



**Tom Alzin**  
Member of the Board  
of Management

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

Investment Business  
Market Development Italy  
Organisation/IT



**Torsten Grede**  
Spokesman of the  
Board of Management

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

Strategy and Business Development  
Investment Business  
Finance and Accounting  
Investor Relations



**Jannick Hunecke**  
Member of the Board  
of Management

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

Investment Business  
Long-Term Investments  
Human Resources

# Dear shareholders,

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

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

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

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

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

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

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

Frankfurt/Main, 1 December 2022

The Board of Management



Torsten Grede



Tom Alzin



Jannick Hunecke