CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 October 2018 to 30 September 2019

€'000	Notes	1 Oct 2018 to 30 Sep 2019	1 Oct 2017 to 30 Sep 2018
			Restated[1]
Net gain or loss from investment activities	10	49,629	31,098
Income from Fund Services	11	26,970	28,855
Income from Fund Services and investment activities		**76,599**	**59,953**
Personnel expenses	12	(21,042)	(18,005)
Other operating income	13	5,767	3,697
Other operating expenses	14	(16,413)	(15,557)
Interest income	15	955	344
Interest expenses	16	(783)	(702)
Other income/expense items		**(31,515)**	**(30,222)**
Earnings before taxes		**45,083**	**29,731**
Income taxes	17	659	(18)
Earnings after taxes		**45,742**	**29,714**
Net gain or loss attributable to non-controlling interests	27	114	(25)
Net income		**45,856**	**29,688**
a) Items that will not be reclassified subsequently to profit or loss			
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset)	29	(7,690)	(1,155)
b) Items that will be reclassified subsequently to profit or loss			
Unrealised gains (+)/losses (-) on available-for-sale securities		0	(47)
Changes in the fair value of financial assets measured at fair value through other comprehensive income	22	15	0
Other comprehensive income		**(7,675)**	**(1,203)**
Total comprehensive income		**38,181**	**28,486**
Earnings per share in euros (diluted and basic)[2]	36	3.05	1.97

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 October 2018 to 30 September 2019

INFLOWS (+)/OUTFLOWS (-)

€'000	Notes	1 Oct 2018 to 30 Sep 2019	1 Oct 2017 to 30 Sep 2018
			Restated[1]
Net income		45,856	29,688
Measurement gains (-)/losses (+) on financial assets and loans and receivables, amortisation of intangible assets and depreciation of property, plant and equipment, gains (-)/losses (+) on securities	10, 18, 19, 20, 22	(43,107)	(20,438)
Gains (-)/losses (+) from disposals of non-current assets	10, 18	(75)	(1,133)
Increase (-)/decrease (+) in income tax assets	24	(5,487)	78
Increase (-)/decrease (+) in other assets (net)	21, 23, 24, 25	(4,272)	2,719
Increase (+)/decrease (-) in pension provisions	29	7,384	887
Increase (+)/decrease (-) in income tax liabilities	24	0	17
Increase (+)/decrease (-) in other provisions	28	1,328	(5,608)
Increase (+)/decrease (-) in other liabilities (net)	24, 27, 30	(13,924)	3,647
Cash flows from operating activities[2]		**(12,298)**	**9,858**
Proceeds from disposals of financial assets and loans and receivables	10, 19, 20	62,183	30,302
Payments for investments in financial assets and loans and receivables	10, 19, 20	(93,412)	(63,826)
Proceeds from disposals of other financial instruments	23	53,544	36,546
Payments for investments in other financial instruments	23	(37,779)	(33,664)
Cash flow from investing activities	32	(15,465)	(30,641)
Proceeds from disposals of property, plant and equipment and intangible assets	18	79	177
Payments for investments in property, plant and equipment and intangible assets	18	(252)	(303)
Proceeds from disposals of securities	22, 32	70,328	41,384
Payments for investments in securities	22, 32	(215)	(103,818)
Cash flow from investing activities		**54,475**	**(93,200)**
Payments to shareholders (dividends)	26	(21,814)	(21,062)
Cash flow from financing activities		**(21,814)**	**(21,06)**
Net change in cash and cash equivalents	32	20,363	(104,404)
Cash and cash equivalents at beginning of period	32	23,571	127,976
Cash and cash equivalents at end of period		**43,934**	**23,571**

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

2 This includes income taxes received and paid in the amount of -5,462,000 euros (previous year: 107,000 euros) as well as interest received and paid in the amount of of 770,000 euros (previous year: 172,000 euros) and dividends in the amount of 9,267,000 euros (previous year: 5,980,000 euros).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2019

€'000	Notes	30 Sep 2019	30 Sep 2018 Restated[1]	1 Oct 2017 Restated[1]
ASSETS				
Non-current assets				
Intangible assets	18	301	438	693
Property, plant and equipment	18	582	839	1,129
Financial assets	19	385,693	318,931	243,055
Long-term securities	22	0	55,458	33,659
Deferred tax assets	24	658	0	0
Total non-current assets		**387,233**	**375,666**	**279,873**
Current assets				
Receivables	21	1,565	1,130	3,657
Short-term securities	22	25,498	40,000	0
Other financial instruments	23	17,002	32,766	35,649
Income tax assets	24	5,833	345	423
Cash and cash equivalents		43,934	23,571	127,976
Other current assets	25	10,550	7,840	6,715
Total current assets		**104,382**	**105,653**	**174,419**
Total Assets		**491,615**	**481,319**	**454,293**
EQUITY AND LIABILITIES				
Equity	26			
Subscribed capital		53,387	53,387	53,387
Capital reserve		173,762	173,762	173,762
Retained earnings and other reserves		(14,028)	(6,331)	(5,129)
Consolidated retained profit		247,031	222,973	205,909
Total equity		**460,152**	**443,790**	**427,929**
Debt				
Non-current liabilities				
Liabilities to non-controlling interests	27	55	180	148
Provisions for pension obligations	29	19,593	12,209	11,323
Other provisions	28	28	0	0
Total non-current liabilities		**19,677**	**12,389**	**11,471**
Current liabilities				
Other current liabilities	30	1,260	15,913	1,321
Income taxes payable	24	17	17	0
Other provisions	28	10,509	9,209	13,573
Total current liabilities		**11,787**	**25,140**	**14,893**
Total liabilities		**31,463**	**37,529**	**26,364**
Total equity and liabilities		**491,615**	**481,319**	**454,293**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 October 2018 to 30 September 2019

€'000	Notes	1 Oct 2018 to 30 Sep 2019	1 Oct 2017 to 30 Sep 2018 Restated[1]
Subscribed capital			
At start and end of reporting period	26	**53,387**	**53,387**
Capital reserve			
At start and end of reporting period	26	**173,762**	**173,762**
Retained earnings and other reserves			
Legal reserve			
At start and end of reporting period		403	403
First-time adoption of IFRS			
At start and end of reporting period		16,129	16,129
Reserve for changes in accounting methods			
At start of reporting period		0	0
Effects from reclassification in accordance with IFRS 9	3	(36)	0
Measurement effects in accordance with IFRS 9	3	(74)	0
At start (restated)[2] and end of reporting period	3	(109)	0
Reserve for gains/losses on remeasurements of the net defined benefit liability (asset)			
At start of reporting period	29	(22,760)	(21,605)
Change in reporting period	29	(7,690)	(1,155)
At end of reporting period	29	(30,450)	(22,760)
Change in unrealised gains/losses on available-for-sale securities			
At start of reporting period	3	(102)	(55)
Effects from reclassification in accordance with IFRS 9	3	102	0
At start of reporting period (restated)[2]		0	(55)
Changes recognised directly in equity during the reporting period		0	(47)
At end of reporting period		0	(102)
Reserves for financial assets measured at fair value through other comprehensive income			
At start of reporting period		0	0
Effects from reclassification in accordance with IFRS 9	3	(67)	0
Measurement effects in accordance with IFRS 9	3	52	0
At start of reporting period (restated)[2]	3	(15)	0
Changes recognised in income during the reporting period	3	15	0
At end of reporting period		0	0
At end of reporting period		**(14,028)**	**(6,331)**
Consolidated retained profit			
At start of reporting period		222,973	214,346
Dividend	26	(21,814)	(21,062)
Net income		45,856	29,688
At end of reporting period		**247,031**	**222,973**
Total		**460,152**	**443,790**

1 Restated in accordance with IAS 8 (see Note 4 of the notes to the consolidated financial statements)
2 Restated as part of the transition to IFRS 9 (see Note 3 of the notes to the consolidated financial statements)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR FROM
1 OCTOBER 2018 TO 30 SEPTEMBER 2019

GENERAL INFORMATION

1. Principal activity of the Group

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

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

2. Basis of the consolidated financial statements

The consolidated financial statements of DBAG as at 30 September 2019 are consistent with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Commission for use in the European Union. The mandatory interpretations of the IFRS Interpretations Committee relevant for the consolidated financial statements are also applied. In addition, the applicable commercial law requirements as stipulated in section 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB) have been taken into account.

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

Apart from DBAG, six (previous year: six) of the companies included in the consolidated financial statements prepare their respective financial statements as at the reporting date 30 September. For the remaining three (previous year: three) consolidated companies, the financial year corresponds to the calendar year. These companies prepare interim financial statements as at DBAG's reporting date for consolidation purposes.

The financial statements of the companies included in the consolidated financial statements are prepared in accordance with local financial reporting principles and reconciled to IFRS for consolidation purposes.

The accounting and consolidation policies as well as the notes and disclosures to the consolidated financial statements are applied consistently, except when IFRS rules require changes to be made (see Note 3) or the changes result in more reliable and relevant information. To enhance clarity and transparency, we renamed selected line items in the reporting period, as follows:

- "Net gain or loss from investment activities" (previous year: "Net gain or loss from investment activity"),
- "Income from Fund Services" (previous year: "Fee income from fund management and advisory services"),
- "Net gain or loss attributable to non-controlling interests" (previous year: "Profit (-)/loss (+) attributable to non-controlling interests"),
- "Liabilities to non-controlling interests" (previous year: "Liabilities to non-controlling interests").

Only current key management personnel is considered to be related persons (see Note 39).

The consolidated statement of comprehensive income is structured based on the nature of expense method. In the interests of presenting information that is relevant to the business of DBAG as a private equity firm, "Net gain or loss from investment activities" as well as "Income from Fund Services" are presented instead of revenues. The items of other comprehensive income are stated after taking into account all related tax effects as well as the respective reclassification adjustments. Reclassifications between other comprehensive income and profit or loss are disclosed in the notes.

In the consolidated statement of cash flows, cash flows are broken down into cash flows from operating activities, cash flows from investing activities and cash flows from financing activities (see Note 32). To improve transparency of cash flows from investing activities, the subtotal "Cash flows from investing activities" was added in the reporting period. Cash flows from investing activities also include the proceeds and payments resulting from changes in the securities held.

Presentation of the consolidated statement of financial position differentiates between non-current and current assets and liabilities. Assets and liabilities are classified as current when they are realised or are due within twelve months after the reporting date, otherwise as non-current.

For the sake of clarity of presentation, various items of the consolidated statement of comprehensive income and the consolidated statement of financial position were combined. These items are broken down and discussed in the notes to the consolidated financial statements.

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

On 4 December 2019, the Board of Management of DBAG will authorise the consolidated financial statements and the combined management report for submission to the Supervisory Board. On 9 December 2019, the Supervisory Board will pass a vote on the approval of the consolidated financial statements.

3. Changes in accounting methods due to amended rules

Standards and interpretations as well as amendments to standards and interpretations applicable for the first time that have an impact on the reporting period ending 30 September 2019

In the financial year 2018/2019, the new standard IFRS 9 "Financial Instruments" has to be applied for the first time. The standard replaces the previous standard IAS 39 "Financial Instruments: Recognition and Measurement" and, like IAS 39, comprises the issues of classification and measurement, impairment as well as hedging transactions. As a result of the effects on the consolidated financial statements, which overall are not material, DBAG decided to make use of the election provided by IFRS 9 not to adjust comparative information for previous periods. The effects from initial application were accordingly recognised directly in equity on a cumulative basis as at 1 October 2018 (date of transition).

The first-time application of IFRS 9 had the following effects on the presentation of the consolidated financial statements:

Classification and measurement

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

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

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

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

Financial assets whose cash flows consist solely of payments of principal and interest satisfy the cash flow criterion; they are classified in line with DBAG's business model pursuant to IFRS 9.

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

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

In the future, the measurement method results directly from this classification. The following overview shows the measurement methods and carrying amounts in accordance with IAS 39 (up to and including 30 September 2018) as well as the categories, the resulting measurement methods and carrying amounts in accordance with IFRS 9 (since 1 October 2018):

RECONCILIATION OF CARRYING AMOUNTS FROM IAS 39 TO IFRS 9

€'000	Measurement method in accordance with IAS 39	Category and measurement method in accordance with IFRS 9	Carrying amounts in accordance with IAS 39 as at 30 Sep 2018	**Carrying amounts in accordance with IFRS 9 as at 1 Oct 2018**
			Restated[1]	
Financial assets				
Financial assets	Measured at fair value through profit or loss	Measured at fair value through profit or loss	318,931	318,931
Securities				
Fixed-rate securities	Measured at fair value through other comprehensive income	Measured at fair value through other comprehensive income	33,122	33,400
Mutual funds	Measured at fair value through other comprehensive income	Measured at fair value through profit or loss	62,336	62,336
Receivables	Measured at amortised cost	Measured at amortised cost	1,130	1,130
Other financial instruments	Measured at amortised cost	Measured at fair value through profit or loss	32,766	32,766
Cash and cash equivalents	Measured at amortised cost	Measured at amortised cost	23,571	23,571
Other current assets[2]				
Trade receivables	Measured at amortised cost	Measured at amortised cost	264	260
Receivables from DBAG funds	Measured at amortised cost	Measured at amortised cost	4,806	4,805
Receivables from employees	Measured at amortised cost	Measured at amortised cost	140	140
Rental deposit	Measured at amortised cost	Measured at amortised cost	405	404
Interest receivables on securities	Measured at amortised cost	Measured at fair value through other comprehensive income	278	0
Purchase price retention	Measured at amortised cost	Measured at amortised cost	1,534	1,519
			479,284	**479,262**

1 Restatements refer to financial assets, receivables and other current assets in accordance with IAS 8 (see Note 4)
2 Excluding deferred items, value-added tax and other items in the amount of 413,000 euros.

In summary, the following changes result from the application of IFRS 9 at 1 October 2018:

- Changes in the fair value of shares in retail funds (62,336,000 euros, unchanged from 30 September 2018 in accordance with IAS 39) are no longer recognised in other comprehensive income due to the cash flow criterion, but through profit or loss in net income. Changes in value recognised in equity until the first-time application of IFRS 9 (-36,000 euros) are reclassified within equity as at the date of transition.
- Other financial instruments consist of loans to co-investment vehicles; they were previously measured at amortised

cost and will be measured at fair value through profit or loss according to their classification (business model criterion) in the future. This means that changes in value are recognised through profit or loss. As the other financial instruments have a term of less than one year, their fair value corresponds to their acquisition price (32,766,000 euros).

- Interest receivables on securities in the amount of 278,000 euros result from fixed-rate securities, which were reclassified upon the transition to IFRS 9 from the item "Other current assets" to the item "Securities".

The effects are not material for DBAG.

Impairment

IFRS 9 introduces a new impairment concept for financial instruments that are structured as debt instruments Whereas only incurred losses were recognised under IAS 39, IFRS 9 also requires the recognition of expected losses. Since the beginning of the current financial year, DBAG has established a loss allowance for potential future impairment losses on financial assets upon initial recognition of the asset. A loss allowance amounting to the expected losses over the remaining lifetime (simplified impairment model) will be recognised for receivables from co-investment vehicles, receivables from DBAG funds and trade receivables, regardless of their credit quality. First-time application effects from this amendment were recognised in equity in line with the transitional provisions. If expectations of the amount and/or accrual of recognised potential impairment losses should change, the changes are recognised in accordance with the measurement category for the financial instrument (at amortised cost or at fair value through other comprehensive income). Overall, IFRS 9 will therefore lead to the earlier recognition of impairment losses and an increase in impairment amounts. Over time, this recognition of impairment losses will reverse until the principal and interest payable on a financial instrument has been repaid in full.

In aggregate, the transitional effects from the introduction of the new impairment concept amounted to -74,000 euros; the net change in equity was -22,000 euros. The following table shows the effects from the reconciliation of the allowance for credit losses in accordance with IAS 39 (as at 30 September 2018) to the loss allowance in accordance with IFRS 9 (as at 1 October 2018):

RECONCILIATION OF THE ALLOWANCE FOR CREDIT LOSSES IN ACCORDANCE WITH IAS 39 TO THE LOSS ALLOWANCE IN ACCORDANCE WITH IFRS 9

€'000	Allowance for credit losses in accordance with IAS 39	Transitional effects	**Loss allowance in accordance with IFRS 9**
Financial assets at fair value through other comprehensive income			
Securities			
Fixed-rate securities	0	52	52
Total	**0**	**52**	52
Financial assets measured at amortised cost			
Receivables	0	0	0
Cash and cash equivalents	0	0	0
Other current assets			
Trade receivables	41	4	45
Receivables from DBAG funds	0	1	1
Receivables from employees	0	1	1
Rental deposit	0	1	1
Purchase price retention	0	15	15
Total	**41**	**22**	**65**
	41	**74**	**117**

As at 30 September 2018, one receivable in the amount of 41,000 euros was subject to full impairment. As at 1 October 2018, loss allowances increased by 74,000 euros, of which 52,000 euros was attributable to the fixed-rate securities sold in the first half of 2018/2019. Another 15,000 euros referred to a purchase price receivable with what we considered to be heightened credit risk.

Effects from the first-time application of IFRS 9 on Group equity are shown in the following table:

EFFECTS FROM THE FIRST-TIME APPLICATION OF IFRS 9 ON GROUP EQUITY

€'000	
Reserve for changes in accounting methods	
As at 30 September 2018 in accordance with IAS 39	0
Reclassification from change in unrealised gains/losses on available-for-sale securities	(36)
Additions to loss allowances for expected impairment	(74)
As at 1 October 2018 in accordance with IFRS 9	**(109)**
Change in unrealised gains/losses on available-for-sale securities	
As at 30 September 2018 in accordance with IAS 39	(102)
Reclassification to reserves for changes in accounting methods	36
Reclassification to reserves for financial assets measured at fair value through other comprehensive income	67
As at 1 October 2018 in accordance with IFRS 9	**0**
Reserves for financial assets measured at fair value through other comprehensive income	
As at 30 September 2018 in accordance with IAS 39	0
Reclassification from change in unrealised gains/losses on available-for-sale securities	(67)
Change in loss allowances for expected impairment	52
As at 1 October 2018 in accordance with IFRS 9	**(15)**

Standards and interpretations as well as amendments to standards and interpretations applicable for the first time that have no impact on the reporting period ending 30 September 2019

In the consolidated financial statements as at 30 September 2019, the following new standards and interpretations or amendments to standards and interpretations are required to be applied for the first time:

- Amendments to IAS 40 "Investment Property"
- Annual Improvements to IFRS Standards 2014-2016 Cycle
  - IAS 28 "Investments in Associates and Joint Ventures",
  - IFRS 1 "First-time Adoption of IFRS",
- Amendments to IFRS 2 "Share-based Payment",
- Amendments to IFRS 4 "Insurance Contracts",
- IFRS 15 "Revenue from Contracts with Customers",
- Amendments to IFRS 15 "Revenue from Contracts with Customers",
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration".

These amendments do not have an effect on the consolidated financial statements of DBAG.

New standards and interpretations that have not yet been applied

a) Endorsed by the European Union

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

Amendments to IAS 19 "Employee Benefits" (1 January 2019)

The amendments to IAS 19 specify the IFRS requirements as regards the treatment of amendments, curtailments or settlements of defined benefit plans. In addition, a clarification was introduced as to how a plan amendment, curtailment or settlement affects the requirements regarding the asset ceiling. DBAG currently is not planning any plan amendments, curtailments or settlements. Therefore, these amendments do not have an effect on the consolidated financial statements of DBAG.

Amendments to IAS 28 "Investments in Associates and Joint Ventures" (1 January 2019)

The amendments to IAS 28 clarify that a company is obliged to apply IFRS 9, including its impairment rules, to long-term interest in associates or joint ventures that, in substance, form part of the company's net investment in the associate or joint venture, rather than using the equity method. The consolidated financial statements of DBAG do not include any investments in associates or joint ventures. Therefore, these amendments do not have an effect on the consolidated financial statements of DBAG.

Amendments to IFRS 9 "Financial instruments" (1 January 2019)

The amendments to IFRS 9 clarify how to account for prepayment features with negative compensation in the classification of financial assets. The amendments do not have an effect on the consolidated financial statements of DBAG.

IFRS 16 "Leases" (1 January 2019)

The new standard IFRS 16 replaces the previous standard IAS 17 Leases, as well as any related interpretations. The major changes refer to lessee accounting. The previous classification of leases into operating and finance leases by the lessee is abolished by IFRS 16. Instead, the new standard introduces a single accounting model pursuant to which lessees are obliged to recognise, for all leases, a right-of-use asset as well as a corresponding lease liability for the outstanding lease payments. Recognition exemptions are granted for leases of low-value assets as well as for short-term leases.

The initial measurement of a lease liability is based on the present value of the lease payments required to be made, less any prepayments already made. For subsequent measurement, the carrying amount of the lease liability is increased to reflect interest on the lease liability – and reduced to reflect the lease payments made.

The corresponding right-of-use asset is recognised at cost less any accumulated depreciation and any necessary impairment losses. The cost of the right-of-use asset equals the present value of any future lease payments plus any lease payments made at or before the commencement of the lease term as well as of any initial direct costs and the expected costs incurred in dismantling and removing the leased asset. Any lease incentives received are deducted.

The transition to IFRS 16 can either be made using the fully retrospective method or the modified retrospective method. As a result of the small number of leases and the overall immaterial effects, DBAG decided to apply the modified retrospective method. In addition, DBAG makes use of the election to recognise the right-of-use asset in the amount of the lease liability as at the date of transition. Further exemptions are not expected to be used.

At DBAG, it is mainly the rental agreement on the business premises at Börsenstrasse 1, Frankfurt/Main, the vehicles and the copiers of the Company, as well as the rental agreement on the business premises of DBG Management GP (Guernsey) Limited, that fall within the scope of IFRS 16. Due to the short remaining term of these agreements, the amount of the right-of-use assets and lease liabilities to be initially recognised will only be marginally different from the sum total of the permanent debt obligations disclosed in Note 31.

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

IFRIC 23 clarifies how income tax risks have to be accounted for in the financial statements. The interpretation has to be applied to taxable profit (tax losses), tax bases, unused tax losses and credits as well as tax rates when there is uncertainty over income tax treatments in accordance with IAS 12. We currently do not expect any effects arising from the application of IFRIC 23 on DBAG's consolidated financial statements.

Annual Improvements to IFRS Standards 2015-2017 Cycle (1 January 2019)

The annual improvements refer to the following financial reporting standards

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

The amendments to IAS 12 specify the income tax treatment of dividends. The amendments to IAS 23 clarify how entities have to cease capitalisation of borrowing costs when a qualifying asset has been prepared for its intended use or sale. The amendments to IFRS 3 and IFRS 11 refer to clarifications regarding measurement in the case of a transfer of control in relation to interests in a company previously held as a joint operation. The amendments to these standards do not have an effect on the consolidated financial statements of DBAG.

b) Not endorsed by the European Union

Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

The amendments to IAS 1 and IAS 8 aim to introduce a stricter definition of the vague legal term "material". We are currently analysing the effects of the amendments to these standards on DBAG's consolidated financial statements of DVB. A final assessment of the effects is not possible at the moment.

Amendments to IFRS 3 "Business combinations"

The amendments to IFRS 3 refer to the definition of a business, and are aimed at solving problems that arise in distinguishing between the purchase of a business ("share deal") and the purchase of a group of assets ("asset deal"). The amendments are not relevant for DBAG.

Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures"

Amendments to IFRS 9, IAS 39 and IFRS 7 are the result of the so-called "IBOR reform"; they relate to the presentation of hedging relationships. The amendments are not relevant for DBAG.

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

The amendments to IFRS 10 and IAS 28 concern the disposal of assets and the contribution of assets to an associate or a joint venture. The endorsement of these amendments into European law has been postponed for an indefinite period. The amendments will not have an effect on the consolidated financial statements of DBAG.

IFRS 14 "Regulatory Deferral Accounts"

The standard refers to first-time adopters of IFRS, and is not relevant for DBAG.

IFRS 17 "Insurance Contracts"

The standard concerns the recognition of insurance contracts, which DBAG does not issue. Therefore, the standard is not relevant for DBAG.

Amendments to references to the IFRS Framework

These amendments involve editorial changes to references to the IFRS Framework in various IFRSs. We currently do not expect any effects arising from these amendments on DBAG's consolidated financial statements.

4. Restatements in accordance with IAS 8

Nature of the error

In the first quarter of 2018/2019, we identified an error regarding interest receivables reported in the 2017/2018 consolidated financial statements in the two co-investment vehicles of DBAG Fund VI and DBAG Fund VII that were no longer recoverable, but which continued to be reported. The impairment is partially attributable to events that occurred in the financial year 2016/2017. As a consequence, the carrying amounts of the net asset values of these co-investment vehicles were reported too high in the opening statement of financial position as at 1 October 2017 and in the consolidated statement of financial position as at 30 September 2018.

This correction was taken as an opportunity to make further adjustments. On the one hand, fee income from Fund Services has to be increased due to a clarification of contractual provisions. On the other hand, reversals of personnel provisions that were not recorded in the financial year 2016/2017 and were subsequently recognised in the financial year 2017/2018 were reflected on an accrual basis. As part of these restatements, feedback effects on earnings-related variable remuneration components pertaining to the Board of Management were also taken into consideration.

These corrections of errors were made retrospectively in accordance with IAS 8. In this context, the restatements for the financial year 2016/2017 were reflected in the opening statement of financial position as at 1 October 2017. The resulting restatement of financial assets amounts to -1,338,000 euros as at 1 October 2017 and to -4,373,000 euros as at 30 September 2018. In addition, in the opening statement of financial position as at 1 October 2017, an amount of 8,438,000 euros resulting from a previous change in method was corrected (further information can be found in the 2017/2018 Annual Report on pages 114 et seqq.).

Adjustments to comparative figures

Restatements of the comparative figures in the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the consolidated statement of financial position as well as the changes in earnings per share are shown in the following tables:

ADJUSTMENT OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN ACCORDANCE WITH IAS 8

for the period from 1 October 2017 to 30 September 2018

€'000	1 Oct 2017 to 30 Sep 2018		**1 Oct 2017 to 30 Sep 2018**
	As reported	IAS 8 – restatement	Restated
Net gain or loss from investment activities[1]	34,133	(3,035)	31,098
Income from Fund Services[2]	28,536	319	28,855
Income from Fund Services and investment activities[3]	**62,669**	**(2,716)**	**59,953**
Personnel expenses	(16,812)	(1,193)	(18,005)
Other operating income	3,697	0	3,697
Other operating expenses	(15,557)	0	(15,557)
Interest income	344	0	344
Interest expenses	(702)	0	(702)
Other income/expense items	**(29,029)**	**(1,193)**	**(30,222)**
Earnings before tax	**33,640**	**(3,909)**	**29,731**
Income taxes	(18)	0	(18)
Earnings after tax	**33,622**	**(3,909)**	**29,714**
Net gain or loss attributable to non-controlling interests[4]	(25)	0	(25)
Net income	**33,597**	**(3,909)**	**29,688**
a) Items that will not be reclassified subsequently to profit or loss			
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset)	(1,155)	0	(1,155)
b) Items that will be reclassified subsequently to profit or loss			
Unrealised gains (+)/losses (-) on available-for-sale securities	(47)	0	(47)
Other comprehensive income	**(1,203)**	**0**	**(1,203)**
Total comprehensive income	**32,394**	**(3,909)**	**28,486**
Earnings per share in euros (diluted and basic)[5]	2.23	(0.26)	1.97

1 Previous year: "Net gain or loss from investment activity"
2 Previous year: "Fee income from fund management and advisory services"
3 Previous year: "Net result of fund services and investment activity"
4 Previous year: "Profit (-)/loss (+) attributable to non-controlling interests"
5 The earnings per share calculated in accordance with IAS 33 are based on net income divided by the average number of DBAG shares outstanding during the reporting period.

ADJUSTMENT OF THE CONSOLIDATED STATEMENT OF CASH FLOWS IN ACCORDANCE WITH IAS 8

for the period from 1 October 2017 to 30 September 2018

INFLOWS (+)/OUTFLOWS (-)

€'000	1 Oct 2017 to 30 Sep 2018		**1 Oct 2017 to 30 Sep 2018**
	As reported	IAS 8 – restatement	Restated
Net income	33,597	(3,909)	29,688
Measurement gains (-)/losses (+) on financial assets and loans and receivables, amortisation of intangible assets and depreciation of property, plant and equipment, gains (-)/losses (+) on securities	(24,718)	4,280	(20,438)
Gains (-)/losses (+) from the disposal of non-current assets	(1,133)	0	(1,133)
Increase (-)/decrease (+) in income tax assets	78	0	78
Increase (-)/decrease (+) in other assets (netted)	3,091	(372)	2,719
Increase (+)/decrease (-) in pension provisions	887	0	887
Increase (+)/decrease (-) in income tax liabilities[1]	17	0	17
Increase (+)/decrease (-) in other provisions	(5,556)	(52)	(5,608)
Increase (+)/decrease (-) in other liabilities (netted)	3,595	53	3,647
Cash flows from operating activities	**9,858**	**0**	**9,858**
Proceeds from disposals of financial assets and loans and receivables	30,302	0	30,302
Purchase of investments in financial assets and loans and receivables	(63,826)	0	(63,826)
Proceeds from disposals of other financial instruments	36,546	0	36,546
Payments for investments in other financial instruments	(33,664)	0	(33,664)
Cash flow from investing activities	(30,641)	0	(30,641)
Proceeds from disposals of property, plant and equipment and intangible assets	177	0	177
Payments for investments in property, plant and equipment and intangible assets	(303)	0	(303)
Proceeds from disposals of securities	41,384	0	41,384
Payments for investments in securities	(103,818)	0	(103,818)
Cash flow from investing activities[2]	**(93,200)**	**0**	**(93,200)**
Proceeds from capital increases	0	0	0
Payments to shareholders (dividends)	(21,062)	0	(21,062)
Cash flow from financing activities	**(21,062)**	**0**	**(21,062)**
Net change in cash and cash equivalents	(104,404)	0	(104,404)
Cash and cash equivalents at beginning of period	127,976	0	127,976
Cash and cash equivalents at end of period	**23,571**	**0**	**23,571**

1 Previous year: "Increase (+)/decrease (-) in provisions for taxes"
2 Taking into account the new structure (see Note 2 and Note 32)

ADJUSTMENT OF THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN ACCORDANCE WITH IAS 8

for the period from 1 October 2017 to 30 September 2018

€'000	1 Oct 2017 to 30 Sep 2018		1 Oct 2017 to 30 Sep 2018
	As reported	IAS 8 – restatement	Restated
Subscribed capital			
At start and end of reporting period	**53,387**	**0**	**53,387**
Capital reserve			
At start and end of reporting period	**173,762**	**0**	**173,762**
Retained earnings and other reserves			
Legal reserve			
At start and end of reporting period	403	0	403
First-time adoption of IFRS			
At start and end of reporting period	16,129	0	16,129
Reserve for gains/losses on remeasurements of the net defined benefit liability (asset)			
At start of reporting period	(21,605)	0	(21,605)
Change in reporting period	(1,155)	0	(1,155)
At end of reporting period	(22,760)	0	(22,760)
Change in unrealised gains/losses on available-for-sale securities			
At start of reporting period	(55)	0	(55)
Changes recognised directly in equity during the period	(47)	0	(47
At end of reporting period	(102)	0	(102
At end of reporting period	**(6,331)**	**0**	**(6,331)**
Consolidated retained profit			
At start of reporting period	214,427	(81)	214,346
Dividend	(21,062)	0	(21,062)
Net income	33,597	(3,909)	29,688
At end of reporting period	**226,962**	**(3,989)**	**222,973**
Total	**447,779**	**(3,989)**	**443,790**

RESTATEMENT OF THE OPENING STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH IAS 8

as at 30 September 2018

€'000	30 Sep 2018 As reported	IAS 8 – restatement	**30 Sep 2018** Restated
ASSETS			
Non-current assets			
Intangible assets	438	0	438
Property, plant and equipment	839	0	839
Financial assets	323,304	(4,373)	318,931
Long-term securities	55,458	0	55,458
Other non-current assets	0	0	0
Deferred tax assets	0	0	0
Total non-current assets	**380,039**	**(4,373)**	**375,666**
Current assets			
Receivables	1,091	40	1,130
Short-term securities	40,000	0	40,000
Other financial instruments	32,766	0	32,766
Income tax assets	345	0	345
Cash and cash equivalents	23,571	0	23,571
Other current assets	7,408	432	7,840
Total current assets	**105,181**	**472**	**105,653**
Total assets	**485,220**	**(3,901)**	**481,319**
EQUITY AND LIABILITIES			
Equity			
Subscribed capital	53,387	0	53,387
Capital reserve	173,762	0	173,762
Retained earnings and other reserves	(6,331)	0	(6,331)
Consolidated retained profit	226,962	(3,989)	222,973
Total equity	**447,779**	**(3,989)**	**443,790**
Debt			
Non-current liabilities			
Liabilities to non-controlling interests[1]	180	0	180
Provisions for pension obligations	12,209	0	12,209
Total non-current liabilities	**12,389**	**0**	**12,389**
Current liabilities			
Other current liabilities	15,773	141	15,913
Income taxes payable[2]	17	0	17
Other provisions	9,262	(52)	9,209
Total current liabilities	**25,052**	**88**	**25,140**
Total liabilities	**37,441**	**88**	**37,529**
Total equity and liabilities	**485,220**	**(3,901)**	**481,319**

1 Previous year: "Minority interests"
2 Previous year: "Tax provisions"

RESTATEMENT OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN ACCORDANCE WITH IAS 8

as at 1 October 2017

€'000	1 Oct 2017		**1 Oct 2017**
	As reported	IAS 8 – restatement	Restated
ASSETS			
Non-current assets			
Intangible assets	693	0	693
Property, plant and equipment	1,129	0	1,129
Financial assets	252,830	(9,775)	243,055
Loans and receivables	1,338	0	1,338
Long-term securities	33,659	0	33,659
Total non-current assets	**289,648**	**(9,775)**	**279,873**
Current assets			
Receivables	3,649	8	3,657
Short-term securities	0	0	0
Other financial instruments	35,649	0	35,649
Income tax assets	423	0	423
Cash and cash equivalents	127,976	0	127,976
Other current assets	6,624	91	6,715
Total current assets	**174,320**	**100**	**174,419**
Total assets	**463,968**	**(9,675)**	**454,293**
EQUITY AND LIABILITIES			
Equity			
Subscribed capital	53,387	0	53,387
Capital reserve	173,762	0	173,762
Retained earnings and other reserves	(5,129)	0	(5,129)
Consolidated retained profit	214,427	(8,518)	205,909
Total equity	**436,447**	**(8,518)**	**427,929**
Debt			
Non-current liabilities			
Liabilities to non-controlling interests[1]	148	0	148
Provisions for pension obligations	11,323	0	11,323
Total non-current liabilities	**11,471**	**0**	**11,471**
Current liabilities			
Other current liabilities	1,233	88	1,321
Other provisions	14,818	(1,245)	13,573
Total current liabilities	**16,050**	**(1,157)**	**14,893**
Total liabilities	**27,521**	**(1,157)**	**26,364**
Total equity and liabilities	**463,968**	**(9,675)**	**454,293**

1 Previous year: "Minority interests"

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

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

DBAG initiates closed-end private equity funds ("DBAG funds") for investments in equity or equity-like instruments, predominantly in unlisted companies. It solicits capital commitments from institutional investors to DBAG funds and provides asset management services to them via fully consolidated subsidiaries. The management companies of the DBAG funds are under the obligation to their investors to invest the capital based on a contractually-agreed investment strategy that aims to realise increases in value through sales and to generate current income. DBAG measures and evaluates the performance of the investments made by the DBAG funds at quarterly intervals on a fair value basis. Thus, DBAG, as a parent company, meets the criteria of an investment entity as defined in IFRS 10.

DBAG is recognised as a special investment company, as defined by German statutory legislation on special investment companies (Gesetz über Unternehmensbeteiligungsgesellschaften – UBGG) and has made investments in more than 300 companies since its foundation. DBAG is a listed public limited company; its shareholder structure is composed of private individual investors, family offices and institutional investors. Employing its own assets, it enters into investments as a co-investor alongside the DBAG funds. Based on co-investment agreements with the DBAG funds, DBAG and the funds invest in the same companies and in the same instruments based on the same terms. Employees (related parties) and former employees of DBAG also co-invest in the co-investment vehicles and DBAG funds. Due to the low investment share of related parties, this has no effect on DBAG's status as an investment entity. All typical characteristics of an investment entity are therefore met.

5.2 Fully-consolidated subsidiaries

As an investment entity within the meaning of IFRS 10, DBAG only consolidates such subsidiaries that provide investment-related services to the investment entity. The following subsidiaries continue to be included in the consolidated financial statements at 30 September 2019:

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

These subsidiaries provide the management and advisory services for DBAG funds. The range of Fund Investment Services comprises the identication, analysis and structuring of investment opportunities, negotiation of the investment agreements, compilation of investment memorandums for the funds, support for the portfolio companies during the holding period, and realisation of the funds' portfolio companies. When managing DBAG funds, the range of services additionally includes taking investment decisions.

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

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

5.3 Unconsolidated investment entity subsidiaries

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

Name	Registered office	Equity/voting interest %
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	Frankfurt/Main, Germany	100,00
DBAG Fund V Konzern GmbH & Co. KG	Frankfurt/Main, Germany	99,00
DBAG Expansion Capital Fund Konzern GmbH & Co. KG[1]	Frankfurt/Main, Germany	99,00
DBAG Fund VI Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99,99
DBAG Fund VII Konzern SCSp	Luxembourg-Findel, Luxembourg	99,99
DBAG Fund VII B Konzern SCSp	Luxembourg-Findel, Luxembourg	99,99
Deutsche Beteiligungsgesellschaft mbH	Königstein/Taunus, Germany	100,00

1 DBAG Expansion Capital Fund Konzern GmbH & Co. KG comprises three consecutive investment periods of DBAG ECF (original investment period, first and second new investment periods) which are managed as separate accounting areas.

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

The investments by DBAG using its own assets alongside the DBAG funds are based on co-investment agreements with the funds. This means that DBAG has a contractual obligation to provide financing for investments and costs at a fixed quota for each of the funds; it can, however, unilaterally waive that contractual obligation (right to opt out), but would then forgo the opportunity of investing alongside the respective fund for the remaining term of that DBAG fund. In order to invest its funds profitably and at the same time aligning its own interests with those of the fund investors, DBAG does not intend to exercise this right to opt out.

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

€'000

Name	Capital commitment	Accumulated capital calls as at 30 Sep 2019	Callable capital commitments as at 30 Sep 2019
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	93,737	91,108	0
DBAG Fund V Konzern GmbH & Co. KG	103,950	102,578	1,372
DBAG ECF Konzern GmbH & Co. KG Original Investment Period (DBAG ECF)	100,000	78,044	22,208
DBAG ECF Konzern GmbH & Co. KG First New Investment Period (DBAG ECF I)	34,751	25,525	9,314
DBAG ECF Konzern GmbH & Co. KG Second New Investment Period (DBAG ECF II)	39,715	16,970	22,745
DBAG Fund VI Konzern (Guernsey) L. P.	133,000	134,885	1,743
DBAG Fund VII Konzern SCSp	183,000	122,147	60,853
DBAG Fund VII B Konzern SCSp	17,000	5,503	11,497
	705,153	**576,760**	**129,733**

€'000

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

The callable capital commitments are determined in accordance with the Articles of Association of the fund. They comprise capital commitments that have not yet been called, as well as recallable distributions. The partnership agreements for the DBAG funds allow up to 20 per cent of distributions to be recalled for follow-on investments in existing portfolio companies. This means that an individual fund can achieve accumulated capital calls of up to 120 per cent. As at the reporting date, the callable capital commitments at DBAG ECF's co-investment vehicle and DBAG Fund VI Konzern (Guernsey) L.P. included recallable distributions.

Based on its co-investing activity in the past financial year, DBAG received the following disbursements from, or made the following investments in, investment entity subsidiaries:

€'000	2018/2019	
Name	Disbursements	Investments
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	0	0
DBAG Fund V Konzern GmbH & Co. KG	0	0
DBAG ECF Konzern GmbH & Co. KG Original Investment Period (DBAG ECF)	19,355	8,349
DBAG ECF Konzern GmbH & Co. KG First New Investment Period (DBAG ECF I)	89	2,285
DBAG ECF Konzern GmbH & Co. KG Second New Investment Period (DBAG ECF II)	0	11,988
DBAG Fund VI Konzern (Guernsey) L.P.	32,358	2,732
DBAG Fund VII Konzern SCSp	0	50,151
DBAG Fund VII B Konzern SCSp	0	3,153
	51,802	**78,657**

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

The disbursements of DBAG ECF's co-investment vehicle in the amount of 19,355,000 euros are largely attributable to a distribution following disposal of a shareholding, and realised income from portfolio companies. Investments in the amount of 8,349,000 euros relate to follow-on investments in two portfolio companies.

The co-investment vehicle of DBAG ECF I executed a follow-on investment in the amount of 2,285,000 euros for an existing shareholding.

The co-investment vehicle of DBAG ECF II invested in a new portfolio company as well as in a follow-on investment for an existing shareholding, in an aggregate amount of 11,988,000 euros.

DBAG Fund VI Konzern (Guernsey) L.P. disbursed 32,358,000 euros following the disposal of two investments. The company executed follow-on investments in the amount of 2,732,000 euros for two existing portfolio companies.

DBAG Fund VII Konzern SCSp invested in four new portfolio companies, with DBAG Fund VII B Konzern SCSp (Top-Up Fund) co-investing in two of these.

5.4 Interests in portfolio companies and international funds

DBAG holds direct interests in one portfolio company and one international fund.

Name	Registered Office	Equity interest %	If different, voting interest %
JCK Holding GmbH Textil KG	Quakenbrück, Germany	3.60	0.00
Harvest Partners IV GmbH & Co KG	Munich, Germany	9.86	0.00

DBAG does not have a significant influence on the portfolio company or the international fund. Since both entities are allocated to the investment business, they are recognised at fair value through profit or loss and presented under financial assets (see also the comments in Note 7 under the heading "Fair value measurement of financial assets through profit or loss").

5.5 Unconsolidated subsidiaries

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

Name	Registered office	Equity/voting interest %
Bowa Geschäftsführungs GmbH i. L.	Frankfurt/Main, Germany	100.00
DBG Advising Verwaltungs GmbH	Frankfurt/Main, Germany	20.00
DBG Managing Partner Verwaltungs GmbH	Frankfurt/Main, Germany	20.00
DBG Fund VIII GP (Guernsey) L.P.	St. Peter Port, Guernsey	0.00
DBG Fund VIII GP (Guernsey) Limited	St. Peter Port, Guernsey	0.00
RQPO Beteiligungs GmbH	Frankfurt/Main, Germany	77.54
RQPO Beteiligungs GmbH & Co. Papier KG	Frankfurt/Main, Germany	90.00

Bowa Geschäftsführungs GmbH i. L. is not included in the consolidated financial statements due to immateriality.

DBG Advising Verwaltungs GmbH, DBG Managing Partner Verwaltungs GmbH, RQPO Beteiligungs GmbH and RQPO Beteiligungs GmbH & Co. Papier KG do not provide investment-related services and are therefore not consolidated, but instead accounted for at fair value through profit or loss.

DBG Fund VIII GP (Guernsey) L.P. and DBG Fund VIII GP (Guernsey) Limited, which were founded in the reporting year, will provide administration services for DBAG Fund VIII in future. Since they have not conducted any business activities to date, they were not consolidated in the financial year 2018/2019 due to immateriality.

Please refer to Note 39 for further details concerning the "Relationships in connection with DBG Managing Partner GmbH & Co. KG and DBG Advising GmbH & Co. KG".

5.6 Unconsolidated structured companies

Within the scope of the business activity of DBAG and its subsidiaries as external capital management companies or investment service providers to private equity funds, contractual arrangements exist between DBAG and structured entities of managed or advised DBAG funds that DBAG initiated within the scope of its business activity. In particular, in the founding phase of a DBAG fund, the managed subsidiaries of DBAG prepay certain charges. These costs are reimbursed to the companies by the investors in the relevant funds upon the commencement of the respective investment period. As in the previous year, no costs were prepaid or reimbursed.

The following companies that DBAG initiated within the scope of its business activity described above are structured entities that were neither consolidated nor recognised at fair value through profit or loss as at 30 September 2019:

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

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

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

Exposure to losses from these structured entities result only for receivables arising from income from fund services.

€'000	30 Sep 2019	30 Sep 2018
Name	Maximum loss exposure	Maximum loss exposure
		Restated[1]
DBAG Fund IV GmbH & Co. KG i. L.	0	0
DBAG Fund IV International GmbH & Co. KG i. L.	0	0
DBAG Fund V GmbH & Co. KG	0	45
DBAG Fund V International GmbH & Co. KG	0	104
DBAG Fund V Co-Investor GmbH & Co. KG	0	0
DBAG Expansion Capital Fund GmbH & Co. KG Original Investment Period (DBAG ECF)	295	148
DBAG Expansion Capital Fund GmbH & Co. KG First New Investment Period (DBAG ECF I)	124	39
DBAG Expansion Capital Fund International GmbH & Co. KG Original Investment Period (DBAG ECF)	182	90
DBAG Expansion Capital Fund International GmbH & Co. KG First New Investment Period (DBAG ECF I)	399	151
DBAG Expansion Capital Fund International GmbH & Co. KG Second New Investment Period (DBAG ECF II)	397	137
DBAG Fund VI (Guernsey) L.P.	1,690	1,964
DBAG Fund VII SCSp	3,415	701
DBAG Fund VII B SCSp	143	434
	6,645	**3,814**

1 Restated in accordance with IAS 8 (see Note 4)

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

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

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

6. Consolidation methods

Capital consolidation is performed using the purchase method based on the date on which DBAG obtained a controlling influence over the relevant subsidiary (acquisition date). Acquisition costs are offset against the fair value of the acquired identifiable assets and assumed liabilities as well as contingent liabilities. The carrying amounts are amortised in subsequent periods. No goodwill required to be capitalised has arisen.

Intra-Group balances and transactions, as well as any unrealised income and expenses from intra-Group transactions, are eliminated in the preparation of the consolidated financial statements. Deferred income taxes are taken into account in the consolidation procedures.

7. Accounting policies

Recognition of assets and liabilities

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

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

Regular-way purchases or sales of financial assets are recognised for all financial instruments as at the settlement date.

Classes of financial instruments

In the DBAG Group, the measurement categories pursuant to IFRS 9 are defined as the classes of financial instruments in accordance with IFRS 7 (see Note 3). For the purpose of IFRS 13, level 3 financial instruments are further subdivided into

- interests in investment entity subsidiaries,
- interests in portfolio companies,
- international fund investments; as well as
- Other.

Fair value measurement of financial assets through profit or loss

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

- interests in investment entity subsidiaries (see Note 5.3),
- interests in one portfolio company (interests in portfolio companies with a share in the voting rights of less than 20 per cent, see Note 5.4),
- one international fund investment (see Note 5.4).

Regardless of whether they are held directly or via investment entity subsidiaries, all interests in portfolio companies are measured at fair value initially and at all subsequent quarterly and annual reporting dates by DBAG's internal Valuation Committee. The Valuation Committee includes the members of the Board of Management, two employees of the finance unit and two investment controllers.

DBAG has developed valuation guidelines for fair value measurement in accordance with IFRS 13. These guidelines are based on the recommendations set out in the International Private Equity and Venture Capital Valuation Guidelines (IPEVG), as amended in December 2018, insofar as these are consistent with IFRS. DBAG's valuation guidelines specify the application of IPEVG provisions, insofar as the latter are vague or compliance with IFRS so requires, in order to allow them to be applied in intersubjectively clear terms to DBAG. The IPEVG do not have to be applied mandatorily; rather, they summarise standard valuation practices in the private equity industry.

General principles of fair value measurement

The fair values of the various classes of financial instruments are determined in accordance with consistent measurement methods and on the basis of uniform input factors. All assumptions and parameters which are relevant to valuation are taken into account in accordance with the IPEVG.

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

In determining the fair value, critical judgements on the part of the Valuation Committee will become necessary to a certain extent, i.e. assumptions and estimates must be made. These are constructively substantiated by the Valuation Committee and documented in the valuation records. The assumptions and estimates are based on current knowledge developments, and the experience of the Valuation Committee, and are consistently applied without arbitrariness.

Upon the disposal of a portfolio company, the Valuation Committee analyses whether and, if so, to what extent the realised value differs from the most recently calculated fair value (a process known as "backtesting"). Backtesting provides information on the causes of the changes in value in order to make ongoing improvements to the valuation process.

Fair value upon initial recognition

Upon initial recognition, the fair value corresponds to the acquisition price. Ancillary transaction costs are not capitalised, but are immediately expensed. Ancillary transaction costs include fees paid to intermediaries, advisers (such as legal advisers or consultants), brokers and dealers, charges levied by regulatory authorities and securities exchanges, as well as taxes and other charges incurred for the transaction.

Fair value hierarchy for subsequent measurement

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

As far as possible, the fair value of a portfolio company as at the subsequent reporting dates is measured based on prices from transactions in the market that were observed on the valuation date or immediately prior to that date. This is normally possible for companies whose shares are quoted on the stock exchange. These portfolio companies are measured at the closing rate on the valuation date, or the closing rate on the last day of trading prior to this date. In determining prices, the principal market or the most advantageous market is used as the relevant stock exchange. The fair value thus determined is neither reduced by premiums attaching to the sale of larger blocks of shares nor by deductions for disposal costs.

For unlisted companies, a valuation methodology may be considered that is based on a signed purchase agreement or a binding purchase bid – if the completion of the purchase agreement is sufficiently assured or if the purchase bid seems realisable with reasonable assurance. If appropriate, valuations can be based on relevant comparative amounts of recent transactions in the capital of the portfolio company (financing rounds) or based on relevant comparative prices of recent transactions that have taken place in the market.

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

Fair value measurement methods on hierarchy level 3

The net asset value of unconsolidated subsidiaries – in particular, investment entity subsidiaries (co-investment vehicles and DBG), is determined using the sum of-the-parts procedure. With this method, individual asset and liability items are measured separately at fair value and then aggregated to the net asset value of the unconsolidated subsidiaries.

Selected members of the investment team as well as selected members of senior management who are not members of the investment team have committed to take an interest in DBAG funds. Under certain conditions (see Note 39), this can result in a profit share for the members that is disproportionate to the capital invested ("carried interest"). For the purposes of fair value measurement, the total liquidation of a fund's portfolio as at the reporting date is assumed when assessing whether these conditions are met. If the total sales proceeds already realised as at a reporting date plus the fair values of the investments still held in the portfolio are equivalent to the full repayment of capital, then the co-investment vehicle's share in the net asset value is reduced by the computed carried interest.

Portfolio companies are measured either using the multiples or the DCF method (see below). Whilst the multiples method is applied to established portfolio companies, high-growth portfolio companies and international fund investments are measured using the DCF method.

In case of the multiples method, the total enterprise value is determined by applying a multiple for one key financial indicator of the company to be valued. Valuations are generally performed on the basis of earnings before interest, tax, depreciation and amortisation (EBITDA) and earnings before interest, tax and amortisation (EBITA). The total enterprise value is generally measured as a mean on the basis of EBITDA and EBITA, in exceptional cases solely on the basis of EBITDA. Median EBITDA is defined as the leading multiple when deriving multiples from peer group companies.

The indicator derives from a portfolio company's current financial metrics. To obtain a sustainably achievable reference value, these metrics are adjusted for special effects such as non-recurring expenses or discounts for risk projects. In addition, discounts or premiums are made on the applied indicators if there is current information that is not yet reflected in these financial metrics.

The multiple is derived from comparable recent transactions if representative recent transactions for the portfolio company were observed on the market and relevant comparative amounts for these transactions are available in sufficiently reliable and detailed form.

If such comparative figures are not available, the multiple is determined based on the market capitalisation of a peer group consisting of listed companies. Companies are selected for the peer group that are largely comparable with the investee business to be valued as regards their business model, the geographical focus of their operations as well as their size. If the portfolio company to be valued differs in certain aspects from the respective features of peer group companies, discounts or premiums are applied to the relevant multiple of the peer group company. As long as these differences between the portfolio company to be valued and the peer group companies exist, these discounts or premiums are applied consistently.

If no listed peers that are comparable with the company to be valued (especially in terms of size, growth rates and margins) are known, the multiple is derived from the starting multiple. These starting multiples are extrapolated in line with the development of the reference multiple which is in turn determined using the median for a peer group of similar companies that are as comparable as possible (so-called calibration). This calibration is applied consistently.

In the DCF method, the fair value is determined by discounting expected future cash flows. The portfolio company's mid-term planning is used as the basis for projecting future cash flows. This is adjusted, if appropriate, in order to better reflect the assessment of the future company development. The perpetual annuity is calculated on the basis of the earnings situation of the last planning year, which is adjusted by an appropriate growth rate to be determined by the Valuation Committee. We derive the discount rate using the WACC model (WACC = weighted average cost of capital) from the weighted cost of equity and debt. In discounting equity, we derive the rate from a risk-free base rate and a risk premium to capture the business risk involved. The discount rate for debt corresponds to the refinancing rate for the portfolio company to be valued.

For the valuations of international fund investments using the DCF method, expected proceeds from the sale of portfolio companies are discounted to the valuation date by applying a discount rate.

Fair values determined on the basis of the DCF method are reviewed as to their marketability every two years using a multiple valuation.

Revenue recognition

Due to the particularities arising from the operating activities of the DBAG Group as a financial investor, "Net gains or losses from investment activities" as well as "Income from Fund Services" are presented instead of revenues. Net gain or loss from investment activities comprises the net result of valuation and disposal as well as current income from financial assets net of carried interest.

The net result of valuation comprises the changes in the fair values of financial assets that are determined as at each reporting date based on the principles set out above.

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

Current income consists of distributions from the investment entity subsidiaries, dividends and interest payments from directly held portfolio companies and distributions from international investment funds:

- Distributions from co-investment vehicles primarily consist of disposals of portfolio companies, distributions from portfolio companies, interest on shareholder loans and repayments of shareholder loans. The distributions are triggered by the manager of the relevant DBAG fund, based on contractual terms. They are recognised as incurred.
- Distributions from DBG are recognised on the day the distribution is resolved.
- Dividends of directly held portfolio companies are recognised on the day the distribution or dividend is resolved, while interest is recognised pro rata temporis.
- Distributions from international fund investments are triggered by the manager of the relevant international fund investment, and are also recognised as incurred.

Income from fund services are recognised when the service has been provided.

Loss allowance for financial assets not measured at fair value through profit or loss

A loss allowance is recorded for financial assets not measured at fair value through profit or loss upon its initial recognition and on every subsequent reporting date to reflect any potential future impairment. The amount of the loss allowance is determined on the basis of a three-stage impairment model:

- Stage 1:
  Upon initial recognition, all instruments are generally allocated to Stage 1. The loss allowance for such instruments has to reflect the present value of the expected credit losses that result from potential events of default occurring within the next twelve months after the reporting date. Interest is recognised based on the gross carrying amount.
- Stage 2:
  Stage 2 includes all instruments exhibiting a significant increase in credit risk as at the reporting date in comparison to the date of initial recognition. In addition, Stage 2 comprises receivables from co-investment vehicles, receivables from DBAG funds and trade receivables that are allocated to Stage 2 upon initial recognition regardless of their credit quality (simplified impairment model). The loss allowance has to reflect the present value of all losses expected to occur over the remaining term of the financial instrument (lifetime expected credit losses). Interest is recognised as in Stage 1.

  The determination whether a financial asset is subject to a significant increase in credit risk is based on an assessment of the default probabilities that take into account both external rating information and internal information on the credit quality of the financial asset (e.g. past due payment claims). An assessment as to whether the credit risk has increased significantly is not made for instruments accounted for using the simplified approach.
- Stage 3:
  If, apart from a significant increase in credit risk as at the reporting date, there is objective evidence of impairment, the loss allowance continues to be measured on the basis of the present value of the lifetime expected credit losses. However, interest is recognised based on the net carrying amount (gross carrying amount less any loss allowance recognised).

  Objective evidence of impairment includes, amongst others:

  - significant financial difficulty of the issuer or obligor,
  - a breach of contract (such as a default or delinquency in interest or principal payments),
  - the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider,
  - an increased probability that the borrower will enter bankruptcy or other financial reorganisation,
  - the disappearance of an active market for the financial asset due to financial difficulties.

If, as at the reporting date, there is no longer a significant increase in credit risk, the instrument is transferred from Stage 2 to Stage 1; if there is no longer objective evidence of impairment, the instrument is transferred from Stage 3 to Stage 2 or 1.

DBAG determines the loss allowance using an approach that is based on parameters. If there is insufficient parameter-based information, the loss allowance is determined individually based on cash flows. Due to the relatively minor significance of impairment in DBAG's current portfolio, simplified approaches are used where appropriate.

Intangible assets and property, plant and equipment

Intangible assets and property plant and equipment are measured at amortised cost.

Intangible assets are acquired for a consideration. Their useful lives are determinable and range from two to five years. The useful life for property, plant and equipment ranges from three to 13 years. Intangible assets and property, plant and equipment are amortised or depreciated on a straight-line basis over their useful lives. Additions are amortised or depreciated pro rata temporis, starting in the month of acquisition.

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

Securities

The item "Securities" includes mutual funds. They are measured at fair value based on the fact that the instruments do not meet the cash flow criterion (see Note 3). Upon initial recognition, they are measured at fair value as at the transaction date, which corresponds to the cost of acquisition. On subsequent reporting dates, the fair values are derived from securities account statements based on price information systems.

Changes in the fair value as well as gains and losses from derecognition are reported in the statements of comprehensive income in the line items "Interest income" and "Interest expenses".

Other assets

Other assets comprise receivables from DBAG funds, other receivables and prepaid expenses. Where applicable, this item also contains the excess of plan assets over pension obligations. With the exception of prepaid expenses, value-added tax and the excess of plan assets over pension obligations, these relate to financial assets as defined in IAS 32.

The financial assets included in this line item are measured at amortised cost using the effective interest method and less a loss allowance for expected credit losses (see "Loss allowance for financial assets not measured at fair value through profit or loss"). The loss allowance is recognised in the item "Other operating expenses" in the consolidated statement of comprehensive income.

Receivables

The line item "Receivables" contains receivables from co-investment vehicles. They are measured at amortised cost. They are presented by analogy with other assets.

Other financial instruments

The item "Other financial instruments" includes short-term loans to our co-investment vehicles. They are measured at fair value through profit or loss as they are allocated to our investment business. Upon initial recognition, they are measured at fair value as at the transaction date, which corresponds to the cost of acquisition. Since their term is less than one year, their fair value corresponds to the acquisition price as at the subsequent reporting dates. Interest is recognised in the item "Interest income" using the effective interest method..

Income tax assets

The item "Income tax assets" contains receivables from corporation and withholding tax. These relate to current taxes that are withheld upon distributions and interest payments and are recoverable for corporation tax purposes. Income tax assets are recognised in the relevant amount for tax purposes.

Cash and cash equivalents

Cash and cash equivalents relate to cash in hand, bank balances, term deposits or overnight deposits. They are allocated to the measurement category "amortised cost". They are presented by analogy with other assets.

Deferred taxes

Deferred taxes are determined on temporary differences arising between the tax base of assets and liabilities and their IFRS carrying amounts, as well as on tax loss carryforwards. They are calculated on the basis of a combined income tax rate of DBAG of currently 31.925 per cent. The combined income tax rate comprises corporation tax, trade tax and solidarity surcharge. Deferred tax assets and liabilities are offset. Deferred tax liabilities are recognised in the statement of financial position if there is an overall tax charge. A tax benefit is recognised as deferred tax assets to the extent that it is probable that taxable profit will be available for offsetting.

Liabilities to non-controlling interests

The item "liabilities to non-controlling interests" comprises interest held by non-controlling shareholders in the fully consolidated companies included in the consolidated financial statements. They are recognised under liabilities since they are interests held in partnerships or callable shares in corporations. They are carried as financial liabilities within the meaning of IAS 32, and are recognised in line with the pro-rata share in the company's share capital.

Pension obligations and plan assets

Pension obligations arising from defined benefit plans exist at two Group companies. Application of the plans is subject to the date at which the respective employees joined the company. The amount of the pensions is measured on the basis of the underlying plan, the amount of the salary and the employees' length of service.

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

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

Plan assets are measured at fair value.

For presentation in the financial statements, the present value of pension obligations is netted against the fair value of the plan assets. Any net defined benefit assets or liabilities are neither aggregated nor offset. Should the fair value of any plan assets exceed the present value of the related pension obligations, such net defined benefit asset will be recognised in "Other non-current receivables". Any net defined benefit liability is reported under "Provisions for pension obligations".

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

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

Other provisions

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

Other liabilities

Liabilities of the Group are shown under "Other liabilities". They are initially recognised at cost. Discounted loans are measured subsequently at amortised cost, using the effective-interest method.

Other financial commitments, contingent liabilities and trusteeships

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

Existing obligations arising from rental and lease agreements are disclosed as permanent debt obligations outside the statement of financial position. Contingent liabilities are disclosed at the settlement amount and trusteeships at their fair values in the notes to the consolidated financial statements.

Other comprehensive income

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

Leasing

Only operating lease commitments exist. The lease instalments are recognised as an expense.

Currency translation

Foreign currency receivables and liabilities are measured at the closing exchange rate through profit or loss. Since the functional currency of the foreign subsidiaries is the euro, there is no currency translation within the context of consolidation.

8. Use of judgement in applying the accounting methods

Application of the accounting methods requires making judgements that can materially influence the reported amounts in the financial statements.

The judgement that has the largest effect on the amounts recognised in the financial statements is the assessment whether, as the parent company, DBAG is deemed to have the status of an investment entity pursuant to IFRS 10.

Please refer to Note 5 above. Due to the status of DBAG as an investment entity, the investment entity subsidiaries continue to be not included in the consolidated financial statements as fully consolidated companies, but are instead recognised at fair value.

The consolidation methods and accounting policies applied that were based on the other judgements are detailed in Notes 5 to 7.

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

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

Due to assumptions about the future and other sources of estimation uncertainty, there is a risk of having to make material adjustments to the carrying amounts of assets or liabilities within the next financial year. We judge the materiality, inter alia, by means of the effects on Group equity. We deem as material an adjustment of the carrying amount by three per cent of Group equity. Moreover, we consider the effects on the overall presentation of the asset, financial and earnings position as well as qualitative aspects.

In particular, our financial assets are subject to estimation uncertainties and the corresponding risk, to the extent that their fair values were determined using inputs that were not mainly based on observable market data (fair value hierarchy level 3, see Note 7).

Fair values of level 3 are contained in "Financial assets" in the amount of 385,693,000 euros (previous year restated: 318,931,000 euros) (see Note 34.1). They largely concern those financial assets that are valued using the sum-of-the-parts procedure. The investments included therein are largely valued using the multiples method. The extent of possible effects in the event of an adjustment of assumptions and estimations cannot be quantified. However, should the underlying multiples change by +/-1, this would result ceteris paribus in an adjustment in the fair values recognised in the consolidated financial statements of +/-24,976,000 euros (previous year restated: 20,842,000 euros). This equates to five per cent of Group equity (previous year: five per cent).

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

10. Net gain or loss from investment activities

€'000	**2018/2019**	2017/2018 Restated[1]
Interests in investment entity subsidiaries	47,894	28,204
Interests in portfolio companies	1,632	609
International fund investments	104	2,386
Other financial assets	(1)	(100)
	49,629	**31,098**

1 Restated in accordance with IAS 8 (see Note 4)

The investment entity subsidiaries comprise the subsidiaries of DBAG through which DBAG co-invests in DBAG funds (see Note 5.3) as well as DBG. These subsidiaries may not be consolidated based on IFRS 10; instead, they have to be recognised at fair value through profit or loss. The significant assets of these investment entity subsidiaries are interests in and receivables from portfolio companies.

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

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

The international fund investment was entered into in April 2001 to achieve a stronger geographical diversification of financial assets. The related fund is not managed by DBAG.

Other financial assets include subsidiaries that do not provide investment-related services (see Note 5.5).

Further information on net income from Investment Activity can be found in the combined management report under the heading "Income from Investment Activity burdened by capital market developments".

11. Income from Fund Services

€'000	2018/2019	2017/2018 Restated[1]
DBAG Fund V	189	662
DBAG ECF	1,640	1,914
DBAG Fund VI	8,556	9,669
DBAG Fund VII	16,535	16,557
Other	51	53
	26,970	**28,855**

1 Restated in accordance with IAS 8 (see Note 4)

Income from Fund Services results from management and advisory services for the DBAG funds (see Note 1 and Note 39).

Income from DBAG Fund V declined after the end of the fund term. Remuneration has no longer been earned since 15 February 2019.

Income from DBAG ECF includes less transaction-related remuneration for investments carried out than in the previous year.

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

12. Personnel expenses

€'000	2018/2019	2017/2018 Restated[1]
Wages and salaries		
Fixed salary and fringe benefits	12,262	10,314
Variable remuneration, performance-related	6,836	5,605
Variable remuneration, transaction-related	346	618
	19,444	**16,537**
Social contributions and expenses for pension plans	**1,598**	**1,468**
thereof for state pension plan	456	624
	21,042	**18,005**

1 Restated in accordance with IAS 8 (see Note 4)

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

Since the financial year 2014/2015, the performance-related variable remuneration scheme for managing members of the investment team has been based on new investments entered into, portfolio performance and profitable divestments. For the other members of the investment team and employees in corporate functions, the system is based on company and personal performance. In addition, a bonus for the successful raising of successor funds was taken into account.

Transaction-related variable remuneration refers to current and former members of the Board of Management and members of the investment team based on older systems no longer in use. More information regarding these systems is also included in the remuneration report.

The number of employees (excluding members of the Board of Management) was as follows:

	30 Sep 2019	30 Sep 2018
Employees (full-time)	57	56
Employees (part-time)	13	9
Trainees	5	6

As at the end of the financial year 2018/2019, the Board of Management consisted of three (previous year: three) members.

In the financial year 2018/2019, an average of 70 (previous year: 63) employees and five (previous year: five) trainees were employed at DBAG.

13. Other operating income

€'000	2018/2019	2017/2018
Income from consultancy expenses that can be passed through	4,862	2,914
Income from the disposal of securities	272	17
Income from exchange rate differences	93	133
Income from the reversal of provisions	109	123
Other	432	511
	5,767	**3,697**

Consultancy expenses that can be passed through refer to advances on behalf of DBAG funds and/or portfolio companies. The increase of income from consultancy expenses that can be passed through corresponds to the increase of the consultancy expenses that can be passed through (see Note 14).

Income from exchange rate differences result from a purchase price receivable held in US dollars. The receivables relate to an investment disposed in the financial year 2015/2016.

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

14. Other operating expenses

€'000	2018/2019	2017/2018
Consultancy expenses that can be passed through	4,822	2,949
Other consultancy expenses	937	1,154
Consultancy expenses for deal sourcing	1,074	1,032
Audit and tax consultancy expenses	663	1,070
Total consultancy expenses	7,496	6,206
Value-added tax	923	967
Travel and hospitality expenses	1,035	1,028
Premises expenses	1,131	1,166
Maintenance and license costs for hardware and software	539	530
External employees and other personnel expenses	893	849
Corporate communications, investor relations, media relations	529	507
Depreciation and amortisation of property, plant and equipment and intangible assets	582	683
Annual report and general meeting	567	653
Supervisory Board remuneration	397	400
Expenses resulting from the repayment of Advisory Board remuneration to funds	0	932
Other	2,321	1,638
	16,413	**15,557**

The increase of the consultancy expenses that can be passed through corresponds to the increase in income from consultancy expenses that can be passed through (see Note 13).

The item "Value-added tax" refers to non-deductible input taxes as a result of revenues that are not taxable.

The expenses for external employees and other personnel expenses comprise costs for temporary staff to cover employees on sick leave or parental leave, recruiting expenses and staff training.

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

15. Interest income

€'000	2018/2019	2017/2018
Other financial instruments	535	313
Securities	319	0
Tax authorities	0	29
Other	101	3
	955	**344**

Interest income from other financial Instruments relates to bridge financings granted to co-investment vehicles (see Note 23).

Interest income from securities primarily refers to the retail funds.

The item "Other" mainly comprises income from the interest cost on jubilee payment obligations.

16. Interest expense

€'000	2018/2019	2017/2018
Interest expenses for pension provisions	541	540
Expected interest income from plan assets	(369)	(380)
Net interest on net defined benefit liability	172	160
Securities	122	18
Credit facility	406	513
Others	84	11
	783	**702**

The expected interest income from plan assets is calculated based on the same interest rate used for the determination of present value of the pension obligations. We refer to Note 29 for information on the parameters for the two components of the net interest on net defined benefit liability.

Interest expenses for the credit line in the amount of 406,000 euros (previous year: 513 ,000 euros) relate to the annual commitment fee for the credit line in the amount of 50 million euros.

17. Income taxes

€'000	2018/2019	2017/2018
Current taxes	(1)	18
Deferred taxes	(658)	0
	(659)	**18**

Current taxes result from an income tax refund paid to a fully-consolidated subsidiary for the previous year.

Deferred tax assets relate to a subsidiary. As at 30 September 2019, the subsidiary accumulated trade tax loss carryforwards in the amount of 4,087,000 euros that are expected to be utilised in the coming years since a positive taxable income is expected due to increasing income from Fund Services. There are no taxable tempo-rary differences for the subsidiary.

During the observation period of the last three years, DBAG was subject to accumulated tax losses so that the Company had corporation tax loss carryforwards as at the reporting date in the amount of 94,728,000 euros (previous year: 89,663,000 euros) for which no deferred tax assets are recognised. Deferred tax liabilities on temporary differences exist in the amount of 749,000 euros (previous year: 614,000 euros) for financial assets and securities which were offset against deferred tax assets on temporary differences in the same amount. These deferred tax assets on temporary differences are mainly due to pension obligations, provisions for jubilee pay obligations and partial retirement as well as a provision for expenses. Based on the available Group medi-um-term planning, DBAG expects to generate moderate taxable profits in future. Since achieving the goals of the planning also depends on external factors, largely market influences that affect the performance or the disposal of investments, we did not recognise deferred tax assets.

None of the other fully-consolidated Group companies had temporary differences between IFRS measurement and the tax base in the financial year under review. In the case of one of these subsidiaries, there is an excess of deferred tax assets which was caused by trade tax loss carryforwards in the amount of 14,037,000 euros (previous year: 13,674,000 euros) Based on the conducted business activities and the tax treatment, it is not probable that, in future, there will be sufficient taxable profits to utilise the tax benefit. Therefore, we did not recognise deferred tax assets at this Group company.

As at 30 September 2019 – as in the previous year – there were neither deferred income tax assets nor deferred income tax liabilities that were directly offset against equity. By analogy, no income taxes are allocated to components of other comprehensive income.

The reconciliation of a corporation's tax charge that can be expected in theoretical terms to the amount actually recognised in DBAG's consolidated financial statements is as follows:

The reconciliation of a corporation's tax charge that can be expected in theoretical terms to the amount actually recognised in DBAG's consolidated financial statements is as follows:

€'000		2018/2019	2017/2018
			Restated[1]
Earnings before taxes		45,083	29,731
Applicable tax rate for corporations	%	31.925	31.925
Theoretical tax income/expenses		**14,393**	**9,492**
Change in theoretical tax income/expenses:			
Tax-exempt gain on valuation and disposal		(4,929)	(7,630)
Tax-exempt loss on valuation and disposal		5,246	3,432
Current income from financial assets		(9,974)	(3,629)
Non-deductible operating expenses		33	29
Effect from trade tax exemption		(7,652)	(2,513)
Effect from the utilisation of loss carry-forwards not recognised		0	(294)
Effect from unrecognised losses in the reporting year		860	0
Unrecognised deferred tax assets on tax loss carryforwards		935	914
Other effects		214	217
Income taxes		**(659)**	**18**
Tax rate	%	(1.46)	0.06

1 Restated in accordance with IAS 8 (see Note 4)

The expected tax rate for corporations is composed of corporation tax and a solidarity surcharge (15.825 per cent) as well as municipal trade tax (16.10 per cent) (also see explanations in Note 7 under the heading "Deferred taxes"). DBAG's tax rate remains unchanged at 15.825 per cent. As a special investment company, DBAG is exempt from municipal trade tax.

A main pillar of DBAG's business is the acquisition and disposal of investments alongside the DBAG funds. The investments largely are corporations. The tax effect in accordance with § 8b German Corporation Tax Act (Körperschaftsteuergesetz – KStG) amounts to 4.714,000 euros (previous year, restated: 7.630,000 euros).

Other effects comprise effects from tax rate differences of 36,000 euros (previous year: 217,000 euros).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

18. Intangible assets/property, plant and equipment

	Acquisition cost			
€'000	1 Oct 2018	Additions	Disposals	30 Sep 2019
Intangible assets	1,636	158	0	1,794
Property, plant and equipment	2,789	94	260	2,623
	4,425	**252**	**260**	**4,417**

	Depreciation, amortisation and impairment				Carrying amounts	
€'000	1 Oct 2018	Additions	Disposals	30 Sep 2019	30 Sep 2019	30 Sep 2018
Intangible assets	1,198	296	0	1,494	301	438
Property, plant and equipment	1,950	286	195	2,041	582	839
	3,148	**582**	**195**	**3,535**	**883**	**1,277**

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

Intangible assets were exclusively acquired against payment.

Depreciation, amortisation and impairment for the financial year exclusively comprised scheduled depreciation/amortisation. These were reported in the item "Other operating expenses" (see Note 14).

19. Financial assets

€'000	30 Sep 2019	30 Sept. 2018
		Restated[1]
Interests in investment entity subsidiaries	380,275	313,726
Interests in portfolio companies	4,937	4,828
International fund investments	406	303
Other financial assets	74	75
	385,693	**318,931**

1 Restated in accordance with IAS 8 (see Note 4)

Financial assets are measured at fair value through profit or loss (see Note 7).

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This item exhibited the following movements in the reporting period:

€'000	1 Oct 2018	Additions	Disposals	Changes in value	30 Sep 2019
Interests in investment entity subsidiaries	313,726	84,862	28,588	10,275	380,275
Interests in portfolio companies	4,828	0	272	382	4,937
International fund investments	303	0	0	104	406
Other financial assets	75	0	0	0	74
	318,931	**84,862**	**28,860**	**10,760**	**385,693**

€'000	1 Oct 2017	Additions	Disposals	Changes in value	30 Sep 2018
	Restated[1]			Restated[1]	Restated[1]
Interests in investment entity subsidiaries	245,142	73,502	23,230	18,313	313,726
Interests in portfolio companies	5,301	21	352	(141)	4,828
International fund investments	974	0	895	225	303
Other financial assets	77	0	0	(2)	75
	251,492	**73,523**	**24,478**	**18,394**	**318,931**

1 Restated in accordance with IAS 8 (see Note 4)

Additions of interests in investment entity subsidiaries refer to capital calls for investments in equity interests and for management fees.

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

The disposals of interests in portfolio companies refer to an investment that was liquidated.

The changes in fair value are recorded under the item "Net gain or loss from investment activities" in the consolidated statement of comprehensive income (see Note 10).

For further information on financial assets, we refer to the management report under the heading "Business and portfolio review".

20. Loans and receivables

€'000	2018/2019	2017/2018
At start of financial year	0	1,338
Additions	0	0
Derecognition	0	0
Reclassification	0	(1,443)
Change in value	0	105
At end of financial year	**0**	**0**

The receivables were reclassified because the residual term of the remaining balance of the purchase price receivable in connection with the sale of the investment in Clyde Bergemann GmbH fell below one year.

21. Loans and advances

€'000	30 Sep 2019	30 Sept. 2018
		Restated[1]
Receivables from co-investment vehicles	1,565	1,130
	1,565	**1,130**

1 Restated in accordance with IAS 8 (see Note 4)

Receivables from co-investment vehicles mainly consist of receivables from management fees (DBAG Fund VI and DBAG Fund VII) and from costs passed through (DBAG Fund VII).

22. Securities

Securities held as at 30 September 2019 had been exclusively acquired as investments of cash and cash equivalents not immediately required.

Classification of securities by term:

€'000	30 Sep 2019	30 Sep 2018
Long-term securities	0	55,458
Short-term securities	25,498	40,000
	25,498	**95,458**

Classification of securities by type:

€'000	30 Sep 2019	30 Sep 2018
Money-market funds	13,947	34,234
Fixed-income funds	11,551	28,102
Fixed-rate securities	0	33,122
	25,498	**95,458**

Money-market and fixed-income funds (collectively referred to as "retail funds") have been allocated to the category "Measured at fair value through profit or loss" since the beginning of the financial year (see Note 3 and Note 7).

Fixed-rate securities have been allocated to the category "Measured at fair value through other comprehensive income" since the beginning of the financial year (see Note 3 and Note 7).

The change compared to 30 September 2018 is largely due to the disposal of fixed-rate securities to finance capital calls.

The fixed-income funds include corporate bonds with issuer ratings that are predominantly investment grade. Due to the considerable diversification of the bonds and the credit rating of the issuers, the credit risk associated with the fund units is low.

The change in the fair value of the retail funds in the amount of 197,000 euros as at 30 September 2019 (previous year: in other comprehensive income: -36,000 euros) has been recognised in the consolidated statement of comprehensive income in net interest income since the beginning of the financial year.

23. Other financial instruments

€'000	30 Sep 2019	30 Sep 2018
Loans to co-investment vehicles	17,002	32,766
	17,002	**32,766**

Loans granted to co-investment vehicles refer to short-term loans to the DBAG Fund VII Group companies that were granted by DBAG as part of the structuring of the investment in new portfolio companies.

24. Tax assets and income tax liabilities

€'000	30 Sep 2019	30 Sep 2018
Tax assets		
Deferred tax assets	658	0
Claims on income tax refunds	5,833	345
Income tax liabilities	17	17

Income tax assets contain applicable taxes for the financial year 2018/2019 and the previous year.

Income tax liabilities relate to corporation tax and solidarity surcharge for the previous year since a positive taxable profit was determined which led to a tax burden after application of the minimum tax rule, despite the existing tax loss carryforwards.

Tax loss carryforwards were recognised in deferred taxes as follows:

€'000	30 Sep 2019	30 Sep 2018
Tax loss carryforwards for corporation tax	94,728	89,663
thereof usable	0	0
Tax loss carryforwards for trade tax	18,124	13,674
thereof usable	4,087	0

The usable trade tax loss carryforwards relate to a subsidiary for which deferred tax assets of 658,000 euros were recognised in the financial year 2018/2019.

No deferred taxes were recognised in relation to the remaining loss carryforwards; the same applies to deductible temporary differences in the amount of 20,791,000 euros (previous year: 14,884,000 euros).

25. Other current assets

€'000	30 Sep 2019	30 Sep 2018 Restated[1]
Receivables from Fund Services	6,368	3,817
Receivables from expenses that can be passed through	831	1,253
Receivables from DBAG funds	7,199	5,070
Purchase price receivable	1,666	1,534
Deposit on leaseholds	405	405
Interest receivables on securities	0	278
Value-added tax	1,161	346
Other loans and advances	119	208
	10,550	**7,840**

1 Restated in accordance with IAS 8 (see Note 4)

The receivables from Fund Services are mainly due from DBAG Fund VI and DBAG Fund VII.

The receivables from expenses that can be passed through are mainly due from DBAG ECF and DBAG Fund VII.

The purchase price receivable refers to the residual purchase price receivable from the sale of the investment in Clyde Bergemann GmbH.

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

Other receivables mainly contain prepaid expenses.

26. Equity

Share capital/number of shares

€'000	2018/2019	2017/2018
At start of financial year	53,387	53,387
Additions	0	0
Stand zum Geschäftsjahresende	**53,387**	**53,387**

All DBAG shares in the financial year 2018/2019 are no-par value registered shares. Each share is entitled to one vote.

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

The subscribed capital (share capital) is divided into 15,043,994 no-par-value shares. The notional interest in the share capital amounts to approximately 3.55 euros per share.

Authorised capital

On 22 February 2017, the Annual General Meeting authorised the Board of Management to increase the share capital of the Company, with the consent of the Supervisory Board, until 21 February 2022 by up to a total of 13,346,664.33 euros through one or more issues of new no-par value registered shares in exchange for cash or non-cash contributions (Authorised Capital 2017). As a prerequisite, the number of shares has to increase by the same ratio as the share capital. In the financial year 2018/2019, the Board of Management did not make use of this authorisation.

Purchase of treasury shares

By way of a resolution passed by the Annual General Meeting held on 21 February 2018, the Board of Management is authorised up to 20 February 2023, subject to the consent of the Supervisory Board, to acquire treasury shares for purposes other than trading in treasury shares up to a maximum volume of 10% of the existing share capital in the amount of 53,386,664.43 euros at the time when the Annual General Meeting is held or – if this value is lower – of the share capital existing at the time of exercising this authorisation. In the financial year 2018/2019, the Board of Management did not make use of this authorisation.

Conditional capital

The Board of Management is authorised, subject to the consent of the Supervisory Board, to issue on one or more occasions in the period up to 21 February 2022 warrant-linked bonds and/or convertible bonds in bearer or registered form (together referred to as "bonds") with a limited or an unlimited term in a total nominal amount of up to 140,000,000.00 euros. It is also authorised to grant holders of warrant-linked bonds warrants, and the holders or creditors of convertible bonds conversion rights (or to impose conversion obligations, if applicable), to acquire registered shares in the Company with a proportionate interest in the share capital of up to 13,346,664.33 euros under the terms and conditions specified for the warrant-linked bonds or convertible bonds (jointly referred to as "bond conditions").

As an alternative to the issuance in euro, the bonds may also be issued in any currency which is the legal tender of an OECD member state (limited, however, by the equivalent value in euro).

The bonds may also be issued by companies in which the Company directly or indirectly holds a majority stake. In such an event, the Board of Management shall be authorised, subject to the consent of the Supervisory Board, to assume the guarantee for the bonds on behalf of the Company and to grant the holders and/or creditors of such bonds option or conversion rights (or to impose conversion obligations) to acquire no-par value registered shares in the Company. In the financial year 2018/2019, the Board of Management did not make use of this authorisation.

Capital reserves

€'000	2018/2019	2017/2018
At start of financial year	173,762	173,762
Additions	0	0
At end of financial year	**173.762**	**173,762**

As before, the capital reserve comprises amounts received in the issuance of shares in excess of nominal value

Retained earnings and other reserves

Retained earnings and other reserves comprise

- the legal reserve as stipulated by German stock corporation law,
- first-time adopter effects from the IFRS opening statement of financial position as at 1 November 2003,
- the reserve for actuarial gains/losses from defined benefit pension plans/plan assets (see Note 29) as well as
- effects from the first-time application of IFRS 9 (see Note 3).

Consolidated retained profit

The Annual General Meeting on 21 February 2019 resolved to use the net retained profit (Bilanzgewinn) for the financial year 2017/2018 of 170,766,135.32 euros to pay a dividend of 1.45 euro per no-par value share on the 15,043,994 shares with dividend entitlement. The remainder of the retained profit (148,952,344.02 euros) was carried forward to new account.

€'000	**2018/2019**	2017/2018
Total distribution	21,813,791.30	21,061,591.60

The net retained profit of DBAG as reported in the separate financial statements as at 30 September 2019 in accordance with HGB amounts to 178,080,010.68 euros (previous year: 170,766,135.32 euros).

At the Annual General Meeting, the Board of Management and the Supervisory Board will propose to pay a dividend of 1.50 euros per share for the financial year 2018/2019.

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

27. Liabilities to non-controlling interests

€'000	**2018/2019**	2017/2018
At start of financial year	180	148
Additions	0	22
Derecognition	11	16
Share of earnings	(114)	26
At end of financial year	**55**	**180**

Liabilities to non-controlling interests include interests in capital and earnings attributable to non-controlling interests. DBAG does not hold the majority of the voting rights in the case of AIFM-DBG Fund VII Management (Guernsey) LP, DBG Advising GmbH & Co. KG, DBG Fund VI GP (Guernsey) LP, DBG Management GP (Guernsey) Ltd., DBG Managing Partner GmbH & Co. KG and European PE Opportunity Manager LP (see Note 5.2).

28. Other provisions

€'000	1 Oct 2018	Utilisation	Reversals	Additions	**30 Sep 2019**
Personnel-related obligations	8,010	7,078	56	8,353	9,230
Expert opinions and other advisory services	114	61	53	212	212
Auditing fees	358	315	23	155	175
Costs for annual report and general meeting	390	365	25	399	399
Tax advisory expenses	100	64	3	136	168
Other	237	246	4	366	354
	9,209	**8,129**	**164**	**9,621**	**10,538**

The provisions for personnel-related obligations mainly contain variable remuneration in the amount of 7,232,000 euros (previous year, restated: 6,521,000 euros). Of that amount, 6,591,000 euros (previous year, restated: 5,608,000 euros) are attributable to performance-related remuneration for the past financial year; an additional amount of 641,000 euros (previous year: 912,000 euros) refers to transaction-related remuneration (see Note 12). Corresponding provisions have been recognised for transaction-related remuneration since the financial year 2005/2006. In the reporting year, 618,000 euros were paid out of that amount.

The provisions for expert opinions and other advisory services result from advisory expenses due to regulatory requirements.

The item "Other" mainly includes provisions for external staff, process optimisation, IT projects and events.

As at 30 September 2019, there was a non-current provision for personnel-related obligations in the amount of 28,000 euros (previous year: nil euros) in connection with a partial retirement agreement. There were no other non-current provisions.

29. Pension obligations and plan assets

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

€'000	30 Sep 2019	30 Sept. 2018
Present value of pension obligations	44,210	36,171
Fair value of plan assets	(24,617)	(23,962)
Provisions for pension obligations	**19,593**	**12,209**

The present value of the pension obligations changed as follows:

€'000	2018/2019	2017/2018
Present value of pension obligations at start of financial year	36,171	35,831
Interest expense	541	540
Service cost	420	439
Benefits paid	(898)	(868)
Actuarial gains (-) / losses (+)	7,976	229
Present value of pension obligations at end of financial year	**44,210**	**36,171**

An amount of 6,508,000 euros (previous year: 51,000 euros) of the loss of 7,976,000 euros (previous year: loss of 229,000 euros) is attributable to the significant decline of the discount rate. The discount rate amounted to 0.47 per cent as at the reporting date, compared to 1.54 per cent in the previous year. Further effects resulted from experience adjustment in the amount of 1,126,000 euros (previous year: 178,000 euros) as well as from changes in demographic assumptions in the amount of 342,000 euros (previous year: nil euros).

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

		30 Sep 2019	30 Sept. 2018
Discount rate (%)	%	0.47	1.54
Salary trend (incl. career trend)	%	2.50	2.50
Pension trend (%)	%	2.00	2.00
Life expectancy based on modified mortality tables by Prof. Dr Klaus Heubeck		2018G	2005G
Increase in income threshold for state pension plan	%	2.00	2.00

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

As of 30 September 2019, DBAG applied the new mortality tables issued by Prof Dr Heubeck (RT 2018G) for the first time. The company-specific modification of the mortality tables introduced in October 2013 continues to be used in order to account for the particularities of the beneficiaries of DBAG Group's defined benefit plans and individual commitments. A comparison with similar groups of individuals revealed an average longer life expectancy of three years for the DBAG scheme members and beneficiaries. The effect resulting from the application of the new mortality tables amounts to 342,000 euros.

As at 30 September 2019, the weighted average term of defined benefit obligations was 15.6 years (previous year: 14.4 years).

Plan assets developed as follows during the past financial year:

€'000	2018/2019	2017/2018
Fair value of plan assets at start of financial year	23,962	24,508
Expected interest income	369	380
Gains (+)/losses (-) from the difference between actual and expected return on plan assets	286	-927
Fair value of plan assets at end of financial year	**24,617**	**23,962**

The gain of 286,000 euros in the financial year 2018/2019 (previous year: loss of 927,000 euros) results from the increase in the fair value of plan assets as well as the application of the same interest rate that is also used to determine the present value of pension obligations.

The following amounts were recognised in net income:

€'000	2018/2019	2017/2018
Service cost	420	439
Interest expense	541	540
Expected interest income from plan assets	(369)	(380)
	591	**599**

The service cost is shown under personnel expenses.

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

Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset) – reported in other comprehensive income – developed as follows in the financial year 2018/2019:

€'000	2018/2019	2017/2018
Actuarial gains (+)/losses (-) at start of financial year	(22.760)	(21.605)
Gains (+)/losses (-) from the difference between actual and expected return on plan assets	286	(927)
Actuarial gains (+)/losses (-) from changes in the present value of pension obligations	(7.976)	(229)
Actuarial gains (+)/losses (-) at end of financial year	**(30.450)**	**(22.760)**

Amount, timing and uncertainty of future cash flows

DBAG is exposed to risks arising from pension obligations for defined benefit plans and individual commitments. These risks are mainly associated with changes in the present value of pension obligations as well as the development of the fair value of plan assets.

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

€'000	30 Sep 2019	30 Sep 2018
Discount rate		
Increase by 50 bps	(3,250)	2,710
Decrease by 50 bps	3,682	(2,417)
Average life expectancy		
Increase by 1 year	(1,668)	(1,210)
Decrease by 1 year	1,714	1,234

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

Since February 2015, the plan assets have been invested in a special fund. This special fund has an unlimited term and is managed based on a capital investment strategy with a long-term horizon aiming at capital preservation. The objective of the investment strategy is to generate returns that at least correspond to the discount rate.

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

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

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

30. Other current liabilities

€'000	30 Sep 2019	30 Sep 2018
		Restated[1]
Liabilities to co-investment vehicles	46	9,712
Advance management fees	0	4.099
Trade payables	358	1.003
Liabilities to investments	0	93
Other liabilities	857	1.008
	1,260	**15,913**

1 Restated in accordance with IAS 8 (see Note 4)

In the previous year, the liabilities to co-investment vehicles related to a capital call of DBAG ECF II for a new investment paid at the beginning of the financial year 2018/2019.

Other current liabilities largely relate to liabilities for wage taxes.

31. Other financial commitments, contingent liabilities and trusteeships

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

€'000	30 Sep 2019	30 Sep 2018
Call commitments	965	1,169
Permanent debt obligations	2,065	2,974
	3,030	**4,143**

Possible call commitments relate to the international fund that may draw down additional funding for investments and costs.

The maturities of the permanent debt obligations as at 30 September 2019 are shown in the following table:

€'000	< 1 year	1 – 5 years	> 5 years	**Total**
Permanent debt obligations	1,251	814	0	**2,065**
thereof rental contracts	803	602	0	**1,406**

There were no contingent liabilities as at 30 September 2019.

Trust assets amounted to 4,916,000 euros as at the reporting date (previous year: 12,340,000 euros). Of that amount, 4,912,000 euros (previous year: 6,096,000 euros) were attributable to the management of trust accounts for purchase price settlements. Trust liabilities existed in the same amount. DBAG does not generate any income from trustee activities.

32. Notes to the consolidated statement of cash flows

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

Proceeds and payments relating to financial assets and to loans and receivables are recorded in cash flows from investing activities instead of in cash flows from operating activities, since this classification gives a more faithful representation of DBAG's business model. For this purpose, the line item "Cash flow from Investment Activity" has been presented as a subtotal since the financial year 2018/2019.

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

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

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

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

OTHER DISCLOSURES

33. Financial risks

The DBAG Group is exposed to financial risks that arise from its investment activities in portfolio companies and from other financial instruments. As a result of these financial risks, the value of assets and/or profits may decline and/or profits may be reduced. These risks are not hedged by DBAG. Consequently, the provisions for hedge accounting are not applied.

The following section describes the financial risks, as well as objectives and methods of DBAG's risk management. There have been no changes compared to the previous year.

33.1 Market risk

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

33.1.1 Currency risk

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

Extent of currency risk and exchange rate sensitivity

Financial assets are exposed to US dollar exchange rate risk in the amount of 21,850,000 euros (previous year: 22,067,000 euros), to Swiss franc exchange rate risk of 33,633,000 euros (previous year: 35,564,000 euros), to an exchange rate risk against British pound sterling of 6,945,000 euros (previous year: 5,997,000 euros) and to Danish krone exchange rate risk of 1,655,000 euros (previous year: 3,860,000 euros). The effect on profit or loss resulting from taking into account changes in the fair value of financial assets amounts to 1,294,000 euros (previous year: 814,000 euros).

An increase or decrease of the exchange rates by ten per cent would result in a decrease or increase of net income and Group equity by 6,408,000 euros (previous year: 6,749,000 euros) exclusively due to currency translation.

Currency risk management

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

33.1.2 Interest rate risk

Changes in the interest rate level primarily affect income generated from investing financial resources (sum total of cash and cash and cash equivalents and securities) as well as the fair values of the portfolio companies and international fund investments measured using the DCF method. The changes in the interest rate level also influence the profitability of portfolio companies.

Extent of interest rate risk and interest rate sensitivity

Financial resources (cash and cash equivalents including securities) amount to 69,432,000 euros (previous year: 119,029,000 euros). There was no (previous year: no) interest income from investment. This credit line was not drawn upon during the year under review. An amount of 17,434,000 euros (previous year: 30,240,000 euros) of the financial assets was attributable to investments measured using the DCF method.

In relation to the portfolio companies and international fund investments measured using the DCF method, an increase or decrease of the reference interest rate by 100 basis points overall would result in a decrease or increase of net income and Group equity in the amount of 579,000 euros (previous year: 853,000 euros).

Interest rate risk management

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

33.1.3 Other price risks

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

Extent of other price risks and sensitivity

Financial assets are measured at fair value through profit or loss. The net result of valuation amounts to 9,662,000 euros (previous year, restated: 20,677,000 euros).

The sensitivity of measurement is largely determined by multiples used to determine the fair value of Level 3 financial instruments. In case of a change in the multiples by +/- 0.1, the fair value of the Level 3 financial instruments, ceteris paribus, would have to be adjusted by 2,498,000 euros (previous year, restated: 2,084,000 euros) (see Note 34.2 and Note 9, based on a change by +/- 1).

Management of other price risks

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

For information on risk management, we refer to the discussions in the combined management report in the "Opportunities and risks" section.

33.2 Liquidity risk

There is currently no liquidity risk identifiable for DBAG. Freely available cash and cash equivalents amount to 43,934,000 euros (previous year: 23,571,000 euros). Including securities in the amount of 25,498,000 euros (previous year: 95,458,000 euros) and an existing credit line of 50,000,000 euros (previous year: 50,000,000 euros), DBAG has financial resources of 119,432,000 euros (previous year: 169,029,000 euros). As a result of the very strong credit rating of the issuers and the short duration, it is assumed for the securities that they can be sold at short notice if required.

Other current liabilities in the amount of 1,260,000 euros (previous year, restated: 15,913,000 euros) are due within one year. The co-investment agreements alongside the DBAG funds amount to 129,733,000 euros (previous year: 198,477,000 euros).

DBAG expects that it will be able to cover the shortfall of 9,040,000 euros (previous year: 13,534,000 euros) by cash inflows from the disposal of portfolio companies.

33.3 Default risk

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

Extent of default risk

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

€'000	30 Sep 2019	30 Sep 2018 Restated[1]
Financial assets	385,693	318,931
thereof primary financial instruments	385,693	318,931
Loans and advances	1,565	1,130
Securities	25,498	95,458
Cash and cash equivalents	43,934	23,571
Other financial instruments	17,002	32,766
Other current assets[2]	9,410	7,427
	483,101	**479,284**

1 Restated in accordance with IAS 8 (see Note 4)
2 Excluding deferred items, value-added tax and other items in the amount of 1,141,000 euros (previous year, restated: 413,000 euros).

Management of default risk

Financial assets and other financial instruments: the management of default risk is described in the combined management report under "External risks".

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

Securities: this item includes shares in mutual funds (money market and fixed income funds) with the highest credit ratings. It is assumed that these securities are subject to only a very low credit risk.

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

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

34. Financial instruments

CARRYING AMOUNT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (IFRS 9)

€'000	Carrying amont 30 Sep 2019	Fair value 30 Sep 2019
Financial assets measured at fair value through profit or loss		
Financial assets	385,693	385,693
thereof primary financial instruments	385,693	385,693
Other financial instruments	17,002	17,002
Securities		
Money-market funds	13,947	13,947
Fixed-income funds	11,551	11,551
	428,192	**428,192**
Financial assets at amortised cost		
Receivables	1,565	1,565
Cash and cash equivalents	43,934	43,934
Other current assets[1]	9,410	9,410
	54,909	**54,909**
Other financial liabilities		
Liabilities to non-controlling interests	55	55

1 Excluding deferred items, value-added tax and other items in the amount of 1,141,000 euros.

CARRYING AMOUNT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (IFRS 9)

€'000	Carrying amont 30 Sep 2019	Fair value 30 Sep 2019
	Restated[1]	Restated[1]
Financial assets measured at fair value through profit or loss		
Financial assets	318,931	318,931
thereof primary financial instruments	318,931	318,931
	318,931	**318,931**
Available-for-sale financial assets		
Long-term securities	55,458	55,458
Short-term securities	40,000	40,000
	95,458	**95,458**
Loans and receivables		
Receivables	1,130	1,130
Other financial instruments	32,766	32,766
Cash and cash equivalents	23,571	23,571
Other current assets[2]	7,427	7,427
	64,895	**64,895**
Other financial liabilities		
Liabilities to non-controlling interests	180	180

1 Restated in accordance with IAS 8 (see Note 4)
2 Excluding deferred items, value-added tax and other items in the amount of 413,000 euros.

Financial assets that are measured at fair value through profit or loss comprise financial instruments that were allocated to the investment business upon the transition to IFRS 9, as well as those whose cash flows do not solely consist of payment of principal and interest.

There were no financial assets measured at fair value through other comprehensive income.

The financial assets measured at amortised cost mainly include receivables from the DBAG funds as well as a purchase price receivable. Save for one receivable, they are all of good credit quality and are largely unsecured.

Until 30 September 2018, impairments were only recognised when there was objective evidence that the obligors would not be able to meet their future payment obligations. Accordingly, only one receivable in the amount of 41,000 euros was fully impaired in the financial year 2017/2018.

Since 1 October 2018, loss allowance for potential future impairments is already recorded upon the addition of an asset. As at the reporting date, the loss allowance for financial assets measured at amortised cost amounted to 58,000 euros (1 October 2018: 63,000 euros, see Note 3).

34.1 Disclosures on the hierarchy of financial instruments

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

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

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

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

The financial instruments measured at fair value on a recurring basis can be classified as follows:

MEASUREMENT HIERARCHY FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE (IFRS 9)

€'000	**Fair value 30 Sep 2019**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value through profit or loss				
Financial assets	385,693	0	0	385,693
Other financial instruments	17,002	0	0	17,002
Securities				
Money-market funds	13,947	0	13,947	0
Fixed-income funds	11,551	0	11,551	0
	428,192	**0**	**25,498**	**402,694**

MEASUREMENT HIERARCHY FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE (IAS 39)

€'000	Fair value 30 Sep 2018	Level 1	Level 2	Level 3
	Restated[1]			
Financial assets measured at fair value through profit or loss				
Financial assets	**318,931**	**0**	**0**	**318,931**
Available-for-sale financial assets				
Long-term securities	55,458	0	55,458	0
Short-term securities	40,000	0	40,000	0
	95,458	**0**	**95,458**	**0**
	414,389	**0**	**95,458**	**318,931**

1 Restated in accordance with IAS 8 (see Note 4)

Level 2 securities relate to fund assets with the highest credit ratings, the liquidity of which is limited due to their trading in the secondary market. Bonds of domestic issuers still held as at 30 September 2018 were sold in the year under review.

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

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

CLASSIFICATION OF LEVEL 3 FINANCIAL INSTRUMENTS

€'000	Interests in investment entity subsidiaries	Interests in portfolio companies	International fund investments	Other	**Total**
30 Sep 2019					
Financial assets	380,275	4,937	406	74	**385,693**
Other financial instruments	17,002	0	0	0	**17,002**
	397,276	4,937	406	74	**402,694**
30 Sep 2018 Restated[1]					
Financial assets	**313,726**	**4,828**	**303**	**75**	**318,931**

1 Restated in accordance with IAS 8 (see Note 4)

The following tables show the changes in Level 3 financial instruments in the year under review and in the previous year, respectively:

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

€'000	1 Oct 2018	Additions	Disposals	Changes in value	**30 Sep 2019**
Financial assets					
Interests in investment entity subsidiaries	313,726	84,862	18,110	(202)	380,275
Interests in portfolio companies	4,828	0	272	382	4,937
International fund investments	303	0	0	104	406
Others	75	0	0	1	74
	318,931	**84,862**	**18,384**	**284**	**385,693**

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

€'000	1 Oct 2017	Additions	Disposals	Changes in value	30 Sep 2018
	Restated[1]			Restated[1]	Restated[1]
Financial assets					
Interests in investment entity subsidiaries	245,142	73,502	23,230	18,313	313,726
Interests in portfolio companies	4,948	21	0	(141)	4,828
International fund investments	974	0	895	225	303
Others	77	0	0	(2)	75
	251,140	**73,523**	**24,126**	**18,394**	**318,931**

1 Restated in accordance with IAS 8 (see Note 4)

The profit in the amount of 10,760,000 euros (previous year restated: 18,394,000 euros) is recognised in the net gain or loss from investment activities.

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

The possible ranges for unobservable inputs regarding Level 3 financial instruments are as follows:

RANGES FOR UNOBSERVABLE INPUTS

€'000	**Fair value 30 Sep 2019**	Valuation method	Unobservable input	Range
Financial assets				
Interests in investment entity subsidiaries	380,275	Net asset value[1]	Average EBITDA/EBITA margin	2% to 43%
			Net debt[2] to EBITDA	(1,3) to 6,6
			Multiples discount	0% to 20%
Interests in portfolio companies	4,937	Multiples method	Average EBITDA/EBITA margin	7%
			Net debt[2] to EBITDA	1.6
			Multiples discount	0%
International fund investments	406	DCF	n/a	n/a
Other	74	Net asset value	n/a	n/a
	385,693			

1 The net asset value is determined using the sum-of-the-parts method. If the multiples method is used for the investments included therein, the same unobservable inputs are used as those for calculating the fair value of interests in portfolio companies (see Note 7).
2 Net debt of portfolio company

RANGES FOR UNOBSERVABLE INPUTS

€'000	Fair value 30 Sep 2018	Valuation method	Unobservable input	Range
	Restated[3]			
Financial assets				
Interests in investment entity subsidiaries	313,726	Net asset value[1]	Average EBITDA/EBITA margin	2% to 35%
			Net debt[2] to EBITDA	(3,4) to 6
			Multiples discount	0% to 20%
Interests in portfolio companies	4,828	Multiples method	Average EBITDA/EBITA margin	7%
			Net debt[2] to EBITDA	2.5
			Multiples discount	0%
International fund investments	303	DCF	n/a	n/a
Other	75	Net asset value	n/a	n/a
	318,931			

1 See footnote 1 in the preceding table
2 See footnote 2 in the preceding table
3 Restated in accordance with IAS 8 (see Note 4)

In our view, the change in unobservable inputs used for calculating the fair value of Level 3 financial instruments has the following effects on measurement amounts:

RANGES OF UNOBSERVABLE INPUTS

€'000	**Fair value 30 Sep 2019**	Change in unobservable inputs		Change in fair value
Financial assets[1]				
Interests in investment entity subsidiaries	380,275	EBITDA and EBITA	+/- 10%	32,742
		Net debt	+/- 10%	11,334
		Multiples discount	+/- 5 percentage points	3,175
Interests in portfolio companies	4,937	EBITDA and EBITA	+/- 10%	1,811
		Net debt	+/- 10%	482
		Multiples discount	+/- 5 percentage points	0
International fund investments	406		n/a	n/a
Other	74		n/a	n/a
	385,693			

1 In the case of recent newly-acquired investments, a change in the unobservable inputs has no effect on the fair value.

RANGES FOR UNOBSERVABLE INPUTS

€'000	Fair value 30 Sep 2018	Change in unobservable inputs		Change in fair value
	Restated[1]			
Financial assets[2]				
Interests in investment entity subsidiaries	313,726	EBITDA and EBITA	+/- 10%	22,450
		Net debt	+/- 10%	5,566
		Multiples discount	+/- 5 percentage points	1,145
Interests in portfolio companies	4,828	EBITDA and EBITA	+/- 10%	1,978
		Net debt	+/- 10%	777
		Multiples discount	+/- 5 percentage points	0
International fund investments	303		n/a	n/a
Other	75		n/a	n/a
	318,931			

1 Restated in accordance with IAS 8 (see Note 4)
2 See footnote 1 in the preceding table

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

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

The net gain or loss on financial instruments measured at fair value comprise fair value changes recognised through profit or loss, realised gains or losses from the disposal of financial instruments, as well as exchange rate changes.

The following net gains or losses on financial assets recognised at fair value are included in the consolidated statement of comprehensive income:

NET GAIN OR LOSS FROM FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

€'000	2018/2019	Level 1	Level 2	Level 3	2017/2018 Restated[1]	Level 1	Level 2	Level 3
Net gain or loss from investment activities	49,629	0	0	49,629	31,098	0	0	31,098
Other operating income	319	0	0	319	0	0	0	0
Other operating expenses	0	0	0	0	0	0	0	0
Interest income	535	0	0	535	313	0	0	313
	50,482	**0**	**0**	**50,482**	**31,411**	**0**	**0**	**31,411**

1 Restated in accordance with IAS 8 (see Note 4)

NET GAIN OR LOSS FROM FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME[1]

€'000	2018/2019	Level 1	Level 2	Level 3	2017/2018	Level 1	Level 2	Level 3
Other operating income	272	0	272	0	17	0	17	0
Other operating expenses	(193)	0	(193)	0	(79)	0	(79)	0
Other income/expense items	**79**	**0**	**79**	**0**	**(62)**	**0**	**(62)**	**0**
Unrealised gains (+)/losses (-) on available-for-sale securities	0	0	0	0	(47)	0	(47)	0
Net result of valuation and disposal	0	0	0	0	(47)	0	(47)	0
Interest income	**197**	**0**	**197**	**0**	**(18)**	**0**	**(18)**	**0**

1 Previous year: Net gain or loss from available-for-sale financial assets

All securities measured at fair value through other comprehensive income were sold in the year under review. Overall, this resulted in a realised net loss of 19,000 euros.

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

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

NET GAIN OR LOSS ON FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

€'000	2018/2019	Level 1	Level 2	Level 3	2017/2018 Restated[1]	Level 1	Level 2	Level 3
Net gain or loss from investment activities	0	0	0	0	0	0	0	0
Income from Fund Services	26,970	0	0	26,970	28,855	0	0	28,855
Income from Fund Services and investment activities	**26,970**	**0**	**0**	**26,970**	**28,855**	**0**	**0**	**28,855**
Other operating income	4,862	0	0	4,862	2,914	0	0	2,914
Other operating expenses	(6,102)	0	0	(6,102)	(4,215)	0	0	(4,215)
Net interest income	552	0	0	552	305	0	0	305
Total other income/expense items	**(688)**	**0**	**0**	**(688)**	**(997)**	**0**	**0**	**(997)**

1 Restated in accordance with IAS 8 (see Note 4)

35. Capital management

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

The amount of equity is managed on a long-term basis by distributions and share repurchases and, if appropriate, by capital increases.

Overall, the capital of DBAG consists of the following components:

€'000	30 Sep 2019	30 Sep 2018
		Restated[1]
Liabilities		
Liabilities to non-controlling interests	55	180
Provisions	30,131	21,419
Other liabilities	1,277	15,930
	31,463	**37,529**
Equity		
Subscribed capital	53,387	53,387
Reserves	159,734	167,431
Consolidated retained profit	247,031	222,973
	460,152	**443,790**
Equity as a proportion of total capital %	93.60	92.20

1 Restated in accordance with IAS 8 (see Note 4)

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

36. Earnings per share based on IAS 33

		2018/2019	2017/2018
			Restated[1]
Net income	€'000	45,856	29,688
Number of shares at the reporting date 30 September		15,043,994	15,043,994
Number of shares outstanding at the reporting date 30 September		15,043,994	15,043,994
Average number of shares outstanding		15,043,994	15,043,994
Basic and diluted earnings per share	€	3.05	1.97

1 Restated in accordance with IAS 8 (see Note 4)

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

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

37. Disclosures on segment reporting

DBAG's business policy is geared towards augmenting the Company's value over the long term through successful investments in portfolio companies, in conjunction with sustainable income from Fund Services. The investments are mainly entered into as co-investor alongside DBAG funds, either as majority investments by way of management buyouts (MBOs) or minority investments aimed at financing growth.

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

SEGMENT REPORTING FROM 1 OCTOBER 2018 TO 30 SEPTEMBER 2019

€'000	Private Equity Investments	Fund Investment Services	Group reconciliation1[1]	Group 2018/2019
Net gain or loss from investment activities	49,629	0	0	49,629
Income from Fund Services	0	28,181	(1,211)	26,970
Income from Fund Services and investment activities	**49,629**	**28,181**	**(1,211)**	**76,599**
Other income/expense items	(7,578)	(25,148)	1,211	(31,515)
Earnings before tax (segment result)	**42,050**	**3,033**	**0**	**45,083**
Income taxes				659
Earnings after taxes				**45,742**
Net gain or loss attributable to non-controlling interests				114
Net income				**45,856**
Financial assets and loans and receivables	385,693			
Other financial instruments	17,002			
Financial resources[2]	69,432			
Net asset value	**472,126**			
Assets under management or advisory[3]		**1,704,434**		

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

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

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

SEGMENT REPORTING FROM 1 OCTOBER 2017 TO 30 SEPTEMBER 2018

€'000	Private Equity Investments	Fund Investment Services	Group reconciliation1[1]	Group 2017/2018
				Restated[4]
Net gain or loss from investment activities	31,098	0	0	31,098
Income from Fund Services	0	29,707	(852)	28,855
Income from Fund Services and investment activities	**31,098**	**29,707**	**(852)**	**59,953**
Other income/expense items	(6,936)	(24,138)	852	(30,222)
Earnings before tax (segment result)	**24,163**	**5,568**	**0**	**29,731**
Income taxes				(18)
Earnings after tax				**29,714**
Net gain or loss attributable to non-controlling interests				(25)
Net income				**29,688**
Financial assets and loans and receivables	318,931			
Other financial instruments	32,766			
Financial resources[2]	119,029			
Net asset value	**470,727**			
Assets under management or advisory[3]		**1,831,378**		

1 See footnote 1 in the preceding table

2 See footnote 2 in the preceding table

3 See footnote 3 in the preceding table

4 Restated in accordance with IAS 8 (see Note 4)

Products and services

DBAG invests in companies as a co-investor alongside DBAG funds by way of majority or minority investments. We basically structure majority investments as so-called management buyouts (MBO). Growth financing is made by way of a minority investment, for example via a capital increase. Within the scope of its investment activities, DBAG achieved a net result of valuation and disposal as well as current income from financial assets and loans and receivables totalling 49,629,000 euros (previous year, restated: 31,098,000 euros). Income from Fund Services amounted to 26,970,000 euros in the reporting year (previous year, restated: 28,855,000 euros).

Geographical activities and sector focus

Geographically, we concentrate our co-investments primarily on companies domiciled in German-speaking regions. Of the net income from investment activities, 53,293,000 euros (previous year, restated: 28,608,000 euros) are attributable to companies domiciled in German-speaking countries, and -3,664,000 euros (previous year, restated: 2,490,000 euros) to companies located in the rest of the world.

DBAG co-invests alongside the DBAG funds primarily in companies operating in the sectors of automotive sup-pliers, industrial services, industrial components as well as machine and plant engineering (DBAG's core sec-tors). It also co-invests in the sectors of broadband telecommunications, software and IT services, and healthcare (focus sectors) as well as in other sectors such as services and consumer goods. Further information on the focus sectors can be found in the management report under the heading "Investments in mid-market German companies with potential for development". Net result of valuation and disposal as well as current income from financial assets are presented separately by industries of the core sectors; focus sectors and other industries are combined in the following table:

€'000	Automotive suppliers	Industrial services	Industrial components	Machine and plant engineering	Other	**Total**
30 Sep 2019						
Interests in investment entity subsidiaries	111	(7,263)	(3,866)	(8,984)	67,896	47,894
Interests in portfolio companies	0	0	0	0	1,632	1,632
International fund investments	0	0	0	0	104	104
Other	0	0	0	0	(1)	(1)
	111	**(7,263)**	**(3,866)**	**(8,984)**	**69,631**	**49,629**
30 Sep 2018 Restated[1]						
Interests in investment entity subsidiaries	(2,989)	5,305	12,429	4,710	8,748	28,204
Interests in portfolio companies	0	0	0	0	609	609
International fund investments	0	0	0	0	2,386	2,386
Other	0	0	0	0	(100)	(100)
	(2,989)	**5,305**	**12,429**	**4,710**	**11,643**	**31,098**

1 Restated in accordance with IAS 8 (see Note 4)

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

Significant customers

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

DBAG generates its Fund Services income from investors, none of whom account for more than ten per cent of DBAG's total income.

38. Declaration of Compliance with the German Corporate Governance Code

A "Declaration of Compliance" pursuant to § 161 of the German Stock Corporation Act (Aktiengesetz – AktG) was submitted by the Board of Management and the Supervisory Board of Deutsche Beteiligungs AG and is permanently accessible to shareholders at DBAG's website[1].

39. Disclosures on related parties

Related companies within the meaning of IAS 24 are: (i) investment entity subsidiaries (see Note 5.3) and the indirectly held investments according to the list of subsidiaries and associates in Note 44, (ii) other unconsolidated subsidiaries of DBAG (see Note 5.5) and (iii) unconsolidated structured entities of DBAG (see Note 5.6).

Related persons, within the meaning of IAS 24, are key management personnel. At DBAG, these include all current members of the Board of Management, senior executives and the members of DBAG's Supervisory Board.

Income and expenses, receivables and liabilities from Fund Services

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

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

The management companies receive advisory services from DBG Advising GmbH & Co. KG, and pay an advisory fee for these services.

The fees received from these activities – including amounts received from DBAG fund investors – are recognised in the item "Income from Fund Services" (see Note 11). In the year under review, income from Fund Services consisted of income from co-investment vehicles in the amount of 5,306,000 euros (previous year: 5,513,000 euros) and income from the DBAG funds in the amount of 21,434,000 euros (previous year: 23,155,000 euros). Fees paid by DBAG are also recognised in the „Net gain or loss from investment activities" items, reducing value (see Note 10).

As at the reporting date, receivables from management fees against DBAG funds amounted to 6,368,000 euros (previous year: 3,817,000 euros, see Note 21), while receivables from management fees against investment entity subsidiaries amounted to 1,565,000 euros (previous year: 1,091,000 euros, see Note 21). As at the reporting date, no advance management fees were paid by DBAG funds or co-investment vehicles (previous year: 3,176,000 euros or 923,000 euros, respectively; see Note 30).

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

DBAG itself holds a capital interest of 20 per cent in the fully-consolidated DBG Managing Partner GmbH & Co. KG. The remaining 80 per cent (previous year: 80 per cent) is held by the two Board of Management members who are part of the investment team, and by two senior executives. Income from the interest on their capital accounts amounts to 236 euros per year. The interests in the general partner of DBG Managing Partner GmbH & Co. KG are held by DBG Managing Partner GmbH & Co. KG itself. The general partner receives an annual liability fee in the amount of 3,125 euros.

DBAG itself holds a capital interest of 20 per cent in the fully-consolidated DBG Advising GmbH & Co. KG. The remaining 80 per cent (previous year: 80 per cent) is held by the two Board of Management members who are part of the investment team, and by two senior executives. Income from the interest on their capital accounts amounts to 113 euros (previous year: 101 euros). The interests in the general partner of DBG Advising GmbH & Co. KG are held by DBG Advising GmbH & Co. KG itself. The general partner receives an annual liability fee in the amount of 3,125 euros.

1 https://www.dbag.de/investor-relations/corporate-governance/declarations-of-conformity

For more information on the interests held by the two members of the Board of Management and the two senior executives, we refer to Note 27.

Relationships to co-investment vehicles

Within the scope of structuring the investments in new portfolio companies, short-term loans are granted to the co-investment vehicles. These are reported in the item “Other financial instruments” (see Note 23); any resulting interest income is recognised in net interest income (see Note 15). There were no liabilities to co-investment vehicles as at the reporting date (previous year: 9,680,000 euros from a capital call).

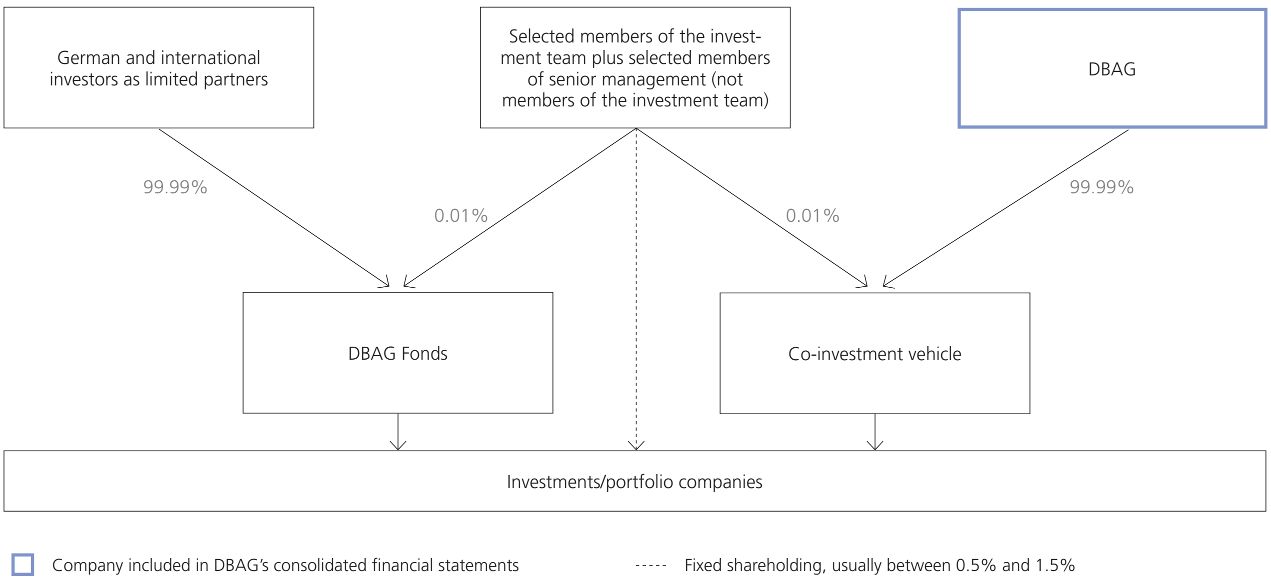
Co-investments and carried interest

Selected members of the investment team as well as selected members of senior management who are not members of the investment team have committed to take an interest in DBAG funds. For those participating – in addition to the returns from the partnership – this can result in a profit share that is disproportionate to their capital commitment (“carried interest”) after the fund has fulfilled certain conditions overall. This is the case if the DBAG Group or the investors in the respective DBAG fund have realised their invested capital, plus a preferred return of eight per cent per annum (“full repayment”). Carried interest of not more than 20 per cent[2] is paid out once proceeds on disposal are generated and full repayment has been achieved; the remaining 80 per cent[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 assumed investment risk which serves the purpose of aligning their interests with those of DBAG fund investors; the purpose of carried interest is to promote staff initiative and dedication to the success of the investment.

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

OVERVIEW INVESTMENTS STRUCTURE

The percentages relate to the equity share.



2 The maximum disproportionate profit share for the DBAG Fund VII B [Konzern] SCSp amounts to 10 per cent.
3 The share of investors and DBAG for the DBAG Fund VII B [Konzern] SCSp totals 90 per cent.

The two Board of Management members who are part of the investment team as well as the senior executives entitled to carried interest made the following investments in the financial year 2018/2019 and received the following repayments from the DBAG funds and the co-investment vehicles:

	Investments during the financial year		Cumulative investments as at the reporting date		Repayments during the financial year	
€'000	**Key management personnel**	**of which: Board of Management**	**Key management personnel**	**of which: Board of Management**	**Key management personnel**	**of which: Board of Management**
1 Oct 2018–30 Sep 2019						
DBAG Fund IV	0	0	1,032	420	899	423
DBAG Fund V	0	0	4,381	1,732	0	0
DBAG ECF	117	13	1,604	182	371	42
DBAG ECF I	95	51	674	400	0	0
DBAG ECF II	324	54	447	177	0	0
DBAG Fund VI	182	53	7,071	2,646	0	0
DBAG Fund VII	2,084	1,145	5,006	2,670	0	0
Total 2018/2019	**2,802**	**1,316**	**20,216**	**8,226**	**1,271**	**465**

	Investments during the financial year		Cumulative investments as at the reporting date		Repayments during the financial year	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key managesment personnel	of which: Board of Management
1 Oct 2017–30 Sep 2018						
DBAG Fund IV	0	0	1,032	420	274	108
DBAG Fund V	25	9	4,381	1,732	2,388	926
DBAG ECF	62	7	1,487	168	207	23
DBAG ECF I	579	350	579	350	0	0
DBAG ECF II	123	123	123	123	0	0
DBAG Fund VI	276	89	6,889	2,593	811	291
DBAG Fund VII	980	513	2,922	1,524	0	0
Total 2017/2018	**2,045**	**1,090**	**17,414**	**6,909**	**3,681**	**1,348**

The following table outlines carried interest claims from the co-investment vehicles and DBAG funds for the two Board of Management members and the members of senior management entitled to carried interest. For information on the portion of the co-investment vehicles, we refer to the management report under the heading "Integrated business model: two business segments that are closely tied to DBAG funds".

	1 Oct 2018		Reduction due to disbursement		Addition (+)/ reversal (-)		30 Sep 2019	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	**Key management personnel**	**of which: Board of Management**
DBAG Fund V	12,571	4,880	0	0	515	200	13,086	5,080
DBAG ECF	22,485	2,546	0	0	16,546	1,873	39,032	4,419
DBAG ECF I	0	0	0	0	4,439	1,267	4,439	1,267
DBAG Fund VI	50,013	17,952	0	0	6,135	2,202	56,147	20,154
	85,069	**25,378**	**0**	**0**	**27,634**	**5,542**	**112,703**	**30,920**

	1 Oct 2017		Reduction due to disbursement		Addition (+)/ reversal (-)		30 Sep 2018	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
DBAG Fund V	17,993	6,985	(2,674)	(1,038)	(2,748)	(1,067)	12,571	4,880
DBAG ECF	14,756	1,671	0	0	7,729	875	22,485	2,546
DBAG Fund VI	36,278	13,022	0	0	13,734	4,930	50,013	17,952
	69,027	**21,677**	**(2,674)**	**(1,038)**	**18,715**	**4,738**	**85,069**	**25,378**

In the consolidated financial statements, carried interest is taken into account in the fair value measurement of the shares of DBAG in the co-investment vehicles of the respective fund ("net asset value"). For the purpose of fair value measurement, the total liquidation of a fund's portfolio as at the reporting date is assumed (see Note 7, paragraph "Fair value measurement methods on hierarchy level 3"). In the year under review, the net asset values of the co-investment vehicles DBAG Fund V, DBAG ECF, DBAG ECF I and DBAG Fund VI are reduced by carried interest claims of key management personnel, by a total amount of 37,540,000 euros (previous year, restated: 25,251,000 euros). Net gain or loss from investment activities, and hence net income, are reduced by 12,289,000 euros (previous year, restated: 7,573,000 euros). The carried interest for DBAG ECF II and DBAG Fund VII remains unchanged at nil euros.

This carried interest, which is taken into account upon measurement, may increase or decrease in value in the future, and is not disbursed until the requirements under company law are met.

Remuneration based on employment or service contracts

Total remuneration for members of the Board of Management amount to 3,682,000 euros (previous year, restated: 3,274,000 euros). This includes long-term benefits of 45,000 euros (previous year: 185,000 euros) and current service cost of 199,000 euros (previous year: 118,000 euros). An amount of 4,545,000 euros (previous year: 3,468,000 euros) of the provisions for pension obligations was attributable to Board of Management members. There are neither termination benefits nor share-based payments.

The total remuneration for senior executives amounts to 7,591,000 euros (previous year: 6,497,000 euros). This includes long-term benefits of 31,000 euros (previous year: 164,000 euros), current service cost of 300,000 euros (previous year: 229,000 euros) and termination benefits of 620,000 euros (previous year: 450,000 euros). An amount of 8,578,000 euros (previous year: 5,706,000 euros) of the provisions for pension obligations was attributable to senior executives. There was no share-based payment.

The total remuneration for Supervisory Board members amounts to 398,000 euros (previous year: 503,000 euros). Of this amount, 370,000 euros (previous year: 388,000 euros) referred to Supervisory Board activities and 28,000 euros (previous year: 115,000 euros) to one long-term benefit for one member of the Supervisory Board. In addition to his remuneration for Supervisory Board membership, this Supervisory Board member also receives a pension payment from his previous membership in DBAG's Board of Management, in the amount of 186,000 euros (previous year: 185,000 euros). An amount of 6,417,000 euros (previous year: 5,549,000 euros) of the provisions for pension obligations was attributable to this Supervisory Board member.

For information on the basic principles of the remuneration system and the amount of total remuneration for members of the Board of Management and the Supervisory Board, we refer to the remuneration report. The remuneration report is an integral constituent of the combined management report. It also discloses individual information as required pursuant to § 314 (1) no. 6 HGB.

Other transactions with key management personnel

Senior executives acquired 1,260 (previous year: 988) shares of DBAG at preferential terms. The resulting pecuniary advantage amounted to 11,000 euros (previous year: 11,000 euros), and is recognised under personnel expenses.

DBAG granted loans to senior executives in the amount of 95,000 euros at standard market conditions (previous year: 95,000 euros). Interest income amounts to 2,000 euros (previous year: 2,000 euros).

There are no contingent liabilities for key management personnel.

40. Risk management

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

41. Events after the reporting date

DBAG alongside DBAG Fund VII agreed the investment in Cartonplast Holdings GmbH in the fourth quarter of the year under review. The transaction was completed at the start of the new financial year. DGAB Fund VII has acquired the majority of the company's shares as part of an MBO. DBAG has invested 26,047,000 euros and will hold around 17 per cent of the shares in Cartonplast in the future.

The acquisition of STG Group was also signed in the fourth quarter of 2018/2019. The MBO of STG Group is DBAG's sixth broadband communication investment since 2013. The transaction was completed in October 2019. DBAG invested 9,564,000 euros alongside DBAG ECF, which means that 36 per cent of the shares in the group are now attributable to DBAG.

At the end of November 2019, the sale of the investment in inexio Beteiligungs GmbH & Co. KGaA was com-pleted; the deal was agreed at the end of September 2019, shortly before the reporting date. DBAG had held 6.9 per cent of the shares in the company from the portfolio of DBAG.

At the beginning of the new financial year, DBAG Fund VIII was initiated successfully as a successor fund for DBAG Fund VII. In the first round of subscriptions in November 2019, investors made investment commitments in the amount of almost 800 million euros; DBAG entered into a co-investment agreement for DBAG Fund VIII in the amount of more than 255 million euros.

42. Fees for the auditor

Total fees paid to the auditor BDO (previous year: KPMG) are composed of as follows:

	2018/2019			2017/2018		
€'000	**Parent company**	**Subsidiary**	**Total**	Parent company	Subsidiary	Total
Audit of consolidated/separate financial statements	362	0	362	455	37	492
Tax advisory services	0	0	0	39	27	66
Other consultancy services (not reimbursable)	0	0	0	7	13	20
	362	**0**	**362**	**501**	**77**	**578**
Other consultancy services (reimbursable)	0	0	0	0	0	0
	362	**0**	**362**	**501**	**77**	**578**

The services associated with auditing the consolidated and annual financial statements also include activities concerning the review of the half-yearly financial statements as at 31 March 2019, as well as audit activities relating to the audit of the annual financial statements as at 30 September 2018 that were conducted early.

The reduction in fees paid to auditors is related to lower expenses in connection with the enforcement procedures concerning the consolidated financial statements as at 30 September 2015, which were concluded in July 2018.

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

Supervisory Board*

ANDREW RICHARDS

Bad Homburg v. d. Höhe, Germany
(Chairman until his departure on 13 October 2018)

Consultant

No statutory offices or comparable offices in Germany and abroad

GERHARD ROGGEMANN

Hanover, Germany
(Deputy Chairman until 13 October 2018 – Chairman) since 14 October 2018

Consultant

Statutory offices

- Bremer AG, Paderborn, Germany (Vice-Chairman)
- GP Günter Papenburg AG, Schwarmstedt, Germany (Chairman)
- WAVE Management AG, Hanover, Germany (Vice-Chairman)

DR HENDRIK OTTO

Dusseldorf , Germany
(Deputy Chairman since 14 October 2018)

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

No statutory offices or comparable offices in Germany and abroad

SONJA EDELER

Hanover, Germany

Managing Director, Finance & Accounting and Internal Audit, Dirk Rossmann GmbH, Burgwedel, Germany

No statutory offices or comparable offices in Germany and abroad

WILKEN FREIHERR VON HODENBERG

Hamburg, Germany

Lawyer

Statutory offices

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

Comparable offices in Germany and abroad

- NB Private Equity Partners Ltd., St. Peter Port, Guernsey (since 21 March 2019)

PHILIPP MÖLLER

Hamburg, Germany

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

No statutory offices or comparable offices in Germany and abroad

DR MAXIMILIAN ZIMMERER

Munich, Germany (since 21 February 2019)

Supervisory Board Member

Statutory offices

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

Comparable offices in Germany and abroad

- Möller & Förster GmbH & Co. KG, Hamburg, Germany (Chairman)

* Statutory offices: offices held on other statutory supervisory boards; comparable offices in Germany and abroad: offices held on comparable domestic and international supervisory bodies of commercial enterprises, as at 30 September 2019

Board of Management*

TORSTEN GREDE

Frankfurt/Main, Germany (Spokesman)

Comparable offices in Germany and abroad

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

DR ROLF SCHEFFELS

Frankfurt/Main, Germany

Comparable offices in Germany and abroad

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

SUSANNE ZEIDLER

Frankfurt/Main, Germany

Comparable offices in Germany and abroad

- DBG Fifth Equity Team GmbH & Co. KGaA i.L., Frankfurt/Main, Germany (Vice-Chairwoman)
- DWS Investment GmbH (since 10 September 2019)

* Statutory offices: offices held on other statutory supervisory boards; comparable offices in Germany and abroad: offices held on comparable domestic and international supervisory bodies of commercial enterprises, as at 30 September 2019

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

Name	Registered office	Equity interest %
FULLY-CONSOLIDATED AND UNCONSOLIDATED SUBSIDIARIES		
AIFM-DBG Fund VII Management (Guernsey) LP	St. Peter Port, Guernsey	0.00
Bowa Geschäftsführungsgesellschaft mbH i. L.[1]	Frankfurt/Main, Germany	100.00
DBG Advising GmbH & Co. KG	Frankfurt/Main, Germany	20.00
DBG Advising Verwaltungs GmbH [1]	Frankfurt/Main, Germany	20.00
DBG Fund VI GP (Guernsey) LP	St. Peter Port, Guernsey	0.00
DBG Fund VII GP S.à r.l.	Luxembourg-Findel, Luxemburg	100.00
DBG Fund VIII GP (Guernsey) L.P. [1]	St. Peter Port, Guernsey	0.00
DBG Fund VIII GP (Guernsey) Limited [1]	St. Peter Port, Guernsey	0.00
DBG Management GmbH & Co. KG	Frankfurt/Main, Germany	100.00
DBG Managing Partner GmbH & Co. KG	Frankfurt/Main, Germany	20.00
DBG Managing Partner Verwaltungs GmbH [1]	Frankfurt/Main, Germany	20.00
DBG Management GP (Guernsey) Ltd.	St. Peter Port, Guernsey	3.00
DBG New Fund Management GmbH & Co. KG	Frankfurt/Main, Germany	100.00
European PE Opportunity Manager LP	St. Peter Port, Guernsey	0.00
RQPO Beteiligungs GmbH[1,3]	Frankfurt/Main, Germany	77.54
RQPO Beteiligungs GmbH & Co. Papier KG[1]	Frankfurt/Main, Germany	90.00
UNCONSOLIDATED INVESTMENT ENTITY SUBSIDIARIES		
DBAG Expansion Capital Fund Konzern GmbH & Co. KG	Frankfurt/Main, Germany	99.00
BTV Multimedia GmbH	Hannover, Germany	32.20
DBAG ECF Fonds I Beteiligungs GmbH	Frankfurt/Main, Germany	47.54
Rana Beteiligungsgesellschaft mbH	Frankfurt/Main, Germany	47.54
Tridecima Grundstücksverwaltungsgesellschaft mbH [2]	Neubiberg, Germany	30.08
DBAG ECF Pontis GmbH & Co. KG	Frankfurt/Main, Germany	25.00
DBAG ECF Pontis Verwaltungs GmbH	Frankfurt/Main, Germany	47.54
DBAG ECF Präzisionstechnik Beteiligungs GmbH	Frankfurt/Main, Germany	41.78
ECF Breitbandholding GmbH	Frankfurt/Main, Germany	41.78
ECF Broadband Holding GmbH	Frankfurt/Main, Germany	41.78
Netzkontor Gruppe GmbH	Flensburg, Germany	34.00
Vitronet GmbH	Essen, Germany	41.25
von Poll Immobilien GmbH	Frankfurt/Main, Germany	30.05
Rheinhold & Mahla GmbH	Wismar, Germany	45.63

Name	Registered office	Equity interest %
DBAG Fund V Konzern GmbH & Co. KG	Frankfurt/Main, Germany	99.00
DBAG Fund VI Konzern (Guernsey) L.P.	St. Peter Port, Guernsey	99.99
DBAG Fund VII B Konzern SCSp	Luxembourg-Findel, Luxemburg	99.99
DBAG Fund VII Konzern SCSp	Luxembourg-Findel, Luxemburg	99.99
DBG Fourth Equity Team GmbH & Co. KGaA i. L.	Frankfurt/Main, Germany	100.00
Deutsche Beteiligungsgesellschaft mbH	Königstein/Taunus, Germany	100.00
DBG Advisors Kommanditaktionär GmbH & Co. KG	Frankfurt/Main, Germany	33.33
DBG Fifth Equity Team GmbH & Co. KGaA i. L.	Frankfurt/Main, Germany	33.33
DBG Alpha 5 GmbH	Frankfurt/Main, Germany	100.00
DBG Asset Management, Ltd.	Jersey	50.00
DBG Beteiligungsgesellschaft mbH	Frankfurt/Main, Germany	100.00
DBG Epsilon GmbH	Frankfurt/Main, Germany	100.00
DBG Fourth Equity International GmbH	Frankfurt/Main, Germany	100.00
DBV Drehbogen GmbH	Frankfurt/Main, Germany	100.00

1 Unconsolidated subsidiaries – see Note 5.5
2 Share in the capital, including a direct stake of 10.40%
3 Share in the capital, including an indirect stake of 28.54% held via Deutsche Beteiligungsgesellschaft mbH

OTHER COMPANIES

Based on its investments, DBAG holds more than five per cent of the voting rights in the following companies:

Heytex Bramsche GmbH	Bramsche, Germany
Mageba Holding AG	Bülach, Germany
Oechsler AG	Ansbach, Germany
SERO GmbH	Rohrbach, Germany

Frankfurt/Main, 3 December 2019

The Board of Management

Torsten Grede Dr Rolf Scheffels Susanne Zeidler

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the consolidated financial statements and of the combined management report

Opinions

We have audited the consolidated financial statements of Deutsche Beteiligungs AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 September 2019, and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 October 2018 to 30 September 2019, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of Deutsche Beteiligungs AG for the financial year from 1 October 2018 to 30 September 2019. In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report listed in the chapter "other information".

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 30 September 2019, and of its financial performance for the financial year from 1 October 2018 to 30 September 2019, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in the

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

Basis for the opinions

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

In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2018 to 30 September 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We identified the following matters as key audit matters:

Valuation of financial assets

The financial statement position "Financial assets" amounts to 385.7 million euro and mainly consists of DBAG's share in investment entity subsidiaries that are not consolidated in the Company's consolidated financial statement according to IFRS 10.31 sentence 1. Per IFRS 10.31 sentence 2 in connection with IFRS 9, investments are valued at their fair value through profit and loss. The fair value is determined according to IFRS 13 considering the International Private Equity and Venture Capital Valuation Guidelines (IPEVG) effective 2018.

The fair value of the investment entity subsidiaries corresponds to the Company's share of the sum of the fair values of each portfolio company (sum-of-the-parts-methodology). The valuation at the fair value assumes the sale of all shares of portfolio Company's at the balance sheet date. Individual contractual agreements are included in the valuation, in particular agreements with members of the investment team regarding their profit participation of DBAG Funds, so-called Carried Interest.

The Company has implemented a process to determine the fair values of the portfolio companies that considers the fact that market prices cannot be observed. The Company primarily uses the multiples method to determine the fair values of the portfolio companies based on financial results (market approach). In some cases, an income approach is applied. The main non-observable assumptions used in the valuation are the sustainable earnings derived from the projections of each portfolio Company and the expected cashflows, respectively, as well as the net debt. Regardless of the valuation approach, the fair values determined are considered level 3 according to the fair value hierarchy due to unobservable input factors used in the calculation. The necessary valuation assumptions are discretionary, as they cannot be observed on the market. In addition, there are complex contractual provisions in place regarding the calculation of carried interest for the investment entity subsidiaries. These need to be given appropriate consideration when measuring the fair values of the interest in the investment entity subsidiaries.

With respect to the consolidated financial statements, there is a risk that the fair values of the portfolio companies used in the valuation of financial assets do not meet the requirements of IFRS 13, resulting in an inappropriate valuation. There is an additional risk attached to the consideration of contractual agreements of carried interest. Finally, there is a risk that the disclosures in the notes to the consolidated financial statements according to IFRS 7 and IFRS 13 in particular are not appropriate.

We refer to the notes to the consolidated financial statements regarding the Company's accounting and valuation methods (note 7). We refer to future-oriented assumptions and other significant sources of estimation uncertainties (note 9), disclosures on the financial assets (note 19), on the net result of investment activity (note 10), notes on financial instruments (note 33), disclosures regarding related party transactions (note 39), as well as to the statements in the combined management report regarding the Company's operations.

Our audit approach

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

Our substantive audit procedures included reviewing the documentation of the calculations of the fair values of the portfolio companies and the assessment whether these calculations were consistent with the valuation process implemented and whether the valuation methodologies applied were deemed appropriate. In case of five Companies that were initially valued using the multiples approach, we assessed the appropriateness of with the valuation approach used considering observable input factors. We further assessed the calculation of the fair values and the observable inputs. For all portfolio companies, we reassessed the calculations of the fair values and the observable inputs. We audited unobservable assumptions based on a sample selected using a risk-oriented approach.

For selected estimates of sustainable earnings and the net debt of portfolio companies, we reassessed the deviation from the budgets prepared by their management, and we obtained the approval of the respective supervisory board. For adjustments of assumptions made by the valuation committee of the Deutsche Beteiligungs AG, we discussed the respective documentation with members of the valuation committee, to conclude on the reasonableness of such adjustments. We further assessed the appropriateness of selected assumptions used in the portfolio managements' projections (EBITDA margins in particular) through comparison with ranges derived from external market data for the respective performance indicators.

Regarding the earnings multiples used in the multiple's method, we involved our valuation specialists to assess the proper deviation of peer group companies and the resulting multiples based on the companies and capital market data. With respect to the income-based approach, we involved our valuation experts to evaluate the appropriateness of the capitalization interest rate used, by comparing the underlying assumptions (the risk-free rate and the market risk premium in particular) to publicly available data.

We also performed substantive audit procedures regarding the consideration of carried interest in the calculation of the fair value of the shares attributable to DBAG. We evaluated the identification of carried interest entitlement and the respective valuation. Finally, we assessed whether the disclosures on the valuation of financial assets according to IFRS 7 and IFRS 13, in particular, were appropriate.

Other information

The executive directors are responsible for the other information. The other information comprises:

- the statement on corporate governance included in section "other statutory disclosures and explanatory information" of the combined management report and
- the remaining parts of the annual report, with the exception of the audited consolidated financial statements and combined management report and our auditor's report.

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

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

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

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

Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the combined management report

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

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report

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

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

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

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

- Obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

Other legal and regulatory requirements

Further information pursuant to article 10 of the audit regulation

We were elected as group auditor by the annual general meeting on February 21, 2019. We were engaged by the audit committee on February 21, 2019.

We have been the group auditor of the Deutsche Beteiligungs AG since the financial year 2018/2019.

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

German public auditor responsible for the engagement

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

Frankfurt/Main, 4 December 2019

BDO AG
Wirtschaftsprüfungsgesellschaft

Dr Freiberg	Gebhardt
German Public Auditor	German Public Auditor

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge, and in accordance with the applicable accounting principles, that the consolidated half-yearly financial statements give a true and fair view of the asset, financial and earnings position of the Group, and that the condensed management report presents a true and fair view of the business development (including business results) and the position of the Group, together with a description of the material risks and opportunities associated with the expected development of the Group.

Frankfurt/Main, 3 December 2019

The Board of Management

Torsten Grede Dr Rolf Scheffels Susanne Zeidler