Speech by
Tom Alzin, Spokesman of the Board of Management
of Deutsche Beteiligungs AG, Frankfurt/Main,
and by **Melanie Wiese**, Chief Financial Officer
of Deutsche Beteiligungs AG, Frankfurt/Main,
held at the Annual General Meeting on 22 February 2024

Check against delivery.

Dear Shareholders,
Shareholders' Representatives,
Ladies and Gentlemen,

Welcome to our Annual General Meeting!

I am delighted to see you again today, after just over four months. At our Extraordinary General Meeting on 2 November 2023, a large majority of you voted to approve the amendment to DBAG's corporate purpose, enabling the majority takeover of ELF Capital Group – we appreciate your trust in this instance.

With your vote, you opened up new business prospects and growth opportunities for DBAG in the attractive market segment of private debt. And DBAG has been able to evolve into a holistic financing partner for small and mid-sized enterprises. Against this backdrop, I'm now going to inform you about the progress we have made in integrating ELF Capital Group into DBAG and I will also outline our strategic outlook. Our CFO Melanie Wiese will then explain developments in the 2022/2023 business year.

The integration of ELF Capital is now well underway and the team has moved into DBAG's premises. The positive signals and high level of approval we have been receiving – both from yourselves and from the SME sector – clearly underline that this strategic step adds value. Our broader financing offer has made us the first port of call for private equity and private debt. This means that we can offer mid-sized businesses a range of options – an equity solution alongside a DBAG fund, a Long-Term Investment exclusively from DBAG's balance sheet, or a private debt solution. We always work closely with each company to find the best solution for them. The benefits that have resulted from developing an intimate bond and close familiarity with SMEs over almost six decades are best reflected in our performance in every market we serve. This includes Italy, where we have been exploring attractive opportunities for you since our market entry in 2020. I will go into more depth about this later.

Today, entrepreneurs get to know DBAG above all as a competent and trustworthy partner. A partner that supports them during the most important phase of their corporate development.

Our diversified and attractive portfolios are supported by our strong market position. A cornerstone of these portfolios is investment in the IT services and software sector, which benefits from structural growth. We have more than doubled the share of this sector in our overall portfolio within three years, from nine to 22 per cent. The bulk of businesses in this sector has been immune to developments in the broader economy because of extensive adoption of IT-based applications.

Just as we are constantly growing our Company, we are also permanently working on our portfolio. Of course, this involves both new investments and disposals. Our reputation helps a great deal. It is built on decades of success and on the fact that the "Mittelstand" is at the heart of everything we do and say. This "unfair" advantage is a hard-to-copy position that opens many doors, quite a few of which lead to bilateral negotiations. And our strong financial basis allows us to exploit the opportunities available to us.

Only recently, FINANCE magazine honoured us as a market leader in its annual survey of private equity transactions in mid-sized businesses – a position which, incidentally, we also assume in a long-term analysis since recording began. Hence, word of our successful approach has apparently spread.

Which is good. After all, we're operating in a market characterised by long-term, structural growth: in concrete figures, we are talking about an average annual growth rate of six per cent. But we believe that the high proportion of primaries – which stood at 67 per cent in 2022 – is almost more significant. In other words: two-thirds of transactions involved companies in which a private equity firm acquired a majority stake directly from the founders. These are transactions unrelated to investments sold among financial investors. As you know, we specialise in company successions.

This means that we are especially well-positioned in the primary market: having maintained access to family-owned and founder-managed enterprises for decades, we are regularly able to report an above-average number of transactions from these businesses,
often involving a successful generational change in management or shareholders. From 2013 to 2022, transactions with families and founders accounted for 60 per cent of DBAG's transaction volume, compared with 53 per cent for all mid-market MBOs.

What we are seeing here is not only the strong long-term performance of our market but also quarterly numbers for the past two years. The market has recovered from the correction in the summer of 2022. This is also evident in the development of investment opportunities: we were able to review as many as 66 in the quarter under review – an increase of around 30 per cent compared to the first quarter of the previous financial year.

Ladies and Gentlemen,

The success of private equity and private debt depends on the people behind them. We hold a strong market position thanks to our employees, which is why I would like to take this opportunity to personally thank them on behalf of the entire Board of Management for yet another outstanding performance during the financial year under review. They working tirelessly to ensure that our portfolio companies, DBAG and you, dear shareholders, are successful. It is their courage and creativity that provide the impetus that often leads to great results. Thank you so much for that!
We also want to keep growing our team in order to take full advantage of future market opportunities. In doing so, we are focusing on a blend of internal and external training initiatives, combined with attractive employee benefits.

We recorded brisk transaction activity in our portfolio, with three completed investments plus two agreed investments, including one Long-Term Investment.

In terms of disposals, we were also quite active, realising three investments, including two partial disposals. Two portfolio companies were derecognized, one in the financial year under review and one in the current financial year.

We are also particularly proud of our success in Italy. We have only recently entered this appealing market, which is one of the EU's most significant industrialised nations, in 2020. Family businesses make up a large share of the Italian economy and this is exactly the kind of company to which we can offer a wealth of experience. Moreover, the private equity market in Italy is very stable, with 50 transactions in the market segment relevant to us in 2021 and 2022.

Pmflex was our first investment in this market. We were able to sell it last year with very good results.
Prior to our exit, the company had succeeded in expanding its strong position in numerous European markets, making it attractive for a strategic investor: Hager Group. With this sale, the generational change in the ownership structure of Pmflex was successfully concluded. This transaction is a good example of how we succeed in making our portfolio relevant for strategic investors – and in realising financially attractive disposals.

It is also worth mentioning in this context that this was the first such transaction for Hager Group, which had always focused on organic growth in the past. This once again underpins our strong network in the SME sector.

We speak the language of SMEs, and we leverage our ability to identify potential synergy effects. Pmflex is an ideal addition to Hager Group.

Another example is MTWH, an Italian manufacturer of high-quality metal applications for fashion brands. MTWH was also able to further expand its strategic positioning as a competence centre for luxury market accessories when it acquired Metalstudio Group. With this acquisition, MTWH doubled revenues while expanding its customer base to include brands that are beacons in the industry. All in all, our portfolio companies agreed upon twelve acquisitions, ten of which were closed. As you can see, we have significantly revamped our investment portfolio.

We want to contribute to climate protection and to preserving an environment worth living in for the generations to come. That's why we have been providing equity capital to companies operating in this field, helping them to realise their market potential faster than they could on their own.
That's also why in the past financial year we invested in the biogas platform Avrio Energie and TBD Technische Bau Dienstleistungen – a specialist provider of construction services – alongside a fund advised by DBAG.

By investing in Avrio Energie, we are supporting the transition to renewable energies. The company's activities include a cutting-edge biogas plant that generates electricity and biomethane from both agricultural produce and animal manure, which contributes to improving the carbon footprint of biomethane-consuming clients. Biomethane is used in electricity generation and for green fuels; methane is also used as a raw material in the chemicals industry. As you know, consistent further development is a central element of our strategy – and that naturally also applies in this context. This is why we are also going one step further with our investment in Avrio Energie and will continue to expand the biogas plants. In concrete terms, this means that Avrio Energie will be able to refine biogas and feed it into the existing infrastructure as natural gas – we are therefore spearheading the concept of "natural gas made in Germany" and helping to meet the industry's demand for renewable and attractive energy sources. In view of the latest developments on the LNG market and the political will in favour of regional energy sources, we see attractive development opportunities here.

TBD specialises in critical infrastructure. The company's services are highly relevant to Germany's energy transition. TBD's projects include the connection of the LNG terminal in Wilhelmshaven. Headquartered in East Frisia in Northern Germany, TBD operates in a region that, as an energy hub, plays a major role in the energy supply of the future. As an accredited testing laboratory, the company is responsible for the safety of cables, conduits and pipes – the lifelines of our modern society.

It is no coincidence that we are involved in the renewable energies sector and are utilising the strong tailwind to generate attractive value growth. Nevertheless, these two transactions represent a fragment of our portfolio. In this respect, we want to continue to build a diversified portfolio for you and will certainly be able to report exciting news from other high-growth sectors in the coming year.

But we are not stopping here. Because we want to become even more attractive for you, we revised our distribution policy in the past financial year. Our goal is to have you participate in the Company's financial performance to an even greater extent as we link distributions to the long-term orientation of our business model. We want you to participate with a stable dividend of at least one euro per share entitled to dividends. This will make returns more predictable for you.

When deciding on the dividend amount, cash inflows from our two business segments, future funding requirements for investments and the ability to pay a sustainable dividend also have to be considered. In view of DBAG's consistently high return on equity, we believe that this distribution policy is in line with your interests.

Against this background, the Board of Management and the Supervisory Board of DBAG today propose a dividend of 1.00 euro per no-par value share entitled to dividends and ask for your approval. This payout translates into a dividend yield of 3.5 per cent, based on the average share price of 28.62 euros in the past financial year. For comparison, the average dividend yield of the Dax was 3.4 per cent in 2023. According to this proposal, the total dividend payout will amount to 18.8 million euros.

In the future, we will also think about share buybacks, which would allow you to flexibly participate in the Company's growth.

We followed up this announcement with action today: With the approval of the Supervisory Board, the Board of Management resolves on a share buyback programme. The total volume of the share buyback programme is up to 20 million euros, will begin shortly and is to be carried out over a period of up to one year.

With the share buyback programme, the Board of Management is making use of the authorisation granted by the 2023 Annual General Meeting. In accordance with this authorisation, the share buyback will be carried out by a bank via the stock exchange. For further details, please refer to our ad hoc announcement published today, which can be found on our website.

The share buyback programme resolved today implements our new dividend policy: If the total volume is utilised, the share buyback will mean an additional capital distribution of over 1.00 euro per DBAG share in addition to the dividend.

We greatly appreciate your loyalty and long-term commitment to the Company, dear shareholders. We know that a key aspect for you is your investment's performance. Let me tell you this: your investment in DBAG shares is a strong one. Over the past twenty years, DBAG's share price has risen from 9.80 euros to 31.50 euros as at the reporting date of the financial year 2022/2023. This continuous increase reflects the commitment and hard work of our team, who are focusing on creating long-term value for you. But that's not the whole story. Besides share price increases, dividend distributions have also been providing you with a constant return. Including accumulated dividend distributions in excess of 374 million euros, holding DBAG shares over the past two decades yielded an annual performance of more than 9 per cent – a value that we are proud of, and an expression of our long-term planning that provides for stable development and attractive dividends. The share buyback programme announced today comes on top of this. All this underlines our commitment to creating long-term value. Of course, the last twenty years have not been free of obstacles, but we have faced up to the macroeconomic challenges that influence the capital market. We steadfastly adhered to our long-term strategy despite challenging market conditions and emerged even stronger. Overall, I am convinced that we will continue to be successful, thanks to the solid foundation of our business and our clearly-defined strategic direction: our long-term vision and commitment to you will help us to continue creating value and to exploit opportunities as they arise.

We cordially invite you to stay on board for this exciting journey. Rest assured that our hopes and goals for the future are always rooted in a viable present. And now it is my pleasure to hand over to Melanie Wiese, who will guide you through the facts and figures of the past financial year.

Ladies and Gentlemen,

I would also like to extend a warm welcome to you.

I’m delighted to be able to report on a successful financial year 2022/2023.
The key performance indicators are summarised on this slide, where I’d like to draw your particular attention to the 18 per cent increase in net asset value. As usual, the figure has been adjusted for the distributed dividends.

Net income from Fund Investment Services was in line with our expectations. Positive developments along with rising multiples on the capital markets throughout the past financial year were favourable for the valuations of our portfolio companies, further supported by strong operating business performances.
Together with our successful disposals, this prompted us to raise our forecasts for the key performance indicators relevant to DBAG. Shortly afterwards, we fine-tuned these forecasts, aiming for the upper half of the range. We then exceeded the original guidance for most KPIs and achieved the most recent forecast.

Allow me to provide a few details in figures: the increase in net asset value – as mentioned before – was driven in particular by higher capital market multiples and successful disposals.

At portfolio value level, the volume of acquisitions markedly exceeded the volume of disposals, as you can see on this slide. Note that Tom Alzin already mentioned which companies were involved in each case.

Changes in value came on top, largely attributable to value contributions from changes in multiples and to the development of results.

This next slide shows what that means in concrete figures: earnings expectations rose, especially for our portfolio companies in the IT services and software, broadband telecommunications and

industrial services sectors. Add-on acquisitions also played a role in this as some portfolio companies financed them through borrowing, increasing liabilities.
So the effect on operating performance is negative on aggregate, but was clearly more than offset by the positive change in multiples.
Higher peer group multiples and successful disposals had a positive impact here, while foreign exchange developments and similar effects, shown as “Miscellaneous” on this slide, were negative on balance.

As expected, net income from Fund Investment Services was lower than in the previous year. Higher provisions for variable remuneration (related to successful disposals), costs reported under other operating expenses and other developments more than offset higher income from Fund Services.

With a very high equity ratio of 95 per cent, DBAG rests on a solid foundation. Using the positive cash flow from operating activities of the financial year under review together with the positive cash flow from investing activities yielded by disposals, we repaid a total of 41 million euros in credit lines.
And of course we also distributed dividends of 15 million euros to you.

At the end of the financial year, DBAG had financial resources of 20 million euros at its disposal, plus undrawn credit lines of 106 million euros. Together with expected returns from future disposals, we will use these resources to cover our co-investment commitments alongside DBAG funds and to enter into further Long-Term Investments.

Ladies and Gentlemen,

Without a doubt, the financial year 2022/2023 was a successful year, in which we reached important milestones – not only in financial terms. We’ve also been consistently implementing our sustainability strategy. As you know, we are striving for a long-term increase in DBAG’s value while taking ecological, social and corporate governance criteria into account. To this end, we have anchored the three non-financial goals listed on this slide in DBAG’s management. We achieved or exceeded our targets in terms of employee satisfaction and compliance.

Greenhouse gas emissions amounted to 2.4 tonnes per employee in the past financial year. As we remain committed to climate protection, we offset all remaining greenhouse gas emissions from DBAG's business operations attributable to our headquarters in Frankfurt/Main last year for the first time.
The extension of the EU’s Corporate Social Responsibility Directive to cover all large companies as defined by accounting law from 2025 onwards will have an impact on this indicator. This CSRD will become mandatory for us and we are preparing accordingly in a comprehensive project supported by an external partner. We have also adopted a reduction pathway for our greenhouse gas emissions.

This concludes my comments on the financial year 2022/2023. On behalf of the Board of Management, let me now address a few selected items on today's agenda.

Under **item 8** of the agenda we propose to change the Company's financial year. To date, our financial year has run from 1 October to 30 September of each year. Considering common market practice and the accounting periods of DBAG funds, we have decided to change the financial year to match the calendar year with effect from 1 January 2025.

This requires a one-off abridged financial year, from 1 October 2024 to 31 December 2024. In this context, **item 9** of the agenda provides for the separate election of external auditors for the abridged financial year.

I would also like to explain the resolutions proposed under **agenda items 12 and 13**, where we request your consent to the creation of a new authorised capital and a new authorisation to issue bonds cum warrants or convertible bonds. Existing anticipatory resolutions on Authorised Capital 2022 and the issue of bonds cum warrants and/or convertible bonds will expire on 16 February 2027. The proposal is to replace these resolutions now in order to benefit – if appropriate – from the option of a simplified exclusion of subscription rights when issuing new shares at a price that is close to the prevailing stock exchange price. Following a change in the law, this is now possible for up to twenty per cent of the share capital, as opposed to ten per cent previously.

Let me emphasize that the resolutions proposed under agenda items 12 and 13 are merely anticipatory resolutions, designed to ascertain the Company's requisite flexibility in raising capital over the next five years. They are almost identical in substance to the existing resolutions and authorisations – with the exception (as mentioned) that the threshold for simplified exclusion of subscription rights (and consequently the threshold for all exclusions of subscription rights) will be raised from 10 per cent to 20 per cent. These authorisations will expire on 21 February 2029.

I'd now like to hand you back to Tom Alzin, who will report on first-quarter developments.

Let me share how the current financial year has started: with two closed sales and two new investments, including a new Long-Term Investment that we have taken on our own balance sheet. One company was derecognized. Existing portfolio companies have continued to implement their strategies, with five add-on acquisitions.

Their operating performances – that is, the aggregate of their net change in earnings and change in debt – have been gratifying, with their contribution to net gains and losses on measurement and disposal markedly exceeding the previous year's figure.
In contrast, the contribution from listed peer group companies' changes in multiples was clearly negative, unlike in the same quarter of the last financial year. This effect, which we've seen in the past, is attributable to the changeover to new annual planning and budgets of portfolio companies in the first quarter of a financial year.

It was also the main reason for the net asset value of 663 million euros in the first quarter of the current financial year being slightly lower than the 669 million euros reported as at 30 September 2023, and for negative net income of -5.9 million euros.
Our Fund Investment Services segment performed in line with projections, generating earnings before taxes of 2.5 million euros.

As you’re well aware, our business model means that we cannot extrapolate the results of individual quarters in a linear manner to project full-year figures. Our first-quarter results are within the projected range for the current financial year. We’re therefore looking ahead to the rest of the year and to the next two financial years with confidence, as discussed. We're expecting net asset value to grow more strongly on average than in the past, a forecast which we fine-tuned and confirmed in the financial year under review.

Even though some observers believe our market to be relatively quiet, our figures tell a different story. Our assets under management and advisory are currently around 2.6 billion euros – the highest level in DBAG’s history. Moreover, we have raised our forecasts several times and have comfortably achieved the latest forecast figures.
DBAG’s net asset value rose by 18.1 per cent in the financial year under review to 669.4 million euros. Net income from Fund Investment Services totalled 14.0 million euros.

Let me conclude my remarks with a look at our medium-term ambitions. All our endeavours are aimed at making DBAG even stronger and increasing its value. We are convinced that we have set the right course with our various initiatives in the past financial year, and that this allows us to be more confident than before. Having grown net asset value by an average of nine per cent per annum up to the financial year 2022/2023, we want to grow it by at least ten per cent per annum over the next two years and believe that even an annual growth rate of up to 16 per cent is entirely realistic. This would correspond to an increase from 669 million euros in the financial year 2023/2024 to between 840 and 980 million euros in the financial year 2025/2026.

This concludes the Board of Management’s comments on the financial year under review and the outlook for the future. On behalf of DBAG, thank you very much for your attention. My colleagues and I will now be more than happy to answer your questions.