Securities			
Fixed-rate securities	Available-for-sale financial assets	Measured at fair value directly in "Other comprehensive income"	Measured at fair value directly in "Other comprehensive income"
Retail funds	Available-for-sale financial assets	Measured at fair value directly in "Other comprehensive income"	Measured at fair value through profit or loss
Other assets			
Trade receivables	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Receivables from co-investment funds	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Rental deposit	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Interest receivables on securities	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Purchase price retention	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Receivables			
Receivables from associates	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Receivables from portfolio companies	Loans and receivables	Measured at amortised cost	Measured at amortised cost
Other financial instruments	Loans and receivables	Measured at amortised cost	Measured at fair value through profit or loss
Cash and cash equivalents	Loans and receivables	Measured at amortised cost	Measured at amortised cost

1 This item does not exist at 1 October 2018.

In summary, the following changes are expected to result from the adoption of IFRS 9 at 1 October 2018:

- Changes in the fair value of shares in retail funds (62,336 thousand euros, unchanged from 30 September 2018 according to IAS 39) are no longer recognised in other comprehensive income, but through profit or loss in net income. Changes in value recognised in equity until the first-time application of IFRS 9 (-36 thousand euros) are reclassified within equity.
- Other financial instruments consist of loans to investment entity subsidiaries; they were previously measured at amortised cost and will be measured at fair value through profit or loss according to their classification (business model criterion) in the future. This means that changes in value from the quarterly measurement are recognised through profit or loss. At 1 October 2018, 32,766 thousand euros will be recognised from the investment entity subsidiary DBAG Fund VII Konzern as bridge-over financing for new investments in accordance with IFRS 9 (30 September 2018: 32,766 thousand euros in accordance with IAS 39).

The forecast effects are immaterial for Deutsche Beteiligungs AG.

Impairment

IFRS 9 introduces a new impairment concept for financial instruments that are structured as debt instruments. Whereas only incurred losses were recognised under IAS 39, IFRS 9 also requires recognition of expected losses. In the future, DBAG will establish a risk provision for potential future impairment losses on financial assets in these categories upon addition of the asset. A risk provision amounting to the expected losses over the full lifetime (simplified impairment model) will be recognised for receivables from associates, receivables from co-investment funds and trade receivables, regardless of their credit quality. First-time adoption effects from this amendment will be recognised in equity in line with the transitional provisions. If expectations of the amount and/or accrual of recognised potential impairment losses should change, the changes are recognised in accordance with the measurement category for the financial instrument (at amortised cost or at fair value through other comprehensive income). Overall, IFRS 9 will therefore lead to the earlier and broader recognition of impairment losses. Over time, this recognition of impairment losses will reverse until the principal and interest payable on a financial instrument has been repaid in full. The introduction of the new impairment concept is expected to affect the consolidated financial statements of DBAG by around 50 to 150 thousand euros, which is not material in the overall context of the consolidated financial statements.

Hedging transactions

The new provisions on hedge accounting set out in IFRS 9 are designed to provide for a closer alignment of risk management strategy and accounting. At 30 September 2018, DBAG had not entered into any hedging relationships, meaning that the new provisions are not relevant to DBAG.

Transitional provisions

To simplify matters, IFRS 9 provides companies with the option, at the time of first-time adoption, not to adjust comparative information on classification and measurement for prior periods (including impairment losses). Given that the effects on the consolidated financial statements are immaterial overall, DBAG has decided to make use of this option. The first-time adoption effects will be recognised cumulatively in equity at 1 October 2018 and are expected to amount to less than 250 thousand euros overall. The effects of first-time adoption will therefore not have a material impact on the presentation of the consolidated financial statements of DBAG.

Amendments to IFRS 4 “Insurance Contracts” (1 January 2018)

The amendments to IFRS 4 are related to the introduction of IFRS 9 and are designed to provide relief to companies that offer insurance contracts to their customers, within the scope of IFRS 4, with regard to the application of IFRS 9 until the introduction of the new standard on insurance contracts. The rules are irrelevant for DBAG.

Amendments to IFRS 9 “Financial Instruments” (1 January 2019)

The additions to IFRS 9 clarify how prepayment features with negative compensation are to be treated for the classification of financial assets. The amendments do not have any impact on the consolidated financial statements of DBAG.

IFRS 15 “Revenue from Contracts with Customers” (1 January 2018)

The new Standard supersedes IAS 11 “Construction Contracts” and IAS 18 “Revenue” as well as the associated interpretations. The new IFRS 15 harmonises past IFRS rules and those applied under the US GAAP. IFRS 15 contains a new model for recognising revenue arising from contracts with customers. Revenue is recognised when the customer acquires control over the agreed goods and services and is able to obtain the benefits from them.

Financial instruments fall within the scope of IFRS 9 and are therefore excluded from the scope of IFRS 15. The first-time adoption of IFRS 15 consequently has no effect on the "net result of investment activity".

DBAG generates "Fee income from fund management and advisory services" for providing services to the DBAG funds. This income falls within the scope of the new IFRS 15. It is made up of remuneration for services performed, which is based on

- fund volume or
- invested capital or
- completed transactions.

Remuneration based on fund volume or invested capital is calculated semi-annually in line with the provisions of the Articles of Association of the respective fund. Recognition in income occurs after the service has been delivered.

When the service is provided or the transaction completed, the investors in the DBAG fund acquire the power of disposal over the service and derive the benefits from it. The new IFRS 15 requires no changes to the recognition of fee income from Fund Investment Services. The introduction of IFRS 15 is not expected to have an effect on the consolidated financial statements of DBAG.

Changes to IFRS 15 "Revenue from Contracts with Customers" (1 January 2018)

The changes relate to clarifications made by the IASB in response to questions raised in connection with the first-time adoption of IFRS 15, which make its application easier in individual circumstances. This has no effect on the consolidated financial statements of DBAG.

IFRS 16 "Leases" (1 January 2019)

The new standard supersedes IAS 17 "Leases". IFRS 16 introduces a new model for lessees on recognising lease liabilities based on future lease payments and the right to use of a leased asset. For lessors, the rules of IAS 17 largely remained unchanged. The scope of the standard mainly encompasses the lease for the business premises at Börsenstraße 1 in Frankfurt am Main, the DBAG's vehicles and the Company's photocopiers and coffee machines. The impact of the adoption of IFRS 16 on the consolidated financial statements of DBAG is still being analysed. A conclusive assessment of the effects is not yet possible.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (1 January 2018)

IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The interpretation is not relevant for DBAG.

IFRIC 23 "Uncertainty over Income Tax Treatments" (1 January 2019)

IFRIC 23 clarifies the accounting for uncertainties in income taxes. It is applicable to taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The impact of the adoption of IFRIC 23 on the consolidated financial statements of DBAG is currently being analysed. A conclusive assessment of the effects is not yet possible.

b) Not yet endorsed for application in the European Union

The following standards have been issued by the IASB and the IFRIC, but have not yet been endorsed by the European Commission for adoption in the European Union.

Amendments to IAS 19 "Employee Benefits"

The amendments to IAS 19 specify the IFRS requirements for the treatment of amendments, curtailments or the settlement of a defined-benefit pension plan. In addition, a clarification was included on the effects of plan amendments, curtailments or settlements on asset ceiling requirements. Its effects on the consolidated financial statements of DBAG are currently being analysed. A conclusive assessment of the effects is not yet possible.

Annual improvements to IFRS "2015 to 2017 Cycle"

The annual improvements concern the following accounting standards:

- IAS 12 "Income Taxes",
- IAS 23 "Borrowing Costs",
- IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangements".

The amendments to IAS 12 specify the tax treatment of dividends. The amendments to IAS 23 clarify how the capitalisation of borrowing costs is to be discontinued when a qualifying asset has been made ready for its intended use or sale. The amendments to IFRS 3 and IFRS 11 clarify measurement when the control of interests in an entity previously held as a joint operation is transferred. The effects of the amendments on the consolidated financial statements of DBAG are currently being analysed. A conclusive assessment of the effects is not yet possible.

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

The amendments to IFRS 10 and IAS 28 relate to the sale of assets to an associate or joint venture and to the contribution of assets made to an associate or joint venture. The amendments to IFRS 10 and IAS 28 will not have any impact on the consolidated financial statements of DBAG.

IFRS 14 "Regulatory Deferral Accounts"

The new IFRS 14 standard permits first-time adopters of the IFRS to continue to account for deferral account balances in accordance with their national accounting rules in their IFRS-formatted financial statements. The rules are irrelevant for DBAG.

IFRS 17 "Insurance Contracts"

The new IFRS 17 supersedes IFRS 4 "Insurance Contracts". Compared with IFRS 4, the accounting rules for insurance contracts under the new standard are more restrictive and reduce the available accounting options. The rules are irrelevant for DBAG.

Amendments to the Conceptual Framework that are not yet applicable (1 January 2020)

The amendments to the Conceptual Framework include new provisions for measurement principles, the fundamental requirements of the presentation and publication of financial information and basic questions relating to the derecognition of assets and liabilities. Amendments are also made to the definition and recognition of assets and liabilities. The effects of the amendments to the Conceptual Framework on the consolidated financial statements of DBAG are currently being analysed. The assessment of the effects on the consolidated financial statements of DBAG is not yet complete.

4. Amendment of an accounting method due to the identification of an error in previous consolidated financial statements

Starting in January 2016, the consolidated financial statements of DBAG at 30 September 2015 (financial year 2014/2015) were the subject of a random audit by the Financial Reporting Enforcement Panel (FREP) and the German Federal Financial Supervisory Authority (BaFin) as part of two-stage enforcement proceedings. BaFin, which is responsible for the second stage, closed the proceedings on 24 July 2018 by determining that an error had been made; on 27 July 2018, it ordered the publication of the error and the main elements of its reasoning. DBAG published the text on the same day.

Nature of the error

BaFin said that in its consolidated financial statements at 30 September 2015, DBAG had not accounted for investment managers' carried interest for DBAG Fund V in accordance with IFRS when measuring the carrying amount for the investment entity subsidiary for this fund. This caused net income from investment activity and thus net income for 2014/2015 to have been reported too low and net income from earlier periods correspondingly too high.

According to the method previously used by DBAG, carried interest was recognised as soon as it could be assumed that contractual conditions of the fund for paying carried interest were met. To judge whether these conditions had been met, DBAG previously assumed that the fund would continue as planned and the individual portfolio companies would be developed until they were ready for sale.

In the future, when judging whether these conditions are met, DBAG will assume the total liquidation of a fund portfolio at each reporting date, regardless of whether the portfolio companies are ready for sale or not. All other things being equal, this will mean that carried interest is taken into account for the measurement of an investment entity subsidiary of a fund in an earlier reporting period. The period between the first time carried interest is included in the measurement and the actual date of carried interest payments will be correspondingly longer.

Change of accounting method in the consolidated financial statements at 30 September 2018

We took the opportunity offered by the identification of the error in the third quarter of financial year 2017/2018 to change the method of including carried interest in the valuation of investment entity subsidiaries, beginning with the quarterly statement at 30 June 2018. For a description of the new method, see Note 7, entitled "Valuation procedures used in measuring fair value".

No retroactive adjustment to correct the error for DBAG Fund V, DBAG ECF or DBAG Fund VII

The error identified by BaFin related to the recognition in the proper period of carried interest for **DBAG FUND V** in the context of measuring the investment entity subsidiary for DBAG's co-investments alongside this fund in the period from 1 November 2014 (opening balance in accordance with IFRS 10) to 30 September 2015. The fair value for the investment entity subsidiary measured at 30 September 2015 was not queried by BaFin, however. Since BaFin only identified the prior period error in financial year 2017/2018, it must in principle be corrected retroactively in the consolidated financial statements at 30 September 2018 by adjusting the comparative figures for the previous year. However, the effects of the error concern the period from 1 November 2014 to 30 September 2015 (short financial year) – a period that is not presented in our current consolidated financial statements at 30 September 2018. There is therefore no need to adjust the comparative figures for 2016/2017 for DBAG Fund V in the consolidated financial statements at 30 September 2018.

The same applies to **DBAG ECF**. DBAG has included carried interest in the measurement of the investment entity subsidiary for this fund since 30 September 2016. Since then, the new method has also produced the same results for this fund, so for DBAG ECF there is also no need to adjust the comparative figures for the previous year in the consolidated financial statements at 30 September 2018.

No carried interest is recognised for the investment entity subsidiary for **DBAG FUND VII** at 30 September 2018 using the new method. There is therefore no need to adjust the comparative figures.

Retroactive adjustment to correct an error at 30 September 2017 for DBAG Fund VI

For the investment entity subsidiary for **DBAG FUND VI**, the new method first produces a different fair value to the previous method at 30 September 2017. Comparative figures must therefore be adjusted in accordance with IAS 8. The following tables show the adjustment of comparative figures in the consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of financial position and consolidated statement of changes in equity, and the change in earnings per share:

Adjustment of consolidated statement of comprehensive income according to IAS 8 for the period from 1 October 2016 to 30 September 2017

€'000	1 Oct. 2016 to 30 Sept. 2017		**1 Oct. 2016 to 30 Sept. 2017**
	before adjustment	IAS 8 – adjustment	adjusted
Net result of investment activity	94,272	(8,438)	85,835
Fee income from fund management and advisory services	27,047	0	27,047
Net result of fund services and investment activity	**121,319**	**(8,438)**	**112,881**
Personnel expenses	(20,743)	0	(20,743)
Other operating income	4,605	0	4,605
Other operating expenses	(14,349)	0	(14,349)
Interest income	154	0	154
Interest expenses	(556)	0	(556)
Other income/expenses	**(30,889)**	**0**	**(30,889)**
Earnings before tax	**90,430**	**(8,438)**	**81,993**
Income taxes	(1)	0	(1)
Earnings after taxes	**90,430**	**(8,438)**	**81,992**
Minority interest gains (-)/losses (+)	(37)	0	(37)
Net income	**90,392**	**(8,438)**	**81,955**
a) Items that will not be reclassified subsequently to profit or loss			
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset)	3,510	0	3,510
b) Items that will be reclassified subsequently to profit or loss			
Unrealised gains (+)/losses (-) on available-for-sale securities	(585)	0	(585)
Other comprehensive income	**2,925**	**0**	**2,925**
Total comprehensive income	**93,318**	**(8,438)**	**84,880**
Earnings per share in € (diluted and basic)[1]	6.01	(0.56)	5.45

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

Adjustment of consolidated statement of cash flows according to IAS 8 for the period from 1 October 2016 to 30 September 2017

INFLOWS (+)/OUTFLOWS (-)

€'000	1 Oct. 2016 to 30 Sept. 2017		**1 Oct. 2016 to 30 Sept. 2017**
	before adjustment	IAS 8 – adjustment	adjusted
Net income	90,392	(8,438)	81,955
Value gains (-)/losses (+) on financial assets and loans and receivables, depreciation and amortisation of property, plant and equipment and intangible assets, gains (-)/losses (+) on long- and short-term securities	(78,241)	8,438	(69,803)
Gains (-)/losses (+) from the disposal of non-current assets	(12,076)	0	(12,076)
Increase (-)/decrease (+) in income tax assets	1,824	0	1,824
Increase (-)/decrease (+) in other assets (netted)	1,523	0	1,523
Increase (+)/decrease (-) in pension provisions	(3,753)	0	(3,753)
Increase (+)/decrease (-) in other provisions	(2,518)	0	(2,518)
Increase (+)/decrease (-) in other liabilities (netted)	2,389	0	2,389
Cash flows from operating activities	**(460)**	**0**	**(460)**
Proceeds from disposals of property, plant and equipment and intangible assets	141	0	141
Purchase of investments in property, plant and equipment and intangible assets	(571)	0	(571)
Proceeds from disposals of financial assets and loans and receivables	199,286	0	199,286
Purchase of investments in financial assets and loans and receivables	(54,697)	0	(54,697)
Purchase of investments in other financial instruments	(35,649)	0	(35,649)
Proceeds from disposals of long- and short-term securities	12,641	0	12,641
Purchase of investments in long- and short-term securities	(26,024)	0	(26,024)
Cash flows from investing activities	**95,127**	**0**	**95,127**
Payments to shareholders (dividends)	(18,053)	0	(18,053)
Cash flows from financing activities	**(18,053)**	**0**	**(18,053)**
Change in cash funds from cash-relevant transactions	76,614	0	76,614
Cash funds at start of period	51,361	0	51,361
Cash funds at end of period	**127,976**	**0**	**127,976**

Adjustment of consolidated statement of financial position according to IAS 8 at 30 September 2017

€'000	30 Sept. 2017 before adjustment	IAS 8 – adjustment	30 Sept. 2017 adjusted
ASSETS			
Non-current assets			
Intangible assets	693	0	693
Property, plant and equipment	1,129	0	1,129
Financial assets	261,267	(8,438)	252,830
Loans and receivables	1,338	0	1,338
Long-term securities	33,659	0	33,659
Total non-current assets	**298,086**	**(8,438)**	**289,648**
Current assets			
Receivables	3,649	0	3,649
Other financial instruments	35,649	0	35,649
Income tax assets	423	0	423
Cash and cash equivalents	127,976	0	127,976
Other current assets	6,624	0	6,624
Total current assets	**174,320**	**0**	**174,320**
Total assets	**472,405**	**(8,438)**	**463,968**
EQUITY AND LIABILITIES			
Equity			
Subscribed capital	53,387	0	53,387
Capital reserves	173,762	0	173,762
Retained earnings and other reserves	(5,129)	0	(5,129)
Consolidated retained profit	222,864	(8,438)	214,427
Total equity	**444,884**	**(8,438)**	**436,447**
Liabilities			
Non-current liabilities			
Minority interest	148	0	148
Provisions for pension obligations	11,323	0	11,323
Total non-current liabilities	**11,471**	**0**	**11,471**
Current liabilities			
Other current liabilities	1,233	0	1,233
Other provisions	14,818	0	14,818
Total current liabilities	**16,050**	**0**	**16,050**
Total liabilities	**27,521**	**0**	**27,521**
Total equity and liabilities	**472,405**	**(8,438)**	**463,968**

Adjustment of consolidated statement of changes in equity according to IAS 8 for the period from 1 October 2016 to 30 September 2017

€'000	1 Oct. 2016 to 30 Sept. 2017		**1 Oct. 2016 to 30 Sept. 2017**
	before adjustment	IAS 8 – adjustment	adjusted
Subscribed capital			
At start and end of reporting period	**53,387**	**0**	**53,387**
Capital reserves			
At start and end of reporting period	**173,762**	**0**	**173,762**
Retained earnings and other reserves			
Legal reserve			
At start and end of reporting period	403	0	403
First-time adoption of IFRS			
At start and end of reporting period	16,129	0	16,129
Reserve for gains/losses on remeasurements of the net defined benefit liability (asset)			
At start of reporting period	(25,115)	0	(25,115)
Change in reporting period	3,510	0	3,510
At end of reporting period	(21,605)	0	(21,605)
Change in unrealised gains/losses on available-for-sale securities			
At start of reporting period	529	0	529
Change in reporting period outside profit or loss	(300)	0	(300)
Change in reporting period through profit or loss	(284)	0	(284)
At end of reporting period	(55)	0	(55)
At end of reporting period	**(5,129)**	**0**	**(5,129)**
Consolidated retained profit			
At start of reporting period	150,525	0	150,525
Dividend	(18,053)	0	(18,053)
Net income	90,392	(8,438)	81,955
At end of reporting period	**222,864**	**(8,438)**	**214,427**
Total	**444,884**	**(8,438)**	**436,447**

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

5.1 Status of DBAG as an investment entity in terms of IFRS 10

DBAG initiates closed-end private equity funds ("DBAG funds") for investments in equity or equity-like instruments primarily in unlisted companies. It solicits capital commitments from institutional investors to DBAG funds and provides asset management services to them via fully consolidated subsidiaries. The management companies of the DBAG funds are under the obligation to their investors to invest the capital based on a contractually-agreed investment strategy that aims to achieve either increases in value and/or the generation of current income. DBAG measures and evaluates the performance of the investments entered into by the DBAG funds at quarterly intervals on a fair value basis. Thus, DBAG, as a parent company, has the typical characteristics of an investment entity in terms of IFRS 10.

At the same time, DBAG is recognised as a special investment company, as defined by German legislation on special investment companies (Gesetz über Unternehmensbeteiligungsgesellschaften – UBGG). In that capacity, it enters into investments using its proprietary capital as a co-investor alongside DBAG funds. Based on co-investment agreements with the DBAG funds, DBAG and the funds invest at the same terms in the same companies and in the same instruments. The co-investments serve the purpose of achieving an alignment of interests between DBAG and the DBAG funds it manages via subsidiaries. In the opinion of the Board of Management, the co-investments do not affect the status of DBAG as an investment entity in terms of IFRS 10.

5.2 Group of consolidated companies

As an investment entity in terms of IFRS 10, DBAG only consolidates such subsidiaries that provide investment-related services to the investment entity. The following subsidiaries are consolidated unchanged in the Group's consolidated financial statements at 30 September 2018:

Name	Domicile	Capital interest %	If differing, voting interest %
AIFM-DBG Fund VII Management (Guernsey) LP	St Peter Port, Guernsey, Channel Islands	0.00	
DBG Advising GmbH & Co. KG	Frankfurt am Main, Germany	20.00	
DBG Fund VI GP (Guernsey) LP	St Peter Port, Guernsey, Channel Islands	0.00	
DBG Fund VII GP S.à r.l.	Findel, Luxembourg	100.00	
DBG Management GmbH & Co. KG	Frankfurt am Main, Germany	100.00	
DBG Management GP (Guernsey) Ltd.	St Peter Port, Guernsey, Channel Islands	3.00	0.00
DBG Managing Partner GmbH & Co. KG	Frankfurt am Main, Germany	20.00	
DBG New Fund Management GmbH & Co. KG	Frankfurt am Main, Germany	100.00	
European PE Opportunity Manager LP	St Peter Port, Guernsey, Channel Islands	0.00	

These subsidiaries provide the management and advisory services for DBAG funds. The range of Fund Investment Services comprises identifying, analysing and structuring investment opportunities, negotiating the investment agreements, compiling investment memorandums for the funds, supporting the portfolio companies during the holding period and realising the funds' portfolio companies. When managing DBAG funds, the range of services additionally includes taking investment decisions.

In the case of DBG Fund VII GP S.à r.l., DBG Management GmbH & Co. KG and DBG New Fund Management GmbH & Co. KG, the parent-subsidiary relationship results from the fact that DBAG holds the majority of voting rights in these entities.

DBAG does not hold a majority of the voting rights in AIFM-DBG Fund VII Management (Guernsey) LP, DBG Advising GmbH & Co. KG, DBG Fund VI GP (Guernsey) LP, DBG Management GP (Guernsey) Ltd., DBG Managing Partner GmbH & Co. KG, European PE Opportunity Manager LP or European PE Opportunity Manager LP. However, in the six entities mentioned, there are partners with voting rights who are parties related to DBAG and give DBAG a controlling position in terms of IFRS 10. DBAG therefore has control over the entity's relevant activities; it also receives the majority of the distributable amounts and can influence the amount of these variable returns.

Further comments on these subsidiaries can be found in Note 39 under the heading "Other related parties".

5.3 Unconsolidated investment entity subsidiaries

The co-investments that DBAG makes using its proprietary capital in order to align its interests with those of managed and/or advised DBAG funds within the scope of its business activity are made through its own companies (referred to as "co-investment vehicles"), which each also meet the criteria for an investment entity as defined in IFRS 10. These entities serve the sole purpose of bundling the co-investments of DBAG alongside a fund. The subsidiary Deutsche Beteiligungsgesellschaft mbH (DBG) also meets the criteria for classification as an investment entity but, unlike the co-investment vehicles, this company also provides investment-related services. The co-investment vehicles and DBG – known collectively as investment entity subsidiaries – are not consolidated but rather recognised at fair value through profit or loss and presented under financial assets (see also the comments in Note 7 under the heading "Fair value measurement of financial assets through profit or loss").

Name	Domicile	Capital/voting interest %
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	Frankfurt am Main, Germany	100.00
DBAG Fund V Konzern GmbH & Co. KG	Frankfurt am Main, Germany	99.00
DBAG Expansion Capital Fund Konzern GmbH & Co. KG[1]	Frankfurt am Main, Germany	99.00
DBAG Fund VI Konzern (Guernsey) L.P.	St Peter Port, Guernsey, Channel Islands	99.99
DBAG Fund VII Konzern SCSp	Findel, Luxembourg	99.99
DBAG Fund VII B Konzern SCSp	Findel, Luxembourg	99.99
Deutsche Beteiligungsgesellschaft mbH	Königstein/Taunus, Germany	100.00

1 DBAG ECF comprises three consecutive investment periods of DBAG ECF (original investment period, first and new second new investment period), which are managed as separate accounting areas.

Before the co-investments alongside the DBAG funds were introduced, DBAG invested in individual portfolio companies and international funds via DBG. Distributions from this company are only expected after the disposal of the two remaining investments.

The investments by DBAG using its proprietary capital alongside the DBAG funds are based on co-investment agreements with the funds. This means that DBAG has a contractual obligation to provide financing for investments and costs at a fixed rate for each of the funds; it can, however, unilaterally waive that contractual obligation (right to opt out), but would then forgo the opportunity of investing alongside the respective fund for the remaining term of that DBAG fund. However, based on its business activity, DBAG has the economic intention of providing finances to the co-investment vehicles in cases of investment decisions by DBAG funds for the purposes of profitably investing its capital and of aligning its interests with those of the fund investors.

At the reporting date, DBAG has the following obligations under co-investment agreements (“callable capital commitments“):

€'000	2017/2018		
Name	Capital commitments	Capital calls	Callable capital commitments
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	93,737	91,108	0
DBAG Fund V Konzern GmbH & Co. KG	103,950	102,578	1,372
DBAG ECF Konzern GmbH & Co. KG Original Vintage (DBAG ECF)	100,000	69,696	30,408
DBAG ECF Konzern GmbH & Co. KG First New Vintage (DBAG ECF I)	34,751	23,240	11,511
DBAG ECF Konzern GmbH & Co. KG Second New Vintage (DBAG ECF II)	39,715	14,658	25,057
DBAG Fund VI Konzern (Guernsey) L.P.	133,000	132,987	4,475
DBAG Fund VII Konzern SCSp	183,000	71,996	111,004
DBAG Fund VII B Konzern SCSp	17,000	2,350	14,650
	705,153	**508,613**	**198,477**

€'000	2016/2017		
Name	Capital commitments	Capital calls	Callable capital commitments
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	93,737	91,108	0
DBAG Fund V Konzern GmbH & Co. KG	103,950	102,578	1,372
DBAG ECF Konzern GmbH & Co. KG Original Vintage (DBAG ECF)	100,000	68,923	31,871
DBAG ECF Konzern GmbH & Co. KG First New Vintage (DBAG ECF I)	34,751	0	34,751
DBAG Fund VI Konzern (Guernsey) L.P.	133,000	132,987	9,409
DBAG Fund VII Konzern SCSp	183,000	12,500	170,500
DBAG Fund VII Konzern B SCSp	17,000	416	16,584
	665,438	**408,513**	**264,485**

The callable capital commitments are determined in accordance with the Articles of Association of the fund. They comprise capital commitments that have not yet been drawn down, as well as recallable distributions. The partnership agreements for the DBAG funds allow up to 20 percent of distributions to be recalled for follow-on investments in existing portfolio companies. This means that an individual fund can achieve an investment level of up to 120 percent. At the reporting date, DBAG ECF Konzern GmbH & Co. KG (original investment period) and DBAG Fund VI (Guernsey) L.P. both include recallable distributions in their callable capital commitments.

Based on its co-investment activity, DBAG received the following repayments from, or made the following investments in, investment entity subsidiaries that are carried at fair value:

€'000	2017/2018	
Name	Payments	Investments
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	0	0
DBAG Fund V Konzern GmbH & Co. KG	5,211	0
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	10,996	1,462
DBAG Expansion Capital Fund Konzern GmbH & Co. KG First New Vintage (DBAG ECF I)	0	23,240
DBAG Expansion Capital Fund Konzern GmbH & Co. KG Second New Vintage (DBAG ECF II)	0	4,982
DBAG Fund VI Konzern (Guernsey) L.P.	10,235	4,484
DBAG Fund VII Konzern SCSp	0	71,996
DBAG Fund VII B Konzern SCSp	0	2,350
	26,441	**108,514**

€'000	2016/2017	
Name	Payments	Investments
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	1,427	0
DBAG Fund V Konzern GmbH & Co. KG	120,967	525
DBAG Expansion Capital Fund Konzern GmbH & Co. KG First New Vintage (DBAG ECF I)	4,946	15,486
DBAG Expansion Capital Fund Konzern GmbH & Co. KG Second New Vintage (DBAG ECF II)	0	0
DBAG Fund VI Konzern (Guernsey) L.P.	52,019	47,946
DBAG Fund VII Konzern SCSp	0	12,500
DBAG Fund VII Konzern B SCSp	0	416
	179,359	**76,874**

Distributions from DBAG Fund V Konzern GmbH & Co. KG of 5,211 thousand euros relate to the repayment of a vendor loan in connection with the disposal of a portfolio company and the release of escrow amounts from other disposals in the previous year.

Distributions of 10,996 thousand euros from DBAG Expansion Capital Fund Konzern GmbH & Co. KG stem primarily from the repayment of a shareholder loan and the transfer of realised income from an investment vehicle. Payments of 1,462 thousand euros relate to a follow-on investment in a portfolio company.

DBAG ECF I and DBAG ECF II made total investments in new portfolio companies and existing investments of 28,222 thousand euros in the financial year.

DBAG Fund VI Konzern (Guernsey) L.P. paid out returns on partial sales of 10,235 thousand euros and invested 4,484 thousand euros in existing portfolio companies.

DBAG Fund VII Konzern SCSp and DBAG Fund VII B Konzern SCSp continued to invest in existing portfolio companies. In addition, DBAG Fund VII Konzern SCSp acquired a new portfolio company.

5.4 Other unconsolidated subsidiaries

Name	Domicile	Capital/voting interest %
Bowa Geschäftsführungs GmbH i. L.	Frankfurt am Main, Germany	100.00
DBG Advising Verwaltungs GmbH	Frankfurt am Main, Germany	20.00
DBG Managing Partner Verwaltungs GmbH	Frankfurt am Main, Germany	20.00

Bowa Geschäftsführungs GmbH i. L. is unconsolidated due to immateriality.

DBG Advising Verwaltungs GmbH and DBG Managing Partner Verwaltungs GmbH do not provide investment-related services and are therefore not consolidated; rather, they are recognised at fair value through profit or loss.

5.5 Interests in associates

DBAG is invested in three companies over which it exerts significant influence; it has the ability to participate in financial and business policy decisions without being able to control these decision processes. Based on DBAG's voting interests of between 20 to 50 percent, the following entities are considered associates:

Name	Domicile	Capital interest %	If differing, voting interest %
DBG Asset Management Ltd.	Jersey, Channel Islands	50.00	35.00
RQPO Beteiligungs GmbH	Frankfurt am Main, Germany	49.00	
RQPO Beteiligungs GmbH & Co. Papier KG	Frankfurt am Main, Germany	44.10	

As a private equity business in terms of IAS 28, DBAG makes use of the option of measuring its interests in associates in conformity with the rules of IAS 39 at fair value through profit or loss. Thus, no associates are carried at equity.

The aggregate financial data for these immaterial associates is shown in the following table:

STATEMENT OF FINANCIAL POSITION

€'000	**31 Dec. 2017**	31 Dec. 2016
Assets		
Fixed assets	2,846	2,581
Current assets	153	443
Total assets	**2,999**	**3,024**
Equity and liabilities		
Equity	328	361
Provisions	2	2
Liabilities	2,669	2,661
Total equity and liabilities	**2,999**	**3,024**

Statement of profit or loss

€'000	**1 Jan. 2017 to 31 Dec. 2017**	1 Jan. 2016 to 31 Dec. 2016
Revenue	2,913	(15)
Other expenses and income	47	(39)
Taxes	0	0
Net income for the year	**2,960**	**(54)**

5.6 Interests in portfolio companies and international funds

DBAG holds direct interests in one portfolio company and one international fund. It has no significant influence over these entities since it does not participate in their financial or operating policy decisions. DBAG holds the following interests directly:

Name	Domicile	Capital interest %	If differing, voting interest %
JCK Holding GmbH Textil KG	Quakenbrück, Germany	3.60	0.00
Harvest Partners IV GmbH & Co KG	Munich, Germany	9.86	0.00

The investment held directly is measured at fair value through profit or loss.

For the international fund investment, use is made of the option of designating it at fair value through profit or loss upon initial recognition ("fair value option" in accordance with IAS 39.9).

5.7 Interests in unconsolidated structured entities

Within the scope of the business activity of DBAG and its subsidiaries as external capital management companies or investment service providers to private equity funds, contractual arrangements exist between DBAG and structured entities of managed or advised DBAG funds that DBAG sponsored within the scope of its business activity. In particular, in the founding phase of a fund, DBAG prepays certain external third-party charges. These costs are reimbursed by the investors in a fund when that fund's investment period starts. No external third-party costs were prepaid or reimbursed in financial year 2017/2018 (previous year: none).

The following companies that DBAG sponsored within the scope of the business activity described above are structured entities that were neither consolidated nor held at fair value through profit or loss at 30 September 2018:

Name	Domicile	Capital/voting interest %
DBAG Fund IV International GmbH & Co. KG i. L.	Frankfurt am Main, Germany	0.00
DBAG Fund IV GmbH & Co. KG i. L.	Frankfurt am Main, Germany	0.00
DBAG Fund V GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Fund V International GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Fund V Co-Investor GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Expansion Capital Fund GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Expansion Capital Fund International GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Fund VI (Guernsey) L.P.	St Peter Port, Guernsey, Channel Islands	0.00
DBG Fund HoldCo GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Fund VI Feeder GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Fund VII SCSp	Findel, Luxembourg	0.00
DBAG Fund VII B SCSp	Findel, Luxembourg	0.00
DBAG Fund VII B Feeder GmbH & Co. KG	Frankfurt am Main, Germany	0.00
DBAG Fund VII Feeder GmbH & Co. KG	Frankfurt am Main, Germany	0.00
European Private Equity Opportunities I LP	St Peter Port, Guernsey, Channel Islands	0.00

The companies listed are the investment vehicles for the German and international investors in the DBAG funds.

The DBAG Group does not have contractual or economic commitments to these unconsolidated structured entities to provide financing or assets. Exposure to economic risk relates exclusively to the management and advisory activity for the DBAG funds. Group companies receive management or fund advisory fees based on contractual agreements[1] for the services provided to DBAG funds (see Note 5.2 and Note 39).

Exposure to loss from these unconsolidated structured entities exists only for receivables arising from the management and advisory activity of the DBAG Group for the DBAG funds.

€'000	**30 Sept. 2018**	30 Sept. 2017
Name	**Maximum exposure to loss**	Maximum exposure to loss
DBAG Fund IV GmbH & Co. KG i.L.	0	0
DBAG Fund IV International GmbH & Co. KG i.L.	0	0
DBAG Fund V GmbH & Co. KG	45	0
DBAG Fund V International GmbH & Co. KG	104	0
DBAG Fund V Co-Investor GmbH & Co. KG	0	0
DBAG Expansion Capital Fund GmbH & Co. KG (Original Vintage)	148	264
DBAG Expansion Capital Fund First New Vintage GmbH & Co. KG	39	0
DBAG Expansion Capital Fund International GmbH & Co. KG (Original Vintage)	90	200
DBAG Expansion Capital Fund International First New Vintage GmbH & Co. KG	151	0
DBAG Expansion Capital Fund International Second New Vintage GmbH & Co. KG	137	0
DBAG Fund VI (Guernsey) L.P.	1,964	413
DBAG Fund VII SCSp	701	3,831
DBAG Fund VII B SCSp	2	91
	3,382	**4,798**

There were no contractual or economic commitments at the reporting date (previous year: none) arising from all other unconsolidated structured entities in which DBAG acted as a sponsor that could result in an inflow or outflow of funding or involve exposure to loss for the DBAG Group.

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

The disclosures on the list of shareholdings pursuant to § 313 (2) German Commercial Code (HGB) can be found in Note 44 of these notes to the consolidated financial statements.

1 Management fees from DBAG Fund V and DBAG Expansion Capital Fund, management and advisory fees from DBAG Fund VI and DBAG Fund VII; no management fees have been paid from DBAG Fund IV since April 2016.

6. Consolidation methodology

In addition to DBAG, nine (previous year: nine) of the other consolidated companies prepare their separate annual financial statements at 30 September. The remaining consolidated companies' reporting date is concurrent with the calendar year. For consolidation purposes, these companies prepare interim financial statements at the reporting date of DBAG.

The financial statements of consolidated companies are drawn up based on uniform accounting policies.

Capital consolidation is performed using the purchase method based on the date that DBAG obtained a controlling influence over the subsidiary in question (acquisition date). Acquisition costs are offset by the fair value of the acquired identifiable assets and assumed liabilities as well as contingent liabilities. The carrying amounts are amortised in the subsequent periods. Goodwill required to be capitalised has not yet occurred.

Intra-Group profits and losses and transactions as well as all unrealised income and expenses are eliminated when preparing the consolidated financial statements. Deferred income taxes are taken into account in consolidation procedures.

7. Accounting and valuation policies

Recognition of assets and liabilities

Non-financial assets are recognised in the consolidated statement of financial position if it is probable that the future economic benefit will flow to DBAG and their cost or other value can be reliably measured.

Non-financial liabilities are recognised in the consolidated statement of financial position if it is probable that the settlement of a present obligation will require an outflow of resources embodying economic benefits and the amount of the settlement can be reliably measured.

Regular-way purchase or sale of financial assets or financial liabilities as well as equity instruments (generally referred to as financial instruments in accordance with IAS 32) are consistently recognised or derecognised for all categories of financial instruments on the settlement date.

Categories of financial instruments

Classes of financial instruments according to IFRS 7 are designated in the DBAG Group in accordance with the categories defined in IAS 39. Level 3 financial instruments are also classified as investment entity subsidiaries, interests in portfolio companies, international fund investment and "other". The classes are formed based on the valuation methodologies.

For financial assets that are measured at fair value in profit or loss, only such assets exist as are designated to this category upon initial recognition. These mainly relate to investments. Financial assets classified as held for trading or as held to maturity do not exist.

Fair value measurement of financial assets through profit or loss

Due to the operating activities of the DBAG Group as a financial investor, the consolidated financial statements are largely characterised by the measurement of financial assets at fair value through profit or loss. Financial assets chiefly comprise:

- interests in investment entity subsidiaries (subsidiaries that may not be consolidated in accordance with IFRS 10; see Note 5.3),
- interests in associates (interests in portfolio companies with a share of voting rights between 20 and 50 percent; see Note 5.5),
- other interests in portfolio companies (interests in portfolio companies with a share of voting rights of less than 20 percent; see Note 5.6),
- international fund investment (see Note 5.6).

The financial assets are measured initially and at all subsequent quarterly and annual reporting dates at fair value by the DBAG's **INTERNAL VALUATION COMMITTEE**. The Valuation Committee includes the members of the Board of Management, the head of finance and accounting, the finance and accounting officer and the investment controllers.

DBAG has developed **VALUATION GUIDELINES** for fair value measurement in accordance with IFRS 13. These guidelines are based on the recommendations set out in the **INTERNATIONAL PRIVATE EQUITY AND VENTURE CAPITAL VALUATION GUIDELINES (IPEVG)** in the version dated December 2015, insofar as these are consistent with the IFRS. The valuation guidelines set out further details on IPEVG provisions, insofar as the latter are vague or IFRS compliance so requires, in order to allow them to be applied in intersubjectively clear terms to DBAG. The IPEVG are not mandatory guidelines; rather they summarise standard valuation practices in the private equity industry.

General principles of fair value measurement

The fair values for the various classes of assets are measured in accordance with consistent valuation procedures and on the basis of uniform input factors.

The valuation is performed at the relevant reporting date for the quarterly and annual financial statements (valuation date), taking all the information that has an impact on value into account, i.e. all of the events between the valuation date and the date on which the consolidated financial statements are prepared, insofar as these events provide information that is relevant for the purposes of the valuation that market participants were already aware of, or ought to have been aware of, on the valuation date.

In determining the fair value, critical judgements on the part of the Valuation Committee will become necessary to a certain extent, i.e. assumptions and estimates must be made. These are constructively substantiated by the Valuation Committee and documented in the valuation records. To that end, the assumptions and estimates are based on the premises of current knowledge and the experience of the Valuation Committee and are consistently applied without arbitrariness. If the portfolio company's actual performance or the underlying conditions differ from the trend expected at the preceding valuation date, the premises and, if appropriate, the fair value are adjusted at the next valuation date.

Whenever a portfolio company is disposed of, the Valuation Committee analyses whether or not and, if so, to what extent the realised value differs from the most recently calculated fair value (a process known as "backtesting"). Backtesting provides information on the causes of the changes in value, in order to make ongoing improvements to the valuation process.

Fair value at the acquisition date

At initial recognition, the fair value corresponds to the transaction price. Ancillary costs of the transactions are not capitalised, but are immediately expensed. Ancillary costs attributable to a transaction include fees paid to intermediaries, consultants (e.g. legal or corporate consultants), agents and brokers, charges paid to regulatory authorities and stock exchanges as well as taxes and fees incurred in connection with the transaction.

Fair value hierarchy for subsequent measurement

At subsequent reporting dates, the fair value is measured on a going-concern basis.

As far as possible, the fair value of a portfolio company at the subsequent reporting dates is measured based on prices from transactions in the market that were observed on the valuation date or immediately prior to that date. This is normally possible for companies whose shares are quoted on the stock exchange. These portfolio companies are valued at the closing rate on the valuation date or the closing rate on the last day of trading prior to this date. In determining prices, the principal market or the most advantageous market is used as the relevant stock exchange. The fair value thus determined is neither reduced by premiums attaching to the sale of larger blocks of shares nor by deductions for disposal costs. Should the sale be subject to contractually agreed restrictions (lock-up), a risk-adjusted deduction is made on the observed transaction price. The amount of the risk-adjusted deduction is at the discretion of the Valuation Committee.

For unlisted companies, a valuation methodology may be considered that is based on a signed purchase agreement or a binding purchase bid, if the completion of the purchase agreement is sufficiently assured or if the purchase bid seems sufficiently realisable. If appropriate, valuations can be based on the price at which a significant amount of new investments in the portfolio company were made (financing rounds) or on significant comparative prices of recent transactions that have taken place in the market.

If the transaction price observed in the market at the valuation date or the price of the most recent investment made prior to the valuation date does not constitute a sufficiently reliable method – because of insufficient liquidity in the market for instance or in the event of a forced transaction or distressed sale – valuation procedures are used that measure fair value on the basis of assumptions.

Fair value measurement methods on hierarchy level 3

The following valuation methods are used to measure level 3 financial instruments:

- to calculate the net asset value of unconsolidated subsidiaries, in particular the investment entity subsidiaries (co-investment vehicles and DBG), the sum-of-the-parts procedure,
- for established portfolio companies, the multiples method, and
- for fast-growing portfolio companies and for international fund investment, the discounted cash flow method (DCF).

For the **SUM-OF-THE-PARTS PROCEDURE**, individual asset and liability items are valuated separately at fair value and then aggregated to the net asset value of the unconsolidated subsidiaries. To that end, portfolio companies are generally valuated using the multiples or DCF method (see below).

The members of the investment team have committed to take an interest in the DBAG funds DBAG Fund IV, DBAG Fund V, DBAG Fund VI, DBAG Fund VII and DBAG ECF. For the members of the investment team, under certain conditions (see Note 39), this can result in a profit share that is disproportionate to the capital invested ("carried interest"). For the purposes of calculating fair value, the total liquidation of the fund portfolio at the reporting date is assumed for the first time at 30 September 2018 (see Note 4) when assessing whether these conditions are met. If the total sales proceeds realised at a reporting date plus the fair values of the investments still in the portfolio are equivalent to the full repayment of capital (see Note 39), then the co-investment vehicle's share of NAV is reduced by arithmetical carried interest.

For the **MULTIPLES METHOD**, the enterprise value is determined by applying a multiple to an appropriate indicator of the company's value. Valuations are generally performed on the basis of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) or Earnings Before Interest, Tax and Amortisation (EBITA). The total value of the company is generally measured as a mean on the basis of EBITDA and EBIT, in exceptional cases solely on the basis of EBITDA. Median EBITDA is defined as the leading multiple when deriving multiples from peer group companies.

The indicator derives from a portfolio company's current financial metrics. To arrive at a maintainable indicator of value, these metrics are adjusted for special effects, such as non-recurring expenses or discounts for risk projects. In addition, discounts or premiums are made on the applied indicators if there is current information that is not yet reflected in these financial metrics. The multiple is derived from the market capitalisation of a publicly listed peer group. Companies are selected for the peer group that are comparable with the investee business to be valued as regards their business model, the geographical focus of their operations as well as their size. If the portfolio company to be valued differs in certain aspects compared with features of companies in the peer group, discounts or premiums are applied to the relevant multiple. As long as these differences between the portfolio company to be valued and the peer group companies exist, these discounts or premiums are applied consistently.

If no listed peers that are comparable with the company to be valued in terms of size, growth rates and margins are known, the multiple is set based on the starting multiple. These starting multiples are extrapolated in line with the development of the reference multiple, which is determined using the median for a peer group of similar companies that are as comparable as possible.

In the **DCF METHOD**, fair value is determined by discounting expected future cash flows. The portfolio company's existing budgeting is used as the basis for projecting future cash flows. This is adjusted by discounts or premiums, if current findings exist that were not yet considered in the budgets. If there is no suitable basis for transition to a terminal value at the end of the forecast period, a less detailed trend phase follows. For the time following the forecast period and, if appropriate, the trend phase, a terminal value is used that may be adjusted by a growth rate. We derive the discount rate by the WACC model (WACC = weighted average cost of capital) from the weighted cost of equity and cost of debt. In discounting equity, we derive the rate from a risk-free base rate and a risk premium to capture the business risk involved. The discount rate for debt corresponds to the refinancing rate for the company to be valued. For valuations of interests in international funds using the DCF method, the expected proceeds from the sale of portfolio companies are discounted to the present value by applying the appropriate rate.

Recognition of revenues

Due to the particularities arising from the operating activities of the DBAG Group as a financial investor, the "net result of investment activity" and "fee income from fund management and advisory services" are presented instead of revenues in the consolidated statement of comprehensive income. The net result of investment activity comprises the net result of valuation and disposal as well as current income from financial investments, loans and receivables.

The **NET RESULT OF VALUATION** comprises movements in the fair value of financial assets and loans and receivables that are derived at each valuation date using the valuation principles described above.

The **NET RESULT OF DISPOSAL** contains profits that were realised upon disposal of financial assets and loans and receivables. For regular-way sales, disposals are recognised at the settlement date. The profits achieved on the sale are therefore recorded at that date. The settlement date is the day on which the contractually agreed obligations between the selling and purchasing parties to the contract have been fulfilled. In the DBAG Group, this is usually on the day on which the interests in the divested portfolio company are transferred in exchange for the receipt of cash, a purchaser's loan or other financial assets. In the event of contractually-agreed purchase price retentions for representations and warranties or other risks, these are recognised at a future date at which claims to warranty obligations or other risks are no longer probable. This may also be done on a contractually-agreed pro rata basis in partial amounts per period.

CURRENT INCOME consists of distributions from the investment entity subsidiaries (co-investment vehicles and DBG), dividends and interest payments from directly held portfolio companies and distributions from international investment funds.

- **DISTRIBUTIONS FROM CO-INVESTMENT VEHICLES** primarily consist of (net) proceeds on the disposal of portfolio companies, distributions from portfolio companies, interest on shareholder loans and repayments on shareholder loans. Recognition in income occurs according to contractual conditions.
- **DISTRIBUTIONS FROM DBG** are recognised on the date of the distribution resolution.
- **DIVIDENDS FROM DIRECTLY HELD PORTFOLIO COMPANIES** are recognised on the day that distributions or dividends are declared; **INTEREST PAYMENTS** are recognised *pro rata temporis* or in the period in which they accrue.
- **DISTRIBUTIONS FROM INTERNATIONAL FUND INVESTMENT** are recognised in income according to contractual conditions.

FEE INCOME FROM FUND MANAGEMENT AND ADVISORY SERVICES is recorded when the services are delivered.

Impairment test for financial assets at fair value outside profit or loss

An impairment test for financial assets measured at fair value outside profit or loss is conducted at each reporting date. At DBAG, this relates to financial assets falling under the categories of "Loans and receivables" as well as "Financial assets available for sale". The impairment test is designed to identify whether there is objective evidence that an asset is impaired. Such objective evidence could be:

- significant financial difficulty on the part of the issuer or obligor,
- breach of contract, for example, default or delinquency in interest or principal payments,
- concessions by the DBAG Group to a borrower for economic or legal reasons relating to the borrower's financial difficulty,
- the probability that the borrower will enter bankruptcy or another financial reorganisation,
- the disappearance of an active market for that financial asset because of financial difficulties,
- observable data, such as the payment status of borrowers or adverse changes in national or local economic conditions, indicating that there is a measurable decrease in the estimated future cash flows from the financial asset.

Impaired financial assets are derecognised when there is objective evidence that a receivable is uncollectible or that future cash flows can no longer be expected

Intangible assets/property, plant and equipment

Intangible assets and property, plant and equipment are valued at amortised cost.

Intangible assets were exclusively acquired against payment.

The useful life for intangible assets is determinable and extends from two to five years. For property plant and equipment, useful economic life is termed from three to thirteen years. Additions are depreciated *pro rata temporis*, beginning in the month of acquisition. Regular depreciation is offset on a straight-line basis.

Beyond that, intangible assets and property, plant and equipment are subject to impairment review, if certain events and/or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment loss amounting to the difference between the carrying amount and the recoverable amount is recognised. The recoverable amount is the higher of an asset's fair value (less costs to sell) and its utility value.

Loans and receivables

The item "Loans and receivables" comprises loans, shareholder loans and receivables with a fixed term and without an embedded derivative requiring separation. These relate to financial assets within the meaning of IAS 39, which are designated to the category of "Loans and receivables" at initial recognition and carried at amortised cost. Loans and receivables are subject to an impairment test at each reporting date (see also the section on the impairment test above). Impairment losses on loans and receivables are recognised in the item "Net result of investment activity" in the consolidated statement of comprehensive income.

Securities

Securities comprise interest-bearing bonds and investments in retail funds. They are designated to the category of "Available-for-sale financial assets". Designation to this category occurs because they may be sold at any time to cover liquidity requirements arising from DBAG's investment activity. The securities are initially recognised at fair value, which corresponds to their cost at the time of the transaction, and at fair value directly in "Other comprehensive income" at the subsequent reporting dates. The fair value measurement of securities is based on prices by dealers or price information systems (Reuters, Bloomberg, etc.). These are indicative prices, since observed transaction prices are not regularly available for bonds due to low market turnover. Prices for units in retail funds can be taken directly from a price information system.

Changes in fair value are recognised in "Retained earnings and other reserves" in the consolidated statement of financial position and in "Unrealised gains/(losses) on available-for-sale securities" in the consolidated statement of comprehensive income. An impairment test is conducted at each reporting date (see also the section on the impairment test above). If there is objective evidence of impairment, the aggregate loss recognised in reserves is reclassified to "Other operating expenses" in profit or loss in the consolidated statement of comprehensive income, even if the securities were not derecognised. An impairment account is used to record impairments. Gains and losses realised on disposal of securities of this category are reclassified accordingly, insofar as this has not occurred at earlier reporting dates by way of an impairment test.

Other assets

"Other assets" comprise receivables from DBAG funds, other receivables and prepaid expenses. Where applicable, this item also contains the net asset position arising from offsetting plan assets with pension obligations. With the exception of prepaid expenses, value-added tax and the net asset position arising from offsetting plan assets with pension obligations, these relate to financial assets as defined in IAS 39.

These financial assets are classified in the measurement category "Loans and receivables". They are initially recognised at cost and are tested for impairment at the subsequent reporting dates (see the section on the impairment test).

If there is objective evidence of impairment, the loss is recognised in "Other operating expenses" in the consolidated statement of comprehensive income.

Receivables

The line item "Receivables" contains receivables from portfolio companies. These relate to financial assets that are allocated to the category of "Loans and receivables" upon initial recognition and valued at cost. At subsequent reporting dates, they are tested for impairment (see the section on the impairment test). If there is objective evidence of impairment, the loss is recognised in the item "Other operating expenses" in the consolidated statement of comprehensive income.

Other financial instruments

The item "Other financial instruments" includes short-term loans to our investment entity subsidiaries. These are financial assets in terms of IAS 39. Depending on their characteristics as equity or liability instruments, they are allocated to and measured in the category "Loans and receivables" at the time of the initial recognition of the financial instruments. Loans and receivables are subject to an impairment test at each reporting date (see also the section on the impairment test). Impairment losses are recognised in the item "Other operating expenses" in the consolidated statement of comprehensive income.

Income tax assets

The item "Income tax assets" contains receivables from corporation and investment income tax. These relate to current taxes resulting from taxable income. Income tax assets are recognised in the relevant amount for tax purposes.

Cash and cash equivalents

"Cash and cash equivalents" relates to cash in banks, time deposits and overnight money. These are allocated to the category of "Loans and receivables" and are carried at amortised cost.

Deferred taxes

According to the IFRS, deferred taxes are recognised on temporary differences arising between the tax bases of assets and liabilities and their IFRS carrying amounts in the accounts (balance sheet-orientated method). Temporary differences based on the IFRS are any differences that are not of a permanent nature. The IFRS require recognition of both deferred tax assets and liabilities, if the criteria for recognition exist.

Additionally, expected tax reductions from loss carryovers are capitalised in the IFRS format, if an appropriate level of taxable income is expected to be achieved in the foreseeable future against which unused tax loss carryovers may be offset. The tax rates expected to apply at the balance sheet date are used to determine deferred taxes.

Changes to deferred taxes are basically recognised in profit or loss, insofar as the circumstances to which they relate were recognised in profit or loss and were not charged or credited to equity.

Minority interest

"Minority interest" in the consolidated statement of financial position contains the minority share ownership belonging to other investors in companies that are fully consolidated in the Group accounts. It is recognised within liabilities, since it concerns shares in partnerships which do not meet the definition of equity in accordance with the IFRS. Minority interest is carried as a financial liability pursuant to IAS 39. Initial and subsequent valuation is at the proportionate carrying amount of minority interest in the company capital.

Pension obligations and plan assets

Pension obligations arising from defined benefit plans exist at DBAG. Application of the plans is subject to the date at which the respective employee joined the company. Pension obligations of Group companies are set against assets of a legally independent entity ("contractual trust arrangement" in the form of a bilateral trust), which must be used exclusively to cover the pension commitments given and are not accessible to creditors (qualified plan assets).

The pension obligations are offset, by an asset of a legally independent entity ("contractual trust agreement" in the form of a two-way trust) that may only be used to cover the pension commitments given and are not accessible to any creditors (qualified plan assets).

The pension obligations under the defined benefit obligations are measured using the actuarial projected unit credit method. This method involves measuring the future obligations based on the *pro rata* benefit entitlements acquired up until the reporting date. They show the part of the benefit obligations that has been recognised in profit or loss by the reporting date. The valuation includes assumptions regarding the future development of certain actuarial parameters, such as the life expectancy of current and future pensioners, increases in salaries and pensions, and the interest rate used to discount the obligations. The actuarial rate is calculated based on the returns that are valid at the reporting date for long-term industrial bonds of issuers with the highest credit ratings with a comparable maturity.

The plan asset is measured at fair value.

For presentation in the financial statements, the present value of pension obligations is netted against the fair value of the plan asset. Should the fair value of the plan asset exceed the present value of pension obligations, a net defined benefit asset is recognised in "Other non-current assets". A net defined benefit liability is recognised in "Provisions for pension obligations".

Service cost is recognised in personnel expenses and net interest on the net defined benefit liability (asset) in interest expenses. Net interest comprises interest expenses on pension obligations and the interest income on plan assets. It is calculated using the actuarial rate that applies to pension obligations.

Remeasurements of the net defined benefit liability are recognised in other comprehensive income. They comprise actuarial gains and losses from changes in financial and demographic assumptions as well as from experience-related changes.

Other provisions

Other provisions are carried in liabilities, if a third-party obligation and the probability of an outflow of resources to settle the obligation exist. Non-current provisions are discounted.

Other liabilities

Liabilities of the Group are carried in "Other liabilities" in conformity with IAS 39. They are initially recognised at cost. Subsequent measurement for discounted loans is at amortised cost using the effective interest method.

Other financial commitments, contingent liabilities and trusteeships

Other financial obligations are recognised outside the balance sheet. They ensue to the extent that a legal or constructive third-party obligation exists for DBAG at the reporting date. This is measured on initial recognition at fair value.

Existing obligations arising from rental and lease contracts are carried as permanent debt obligations outside the balance sheet. Future payment commitments are discounted. Contingent liabilities are disclosed at the settlement amount and trusteeships at their fair value in the notes to the consolidated financial statements.

Net result of valuation and disposal of financial assets and loans and receivables

This item contains realised gains and losses arising from disposals of financial assets and from changes in the fair value of financial assets. This caption also includes impairment losses on loans and receivables carried at amortised cost.

Other comprehensive income

In addition to net income, other comprehensive income is the second component of total comprehensive income. Through other comprehensive income, transactions are recognised outside profit or loss. Other comprehensive income is shown before taxes. Shareholders from outside of the Group do not participate in other comprehensive income within the DBAG Group.

Offsetting

In preparing the consolidated statement of financial position and the consolidated statement of comprehensive income, assets and liabilities, as well as income and expenses, are generally not offset, unless this is stipulated or expressly permitted by a requirement.

Leases

Only operating lease commitments exist. Lease payments are recognised as an expense.

Foreign currency

Receivables and liabilities stated in foreign currency are recognised in the consolidated income statement using the closing-rate method. Since the group of consolidated companies of DBAG does not include entities with different functional currencies, there are no effects from currency translations in this context.

8. Use of judgement in applying the accounting policies

Application of the accounting policies requires making judgements that can materially influence the reported amounts in the financial statements. The consolidation, accounting and valuation methods that have been applied based on judgements are detailed in Notes 5 to 7 above.

The amounts recognised in the financial statements are primarily influenced by the fact that, as the parent company, DBAG is deemed to have the status of an investment entity pursuant to IFRS 10. This status assessment had to be performed again in the previous financial year 2016/2017 after DBAG transferred certain services relating to fund management and advisory services that it had previously performed itself to its subsidiaries. The aim of the assessment was to determine whether DBAG had the power to direct these subsidiaries. As, based on the overall circumstances, the subsidiaries are to be included in the consolidated financial statements as fully consolidated companies, the investment-related services performed by them are to be attributed to DBAG, meaning that DBAG still has the status of an investment entity pursuant to IFRS 10.

As a result, the investment entity subsidiaries are still not included in the consolidated financial statements as fully consolidated companies, but rather are recognised at fair value. The fair value of investment entity subsidiaries is significantly determined by the fair value of the portfolio companies, which were already being carried at fair value in the consolidated financial statements prior to the implementation of IFRS 10.

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

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

Due to assumptions about the future and other major sources of estimation uncertainty, there is a risk of having to make material adjustments to the carrying amounts of assets or liabilities within the next financial year. We judge the materiality by means of the effects on net assets. We would consider an adjustment to the carrying amount in the range of three percent of total shareholders' equity as being material; an adjustment is also material when it serves the clarity of the asset, financial and earnings position. Moreover, in our materiality judgements, we consider the possible effects in relation to the financial data in these consolidated financial statements as well as qualitative aspects.

A significant risk exists in financial assets, the fair value of which was determined using inputs not based on observable market data (hierarchy level 3: see Note 34.2). Fair values at level 3 are contained in "Financial assets" in the amount of 323,304 thousand euros (previous year, adjusted: 252,478 thousand euros). They concern those financial assets that are valued using the multiples method. The extent of possible effects in the event of an adjustment of assumptions and estimations is not quantifiable. However, should the underlying multiples change by +/-1, this would result *ceteris paribus* in an adjustment in the fair values recognised in the financial statements of +/-20,842 thousand euros (previous year: 17,926 thousand euros). This equates to five percent of the total shareholders' equity (previous year, adjusted: four percent).

Notes to the consolidated statement of comprehensive income

10. Net result of investment activity

€'000	2017/2018	2016/2017
		adjusted[1]
Interests in investment entity subsidiaries	31,239	73,248
Interests in portfolio companies	609	13,712
International fund investment	2,386	(1,120)
Other financial assets	(100)	(5)
	34,133	**85,835**

1 Adjusted in accordance with IAS 8 (see note 4)

The investment entity subsidiaries constitute subsidiaries of DBAG through which DBAG co-invests in DBAG funds (see note 5.3) and DBG. These subsidiaries are no longer permitted to be consolidated based on IFRS 10; instead, they are to be recognised at fair value through profit or loss. The significant assets of these investment entity subsidiaries are interests in and receivables from portfolio companies.

Net income from interests in investment entity subsidiaries include changes in the fair values of portfolio companies held via these vehicles, after deduction of carried interest in the cases of co-investment vehicles of DBAG Fund V, DBAG ECF and DBAG Fund VI. In addition, this item includes the net returns from the disposal or partial disposal and the recapitalisation of portfolio companies from investment entity subsidiaries, as well as interest income and dividend income from various investments.

Directly held interests in portfolio companies encompass DBAG investments entered into prior to the launch of DBAG Fund V. The result is based on the net result of valuation and disposal and the current income for distributions and interest on loans and variable capital accounts.

The international fund investment was entered into in April 2001 in order to geographically diversify financial assets more strongly. The fund in question is not managed by DBAG. The second international fund investment that was reported here prior to the adjustment pursuant to IFRS 10 is now included in the net asset value of DBG.

Other financial investments include subsidiaries that do not provide investment-related services and interest in associates (see Notes 5.4 and 5.5).

For further information on the net result of investment activity, we refer to the management report (see pages 55ff.).

11. Fee income from fund management and advisory services

€'000	2017/2018	2016/2017
DBAG Fund V	662	2,554
DBAG ECF	733	522
DBAG ECF I	983	0
DBAG ECF II	198	0
DBAG Fund VI	9,669	11,337
DBAG Fund VII	16,238	12,582
Other	53	52
	28,536	**27,047**

Management and advisory fee income stems from management and fund advisory services for the DBAG funds (see note 1 and further comments in Note 39).

The fee income from DBAG Fund V and DBAG Fund VI dropped following divestments over the last twelve months.

Income from DBAG ECF, DBAG ECF I and DBAG ECF II increased due to the investments made in the reporting year.

Higher income was received from DBAG Fund VII than in the previous year. The fund's investment period began at the end of December 2016; this was therefore the first time that fund management income was received for a full financial year.

12. Personnel expenses

€'000	2017/2018	2016/2017
Wages and salaries		
Fixed salary and fringe benefits	10,314	9,427
Variable remuneration, performance-related	4,864	8,124
Variable remuneration, transaction-related	166	1,793
	15,344	**19,344**
Social contributions and expenses for pension plans	**1,468**	**1,399**
thereof from pension plans	624	558
	16,812	**20,743**

The performance-related variable remuneration concerns members of the Board of Management and DBAG employees. For more information on the Board of Management's remuneration, please refer to the remuneration report, which is an integral part of the management report.

Since the financial year 2014/2015, the performance-related variable remuneration scheme for managing members of the investment team has been oriented around new investments entered into, portfolio performance and profitable realisations. For the other members of the investment team and employees in corporate functions, the system is based on company and personal performance.

In the previous year the performance-related variable remuneration showed an amount of 69 thousand euros for holiday and Christmas allowances and in-kind benefits from share purchases by employees. As of this financial year, this remuneration is included in the item "Fixed salary and fringe benefits" (77 thousand euros), with the corresponding changes to the comparative figures for the previous year.

Deal-based variable remuneration concerns active and former members of the Board of Management and members of the investment team based on older systems no longer in use. For a description of these systems we also refer to the remuneration report.

Number of employees (without Board of Management members):

	30 Sept. 2018	30 Sept. 2017
Employees (full-time)	56	54
Employees (part-time)	9	7
Apprentices	6	6

The Board of Management consisted of three members at the end of financial year 2017/2018 (previous year: three members).

In financial year 2017/2018, an average of 63 employees (previous year: 61) and five apprentices (previous year: six) were employed at Deutsche Beteiligungs AG.

13. Other operating income

€'000	2017/2018	2016/2017
Income from consultancy expenses that can be charged on	2,914	3,540
Income from exchange rate differences	133	0
Income from the reversal of provisions	123	98
Income from positions held on supervisory boards/advisory councils	57	238
Income from disposal of long- and short-term securities	17	200
Income from disposal of other financial instruments	0	218
Other	454	312
	3,697	**4,605**

Consultancy expenses charged on relate to advances on behalf of DBAG funds and/or portfolio companies. The drop in income from consultancy expenses charged on corresponds with the decrease in consultancy expenses charged on (see note 14).

Income from exchange rate differences stems from a purchase price receivable held in US dollars. It relates to an investment realised in financial year 2015/2016.

Income from positions held on supervisory boards and advisory councils relates to income from work by DBAG employees on the supervisory boards of DBAG portfolio companies or external companies. Remuneration for work on the boards of portfolio companies held via the DBAG funds has been presented under income from fund management and advisory services since financial year 2017/2018.

14. Other operating expenses

€'000	2017/2018	2016/2017
Consultancy expenses that can be charged on	2,949	3,341
Other consultancy expenses	1,154	863
Auditing and tax consultancy expenses	1,070	1,196
Consultancy expenses for deal sourcing	1,032	958
Consultancy expenses	6,206	6,358
Office rental expenses	1,166	1,082
Travel and hospitality expenses	1,028	1,097
Value-added tax	967	910
Expenses resulting from the repayment of Advisory Board remuneration to funds	932	0
External employees and other personnel costs	849	997
Depreciation and amortisation of property, plant and equipment and intangible assets	683	714
Stock market listing	653	597
Maintenance costs for hardware and software	530	449
Corporate communications, investor relations, media relations	507	410
Supervisory Board remuneration	400	406
Other	1,638	1,328
	15,557	**14,349**

The drop in consultancy expenses charged on corresponds with the decrease in income from consultancy expenses charged on (see note 13).

The increase in other advisory expenses chiefly relates to advisory services purchased in connection with the introduction of a new IFRS standard and to advisory expenses concerning data protection and anti-money laundering legislation.

The expenses for premises relate primarily to office rent. The increase results from leasing additional office space for DBAG employees.

The "VAT" item relates to non-deductible input tax based on revenues that are not taxable.

Expenses for the reimbursement of advisory board remuneration to funds result from subsequent offsetting against management fees for DBAG Fund V. DBAG had received the advisory board remuneration for work by members of its investment team on supervisory boards of portfolio companies in DBAG Fund V since the investment period began ten years ago.

Expenses for external staff and other personnel costs include the costs of temporary staff to cover for employees on sick leave and parental leave, recruitment expenses and staff training.

"Other" consists of miscellaneous operating expenses, in particular motor vehicles, insurance and offices supplies.

15. Interest income

€'000	2017/2018	2016/2017
Other financial instruments	313	132
Tax authorities	29	10
Other	3	13
	344	**154**

Interest income from other financial instruments relates to loans granted to associates (see note 23).

16. Interest expenses

€'000	2017/2018	2016/2017
Interest expenses for pension provisions	540	312
Expected interest income on plan assets	(380)	(196)
Net interest on net defined benefit liability	160	116
Credit line	513	432
Securities	18	5
Other	11	3
	702	**556**

The interest income on plan assets is calculated using the same discount rate that is used for determining the present value of pension obligations. For information on the parameters used for the two components of the net interest on the net defined benefit liability, we refer to note 29.

Interest expenses for the line of credit of 513 thousand euros (previous year: 432 thousand euros), relate to the annual availability fee for the credit facility in the amount of 50 million euros, which was paid in December 2015 and extended in financial year 2017/2018.

17. Income taxes

€'000	2017/2018	2016/2017
Current taxes	18	1
Deferred taxes	0	0
	18	**1**

Effective taxes relate to corporation tax and the solidarity surcharge for the financial year 2017/2018.

Deferred taxes take into account the occurrence or reversal of temporary differences between the IFRS carrying amounts and the tax purpose-based carrying amounts of assets and liabilities. Temporary differences primarily exist for financial assets and pension provisions. This financial year, the Group companies have for the most part recorded a surplus in deferred tax assets that largely originated from existing loss carryforwards. Based on the type of business activities and their applicable tax treatment, it is not probable that sufficient taxable profit will be available against which they can be utilised. These deferred tax assets were therefore not capitalised. At 30 September 2018, there were neither deferred income tax assets nor deferred income tax liabilities taken directly to equity.

Reconciliation between the theoretically expected tax charge for an incorporated company and the current amount recognised in the consolidated financial statements of DBAG is as follows:

€'000		2017/2018	2016/2017
Earnings before tax		33,640	81,993[1]
Applicable corporate tax rate	%	31.925	31.925
Theoretical tax income/expenses		**10,739**	**26,176**[1]
Change in theoretical tax income/expenses:			
(Tax-exempt) positive net earnings from valuation and disposal		(10,902)	(3,057)[1]
Negative earnings from valuation and disposal		2,828	24,808[1]
Change in temporary differences where deferred taxes were not recognised (non-capitalised gains)		0	4,176
Current income from investments		(294)	0
Change in temporary differences where deferred taxes were not recognised (non-capitalised gains)		860	2,588[1]
Taxes from previous years		(3,629)	(55,136)
Tax rate differential		29	50
Other effects		351	395[1]
Income taxes		**(18)**	**(1)**
Taxation ratio	%	(0.05)	0.00

1 Adjusted in accordance with IAS 8 (see note 4)

The expected tax rate for corporations is composed of corporation tax and a solidarity surcharge (15.825 percent) as well as municipal trade tax (16.10 percent). The tax rate for DBAG is unchanged at 15.825 percent. As an equity investment company, DBAG is exempt from municipal trade tax.

A main pillar of DBAG's business is the acquisition and disposal of investments alongside the DBAG funds. The investments largely relate to corporate enterprises. The tax effect in accordance with § 8b German Corporation Tax Act (KStG) for the (positive) net result of valuation and disposal totals 10,902 thousand euros (previous year, adjusted: 3,057 thousand euros).

Based on existing Group budgets, deferred taxes arising from temporary differences between the IFRS and tax purpose-based carrying amounts were not recognised at Group level due to lack of recoverability.

Notes to the consolidated statement of financial position

18. Intangible assets/property, plant and equipment

	Acquisition cost			
€'000	1 Oct. 2017	Additions	Disposals	**30 Sept. 2018**
Intangible assets	1,601	35	0	1,636
Property, plant and equipment	3,194	268	673	2,789
	4,795	**303**	**673**	**4,425**

	Depreciation and amortisation				Carrying amounts	
€'000	1 Oct. 2017	Additions	Disposals	**30 Sept. 2018**	**30 Sept. 2018**	30 Sept. 2017
Intangible assets	909	289	0	1,198	438	693
Property, plant and equipment	2,065	394	508	1,950	839	1,129
	2,974	**683**	**508**	**3,148**	**1,277**	**1,822**

	Acquisition cost			
€'000	1 Oct. 2016	Additions	Disposals	30 Sept. 2017
Intangible assets	1,471	130	0	1,601
Property, plant and equipment	3,069	441	316	3,194
	4,540	**571**	**316**	**4,795**

	Depreciation and amortisation				Carrying amounts	
€'000	1 Oct. 2016	Additions	Disposals	30 Sept. 2017	30 Sept. 2017	30 Sept. 2016
Intangible assets	625	284	0	909	693	846
Property, plant and equipment	1,834	431	200	2,065	1,129	1,235
	2,459	**714**	**200**	**2,974**	**1,822**	**2,081**

Intangible assets were exclusively acquired against payment.

Depreciation and amortisation in the reporting year exclusively relate to regular depreciation.

19. Financial assets

€'000	**30 Sept. 2018**	30 Sept. 2017 adjusted[1]
Interests in investment entity subsidiaries	318,098	246,479
Interests in portfolio companies	4,828	5,301
International fund investment	303	974
Other financial assets	75	77
	323,304	**252,830**

1 Adjusted in accordance with IAS 8 (see note 4)

Financial assets are measured at fair value in profit or loss (see notes 7 and 10).

This item exhibited the following movements in the reporting year:

€'000	1 Oct. 2017	Additions	Disposals	Value movements	30 Sept. 2018
Interests in investment entity subsidiaries	246,479	73,502	23,230	21,348	318,098
Interests in portfolio companies	5,301	21	352	(141)	4,828
International fund investment	974	0	895	225	303
Other financial assets	77	0	0	(2)	75
	252,830	**73,523**	**24,478**	**21,429**	**323,304**

€'000	1 Oct. 2016	Additions	Disposals	Value movements	30 Sept. 2017 adjusted[1]
Interests in investment entity subsidiaries	289,600	54,764	46,162	(51,722)	246,479
Interests in portfolio companies	21,888	0	17,050	462	5,301
International fund investment	2,093	0	0	(1,120)	974
Other financial assets	64	30	8	(10)	77
	313,646	**54,793**	**63,220**	**(52,389)**	**252,830**

1 Adjusted in accordance with IAS 8 (see note 4)

Additions to shares in investment entity subsidiaries relate to capital calls for investments in portfolio companies and management fees (see management report, pages 45ff.).

The disposals of shares in investment entity subsidiaries result from distributions stemming from disposals of portfolio companies and repayments of shareholder loans or short-term interim financing that were extended to portfolio companies.

Movements in value are recorded under the item "Net result of investment activity" in the consolidated statement of comprehensive income (see note 10).

For further information on financial assets, we refer to the management report (see pages 45ff.).

20. Loans and receivables

€'000	2017/2018	2016/2017
At start of financial year	1,338	2,695
Addition	0	0
Disposal	0	0
Reclassification	(1,443)	(1,253)
Value movement	105	(105)
	0	**1,338**

The receivables were reclassified because the residual term of the remaining balance of a purchase price receivable in connection with the sale of the investment in Clyde Bergemann GmbH now amounts to less than one year. The changes in value are the result of currency rate changes.

21. Receivables

€'000	30 Sept. 2018	30 Sept. 2017
Receivables from affiliated companies	1,091	1,244
Receivables from investments	0	2,405
	1,091	**3,649**

Receivables from affiliated companies are mainly owed by DBAG ECF and DBAG Fund VI for management fees and by DBAG Fund VII for costs that were charged on.

Receivables from investments from the previous year principally relate to receivables from a clearing account with a portfolio company, which were received this year.

These receivables are not recognised at fair value in profit or loss but are instead subject to an impairment test at every reporting date (see note 7).

22. Securities

Securities held at 30 September 2018 were exclusively acquired as investments of cash and cash equivalents not immediately required.

Classification of securities by term:

€'000	30 Sept. 2018	30 Sept. 2017
Long-term securities	55,458	33,659
Short-term securities	40,000	0
	95,458	**33,659**

Classification of securities by term:

€'000	30 Sept. 2018	30 Sept. 2017
Money market funds	34,234	0
Fixed-income funds	28,102	0
Fixed-rate securities	33,122	33,659
	95,458	**33,659**

All securities have been designated to the category of "available-for-sale financial assets" (see note 7).

The change compared to 30 September 2017 is largely due to the investment of cash funds in fixed-income and money market funds. The fixed-income funds include corporate bonds with issuer ratings that are predominantly investment grade. Due to the considerable diversification of the bonds and the credit rating of the issuers, the credit risk associated with the fund units is low.

The change in fair value of -47 thousand euros (previous year: -585 thousand euros) is recognised in the consolidated statement of comprehensive income in "Unrealised gains/(losses) on available-for-sale securities". No profit or loss on the disposal of securities in this category was recognised in the reporting year that required reclassification to net income (previous year: loss of 284 thousand euros).

23. Other financial instruments

€'000	30 Sept. 2018	30 Sept. 2017
Loans granted to affiliated companies	32,766	35,649
	32,766	**35,649**

Loans granted to affiliated companies include short-term loans that DBAG granted to the DBAG Fund VII Group companies as part of the structuring of the investment in new portfolio companies.

24. Tax assets, tax provisions and deferred taxes

€'000	30 Sept. 2018	30 Sept. 2017
Tax assets		
Other non-current assets	0	0
Income tax assets	345	423
Tax provisions	17	0

Income tax assets contain imputable taxes for the financial year 2017/2018 and the previous year.

Tax provisions relate to corporation tax and the solidarity surcharge, since positive taxable income was assessed for financial year 2017/2018, which resulted in tax payments as a result of the minimum tax rule, despite the existing tax loss carryforwards.

Deferred tax assets and liabilities are offset in conformity with IAS 12.74. There were no deferred tax liabilities in the reporting year or in the preceding year.

Tax loss carryforwards have been recognised in deferred taxes as follows:

€'000	30 Sept. 2018	30 Sept. 2017
Tax loss carryforward, corporation tax	96,114	97,276
thereof usable	0	0
Tax loss carryforward, municipal trade tax	13,740	15,128
thereof usable	0	0

Due to the type of business activities and their applicable tax treatment, it is not probable that sufficient taxable profit will be available at the relevant Group companies against which the tax loss carryforwards can be utilised.

25. Other current assets

€'000	30 Sept. 2018	30 Sept. 2017
Receivables from management and advisory services	2,351	4,834
Receivables from expenses that can be charged on	1,956	761
Receivables from DBAG funds	4,637	5,595
Purchase price receivable	1,534	101
Lease security deposits	405	405
Interest receivable on securities	278	279
Value-added tax	346	154
Other receivables	208	92
	7,408	**6,624**

The receivables from management and advisory services mainly relate to DBAG Fund VI.

Receivables from expenses charged on mainly relate to DBAG ECF and DBAG Fund VII.

The purchase price receivable relates to the purchase price receivable from the sale of the investment in Clyde Bergemann GmbH as the period to maturity is now within one year (see note 20).

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

Other receivables mainly contain prepaid expenses.

26. Equity

Subscribed capital / number of shares

€'000	2017/2018	2016/2017
At start of financial year	53,387	53,387
Addition	0	0
At end of financial year	**53,387**	**53,387**

All shares in Deutsche Beteiligungs AG are no-par value registered shares in financial year 2017/2018. Each share is entitled to one vote.

The shares are admitted for trading on the Frankfurt Stock Exchange (Prime Standard) and the Dusseldorf Stock Exchange (Regulated Market). Shares in the Company are also traded on the Open Market of the Berlin, Hamburg-Hanover, Munich and Stuttgart Stock Exchanges.

The subscribed capital (share capital) is split into 15,043,994 no-par value shares. Arithmetically, the capital attributable to each share equals approximately 3.55 euros per share.

Sale of own shares to employees and retirees

The Company offers employees and retirees of Deutsche Beteiligungs AG and of a subsidiary an employee share purchase plan at preferential terms, which is orientated around tax legislation and limits. The following depicts the transactions involving own shares in financial year 2017/2018:

	Purchase/ sale price per share	Number of shares	Proportion of share capital	
	€		€'000	‰
At 1 Oct. 2017		0	0	0.0
Addition	35.15	5,000	18	0.3
Transfer	24.36	3,041	11	0.2
Disposal	34.34	1,959	7	0.1
At 30 Sept. 2018	**0.00**	**0**	**0**	**0.0**

Authorised Capital

Shareholders at the Annual Meeting on 22 February 2017 authorised the Board of Management to raise the share capital of the Company, with the consent of the Supervisory Board, until 21 February 2022 by up to a total of 13,346,664.33 euros through one or more issues of new no-par registered shares in exchange for cash or non-cash contributions (Authorised Capital 2017). The number of shares in that context must be increased proportionately to the share capital. In the past financial year 2017/2018, the Board of Management did not make use of this authorisation.

Purchase of own shares

By resolution of the Annual Meeting on 21 February 2018 the Board of Management is authorised, with the consent of the Supervisory Board, to purchase own shares in the period until 20 February 2023 of up to ten percent of the current share capital of 53,386,664.43 euros – or, in the event that this value is lower – of the share capital at the time the authorisation is exercised, for purposes other than trading in own shares.

Conditional Capital

The Board of Management is authorised, with the consent of the Supervisory Board, to issue, by one or in several issues, bearer or registered warrant-linked bonds and/or convertible bonds (jointly referred to as "bonds") in the period until 21 February 2022 with or without a maturity cap for a total nominal amount of up to 140,000,000.00 euros. It is also authorised to grant holders of warrant-linked bonds warrants, and the holders or creditors of convertible bonds conversion rights (or conversion obligations, if applicable), to registered shares in the Company with a proportionate share in the share capital of up to 13,346,664.33 euros under the conditions specified for the warrant-linked bonds or convertible bonds (jointly referred to as "bond conditions").

In addition to euros, the bonds may also be denominated in an official currency of an OECD country, limited to the equivalent amount in euros.

The bonds may also be issued by affiliates in which the Company directly or indirectly holds a majority. In such an event, the Board of Management shall be authorised, with the consent of the Supervisory Board, to guarantee for the bonds and to grant the holders and/or creditors of such bonds option or conversion rights to no-par registered shares in the Company.

Capital reserve

€'000	2017/2018	2016/2017
At start of financial year	173,762	173,762
Addition	0	0
At end of financial year	**173,762**	**173,762**

The capital reserve comprises, unchanged, amounts achieved in the issuance of shares in excess of the nominal value.

Retained earnings and other reserves

Retained earnings and other reserves comprise:

- the legal reserve, as stipulated by German stock corporation law,
- first-time adopter effects from the IFRS opening balance at 1 November 2003,
- provisions for actuarial gains/losses arising from defined benefit pension obligations/plan assets (see note 29) and
- unrealised gains/losses on available-for-sale securities (see note 22).

Consolidated retained profit

At the ordinary Annual Meeting on 21 February 2018, shareholders voted to use the retained profit for the financial year 2016/2017 of 181,903,759.71 euros to pay a dividend of 1.40 euro per no-par value share on the 15,043,994 dividend-carrying shares. The residual amount of 160,842,168.11 euros was carried forward to the new account.

€'000	2017/2018	2016/2017
Distribution sum	21,061,591.60	18,052,792.80

In its separate accounts at 30 September 2018, which are consistent with the German Commercial Code (HGB), the retained profit of Deutsche Beteiligungs AG amounts to 170,766,135.32 euros (previous year: 181,903,759.71 euros).

At the forthcoming Annual Meeting, the Board of Management and the Supervisory Board will recommend paying a dividend of 1.45 euros per share for financial year 2017/2018.

In Germany, dividends paid to shareholding corporations are subject to a corporation tax rate of five percent plus a solidarity surcharge and, to the same extent, municipal trade tax, insofar as these do not relate to free-floating investments (i.e. interests of less than 15 percent). Dividends earned by natural persons are subject to a flat rate withholding tax (*Abgeltungssteuer*) of 25 percent plus a solidarity surcharge and, if applicable, church tax, which the dividend-paying company pays directly to the taxation authority.

27. Minority interest

€'000	2017/2018	2016/2017
At start of financial year	148	127
Addition	22	0
Disposal	16	16
Profit share	26	37
At end of financial year	**180**	**148**

Minority interest includes capital and earnings shares of shareholders from outside of the Group. Minority interest relates to DBG Advising GmbH & Co. KG, DBG Managing Partner GmbH & Co. KG, DBG Management GP (Guernsey) Ltd., DBG Fund VI GP (Guernsey) LP., AIFM-DBG Fund VII Management (Guernsey) LP and European PE Opportunity Manager LP.

Minority interest attributable to DBG Advising GmbH & Co. KG developed as follows:

€'000	2017/2018	2016/2017
At start of financial year	0	0
Addition	22	0
Disposal	0	0
Profit share	0	0
At end of financial year	**22**	**0**

Minority interest attributable to DBG Managing Partner GmbH & Co. KG (DBAG Fund V and DBAG ECF) developed as follows:

€'000	2017/2018	2016/2017
At start of financial year	26	26
Addition	0	0
Disposal	0	0
Profit share	1	0
At end of financial year	**27**	**26**

Minority interest attributable to DBG Management GP (Guernsey) Ltd. (DBAG Fund VI) developed as follows:

€'000	2017/2018	2016/2017
At start of financial year	117	102
Addition	0	0
Disposal	5	0
Profit share	14	15
At end of financial year	**126**	**117**

Minority interest attributable to DBG Fund VI GP (Guernsey) LP (DBAG Fund VI) developed as follows:

€'000	2017/2018	2016/2017
At start of financial year	2	0
Addition	0	0
Disposal	7	10
Profit share	10	11
At end of financial year	**4**	**2**

Minority interest attributable to AIFM-DBG Fund VII Management (Guernsey) LP developed as follows:

€'000	2017/2018	2016/2017
At start of financial year	4	0
Addition	0	0
Disposal	4	7
Profit share	0	11
At end of financial year	**0**	**4**

As in the previous year there were no liabilities towards minority shareholders relating to European PE Opportunity Manager LP.

28. Other provisions

€'000	1 Oct. 2017	Utilisation	Reversal	Addition	30 Sept. 2018
Personnel-related commitments	13,119	10,929	1,249	7,121	8,062
Expert opinions and other advisory services	338	334	4	114	114
Auditing and review expenses	377	348	0	329	358
Costs for Annual Report and Annual Meeting	358	358	0	390	390
Consultancy expenses	176	78	40	41	100
Other	449	334	115	237	237
	14,818	**12,380**	**1,408**	**8,233**	**9,262**

Provisions for personnel-related commitments chiefly consist of variable emoluments of 6,573 thousand euros (previous year: 10,988 thousand euros). Of this, 5,661 thousand euros (previous year: 8,165 thousand euros) for performance-related remuneration for the financial year under review and a further 912 thousand euros (previous year: 2,822 thousand euros) relate to transaction-related remuneration (see note 12). Corresponding provisions have been made for transaction-related remuneration since financial year 2005/2006. In the reporting year, 2,076 thousand euros thereof were paid out and an amount totalling 452 thousand euros was reversed, since the conditions for entitlement were no longer fulfilled.

The provisions for expert opinions and other advisory services relate to advisory expenses associated with regulatory requirements.

The "other" category includes, in particular, provisions for external staff, process optimisation, IT projects and events.

There are no non-current provisions at 30 September 2018.

29. Pension obligations and plan assets

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

€'000	30 Sept. 2018	30 Sept. 2017
Present value of pension obligations	36,171	35,831
Fair value of plan assets	(23,962)	(24,508)
Provisions for pension obligations	**12,209**	**11,323**

The present value of pension obligations developed as follows:

€'000	2017/2018	2016/2017
Present value of pension obligations at start of financial year	35,831	39,536
Interest expenses	540	312
Service cost	439	473
Benefits paid	(868)	(833)
Actuarial gains (-)/losses (+)	229	(3,657)
Present value of pension obligations at end of financial year	**36,171**	**35,831**

The present value of pension obligations on the reporting date is calculated based on an expert actuarial opinion. The expert opinion is based on the following actuarial assumptions:

		30 Sept. 2018	30 Sept. 2017
Actuarial rate	%	1.54	1.55
Salary trend (incl. career trend)	%	2.50	2.50
Pensions trend	%	2.00	2.00
Life expectancy based on modified actuarial charts created by Dr Klaus Heubeck		2005G	2005G
Increase in income threshold for state pension plan	%	2.00	2.00

The actuarial rate is calculated using the i-boxx corporate AA10+ interest rate index, which is calculated based on interest rates for long-term bonds of issuers with the highest credit ratings.

The life expectancy assumptions are based on the 2005 G actuarial life tables by Dr Klaus Heubeck. They were modified as per 31 October 2013 to account for the particularities of the beneficiaries of the DBAG Group's defined benefit plans and individual defined benefit commitments. A comparison with similar groups of individuals revealed an average longer life expectancy of three years for the DBAG scheme members and beneficiaries.

At 30 September 2018, the weighted average term of defined benefit obligations was 14.4 years (previous year: 14.3 years).

Plan assets developed as follows over the past financial year:

€'000	2017/2018	2016/2017
Fair value of plan assets at start of financial year	24,508	24,460
Expected interest income	380	196
Gains (+)/losses (-) from the difference between actual and expected returns on plan assets	(927)	(147)
Fair value of plan assets at end of financial year	**23,962**	**24,508**

The following amounts were reported in net income:

€'000	2017/2018	2016/2017
Service cost	439	473
Interest expenses	540	312
Expected interest income on plan assets	(380)	(196)
	599	**589**

Past service cost is shown in personnel expenses.

The net amount of interest expenses and expected interest income on plan assets is recognised in the item "interest expenses".

"Gains/(losses) on remeasurements of the net defined benefit liability (asset)" recognised in other comprehensive income developed as follows in financial year 2017/2018:

€'000	2017/2018	2016/2017
Actuarial gains (+)/losses (-) at start of financial year	(21,605)	(25,115)
Gains (+)/losses (-) from the difference between actual and expected returns on plan assets	(927)	(147)
Gains (+)/losses (-) from experience-related changes	(229)	3,657
Actuarial gains (+)/losses (-) at end of financial year	**(22,760)**	**(21,605)**

The loss of 927 thousand euros in the financial year 2017/2018 (previous year: 147 thousand euros) results from the decrease in the fair value of plan assets as well as the application of the same discount rate that is also used in determining the present value of pension obligations.

The loss of 229 thousand euros (previous year: profit of 3,657 thousand euros) due to changes based on past experience are due to the slight fall in the discount rate; in the previous year the discount rate increased.

Amount, timing and uncertainty of future cash flows

The DBAG Group is exposed to risk arising from pension obligations for defined benefit plans and individual defined benefit commitments. Risk exposure particularly extends to changes in the present value of pension obligations and in the fair value trend of plan assets.

Changes in the present value of pension obligations result in particular from changes in actuarial assumptions. The actuarial rate and life expectancy exert a significant influence on the present value. The actuarial rate is subject to (market) interest rate risk. A change in average life expectancy impacts the length of pension payments and, consequently, the liquidity risk. Based on reasonable estimates, possible changes in these two actuarial parameters would have the following impact on the present value of pension obligations:

€'000	**30 Sept. 2018**	30 Sept. 2017
Actuarial rate		
Increase by 50 bps	2,710	(2,471)
Decrease by 50 bps	(2,417)	2,776
Average life expectancy		
Increase by 1 year	(1,210)	(1,200)
Decrease by 1 year	1,234	1,222

The sensitivity analysis shown above is based on a change in one parameter, while all others remain constant.

Since February 2015, the plan assets have been invested in a special fund. This special fund has an unlimited term and is administrated based on a capital investment strategy with a long-term orientation and capital preservation. The investment strategy is aimed at generating returns that at least correspond to the actuarial rate.

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

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

As for the past three prior years, current budgetary planning for the financial year 2018/2019 does not provide for allocations to plan assets.

30. Other current liabilities

€'000	**30 Sept. 2018**	30 Sept. 2017
Liabilities to affiliated companies	9,680	6
Advance management fees	4,099	0
Trade payables	1,003	94
Liabilities to investments	93	0
Other liabilities	899	1,133
	15,773	**1,233**

Liabilities to affiliated companies relate to a capital call by DBAG ECF II for a new investment.

Advance management fees consist exclusively of management fees from DBAG Fund VII.

Other current liabilities mainly relate to liabilities arising on wage tax.

31. Other financial commitments

Other financial commitments are detailed by call commitments and permanent debt obligations in the following nominal amounts:

€'000	**30 Sept. 2018**	30 Sept. 2017
Call commitments	1,169	2,495
Permanent debt obligations	2,974	3,116
	4,143	**5,611**

Possible call commitments relate to international funds that may draw down additional funding for investments and costs, as well as contractually agreed potential investments in a portfolio company of DBAG ECF.

The following provides an overview of the due dates of permanent debt obligations at 30 September 2018:

€'000	< 1 year	1 – 5 years	> 5 years	**Total**
Permanent debt obligations	1,230	1,744	0	**2,974**
thereof rental contracts	783	1,305	0	**2,089**

Permanent debt obligations pertain, in particular, to office rental for the premises on Börsenstrasse 1 in Frankfurt am Main. The non-terminable office rental contract began on 1 August 2011 and runs until 31 May 2021. DBAG is entitled to renew the rental contract twice for a period of five years each time.

As in the previous year, there were no contingent **LIABILITIES** at 30 September 2018.

TRUST ASSETS totalled 12,340 thousand euros at 30 September 2018 (previous year: 16,146 thousand euros). Of this, 6,096 thousand euros (previous year: 13,208 thousand euros) is attributable to the management of trust accounts for the settlement of purchase prices and 6,239 thousand euros (previous year: 2,933 thousand euros) is attributable to interests in two portfolio companies that are held by Group companies for two managed funds. Trust liabilities exist in an equivalent amount. The DBAG Group does not generate any income from trustee activities.

32. Notes to the consolidated statement of cash flows

The objective of consolidated statements of cash flows based on IAS 7 is to report on and create transparency in a group's relevant flows of cash. Cash flows are differentiated according to operating activities as well as investing and financing activities. The indirect presentation method was applied for cash flows from operating activities. Cash flows from investment activities are presented by the direct method.

Proceeds and payments relating to financial assets and to loans and receivables are recorded in cash flows from investing activities instead of in cash flows from operating activities, since this classification gives a truer representation of DBAG's business model.

Proceeds and payments arising on interest are presented in cash flows from operating activities.

There were no cash flows to be reported based on changes in the group of consolidated companies.

Cash funds at the beginning and end of the period existed in the form of cash deposits in banks.

Since financial year 2007/2008, a part of the financial resources not needed in the near term has been invested in securities (bonds and retail funds). The securities serve, as do cash and cash equivalents, to meet the Group's payment obligations. According to IAS 7, these securities do not constitute financial resources, since the maturity of the bonds has so far always been longer than three months from the date of acquisition and the retail funds have an indefinite life. IAS 7.16 requires the purchase and sale of these securities to be recognised as cash flows from investing activities.

Other disclosures

33. Financial risks

The DBAG Group is exposed to financial risks that arise from its investment activities in portfolio companies and from other financial instruments. Due to the risk exposure attached to these financial instruments, the value of assets and/or profits may be reduced. There are no hedging relationships between financial instruments. Consequently, a basis for the application of hedge accounting does not exist.

The following describes in conformity with IFRS 7 the financial risks arising from financial instruments to which the DBAG Group is exposed. The objectives and the methods used to manage these risks are also discussed. There has been no change compared with the previous year.

33.1 Market risk

The fair value of financial instruments or future cash flows of financial instruments may fluctuate due to changes in market prices. Based on IFRS 7, market risk comprises the components of currency risk, interest risk and other price risk. Exposure to market risk is regularly monitored in its entirety.

33.1.1 Currency risk

The DBAG Group's exposure to currency risk relates to investments that are denominated in British pounds sterling, Danish krone, Swiss francs or US dollars and in which future returns will be made in a foreign currency. Currency risk exposure arising from these investments concerns future proceeds from these portfolio companies and, consequently, also their fair value. Changes in exchange rates also have an influence on the operations and competitiveness of our portfolio companies in respect of their procurement and customer markets. The extent of that impact would depend in particular on the portfolio companies' individual value-creation structure and degree of internationalisation.

Currency risk management

Individual transactions denominated in foreign currency are not hedged, since both the holding periods of and the proceeds from these investments are uncertain. The portfolio held in US dollars will decline with the receipt of returns from the remaining fund investments in this currency.

Extent of currency risk

The item "Financial assets" contains financial instruments amounting to 22,067 thousand euros (previous year: 10,622 thousand euros) that are exposed to US dollar currency rate risk. Financial assets totalling 35,564 thousand euros (previous year: 7,972 thousand euros) are subject to a Swiss franc exchange rate risk, 5,997 thousand euros (previous year: 2,137 thousand euros) are subject to an exchange rate risk against the British pound, and 3,860 thousand euros (previous year: 0 thousand euros) are subject to an exchange rate risk against the Danish krone. The effects on income arising from exchange rate-related changes in the fair value of financial assets amount to 814 thousand euros (previous year: -1,090 thousand euros).

Exchange rate sensitivity

An increase/decrease in the euro/foreign currency rate by ten percent would result in an exchange rate-related decrease/increase in net income for the year and in the equity of the DBAG Group of 6,749 thousand euros (previous year: 2,073 thousand euros).

33.1.2 Interest risk

Changes in market interest rates directly affect income from investments of financial resources and the valuations of our portfolio companies measured by the discounted cash flow method. Changes in market interest rates also have an influence on the profitability of portfolio companies.

Interest rate risk management

Financial resources are principally invested with a short-term horizon. Interest derivatives to hedge a certain interest rate level are not used, since the amount of financial resources is subject to strong fluctuations and not reliably predictable. The interest rate for the line of credit is EURIBOR plus a margin. The EURIBOR applied when the credit is used depends on the chosen interest rate period, which can be up to six months.

Extent of interest rate risk

At the reporting date, financial resources (the sum of cash funds and securities) totalled 119,029 thousand euros (previous year: 161,634 thousand euros). There was no interest income from the investment (previous year: 0 thousand euros). The line of credit was not used in the reporting year.

Interest rate sensitivity

In relation to the portfolio companies and international funds valued by the discounted cash flow method, an increase or decrease of 100 basis points in the reference interest rate would result in a decrease or increase in net income for the year and in the equity of the DBAG Group of 853 thousand euros (previous year: 1,881 thousand euros).

33.1.3 Other price risks

Exposure to other price risk primarily exists in future valuations of the interests in co-investment vehicles and portfolio companies. These are measured at fair value. Valuation changes are recognised directly in the consolidated statement of comprehensive income. For details on the risk management system, we refer to the commentary in the combined management report in the section "Opportunities and risks".

Other price risk management

The Board of Management constantly monitors the market risk inherent in the portfolio companies held directly or through co-investment vehicles. Towards that end, the DBAG Group receives reports on the portfolio companies' course of business on a timely basis. Board of Management members or other members of the investment team hold offices on supervisory or advisory boards of portfolio companies. Additionally, the responsible investment team members monitor the progress of portfolio companies through formally implemented processes.

Extent of other price risks

Based on the measurement of financial assets at fair value through profit or loss, valuation movements in a period are directly recognised in the consolidated statement of comprehensive income. In the financial year 2017/2018, the net result of valuation was 21,316 thousand euros (previous year, adjusted: 25,087 thousand euros).

Other price risk sensitivity

The valuation of portfolio companies is influenced by a number of factors that relate to the financial markets on the one hand, and to the markets in which the portfolio companies operate on the other. These influential factors include valuation multiples, earnings and debt of the portfolio companies. The sensitivity of the valuation is largely determined by the multiples used to measure the fair value of financial instruments categorised in Level 3. A change in the multiples of +/- 0.1 would have an effect ceteris paribus of 2,084 thousand euros on the fair value of financial instruments categorised in Level 3 (previous year, adjusted: 1,793 thousand euros) (see notes 34.2 and 9, based on a change of +/-1).

33.2 Liquidity risk

There is currently no recognisable exposure to liquidity risk for the DBAG Group. Free cash funds amounted to 23,571 thousand euros (previous year: 127,976 thousand euros). Together with general government securities or securities of issuers with highest ratings totalling 33,122 thousand euros (previous year: 33,659 thousand euros), fixed-income and money market funds of 62,336 thousand euros (previous year: 0 thousand euros) and an existing credit line of 50,000 thousand euros (previous year: 50,000 thousand euros), the DBAG Group has cash and cash equivalents of 169,029 thousand euros (previous year: 211,634 thousand euros). The co-investment agreements alongside the DBAG funds amount to 198,477 thousand euros (previous year, adjusted: 253,745 thousand euros). It is assumed that we will be able to cover the shortfall of

29,448 thousand euros on the reporting date (previous year: 42,111 thousand euros) using cash inflows from realisations of portfolio companies.

It is assumed that both the retail funds and the fixed-interest bonds are saleable at short notice, if necessary, due to the issuers' very good ratings and the securities' short duration. Other current liabilities fall due within one year.

33.3 Credit/default risk

Extent of credit/default risk

The following balance sheet items are basically exposed to a one hundred percent credit/default risk:

€'000	30 Sept. 2018	30 Sept. 2017 adjusted[1]
Financial assets	323,304	252,830
thereof hybrid financial instruments	0	0
thereof primary financial instruments	323,304	252,830
Loans and receivables	0	1,338
Receivables	1,091	3,649
Securities	95,458	33,659
Cash and cash equivalents	23,571	127,976
Other financial instruments	32,766	35,649
Other current assets, if financial instruments	6,493	5,737
	482,683	**460,836**

1 Adjusted in accordance with IAS 8 (see note 4)

Credit/default risk management

Financial assets: DBAG addresses default risk by means of its risk management system. Management of default risk is described in the combined management report under "External risks" (see page 89 "Negative impact of the general economy and economic cycles in individual sectors on portfolio companies").

Loans and receivables: debtors are either current portfolio companies or parts of former portfolio companies. DBAG is kept informed regularly and promptly about the course of business of debtor companies. If there is evidence that debtors may fail to meet obligations, they are asked to promptly propose and implement measures that will put them in a position to meet their obligations.

Receivables: see previous statement on loans and receivables.

Securities: the item includes bonds from domestic public-sector issuers and Pfandbrief bonds with ratings from Moody's or Standard & Poor's of at least A, as well as units in retail funds. Based on the credit rating of the issuers, we assume that these securities only have a very low credit risk.

Cash and cash equivalents: cash funds of DBAG are held in deposits with German banking institutions. The deposits are integrated in the respective banks' protection systems.

Other current assets: debtors are regularly the DBAG funds of Deutsche Beteiligungs AG. Payment obligations by DBAG funds can be met by capital calls directed to their investors.

34. Financial instruments

The key items in the statement of financial position of Deutsche Beteiligungs AG containing financial instruments (financial assets and long- and short-term securities) are carried completely at fair value. Financial instruments carried at amortised cost are largely recognised in current assets or current liabilities. Their term is less than one year. For these instruments, we assume that the carrying amount reflects their fair value.

34.1 Classes of financial instruments

Classes of financial instruments according to IFRS 7 are designated in the DBAG Group in accordance with the categories defined in IAS 39. For financial assets that are measured at fair value in profit or loss, only such assets exist as were designated to this category upon initial recognition. These mainly relate to investments. Financial assets classified as held for trading or as held to maturity still do not exist.

Financial instruments have been designated to the following categories:

VALUATION CATEGORY

€'000	Carrying amount 30 Sept. 2018	Fair value 30 Sept. 2018	Carrying amount 30 Sept. 2017 adjusted[1]	Fair value 30 Sept. 2017 adjusted[1]
Financial assets at fair value through profit or loss				
Financial assets	323,304	323,304	252,830	252,830
thereof hybrid financial instruments	0	0	0	0
thereof primary financial instruments	323,304	323,304	252,830	252,830
	323,304	**323,304**	**252,830**	**252,830**
Available-for-sale financial assets				
Long-term securities	55,458	55,458	33,659	33,659
Short-term securities	40,000	40,000	0	0
	95,458	**95,458**	**33,659**	**33,659**
Loans and receivables				
Loans and receivables	0	0	1,338	1,338
Receivables	1,091	1,091	3,649	3,649
Other financial instruments	32,766	32,766	35,649	35,649
Cash and cash equivalents	23,571	23,571	127,976	127,976
Other current assets, if financial instruments[2]	7,017	7,017	6,541	6,541
	31,679	**31,679**	**139,504**	**139,504**
Other financial liabilities				
Minority interest	180	180	148	148

1 Adjusted in accordance with IAS 8 (see note 4)
2 Does not include prepaid expenses/deferred income, value-added tax and other items of 391 thousand euros (previous year: 82 thousand euros).

There were no impairments to financial instruments designated as loans and receivables recognised in the reporting year nor in the previous year.

Financial instruments in "Receivables" and "Other current assets" chiefly relate to portfolio companies and DBAG funds. Due to close relationships with obligors, due dates are negotiated in individual instances and mutually agreed. Quantitative data on past due financial instruments is therefore not disclosed. These financial instruments are mostly not hedged.

Impairments are recognised when there is objective evidence that the obligor will not be able to meet their payment obligations in the future (see note 7). An assessment of obligors' credit quality is derived from a regular exchange of information with the obligors.

34.2 Disclosures on the hierarchies of financial instruments

All financial instruments are categorised in conformity with IFRS 13 according to the following three levels, regardless of whether they are measured at fair value or not:

Level 1: Use of prices in active markets for identical assets or liabilities.

Level 2: Use of inputs that are observable, either directly (as prices) or indirectly (derived from prices).

Level 3: Use of inputs that are not materially based on observable market data (unobservable inputs). The materiality of these inputs is judged on the basis of their influence on fair value measurement.

34.2.1 Hierarchy of financial instruments measured at fair value on a recurring basis

ITEM IN STATEMENT OF FINANCIAL POSITION

€'000	Fair value 30 Sept. 2018	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Financial assets	323,304	0	0	323,304
Available-for-sale financial assets				
Long-term securities	55,458	0	55,458	0
Short-term securities	40,000	0	40,000	0
	95,458	**0**	**95,458**	**0**
	418,761	**0**	**95,458**	**323,304**

ITEM IN STATEMENT OF FINANCIAL POSITION

€'000	Fair value 30 Sept. 2017	Level 1	Level 2	Level 3
	adjusted[1]			
Financial assets at fair value through profit or loss				
Financial assets	252,830	0	352	252,478
Available-for-sale financial assets				
Long-term securities	33,659	0	33,659	0
	33,659	**0**	**33,659**	**0**
	286,489	**0**	**34,011**	**252,478**

1 Adjusted in accordance with IAS 8 (see note 4)

Level 2 financial assets in the previous year pertained to an investment that was measured at a purchase price indication in an illiquid market. The investment was sold in the first half of the financial year 2017/2018.

Level 2 securities relate to investments in retail funds and German public-sector bonds from issuers with the highest credit ratings traded in the secondary market.

For all financial instruments recognised in the statement of financial position at fair value at 30 September 2018 and the preceding financial year, fair value measurement is recurring.

For the classes as in IFRS 13, the valuation categories according to IAS 39 have been defined for Level 1 and 2 financial instruments in the DBAG Group.

Level 3 financial instruments are attributable to the following classes:

ITEM IN STATEMENT OF FINANCIAL POSITION

€'000	Interests in investment entity subsidiaries	Interests in portfolio companies	International fund investment	Other	Total
30 Sept. 2018					
Financial assets	318,098	4,828	303	75	**323,304**
30 Sept. 2017 adjusted[1]					
Financial assets	246,479	4,948	974	77	**252,478**

1 Adjusted in accordance with IAS 8 (see note 4)

Offsetting and reconciliation for Level 3 financial instruments:

ITEM IN STATEMENT OF FINANCIAL POSITION

€'000	1 Oct. 2017	Addition	Disposal	Gains/losses through profit or loss	30 Sept. 2018
Financial assets					
Interests in investment entity subsidiaries	246,479	73,502	23,230	21,348	318,098
Interests in portfolio companies	4,948	21	0	(141)	4,828
International fund investment	974	0	895	225	303
Other	77	0	0	(2)	75
	252,478	**73,523**	**24,126**	**21,429**	**323,304**

ITEM IN STATEMENT OF FINANCIAL POSITION

€'000	1 Oct. 2016	Addition	Disposal	Gains/losses through profit or loss	30 Sept. 2017 adjusted[1]
Financial assets					
Interests in investment entity subsidiaries	289,600	54,764	46,162	(51,722)	246,479
Interests in portfolio companies	21,536	0	17,050	462	4,948
International fund investment	2,093	0	0	(1,120)	974
Other	64	30	8	(10)	77
	313,293	**54,793**	**63,220**	**(52,389)**	**252,478**

1 Adjusted in accordance with IAS 8 (see note 4)

Reclassification between Levels 1 and 3 takes place as of the date of the event causing the reclassification. There were no reclassifications between the levels during the reporting period.

Of the gains recorded through profit or loss totalling 21,429 thousand euros (previous year, adjusted: losses of 52,389 thousand euros), 21,429 thousand euros (previous year, adjusted: -52,389 thousand euros) were recognised in "Net result of investment activity".

For Level 3 financial instruments at fair value, the possible ranges for unobservable inputs are as follows:

ITEM IN STATEMENT OF FINANCIAL POSITION

€'000	Fair value 30 Sept. 2018	Valuation method	Unobservable parameter	Range
Financial assets				
Interests in investment entity subsidiaries	318,098	Net asset value[1]	Average EBITDA/EBITA margin	2% to 35%
			Net debt[2] to EBITDA	(3.4) to 6.0
			Multiples discount	0% to 20%
Interests in portfolio companies	4,828	Multiples method	Average EBITDA/EBITA margin	7%
			Net debt[2] to EBITDA	2.5
			Multiples discount	0%
International fund investment	303	DCF	N/A	N/A
Other	75	Net asset value	N/A	N/A
	323,304			

1 The net asset value of the investment entity subsidiaries is largely determined by the fair value of the interests in the portfolio companies and by the other assets and liabilities. If the multiples method is used for the interests in portfolio companies, the same unobservable inputs are used as those for calculating the fair value for "Interests in portfolio companies" (see commentary in note 7).

2 Net debt of portfolio company

ITEM IN STATEMENT OF FINANCIAL POSITION

€'000	Fair value 30 Sept. 2017 adjusted[3]	Valuation method	Unobservable parameter	Range
Financial assets				
Interests in investment entity subsidiaries	246,479	Net asset value[1]	Average EBITDA/EBITA margin	3% to 40%
			Net debt[2] to EBITDA	(4) to 6.4
			Multiples discount	0% to 20%
Interests in portfolio companies	4,948	Multiples method	Average EBITDA/EBITA margin	7%
			Net debt[2] to EBITDA	2.7
			Multiples discount	0%
International fund investment	974	DCF	N/A	N/A
Other	77	Net asset value	N/A	N/A
	252,478			

1 See footnote 1 in preceding table
2 See footnote 2 in preceding table
3 Adjusted due to correction in accordance with IAS 8 (see note 4)

By reasonable estimate, changes in unobservable inputs would have the following effects on fair value measurement of Level 3 financial assets:

ITEM IN STATEMENT OF FINANCIAL POSITION

€'000	**Fair value 30 Sept. 2018**	Change in unobservable inputs		Change in fair value
Financial assets[1]				
Interests in investment entity subsidiaries	318,098	EBITDA and EBITA	+/-10%	22,450
		Net debt	+/-10%	5,566
		Multiples discount	+/-5 percentage points	1,145
Interests in portfolio companies	4,828	EBITDA and EBITA	+/-10%	1,978
		Net debt	+/-10%	777
		Multiples discount	+/-5 percentage points	0
International fund investment	303	N/A		N/A
Other	75	N/A		N/A
	323,304			

1 For financial assets that were acquired within the past twelve months, a change in the unobservable inputs has no effect on the fair value, insofar as these were valued at their transaction price at the valuation date, in accordance with the IPEVG.

ITEM IN STATEMENT OF FINANCIAL POSITION

€'000	Fair value 30 Sept. 2017	Change in unobservable inputs		Change in fair value
	adjusted[1]			
Financial assets[2]				
Interests in investment entity subsidiaries	246,479	EBITDA and EBITA	+/-10%	22,339
		Net debt	+/-10%	8,317
		Multiples discount	+/-5 percentage points	1,940
Interests in portfolio companies	4,948	EBITDA and EBITA	+/-10%	734
		Net debt	+/-10%	265
		Multiples discount	+/-5 percentage points	0
International fund investment	974	N/A		N/A
Other	77	N/A		N/A
	252,478			

1 Adjusted due to correction in accordance with IAS 8 (see note 4)
2 See footnote 1 in preceding table

The difference between the unobservable inputs EBITDA and EBITA is depreciation on property, plant and equipment. The key factors influencing income have an effect on both unobservable inputs; consequently, there is an interrelationship between EBITDA and EBITA. For that reason, the change in fair value is shown together in the sensitivity analysis for the two unobservable inputs, with all other inputs remaining constant.

34.3 Net gains/losses on financial instruments recognised at fair value in the statement of financial position

Net gains and losses on financial instruments at fair value recognised in the statement of financial position comprise fair value movements in profit or loss, realised gains or losses on disposal of financial instruments, impairment losses, reversals in profit or loss and currency rate changes.

The following net gains/losses on financial instruments recognised at fair value in the statement of financial position are contained in the consolidated statement of comprehensive income:

NET GAINS AND LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

€'000	**2017/2018**	**Level 1**	**Level 2**	**Level 3**	2016/2017	Level 1	Level 2	Level 3
Other operating income	17	0	17	0	200	0	200	0
Other operating expenses	(79)	0	(79)	0	(33)	0	(33)	0
Other income/expenses	**(62)**	**0**	**(62)**	**0**	**167**	**0**	**167**	**0**
Unrealised gains (+)/losses (-) on available-for-sale securities	(47)	0	(47)	0	(585)	0	(585)	0
thereof transfers from other comprehensive income to profit or loss	0	0	0	0	(284)	0	(284)	0
Net result of valuation and disposal	**(47)**	**0**	**(47)**	**0**	**(300)**	**0**	**(300)**	**0**
Interest income	**(18)**	**0**	**(18)**	**0**	**(5)**	**0**	**(5)**	**0**

NET GAINS AND LOSSES ON FINANCIAL ASSETS MEASURED AT FAIR VALUE IN PROFIT OR LOSS

€'000	2017/2018	Level 1	Level 2	Level 3	2016/2017 adjusted[1]	Level 1	Level 2	Level 3
Net result of investment activity	34,133	0	0	34,133	85,684	0	0	85,684
Other operating income	0	0	0	0	218	0	0	218
Other operating expenses	0	0	0	0	0	0	0	0
	34,133	**0**	**0**	**34,133**	**85,902**	**0**	**0**	**85,902**

1 Adjusted in accordance with IAS 8 (see note 4)

Net gains and losses on financial assets that are measured at fair value in profit or loss result in full from financial instruments that are measured at fair value in profit or loss upon initial recognition.

34.4 Net gains and losses on financial instruments recognised at amortised cost in the statement of financial position

Net gains and losses on financial instruments recognised at amortised cost in the statement of financial position largely comprise fee income from fund management and advisory services, consultancy expenses and reimbursable costs as well as interest.

€'000	2017/2018	Level 1	Level 2	Level 3	2016/2017	Level 1	Level 2	Level 3
Net result of investment activity	0	0	0	0	150	0	0	150
Fee income from fund management and advisory services	28,536	0	0	28,536	27,047	0	0	27,047
Total net result of fund services and investment activity	**28,536**	**0**	**0**	**28,536**	**27,197**	**0**	**0**	**27,197**
Other operating income	2,914	0	0	2,914	3,540	0	0	3,540
Other operating expenses	(4,215)	0	0	(4,215)	(5,043)	0	0	(5,043)
Interest income	305	0	0	305	142	0	0	142
Total other income/expenses	**(997)**	**0**	**0**	**(997)**	**(1,361)**	**0**	**0**	**(1,361)**

35. Capital management

The objective of DBAG's capital management is to ensure the Group's long-term capital requirement and augment the equity per share by a rate that at least exceeds the cost of equity on a long-term average.

For longer planning horizons, the amount of equity is managed by dividend distributions and share repurchases and, if appropriate, capital increases.

All in all, the capital of DBAG comprises the following:

€'000	30 Sept. 2018	30 Sept. 2017 adjusted[1]
Liabilities		
Minority interest	180	148
Provisions	21,488	26,140
Other liabilities	15,773	1,233
	37,441	**27,521**
Equity		
Subscribed capital	53,387	53,387
Reserves	167,431	168,633
Consolidated retained profit	226,962	214,427
	447,779	**436,447**
Equity as a proportion of total capital %	92.28	94.07

1 Adjusted in accordance with IAS 8 (see note 4)

In addition to the capital requirement as stipulated by the German Stock Corporation Act, DBAG is subject to capital restrictions under the German Special Investment Company Act (Gesetz über Unternehmensbeteiligungsgesellschaften – UBGG). To maintain the status of a special investment company, DBAG must have made a paid-in capital contribution of 1,000 thousand euros to its share capital. This amount was fully paid in, both in the reporting year and the preceding year.

36. Earnings per share based on IAS 33

		2017/2018	2016/2017 adjusted[1]
Net income	€'000	33,597	81,955
Shares issued at reporting date		15,043,994	15,043,994
Shares outstanding at reporting date		15,043,994	15,043,994
Average number of shares		15,043,994	15,043,994
Basic and diluted earnings per share	in €	2.23	5.45

1 Adjusted in accordance with IAS 8 (see note 4)

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

"Potential shares" can dilute earnings per share within the scope of stock option programmes. DBAG has not had a stock option programme for years. There are therefore no outstanding stock options at the reporting date. Diluted earnings were therefore equal to basic earnings.

37. Disclosures on segment reporting

The business policy of Deutsche Beteiligungs AG is geared to augmenting the value of DBAG over the long term through successful investments in portfolio companies in conjunction with sustainable income from management and advisory services to funds. The investments are always entered into as a co-investor alongside DBAG funds, either as majority investments by way of management buyouts (MBOs) or minority investments aimed at financing growth.

In order to be able to separately manage the two described business lines of DBAG, the internal reporting system calculates an operating net income (segment net income) for each of the business lines of investments and fund management and advisory services. For that reason, the business lines of Private Equity Investments and Fund Investment Services are presented as reportable segments.

SEGMENTAL REPRESENTATION FOR FINANCIAL YEAR 2017/2018

€'000	**Private Equity Investments**	**Fund Investment Services**	**Reconciliation Group**	**Group 2017/2018**
Net result of investment activity	34,133	0	0	34,133
Fee income from fund management and advisory services[1]	0	29,388	(852)	28,536
Net result of fund services and investment activity	**34,133**	**29,388**	**(852)**	**62,669**
Other income/expenses	(6,536)	(23,345)	852	(29,029)
Earnings before tax (segment result)	**27,597**	**6,042**	**0**	**33,640**
Income taxes				(18)
Earnings after taxes				**33,622**
Minority interest gains (-)/losses (+)				(25)
Net income				**33,597**
Financial assets and loans and receivables	323,304			
Financial resources[2]	119,029			
Net asset value	**475,099**			
Assets under management or advisement[3]		**1,831,378**		

1 A synthetic internal administration fee is calculated for the Investment segment and taken into account when determining segment net income. The fee is based on DBAG's co-investment interest.

2 The financial resources serve DBAG for investments in financial assets and loans and receivables. They contain the line items "Cash and cash equivalents", "Long-term securities" and "Short-term securities".

3 Assets under management or advisement comprise financial assets, loans and receivables, the financial resources of DBAG as well as the investments and callable capital commitments to DBAG-managed private equity funds. The investments and loans and receivables are recognised at cost.

SEGMENTAL REPRESENTATION FOR FINANCIAL YEAR 2016/2017

€'000	Private Equity Investments	Fund Investment Services	Reconciliation Group	Group 2016/2017
				adjusted[4]
Net result of investment activity	85,835	0	0	85,835
Fee income from fund management and advisory services[1]	0	28,111	(1,065)	27,047
Net result of fund services and investment activity	**85,835**	**28,111**	**(1,065)**	**112,881**
Other income/expenses	(8,547)	(23,407)	1,065	(30,889)
Earnings before tax (segment result)	**77,288**	**4,704**	**0**	**81,993**
Income taxes				(1)
Earnings after taxes				**81,992**
Minority interest gains (-)/losses (+)				(37)
Net income				**81,955**
Financial assets and loans and receivables	254,168			
Financial resources[2]	161,634			
Net asset value	**451,451**			
Assets under management or advisement[3]		**1,805,877**		

1 See footnote 1 in the preceding table

2 See footnote 2 in the preceding table

3 See footnote 3 in the preceding table

4 Adjusted due to correction in accordance with IAS 8 (see note 4)

Products and services

DBAG invests as a co-investor in companies alongside DBAG funds by way of majority takeovers or minority investments. We basically structure majority takeovers as so-called management buyouts (MBOs). Growth financing is made by way of a minority investment, for example, via a capital increase. Within the scope of its investment activity, DBAG achieved a net result of valuation and disposal as well as current income from financial assets and loans and receivables totalling 34,133 thousand euros (previous year, adjusted: 85,835 thousand euros). Fee income for management and advisory services to funds amounted to 28,536 thousand euros in the reporting year (previous year: 27,047 thousand euros).

Geographical activities and sector focus

Geographically, we concentrate our co-investments primarily on companies domiciled in German-speaking regions. Of the net result of investment activity, 31,643 thousand euros (previous year, adjusted: 83,261 thousand euros) are attributable to companies domiciled in German-speaking regions and 2,490 thousand euros (previous year, adjusted: 2,574 thousand euros) to companies located in the rest of the world.

DBAG prefers to co-invest alongside the DBAG funds in companies operating in the sectors of automotive suppliers, industrial services, industrial components as well as mechanical and plant engineering, but also invests in other sectors such as services, information technology, media and telecommunications as well as consumer goods. The net result of valuation and disposal as well as current income from financial assets are distributed over these sectors as follows:

€'000	Automotive suppliers	Industrial services	Industrial components	Machine and plant engineering	Other	**Total**
30 Sept. 2018						
Interests in investment entity subsidiaries	(2,989)	5,305	12,429	4,710	11,783	31,239
Interests in portfolio companies	0	0	0	0	609	609
International fund investment	0	0	0	0	2,386	2,386
Other	0	0	0	0	(100)	(100)
	(2,989)	**5,305**	**12,429**	**4,710**	**14,678**	**34,133**
30 Sept. 2017 adjusted[1]						
Interests in investment entity subsidiaries	21,830	(845)	12,024	35,775	4,464	73,248
Interests in portfolio companies	0	0	0	13,205	507	13,712
International fund investment	0	0	0	0	(1,120)	(1,120)
Other	0	0	0	0	(5)	(5)
	21,830	**(845)**	**12,024**	**48,980**	**3,846**	**85,835**

1 Adjusted in accordance with IAS 8 (see note 4)

For more information on the composition of the portfolio and its development, we refer to the management report, "Business and portfolio review", pages 45ff. and "Portfolio and portfolio value", pages 65ff.

Significant customers

DBAG's customers are the investors in DBAG funds. The funds raised by DBAG bundle the assets committed by German and international institutional investors, especially by pension funds, funds of funds, banks, foundations, insurance companies or family offices.

DBAG generates its fee income for advisory and management services from investors of whom none account for more than ten percent of total income.

38. Declaration of Conformity pursuant to the German Corporate Governance Code

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

39. Information on related parties

Remuneration based on employment or service contracts for key management staff

Key management personnel in terms of IAS 24 are the Board of Management members, senior executives and the Supervisory Board members of Deutsche Beteiligungs AG. The basic principles of the remuneration system and the total remuneration paid to the members of the Board of Management, former Board of Management members and the members of the Supervisory Board are presented in the remuneration report. The remuneration report is an integral constituent of the combined management report. Personalised information in conformity with § 314 (1) no. 6 of the German Commercial Code (Handelsgesetzbuch – HGB) is also disclosed there.

Total payments to key management personnel consist of cash and non-cash remuneration. Total cash payments amounted to 10,677 thousand euros in the reporting year (previous year: 12,884 thousand euros). Non-cash remuneration primarily consists of the amounts recognised in accordance with the tax basis for the use of company cars.

In the reporting year, a total of 566 thousand euros was allocated to pension provisions (previous year: 614 thousand euros) as defined by the IFRS for key management staff (service cost and interest cost), thereof a service cost of 348 thousand euros (previous year: 379 thousand euros). Defined benefit obligations for key management staff amounted to 14,723 thousand euros at the end of the reporting period (previous year: 14,188 thousand euros).

Loans in the amount of 95 thousand euros were granted at standard market conditions to key management staff (previous year: 60 thousand euros). No loans or advances were granted to members of the Supervisory Board or the Board of Management. The DBAG Group has not entered into any guarantees for members of the Board of Management or the Supervisory Board.

No member of the Supervisory Board or the Board of Management holds shares, share options or other derivatives representing one percent or more of the subscribed capital.

For the financial year 2017/2018, the members of the Supervisory Board were granted fixed remuneration, as well as additional remuneration for the Chair, Vice Chair and for committee membership in the amount of 388 thousand euros (previous year: 388 thousand euros).

Two members of the Board of Management are minority partners in the consolidated entities DBG Advising GmbH & Co. KG and DBG Managing Partner GmbH & Co. KG. For their income we refer to note 27.

Participation in carried interest schemes by current and former key management staff

Current and former key management personnel have committed to investing in the DBAG Fund IV, DBAG Fund V, DBAG Fund VI, DBAG Fund VII and DBAG Expansion Capital Fund. For those participating, this can result in a profit share that is disproportionate to their capital commitment ("carried interest") after the fund has fulfilled certain conditions overall. These conditions have been fulfilled if the Deutsche Beteiligungs AG Group and the investors in the respective DBAG fund have realised their invested capital, plus a preferred return of 8.0 percent per annum ("full repayment"). Carried interest of not more than 20 percent[2] is paid on every euro of sales proceeds once capital has been repaid in full; the remaining 80 percent[3] (net sales proceeds) is paid to the investors in the relevant DBAG fund and to DBAG. The structure of the carried interest schemes, their implementation and performance conditions are in conformity with common practice in the private equity industry and constitute a prerequisite for the placement of DBAG funds. For the individuals participating, their partnership status constitutes a privately carried investment risk and is aimed at promoting the staff's initiative and dedication to the success of the investment.

Carried interest is recognised in the valuation of DBAG's interest in the co-investment vehicles of the respective funds at fair value ("net asset value"). For fair value measurement purposes, since 30 September 2018 the total liquidation of a fund's portfolio has been assumed at the reporting date (see note 4). In the financial year 2017/2018, the net asset value of the co-investment vehicles DBAG Fund V, DBAG ECF and DBAG Fund VI was reduced by carried interest of 25,553 thousand euros in total (previous year, adjusted: 19,278 thousand euros). This reduced the result of investment activity and, consequently, net income by 7,540 thousand euros (previous year, adjusted: 22,258 thousand euros – see management report, page 59f.). Carried interest for DBAG VII is unchanged at 0 thousand euros at the reporting date (previous year: 0 thousand euros). This carried interest, which is included in the valuation, can also increase or decrease in value and is not paid out until the conditions set out in the Articles of Association are met.

DBAG Fund IV

DBAG Fund IV consists of the following fund companies that jointly enter into investments at a fixed ratio:

Fund company	Qualification	Investment by investment team %	Max. carried interest of investment team %
DBAG Fund IV GmbH & Co. KG i. L.	Related party	1	20.8
DBAG Fund IV International GmbH & Co. KG i. L.	Related party	1	20.8
DBG Fifth Equity Team GmbH & Co. KGaA i. L.	Related party	0.67	approx. 30
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	Unconsolidated subsidiary	0	0

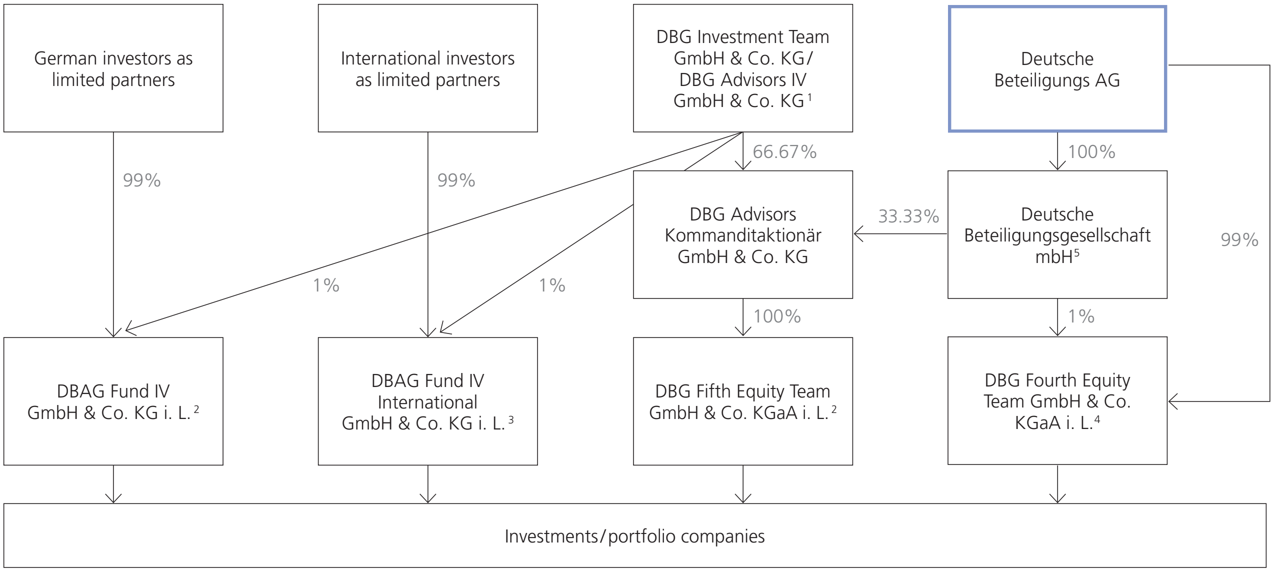
For DBAG Fund IV, a group of key management personnel and former key management personnel have invested their own money at a fixed ratio in the companies listed above. DBG Advisors IV GmbH & Co. KG, which is a related party and not included in the consolidated accounts of DBAG, acts as an intermediary for investments in the first two fund companies named above. Key management personnel are invested directly through DBG Advisors IV GmbH & Co. KG, or indirectly through DBG Investment Team GmbH & Co. KG. Interests in DBG Fifth Equity Team GmbH & Co. KGaA i. L. are held indirectly through DBG Advisors Kommanditaktionär GmbH & Co. KG. DBAG indirectly holds a 33.33 percent interest in DBG Advisors Kommanditaktionär GmbH & Co. KG, while the other 66.67 percent are held by key management personnel. Key management personnel have not yet provided capital contributions amounting to 69 thousand euros in DBG Advisors Kommanditaktionär GmbH & Co. KG (previous year: 69 thousand euros).

Apart from that, no outstanding balances exist between DBG Advisors Kommanditaktionär GmbH & Co. KG and related parties.

2 For DBAG Fund VII B Konzern SCSp, the maximum disproportionate profit share is 10 percent.
3 For DBAG Fund VII B Konzern SCSp, the share of investors and DBAG together is 90 percent.

OVERVIEW INVESTMENTS STRUCTURE OF DBAG FUND IV

The percentages relate to the equity share.



1 Investment vehicle for Board of Management and senior executives
2 Investment vehicle for German investors
3 Investment vehicle for international investors
4 Unconsolidated co-investment vehicle, measured at fair value
5 Unconsolidated subsidiary, measured at fair value

Company included in the DBAG consolidated financial statements

The key management personnel involved as well as former key management personnel received the following repayments in financial year 2017/2018 from parties related to **DBAG FUND IV**:

	Investments during the financial year		Cumulative investments at reporting date		Repayments during the financial year	
€'000	Board of Management	Senior management	Board of Management	Senior management	Board of Management	Senior management
Period from 1 Oct. 2017 to 30 Sept. 2018						
DBG Advisors IV GmbH & Co. KG	0	0	430	0	131	0
DBG Advisors Kommanditaktionär GmbH & Co. KG	0	0	84	0	0	0
DBG Investment Team GmbH & Co. KG	0	0	325	740	85	184
Total 2017/2018	**0**	**0**	**839**	**740**	**216**	**184**
Period from 1 Oct. 2016 to 30 Sept. 2017						
DBG Advisors IV GmbH & Co. KG	0	0	430	0	0	0
DBG Advisors Kommanditaktionär GmbH & Co. KG	0	0	84	0	289	0
DBG Investment Team GmbH & Co. KG	0	0	325	740	211	457
Total 2016/2017	**0**	**0**	**839**	**740**	**500**	**457**

DBAG Fund V

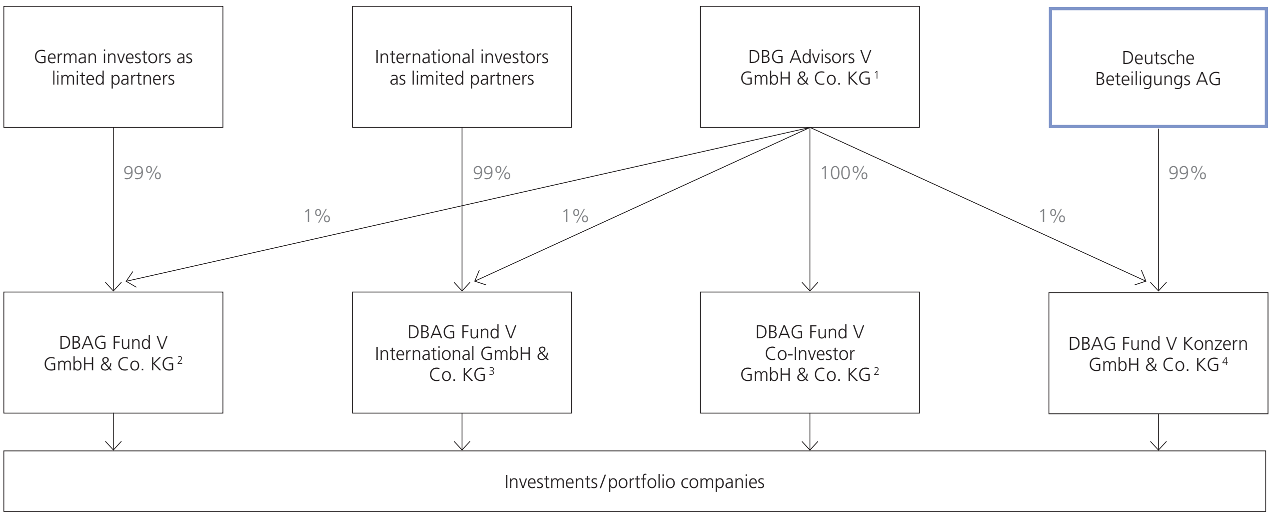
DBAG Fund V consists of the following fund companies that jointly enter into investments at a fixed ratio:

Fund company	Qualification	Investment by investment team %	Max. carried interest of investment team %
DBAG Fund V GmbH & Co. KG	Related party	1	20.8
DBAG Fund V International GmbH & Co. KG	Related party	1	20.8
DBAG Fund V Co-Investor GmbH & Co. KG	Related party	1	approx. 45
DBAG Fund V Konzern GmbH & Co. KG	Unconsolidated subsidiary	1	20.8

For DBAG Fund V, a group of key management personnel as well as individual former key management personnel and other members of the investment team have invested their own money at a fixed ratio in all of the four fund companies listed above. The interests in DBAG Fund V GmbH & Co. KG and DBAG Fund V International GmbH & Co. KG are transacted through the investing general partner of these fund companies, DBG Advisors V GmbH & Co. KG, which is a related party to DBAG. DBG Advisors V GmbH & Co. KG acts as the sole limited partner of DBAG Fund V Co-Investor GmbH & Co. KG. DBG Advisors V GmbH & Co. KG is the sole general partner of DBAG Fund V Konzern GmbH & Co. KG.

OVERVIEW INVESTMENTS STRUCTURE OF DBAG FUND V

The percentages relate to the equity share.



1 Investment vehicle for Board of Management and senior executives
2 Investment vehicle for German investors
3 Investment vehicle for international investors
4 Unconsolidated co-investment vehicle, measured at fair value

Company included in the DBAG consolidated financial statements

The key management personnel involved as well as former key management personnel have made the following investments or have the following repayments from the investment activity of DBAG Fund V attributable to them; 19 percent is attributable to the DBAG co-investment vehicle (DBAG Fund V Konzern GmbH & Co. KG) in each case:

	Investments during the financial year		Cumulative investments at reporting date		Repayments during the financial year	
€'000	Board of Management	Senior management	Board of Management	Senior management	Board of Management	Senior management
Period from 1 Oct. 2017 to 30 Sept. 2018						
DBG Advisors V GmbH & Co. KG	18	13	3,464	2,568	3,928	3,002
Period from 1 Oct. 2016 to 30 Sept. 2017						
DBG Advisors V GmbH & Co. KG	37	27	3,446	2,554	88,883	67,848

DBAG Expansion Capital Fund

The DBAG Expansion Capital Fund consists of the following fund companies that jointly enter into investments at a fixed ratio:

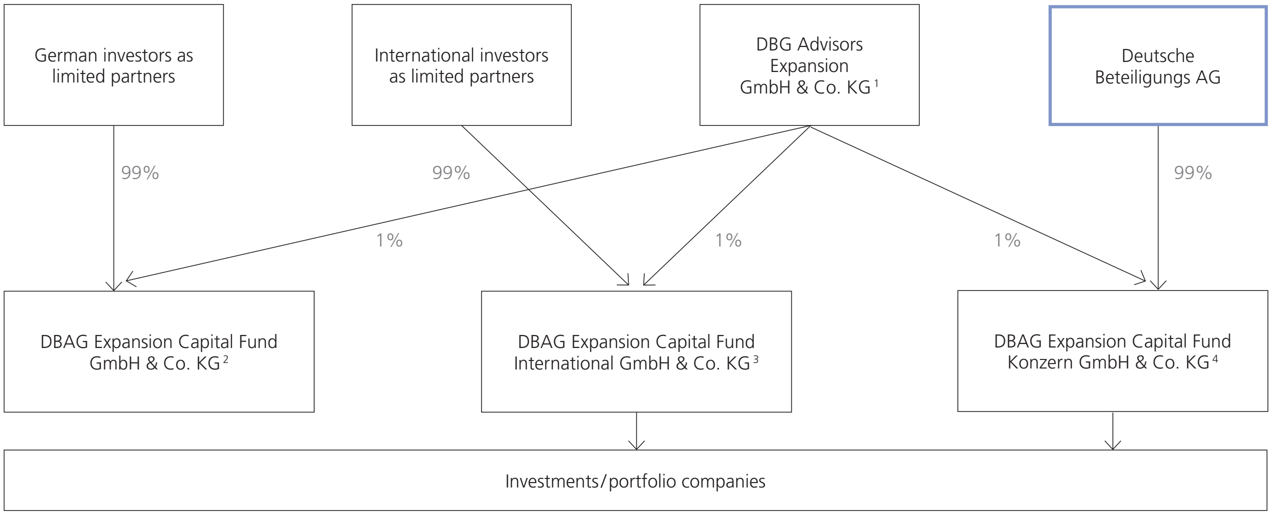
Fund company	Qualification	Investment by investment team %	Max. carried interest of investment team %
DBAG Expansion Capital Fund GmbH & Co. KG	Related party	1	20.8
DBAG Expansion Capital Fund International GmbH & Co. KG	Related party	1	20.8
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	Unconsolidated subsidiary	1	20.8

For the DBAG Expansion Capital Fund, a group of key management personnel as well as individual former key management personnel and other members of the investment team have invested their own money at a fixed ratio in all of the three fund companies listed above. The interests in DBAG Expansion Capital Fund GmbH & Co. KG and DBAG Expansion Capital Fund International GmbH & Co. KG were transacted at 31 May 2017 through the investing general partner of these fund companies, DBG Advisors Expansion GmbH & Co. KG. With effect from 1 June 2017, DBG Advisors Expansion GmbH & Co. KG switched to the role of limited partner; it is a related party with regard to DBAG. DBG Advisors Expansion GmbH & Co. KG is the sole general partner of DBAG Expansion Capital Fund Konzern GmbH & Co. KG.

The term of the DBAG Expansion Capital Fund was extended until 31 December 2020 this past financial year. The first extension of the term (DBAG ECF I) involved the establishment in 2017 of the two companies DBG Advisors Expansion FNV GmbH & Co. KG and DBG Team Expansion FNV GmbH & Co KG, which have held an interest in the investing limited partner, DBG Advisors Expansion GmbH & Co. KG, since 1 June 2017 and are related parties of DBAG. The second extension of the term (DBAG ECF II) involved the establishment in the past financial year of the two additional companies DBG Advisors Expansion SNV GmbH & Co. KG and DBG Team Expansion SNV GmbH & Co. KG, which have held an interest in the investing limited partner, DBG Advisors Expansion GmbH & Co. KG, since 1 June 2018 and are related parties of DBAG. The partners of the four companies newly established in 2017 and 2018 are also key management personnel/individual former key management personnel and other members of the investment team.

OVERVIEW INVESTMENTS STRUCTURE OF DBAG EXPANSION CAPITAL FUND

The percentages relate to the equity share.



1 Investment vehicle for Board of Management and senior executives
2 Investment vehicle for German investors
3 Investment vehicle for international investors
4 Unconsolidated co-investment vehicle, measured at fair value

Company included in the DBAG consolidated financial statements

The key management personnel involved as well as former key management personnel have made the following investments or have the following repayments from investment activity of the DBAG Expansion Capital Fund attributable to them. Depending on the respective investment period, DBAG's co-investment vehicle (DBAG Expansion Capital Fund Konzern GmbH & Co. KG) accounts for 47 percent of DBAG ECF and 41 percent each of DBAG ECF I and II:

	Investments during the financial year		Cumulative investments at reporting date		Repayments during the financial year	
€'000	Board of Management	Senior management	Board of Management	Senior management	Board of Management	Senior management
Period from 1 Oct. 2017 to 30 Sept. 2018						
DBG Advisors Expansion GmbH & Co. KG	13	53	334	1,250	47	174
DBG Advisors Expansion FNV GmbH & Co. KG	0	0	0	0	0	0
DBG Team Expansion FNV GmbH & Co. KG	350	229	350	229	0	0
DBG Advisors Expansion SNV GmbH & Co. KG	0	0	0	0	0	0
DBG Team Expansion SNV GmbH & Co. KG	123	0	123	0	0	0
Total 2017/2018	**486**	**283**	**807**	**1,479**	**47**	**174**
Period from 1 Oct. 2016 to 30 Sept. 2017						
DBG Advisors Expansion GmbH & Co. KG	73	283	321	1,197	21	79
DBG Advisors Expansion FNV GmbH & Co. KG	0	0	0	0	0	0
DBG Team Expansion FNV GmbH & Co. KG	0	0	0	0	0	0
Total 2016/2017	**73**	**283**	**321**	**1,197**	**21**	**79**

DBAG Fund VI

DBAG Fund VI consists of the following fund companies that jointly make co-investments at a fixed ratio:

Fund company	Qualification	Capital share held by investment team[1] %	Max. carried interest of investment team %
DBAG Fund VI (Guernsey) L.P.	Related party	0.01	20.0
DBAG Fund VI Konzern (Guernsey) L.P.	Unconsolidated subsidiary	0.01	20.0

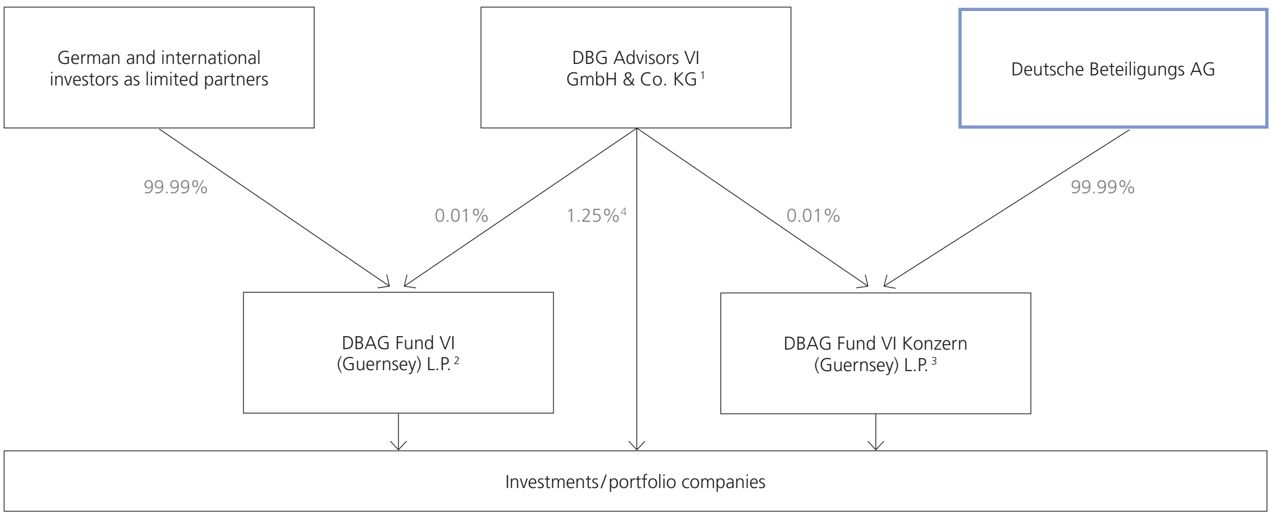
1 DBG Advisors VI GmbH & Co. KG makes investments in parallel with DBAG Fund VI; see the diagram on the investment structure below.

For DBAG Fund VI (consisting of DBAG Fund VI (Guernsey) L.P. and DBAG Fund VI Konzern (Guernsey) L.P.) through DBG Advisors VI GmbH & Co. KG, a group of key management personnel and individual former key management personnel as well as other members of the investment team are entitled to 20 percent of the profits of DBAG Fund VI, payable upon achieving a full repayment to German and international investors (limited partners). The full repayment is considered achieved when the limited partners of DBAG Fund VI receive cash or non-cash distributions in the amount of their paid-in capital in addition to a preferred return.

DBG Advisors VI GmbH & Co. KG is a related party to DBAG and serves the investment team as an investment vehicle. Supplemental to the 20 percent share of profits (after full repayment) of DBAG Fund VI, DBG Advisors VI GmbH & Co. KG makes a proportional direct investment in the investees of 1.25 percent. DBAG Fund VI Konzern (Guernsey) L.P. is an unconsolidated investment entity subsidiary (see note 4).

OVERVIEW INVESTMENTS STRUCTURE OF DBAG FUND VI

The percentages relate to the equity share.



1 Investment vehicle for Board of Management and senior executives
2 Investment vehicle for German investors
3 Unconsolidated co-investment vehicle, measured at fair value
4 Co-investment rate based on total fund volume

Company included in the DBAG consolidated financial statements

The key management personnel involved as well as former key management personnel have made the following investments or have the following repayments from the investment activity of DBAG Fund VI attributable to them; 19 percent is attributable to the DBAG co-investment vehicle (DBAG Fund VI Konzern (Guernsey) L.P.) in each case:

	Investments during the financial year		Cumulative investments at reporting date		Repayments during the financial year	
€'000	Board of Management	Senior management	Board of Management	Senior management	Board of Management	Senior management
Period from 1 Oct. 2017 to 30 Sept. 2018						
DBG Advisors VI GmbH & Co. KG	104	201	2,986	4,537	335	547
Period from 1 Oct. 2016 to 30 Sept. 2017						
DBG Advisors VI GmbH & Co. KG	800	1,328	2,882	4,336	746	1,213

DBAG Fund VII

The fund consists of the following fund companies that jointly make co-investments at a fixed ratio:

Fund company	Qualification	Capital share held by investment team[1] %	Max. carried interest of investment team %
DBAG Fund VII SCSp	Related party	0.01	20.0
DBAG Fund VII B SCSp	Related party	0.01	10.0
DBAG Fund VII Konzern SCSp	Unconsolidated subsidiary	0.01	20.0
DBAG Fund VII B Konzern SCSp	Unconsolidated subsidiary	0.01	10.0

1 DBG Team VII GmbH & Co. KG makes investments in parallel with DBAG Fund VII; see the diagram on the investment structure on the next page.

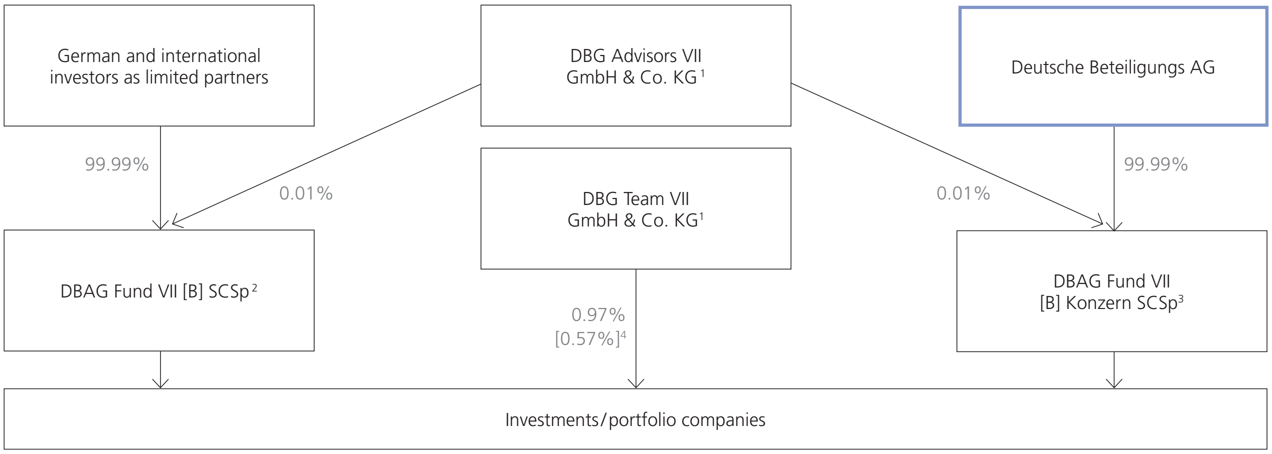
For DBAG Fund VII through DBG Advisors VII GmbH & Co. KG, a group of key management personnel and other members of the investment team are entitled to 20 percent of the profits of DBAG Fund VII, payable upon achieving a full repayment to German and international investors (limited partners). The full repayment is considered achieved when the limited partners of DBAG Fund VII receive cash or non-cash distributions in the amount of their paid-in capital in addition to a preferred return. In addition, pro rata direct investments are made by DBG Team VII GmbH & Co. KG, which has mainly the same shareholders as DBG Advisors VII GmbH & Co. KG.

DBG Advisors VII GmbH & Co. KG and DBG Team VII GmbH & Co. KG are related parties to DBAG. DBG Team VII GmbH & Co. KG serves the investment team as an investment vehicle.

DBAG Fund VII Konzern SCSp and DBAG Fund VII B Konzern SCSp are unconsolidated investment entity subsidiaries of DBAG (see note 4).

OVERVIEW INVESTMENTS STRUCTURE OF DBAG FUND VII

The percentages relate to the equity share.



1 Investment vehicle for Board of Management and senior executives
2 Investment vehicle DBAG Fund VII SCSp and DBAG Fund VII B SCSp for investors
3 Unconsolidated co-investment vehicles DBAG Fund VII Konzern SCSp and DBAG Fund VII B Konzern SCSp, measured at fair value
4 Co-investment rate based on capital commitments made by members of the investment team in relation to the DBAG Fund VII SCSp (or DBAG Fund VII B SCSp).

Company included in the DBAG consolidated financial statements

The key management personnel involved have made the following investments in DBAG Fund VII; a total of 23 percent is attributable to the DBAG co-investment vehicles (DBAG Fund VII Konzern SCSp and DBAG Fund VII Konzern B SCSp):

	Investments during the financial year		Cumulative investments at reporting date		Repayments during the financial year	
€'000	Board of Management	Senior management	Board of Management	Senior management	Board of Management	Senior management
Period from 1 Oct. 2017 to 30 Sept. 2018						
DBG Advisors VII GmbH & Co. KG	13	25	21	25	0	0
DBG Team VII GmbH & Co. KG	522	442	1,570	1,373	0	0
Total 2017/2018	**534**	**467**	**1,590**	**1,398**	**0**	**0**
Period from 1 Oct. 2016 to 30 Sept. 2017						
DBG Advisors VII GmbH & Co. KG	0	0	8	0	0	0
DBG Team VII GmbH & Co. KG	1,046	930	1,048	930	0	0
Total 2016/2017	**1,046**	**930**	**1,056**	**930**	**0**	**0**

Other related parties

Companies in the DBAG Group manage or provide advice to the following funds alongside which DBAG co-invests:

Fonds	Status
DBAG Fund IV	End of investment period: 15 Feb. 2007
DBAG Fund V	End of investment period: 15 Feb. 2013
DBAG ECF	Start of investment period: 27 Jan. 2011
DBAG ECF I	Start of investment period: 1 Jun. 2017
DBAG ECF II	Start of investment period: 20 Jun. 2018
DBAG Fund VI	End of investment period: 20 Dec. 2016
DBAG Fund VII	Start of investment period: 21 Dec. 2016

The DBAG Group earned the following fee income for management services and advisory services from the management of/advice provided to the various DBAG funds (see also note 11):

€'000	2017/2018	2016/2017
DBAG Fund V	662	2,554
DBAG ECF	733	522
DBAG ECF I	983	0
DBAG ECF II	198	0
DBAG Fund VI	9,669	11,337
DBAG Fund VII	16,238	12,582
Other	53	52
	28,536	**27,047**

The contractual term of DBAG Fund IV ended on 15 September 2016. The fund companies of DBAG Fund IV, which comprise DBAG Fund IV GmbH & Co. KG, DBAG Fund IV International GmbH & Co. KG and DBG Fifth Equity Team GmbH & Co. KG, are being liquidated in accordance with statutory requirements and under company law. The full liquidation of these fund companies will presumably be completed in 2019. DBAG does not generate any income from the liquidation of companies.

The fund companies DBAG Fund V GmbH & Co. KG and DBAG Fund V International GmbH & Co. KG (DBAG Fund V) are managed by the managing general partner, DBG Managing Partner GmbH & Co. KG, a DBAG subsidiary. DBAG Fund V Co-Investor GmbH & Co. KG is managed through the subsidiary DBG Management GmbH & Co. KG.

The fund companies DBAG Expansion Capital Fund GmbH & Co. KG and DBAG Expansion Capital Fund International GmbH & Co. KG are also managed by DBG Managing Partner GmbH & Co. KG, the managing limited partner. Deutsche Beteiligungs AG itself holds a 20 percent interest in this, and Mr Grede and Dr Scheffels each hold a 40 percent interest. The interests in the general partner of DBG Managing Partner GmbH & Co. KG are held by DBG Managing Partner GmbH & Co. KG itself. It is entitled to annual income for the management services described above for several of the DBAG Fund V and DBAG Expansion Capital Fund companies. For DBAG Fund V, this income, pursuant to the partnership agreement, amounts to 2.0 percent of the historical cost of the fund companies' investments after the investment period has ended. For DBAG Expansion Capital Fund, the income corresponds to 0.875 percent of the cost of the investments made up until 31 May 2017, or 1.75 percent of the cost of all investments made from 1 June 2017 onwards. In addition, as of 1 June 2017 the company receives one-off remuneration of 2 percent of the cost for each new transaction.

DBG Advising GmbH & Co. KG has been advising DBG Managing Partner GmbH & Co. KG since 1 July 2017. Fee income from advisory services is based on a share of the management company's profits. As of 1 October 2017, the general partner receives an annual liability fee corresponding to 12.5 percent (until 30 September 2017: 5 percent) of its capital stock (financial year: 3,125 euros, previous year: 1,250 euros), Mr Grede and Dr Scheffels receive interest of 2 percent on their capital accounts (118 euros each) and the rest of the company's profit is allocated to Deutsche Beteiligungs AG.

Deutsche Beteiligungs AG is the managing limited partner of DBG Advising GmbH & Co. KG. Deutsche Beteiligungs AG holds a 20 percent interest in this company, and Mr Grede and Dr Scheffels each hold a 40 percent interest. Deutsche Beteiligungs AG receives 80 percent of this company's profits for the management of the company as a profit priority share. After deducting the liability charges of the general partner (3,125 euros) and expenses for interest paid on balances in shareholders' accounts (50 euro each), Deutsche Beteiligungs AG is also entitled to the company's residual profits. The general partner of DBG Advising GmbH & Co. KG can terminate the management agreement with DBAG at three months' notice to the end of a quarter. In this case, Deutsche Beteiligungs AG would also be entitled to the total residual profits of DBG Advising GmbH & Co. KG, after deducting the general partner's liability charges, expenses for interest paid on balances in shareholders' accounts and, if appropriate, expenses for setting up own operations for the fund management companies. Expenses for setting up own business operations would be incurred if management services were no longer rendered by Deutsche Beteiligungs AG and were performed by DBG Advising GmbH & Co. KG itself.

The interests in the general partner of DBG Advising GmbH & Co. KG are held by DBG Advising GmbH & Co. KG itself; the principals of the general partner of DBG Advising GmbH & Co. KG are Mr Grede, Dr Scheffels and Mr Döring.

The fund company DBAG Fund VI (Guernsey) L.P. is managed by the managing partner DBG Fund VI GP (Guernsey) LP. DBG Advising GmbH & Co. KG advises the management company of fund manager DBAG Fund VI (Guernsey) L.P. Fee income from advisory services to DBAG Fund VI is based on a share of the profits of the management company, DBG Fund VI GP (Guernsey) LP. For the management company and/or the fund manager of DBAG Fund VI, the income amounted to 2.0 percent of the capital commitments of 700 million euros, or, at 21 December 2016, to 2.0 percent of the cost for the fund's investments after the investment period has ended.

Concurrently, DBAG pays a fee through DBAG Fund VI Konzern (Guernsey) L.P. for the management of its co-investment. The advisory fee corresponded to 2.0 percent of the capital commitments totalling 133 million euros of DBAG Fund VI Konzern (Guernsey) L.P. as the co-investment vehicle of DBAG, or, at 21 December 2016, 2.0 percent of the cost for the fund's investments after the investment period has ended.

The management of the fund company DBAG Fund VII SCSp and DBAG Fund VII B SCSp (collectively known as DBAG Fund VII) is the responsibility of the managing partner DBG Fund VII GP S.à r.l. (LuxGP), which has outsourced the portfolio and risk management activities to AIFM-DBG Fund VII (Guernsey) L.P. (AIFM). DBG Advising GmbH & Co. KG provides advice to AIFM in connection with these activities. Fee income from advisory services to DBAG for Fund VII is based on a share of the profits of AIFM. The management fees (collected jointly by LuxGP and AIFM) correspond, during the investment period, to 2.0 percent of the investment commitments of 625 million euros of DBAG Fund VII SCSp and to 1.0 percent of the cost to DBAG Fund VII B SCSp. After the end of the investment period, fees will amount to 2.0 percent of the cost for the investments of DBAG Fund VII SCSp, and 1.0 percent of the cost for the investments to DBAG Fund VII B SCSp.

Concurrently, DBAG pays a fee through DBAG Fund VII Konzern SCSp and DBAG Fund VII Konzern B SCSp on each investment for the management of its co-investment. The advisory fee during the investment period amounts to 2.0 percent of the capital commitment of 183 million euros to DBAG Fund VII Konzern SCSp and 1.0 percent of the cost to DBAG Fund VII Konzern B SCSp. After the end of the investment period, fees amount to 2.0 percent of the cost of DBAG Fund VII Konzern SCSp and 1.0 percent of the cost of DBAG Fund VII B Konzern SCSp.

A requirement for raising the fund commitments was that Mr Grede and Dr Scheffels would be available for the management of the fund companies over the long term, irrespective of whether they remain appointed as members of the Board of

Management of Deutsche Beteiligungs AG. For that reason, the two individuals named have dormant employment contracts with DBG Advising GmbH & Co. KG.

Key management personnel of DBAG serve on a number of supervisory bodies of existing or former DBAG portfolio companies. For the period from 1 October 2017 to 30 September 2018, they were entitled to compensation totalling 56 thousand euros (previous year: 221 thousand euros) for these services, which has been transferred in full to DBAG and recognised in "Other operating income".

Key members of the management team have also passed on to DBAG their remuneration for work on the boards of portfolio companies held via DBAG funds. This remuneration is included in the item "Income from fund management and fund advisory services" and is offset against the management fee for DBAG Fund V and DBAG ECF. For DBAG Fund VI and DBAG Fund VII they are only offset against the management fee when the amount of supervisory board or advisory board remuneration exceeds 25 thousand euros per annum and per portfolio company.

Metzler Trust e.V. is a related party that acts as a trustee within the scope of a bilateral contractual trust arrangement for pension-related plan assets. The company receives an annual net fee of eight thousand euros for administration services.

In October 2010, DBAG established an incorporated foundation under civil law named "Gemeinnützige Stiftung der Deutschen Beteiligungs AG". It was initially endowed with assets of 100 thousand euros in cash. In financial year 2017/2018, another 20 thousand euros (previous year: 20 thousand euros) were allocated to the Foundation's endowment to pursue its tax-privileged objectives. At 30 September 2018, total allocations to the Foundation's endowment amounted to 250 thousand euros (previous year: 230 thousand euros). The purpose of the Foundation is to support charitable causes. A further aim is to promote the arts and cultural projects in the greater Frankfurt area. The Foundation is considered a related party in terms of the IFRS.

40. Risk management

For information on risk management objectives and methods, please refer to note 33 and to the discussion in the combined management report.

41. Events after the reporting date

Three transactions were closed after the reporting date for which contracts were signed in financial year 2017/2018. DBAG received some 19 million euros in October 2018 from the sale of its investment in Cleanpart Group GmbH. In the same month, investments were made in the software company FLS GmbH (FLS) and in Kraft & Bauer Holding GmbH (Kraft & Bauer), a leading supplier of fire extinguishing systems for machine tools. DBAG invested around nine million euros in FLS and around 14 million euros in Kraft & Bauer.

At the start of the new financial year, DBAG Fund VII agreed an MBO of SERO Schröder Elektronik Rohrbach GmbH (Sero). DBAG is investing around eleven million euros alongside the fund.

Mr Andrew Richards retired from the Supervisory Board of DBAG with effect from the close of 13 October 2018. Mr Gerhard Roggeman, previously the Vice Chairman, was elected by the Supervisory Board as the new Chairman with effect from 14 October. Dr Hendrik Otto is now the Vice Chairman of the Supervisory Board and Chairman of the Audit Committee.

42. Fees for audit and audit-related services

Total fees paid to the auditors of the financial statements KPMG break down as follows:

	2017/2018			2016/2017		
€'000	**Parent company**	**Subsidiary**	**Total**	Parent company	Subsidiary	Total
Audit of consolidated/separate financial statements	455	37	492	538	35	573
Tax advisory services	39	27	66	57	41	99
Other consultancy services (not reimbursable)	7	13	20	28	0	28
	501	**77**	**578**	**623**	**76**	**699**
Other consultancy services (reimbursable)	0	0	0	0	0	0
	501	**77**	**578**	**623**	**76**	**699**

The services associated with auditing the consolidated and annual financial statements also include activities associated with the review of the half-yearly financial statements at 31 March 2018, audit activities relating to the audit of the annual financial statements at 30 September 2018 that were brought forward and consultancy services related to the latest enforcement procedure.

The drop in audit fees relate to lower expenses in connection with the enforcement procedure, which ended in July 2018, relating to the consolidated financial statements at 30 September 2015.

The tax advisory services include support services related to the preparation of tax returns and advice on individual matters concerning VAT.

The other consultancy costs relate to legal advice, advice on social security law matters and advice on mandatory statutory reporting requirements.

43. Members of the Supervisory Board and Board of Management

Supervisory Board*

ANDREW RICHARDS

Bad Homburg v. d. Höhe (Chairman)

Corporate consultant

No statutory offices or comparable offices in Germany and internationally

GERHARD ROGGEMANN

Hanover (Vice Chairman)

Corporate consultant

Statutory offices
- Bremer AG, Paderborn (Vice Chairman since 28 August 2018)
- GP Günter Papenburg AG, Schwarmstedt (Chairman)
- WAVE Management AG, Hanover (Vice Chairman)

SONJA EDELER

Hanover

Head of Finance and Accounting of Dirk Rossmann GmbH, Burgwedel

No statutory offices or comparable offices in Germany and internationally

WILKEN FREIHERR VON HODENBERG

Hamburg

Lawyer

Statutory offices
- Schloss Vaux AG, Eltville
- SLOMAN NEPTUN Schiffahrts-AG, Bremen
- WEPA Instrustrieholding SE, Arnsberg

PHILIPP MÖLLER

Hamburg

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

No statutory offices or comparable offices in Germany and internationally

DR HENDRIK OTTO

Dusseldorf

Member of the Board of Management of WEPA Industrieholding SE, Arnsberg

No statutory offices or comparable offices in Germany and internationally

* Statutory offices: offices held on other statutory supervisory boards; comparable offices in Germany and internationally: offices held on comparable domestic and international supervisory bodies of commercial enterprises, at 30 September 2018

Board of Management*

TORSTEN GREDE

Frankfurt am Main (Spokesman)

Comparable offices in Germany and internationally

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

DR ROLF SCHEFFELS

Frankfurt am Main

Comparable offices in Germany and internationally

- JCK Holding GmbH Textil KG, Quakenbrück
- Preh GmbH, Bad Neustadt a. d. Saale

SUSANNE ZEIDLER

Bad Homburg v. d. Höhe

Comparable offices in Germany and internationally

- DBG Fifth Equity Team GmbH & Co. KGaA i. L., Frankfurt am Main (Vice Chairwoman)

* Statutory offices: offices held on other statutory supervisory boards; comparable offices in Germany and internationally: offices held on comparable domestic and international supervisory bodies of commercial enterprises, at 30 September 2018

44. List of subsidiaries and associates pursuant to § 313 (2) HGB

Name	Domicile	Equity share %	Equity €'000	Operating result of past financial year €'000
SUBSIDIARIES				
Companies included in the consolidated financial statements				
AIFM-DBG Fund VII Management (Guernsey) LP	St Peter Port, Guernsey	0.00	254	16,192
DBG Advising GmbH & Co. KG	Frankfurt am Main	20.00	12,098	25,887
DBG Fund VI GP (Guernsey) LP	St Peter Port, Guernsey	0.00	1	0
DBG Fund VII GP S.à r.l.	Luxembourg	0.00	34	1
DBG Management GmbH & Co. KG	Frankfurt am Main	100.00	132	(38)
DBG Management GP (Guernsey) Ltd.	St Peter Port, Guernsey	3.00	229	140
DBG Managing Partner GmbH & Co. KG	Frankfurt am Main	20.00	4,072	22
DBG New Fund Management GmbH & Co. KG	Frankfurt am Main	100.00	3	(4)
European PE Opportunity Manager LP	St Peter Port, Guernsey	0.00	0	0
Companies not included in the consolidated financial statements				
Bowa Geschäftsführungsgesellschaft mbH i. L.	Frankfurt am Main	100.00	55	(5)
Change Management Verwaltungs GmbH	Frankfurt am Main	100.00	25	0
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	Frankfurt am Main	99.00	94,344	2,369
DBAG Fund V Konzern GmbH & Co. KG	Frankfurt am Main	99.00	9,588	1,429
DBAG Fund VI Konzern (Guernsey) L.P.	St Peter Port, Guernsey	99.99	120,101	18,407
DBAG Fund VII B Konzern SCSp	Luxembourg	99.99	1,589	(824)
DBAG Fund VII Konzern SCSp	Luxembourg-Findel, Luxembourg	99.99	32,326	(3,077)
DBG Advising Verwaltungs GmbH	Frankfurt am Main	100.00	18	(3)
DBG Advisors Kommanditaktionär GmbH & Co. KG	Frankfurt am Main	33.33	2,354	311
DBG Alpha 5 GmbH	Frankfurt am Main	100.00	25	0
DBG Beteiligungsgesellschaft mbH	Frankfurt am Main	100.00	85	(8)
DBG Epsilon GmbH	Frankfurt am Main	100.00	21	(1)
DBG Fifth Equity Team GmbH & Co. KGaA i. L.	Frankfurt am Main	33.33	1,123	(114)
DBG Fourth Equity International GmbH	Frankfurt am Main	100.00	37	1
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	Frankfurt am Main	100.00	460	(4)
DBG Managing Partner Verwaltungs GmbH	Frankfurt am Main	100.00	12	1
DBG My GmbH i. L.	Frankfurt am Main	100.00	132	(3)
DBV Drehbogen GmbH	Frankfurt am Main	100.00	31	(1)
Deutsche Beteiligungsgesellschaft mbH	Königstein/Taunus	100.00	11,560	1,825

Name	Domicile	Equity share %	Equity €'000	Operating result of past financial year €'000
ASSOCIATES				
antennen electronic GmbH	Hanover	40.96	31	6
braun teleCom GmbH	Hanover	40.96	4,762	2,123
DBAG ECF Fonds I Beteiligungs GmbH	Frankfurt am Main	47.54	17,370	6,759
DBAG ECF Pontis GmbH & Co. KG	Frankfurt am Main	25.00	14,910	(50)
DBAG ECF Pontis Verwaltungs GmbH	Frankfurt am Main	47.54	24	1
DBAG ECF Präzisionstechnik Beteiligungs GmbH	Frankfurt am Main	41.78	31	(40)
DBG Asset Management, Ltd.	Jersey	50.00	291	2,966
ECF Breitbandholding GmbH	Frankfurt am Main	41.78	17,059	(411)
Heinrich GmbH	Wismar	40.96	67	0
Netzkontor Gruppe GmbH Führungsholding	Flensburg	33.79	25	(2)
Plant Systems & Services PSS GmbH	Bochum	20.47	587	(92)
POTT Kabelservice GmbH	Hamburg	40.96	645	43
Rana Beteiligungsgesellschaft mbH	Frankfurt am Main	47.54	20	0
RQPO Beteiligungs GmbH	Frankfurt am Main	49.00	37	1
RQPO Beteiligungs GmbH & Co. Papier KG	Frankfurt am Main	44.10	0	(6)
Tridecima Grundstücksverwaltungsgesellschaft mbH	Neubiberg	30.08	1,322	3,560
Vitronet GmbH	Essen	33.90	7,810	1,166

OTHER COMPANIES

Based on its investments, DBAG holds more than five percent of the voting rights in the following corporations:

Coveright Surfaces Beteiligungs GmbH i. L.	Frankfurt am Main
Heytex Bramsche GmbH	Bramsche
JCK Holding GmbH Textil KG	Quakenbrück
Mageba Holding AG	Bülach

Frankfurt am Main, 20 November 2018

The Board of Management

Torsten Grede Dr Rolf Scheffels Susanne Zeidler