



Deutsche
Beteiligungs AG

QUARTERLY STATEMENT

AT 30 JUNE 2019

1ST TO 3RD QUARTER 2018/2019

AT A GLANCE

Exchange-listed Deutsche Beteiligungs AG invests in well-positioned mid-sized companies with potential for growth. For many years, we have focused on industrial business models in selected sectors. With our experience, expertise and equity, we support our portfolio companies in implementing their sustainable, value-creating corporate strategies. Our entre-

preneurial approach to investing has made us a sought-after investment 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

CONSOLIDATED KEY FIGURES

		1st to 3rd quarter 2018/2019	1st to 3rd quarter 2017/2018 adjusted ¹	3rd quarter 2018/2019	3rd quarter 2017/2018 adjusted ¹
Private Equity Investments segment					
Net result of investment activity	€mn	16.9	28.5	7.4	8.4
Earnings before tax	€mn	11.0	23.5	5.2	7.2
Cash flow from portfolio	€mn	(46.4)	(38.9)	(21.3)	(42.9)
Net asset value (reporting date 30.6.)	€mn	445.0	447.1		
thereof portfolio value (reporting date 30.6.)	€mn	421.8	329.1		
No. of investments (reporting date 30.6.)		31	27		
Fund Investment Services segment					
Fee income from fund management and advisory services	€mn	21.2	22.4	6.9	7.7
Earnings before tax	€mn	1.6	4.2	(0.2)	2.0
Assets under management or advisement (reporting date 30.6.)	€mn	1,700.1	1,809.6		
Group					
Earnings before tax (EBT)	€mn	12.6	27.7	5.0	9.1
Net income	€mn	12.6	27.7	5.0	9.1
Consolidated retained profit	€mn	213.8	220.9		
Shareholders' equity (reporting date 30.6.)	€mn	434.9	442.4		
Earnings per share ²	€	0.84	1.84	0.33	0.61
Equity per share	€	28.91	29.41		
Change in equity per share ³	%	3.1	6.5	1.3	2.2
No. of employees (reporting date 30.6., including apprentices) ⁴		74	67		

1 Restated in accordance with IAS 8, see page 7

2 Based on the weighted average number of shares in the respective period

3 Change in equity per share, based on the equity per share at the beginning of the reporting period (less the amount earmarked for distribution)

4 30 June 2019: five positions temporarily duplicated, due to change of staff; higher share of temporary workers

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TWO
SUCCESSFUL
DISPOSALS



NEGATIVE IMPACT
OF ECONOMIC SLOW-
DOWN AND TRADE
DISPUTE



PORTFOLIO
DIVERSIFICATION
PAYS OFF



NET INCOME

12.6

MILLION EUROS



FORECAST
ALREADY
LOWERED IN
JULY

LETTER TO OUR SHAREHOLDERS

Frankfurt/Main, 7 August 2019

Dear Shareholders,

We have been successfully investing in mid-market companies with development potential for years now. It goes without saying that these companies – like all the other ones – are not immune to external influences, such as an economic slowdown or simmering trade conflicts. In the past, however, we have been able to demonstrate time and again that our portfolio companies have emerged from phases like these with new-found strength. This is because they were resolutely committed to implementing strategic development and making operational improvements initiated at the start of investment. These influences can, however, have a marked impact on the valuation of our portfolio and, as a result, also on net income temporarily. The developments witnessed in the current financial year are a good example of this.

At the same time, the high level of diversification in our portfolio is paying off. Recently, for example, especially our portfolio companies from the telecommunications sector with a focus on high-speed internet made a very encouraging contribution to net result of valuation.

The divestments announced only recently once again underscore the success of our investment activities: two investments, which we agreed to sell shortly after the reporting date, have contributed 14 million euros (gross) to net income in the current financial year. In both cases, we have generated an amount worth several times the capital invested in these companies. Hence, it is not in the net gains or losses of an individual quarter, but rather many years later that our success becomes visible: when we dispose of an investment.

This explains why we are also confident as we look ahead to the future. We have continued to invest, laying the foundation for future success stories. Several of our portfolio companies accelerate the realisation of their development potential with acquisitions. Nevertheless, it is impossible for us to rule out further headwinds in the short term. As a result, we made a downward revision to our forecast for the current financial year back at the beginning of July. We expect to achieve net income that is at least positive in the financial year 2018/2019 – as always based on the assumption of stable valuations on the capital market.

The Board of Management
of Deutsche Beteiligungs AG



Torsten Grede



Dr Rolf Scheffels



Susanne Zeidler

EXPLANATION OF KEY EVENTS AND TRANSACTIONS

In the first nine months of the 2018/2019 financial year, the DBAG Fund VII portfolio was expanded to include two investments: Cloudflight Holding GmbH and Sero GmbH. Beyond this, there were a number of acquisitions at portfolio company level, some of which were supported by follow-up investments made by DBAG funds and DBAG itself. The first investment from the DBAG ECF portfolio was disposed of: Plant Systems & Services PSS GmbH.

The MBOs of Kraft & Bauer Holding GmbH, the radiology group blick Holding GmbH (both DBAG Fund VII) and FLS GmbH (DBAG ECF), as well as the sale of the investment in Cleanpart Group GmbH (DBAG Fund VI), were also completed in the first nine months of the year, but had already been agreed before the beginning of the 2018/2019 financial year.

DBAG Fund VII: New investment in Cloudflight, MBO of radiology group blick completed

Cloudflight Holding GmbH, an IT service provider focusing on digitalisation and cloud transformation, has been part of the DBAG Fund VII portfolio since June 2019. The fund acquired majority stakes in Austria's Catalysts GmbH and in Crisp Research AG as part of an MBO. These two companies now trade as Cloudflight – a group of companies which will support SMEs, public-sector authorities and corporate groups in implementing and accelerating their digital transformation. DBAG invested around 8 million euros alongside DBAG Fund VII, which means that around 13 per cent of the shares in Cloudflight Holding GmbH are attributable to DBAG on a look-through basis.

In November 2018, DBAG Fund VII, which is advised by DBAG, acquired the majority of the shares in Sero GmbH, a development and manufacturing service provider for electronic components with a focus on the automotive industry, from the founding family. Sero assembles circuit boards and produces electronic components for brake lights and motor sensors as well as high-performance microphones, heat meters and

other industrial metrology products. As part of the management buyout, DBAG invested around 11 million euros alongside DBAG Fund VII, which means that 21 per cent of the shares in Sero are attributable to DBAG on a look-through basis.

Upon fulfilment of the legal requirements, DBAG Fund VII completed its acquisition of a majority stake in a radiology group, which now operates as blick Holding GmbH, in the third quarter. Two radiological professional associations, whose acquisition had already been agreed in March 2017 and whose medical care centers had been established by a company for the provision of non-physician dialysis services, form the nucleus of the group. The idea is for blick to achieve further growth by acquiring additional practices. DBAG Fund VII and DBAG have already provided funds during this financial year for the acquisition of two additional radiology practices – also via the aforementioned founding company. In connection with these acquisitions and the completion of the basic transaction in the third quarter, DBAG has invested a total of 15 million euros in blick to date.

Thanks to the MBOs of Cloudflight and Sero, as well as the completion of the investment in blick, the DBAG Fund VII portfolio has grown to include seven investments in the current financial year. The fund has been investing in mid-market companies since December 2016; approximately 65 per cent of the committed funds have been called in the meantime.¹

DBAG ECF: BTV Multimedia has already completed three acquisitions

BTV Multimedia GmbH from the DBAG ECF portfolio is pursuing a buy-and-build strategy to consolidate its market and has already acquired three companies as part of this process: in the third quarter of the current financial year, it completed the acquisitions of Holm (revenue: 9 million euros), a wholesaler of network components and long-standing customer of BTV Multimedia, and DKT (revenue: 19 million euros), a Danish manufacturer of broadband network equipment with a market presence in Denmark and neighbouring European markets. BTV Multimedia financed both acquisitions using its own funds. Back at the beginning of the current financial year, BTV Multimedia had already acquired its main competitor in the German market, Anedis Management GmbH (revenue: 19 million euros). DBAG has invested a further two million euros in BTV Multimedia in the course of this transaction.

¹ Main fund; 32 per cent of the investment commitments of the top-up fund have been called.

netzkantor nord, another portfolio company from the DBAG ECF portfolio, completed an acquisition (BFE Nachrichtentechnik) in the second quarter of the current financial year. DBAG supported the acquisition by making a follow-up investment of 2.6 million euros.

In order to finance further growth, DBAG invested five million euros in DNS:Net in the third quarter. The portfolio company requires capital to forge ahead with the expansion of its fibre-optic network.

January 2019 saw DBAG ECF sell its investment in Plant Systems & Services PSS GmbH (PSS) to the majority shareholder. PSS was the fund's very first investment and also its smallest, at a cost of 2.3 million euros for DBAG's share. To begin with, the transaction only had a minor impact on income in the reporting period; further payments, plus potential further contributions to income, will occur after a subsequent sale by the new shareholder.

DBAG Fund VI: duagon and Telio make acquisitions

In the third quarter of the financial year, two companies from the DBAG Fund VI portfolio also strengthened their market position by making acquisitions.

In May 2019, duagon acquired OEM Technology Solutions, an Australian supplier of control and automation solutions for the global railway industry. The group is set to benefit from a complementary product offering, enhanced software and electronics capabilities and a global sales organisation. duagon financed the transaction using its own funds.

In April 2019, Telio, a provider of communications and media systems for correctional facilities, acquired the French company KEAS. KEAS develops systems that detect and interfere with mobile communications – for example in correctional facilities; the corresponding technical solutions are a promising addition to Telio's product range. DBAG supported the transaction by making a follow-up investment of 0.9 million euros.

In January 2019, Unser Heimatbäcker GmbH filed for insolvency under self-administration. The bakery chain is operating in a challenging and highly competitive market environment. DBAG Fund VI and DBAG had previously supported extensive restructuring efforts, which included not only management changes, but also additional capital investment. The insolvency proceedings have not yet been completed by the latest quarterly reporting date.

The sale of the investment in Cleanpart Group GmbH, a service provider for the semiconductor industry, already agreed in the previous financial year, was completed in October 2018, and the agreed purchase price was already included in the valuation of the investment as of 30 September 2018.

COMPARABILITY OF FIGURES

The figures as at 30 June 2018 (first to third quarter of 2017/2018) and as at 30 September 2018, as reported in this quarterly statement, can only be compared with the information in the quarterly statement for the third quarter of 2017/2018 originally published, and the figures in the 2017/2018 Annual Report, to a limited extent.

The restatements in accordance with IAS 8 relate – as we have already been reporting since the first quarter – to the measurement of irrecoverable interest receivable from portfolio companies, and the amount of income from advising funds. As a result, net income for the first nine months of the 2017/2018 financial year was 1.3 million euros lower than originally reported. On balance, equity as at 30 September 2018 was burdened by 4.0 million euros, (not already accounted for), bringing the restated figure to 443.8 million euros (previously: 447.8 million euros). As part of these restatements, feedback effects on earnings-related variable remuneration components of the Board of Management were also taken into consideration in the first quarter.

EARNINGS POSITION

Overview

Net income for the first nine months of 2018/2019 came to 12.6 million euros, down considerably on the (restated) figure of 27.7 million euros for the same period of the previous year.

Net income for the Private Equity Investments segment amounted to 11.0 million euros after nine months, as against a (restated) figure of 23.5 million euros in the previous year. The decline can be traced back to the significantly lower net gains and losses from investment activity: the positive contributions to earnings from realised and unrealised disposals were not sufficient to fully compensate for lower net result of valuation.

At 1.6 million euros, net income in the Fund Investment Services segment fell short of projections and is also down considerably on the segment earnings for the same period of the previous year. As expected, income from the DBAG Fund VI, DBAG Fund V and DBAG ECF was lower. The figures were also, however, hit by unplanned expenses, higher expenses for uncompleted transactions and higher personnel expenses due to variable remuneration that had to be paid to DBAG employees following successful disposals and new investments.

In an ad-hoc disclosure made on 10 July 2019, DBAG had already reported that its net income for the third quarter was well below the previous year's figure. DBAG also used the same disclosure to adjust its net income forecast for the entire 2018/2019 financial year (see the "Forecast" section on page 21 of this quarterly statement).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€'000	1st to 3rd quarter	1st to 3rd quarter	3rd quarter	3rd quarter
	2018/2019	2017/2018	2018/2019	2017/2018
Net result of investment activity	16,901	28,528	7,362	8,360
Fee income from fund management and advisory services	20,335	21,812	6,544	7,530
Net result of fund services and investment activity	37,236	50,340	13,907	15,890
Personnel costs	(16,679)	(13,154)	(6,675)	(4,789)
Other operating income	4,820	2,237	1,679	933
Other operating expenses	(12,877)	(11,402)	(3,820)	(2,685)
Interest income	132	(350)	(68)	(200)
Other income/expenses	(24,604)	(22,669)	(8,884)	(6,740)
Earnings before tax	12,632	27,671	5,023	9,149
Income taxes	0	(1)	0	0
Earnings after tax	12,632	27,670	5,023	9,149
Minority interest gains/losses	(8)	(19)	(2)	(2)
Net income	12,624	27,651	5,020	9,148
Other comprehensive income	261	(549)	198	(99)
Consolidated comprehensive income	12,900	27,102	5,219	9,048

Some figures for financial year 2017/2018 were restated in accordance with IAS 8 (cf. page 7)

NET RESULT OF FUND SERVICES AND INVESTMENT ACTIVITY amounted to 37.2 million euros, as against 50.3 million euros (after restatement) in the previous year. Whereas fee income from fund management and advisory services is stable and easy to plan, the significantly more volatile net gains or losses from investment activity are the decisive factor in fluctuations in net gains or losses from fund services and investment activity (for details, please refer to the comments under "Net gains or losses from investment activity").

At 20.3 million euros, fee income from fund management and advisory services was down on the prior-year value (21.8

million euros after restatement). This decline was attributable to lower fees from DBAG Fund VI, DBAG Fund V and DBAG ECF: the basis for calculating the DBAG Fund VI is lower after the disposal of Cleanpart and the complete write-off of our investment in Unser Heimatbäcker as a result of its insolvency. As far as DBAG Fund V is concerned, the agreement is that fees are no longer paid two years after the end of the customary disposal phase. Last year, DBAG ECF generated higher transaction-related fees as a result of several new investments.

At -24.6 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) was higher than in the same period of the previous year (-22.7 million euros). In addition to the general income trend, the 3.5 million euro increase in personnel expenses reflected new hires, additional costs due to temporary duplication of functions, severance payments and higher provisions for variable remuneration to be paid to DBAG employees. The increase in variable remuneration was due primarily to bonus payments for the disposals of the investments in Infiana and Novopress, which were agreed shortly after the reporting date, and for the completion of the new investments in Sero and Cloudflight. Personnel expenses were reduced by 52,000 euros due to the repayment of performance-related remuneration for the 2016/2017 financial year by the members of the Board of Management in the second quarter; the amount was recalculated, taking into account the change in the accounting method for recognition of carried interest.

Other operating income increased markedly, by 2.6 million euros. During the first nine months of the current financial year, higher expenses for uncompleted transactions were passed on to DBAG funds; this was reflected in a corresponding increase in consultancy expenses, which are included in other operating expenses. By contrast, non-recurrence of a special effect amounting to 0.9 million euros, which had burdened the previous year's figure, positively affected expenses. This effect was due to the subsequent adjustment of remuneration which DBAG had received for the work performed by members of the investment team on supervisory bodies of DBAG Fund V portfolio companies.

Net result of investment activity

NET RESULT OF INVESTMENT ACTIVITY in the first nine months of 16.9 million euros (previous year, restated: 28.5 million euros) was determined primarily by two factors: two disposals agreed shortly after the reporting date and the performance of investments in the portfolio companies, which are held – with one exception (JCK) – via investment entity subsidiaries.

The portfolio's **GROSS RESULT OF VALUATION AND DISPOSAL** after nine months totalled 22.1 million euros, down 7.4 million euros year-on-year (after restatement). A higher positive earnings contribution made by realised and unrealised disposals was not sufficient to offset the much lower net gains from valuation compared with the same period of the previous year. Some of the multiples derived from listed peer companies that we use to value our portfolio companies have continued on the road to recovery after a marked slump at the beginning of the financial year. All in all, there was a neutral capital market effect on the net result of valuation and disposal after three quarters; in the previous year, there had been a positive effect of 6.3 million euros.

NET RESULT OF INVESTMENT ACTIVITY

€'000	1st to 3rd quarter	1st to 3rd quarter	3rd quarter	3rd quarter
	2018/2019	2017/2018	2018/2019	2017/2018
Gross result of valuation and disposal portfolio	22,137	29,532	11,190	9,459
Gains attributable to minority interest in investment entity subsidiaries	(3,798)	(5,504)	(2,600)	(2,687)
Net result of valuation and disposal portfolio	18,340	24,028	8,591	6,772
Current income portfolio	5,288	9,029	1,651	3,343
Net result from portfolio	23,627	33,057	10,241	10,115
Net result from other assets and liabilities of investment entity subsidiaries	(6,728)	(4,529)	(2,879)	(1,755)
Net result from other financial assets	1	(1)	0	0
Net result of investment activity	16,901	28,528	7,362	8,360

Some figures for financial year 2017/2018 were restated in accordance with IAS 8 (cf. page 7)

SOURCE ANALYSIS 1: After the first quarter, we reported that most companies had budgeted for higher revenues and

earnings in 2019 and believed they were on the right track. Fundamentally, this position has not changed at all. At the

same time, we had pointed out that individual portfolio companies were also subject to the influences of a changing macroeconomic environment – this applied to investments linked to the automotive sector, for example. The signs of easing economic momentum have since become more pronounced, partly also due to the simmering global trade conflicts: customers are postponing or cancelling orders on a large scale. Two portfolio companies are feeling the effects of a marked slowdown in the demand for wind turbines, in one case, unexpectedly high commodity prices are also having negative consequences. All of these factors have a negative impact on the earnings at some portfolio companies which are generally expected due to the change processes for the realisation of the development potential following the investment made by DBAG funds.

DBAG has a diversified portfolio. The economic downturn witnessed in various sectors and the resulting lower earnings expectations among some portfolio companies are offset by positive trends at portfolio companies from other sectors. For example, the investments in the telecommunications sector with a focus on high-speed internet have shown a very encouraging development of late. All in all, the first nine months of the 2018/2019 financial year saw a contribution of 20.1 million euros being made from the portfolio companies' **CHANGE IN EARNINGS**, compared with 39.9 million in the same period of the previous year. Eleven companies provided

a positive contribution to this net amount; nine made a negative contribution.

We do not receive any current distributions from the majority of the investments during the holding period. The portfolio companies can therefore use surpluses to reduce their **DEBT**. In the third quarter of the current financial year in particular, the change in debt at the portfolio companies nevertheless made a negative contribution to earnings (-11.8 million euros). This can also be explained by the financing of an acquisition made by a portfolio company as part of its growth strategy. The acquisition had a negative impact on its debt ratio in the third quarter and, as a result, on its valuation.

In the first nine months of the current financial year, the change in debt at the portfolio companies resulted in a negative contribution to net gains or losses from measurement in the amount of 14.0 million euros. In the corresponding prior-year period, the financing of a major add-on acquisition and the restructuring of the financing (recapitalisation) of a portfolio company had produced a negative value contribution from the increase in debt of 26.6 million euros. This means that, all in all, the value contribution made by the operating performance of the portfolio companies – changes in earnings and debt – is 7.2 million euros lower in the current financial year than it was a year ago.

RESULT OF VALUATION AND DISPOSAL PORTFOLIO BY SOURCES
SOURCE ANALYSIS 1

€'000	1st to 3rd quarter 2018/2019	1st to 3rd quarter 2017/2018	3rd quarter 2018/2019	3rd quarter 2017/2018
Fair value of unlisted investments				
Change in earnings	20,121	39,899	14,050	(4,378)
Change in debt	(13,952)	(26,559)	(11,827)	(16,581)
Change in multiples	13,613	6,258	9,103	24,305
Change in exchange rates	1,670	(69)	(98)	1,300
Change, other	2,127	7,643	321	6,749
	23,579	27,172	11,549	11,395
Net result of disposal	559	2,788	2	1,394
Acquisition cost	0	(4)	0	0
Other	(2,001)	(423)	(360)	(3,329)
	22,137	29,532	11,190	9,459

The change in **MULTIPLES** includes two effects: first of all – as in the relevant previous quarters – we use this item to report the increase in the value of the two investments whose disposal was agreed shortly after the quarterly reporting date (see “Significant events after the end of the period” on page

20). The findings from the disposal processes led to increases in value totalling 13.7 million euros, shown in source analysis 3 as “not yet realised net gains or losses from derecognition”. In addition, the “Change in multiples” includes the earnings contribution resulting from changes in the earnings multiples

of listed peer group companies that we use to value the portfolio companies. These multiples had fallen, sometimes considerably so, at the beginning of the financial year, but bounced back significantly in the second quarter, although they had not quite reached the level seen at the start of the financial year. After three quarters, the effect resulting from the change in the multiples of listed peer group companies is almost neutral again (-85,000 euros).

Changes in **EXCHANGE RATES** had a positive impact of 1.7 million euros in the first nine months; in the prior-year period, this impact had still been in slightly negative territory. The Swiss franc and the British pound have made slight gains in value over the euro since the start of the financial year. Exchange rate fluctuations meanwhile impact on the value of five of DBAG's investments.

Other valuation effects shown under **CHANGE – OTHER** reflected improved planning assumptions and the resulting higher valuations of portfolio companies valued using the DCF method; the two investments (DNS:net and inexo) showed strong growth and an encouraging operating performance. This made a positive contribution of 7.0 million euros to net gains or losses from measurement and derecognition in the first nine months. Yet this positive effect was largely neutralised by the negative value contribution made by another investment: following a compliance breach at the portfolio company concerned, we once again applied a risk discount to its valuation and the investment remained written down in full as at the most recent reporting date.

NET RESULT OF DISPOSAL of 0.6 million euros was largely due to the realisation of amounts retained for an

investment sold in previous years. A previous sale from the portfolio of one of the two externally managed international buyout funds and the sale of PSS had a positive effect.

The contributions to the result of valuation and disposal in the item **"OTHER"** are attributable mainly to the insolvency of the bakery chain "Unser Heimatbäcker" in January 2019.

SOURCE ANALYSIS 2: The positive changes in value in the first nine months are attributable, as in the previous year, to 14 active portfolio companies and one of the two investments in externally managed international buyout funds. This also includes the two investments that were sold shortly after the reporting date and for which the respective proceeds from disposal have already been reflected in their valuation. Positive value contributions were also made, in particular, by the investments in companies from the telecommunications sector, with a focus on high-speed internet.

Five (previous year: three) investments are recognised at their transaction price because they have been held for less than twelve months; these account for 11 per cent of portfolio value. Ten investments (previous year: eight) and one of the two investments in externally managed international buyout funds (previous year: also one) made a negative contribution to the result of valuation and disposal in the first nine months. In addition to reasons specific to the individual companies, the economic influences referred to above also have their part to play in this development. At some portfolio companies the negative earnings contribution is also due to the lower valuations of listed peer group companies and the corresponding drop in valuation multiples.

RESULT OF VALUATION AND DISPOSAL PORTFOLIO BY SOURCES
SOURCE ANALYSIS 2

	1st to 3rd quarter	1st to 3rd quarter	3rd quarter	3rd quarter
€'000	2018/2019	2017/2018	2018/2019	2017/2018
Positive movements	55,733	50,859	23,630	27,487
Negative movements	(33,596)	(21,327)	(12,472)	(18,028)
	22,137	29,532	11,190	9,459

SOURCE ANALYSIS 3: DBAG Group's net gains or losses from measurement and derecognition after the first nine months of the 2018/2019 financial year were primarily impacted by the changes in portfolio valuation and by the two disposals which had not yet been completed, but which are included as "unrealised disposal gains on imminent sales basis" in the figures as at 30 June 2019. Since the sale of the

investment in Cleanpart had already been agreed upon in the previous financial year, the transaction was already included in the result of disposal as at 30 September 2018. Only one minor investment (PSS) was sold by the reporting date of 30 June 2019 with no significant disposal gain; the result of disposal is largely defined by the proceeds from retentions

relating to an investment already disposed of in previous periods.

**RESULT OF VALUATION AND DISPOSAL PORTFOLIO BY SOURCES
SOURCE ANALYSIS 3**

€'000	1st to 3rd quarter	1st to 3rd quarter	3rd quarter	3rd quarter
	2018/2019	2017/2018	2018/2019	2017/2018
Net result of valuation	7,880	26,744	5,363	8,065
Unrealised disposal gains on imminent sales basis	13,698	0	5,792	0
Net result of disposal	559	2,788	2	1,394
	22,137	29,532	11,190	9,459

In the first nine months of 2018/2019, net result of investment activity was reduced by 3.8 million euros due to **GAINS ATTRIBUTABLE TO MINORITY INTEREST IN INVESTMENT ENTITY SUBSIDIARIES**. It constituted mainly performance-related profit shares from personal investments in investment entity subsidiaries of the DBAG funds, namely DBAG Fund V, DBAG Fund VI and DBAG ECF (carried interest). These account for those active and former members of the DBAG investment team who co-invested alongside the respective funds. Due to the funds' better performance, this item amounted to -5.5 million euros in the previous year.

The carried interest entitlements recognised in these financial statements primarily mirror the net performance of the investments of the DBAG funds. Accordingly, carried interest may change in line with the future performance of the funds' investments and in the course of payments following disposals from a fund's portfolio, provided that the contractual conditions are met. Corresponding to the realisation of value gains on individual investments, carried interest will be distributed over a number of years. DBAG Fund VII commenced investments in April 2016; no carried interest needs to be recognised for this fund as at the reporting date.

CURRENT PORTFOLIO INCOME mainly relates to interest payments on shareholder loans. In some cases, the interest receivable from these loans were irrecoverable due to the current economic development of the corresponding portfolio companies as at 30 June 2019, thus explaining the decline of the current portfolio income compared with the same period of the previous year.

Net gains or losses from other assets and liabilities of investment entity subsidiaries amounted to -6.7 million euros for

the first six months of the financial year (previous year: -4.5 million euros). The item mainly includes the remuneration for the manager of DBAG Fund VI and DBAG Fund VII, based on the capital invested or committed by DBAG.

LIQUIDITY POSITION

DBAG's financial resources consist of cash and cash equivalents in the amount of 13.6 million euros, and comprise 25.5 million euros in units in fixed-income and money market funds. These funds are available for investments.

The investment entity subsidiaries hold further financial resources in the amount of 4.8 million euros, solely in cash and cash equivalents.

The following statement of cash flows in accordance with IFRS explains the changes in DBAG's cash and cash equivalents.

During the first nine months of financial year 2018/2019, **FINANCIAL RESOURCES** pursuant to IFRS dropped by 10.0 million euros to 13.6 million euros (reporting date of 30 September 2018: 23.6 million euros).

The negative **CASH FLOWS FROM OPERATING ACTIVITIES** are higher year-on-year which is mainly due to DBAG receiving the remuneration for fund management and advisory services of the DBAG funds for the first quarter of the current financial year before the end of last financial year.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

€'000	1st to 3rd quarter 2018/2019	1st to 3rd quarter 2017/2018	3rd quarter 2018/2019	3rd quarter 2017/2018
Net income	12,624	27,651	5,020	9,148
Valuation gains / losses and gains / losses on disposals of financial assets and loans and receivables	(16,121)	(25,413)	(6,836)	(7,629)
Other non-cash-relevant changes	(8,294)	(8,935)	(2,243)	312
Cash flows from operating activities	(11,790)	(6,697)	(4,059)	1,830
Proceeds from disposals of financial assets and loans and receivables	28,103	10,840	0	0
Acquisition of investments in financial assets and loans and receivables	(70,215)	(52,632)	(6,517)	(10,158)
Proceeds from disposal of other financial instruments	33,476	35,649	561	0
Acquisition of investments in other financial instruments	(37,779)	(32,766)	(15,355)	(32,766)
Proceeds from acquisition of long and short-term securities	70,113	(49,966)	22,027	40,010
Other inflows and outflows	(79)	(124)	(9)	61
Cash flows from investing activities	23,619	(89,000)	707	(2,853)
Payments to shareholders (dividends)	(21,814)	(21,062)	0	0
Cash flows from financing activities	(21,814)	(21,062)	0	0
Change in cash funds from cash-relevant transactions	(9,985)	(116,758)	(3,352)	(1,022)
Cash funds at start of period	23,571	127,976	16,939	12,239
Cash funds at end of period	13,587	11,217	13,587	11,217

Some figures for financial year 2017/2018 were restated in accordance with IAS 8 (cf. page 7)

CASH FLOWS FROM INVESTING ACTIVITIES amounted to 23.6 million euros in the reporting period. Investment activities resulted in a cash outflow of 46.4 million euros in the first nine months of the current financial year, arising from the proceeds and payments for or from financial assets and other financial instruments. In the first nine months of the financial year 2017/2018, investment activity generated a cash outflow of 38.9 million euros. Cash flows from the investment activity may vary due to reporting-date factors as the result of less, but significant (with regard to volume) in- or outflows in the transaction business. This volatility is typical for our business model.

Proceeds from disposals of financial assets and loans and receivables are attributable, specifically, to two transactions: the investment entity subsidiary for DBAG Fund VI distributed the proceeds from the disposal of the investment in Cleanpart; in addition, another investment entity subsidiary distributed excess liquidity from realised profits and disposals of securities.

Payments for investments in financial assets and loans and receivables related to the capital calls made by the investment entity subsidiaries for new investments made by DBAG Fund

VII (blikk, Cloudflight, Karl Eugen Fischer, Sero) and DBAG ECF (FLS), as well as for follow-up investments in DBAG ECF portfolio companies (DNS:Net, netzkantor nord, Rheinhold & Mahla) and DBAG Fund VI (Telio). DBAG's investment in duagon (DBAG Fund VII) in the course of the final structuring of the investment financing is also recognised as a cash outflow.

The repayment of short-term loans that DBAG had granted as part of the follow-up investment in duagon and for the investment in Karl Eugen Fischer is also included as proceeds from disposal of other financial instruments.

DBAG once again granted short-term loans in connection with the structuring of the investments in blikk, Cloudflight, Kraft & Bauer and Sero, which were completed during the financial year. The resulting cash outflows are recognised as acquisition of investments in other financial instruments.

The sale of securities resulted in a cash inflow of 70.1 million euros.

ASSET POSITION

Asset and capital structure

Total assets as at the reporting date of 30 June 2019 decreased by 23.7 million euros compared with the start of the financial year (restated). The **ASSET STRUCTURE** has changed slightly: the share of non-current assets in total assets further increased to 81 per cent as at the current reporting date (30 September 2018: 78 per cent (restated)).

Current assets as at 30 June 2019 decreased by 17.9 million euros compared to the end of the previous financial year. The decrease in cash and cash equivalents as well as in short-term securities in the course of investing activities in the first nine months was offset by an increase in other financial instruments. Other financial instruments are short-term loans

granted by DBAG in connection with the structuring of new investments (blikk, Cloudflight, Kraft & Bauer, Sero).

At 30 June 2019, 81 per cent of total assets (30 September 2018: 66 per cent (restated)) were invested in financial assets. Nine per cent of total assets were attributable to DBAG's financial resources, consisting of cash and cash equivalents as well as of securities; the share of financial resources has decreased further since the end of the last financial year (25 per cent).

Equity now stands at 434.9 million euros, down by 8.9 million euros (restated) from 30 September 2018. The distribution for the previous year exceeded the net income in the first nine months. Equity per share thus declined from 29.50 euros (restated) to 28.91 euros. In relation to equity at the start of the financial year, reduced by the dividend distributed in February, this equates to an increase of 3.1 per cent within nine months.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€'000	30 June 2019	30 Sept. 2018
Financial assets and loans and receivables	368,871	318,931
Long-term securities	0	55,458
Other non-current assets	931	1,277
Non-current assets	369,802	375,666
Other financial instruments	37,069	32,766
Receivables and other assets	3,056	1,475
Short-term securities	25,476	40,000
Cash and cash equivalents	13,587	23,571
Other current assets	8,585	7,840
Current assets	87,773	105,653
Total assets	457,575	481,319
Equity	434,855	443,790
Non-current liabilities	11,890	12,389
Current liabilities	10,830	25,140
Total equity and liabilities	457,575	481,319

Some figures as at 30 Sep 2018 were restated in accordance with IAS 8 (cf. page 7)

The **CAPITAL STRUCTURE** is largely unchanged as against the end of the last financial year; the equity ratio rose from around 92 per cent to 95 per cent.

Equity covers non-current assets in full, and covers current assets at a rate of 74 per cent.

Current liabilities as at the current reporting date were 14.3 million euros lower than on 30 September 2018. This is due to payment of variable remuneration for which provisions were recognised as at 30 September 2018, as well as to repayment in the first quarter of a current liability that arose

from DBAG ECF's capital call for the investment in FLS in the previous financial year.

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

interest in investment entity subsidiaries (largely carried interest), the figure was 73.1 million euros higher compared to the restated 30 September 2018 reporting date. The increase is attributable for the most part to portfolio additions and the value appreciation of the existing investments (for details, please refer to the information below on portfolio value).

Financial assets and loans and receivables

Financial assets including loans and receivables are largely determined by the **PORTFOLIO VALUE**: including minority

FINANCIAL ASSETS AND LOANS AND RECEIVABLES

€'000	30 June 2019	30 Sept. 2018
Portfolio value (incl. loans and receivables)		
gross	421,752	348,650
Minority interest in investment entity subsidiaries	(31,162)	(27,344)
net	390,590	321,306
Other assets/liabilities of investment entity subsidiaries	(21,795)	(2,450)
Other non-current assets	76	75
Financial assets and loans and receivables	368,871	318,931

Some figures as at 30 Sep 2018 were restated in accordance with IAS 8 (cf. page 7)

MINORITY INTEREST IN INVESTMENT ENTITY SUBSIDIARIES increased by a net 3.8 million euros compared with the start of the financial year (restated). This includes changes in the valuation of the portfolios of DBAG Fund V, DBAG Fund VI, and DBAG ECF. The current fair value of the DBAG Fund VII portfolio does not require carried interest to be recognised.

The increase in financial assets due to the significantly higher portfolio value was partly offset by a significantly higher net loss recorded under **OTHER ASSETS/LIABILITIES OF INVESTMENT ENTITY SUBSIDIARIES**, which was largely due to loans granted by DBAG in connection with the structuring of new investments as well as the resulting decrease in other financial assets and the assets of investment entity subsidiaries. In addition, the write-down of interest receivable due to the current economic development of portfolio companies is reflected here. Since the investment entity subsidiaries have distributed liquidity and sold securities, their financial resources also decreased.

Portfolio and portfolio value

At 30 June 2019, the DBAG portfolio consisted of 29 equity investments and two investments in international private equity funds managed by third parties that we entered into in 2000 and 2002, respectively. The investments are held indirectly via investment entity subsidiaries, with only one exception (JCK). The portfolio contains 22 management buyouts and seven expansion capital investments. The two international private equity funds are both at the end of their disinvestment phase and only hold one portfolio company each.

At 30 June 2019, the value of the 31 investments, including loans to and receivables from portfolio companies, and excluding short-term interim financing, amounted to 414.1 million euros (30 September 2018; restated: 339.4 million euros); in addition, there were entities with a value of 7.7 million euros through which representations and warranties dating from former divestments are (largely) settled ("Other investments"), and which are no longer expected to deliver

appreciable value contributions (30 September 2018: 9.3 million euros). This brought the portfolio value to a total of 421.8 million euros (30 September 2018; adjusted: 348.7 million euros). Adjusted for the investments divested shortly after the reporting date, the portfolio value equals a multiple of 1.2 times the original acquisition cost.

The portfolio value has increased in gross terms by 73.1 million euros since the beginning of the financial year. In addition to the portfolio additions totalling 77.1 million euros – primarily due to the new investments in Cloudflight, FLS, Kraft & Bauer and Sero, and the completion of the investment in the radiology group blikk, as well as the follow-up investments in

blikk, BTV Multimedia, DNS:NET, duagon, Frimo, netzkontor nord, Pfaudler, Rheinhold & Mahla and Telio – there were changes in value of 21.6 million euros. This was partly offset by disposals in the amount of 25.6 million euros, primarily attributable to the sale of the investment in Cleanpart.

At 30 June 2019, the 15 biggest investments accounted for around 72 per cent of the portfolio value (30 September 2018 (restated): 77 per cent). The following table lists these 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.

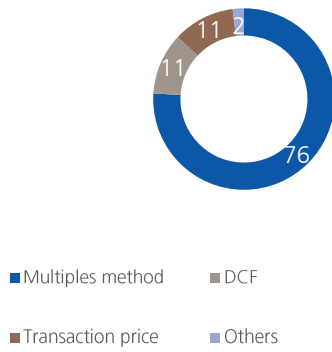
Company	Cost € <i>mm</i>	Equity share DBAG %	Investment type	Sector
blikk Holding GmbH	15.2	12.1	MBO	Radiology and nephrology
DNS:Net Internet Service GmbH	11.4	15.7	Expansion capital	Information technology, media and telecommunications
duagon Holding AG	23.8	21.3	MBO	Industrial components
inexio KGaA	7.5	6.9	Expansion capital	Information technology, media and telecommunications
Infiana Group GmbH	4.5	17.6	MBO	Industrial components
JCK Holding GmbH Textil KG	8.8	9.5	Expansion capital	Marketer of textiles and seller of merchandise
netzkontor nord GmbH	9.1	35.9	Expansion capital	Information technology, media and telecommunications
Karl Eugen Fischer GmbH	22.6	21.0	MBO	Mechanical and plant engineering
Kraft & Bauer Holding GmbH	14.1	19.0	MBO	Industrial components
Novopress KG	2.3	18.9	Expansion capital	Mechanical and plant engineering
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 & Aesthetics GmbH	13.3	15.0	MBO	Industrial components
Telio Management GmbH	14.3	15.6	MBO	Information technology, media and telecommunications
vitronet Projekte GmbH	4.5	41.3	MBO	Information technology, media and telecommunications

The following portfolio information is based on the valuation and resulting portfolio value at the reporting date of 30 June 2019. The investments in international buyout funds and in companies, through which retentions for representations and warranties from exited investments are held, are recognised under "Other". The debt (net debt, EBITDA) is based on the

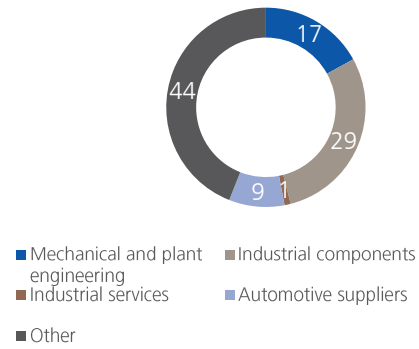
expectations of the portfolio companies for the financial year 2019.

Portfolio structure

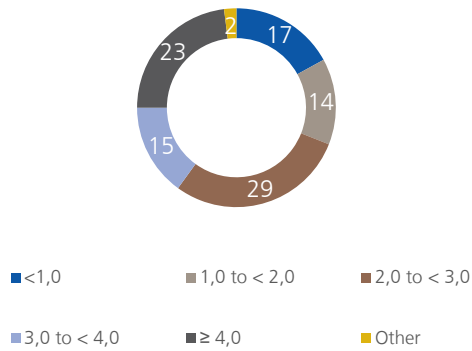
PORTFOLIO VALUE BY VALUATION METHOD
%



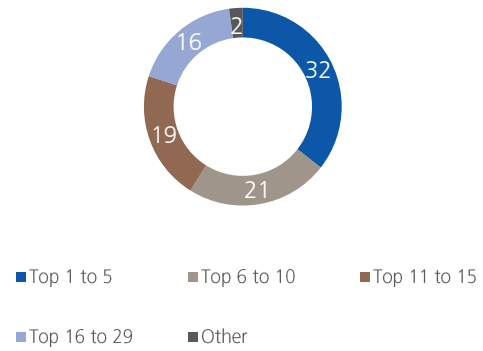
PORTFOLIO VALUE BY SECTOR
%



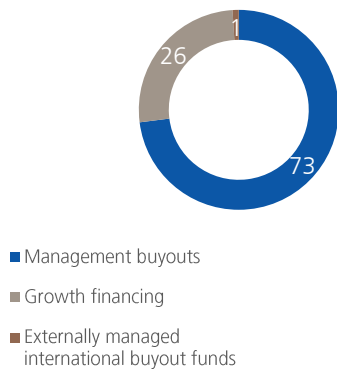
PORTFOLIO VALUE BY PORTFOLIO COMPANY NET DEBT / EBITDA
%



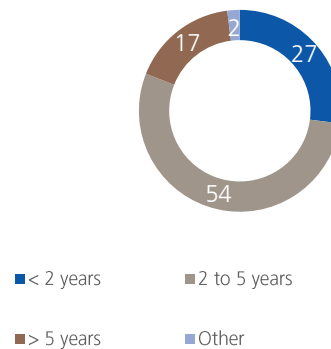
CONCENTRATION OF PORTFOLIO VALUE
Size categories (%)



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 2018/2019	1st to 3rd quarter 2017/2018	3rd quarter 2018/2019	3rd quarter 2017/2018
Net result of investment activity	16,901	28,528	7,362	8,360
Other income/expenses	(5,902)	(5,016)	(2,152)	(1,168)
Earnings before tax	10,999	23,512	5,210	7,192

Some figures for financial year 2017/2018 were restated in accordance with IAS 8 (cf. page 7).

EARNINGS BEFORE TAX in the Private Equity Investments segment amounted to 11.0 million euros after the first nine months of the financial year 2018/2019, down 12.5 million euros on the prior-year period. This is due to significantly lower **NET RESULT OF INVESTMENT ACTIVITY**. For details, please refer to the information on this item provided in the "Earnings position" section. 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) rose by 0.9 million euros year-on-year. Higher net interest income was not able to offset higher personnel expenses, inter alia due to the higher number of staff, and higher other operating expenses. The figure includes internal management fees paid to the Fund Investment Services segment in the amount of 0.9 million euros (previous year: 0.6 million euros).

NET ASSET VALUE AND AVAILABLE LIQUIDITY

€'000	30 June 2019	30 Sept. 2018
Financial assets and loans and receivables	368,871	318,931
Other financial instruments	37,069	32,766
Financial resources	39,063	119,029
Net asset value	445,003	470,727
Financial resources	39,063	119,029
Credit line	50,000	50,000
Available liquidity	89,063	169,029
Co-investment commitments alongside DBAG funds	129,691	198,477

Some figures for financial year 2017/2018 were restated in accordance with IAS 8 (cf. page 7).

The **NET ASSET VALUE** is lower than at the end of the previous financial year, having declined by 25.7 million euros to 445.0 million euros. Higher financial assets and other financial

instruments by an aggregate of 54.2 million euros were offset by financial resources at DBAG decreasing by 80.0 million euros in the course of investment activities. Please refer to the

“Asset position” and “Liquidity position” sections for information on the changes to financial assets and financial resources.

Pending **CO-INVESTMENT COMMITMENTS ALONG-SIDE DBAG FUNDS** decreased by 68.8 million euros overall. We serviced capital calls for new investments and acquisitions of portfolio companies. At 30 June 2019, 30 per cent of the co-investment commitments were covered by the available financial resources (cash and cash equivalents including

securities; 30 September 2018: 60 per cent). A credit line of 50 million euros is available to compensate for the irregular cash flows resulting from our business model. The credit line is provided by a consortium of two banks, until 2023.

The surplus of co-investment commitments over available funds amounts to around 13 per cent of financial assets, compared with 9 per cent at 30 September 2018. We expect to be able to cover this surplus with disposals from the portfolio.

Fund Investment Services segment

SEGMENT EARNINGS STATEMENT, FUND INVESTMENT SERVICES

€'000	1st to 3rd quarter 2018/2019	1st to 3rd quarter 2017/2018	3rd quarter 2018/2019	3rd quarter 2017/2018
Fee income from fund management and advisory services	21,185	22,370	6,861	7,707
Other income/expenses	(19,552)	(18,211)	(7,049)	(5,749)
Earnings before tax	1,634	4,159	(187)	1,958

Some figures for financial year 2017/2018 were restated in accordance with IAS 8 (cf. page 7)

The Fund Investment Services segment closed the quarter with **EARNINGS BEFORE TAX** of 1.6 million euros, compared to 4.2 million euros in the same period of the previous year. **FEE INCOME FROM FUND MANAGEMENT AND ADVISORY SERVICES** declined year-on-year, and, as expected, fees incurred from DBAG Fund VI, DBAG Fund V, 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).

The negative balance of **OTHER INCOME/EXPENSE ITEMS** was 1.3 million euros higher year-on-year, predominantly due to higher personnel expenses (+2.6 million euros) as a result of variable remuneration for DBAG employees, to be considered after successful disposals and new investments. By contrast, the segment result in the prior year had been negatively impacted by a special effect of 0.9 million euros, due to the subsequent adjustment of remuneration which DBAG had received for the work performed by members of the investment team on supervisory bodies of DBAG Fund V portfolio companies.

ASSETS UNDER MANAGEMENT OR ADVISEMENT

€'000	30 June 2019	30 Sept. 2018
Funds invested in portfolio companies	1,026,543	862,076
Funds drawn down but not yet invested	0	23,387
Short-term interim financing of new investments	183,097	145,086
Outstanding capital commitments of third-party investors	451,447	681,799
Financial resources (of DBAG)	39,063	119,029
Assets under management or advisory	1,700,149	1,831,378

The amount of **ASSETS UNDER MANAGEMENT AND ADVISORY** has fallen slightly since the start of the financial year. Pending capital commitments declined, reflecting investing activities – while the aggregate of funds invested in portfolio companies or interim financing is now higher than nine months ago, the balance is nevertheless negative due to the disposal of Cleanpart. DBAG’s financial resources were reduced in the course of business and investing activities during the first nine months. Please refer to the “Liquidity position” section for information on changes in DBAG’s financial resources.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

The disposal of the investment in Infiana Group GmbH was completed right at the beginning of July. This provider of special films for the consumer goods market and for industrial applications has been part of the DBAG Fund VI portfolio since the end of 2014. The proceeds from the disposal will once again exceed the valuation of the investment as of 31 March 2019 and are included in the valuation as of 30 June 2019.

An agreement was also made at the beginning of July to dispose of the stake in Novopress KG, a manufacturer of tool systems for the sanitary, electrical and construction industries. Back in 1990, Deutsche Beteiligungsgesellschaft mbH Fonds I KG, formerly managed by DBAG, acquired a minority stake in Novopress. In 2015, this investment led to a further commitment by DBAG ECF – since then, DBAG has held a stake in Novopress through the Fund. With an acquisition cost of 2.3 million euros, the investment in Novopress is one of the smallest investments in the current portfolio. Taking into account distributions received, DBAG will realise a double-digit multiple of the amount invested in 2015 through this disposal. The agreed disposal proceeds exceed the valuation of the investment reported in the interim financial statements as of 31 March 2019; and as in the case of Infiana, the corresponding earnings contribution is already included in the valuation of the investment as of 30 June 2019 and therefore in the consolidated profit for the third quarter of 2018/2019.

OPPORTUNITIES AND RISKS

For information on opportunities and risks, please refer to the statements set out in the combined management report as at 30 September 2018. They continue to apply in principle.²

The second quarter saw the expected value of a risk increase. We meanwhile see a greater likelihood that the risk of a “negative impact of the general economy and economic cycles in individual sectors on portfolio companies” will materialise. The notably lower growth momentum now seen in most major economic regions and the increase in macroeconomic risks mean that the likelihood of this risk occurring is no longer “low” like before, but instead seems “likely”. The expected value of this external risk – which is beyond our control – is therefore greater than before.

FORECAST

Net gains or losses from the Private Equity Investments segment are indicative of DBAG’s net income. In the short term, they are heavily defined by individual events or developments that are not predictable at the beginning of the financial year. We cannot predict, for example, to what extent the capital market will influence segment net income and therefore DBAG’s net income. We therefore always issue our forecast subject to the proviso that valuation levels on the capital markets will not have changed materially at the end of a financial year from the time the forecast was published.

The strong volatility on the capital markets over recent months drove the multiples used for the valuation of our portfolio companies up as well as down – in some cases massively. Over the first three quarters of the year, this affected the result of valuation and disposal, and consequently also net income, in very different ways. After what was – in some cases massive – declines in valuation multiples resulting in higher negative contributions to earnings at the beginning of the financial year, overall capital market valuation levels as at 30 June 2019 were back to the levels of 30 September 2018. This demonstrates once again that the informational value of a single quarterly result is comparatively low. The result cannot be used to draw any conclusions as to the result for an entire financial year – nor is it meaningful to compare performance figures (result of valuation and disposal) for certain quarters

of a financial year with the corresponding quarter of the previous year. We point this out repeatedly. It would be purely coincidental if one quarter’s result were to match the corresponding quarter of the previous year: not only is our business not linear, it does not follow any seasonal pattern either. This distinguishes it from most other business models adopted by other listed companies.

Our forecasts are always based on the assumption of stable capital market conditions. This means that if, contrary to this assumption, the multiples of listed comparable companies at the reporting date are significantly lower than at the previous reporting date, the net income will fall in line with the forecast – and vice versa.

Just as we assume stable capital market conditions in our forecast, our portfolio companies take their own macroeconomic expectations into account when planning their budgets. In recent months, conditions have worsened; we therefore perceive it to be more likely that this economic slowdown could also affect some of DBAG’s individual portfolio companies. We have taken this into account by adjusting our forecast for Group net income for the current financial year. We informed our shareholders of this in an ad-hoc announcement on 10 July. On this basis, we expect the Group’s net income to be at least positive overall for the 2018/2019 financial year, which ends on 30 September.

OTHER DISCLOSURES

This document is a quarterly statement pursuant to § 53 of the Börsenordnung für die Frankfurter Wertpapierbörse (Stock Exchange Regulations for the Frankfurt Stock Exchange), in the version dated 1 July 2019. 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 (IFRSs). With one exception (IFRS 9 “Financial Instruments”, cf. Annual Report 2017/2018, page 110), the accounting, valuation and consolidation methods used are the same as those used in the previous consolidated financial statements at 30 September 2018.

Please refer to page 7 of this quarterly statement for details on the comparability of this information with previous reports.

² cf. Annual Report 2017/2018, page 82 et seqq.

ANNEX TO THE QUARTERLY STATEMENT

Consolidated statement of comprehensive income

for the period from 1 October 2018 to 30 June 2019

€'000	1 Oct. 2018 to 30 June 2019	1 Oct. 2017 to 30 June 2018 adjusted ¹
Net gain or loss from investment activity	16,901	28,528
Fee income from fund management and advisory services	20,335	21,812
Net gain or loss from fund services and investment activity	37,236	50,340
Personnel expenses	(16,679)	(13,154)
Other operating income	4,820	2,237
Other operating expenses	(12,877)	(11,402)
Interest income	675	198
Interest expenses	(543)	(548)
Other income/expense items	(24,604)	(22,669)
Earnings before tax	12,632	27,671
Income taxes	0	(1)
Earnings after tax	12,632	27,670
Profit (-)/loss (+) attributable to non-controlling interests	(8)	(19)
Net income	12,624	27,651
a) Items that will not be reclassified subsequently to profit or loss		
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset)	261	(515)
b) Items that will be reclassified subsequently to profit or loss		
Unrealised gains (+)/losses (-) on available-for-sale securities	0	(34)
Changes in the fair value of debt instruments measured at fair value through other comprehensive income	15	0
Other comprehensive income	276	(549)
Consolidated comprehensive income	12,900	27,102
Earnings per share in euros (diluted and basic) ²	0.84	1.84

1 Restated in accordance with IAS 8

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

Consolidated statement of cash flows

for the period from 1 October 2018 to 30 June 2019

INFLOWS (+) / OUTFLOWS (-)		
€'000	1 Oct. 2018 to 30 June 2019	1 Oct. 2017 to 30 June 2018 adjusted ¹
Net income	12,624	27,651
Valuation gains (-)/losses (+) on financial assets and loans and receivables, depreciation and amortisation of property, plant and equipment and intangible assets, gains (-)/losses (+) on long and short-term securities	(15,545)	(24,360)
Gains (-)/losses (+) from disposals of non-current assets	(76)	(43)
Increase (-)/decrease (+) in income tax assets	(1,592)	(186)
Increase (-)/decrease (+) in other assets (netted)	(1,197)	(3,283)
Increase (+)/decrease (-) in pension provisions	(500)	314
Increase (+)/decrease (-) in other provisions	296	(6,121)
Increase (+)/decrease (-) in other liabilities (netted)	(5,800)	(669)
Cash flows from operating activities	(11,790)	(6,697)
Proceeds from disposals of property, plant and equipment and intangible assets	79	156
Purchase of investments in property, plant and equipment and intangible assets	(158)	(280)
Proceeds from disposals of financial assets and loans and receivables	28,103	10,840
Purchase of investments in financial assets and loans and receivables	(70,215)	(52,632)
Proceeds from disposal of other financial instruments	33,476	35,649
Payments for investments in other financial instruments	(37,779)	(32,766)
Proceeds from disposals in long and short-term securities	70,328	41,384
Payments for investments in long and short-term securities	(215)	(91,350)
Cash flows from investing activities	23,619	(89,000)
Payments to shareholders (dividends)	(21,814)	(21,062)
Cash flows from financing activities	(21,814)	(21,062)
Change in cash funds from cash-relevant transactions	(9,985)	(116,758)
Cash funds at start of period	23,571	127,976
Cash funds at end of period	13,587	11,217

1 Restated in accordance with IAS 8

Consolidated statement of financial position

at 30 June 2019

€'000	30 June 2019	30 Sept. 2018 adjusted ¹	30 Sept. 2018 reported
ASSETS			
Non-current assets			
Intangible assets	285	438	438
Property, plant and equipment	646	839	839
Financial assets	368,871	318,931	323,304
Long-term securities	0	55,458	55,458
Total non-current assets	369,802	375,666	380,039
Current assets			
Receivables	1,119	1,130	1,091
Short-term securities	25,476	40,000	40,000
Other financial instruments	37,069	32,766	32,766
Income tax assets	1,937	345	345
Cash and cash equivalents	13,587	23,571	23,571
Other current assets	8,585	7,840	7,408
Total current assets	87,773	105,653	105,181
Total assets	457,575	481,319	485,220
EQUITY AND LIABILITIES			
Equity			
Subscribed capital	53,387	53,387	53,387
Capital reserve	173,762	173,762	173,762
Retained earnings and other reserves	(6,077)	(6,331)	(6,331)
Consolidated retained profit	213,783	222,973	226,962
Total equity	434,855	443,790	447,779
Liabilities			
Non-current liabilities			
Minority interest	181	180	180
Provisions for pension obligations	11,710	12,209	12,209
Total non-current liabilities	11,890	12,389	12,389
Current liabilities			
Other current liabilities	1,308	15,913	15,773
Tax provisions	17	17	17
Other provisions	9,506	9,209	9,262
Total current liabilities	10,830	25,140	25,052
Total liabilities	22,721	37,529	37,441
Total equity and liabilities	457,575	481,319	485,220

¹ Restated in accordance with IAS 8

Consolidated statement of changes in equity

for the period from 1 October 2018 to 30 June 2019

€'000	1 Oct. 2018 to 30 June 2019	1 Oct. 2017 to 30 June 2018
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	0	0
Effects from reclassification in accordance with IFRS 9	(36)	0
Measurement effects in accordance with IFRS 9	(74)	0
At start (adjusted) ² and end of reporting period	(109)	0
Reserve for gains/losses on remeasurements of the net defined benefit liability		
At start of reporting period	(22,760)	(21,605)
Change in reporting period	261	(515)
At end of reporting period	(22,499)	(22,120)
Change in unrealised gains/losses on available-for-sale securities		
At start of reporting period	(102)	(55)
Effects from reclassification in accordance with IFRS 9	102	0
At start of reporting period (adjusted) ²	0	(55)
Change in reporting period outside profit or loss	0	(34)
At end of reporting period	0	(90)
Reserves for debt instruments measured at fair value through other comprehen-		
At start of reporting period	0	0
Effects from reclassification in accordance with IFRS 9	(67)	0
Measurement effects in accordance with IFRS 9	52	0
At start of reporting period (adjusted) ²	(15)	0
Changes recognised in income during the period	15	0
At end of reporting period	0	0
At end of reporting period	(6,077)	(5,678)
Consolidated retained profit		
At start of reporting period	222,973	214,346
Dividend	(21,814)	(21,062)
Net income	12,624	27,651
At end of reporting period	213,783	220,936
Total	434,855	442,407

1 Restated in accordance with IAS 8

2 Restated as part of the transition to IFRS 9

Disclosures on segment reporting

for the period from 1 October 2018 to 30 June 2019

SEGMENTAL ANALYSIS FOR THE 1ST to 3RD QUARTER 2018/2019

€'000	Private Equity Investments	Fund Investment Services	Reconciliation Group	Group 1st to 3rd quarter 2018/2019
Net result of investment activity	16,901	0	0	16,901
Fee income from fund management and advisory services ¹	0	21,185	(850)	20,335
Net result of fund services and investment activity	16,901	21,185	(850)	37,236
Other income/expenses	(5,902)	(19,552)	850	(24,604)
Earnings before tax (segment result)	10,999	1,634	0	12,632
Income taxes				0
Earnings after tax				12,632
Minority interest gains (-)/losses (+)				(8)
Net income				12,624
Financial assets and loans and receivables	368,871			
Other financial instruments	37,069			
Financial resources ²	39,063			
Net asset value	445,003			
Assets under management or advisement³		1,700,149		

- 1 A synthetic internal administration fee is calculated for the Private Equity Investments segment and taken into account when determining segment results. The fee is based on DBAG's co-investment interest.
- 2 The financial resources are used by DBAG for investments in financial assets and loans and receivables. They contain the line items "Cash and cash equivalents", "Long-term securities" and "Short-term securities".
- 3 Assets under management comprise financial assets, loans and receivables, the financial resources of DBAG, as well as the investments and callable capital commitments to DBAG-managed private equity funds. The investments and loans and receivables are recognised at cost.

SEGMENTAL ANALYSIS FOR THE 1ST to 3RD QUARTER 2017/2018

€'000	Private Equity Investments	Fund Investment Services	Reconciliation Group	Group 1st to 3rd quarter 2017/2018
Net result of investment activity	28,528	0	0	28,528
Fee income from fund management and advisory services ¹	0	22,370	(557)	21,812
Net result of fund services and investment activity	28,528	22,370	(557)	50,340
Other income/expenses	(5,016)	(18,211)	557	(22,669)
Earnings before tax (segment result)	23,512	4,159	0	27,671
Income taxes				(1)
Earnings after tax				27,670
Minority interest gains (-)/losses (+)				(19)
Net income				27,651
Financial assets and loans and receivables	318,931			
Financial resources ²	32,766			
Other financial instruments	119,029			
Net asset value	470,727			
Assets under management or advisement³		1,831,378		

- 1 See footnote in preceding table, explanation in footnote 1
- 2 See footnote in preceding table, explanation in footnote 2
- 3 See footnote in preceding table, explanation in footnote 3
- 4 Restated in accordance with IAS 8

PORTFOLIO COMPANIES

Company	Revenues 2018 (€ mm)	Employees	Core business
blikk Holding GmbH Unna, Germany	75	620	Radiology services and treatment
BTV Multimedia GmbH Hanover, Germany	48	140	Equipment and services for broadband communications
cloudflight GmbH Munich, Germany	27	270	Advisory services, software development and cloud operations
Dieter Braun GmbH Bayreuth, Germany	87	1,500	Cable systems and interior vehicle lighting
DNS:Net Internet Service GmbH Berlin, Germany	18	140	Telecommunications and IT services
duagon Holding AG Dietikon, Switzerland	103	400	Network components for rail vehicles
FLS GmbH Heikendorf, Germany	10	70	Real-time scheduling and route optimisation software
Frimo Group GmbH Lotte, Germany	201	1,400	Tools and plants for the automotive industry
Gienanth GmbH Eisenberg, Germany	175	1,100	Machine- and hand-moulded castings for the automotive supply industry, production of large engine blocks
Heytex Bramsche GmbH Bramsche, Germany	105	500	Manufacturer of technical textiles
inexio Informationstechnologie und Telekommunikation KgaA Saarlouis, Germany	68	300	Telecommunications and IT services
Infiana Group GmbH Forchheim, Germany	227	800	Specialised films
JCK Holding GmbH Textil KG Quakenbrück, Germany	811	1,600	Marketer of textiles and seller of merchandise
Karl Eugen Fischer GmbH Burgkunstadt, Germany	87	540	Mechanical engineering for the tyre industry
Kraft & Bauer Holding GmbH Holzgerlingen, Germany	26	80	Fire extinguishing systems for tooling machines
mageba AG Bülach, Switzerland	106	800	Products and services for the infrastructure and building construction sectors
More than Meals Europe S.à r.l. Luxembourg	496	3,250	Chilled ready meals and snacks
netzkantor nord GmbH Flensburg, Germany	17	260	Services for the telecommunications sector
Novopress KG Neuss, Germany	0	110	Tool systems for the sanitary, electrotechnical and construction industries
Oechsler AG Ansbach, Germany	430	3,450	Plastics engineering for industries of the future
Pfaunder International S.à r.l. Luxembourg	275	1,400	Mechanical engineering for the processing industry
Polytech Health & Aesthetics GmbH Dieburg, Germany	42	180	High-quality silicon implants
Rheinhold & Mahla GmbH Hamburg, Germany	117	510	Interior outfitting for ships and marine installations
Sero GmbH Rohrbach, Germany	86	270	Development and manufacturing service provider for electronic components

Silbitz Group GmbH Silbitz, Germany	168	1,050	Hand-moulded and automated moulded castings with a steel and iron basis
Sjølund A/S Sjølund, Denmark	300	200	Bent aluminium and steel components
Telio Management GmbH Hamburg, Germany	51	140	Communications and media systems for correctional facilities
vitronet Projekte GmbH Essen, Germany	64	230	Construction of fibre-optic networks
von Poll Immobilien GmbH Frankfurt/Main, Germany	91	130	Estate agency

Investments in international buyout funds managed by third parties

DBG Eastern Europe II	In the divestment phase since 2010; the portfolio contains just one from originally ten investments
Harvest Partners IV	In the divestment phase since 2007; the portfolio contains just one from originally nine investments

Revenues 2018: in some cases still provisional, some companies have a financial year that deviates from the calendar year
 duagon Holding AG, mageba AG: figures in CHF; Pfaudler International S.à r.l.: figures in USD; 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: 7 August 2019

Financial Calendar

3 SEPTEMBER 2019

SRC Forum Financials & Real Estate 2019, Frankfurt/Main

25 SEPTEMBER 2019

Baader Investment Conference, Munich

25 NOVEMBER 2019

German Equity Forum, Frankfurt/Main

10 DECEMBER 2019

Release of consolidated financial statements 2018/2019, analysts' conference, Frankfurt/Main

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

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