QUARTERLY STATEMENT

AT 30 JUNE 2020

1ST TO 3RD QUARTER 2019/2020

AT A GLANCE

Exchange-listed Deutsche Beteiligungs AG ("DBAG") invests in well-positioned mid-sized companies with potential for growth. For many years, we have focused on those industry sectors where Germany's 'Mittelstand' is particularly strong in international comparison. A growing portion of DBAG's equity investments is deployed in its new focus sectors of broadband/telecommunications, IT services/software and healthcare. Our long-term, value-enhancing entrepreneurial investment approach makes DBAG a sought-after invest-ment partner in the German-speaking world. We have achieved superior performance over many years – for our portfolio companies as well as for our shareholders and investors.

CONSOLIDATED KEY FIGURES

		1st to 3rd quarter 2019/2020 and 30.6.2020	1st to 3rd quarter 2018/2019 and 30.9.2019	3rd quarter 2019/2020	3rd quarter 2018/2019
Core business objective: increase the Company's value					
Net asset value (reporting date)	€mn	405.1	472.1	0.0	0.0
Net income from Fund Investment Services	€mn	6.6	1.6	3.1	(0.2)
Private Equity Investments segment					
Net income from investment activity	€mn	(25.3)	16.9	50.9	7.4
Earnings before taxes	€mn	(31.2)	11.0	49.0	5.2
Cash flow from investment activity	€mn	(12.3)	(46.4)	(2.0)	(21.3)
Net asset value (reporting date)	€mn	405.1	472.1	0.0	0.0
Fund Investment Services segment					
Income from Fund Services	€mn	21.4	21.2	7.0	6.9
Earnings before taxes	€mn	6.6	1.6	3.1	(0.2)
Assets under management or advisory (reporting date)	€mn	1,692.5	1,704.4	0.0	0.0
Other indicators					
Net income	€mn	(24.6)	12.6	52.1	5.0
Equity (reporting date)	€mn	412.2	460.2	0.0	0.0
Earnings per share[1]	€	(1.64)	0.84	3.46	0.33
Number of employees (reporting date, including apprentices)[2]		76	75	0.0	0.0

1 Based on the weighted average number of shares in the respective period
2 30 June 2020: Two positions temporarily duplicated

CONTENTS

QUARTERLY STATEMENT AT 30 JUNE 2020

REVIVAL
OF THE
M&A MARKET

PORTFOLIO
COMPANIES
CONTINUE
WITH BUY-AND-BUILD
STRATEGY

NET ASSET VALUE
BOUNCES BACK TO
405.1
MILLION EUROS

NET INCOME FROM
FUND INVESTMENT
SERVICES
6.6
MILLION EUROS

FORECAST
RAISED

LETTER TO OUR SHAREHOLDERS

Frankfurt/Main, 6 August 2020

Dear Shareholders,

The M&A market has picked up again in recent weeks – at least for transactions involving companies whose business model is not fundamentally affected by the pandemic. Our investment team is working on several promising investments. We want to secure our financial capacity to act, and therefore initiated the start of the investment period of DBAG Fund VIII on 1 August. This will serve to increase income and, as a result, also the basis for net income from Fund Investment Services, one of the key factors that sets DBAG apart from other listed private equity companies. Things are also moving on the sales side: we agreed to sell our stake in Rheinhold & Mahla at the end of July.

Although the M&A market is starting to recover in part, the pandemic continues to dominate our day-to-day business. Those portfolio companies that have been hit by the crisis are working at full tilt on getting to grips with the implications of the pandemic. In some cases, we have provided additional equity to secure financing for these companies in the short term. It is almost impossible to predict what the future holds for these companies – a clear picture will only start to emerge over the next six to 18 months.

Considerable confidence has already been restored on the capital market – with a positive knock-on effect on multiples. We have reaped the benefits of this trend: the net asset value of the Private Equity Investments segment rose significantly in the third quarter of the year, although it has yet to make up the ground loss as a result of the coronavirus setback. We expect to see contrasting influencing factors in the remaining weeks of the financial year. Results at individual portfolio companies could show weaker development than expected, reducing these companies' valuations. On the other hand, we are still looking into disposals. Assuming stable multiples, we nevertheless expect to see a further recovery in the fourth quarter and a net asset value ranging from 400 to 425 million euros at the end of September. We expect Fund Investment Services to make more of a contribution than in the recent past and anticipate net income for the financial year as a whole at between -25 and -5 million euros.

In spite of the current challenges, we believe that DBAG is very well positioned. We expect the current crisis to fuel high demand for equity capital among German mid-sized companies. With our new fund, a product range that has been expanded to include long-term equity investments and our broadly positioned investment team, we are well equipped to rise to this challenge.

The Board of Management

of Deutsche Beteiligungs AG

Torsten Grede | Dr Rolf Scheffels | Susanne Zeidler

REVIEW OF KEY EVENTS AND TRANSACTIONS

In this section, we explain the key changes in the investment portfolio of each fund that DBAG invests alongside and also provide information on the current status of DBAG Fund VIII. Changes in a fund's investment portfolio include agreements on, and the conclusion of, transactions both at the level of the fund and at the level of the portfolio companies. The impact of the coronavirus crisis on companies' business activities is presented in the chapter entitled "Financial performance", in particular.

The first three quarters of the 2019/2020 financial year saw Deutsche Beteiligungs AG support a whole number of company acquisitions at the level of the portfolio companies of two DBAG funds that were completed or agreed upon during the nine months under review.

In addition, a number of transactions at fund level that had already been agreed in the fourth quarter of the previous financial year were closed. These included the sale of the minority interest in inexio Beteiligungs GmbH & Co. KGaA, which DBAG had held alongside DBAG ECF. The MBO of Cartonplast Holding GmbH, in which DBAG had invested together with DBAG Fund VII in the fourth quarter of 2018/2019, was also completed. The same applies to the MBO of DING Group, in which DBAG holds an interest together with DBAG ECF.

Placement of DBAG Fund VIII completed with a volume of 1.1 billion euros

We launched the DBAG Fund VIII, a new private equity fund, in September 2019, and the placement process ended in May with a volume of 1.109 billion euros. The start of the investment period on 1 August 2020 (cf. Significant events after the end of the period, page 22) will considerably increase the outstanding capital commitments and, as a result, the assets under management or advisory, to around 2.5 billion euros. This will also have a positive impact on the income from Fund Services.

Like its predecessor, DBAG Fund VII, this fund also consists of two sub-funds: a principal fund and a top-up fund. The principal fund will predominantly structure equity investments between 40 and 100 million euros. Including the top-up fund, up to around 220 million euros can be invested per transaction, putting larger companies on our radar as well. As with its predecessor fund, DBAG Fund VII, the fund's investment period may last for up to six years.

DBAG Fund VII: Cartonplast MBO completed, blikk uses acquisitions to strengthen its position, duagon expands in Spain

The pandemic had brought the M&A market more or less to a standstill over a period of several months. Towards the end of the reporting period, however, this situation started to change, allowing the investment team to prepare for several promising transactions. The team also worked on company acquisitions for existing portfolio companies (cf. Significant events after the end of the period, page 22).

The CARTONPLAST MBO – agreed in the fourth quarter of the 2018/2019 financial year – was completed during the the first quarter of 2019/2020. This investment from the core industrial services sector was one of the largest single investments in our history: we invested 25.7 million euros alongside DBAG Fund VII using the top-up fund. Cartonplast rents plastic layer pads for the transport of glass containers for foodstuffs. Within its customer value chain, the company has established a closed logistics cycle for this purpose. It is reaping the benefits from the increasing trend towards outsourcing and from the mounting importance of sustainability efforts. By further internationalising its business and expanding its offering, Cartonplast is expected to grow in the years ahead.

The RADIOLOGY GROUP BLIKK, which belongs to the DBAG Fund VII portfolio, is experiencing rapid growth thanks to company acquisitions. At the start of the financial year, agreements were reached on the takeover of an additional dialysis practice and a highly specialised regional hospital (Klinik Helle Mitte) in Berlin. Since a major proportion of this hospital's revenue is generated from outpatient examinations or treatments focused on radiological services, it is an excellent strategic fit for blikk. The acquisition of the Klinik Helle Mitte hospital will increase the number of the group's doctors by around one fifth. The hospital will act as the nucleus of blikk's further buy-and-build strategy. DBAG Fund VII and Deutsche Beteiligungs AG made equity available for this transaction.

DUAGON AG completed another acquisition in February 2020. The company, which is based in Switzerland, is a leading independent supplier of network components for data communication in rail vehicles. It took over Madrid-based MNI Technology on Rails S.L. (TechOnRails). TechOnRails offers development services for both hardware-based data communication, also for signalling systems, and for software-based solutions. It is set to become duagon Group's global competence centre for these two areas and will head up the Group's activities on the Iberian and South American markets. TechOnRails will add another 150 highly skilled specialists to duagon's workforce of 250 specialised developers. The company operates across the globe, having completed projects in 20 countries and on four continents.

DBAG Fund VI: Additional funds to mitigate the implications of the pandemic

As already reported, the pandemic has impacted DBAG's portfolio companies to a differing extent. To date, DBAG Fund VI, alongside DBAG, has made additional capital commitments for five of the fund's investments to support debt financing solutions designed to boost the financial resources available to the companies. The funds for the mechanical engineering company FRIMO had already been made available in the second quarter, while the funds for the foundry GIENANTH and for POLYTECH, whose silicone implants business has also been hit by the consequences of the pandemic, were paid out in the third quarter. There are plans for funds to be paid out to DIETER BRAUN, a supplier of cable systems to the automotive industry, and SILBITZ, another foundry in the portfolio, in the course of the current quarter. All in all, DBAG will be making 3.0 million euros available to the five investments (cf. Financial position – liquidity, p. 13).

Retentions for representations and warranties have now been paid out for two fund investments that have already been sold – CLEANPART and INFIANA. The cash inflow to date amounts to 0.5 million euros.

DBAG ECF: DING Group MBO and four acquisitions already completed, netzkontor nord, vitronet and BTV Multimedia experiencing further acquisition-driven growth

The MBO of DING GROUP (formerly: STG Group) had already been agreed in the past financial year alongside DBAG ECF. The transaction was completed in November 2019 and the Group then renamed "Deutsche Infrastruktur- und Netzgesellschaft mbH".

The 'buy-and-build' approach is consistent with the strategic rationale for this investment, DBAG's sixth investment in the broadband/telecommunications focus sector: the purpose is to combine a portfolio of regional businesses, in order to enhance customer service and to realise synergies within the scope of a larger structure. The company focuses on the construction of fibre optic networks. As well its regional presence, the company also aims to expand its service offering as an operator of fibre-optic networks for telecommunications companies and the housing industry.

Since the beginning of the current financial year, three company acquisitions have already been made with the takeover of Leinberger-Bau GmbH and three other subsidiaries belonging to the Leinberger Group, the takeover of ISKA Schön GmbH and the takeover of IMD Group: Leinberger Bau (2019 revenues: approximately 22 million euros) is a full-service provider of supply and communication networks focusing on the German federal state of Hesse. ISKA Schön (2019 revenues: approximately 35 million euros) is a provider of specialist subterranean construction and maintenance services, especially in telecommunications and trenching, with a focus on Bavaria. IMD Group, which consists of three companies (2019 revenues: almost 25 million euros), will strengthen the presence of DING Group in north-western Germany and expand the customer portfolio of regional and municipal utilities companies. Another acquisition was agreed in the quarter under review – the purchase of Reinhard Rohrbau GmbH (RBB, revenues in 2019: around 17 million euros) was completed in the fourth quarter of the financial year (cf. Significant events after the end of the period, page 22).

RRB is a regional pipeline installation company focusing on the energy grid and the telecommunications network. It provides services spanning areas from project planning, installation and commissioning, to maintenance, repair and documentation. RRB also offers horizontal drilling services and has the heavy machinery required to do so. The company generates around one-third of its total revenues with the construction of fibre-optic networks, the segment that is growing at the fastest rate. RRB is headquartered in Meppen (Lower Saxony) and has an additional branch in Raunheim (Hesse). It employs a workforce of around 110 employees. Like IMD Group, RBB's regional focus is on north-western Germany, whereas Leinberger operates in the federal state of Hesse and in southern Germany. ISKA's business is focused on Bavaria, primarily on the area surrounding Munich, whereas the nucleus of DING Group focuses mainly on North Rhine-Westphalia. As RBB will further expand the Group's service portfolio, we expect the acquisition of this company to also increase the value of DING Group. Following the conclusion of the most recent transaction, DING Group can now report combined revenues of just under 150 million euros.

DING Group executed all four acquisitions without the commitment of further equity by DBAG and DBAG ECF.

BTV MULTIMEDIA supplies equipment for cable networks and also ranks among the companies from the broadband/telecommunications focus sector. In the quarter under review, BTV Multimedia reached an agreement on the acquisition of the Austrian company Fionis GmbH, a transaction that is scheduled to be completed over the next few weeks. Fionis, which has its headquarters near Graz, Austria, is a system integrator in the fibre optics sector that provides components, as well as planning and installation services, for the expansion of fibre-optic networks. Fionis operates primarily in Austria, but also in Italy, meaning that the acquisition will allow BTV Multimedia to expand its market coverage to include Austria and Italy, as well as to strengthen its expertise in the fibre-optic and installation business. Fionis has 33 employees and reported revenues in excess of 10 million euros in 2019. The revenues reported by the Group, which had already been expanded to include three companies, will increase to almost 100 million euros as a result of the acquisition.

NETZKONTOR NORD is another portfolio company held by DBAG ECF alongside DBAG that operates in the broadband communications segment and completed the acquisition of Voss Telecom Services GmbH and SSF Telekommunikations Management GmbH in the first few months of the current financial year. The acquisitions were made without any further capital being provided by DBAG and the fund.

The business models of Voss and netzkontor nord complement each other extremely well, with both companies providing planning, consultancy and project management services for the expansion of fibre-optic networks. Voss also operates in North Rhine-Westphalia, Baden-Württemberg and Hesse and will provide the platform for future growth in western Germany for netzkontor nord, whose regional focus has been on northern Germany to date.

VITRONET, another portfolio company in the broadband communications segment held by DBAG alongside DBAG ECF, is also exploiting potential for growth through acquisitions and has reached agreements on three acquisitions in the current financial year that were also completed in the third quarter. We had already reported on the acquisition of Horstmann GmbH, Mülheim a. d. Ruhr, and Telewenz GmbH, Bochum, in the half-yearly financial report. These two companies are located close to vitronet's headquarters in Essen, enhancing vitronet's presence in the Ruhr region. They also expand the company's expertise to include the attractive service of interference suppression for Deutsche Telekom AG's large copper network, helping to further diversify its customer portfolio. Horstmann GmbH will complement vitronet's capacities in the area of civil engineering for utilities companies. Another company acquisition was agreed and completed in the quarter under review: Reuschenbach (Clemens Reuschenbach e.K.), Breitscheid, is a provider of horizontal drilling and pressing technology focusing on the construction of fibre-optic networks and sewer system renovation projects. The acquisitions will allow vitronet to increase its revenues to around 150 million euros.

We injected additional capital together with DBAG ECF to finance the growth of DNS:NET in the first three quarters – in line with the investment concept for this fast-growing company.

FINANCIAL PERFORMANCE

Overview

Earnings before tax for the first nine months of the financial year came to -24.6 million euros and remain characterised to a considerable degree by the consequences of the pandemic. The result after the first six months, however, still amounted to -76.7 million euros.

After the multiples had fallen significantly in the second quarter due to the outbreak of the crisis, they moved even more clearly in the opposite direction in the quarter under review, producing a significant positive value contribution from changes in valuation levels on the capital market over all three quarters. The value contribution made by the operating performance of the portfolio companies is negative at the end of the first three quarters: this is first of all because some companies will achieve lower results than initially planned for the current year in the short term, and in our view temporarily, as a result of the pandemic. Second, given the negative impact of the economic development that had already emerged prior to the pandemic, both in general and in certain industries in particular, we have adjusted our earnings expectations in those areas where we currently expect to see lower results in the longer term. All in all, net income from investment activity in the nine-month period under review fell from 16.9 million euros in the previous year to -25.3 million euros in the current financial year.

As was to be expected, income from Fund Investment Services was on a par with the previous year at 20.4 million euros (previous year: 20.3 million euros). Net expenses under other income/expense items improved to 19.7 million euros as against 24.6 million euros in the previous year, in particular because personnel expenses fell.

In the previous financial year, net income for the first three quarters amounted to 12.6 million euros and the value contribution made by the operating performance of the portfolio companies was positive at 6.2 million euros.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€'000	1st to 3rd quarter 2019/2020	1st to 3rd quarter 2018/2019	3rd quarter 2019/2020	3rd quarter 2018/2019
Net income from investment activity	(25,295)	16,901	50,944	7,362
Income from Fund Services	20,397	20,335	6,721	6,544
Income from Fund Services and investment activity	**(4,898)**	**37,236**	**57,666**	**13,907**
Personnel expenses	(11,697)	(16,679)	(3,398)	(6,675)
Other operating income	2,805	4,820	1,069	1,679
Other operating expenses	(10,537)	(12,877)	(3,157)	(3,820)
Net interest income	(321)	132	(117)	(68)
Other income/expenses	**(19,749)**	**(24,604)**	**(5,603)**	**(8,884)**
Earnings before taxes	**(24,646)**	**12,632**	**52,062**	**5,023**
Income taxes	17	0	0	0
Earnings after taxes	**(24,629)**	**12,632**	**52,062**	**5,023**
Net income attributable to other shareholders	(7)	(8)	(2)	(2)
Net income	**(24,636)**	**12,624**	**52,060**	**5,020**
Other comprehensive income	(722)	261	24	198
Total comprehensive income	**(25,359)**	**12,900**	**52,084**	**5,219**

INCOME FROM FUND SERVICES AND INVESTMENT ACTIVITY amounted to -4.9 million euros, as against 37.2 million euros in the previous year. The figure continues to be driven to a considerable degree by net income from investment activity, both in terms of absolute amount and volatility (for details, please refer to the information under "Net income from investment activity").

At 19.7 million euros, net expenses under OTHER INCOME/EXPENSE ITEMS (i.e. the net amount of personnel expenses, other operating income and expenses, as well as net interest income) were lower than in the same period of the previous year (24.6 million euros). This was due primarily to personnel expenses, which were down by 5.0 million euros year-on-year. There are several reasons behind this development: the provisions set up for variable remuneration were higher in the prior-year period than they were in the reporting period. Last year's figure also included expenses for severance pay. What is more, we have since reduced temporarily duplicated functions in some positions.

Other operating income fell considerably to 2.8 million euros in the first three quarters of the current financial year, compared with 4.8 million euros in the previous year. This was offset by a slightly more pronounced drop in other operating expenses. Both changes can be traced back mainly to developments in consultancy expenses that can be passed through, which dropped by almost the same amount on both the income and the expenditure side. This reflects the lower number of investment opportunities that we were able to explore in the period from mid-March to mid-June in particular. One positive effect of the pandemic is the drop in travel and hospitality expenses by 0.5 million euros.

Net income from investment activity

The change in NET INCOME FROM INVESTMENT ACTIVITY from 16.9 million euros in the previous year to -25.3 million euros in the first nine months of the 2019/2020 financial year was due primarily to the performance of the investments in the portfolio companies, which – with one exception (JCK) – are held via investment entity subsidiaries, as reflected in GROSS GAINS AND LOSSES ON MEASUREMENT AND DERECOGNITION. The marked drop in this figure was only partly offset by an improvement in net income attributable to other shareholders and in net gains or losses from other assets and liabilities of these investment entity subsidiaries.

NET INCOME FROM INVESTMENT ACTIVITY

€'000	1st to 3rd quarter 2019/2020	1st to 3rd quarter 2018/2019	3rd quarter 2019/2020	3rd quarter 2018/2019
Gross gains and losses on measurement and derecognition portfolio	(40,349)	22,137	52,854	11,190
Net income attributable to other shareholders of investment entity subsidiaries	9,463	(3,798)	(5,677)	(2,600)
Net gains and losses on measurement and derecognition portfolio	**(30,887)**	**18,340**	**47,177**	**8,591**
Current portfolio income	5,446	5,288	3,445	1,651
Net portfolio income	**(25,440)**	**23,627**	**50,622**	**10,241**
Net gains and losses from other assets and liabilities of investment entity subsidiaries	144	(6,728)	322	(2,879)
Income from other financial assets	1	1	0	0
Net income from investment activity	**(25,295)**	**16,901**	**50,944**	**7,362**

SOURCE ANALYSIS 1: From mid-March onwards, the coronavirus crisis led to a serious disruption of macroeconomic processes. Since then, investments in the industrial sector, in particular, have been hit by an even more significant drop in demand, with a knock-on effect on their earnings and debt situation. The consequences of the pandemic have, however, hit other companies as well. Demand for consumer-related products and services, for example, has fallen. While we do not expect the impact on earnings at these companies to be a long-term development, we have to take it into account in our valuation nevertheless. The impact on companies in the IT services, software and broadband telecommunications sectors is still comparatively minor, if the crisis has affected them at all. Three of our portfolio companies were even able to forge ahead with their value appreciation strategy in the period leading up to the reporting date and reach agreements on promising acquisitions or, in some cases, even complete these acquisitions with an impact on income.

We usually adapt our valuations as at 31 December to the budgets of the portfolio companies for the forthcoming year. Depending on the planning certainty in the respective case, our expected values take into account that the achievability of projections this early on in the financial year is much more uncertain than in the second half of the year. For this reason, we apply haircuts to projected earnings accordingly in individual cases. On the subsequent reporting dates, updated projected values are included in the valuations using actual earnings achieved as well as the companies' continuous earnings projections. If no updated figures are available, we make discretionary adjustments to the projected values as part of the portfolio valuation process to reflect information from the portfolio companies.

The information available from the companies as at most recent reporting date confirms, particularly as far as industrial portfolio companies are concerned, that the coronavirus crisis has destroyed hopes of an economic recovery after the slowdown in 2019, and that the negative impact resulting from the structural changes in the automotive industry will last longer than we previously assumed. Incoming orders in German industry appear to have bottomed out, but the current level, which corresponds to around 70 per cent of the level witnessed over the last five years, shows just how drastic the setback is. The recovery will be slower than expected; initially, reluctance to invest will continue to put a damper on industrial demand in a large number of sectors. This is reflected in our valuations: we have adjusted our earnings expectations in those areas where we currently expect to see lower results in the longer term. Effects resulting from the coronavirus crisis have now also been taken into account as at 30 June. As at the previous reporting date of 31 March, we had only taken this effect into account via multiples.

All in all, the contribution from the companies' CHANGE IN EARNINGS was negative in the third quarter, at -13.5 million euros. This amount also, however, includes 33.6 million euros from improvements in earnings that we expect to come from the ongoing implementation of the buy-and-build strategy at two broadband telecommunications companies. Earnings development at the portfolio companies made a negative contribution of -61.3 million euros to net gains or losses from measurement in the first nine months of 2019/2020 – compared with a positive contribution of 20.1 million euros in the same period of the previous year. 17 companies (previous year: nine) made a negative contribution, with ten companies (previous year: eleven) making a positive contribution. One investment is still carried at cost.

As a general rule, we do not receive any current distributions during the holding period of an investment. The portfolio companies companies can therefore use surpluses to reduce their DEBT. Whilst this usually first increases the value of our investments, In the first three quarters of the year, however, the external financing of acquisitions at three portfolio companies pushed the debt level up; this is responsible for a negative value contribution of -31.6 million euros from debt. As mentioned above, this is offset by a corresponding positive contribution from the change in earnings. Individual portfolio companies have additional financing requirements as a result of the coronavirus crisis. This results in a negative value contribution from debt totalling -10.5 million euros. The value contribution made by the other portfolio companies resulting from the change in debt was neutral overall. In the previous financial year, the portfolio value had been reduced by 14.0 million euros after three quarters due to higher company debt levels.

The MULTIPLES that we used in the valuation of the portfolio companies as at the reporting date of 30 June 2020 were higher –and in some cases significantly so – than those used as at 30 September 2019, with the exception of three portfolio companies. Following the marked slump between mid-February and mid-March, share prices as at 30 June had at least climbed back to the level of the previous reporting date (30 September 2019), in some cases even significantly exceeding it. In addition to higher share prices, the significant increase in multiples is also due to considerable downward revisions to earnings estimates for the peer group companies. Over the course of three quarters, higher multiples resulted in a positive value contribution of 60.6 million euros.

NET GAINS AND LOSSES ON MEASUREMENT AND DERECOGNITION PORTFOLIO BY SOURCES: SOURCE ANALYSIS 1

€'000	1st to 3rd quarter 2019/2020	1st to 3rd quarter 2018/2019	3rd quarter 2019/2020	3rd quarter 2018/2019
Fair value of unlisted investments				
Change in earnings	(61,300)	20,121	(13,543)	14,050
Change in debt	(42,055)	(13,952)	(38,138)	(11,827)
Change in multiples	60,583	13,613	105,135	9,103
Change in exchange rates	157	1,670	(965)	(98)
Change – other	759	2,127	318	321
	(41,856)	23,579	52,807	11,549
Net gains and losses on derecognition	1,616	559	341	2
Other	(108)	(2,001)	(294)	(360)
	(40,349)	**22,137**	**52,854**	**11,190**

Changes in EXCHANGE RATES impact the value of four DBAG investments, meaning that they are of minor significance on the whole. In the same period of the previous year, this influence had been slightly positive at 1.7 million euros.

Other valuation effects shown under CHANGE – OTHER reflected the lower capitalisation rate and the resulting slightly higher valuation of a portfolio company that is valued using the DCF method; this portfolio company is reporting double-digit growth and encouraging operating performance. In the previous year, the positive contribution totalling 7.0 million euros made by what were still two investments valued using the DCF method at that time had been largely neutralised by the negative value contribution made by another investment.

Around half of the NET GAINS AND LOSSES ON DERECOGNITION of 1.6 million euros can be attributed to the sale of the remaining shares in Romaco Group. In addition, the reversal of a retention for representations and warranties relating to a previous disposal had a positive impact on the net gains and losses on derecognition, as did a technical effect which had already arisen in the first quarter relating to the disposal of inexio, a transaction that was agreed just before the end of the 2018/2019 financial year. In the previous year, net gains and losses from derecognition of 0.6 million euros were due largely to the realisation of amounts retained for an investment sold in previous years.

SOURCE ANALYSIS 2: The increases in value in the first three quarters are attributable to ten active portfolio companies (previous year: 14 portfolio companies and one externally managed international buyout fund), with five companies from the focus sector of broadband telecommunications (one of which was measured at fair value for the first time as at this reporting date) and four companies from the core sectors – in these cases, however, this is due exclusively to the positive impact of the multiples. One investment (Cartonplast; previous year: five investments) is recognised at its transaction price because it has been held for less than twelve months; it accounts for seven per cent of the portfolio value (previous year: eleven per cent). 18 (previous year: ten) equity investments and (as in the previous year) one investment in an externally managed international buyout fund made a negative contribution to net gains and losses on measurement and derecognition in the first nine months. At one company, the negative change in value was due exclusively to a lower multiple.

NET GAINS AND LOSSES ON MEASUREMENT AND DERECOGNITION PORTFOLIO BY SOURCES: SOURCE ANALYSIS 2

€'000	1st to 3rd quarter 2019/2020	1st to 3rd quarter 2018/2019	3rd quarter 2019/2020	3rd quarter 2018/2019
Positive movements	37,363	55,733	56,118	23,630
Negative movements	(77,712)	(33,596)	(3,264)	(12,472)
	(40,349)	**22,137**	**52,854**	**11,190**

SOURCE ANALYSIS 3: Net gains and losses on measurement and derecognition after the first nine months are primarily shaped by the impact of the pandemic on the portfolio. Please refer to source analysis 1 for details regarding net gains and losses on measurement and recognition.

NET GAINS AND LOSSES ON MEASUREMENT AND DERECOGNITION PORTFOLIO BY SOURCES: SOURCE ANALYSIS 3

€'000	1st to 3rd quarter 2019/2020	1st to 3rd quarter 2018/2019	3rd quarter 2019/2020	3rd quarter 2018/2019
Net measurement gains and losses	(41,965)	7,880	52,513	5,363
Net gains and losses on derecognition	1,616	559	341	2
	(40,349)	22,137	52,854	11,190

NET INCOME ATTRIBUTABLE TO OTHER SHAREHOLDERS OF INVESTMENT ENTITY SUBSIDIARIES was clearly in positive territory in the first three quarters of 2019/2020 at 9.5 million euros (previous year: -3.8 million euros) and partly offset the drastic drop in gross gains and losses on measurement and derecognition. This largely reflected performance-related profit shares from personal investments in investment entity subsidiaries of the DBAG funds (carried interest), namely DBAG Fund V and DBAG ECF (in the previous year also DBAG Fund VI). These account for those active and former members of the DBAG investment team who co-invested alongside the funds.

The carried interest entitlements recognised in these financial statements primarily mirror the net performance of the investments of the DBAG funds. This means that the carried interest changes depending on the further performance of the investments of the funds and in the course of distributions following disposals from a fund's portfolio, provided that the contractual conditions are met. DBAG Fund VII only commenced investments in December 2016. No carried interest has had to be recognised for this fund to date. In the nine months under review, carried interest for DBAG Fund VI that had previously been taken into account was reversed in full, as the performance of this fund's investments means that the prerequisites for recognising carried interest are no longer fulfilled.

CURRENT PORTFOLIO INCOME mainly relates to interest payments on shareholder loans.

NET GAINS AND LOSSES FROM OTHER ASSETS AND LIABILITIES of investment entity subsidiaries amounted to 0.1 million euros for the first nine months of the financial year (previous year: -6.7 million euros). The item mainly includes the remuneration for the manager of DBAG Fund VI and DBAG Fund VII, based on the capital invested/committed by DBAG.

FINANCIAL POSITION – LIQUIDITY

DBAG's financial resources consist of cash and cash equivalents of 11.5 million euros and units in fixed-income and money market funds in the amount of 5.0 million euros. The investment entity subsidiaries hold further financial resources in the amount of 27.9 million euros, solely in cash and cash equivalents, some of which are to be distributed to DBAG in the future. These funds are available for investment. The following condensed statement of cash flows based on the IFRS shows the changes in DBAG's cash and cash equivalents.

During the first nine months of the 2019/2020 financial year, FINANCIAL RESOURCES in accordance with IFRS dropped by 32.5 million euros to 11.5 million euros (reporting date of 30 September 2019: 43.9 million euros).

The negative balance of CASH FLOW FROM OPERATING ACTIVITIES is influenced by other non-cash changes. As DBAG has not been collecting any fees for advisory services to DBAG Fund VII since the fourth quarter of 2018/2019, this income is missing in the reporting period in a year-on-year comparison. Once these fees are collected, they are to be offset against repayments from disposals made by this fund. As a result, the negative balance of cash flow from operating activities is more substantial as against the prior-year period, coming to 17.1 million euros compared with 11.8 million euros in the previous year.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

INFLOWS (+)/OUTFLOWS (-)

€'000	1st to 3rd quarter 2019/2020	1st to 3rd quarter 2018/2019	3rd quarter 2019/2020	3rd quarter 2018/2019
Net income	(24,636)	12,624	52,060	5,020
Measurement gains (-)/losses (+) and gains (-)/losses (+) on disposal of financial assets and loans and receivables	26,334	(16,121)	(50,093)	(6,836)
Other non-cash changes	(18,758)	(8,294)	(5,530)	(2,243)
Cash flow from operating activities	**(17,060)**	**(11,790)**	**(3,563)**	**(4,059)**
Proceeds from disposals of financial assets and loans and receivables	44,949	28,103	1,067	0
Payments for investments in financial assets and loans and receivables	(45,702)	(70,215)	(3,106)	(6,517)
Proceeds from disposal of other financial instruments	14,518	33,476	0	561
Payments for investments in other financial instruments	(26,047)	(37,779)	0	(15,355)
Cash flow from investing activity	(12,282)	(46,415)	(2,039)	(21,311)
Proceeds from (+)/payments for (-) investments in securities	20,511	70,113	5,023	22,027
Other cash inflows and outflows	(343)	(79)	(155)	(9)
Cash flow from investing activities	**7,886**	**23,619**	**2,829**	**707**
Payments for lease liabilities	(741)	0	(252)	0
Payments to shareholders (dividends)	(22,566)	(21,814)	0	0
Cash flow from financing activities	**(23,307)**	**(21,814)**	**(252)**	**0**
Net change in cash and cash equivalents	**(32,480)**	**(9,985)**	**(986)**	**(3,352)**
Cash and cash equivalents at beginning of period	43,934	23,571	12,440	16,939
Cash and cash equivalents at end of period	**11,454**	**13,587**	**11,454**	**13,587**

CASH FLOW FROM INVESTING ACTIVITIES was positive at 7.9 million euros after nine months compared with 23.6 million euros in the previous year. It is influenced, on the one hand, by the change in securities holdings, in which surplus funds are invested temporarily until they are needed for investments, and on the other hand by the cash flow from investment activity.

The sale of units in fixed-income and money market funds resulted in a cash inflow of 20.5 million euros in the period under review, as against 70.1 million euros in the previous year.

Cash flow from investment activity amounted to -12.3 million euros in the reporting period as against -46.4 million euros in the same period of the previous year. The volatility of the cash flows relating to investment activities is due to reporting-date factors and also due to cash flows being concentrated on a few – yet sizeable – amounts in the transaction business, which is typical for Deutsche Beteiligungs AG’s business model.

Proceeds from the disposal of financial assets and loans and receivables are mainly attributable to three transactions: following the sale of inexio realised by DBAG ECF after the end of the 2018/2019 financial year, the fund distributed the first tranche of the disposal proceeds in the reporting period. In addition, the fund forwarded the proceeds from the recapitalisation of the investment in netzkontor nord. We also received a distribution from DBAG Fund V relating to the sale of the remaining stake in Romaco Group. Payments for investments in financial assets and loans and receivables resulted from capital calls made by investment entity subsidiaries for the new investments and from follow-on investments made by DBAG Fund VII, DBAG Fund VI and DBAG ECF, as described in the chapter entitled “Review of significant events and transactions”.

This brought the total CASH FLOW FROM INVESTING ACTIVITIES to 7.9 million euros.

The CASH FLOW FROM FINANCING ACTIVITIES was dominated by the distribution of the dividend to the Company's shareholders following the Annual Meeting held on 20 February 2020. It amounted to -23.3 million euros.

FINANCIAL POSITION – ASSETS

Asset and capital structure

Total assets as at the reporting date of 30 June 2020 decreased by 48.4 million euros compared with the start of the financial year. THE ASSET STRUCTURE has changed slightly: the proportion of total assets attributable to non-current assets increased further to around 83 per cent as at the current reporting date (30 September 2019: 79 per cent). Following the first-time application of IFRS 16, other non-current assets also include the value of right-of-use assets resulting from leases, for example from the tenancy agreement for Deutsche Beteiligungs AG's office premises.

Current assets as at 30 June 2020 decreased by 27.8 million euros compared to the end of the previous financial year. The drop in cash and cash equivalents and short-term securities in connection with investment activity, the distribution of the dividend and the financing of current operations was offset by an increase in other financial instruments and other current assets. Other financial instruments are short-term loans granted by DBAG in connection with the structuring of new investments (Cartonplast, blikk). Other current assets rose due to the accrued receivable from DBAG Fund VII resulting from advisory fees that have not been collected.

At 30 June 2020, 81 per cent of total assets (30 September 2019: 79 per cent) were invested in financial assets. Just under four per cent of total assets were attributable to DBAG's financial resources, consisting of cash and cash equivalents and securities; the share of financial resources has decreased further since the end of the last financial year (14 per cent). The changes that had an impact on the development of financial resources in the reporting period are explained in detail in the previous chapter "Financial position - liquidity". All in all, the figure of 16.5 million euros as at 30 June 2020 is of limited informational value. For example, the funds from the sale of inexio, which has already been realised, had not been received by the Company in full by the reporting date. Moreover, as set out in the explanations on cash flow from operating activities, DBAG has stopped collecting fees for advising DBAG Fund VII with effect from the fourth quarter of the 2018/2019 financial year.

Equity now comes to 412.2 million euros, down by 47.9 million euros on the figure as at 30 September 2019 due to the negative net income and the distribution for the previous year. Equity per share thus declined from 30.59 euros to 27.40 euros.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€'000	30 June 2020	30 Sep 2019
Financial assets including loans and receivables	360,096	385,693
Other non-current assets	5,852	883
Deferred tax assets	658	658
Non-current assets	**366,606**	**387,233**
Other financial instruments	28,531	17,002
Receivables and other assets	9,728	7,398
Short-term securities	5,011	25,498
Cash and cash equivalents	11,454	43,934
Other current assets	21,881	10,550
Current assets	**76,604**	**104,382**
Total assets	**443,211**	**491,615**
Equity	412,227	460,152
Non-current liabilities	24,002	19,677
Current liabilities	6,981	11,787
Total equity and liabilities	**443,211**	**491,615**

The CAPITAL STRUCTURE was virtually unchanged as against the end of the last financial year; the equity ratio came to 93 per cent as against 94 per cent. Equity covers non-current assets in full, and current assets at 60 per cent (30 September 2019: 70 per cent). Non-current liabilities were up as against 30 September 2019, also due to the recognition of lease liabilities in connection with the first-time application of IFRS 16. Current liabilities as at the current reporting date were 4.8 million euros lower than on 30 September 2019. This was due primarily to lower personnel-related provisions.

The CREDIT LINE of 50 million euros was not drawn down during the first nine months, nor at the reporting date.

Financial assets and loans and receivables

Financial assets, including loans and receivables, are largely determined by the VALUE OF THE PORTFOLIO: excluding non-controlling interests in investment entity subsidiaries (largely carried interest), the figure after the first three quarters was 368.1 million euros, compared with 422.1 million euros at the end of the last financial year. During the reporting period, additions from the investment activity of the DBAG funds were offset by higher portfolio reductions after disposals, as well as by substantial negative changes in value, largely due to the coronavirus pandemic (see comments on the value of the portfolio).

FINANCIAL ASSETS INCLUDING LOANS AND RECEIVABLES

€'000	30 June 2020	30 Sep 2019
Portfolio value (including loans and receivables)		
gross	368,134	422,109
Interests of other shareholders in investment entity subsidiaries	(28,554)	(39,850)
net	339,580	382,260
Other assets and liabilities of investment entity subsidiaries	20,441	3,359
Other financial assets	75	74
Financial assets including loans and receivables	**360,096**	**385,693**

NON-CONTROLLING INTERESTS IN INVESTMENT ENTITY SUBSIDIARIES relate primarily to carried interest. They fell by 11.3 million euros overall compared with the end of the last financial year. 9.7 million euros of this drop is due to the change in the value of the portfolios of DBAG Fund VI, DBAG ECF and DBAG Fund V, with 1.6 million euros attributable to the payment of carried interest for DBAG Fund V in connection with the sale of the remaining shares in Romaco. The current fair value of DBAG Fund VI required the full reversal of the carried interest that had still been taken into account as at 30 September 2019. By contrast, carried interest for DBAG ECF increased. The current fair value of the DBAG Fund VII portfolio does not yet require carried interest to be recognised.

The increase in the OTHER ASSETS AND LIABILITIES OF INVESTMENT ENTITY SUBSIDIARIES was mainly due to the sale of inexio just before the end of the last financial year. While the company's valuation has no longer been included in the portfolio value since the reporting date of 31 December 2019, some of the proceeds are still with the investment entity subsidiary. This had an impact on other financial assets and the assets, as well as the cash and cash equivalents, of this Group company. On the other hand, there was a marked increase in liabilities resulting from the structuring of new investments.

Portfolio and portfolio value

DBAG's portfolio consisted of 28 equity investments on 30 June 2020. In addition, following the liquidation of the US buyout fund Harvest Partners IV in the third quarter of the current financial year, DBAG has one remaining investment in another externally managed international private equity fund (DBG Eastern Europe II). Both investments were/are of minor significance. DBAG's investments are held indirectly via investment entity subsidiaries, with one exception (JCK). The portfolio contains 23 management buyouts and five investments aimed at growth financing.

As at 30 June 2020, the value of the 28 investments, including the loans and receivables extended to the portfolio companies and excluding short-term interim financing, amounted to 360.6 million euros (30 September 2019: 409.0 million euros). In addition, there were entities with a value of 7.5 million euros through which representations and warranties on previous disposals are (largely) settled ("Other investments"), and which are no longer expected to deliver any appreciable value contributions (30 September 2019: 13.1 million euros). This brought the portfolio value to a total of 368.1 million euros (30 September 2019: 422.1 million euros), 1.04 times the original cost.

Although the portfolio value has recovered considerably since the most recent quarterly reporting date (31 March 2020: 307.8 million euros), it is still 54.0 million euros lower than the value observed at the beginning of the financial year. Additions of 54.0 million euros are offset by disposals of 66.0 million euros and an impairment of 42.0 million euros.

The additions of 54.0 million euros relate primarily (in the amount of 44.7 million euros in total) to the new Cartonplast and DING Group investments, as well as the capital invested in DNS:Net – in line with the investment concept for this fast-growing company. The remaining 9.3 million euros includes 5.5 million euros for the capital injected alongside the DBAG funds to support debt financing arrangements at six portfolio companies in order to boost the financial resources available to them following the blow dealt by the pandemic. The disposals relate first and foremost to the sale of the investment in inexio, the remaining investment in Romaco Group and the reduction in cost following the recapitalisation of the investment in netzkontor.

What is more, adjustments to expectations regarding long-term earnings at portfolio companies to reflect the impact of the pandemic, in particular, resulted in negative changes in value totalling 42.0 million euros. The value of eleven investments showed a positive change, while the value of 17 investments changed for the worse. Negative changes in the amount of 34.4 million euros related primarily to six industrial portfolio companies as well as to companies with either direct or indirect links to the automotive industry.

These effects of the coronavirus crisis play a key role in explaining why the proportion of the portfolio value attributable to portfolio companies in DBAG's core sectors, mechanical and plant engineering, industrial components and automotive suppliers, only amounted to 38 per cent of the portfolio value on the reporting date, as against 44 per cent at the beginning of the financial year. The six percentage point drop was offset by a five percentage point increase in the proportion of portfolio companies in the DBAG focus sector broadband/telecommunications (this includes the same portfolio companies in each case). Since the beginning of the financial year, the proportion of the portfolio value attributable to portfolio companies with a leverage ratio (net debt/EBITDA) of more than 3.0 has also increased significantly. Whereas 39 per cent of the portfolio value was attributable to companies with a leverage ratio within this range at the start of the first quarter, this figure had risen to 77 per cent by the reporting date. The increase was also fuelled by the successful conclusion of acquisitions by three portfolio companies financed exclusively using debt financing. It also, however, reflects the significant decline in expected results, especially for industrial companies or companies with links to the automotive industry, as well as drawdowns on credit lines or further borrowings by some companies. As a result, the leverage ratio has increased to a value of more than three at five companies.

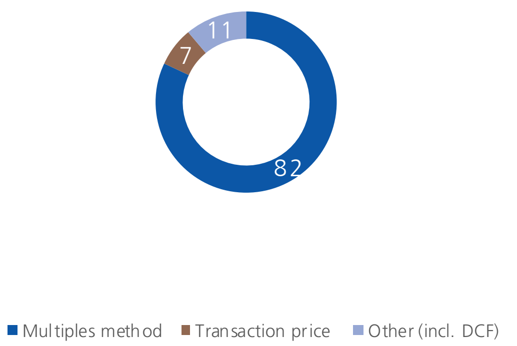
The 15 largest investments accounted for around 82 per cent of the portfolio value at 30 June 2020 (30 September 2019: 79 per cent). The following table lists these 15 investments in alphabetical order. A full list of the portfolio companies can be found on the DBAG website and at the end of this Quarterly Statement.

Company	Cost	Equity share DBAG	Investment type	Sector
	€mn	%		
cloudflight GmbH	8.2	14.2	MBO	Software
blikk Holding GmbH	19.0	11.0	MBO	Healthcare
Cartonplast Holding GmbH	25.3	16.4	MBO	Industrial services
DNS:Net Internet Service GmbH	20.9	15.7	Expansion capital	Broadband/telecommunications
duagon Holding AG	23.8	21.3	MBO	Industrial components
JCK Holding GmbH Textil KG	8.8	9.5	Expansion capital	Consumer goods
Kraft & Bauer Holding GmbH	14.1	17.9	MBO	Industrial components
netzkontor nord GmbH	5.0	35.9	MBO	Broadband/telecommunications
Oechsler AG	11.2	8.4	Expansion capital	Automotive suppliers
Pfaudler International S.à r.l.	13.3	17.8	MBO	Mechanical and plant engineering
Polytech Health and Aesthetics GmbH	14.4	15.2	MBO	Industrial components
Deutsche Infrastruktur und Netzgesellschaft mbH (DING group)	9.6	34.9	MBO	Broadband/telecommunications
Telio Management GmbH	14.3	15.6	MBO	Other
vitronet GmbH	4.5	41.3	MBO	Broadband/telecommunications
von Poll Immobilien GmbH	11.7	30.1	MBO	Services

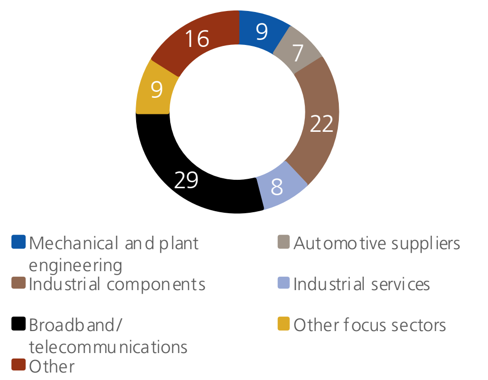
The following portfolio information is based on the valuation and resulting portfolio value at the reporting date of 30 June 2020. The investments in the remaining externally managed international buyout fund and in companies through which retentions for representations and warranties from exited investments are held are recognised under "Other". The information on debt (net debt, EBITDA) relates to the (updated) expectations of the portfolio companies for the 2020 financial year.

Portfolio structure

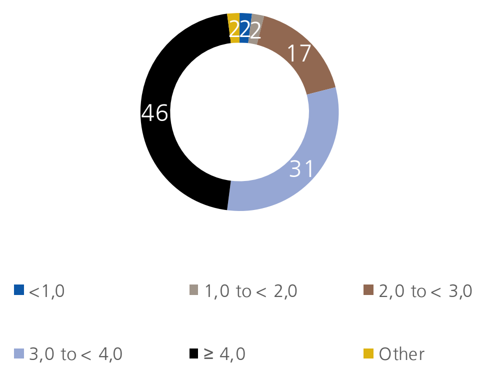
PORTFOLIO VALUE BY VALUATION METHOD
%



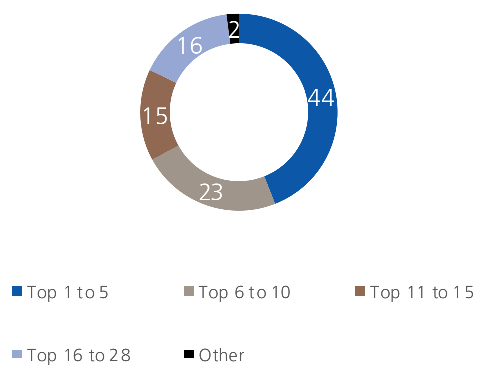
PORTFOLIO VALUE BY SECTOR
%



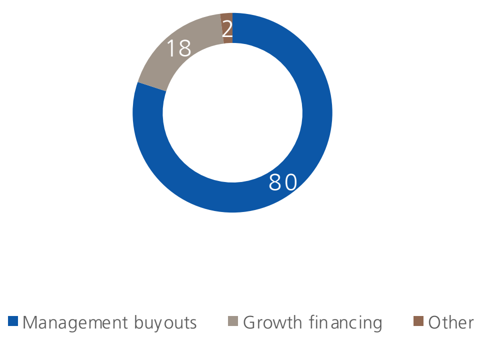
PORTFOLIO VALUE BY PORTFOLIO COMPANY NET DEBT / EBITDA
%



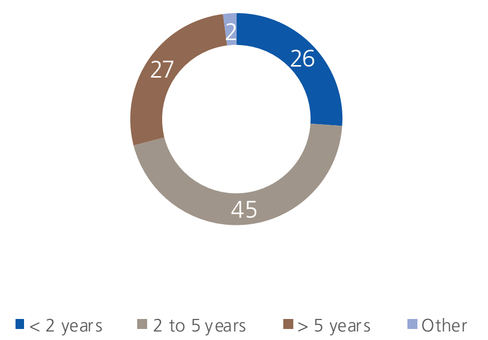
CONCENTRATION OF PORTFOLIO VALUE
Size categories in %



PORTFOLIO VALUE BY TYPE OF INVESTMENT
%



PORTFOLIO VALUE BY AGE
Classes in %



BUSINESS PERFORMANCE BY SEGMENT

Private Equity Investments segment

SEGMENT EARNINGS STATEMENT – PRIVATE EQUITY INVESTMENTS

€'000	1st to 3rd quarter 2019/2020	1st to 3rd quarter 2018/2019	3rd quarter 2019/2020	3rd quarter 2018/2019
Net income from investment activity	(25,295)	16,901	50,944	7,362
Other income/expense items	(5,952)	(5,902)	(1,984)	(2,152)
Earnings before taxes	**(31,247)**	**10,999**	**48,961**	**5,210**

EARNINGS BEFORE TAXES in the Private Equity segment amounted to -31.2 million euros after the first nine months of the financial year 2019/2020, down 42.2 million euros on the prior-year period. This is due to significantly lower NET INCOME FROM INVESTMENT ACTIVITY. Please refer to the notes on this item in the section on "Financial performance". Net expenses under other INCOME/EXPENSE ITEMS (the net amount of internal management fees, personnel expenses, other operating income and expenses, as well as net interest income) was largely unchanged year-on-year. The figure includes internal management fees paid to the Fund Investment Services segment, which now only relate to DBAG ECF, in the amount of 1.0 million euros (previous year: 0.9 million euros).

NET ASSET VALUE AND AVAILABLE LIQUIDITY

€'000	30 June 2020	30 Sep 2019
Financial assets including loans and receivables	360,096	385,693
Other financial instruments	28,531	17,002
Financial resources	16,465	69,432
Net asset value	**405,092**	**472,126**
Financial resources	16,465	69,432
Credit line	50,000	50,000
Available liquidity	**66,465**	**119,432**
Co-investment commitments alongside DBAG funds	**92,139**	**129,733**

The NET ASSET VALUE is lower than at the end of the previous financial year, having declined by 67.0 million euros to 405.1 million euros. Please refer to the "Financial position – assets" and "Financial position – liquidity" sections for information on the changes to financial assets and financial resources.

Pending CO-INVESTMENT COMMITMENTS ALONGSIDE DBAG FUNDS decreased by 47.6 million euros overall. Capital calls were made for new investments and acquisitions by portfolio company. At 30 June 2020, 20 per cent of the co-investment commitments were covered by the available financial resources (cash and cash equivalents including securities; 30 September 2019: around 53 per cent). A credit line of 50 million euros is available to compensate for the irregular cash flows resulting from our business model. It is provided by a consortium of two banks and runs until 2023. The surplus of co-investment commitments over available funds amounts to around four per cent of financial assets, compared with three per cent at 30 September 2019. We expect to be able to cover this surplus with disposals from the portfolio.

As is always the case when a new fund is launched, the co-investment commitments increased upon the commencement of DBAG Fund VIII's investment period. They will fall due in the course of the fund investment period, which spans a period of up to six years. As in the past, we expect to be able to finance a significant part of the commitments using returns from disposals. The co-investment commitments for DBAG Fund VIII amount to 255 million euros. We are currently exploring various debt and equity financing options for these commitments and the funds required for long-term equity investments.

Fund Investment Services segment

SEGMENT EARNINGS STATEMENT – FUND INVESTMENT SERVICES

€'000	1st to 3rd quarter 2019/2020	1st to 3rd quarter 2018/2019	3rd quarter 2019/2020	3rd quarter 2018/2019
Income from Fund Services	21,354	21,185	7,039	6,861
Other income/expense items	(14,753)	(19,552)	(3,937)	(7,049)
Earnings before taxes	**6,600**	**1,634**	**3,102**	**(187)**

The Fund Investment Services segment closed the quarter with significantly improved EARNINGS BEFORE TAXES compared with the previous year. The figure came to 6.6 million euros as against 1.6 million euros in the prior-year period. INCOME FROM FUND SERVICES was largely unchanged in a year-on-year comparison. Income from DBAG Fund VII was up in a year-on-year comparison, as the two investments in blikk and Cartonplast mean that two further transactions were structured using the top-up fund. Income from DBAG ECF rose following the fund's investment in DING Group. The fees for DBAG Fund VI and DBAG ECF were lower, as was to be expected. Fees are no longer paid for DBAG Fund V as agreed. The segment information also takes into account internal income from the Private Equity Investments segment in the amount of 1.0 million euros (previous year: 0.9 million euros).

The negative balance of OTHER INCOME/EXPENSES was down significantly year-on-year, This was due mainly to lower provisions for variable remuneration in this reporting period and to expenses for severance pay in the previous year that were not repeated in the reporting period. What is more, we have since reduced temporarily duplicated functions in some positions.

FEE INCOME FROM FUND MANAGEMENT AND ADVISORY SERVICES declined year-on-year, and, as expected, fees incurred from DBAG Fund VI, DBAG Fund VI, and DBAG ECF were lower. The segment information also takes into consideration internal income from the Private Equity Investments segment, in the amount of 0.9 million euros (previous year: 0.6 million euros).

ASSETS UNDER MANAGEMENT OR ADVISORY

€'000	30 June 2020	30 Sep 2019
Funds invested in portfolio companies	1,211,076	1,088,298
Short-term bridge financing for new investments	167,626	94,492
Outstanding capital commitments of third-party investors	297,383	452,212
Financial resources (of DBAG)	16,465	69,432
Assets under management or advisory	**1,692,550**	**1,704,434**

The amount of ASSETS UNDER MANAGEMENT OR ADVISORY has fallen slightly since the start of the financial year. Pending capital commitments by fund investors declined by a total of 155 million euros, reflecting investing activities. This was offset by a 191 million euro increase in total funds invested in (or called for) portfolio companies or bridge loans. The negative balance of these two items was attributable to the distribution of part of the proceeds from the sale of inexio to fund investors and DBAG, following the disposal of this investment. DBAG's financial resources fell in the first nine months of the year, particularly in connection with the structuring of additional investments. In addition, the dividend was paid out to the Company's shareholders at the end of February 2020. Please refer to the "Financial position – liquidity" section for information on changes in DBAG's financial resources.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

The investment period of the successor fund DBAG FUND VIII began on 1 August 2020. The investment team is working on several promising transactions, and the associated investments exceed the remaining potential of DBAG Fund VII. The launch of the new fund will increase the income from Fund Services significantly. For the current financial year as a whole, we expect the net income of the fund (also given the fact that the income from DBAG Fund VII is now calculated on the basis of the capital invested as opposed to on the basis of the committed funds) to increase the income from Fund Services by around 2.3 million euros. This will have a positive impact on the net income from Fund Investment Services.

In recent months, we have been working at full tilt on selling our stake in RHEINHOLD & MAHLA GMBH. At the end of July, we signed an agreement on the sale of this industrial services provider for ship interior outfitting. A company belonging to the Chinese CSSC Group, the world's largest shipbuilding conglomerate, will acquire significant parts of the company. The purchase price agreed is below the original cost and reflects what is likely to be a difficult situation for the industry in which the company operates. This was mirrored in the valuation as at the most recent reporting date. A further value contribution running into the low single-digit millions is expected after the transaction is completed. DBAG invested in Rheinhold & Mahla back in September 2016 alongside DBAG ECF.

DING Group completed the acquisition of Reinhard Rohrbau GmbH (RBB) in July.

OPPORTUNITIES AND RISKS

For information on opportunities and risks, we refer to the statements made in the combined management report at 30 September 2019. They continue to apply in principle.[1]

In the course of the pandemic, the value for four risks with a "high" expected value had initially increased to "very high", as we had to assume that these risks were more likely to materialise. We now consider it "likely" that access to the equity and credit markets is not currently ensured. We had previously assessed the probability of this risk occurring as "low". In addition, we had assumed prior to the pandemic that the materialisation of the following risks was "possible", whereas we now assume that it is "likely":

› Negative impact of the general economy and economic cycles on portfolio companies' earnings, financial and asset position. One of the ways in which we are managing this risk is by providing our portfolio companies with particularly close support with regard to the measures to safeguard their earnings and liquidity.

› Lower valuation levels on the capital markets. We are committed to making the impact of the capital markets on our management indicators transparent and, at the same time, raising awareness of the fact that DBAG's long-term success does not depend on short-term fluctuations on the capital markets, but rather rests on the entrepreneurial success of our portfolio companies.

[1] cf. 2018/2019 Annual Report, page 100 et seqq.

There was also a time at which we considered the risk of insufficient access to new, attractive investment opportunities (deal sourcing) materialising to be "likely". We have revised this assessment again thanks to the vast improvement in the deal flow from mid-June onwards in the quarter under review, and now believe that this risk is less likely to materialise ("possible").

FORECAST

Net income from investment activity is indicative of changes in Private Equity Investments. In the short term, it is heavily defined by individual events or developments that are not predictable at the beginning of the financial year. This most certainly applies to the coronavirus pandemic. The outbreak of the pandemic in the second quarter of the current financial year has had considerable implications for some of our portfolio companies, prompting us to withdraw our original forecast for the current financial year in March. As always, the second forecast released in May was based on the assumption of stable valuations on the capital market, as we cannot plan changes in stock market prices or adjustments to earnings estimates by analysts. Following a sharp rise in share prices by 30 June, we are now looking at different, higher valuation multiples than we had three months ago. This is reflected in net income from investment activity, as well as in the amount of the net asset value of Private Equity Investments as at the most recent reporting date.

Our latest forecast, too, is subject to valuation levels on the capital markets not having changed much at the end of this financial year from the time the forecast was published. In other words: if, contrary to the assumptions used in our projections, the multiples for listed peer group companies are much lower on the reporting date than they were on the last reporting date, the net asset value of Private Equity Investments will be lower than in the forecast, and vice versa.

We expect to see both negative and positive factors influence net income from investment activity in the remaining weeks of the financial year. As the pandemic unfolds, the financial situation at individual portfolio companies could turn out to be worse in three months' time than currently expected. This would reduce the value recognised for the investments in these companies. On the other hand, successes from ongoing disposal processes could offset this trend. We expect the second segment, Fund Investment Services, to deliver a further positive contribution to results following the start of the investment period for DBAG Fund VIII, meaning that, in a year-on-year comparison, net income from Fund Investment Services could improve again by around one-third as against the value achieved after three quarters. It is impossible to predict the overall impact of all of these factors exactly. Assuming stable multiples, as mentioned above, we expect the net asset value of Private Equity Investments to be in a range between 400 million euros and 425 million euros at the end of the 2019/2020 financial year, and still expect to see negative net income in a range between -25 million euros and -5 million euros for the year as a whole.

Our dividend policy remains unchanged in general. It provides for a dividend that remains stable and increases whenever this is possible. When it comes to deciding on the amount of the distribution, we take the expected inflow of funds from the two business segments, i.e. income from Fund Services and net inflows after disposals, liquidity requirements for (co-)investments and securing the dividend capacity in the long run. In view of the impact of the coronavirus crisis, we have withdrawn the forecast released at the beginning of the financial year, when we predicted that our dividend was to remain stable at the level of the dividend paid out in February 2020 during the planning period leading up to 2022. We are not currently able to release any new forecast regarding the dividend for the current financial year.

OTHER DISCLOSURES

This document is a quarterly statement pursuant to section 53 of the Stock Exchange Rules and Regulations (*Börsenordnung*) of the Frankfurt Stock Exchange in the version dated 5 July 2020. The consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity were prepared in accordance with International Financial Reporting Standards (IFRS). The accounting, valuation and consolidation methods used are the same as those used in the previous consolidated financial statements at 30 September 2019.

ANNEX TO THE QUARTERLY STATEMENT

Consolidated statement of comprehensive income

for the period from 1 October 2019 to 30 June 2020

€'000	1 Oct 2019 to 30 June 2020	1 Oct 2018 to 30 June 2019
Net income from investment activity	(25,295)	16,901
Income from Fund Services	20,397	20,335
Income from Fund Services and investment activity	**(4,898)**	**37,236**
Personnel expenses	(11,697)	(16,679)
Other operating income	2,805	4,820
Other operating expenses	(10,537)	(12,877)
Interest income	309	675
Interest expense	(630)	(543)
Other income/expense items	**(19,749)**	**(24,604)**
Earnings before taxes	**(24,646)**	**12,632**
Income taxes	17	0
Earnings after taxes	**(24,629)**	**12,632**
net income attributable to other shareholders	(7)	(8)
Net income	**(24,636)**	**12,624**
a) Items that will not be reclassified subsequently to profit or loss		
gains (+)/ losses (-) on remeasurement of the net defined benefit liability (asset)	(722)	261
b) Items that will be reclassified subsequently to profit or loss		
Changes in the fair value of financial assets measured at fair value through other comprehensive income	0	15
Other comprehensive income	**(722)**	**276**
Total comprehensive income	**(25,359)**	**12,900**
Earnings per share in euros (diluted and basic)[1]	(1.64)	0.84

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

Consolidated statement of cash flows

for the period from 1 October 2019 to 30 June 2020

INFLOWS (+) / OUTFLOWS (-)

€'000	1 Oct 2019 to 30 June 2020	1 Oct 2018 to 30 June 2019
toNet income	(24,636)	12,624
Valuation gains (-)/losses (+) on financial assets and loans and receivables, deprecia-tion/amortisation/impairmant of property, plant and equipment and intangible assets, gains (-)/losses (+) on long- and short-term securities	27,237	(15,545)
Gains (-)/losses (+) from disposal of non-current assets	2	(76)
Increase (+)/decrease (-) in income tax assets	641	(1,592)
Increase (+)/decrease (-) in other assets (net)	(14,171)	(1,103)
Increase (+)/decrease (-) in pension provisions	296	(500)
Increase (+)/decrease (-) in other provisions	(5,572)	296
Increase (+)/decrease (-) in other liabilities (net)	(846)	(5,895)
Cash flow from operating activities	(17,060)	(11,790)
Proceeds from disposals of financial assets and loans and receivables	44,949	28,103
Payments for investments in financial assets and loans and receivables	(45,702)	(70,215)
Proceeds from disposals of other financial instruments	14,518	33,476
Payments for investments in other financial instruments	(26,047)	(37,779)
Cash flow from investment activity	(12,282)	(46,415)
Proceeds from disposals of property, plant and equipment and intangible assets	69	79
Payments for investments in property, plant and equipment and intangible assets	(412)	(158)
Proceeds from disposals of securities	28,034	70,328
Payments for investments in securities	(7,524)	(215)
Cash flow from investing activities	7,886	23,619
Payments for lease liabilities	-741	0
Payments to shareholders (dividends)	(22,566)	(21,814)
Cash flow from financing activities	(23,307)	(21,814)
Net change in cash and cash equivalents	(32,480)	(9,985)
Cash and cash equivalents at start of period	43,934	23,571
Cash and cash equivalents at end of period	11,454	13,587

1 This includes income taxes received or paid in the amount of 646,000 euros (previous year: -1.571,000 euros) as well as interest received or paid in the amount of -292,000 euros (previous year: 770,000 euros) and dividends in the amount of 83,000 euros (previous year: 9.022,000 euros).

Consolidated statement of financial position

at 30 June 2020

€'000	30 June 2020	30 Sep 2019
ASSETS		
Non-current assets		
Intangible assets	456	301
Property, plant and equipment	5,396	582
Financial assets	360,096	385,693
Deferred tax assets	658	658
Total non-current assets	366,606	387,233
Current assets		
Receivables	4,537	1,565
Short-term securities	5,011	25,498
Other financial instruments	28,531	17,002
Income tax assets	5,191	5,833
Cash and cash equivalents	11,454	43,934
Other current assets	21,881	10,550
Total current assets	76,604	104,382
Total assets	443,211	491,615
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	53,387	53,387
Capital reserve	173,762	173,762
Retained earnings and other reserves	(14,751)	(14,028)
consolidated retained profit	199,829	247,031
Total equity	412,227	460,152
Liabilities		
Non-current liabilities		
liabilities under interests held by other shareholders	56	55
Provisions for pensions obligations	19,889	19,593
Other provisions	28	28
Other non-current liabilities	4,028	0
Total non-current liabilities	24,002	19,677
Current liabilities		
Other current liabilities	2,044	1,260
Income taxes payable	0	17
Other provisions	4,937	10,509
Total current liabilities	6,981	11,787
Total liabilities	30,984	31,463
Total equity and liabilities	443,211	491,615

Consolidated statement of changes in equity

for the period from 1 October 2019 to 30 June 2020

€'000	1 Oct 2019 to 30 June 2020	1 Oct 2018 to 30 June 2019
Subscribed capital		
At start and end of reporting period	**53,387**	**53,387**
Capital reserve		
At start and end of reporting period	**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	(109)	0
Effects from reclassification in accordance with IFRS 9	0	(36)
Measurement effects in accordance with IFRS 9	0	(74)
At start (restated)[2] and end of reporting period	(109)	(109)
Reserve for gains/losses on remeasurement of the net defined benefit liability (asset)		
At start of reporting period	(30,450)	(22,760)
Change during the reporting period	(722)	261
At end of reporting period	(31,173)	(22,499)
Change in unrealised gains/losses on available-for-sale securities		
At start of reporting period	0	(102)
Effects from reclassification in accordance with IFRS 9	0	102
At end of reporting period	0	0
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	0	(67)
Measurement effects in accordance with IFRS 9	0	52
At start of reporting period (restated)[1]	0	(15)
Change in reporting period through profit or loss	0	15
At end of reporting period	0	0
At end of reporting period	**(14,751)**	**(6,077)**
Consolidated retained profit		
At start of reporting period	247,031	222,973
Dividend	(22,566)	(21,814)
Net income	(24,636)	12,624
At end of reporting period	**199,829**	**213,783**
Total	**412,227**	**434,855**

1 Restated as part of the transition to IFRS 9 (see the 2018/2019 Annual Report, pages 127 to 130)

Disclosures on segment reporting

SEGMENT REPORTING FROM 1 OCTOBER 2019 TO 30 JUNE 2020

€'000	Private Equity Investments	Fund Investment Services	Group reconcilitation[1]	Group 1st to 3rd quarter 2019/2020
Net income from investment activity	(25,295)	0	0	(25,295)
Income from Fund Services	0	21,354	(956)	20,397
Income from Fund Services and investment activity	**(25,295)**	**21,354**	**(956)**	**(4,898)**
Other income/expense items	(5,952)	(14,753)	956	(19,749)
Earnings before taxes (segment result)	**(31,247)**	**6,600**	**0**	**(24,646)**
Income taxes				17
Earnings after taxes				**(24,629)**
Net income attributable to other shareholders				(7)
Net income				**(24,636)**
Financial assets and loans and receivables	360,096			
Other financial instruments	28,531			
Financial resources[2]	16,465			
Net asset value	**405,092**			
Assets under management or advisory3		**1,692,550**		

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 2018 TO 30 JUNE 2019 AND 30 SEPTEMBER 2019

€'000	Private Equity Investments	Fund Investment Services	Group reconcilitation[1]	Group 1st to 3rd quarter 2018/2019
Net income from investment activity	16,901	0	0	16,901
Income from Fund Services	0	21,185	(850)	20,335
Income from Fund Services and investment activity	**16,901**	**21,185**	**(850)**	**37,236**
Other income/expense items	(5,902)	(19,552)	850	(24,604)
Earnings before taxes (segment result)	**10,999**	**1,634**	**0**	**12,632**
Income taxes				0
Earnings after taxes				**12,632**
Net income attributable to other shareholders				(8)
Net income				**12,624**
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 See footnote 1 in the preceding table
2 See footnote 2 in the preceding table
3 See footnote 3 in the preceding table

PORTFOLIO COMPANIES

Company	Revenues 2019[1] (€mn)	Employees	Core business
blikk Holding GmbH Unna, Germany	95	632	Radiology services and treatment
BTV Multimedia GmbH Hannover, Germany	67	126	Equipment and services for broadband communications
Cartonplast Holding GmbH Dietzenbach, Germany	83	812	Pool system for reusable layer pads
cloudflight GmbH Munich, Germany	33	400	Advisory services, software development and cloud operations
Dieter Braun GmbH Bayreuth, Germany	81	1,540	Cable systems and interior vehicle lighting
DING Group Bochum, Germany	18	90	Services for the telecommunications sector
DNS:Net Internet Service GmbH Berlin, Germany	21	200	Telecommunications and IT services
duagon Holding AG Dietikon, Switzerland[2]	113	469	Network components for rail vehicles
FLS GmbH Heikendorf, Germany	11	86	Real-time scheduling and route optimisation software
Frimo Group GmbH Lotte, Germany	203	1,295	Tools and plants for the automotive industry
Gienanth Group GmbH Eisenberg, Germany	196	1,146	Machine- and hand-moulded castings for the automotive supply industry, production of large engine blocks
Heytex Bramsche GmbH Bramsche, Germany	101	389	Manufacturer of technical textiles
JCK Holding GmbH Textil KG Quakenbrück, Germany	879	1,644	Marketer of textiles and seller of merchandise
Karl Eugen Fischer GmbH Burgkunstadt, Germany	51	471	Mechanical engineering for the tyre industry
Kraft & Bauer Holding GmbH Holzgerlingen, Germany	27	84	Fire extinguishing systems for tooling machines
mageba AG Bülach, Switzerland[2]	102	1,040	Products and services for the infrastructure and building construction sectors
More than Meals Europe S.à r.l. Luxembourg	524	3,250	Chilled ready meals and snacks
netzkontor nord GmbH Flensburg, Germany	28	484	Services for the telecommunications sector
Oechsler AG Ansbach, Germany	476	3,048	Plastics engineering for industries of the future
Pfaudler International S.à r.l. Luxembourg[3]	281	1,539	Mechanical engineering for the processing industry
Polytech Health & Aesthetics GmbH Dieburg, Germany	51	273	High-quality silicon implants
Rheinhold & Mahla GmbH Hamburg, Germany	144	507	Interior outfitting for ships and marine installations
Sero GmbH Rohrbach, Germany	90	207	Development and manufacturing service provider for electronic components
Silbitz Group GmbH Silbitz, Germany	164	1,009	Hand-moulded and automated moulded castings with a steel and iron basis

Sjølund A/S Sjølund, Denmark[4]	263	237	Bent aluminium and steel components
Telio Management GmbH Hamburg, Germany	52	200	Communications and media systems for correctional facilities
vitronet GmbH Essen, Germany	97	437	Construction of fibre-optic networks
von Poll Immobilien GmbH Frankfurt/Main, Germany	104	123	Estate agency

1 Some companies have a financial year that deviates from the calendar year
2 duagon Holding AG, mageba AG: figures in CHF
3 Pfaudler International S.à r.l.: figures in USD
4 Sjølund A/S: figures in DKK

Forward-looking statements bear risks

This quarterly statement contains statements on the future development of Deutsche Beteiligungs AG. These statements reflect the current views of the management of Deutsche Beteiligungs AG, and are based on relevant plans, estimates and expectations. Please note that the statements include certain risks and uncertainty factors which may mean that the actual results vary materially. Although we believe these forward-looking statements to be realistic, there can be no guarantees that the contents of these statements will come to fruition.

Disclaimer

The figures in this quarterly statement are generally presented in thousands or millions of euros. Rounding differences may occur between the amounts presented and their actual value, but these are of an insignificant nature.

The quarterly statement is published in English and German. The German version of this report shall be authoritative.

Version dated: 5 August 2020

Registered office: Frankfurt/Main – entered in the commercial register of the Frankfurt/Main Local Court under commercial register number B 52 491

Financial calendar

6 AUGUST 2020
Publication of the quarterly statement on the third quarter 2019/2020, Analysts' conference call

8 SEPTEMBER 2020
Capital Markets Day (online)

10 SEPTEMBER 2020
SRC Forum 2020, Frankfurt/Main

21 SEPTEMBER 2020
Berenberg and Goldman Sachs Ninth German Corporate Conference (online)

22 SEPTEMBER 2020
Baader Investment Conference, Munich

17 NOVEMBER 2020
German Equity Forum (online)

30 NOVEMBER 2020
Publication of 2019/2020 consolidated financial statements, Analysts' conference, Frankfurt/Main

Information for Shareholders

Deutsche Beteiligungs AG
Public Relations and Investor Relations
Thomas Franke
Börsenstrasse 1
60313 Frankfurt/Main, Germany
Phone +49 69 95787-361
Fax +49 69 95787-391
E-mail: IR@dbag.de
Website: www.dbag.com

ISIN DE 000A1TNUT7
Exchange mnemonic: DBANn (Reuters)
DBAN (Bloomberg)