Deutsche Beteiligungs AG

HALF-YEARLY

as at 31 March 2022

FINANCIAL REPORT

FIRST HALF AND SECOND QUARTER OF 2021/2022

AT A GLANCE

Exchange-listed Deutsche Beteiligungs AG ("DBAG") invests in well-positioned mid-sized companies with potential for growth. Manufacturing businesses and related service providers, which are the foundation for the excellent reputation that Germany's *Mittelstand* enjoys around the world, have been a focal part of our investments for many years. A growing portion of our portfolio is deployed in the growth sectors of broadband/telecommunications, IT services & software or healthcare. Our long-term, value-enhancing entrepreneurial investment approach makes DBAG a sought-after investment partner in the German-speaking world. We have consistently delivered above-average performance over a number of years – benefiting our portfolio companies and shareholders alike, including investors in our DBAG-managed private equity funds.

CONSOLIDATED KEY FIGURES

CONSOLIDATED KEY FIGURES

		1st half-year 2021/2022 or 31 Mar 2022	1st half-year 2020/2021 or 30 Sep 2021	**2nd quarter 2021/2022**	2nd quarter 2020/2021
Core business objective: Increase in the Company's value					
Net asset value of Private Equity Investments (reporting date)	€mn	641.8	678.5		
Earnings from Fund Investment Services	€mn	5.8	9.1	2.1	4.3
Private Equity Investments segment					
Net income from investment activity	€mn	(35.8)	70.7	(26.4)	46.9
Earnings before taxes	€mn	(41.5)	64.7	(29.6)	44.7
Cash flow from investment activity	€mn	(47.8)	(21.0)	5.7	(3.4)
Net asset value (reporting date)	€mn	641.8	678.5		
Fund Investment Services segment					
Income from Fund Services	€mn	21.9	21.8	10.9	10.7
Earnings before taxes	€mn	5.8	9.1	2.1	4.3
Assets under management or advisory (reporting date)	€mn	2,488.4	2,473.2		
Other indicators					
Net income	€mn	(35.8)	73.1	(27.6)	48.3
Equity (reporting date)	€mn	631.6	698.8		
Earnings per share [1]	€	(1.90)	4.56	(1.47)	3.01
Number of employees (reporting date, including vocational trainees)[2]		85	79		

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

2 First half-year 2021/2022: one position temporarily duplicated; first half-year 2020/2021: two positions temporarily duplicated

Figures for the second quarter were not reviewed by external auditors.

CONTENTS

LETTER TO OUR SHAREHOLDERS 5

THE SHARE 6

INTERIM MANAGEMENT REPORT ON THE FIRST HALF-YEAR AND THE SECOND QUARTER OF THE 2021/2022 FINANCIAL YEAR 7

Fundamental Information about the Group 8

Business review of the Group 16

Opportunities and risks 34

Forecast 35

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2022 37

Consolidated statement of comprehensive income 38

Consolidated statement of cash flows 39

Consolidated statement of financial position 40

Consolidated statement of changes in equity 41

Condensed notes to the interim consolidated financial statements for the first half of the financial year 2021/2022 42

Notes to the consolidated statement of comprehensive income and the consolidated statement of financial position 49

Other disclosures 52

RESPONSIBILITY STATEMENT 62

REVIEW REPORT 63

FINANCIAL CALENDAR 64

PORTFOLIO

GOOD PROGRESS OF INVESTING ACTIVITY

BURDENED EARNINGS

DROP OF PEER GROUP MULTIPLES

NETASSET VALUE OF PE INVESTMENTS

DECREASE OF 5.1% TO 641.8 MILLION EUROS ADJUSTED FOR DIVIDEND PAYMENT AND THE RECEIPT OF DEFERRED ADVISORY FEES

EARNINGS FROM FUND INVESTMENT SERVICES

5.8 MILLION EUROS AFTER NEGATIVE ONE-OFF EFFECT

2021/2022

ADJUSTED FORECAST CONFIRMED

LETTER TO OUR SHAREHOLDERS

Frankfurt/Main, 11 May 2022

Dear shareholders,

The second quarter of the current financial year was marked by very different events.

Our commitment to the further development of our portfolio remains undiminished: we were able to agree two new MBOs and closed two others. In addition, we completed four acquisitions and agreed on three more. At the end of the previous financial year, DBAG's portfolio comprised 32 equity investments – that number has now risen to 36. The share of IT services and software companies has increased significantly, creating an even better balanced portfolio.

The outbreak of war in Ukraine in the second quarter has had a significant impact on overall economic development. Price increases for energy and raw materials are burdening industrial companies in particular – significantly in some cases. In addition, China's zero-COVID policy is incurring supply chain disruptions due to lockdown measures in major Chinese economic centres. Whilst these developments are also reflected at our portfolio companies, they only affect a manageable portion of the portfolio value. Yet a number of portfolio companies – including those from the broadband telecommunication, IT services and software, and healthcare sectors – have hardly been affected by such disruptive factors, if at all. Our efforts over the past few years to diversify the DBAG portfolio are paying off.

The war in Ukraine, the related uncertainty as well as expectations of interest rate hikes in the wake of rising inflation have led to declining peer group share prices on the capital markets – which in turn led to a downturn in multiples. This has affected the majority of our portfolio companies' peer groups. The changes were particularly pronounced among companies from the IT services and software sector, driven by a broad-based decline in the prices of US technology stocks since the beginning of 2022. Our forecast, which we adjusted in April 2022, reflects this development and also takes into account planned disposals for which we see opportunities despite the more challenging conditions.

We are confident that we are well positioned to capitalise on the opportunities that arise: our Fund Investment Services business generates stable income coupled with high visibility, while DBAG maintains a strong balance sheet with a high equity ratio. The expansion of our team is progressing well. Based on this, and on our long-standing experience, we are determined to exploit the opportunities – arising even in difficult times as these – for attractive new investments and realisations as well as for value creation at our portfolio companies.

The Board of Management

of Deutsche Beteiligungs AG

Torsten Grede Tom Alzin Jannick Hunecke

THE SHARE

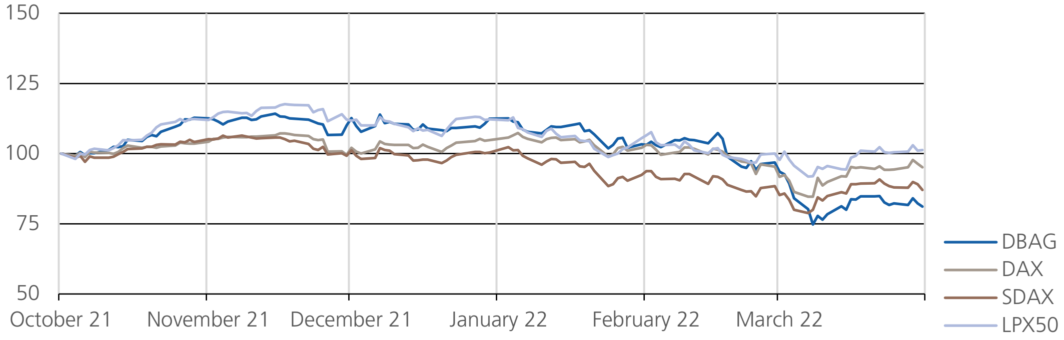
The DBAG share

The DAX closed at 15,156.44 points on the Xetra trading system on 1 October 2021 and recorded a decline of 4.9 per cent to 14,414.75 points at the end of the reporting half-year on 31 March 2022. Over the same period, the SDAX started at 16,359.87 points and declined by 12.9 per cent to 14,248.00 points. Conversely, the LPX50 index, which contains the 50 largest global listed private equity companies, rose by 1.3 per cent from 4,232.85 points to 4,287.16 points.

The DBAG share closed at 35.55 euros in Xetra trading on 1 October 2021. It reached its highest price of the reporting half-year on 15 November 2021, at 40.50 euros, whilst the lowest price during the period was reached on 8 March 2022, with a value of 26.50 euros, ending the period at 28.70 euros on 31 March 2022. On balance, the share price fell by 19.3 per cent during the six-month period.

Analysts' ratings and assessments of DBAG's share price performance and the Company can be found under Investor Relations on DBAG's website at www.dbag.com'.

DBAG share performance for the first half of the 2021/2022 financial year



Dividend

The Annual General Meeting of 17 February 2022 approved the proposal submitted by the Board of Management and the Supervisory Board to distribute 1.60 euros per share for the past financial year. A total of 18,804,992 shares were entitled to dividends. We therefore distributed 30.1 million euros from net retained profit (in accordance with the German Commercial Code) of 254.0 million euros. The distribution translates into a dividend yield of 4.5 per cent in relation to the average share price for the past year of 35.27 euros.

INTERIM
MANAGEMENT REPORT

ON THE FIRST HALF-YEAR AND THE SECOND QUARTER
OF THE 2021/2022 FINANCIAL YEAR

FUNDAMENTAL INFORMATION ABOUT THE GROUP

Structure and business activity

Deutsche Beteiligungs AG (hereinafter also: "DBAG") is a publicly-listed private equity company with its roots dating back to 1965. Since then, DBAG and its predecessor company have entered into equity investments in more than 300 companies – from the outset (also) through closed-end funds that invest on their own account.

DBAG initiates and structures closed-end private equity funds ("DBAG funds") for investment in equity or equity-like instruments predominantly of unlisted companies, and provides advice to these funds. It enters into investments, also employing its own assets, as a co-investor alongside DBAG funds ("co-investments") – and, since the financial year 2019/2020, also independently of these funds ("Long-Term Investments").

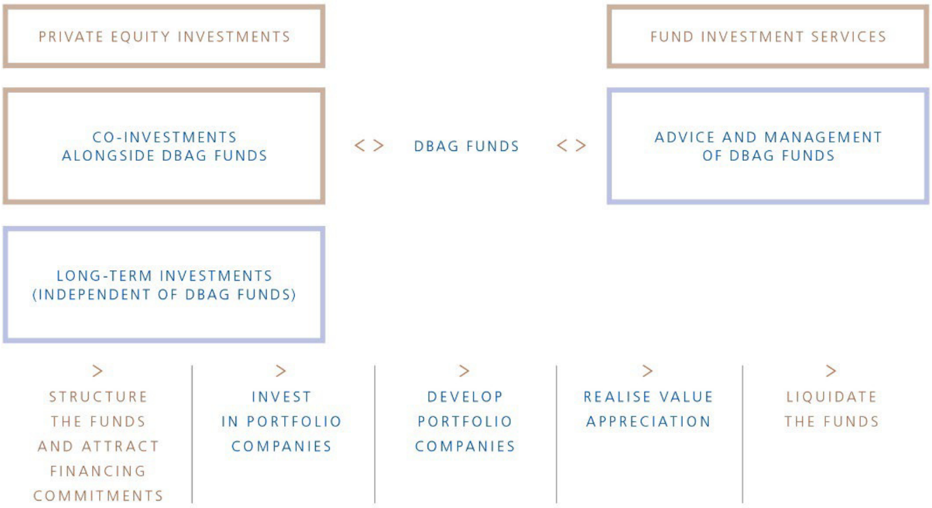
As an investor and fund advisor, DBAG's investment focus is traditionally on mid-market companies. On a regional level, most of the portfolio companies have their registered office or main business focus in the German-speaking region of Europe (the "DACH region"). Since 2020, DBAG has also invested in Italy, one of the most important industrialised economies in the European Union with a high proportion of family-owned businesses. Going forward, up to a quarter of a fund's volume will be invested in this country. In individual cases, DBAG also invests in companies elsewhere in Europe.

DBAG has its registered office in Frankfurt/Main, Germany with all of the Company's business processes and management also bundled here. DBAG opened its office in Milan during the 2020/2021 financial year. A team based in the city identifies and structures investment opportunities for the DBAG funds and supports the portfolio companies in their further development. This process involves close cooperation between DBAG's two locations. DBAG supports its portfolio companies during a phase of strategic development that usually spans several years, as a partnership-based financial investor committed to increasing value. Once the planned development phase is completed, each company continues to grow and develop under a different arrangement: with a strategic partner, a new financial investor, or as a listed company, for example. It is at this point that the achieved increase in value is realised.

DBAG's integrated business model

DBAG's business model, which is geared towards increasing value for its shareholders, rests on two pillars – Private Equity Investments and Fund Investment Services. They are strongly interlinked through the DBAG funds. Because the DBAG funds are at the core of our business model, we refer to it as being integrated.

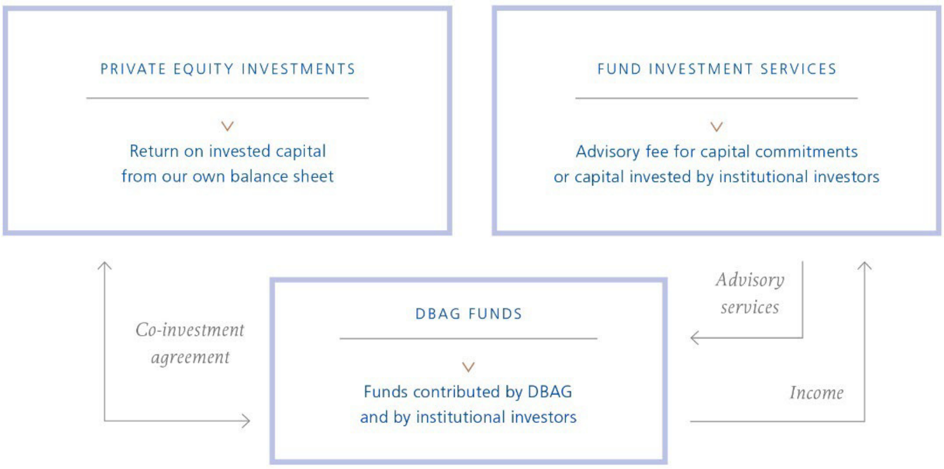
DBAG'S INTEGRATED BUSINESS MODEL



DBAG's role with regard to these DBAG funds is to initiate and structure new funds, and then to advise them. As part of these advisory services, DBAG identifies and evaluates investment opportunities, conducts negotiations and prepares recommendations for the fund's investment decisions. In addition, DBAG oversees the value appreciation processes of the portfolio companies, their disposal at the end of the investment period, as well as winding up the DBAG funds at the end of their term. DBAG also uses its own assets to co-invest alongside the DBAG funds.

Since the 2019/2020 financial year, DBAG has also been investing exclusively from its own assets in Long-Term Investments with an expected investment term of seven years or more. This exceeds the typical investment duration of private equity funds and therefore also falls outside the investment criteria of the current DBAG funds.

INTEGRATION BETWEEN DBAG FUNDS AND DBAG'S TWO BUSINESS SEGMENTS



The following table summarises the key information concerning the current DBAG funds:

Fund		Focus	Start of investment period	End of investment period	Size[1]	thereof: DBAG	DBAG's co-investment stake
DBAG Fund V	Managed by DBG Managing Partner	Buyouts	February 2007	February 2013	€539 million	€105 million	19%
DBAG ECF I: DBAG Expansion Capital Fund	Managed by DBG Managing Partner	Growth financing	May 2011	May 2017	€212 million	€100 million	47%
DBAG ECF II: DBAG Expansion Capital Fund – First New Vintage	Managed by DBG Managing Partner	Growth financing and small buyouts	June 2017	June 2018	€85 million	€35 million	41%
DBAG ECF III: DBAG Expansion Capital Fund – Second New Vintage	Managed by DBG Managing Partner	Growth financing and small buyouts	June 2018	December 2020	€96 million	€40 million	41%
DBAG Fund VI	Advised by DBG Advising	Buyouts	February 2013	December 2016	€700 million	€133 million	19%
DBAG Fund VII	Advised by DBG Advising	Buyouts	December 2016	July 2022	€1,010 million[2]	€200 million[3]	20%[4]
DBAG Fund VIII	Advised by DBG Advising	Buyouts	August 2020	December 2026 at the latest	€1,109 million[5]	€255 million[6]	23%[6]

1 DBAG Fund VI, DBAG Fund VII, DBAG Fund VIII: each excluding investment made by experienced members of the DBAG investment team
2 DBAG Fund VII consists of two sub-funds: a principal fund (808 million euros) and a top-up fund (202 million euros). The top-up fund invests exclusively in transactions involving an equity investment, whose total exceeds the concentration limit of the principal fund for a single investment.
3 DBAG itself has committed 183 million euros to the principal fund and 17 million euros to the top-up fund.
4 The proportion of co-investments amounts to 20 per cent for the principal fund and 8 per cent for the top-up fund.
5 DBAG Fund VIII consists of two sub-funds: a principal fund (910 million euros) and a top-up fund (199 million euros). The top-up fund invests exclusively in transactions involving an equity investment, whose total exceeds the concentration limit of the principal fund for a single investment.
6 DBAG itself has committed 210 million euros to the principal fund and 45 million euros to the top-up fund; the proportion of co-investments amounts to around 23 per cent in each case.

Commitment to sustainability

In line with our commitment to sustainability, we take environmental and social aspects into account, as well as the principles of good corporate governance (ESG aspects), in our business activities.

We continually work towards stepping up our efforts in this area and in the 2020/2021 financial year therefore identified fields of action that are particularly relevant to Deutsche Beteiligungs AG, defining ESG key performance indicators for said areas. These fields of action are: reducing or avoiding greenhouse gas emissions, reducing or avoiding accidents in the workplace, improving employee satisfaction, promoting gender parity and diversity and preventing compliance breaches.

While DBAG has, in some cases, been collecting data on these fields of action for many years, we requested data from our portfolio companies for the first time in 2020, and will continue to do so for 2021. The data – showing the development over two years – will support us in including ESG key performance indicators for 2023 in the budget plans for our portfolio companies for the first time.

For further details about the integrated business model and DBAG's particular strengths, the target system comprising financial and non-financial objectives, as well as about management and control, please refer to the chapter "Fundamental information about the Group" in the Combined Management Report for the 2020/2021 financial year [1] .

[1] cf. 2020/2021 Annual Report, page 40 ff.

REVIEW OF KEY EVENTS AND TRANSACTIONS

In this chapter, we report on key changes in the investment portfolio of each DBAG fund that DBAG invests alongside. We also present the changes in Long-Term Investments, in which we invest independently of the DBAG funds. Overall, the following transactions were concluded in the reporting period[2]:

- Five new management buyouts (MBOs), of which four completed (Dantherm, freiheit.com, in-tech, Itelyum) and one agreed (akquinet), as well as one new Long-Term Investment (datahub)
- 18 company acquisitions of existing portfolio companies (add-ons), of which 15 completed and three agreed
- Partial disposal of one portfolio company (Telio)
- Refinancing of one portfolio company (von Poll Immobilien)
- Follow-on investment in one portfolio company (Hausheld)

As at 31 March 2022, DBAG's portfolio comprised 36 portfolio companies and one externally-managed fund.

[2] For acquisitions, the figures in the tables relate to the companies acquired.

DBAG Fund VIII

Name, event, registered office	Description of company activities	Date of agreement or closing	Employees, revenues (€mn, rounded)	Equity contribution from DBAG (€mn, rounded)
Dantherm MBO, Denmark Add-on: Trotec, Germany	Industry and industrial technology Heating, ventilation, drying, air conditioning and air purification technology products	11/2021 (closing: Dantherm) 3/2022 (agreement: Trotec)	822, 288 (2020 and 2021)	26
Fire Add-on: ABBS Group, Belgium	Industrial services Fire protection systems	10/2021 (closing)	250, 70 (2020)	-
freiheit.com MBO, Germany	IT services & software Developer of customised software	1/2022 (closing)	150, 30 (prelim. figures 2021)	21
in-tech MBO, Germany Add-on: Ruetz, Germany	IT services & software Provider for technological and organisational advisory and engineering services	3/2022 (closing: in-tech) 3/2022 (agreement: Ruetz)	1,616, 126 (prelim. figures 2021 or budget 2022)	15

DBAG Fund VII

Name, event, registered office	Description of company activities	Date of agreement or closing	Employees, revenues (€mn, rounded)	Equity contribution from DBAG (€mn, rounded)
akquinet MBO, Germany	IT services & software Implementation of ERP systems (SAP and Microsoft) and customised development of software solutions	3/2022 (agreement)	751, 139 (prelim. figures 2021)	up to 5
Cloudflight Add-ons: Cognostics, Germany Macio, Germany Divante, Poland	IT services & software Advisory services, software development and cloud operations	11/2021 (closing: Cognostics, Macio) 1/2022 (closing: Divante)	Total: > 420, 34 (prelim. figures 2021)	-
Itelyum MBO (non-controlling stake), Italy	Industrial services Recycling of complex industrial waste	10/2021 (closing)	> 800, 353 (2020)	not published
operasan Add-ons: MVZ Herne, Germany NZ Leipzig, Germany	Healthcare Nephrology	2/2022 (closing: MVZ Herne) 3/2022 (agreement: NZ Leipzig)	99, 18 (prelim. figures 2021)	5
Sero Add-on: Syncron EMS, US	Industrial services Development and manufacturing services provider for electronic components	1/2022 (closing)	70, 12 (prelim. figures 2021)	-

DBAG Fund VI

Name, event, registered office	Description of company activities	Date of agreement or closing	Employees, revenues (€mn, rounded)	Equity contribution from DBAG (€mn, rounded)
Silbitz Add-on: Torgelow metal foundry, Germany	Industry and industrial technology Hand-mould and automated mould castings for iron- and steel-based materials, focus on wind power	11/2021 (closing)	320, 6 (prelim. figures 2021)	1
Telio Partial disposal, Germany	Other Communications and media systems for correctional facilities	12/2021 (closing)	227, 83 (2020)	-

DBAG ECF

Name, event, registered office	Description of company activities	Date of agreement or closing	Employees, revenues (€mn, rounded)	Equity contribution from DBAG (€mn, rounded)
netzkontor Add-ons: MFB-Com, Germany MMD, Germany	Broadband telecommunication Services for the telecommunications sector	11/2021 (closing: MFB-Com) 12/2021 (closing: MMD)	>100, 15 (2020 or prelim. figures 2021)	-
Solvares Add-ons: FLS UK, UK Opheo Solutions, Germany	IT services & software Recource scheduling and route optimisation software	11/2021 (closing: FLS UK) 12/2021 (closing: Opheo Solutions)	60, 7 (2020 or prelim. figures 2021)	2
vitronet Add-ons: Alexander Pitzen Tief- und Straßenbau, Germany Horstmann Fernmeldebau, Germany Diroba, Germany Kabel- und Tiefbau, Germany	Broadband telecommunication Construction of fibre-optic networks	11/2021 (closing: Alexander Pitzen Tief- und Straßenbau) 12/2021 (closing: Horstmann Fernmeldebau, closing: Diroba) 2/2022 (closing: Kabel- und Tiefbau)	>180, 42 (2020 or prelim. figures 2021)	-
von Poll Immobilien Refinancing	Other Premium-segment real estate agent, with 380 offices in Germany, Austria and Switzerland	12/2021 (closing)	Around 1,200 real estate agents included, 128 (2020)	-

Long-Term Investments

Name, event, registered office	Description of company activities	Date of agreement or closing	Employees, revenues (€mn, rounded)	Equity contribution from DBAG (€mn, rounded)
datahub MBO, Germany	IT services & software Data centre	3/2022 (agreement)	n/a, 4	A total of up to 25
Hausheld Follow-on investment	Industrial services Development of smart meter solutions for electricity networks	3/2022 (closing)	29, 2 (2020)	3

BUSINESS REVIEW OF THE GROUP

Macroeconomic and sector-specific environment

Real economy: The war in Ukraine bears substantial risks

The global economy[3] showed an upward trend from the beginning of the 2022 calendar year up until Russia invaded Ukraine; sentiment among companies rose and carried over into February. J. P. Morgan/IHS Markit's Purchasing Managers' Index even rose in February – for the first time since November, with the sub-index for the services sector showing an especially strong increase. Both sub-indices were therefore well above the growth threshold of 50 points. The Federal Government had therefore assumed in February that the renewed growth in order intake in the manufacturing industry together with another increase in domestic production would contribute towards further stabilising the German economy. This optimism was to be viewed in particular against the backdrop of German gross domestic product (GDP) having fallen by 0.3 per cent in the final quarter of 2021 (full-year 2021: +2.9 per cent).

However, the development of inflation represented bad news even before the Ukraine war, with inflation rates in the euro area increasing to 5.9 per cent in February 2022. Energy prices and, in particular, the rise in the price of raw food materials fuelled the sharp increase. While energy prices had increased by more than 25 per cent on average in the fourth quarter of 2021, they soared by 32.0 per cent in February and by as much as 44.4 per cent in March due to the outbreak of the war. In fact, inflation continued to rise sharply in March to 7.4 per cent[4] (Germany: 7.6 per cent). This compares with a rate of only 1.3 per cent in the euro area one year earlier.

In the course of the Ukraine war, previous expectations for the global economy have meanwhile become obsolete and sentiment has swiftly deteriorated. The ifo export expectations collapsed by 19.3 balance points in March 2022. The S&P Global/BME Purchasing Managers' Index also fell sharply in March to an 18-month low. The adjusted expectations are also subject to a high degree of uncertainty. Neither the further development of the war and possible escalations beyond the region, nor its effects on the future structure of the world economy, are seriously predictable from today's perspective.

The latter mainly affects the future structure of the collaborative global flow of goods in the medium to long term, and the further development of the recent massive rise in prices, energy and raw materials in particular, in the short to medium term. Specifically, the International Monetary Fund (IMF) even believes there is an increased risk of a permanent break-up of the world economy into geopolitical blocks with different technology standards, isolated payment systems and different reserve currencies[5]. This would result in higher adjustment costs and

[3] German Federal Ministry for Economic Affairs and Climate Action: "The economic situation in Germany in March 2022"; "The economic situation in Germany in April 2022 – new forecasts for the German economy"
[4] Press release by Eurostat dated 21 April 2022: "Annual inflation up to 7.4% in the euro area"
[5] International Monetary Fund: "World Economic Outlook April 2022", page XIV

long-term efficiency costs due to the need to reconfigure flows of goods and production networks.

The impact of China's zero-COVID policy and the associated rigorous lockdown measures, especially in the important economic centres, pose an additional risk for the global economy. One the one hand, this will severely slow down the Chinese economy. On the other hand, there are increased risks in the supply of Chinese primary products to the global economy and the associated disruptions to supply chains[6]. Accordingly, all forecasts will be presented with clear reservations. The Ukraine war significantly reduces the IMF's previous expectations for continued global economic recovery following the pandemic-driven collapse. After the 6.1 per cent real growth achieved in 2021, growth of only 3.6 per cent is forecast for the current year – from 4.4 per cent previously[7].

While the impact on industrialised nations is slightly below average (3.3 per cent GDP growth in 2022 after 5.2 per cent in 2021), the developing countries and emerging economies are likely to suffer considerably under the crisis (3.8 per cent after 6.8 per cent). As a result of the comprehensive sanctions imposed by the West, Russian GDP, in particular, is likely to fall by 8.5 per cent; GDP in Ukraine is even expected to decrease by a high double-digit amount of 35 per cent. Given that Russia and Ukraine are both important suppliers of primary products, for example to the European automotive industry, this sector has already been recording its first production outages at an early stage.

More specifically, US GDP growth is expected to fall from 5.7 per cent in 2021 to 3.7 per cent in the current year. The European Union is expected to achieve growth of 2.9 per cent after 5.4 per cent and the euro area 2.8 per cent after 5.3 per cent. Germany's below average growth in the previous year is expected to slow down further to 2.1 per cent in 2022. France (2.9 after 7.0 per cent) and Italy (2.3 after 6.6 per cent) are particularly affected by the collapse in growth. UK GDP will grow by only 3.7 per cent in the current year, having expanded by 7.4 per cent in 2021. Together with Spain (4.8 after 5.1 per cent), they should achieve the strongest growth in relative terms in Europe.

The IMF generally expects a significantly longer-lasting inflation cycle than previously projected[8]. The supply bottleneck in some industry sectors is likely to last well into 2023. Inflation in the US and in some European countries has meanwhile reached a level not seen in more than 40 years. It had already started to rise before the Ukraine war and prompted the central banks to adopt a more restrictive monetary policy overall, resulting in higher interest rates since early 2022. There are concerns that the central banks will take further interest rate policy measures. On a global level, the IMF expects inflation rates for 2022 to be significantly higher than previously expected; it is forecasting 5.7 per cent in the industrialised countries and 8.7 per cent in the developing countries and emerging economies. Should the ratio of supply/demand tighten further, inducing wage/price spirals, the risks are clearly moving towards significantly higher rates.

In their Joint Economic Forecast[9], the economic research institutes and the German Council of Economic Experts[10] presented their spring projections with significant downgrades of their respective projections for the further development of the German economy.

The Joint Economic Forecast now expects GDP growth of 2.7 per cent for 2022. This forecast (baseline scenario) assumes that the military conflict will not extend beyond the borders of Ukraine but that the conflict – military or political – will persist and the sanctions will remain in place[11]. The easing pandemic situation was expected to lead to a sharp economic recovery in 2022. The recovery is now being slowed down considerably so that economic output is

[6] ibid, page XVI
[7] ibid, page 6
[8] ibid page 11 et seqq.
[9] Joint Economic Forecast #1-2022 of 12 April 2022
[10] German Council of Economic Experts on the assessment of the macroeconomic development "Updated Economic Outlook for 2022 and 2023" of 30 March 2022
[11] Joint Economic Forecast, page 9

unlikely to return to pre-crisis levels before the third quarter of the current year[12]. Consumer prices are expected to climb by 6.1 per cent in 2022, which is the highest rate of increase we have seen in the last four decades[13].

The further course of the military conflict in Ukraine and the political consequences pose a major risk for the forecast. Therefore, the institutions have analysed the alternative scenario of an immediate embargo upon oil and natural gas deliveries from Russia to the EU[14]. In this case, the German economy would fall into recession in 2023. GDP would only grow by 1.9 per cent this year but would shrink by 2.2 per cent in the next. This would of course severely impact the manufacturing industry, with economic output increasing by only 0.3 per cent in the current year followed by a slump of 7.7 per cent in 2023. The inflation rate would considerably exceed the high levels of the baseline scenario.

The German Council of Economic Experts downgraded its growth forecast for 2022 to an even greater extent than the institutes to 1.8 per cent, having assumed a strong increase of 4.6 per cent[15] last autumn. The Council anticipates an inflation rate of 6.1 per cent in 2022 (2021 annual report[16]: 2.6 per cent)[17].

The impact of the war in Ukraine on the macroeconomic development will also have consequences for capital market valuations. The stock markets' performance over the past weeks has shown lower valuations for companies across the board. That applies in particular for high-growth technology companies. These factors also influence the valuations of the companies in DBAG's portfolio to a differing extent.

Regarding our portfolio companies' business development, some of them, especially companies from the industry and industrial technology sectors, clearly are far more exposed to higher energy and raw material prices and supply chain disruptions. Yet a number of portfolio companies – including those from the broadband telecommunication sector, and from the IT services & software and healthcare sectors – have hardly been affected by the changed macroeconomic situation, if at all.

Financial markets: Monetary policy is facing a conflict of interests between fighting inflation and supporting the economy.

The high inflation dynamics, accompanied by the positive economic outlook, prompted many central banks[18] in Europe – for example in the UK, Norway and some Central European countries – to raise their key interest rates during the second half of 2021. However, the outbreak of war has dampened the economic outlook again, while inflationary pressure has clearly increased.

This points to a conflict of interests for monetary and interest rate policy between fighting inflation and supporting the economy. The risk of inflation in the US is clearly a dominant issue for the US Federal Reserve. The Fed therefore raised its key interest rate for the first time since December 2018 by a quarter of one per cent in March 2022 to 0.5 per cent. It also announced its intention to gradually start tapering its balance sheet – in other words, discontinuing bond purchases. It also recently signalled another 0.5 per cent rise in the key interest rate, possibly as early as May[19].

The European Central Bank is following a more cautious approach. It ended its securities purchases under the Pandemic Emergency Purchase Programme (PEPP) in March, which was launched at the start of the pandemic, and indicated that it would phase out its general asset purchase programme (APP) following a temporary increase in the summer. The ECB has

[12] ibid, page 9
[13] ibid, page 12
[14] ibid page 61 et seqq.
[15] German Federal Ministry for Economic Affairs and Climate Action: "The economic situation in Germany in April 2022"
[16] ibid
[17] German Council of Economic Experts, page 1 et seqq.
[18] Joint Economic Forecast, page 10
[19] https://edition.cnn.com/2022/04/21/economy/federal-reserve-jerome-powell/index.html

further decided to gradually reduce net purchases within this programme as of April. It was indicated that net purchases under the APP would end in the third quarter, assuming the current outlook for the medium-term inflation expectations is also confirmed in June. The ECB would then raise its key interest rates "some time after" the end of the net purchases. It bases any interest rate hike on whether its inflation forecasts are at least at two per cent well before the end of its project period (currently 2024), and remain at this level. In addition, the higher inflation must also be reflected in important components.

Given that the conditions defined by the ECB for a key rate hike are likely to be met in summer 2022, the institutes anticipate further restrictive steps. Besides the higher refinancing costs, expiration of the particularly favourable funding terms of the Targeted Longer-Term Refinancing Operations (TLTRO) is also expected to lead to higher key rates in the fourth quarter of 2022. The main refinancing rate will likely be raised to 0.25 per cent this year, albeit in September 2022 at the earliest. This rate is likely to be increased incrementally up to one per cent in 2023[20].

The supply of acquisition financing, which is key to our business, remained solid in 2021, supported above all by offerings from private debt funds. The number of transactions financed through these providers increased by 87 per cent compared with the previous year, which was heavily affected by the pandemic. Hence, 2021 was the strongest year for private debt funds in terms of transaction volume since their activities were first surveyed in 2013[21]. However, market sentiment has deteriorated recently as a result of the war in Ukraine and the marked increase in inflation rates.

Currencies: Low impact on portfolio value

The direct impact of exchange rate fluctuations on the value of DBAG's portfolio continues to be negligible, as investments are only made in non-euro currencies in exceptional cases. At present, six portfolio companies (congatec, duagon, mageba, More than Meals, Pfaudler and Sjølund) are exposed to exchange rate risks affecting the value of DBAG's investment. The US dollar and the Swiss franc have appreciated against the euro from the start of the financial year up to the reporting date. On balance, compared to the reporting date of 30 September 2021, changes in exchange rates had a positive effect of 3.3 million euros on gross gains and losses on measurement and disposal, following a negative value of 0.7 million euros in the same period of the previous year.

Beyond that, exchange rate fluctuations also have a direct influence on the business activities of those portfolio companies with activities in international markets. This is partly compensated for by the fact that the companies have manufacturing operations in various currency areas[22].

Private Equity: here to stay in the German *Mittelstand* – MBO numbers and volumes hit record high

Due to the limited size and varied structure of the private equity market, comparisons over short periods of time continue to offer only low informational value. Furthermore, transparency is limited, since for every transaction on which a value is published, there are several transactions on which no quantitative information is released. As a result, the statistical information available from various sources does not provide a true picture of market activity.

It can nonetheless be said that private equity is here to stay in the German *Mittelstand*[23]. The rapid growth trajectory of the past years continued in 2021: financial investors structured 62 management buyouts (MBOs) in the German *Mittelstand*. This not only represents a new

[20] Joint Economic Forecast, page 17
[21] HOULIHAN LOKEY MidCapMonitor Q4 2021, page 12
[22] Joint Economic Forecast
[23] DBAG press releases dated 26 January 2022: "Private equity is here to stay in the German *Mittelstand* – MBO numbers and volumes hit record high"; "Management buyouts in German *Mittelstand* 2021"

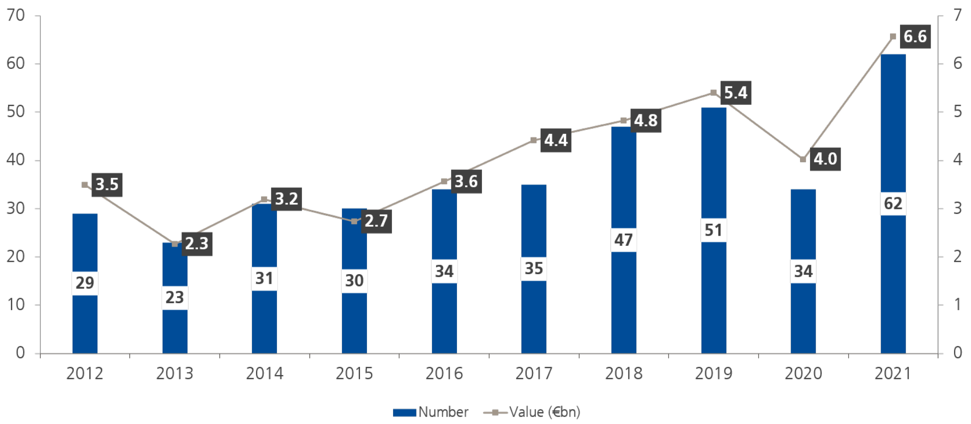
record; the level is also 80 per cent higher than the average of the last ten years. In more than half of these cases – 33 out of 62 deals – it was founders or family owners selling their companies. This often also involved handing over company management to successors. Up to the middle of the last decade, transactions of this kind were more of an exception than the norm. 13 MBOs involved financial investors, pushing the share of secondary buyouts to a record low. The remaining buyouts involved groups spinning off non-core activities by selling them to a financial investor.

The bump caused by the pandemic was therefore overcome in 2021, and the previous high of 51 transactions that was registered in 2019 (2020: 34 transactions) markedly exceeded. The same holds true for volumes, i.e. the total amount of assets involved in these deals, which posted a 1.2 billion euro increase from the pre-pandemic levels of 2019, to reach 6.6 billion euros (2020: 4.0 billion euros). Looking ahead, the implications of the inflation-related increased interest rate expectations for the future market activities are not yet foreseeable.

Over the past five years, the market has grown by around 13 per cent per annum on average. The sector breakdown of *Mittelstand* MBOs has continued to shift towards the healthcare and IT services & software sectors: investments in industry and industrial technology play a lesser role. IT services & software are in demand because they benefit from the trend towards automation and digitalisation and are less cyclical, as is the healthcare sector. Their relatively small carbon footprint also adds to their attractiveness.

DBAG contributes to the two dominant market trends. All three of DBAG's MBOs in the past year have served to settle succession issues in founder- or family-owned businesses; two of the companies involved are software or IT services companies. DBAG has always enjoyed special esteem among the shareholders of family businesses. Over the past ten years, 60 per cent of DBAG's transactions involved family-owned companies, while only 40 per cent of 376 *Mittelstand* buyouts fell into this category between 2012 and 2021.

Development of the private equity market in Germany's *Mittelstand*



The analysis exclusively covers transactions where financial investors acquired a majority stake alongside the management team, and which had a transaction value of between 50 and 250 million euros for the debt-free company. This information was compiled from publicly available sources, together with estimates and research by DBAG in cooperation with the German industry magazine FINANCE.[24]

[24] This information is based on a survey conducted by the industry magazine FINANCE on behalf of DBAG. The figure includes majority takeovers in the form of MBOs, MBIs and secondary/tertiary buyouts of German companies involving a financial investor with a transaction volume of between 50 and 250 million euros.

Financial performance

Overview

Net income for the first half of the 2021/2022 financial year totalled -35.8 million euros, after 73.1 million euros in the previous year. During the first quarter of the reporting year, net income was below the previous year's figure, largely due to lower valuation multiples of peer group companies, which we use to value our portfolio companies.

In the Private Equity Investments segment, net income from investment activity in the six-month period under review fell from 70.7 million euros in the previous year to -35.8 million euros in the current financial year. The negative contribution was almost exclusively due to changes in multiples. Also in the second quarter – as communicated in an ad hoc disclosure on 7 March 2022 – the negative development of the peer group companies on the capital market had an adverse impact on net measurement gains and losses. The outbreak of war in Ukraine in the second quarter also had a significant impact on overall economic development. It has become clear that rising energy and raw material prices as well as supply chain disruptions will have a stronger influence on some DBAG portfolio companies, making it unlikely that these companies will reach their targets. In view of this, we have adjusted our earnings expectations in those areas where we currently expect to see lower results in the longer term.

In the Fund Investment Services segment, income from Fund Services of 21.3 million euros was in line with the previous year's level. Net expenses from other income/expense items of the Fund Investment Services segment increased to 16.1 million euros (compared to 12.7 million euros in the previous year), due in particular to the expansion of DBAG's team and higher advisory expenses, as well as one-off expenses related to a member of the Board of Management leaving her position. For details, please refer to the notes to the financial statements and to the section "Business performance by segment".

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€'000	**1st half-year 2021/2022**	1st half-year 2020/2021	**2nd quarter 2021/2022**	2nd quarter 2020/2021
Net income from investment activity	(35,762)	70,656	(26,415)	46,912
Income from Fund Services	21,331	21,147	10,638	10,371
Income from Fund Services and investment activity	**(14,431)**	**91,803**	**(15,777)**	**57,283**
Personnel expenses	(14,857)	(12,097)	(8,312)	(5,248)
Other operating income	1,424	1,897	703	573
Other operating expenses	(8,006)	(7,581)	(4,306)	(3,548)
Net interest income	113	(145)	127	(76)
Other income/expense items	**(21,326)**	**(17,926)**	**(11,788)**	**(8,299)**
Earnings before taxes	**(35,757)**	**73,877**	**(27,565)**	**48,984**
Income taxes	10	(731)	(1)	(730)
Earnings after taxes	**(35,747)**	**73,146**	**(27,566)**	**48,254**
Net income attributable to other shareholders	(4)	(5)	(2)	(2)
Net income	**(35,751)**	**73,141**	**(27,568)**	**48,252**
Other comprehensive income	(1,004)	265	(928)	35
Total comprehensive income	**(36,755)**	**73,406**	**(28,495)**	**48,286**

Figures for the second quarter were not reviewed by external auditors.

INCOME FROM FUND SERVICES AND INVESTMENT ACTIVITY came to -14.4 million euros in the six months under review, compared with 91.8 million euros in the previous year. The figure continues to be driven to a considerable degree by net income from investment activity, both in terms of absolute amount and volatility (for details, please refer to the information under "Net income from investment activity").

INCOME FROM FUND SERVICES was up slightly year-on-year, because acquisitions by portfolio companies of DBAG Fund VII, including operasan and Sero, slightly increased the basis for remuneration. As expected, income from DBAG Fund VIII increased to a minor extent while income from DBAG Fund VI and DBAG ECF declined slightly. For further details on the development of income from Fund Services, please refer to the section "Business performance by segment"

PERSONNEL EXPENSES rose to 14.9 million euros, after 12.1 million euros the year before. This was partly attributable to an increase in expenses for fixed salaries, due to the fact that an average of 84 employees were employed during the reporting period, compared to 77 in the previous year. Furthermore, provisions for performance-related remuneration declined, whereas one-off expenses related to a member of the Board of Management leaving her position were incurred additionally.

OTHER OPERATING INCOME fell to 1.4 million euros, compared with 1.9 million euros in the previous year. The decrease was largely attributable to lower consultancy expenses that can be passed through, offset by a corresponding other operating expenses item.

OTHER OPERATING EXPENSES increased in total to 8.0 million euros, compared with 7.6 million euros in the previous year. As previously mentioned, consultancy expenses that can be passed through were lower, as were consultancy expenses for deal sourcing. Higher expenses were incurred for IT infrastructure and the continuous enhancement of related security standards. Travel and representation expenses increased slightly as a direct result of the easing of the pandemic.

Net income from investment activity

The change in NET INCOME FROM INVESTMENT ACTIVITY from 70.7 million euros in the previous year to -35.8 million euros in the first six months of the 2021/2022 financial year was due primarily to the performance of the investments in the portfolio companies, which – with one exception (JCK) – are held via investment entity subsidiaries, as reflected in GROSS GAINS AND LOSSES ON MEASUREMENT AND DISPOSAL.

NET INCOME ATTRIBUTABLE TO OTHER SHAREHOLDERS OF INVESTMENT ENTITY SUBSIDIARIES corresponds to gross gains and losses on measurement and disposal. Specifically, this relates to carried interest entitlements resulting from private investments made by members of the investment team in the DBAG funds' investment entity subsidiaries. The carried interest entitlements essentially reflect the net performance of the DBAG fund investments. This means that the carried interest changes depending on the further performance of the investments of the funds and in the course of distributions following disposals from a fund's portfolio, provided that the contractual conditions are met. These entitlements account for those active and former members of the DBAG investment team who co-invested alongside the funds.

Lower entitlements for DBAG ECF and DBAG Fund VI needed to be accounted for during the period under review, whilst entitlements for DBAG Fund V and DBAG Fund VII were slightly lower, too. DBAG Fund VIII only commenced investments in August 2020. No carried interest has been recognised for this fund to date. Higher entitlements for DBAG ECF and DBAG Fund VI in particular needed to be accounted for during the six-month period of the previous year.

NET INCOME FROM INVESTMENT ACTIVITY

€'000	1st half-year 2021/2022	1st half-year 2020/2021	2nd quarter 2021/2022	2nd quarter 2020/2021
Gross gains and losses on measurement and disposal portfolio	(46,575)	84,323	(35,705)	47,539
Net income attributable to other shareholders of investment entity subsidiaries	13,675	(18,367)	10,997	(4,433)
Net gains and losses on measurement and disposal portfolio	**(32,900)**	**65,956**	**(24,707)**	**43,106**
Current portfolio income	4,600	11,612	2,184	7,886
Net portfolio income	**(28,300)**	**77,568**	**(22,523)**	**50,992**
Net gains and losses from other assets and liabilities of investment entity subsidiaries	(7,464)	(6,910)	(3,895)	(4,079)
Income from other financial assets	2	(2)	4	(2)
Net income from investment activity	**(35,762)**	**70,656**	**(26,415)**	**46,912**

Figures for the second quarter were not reviewed by external auditors.

CURRENT PORTFOLIO INCOME mainly relates to interest payments on shareholder loans; at 4.6 million euros, these were significantly below the previous year's figure of 11.6 million euros. The previous year's figure was mainly driven by the disposals of investments in DNS:Net and Rheinhold & Mahla, which were closed in the previous year. In accordance with contractual agreements concluded in connection with these investments, DBAG was able to recognise interest. In the period under review, income largely related to one DBAG Fund VII company.

NET GAINS OR LOSSES FROM OTHER ASSETS AND LIABILITIES OF INVESTMENT ENTITY SUBSIDIARIES amounted to -7.5 million euros for the first six months of the financial year (previous year: -6.9 million euros). The change was mainly due to the remuneration for the manager of DBAG Fund VII, which is determined on the basis of invested capital, which increased as a result of follow-on investments.

Analysis of gross gains and losses on measurement and disposal

SOURCE ANALYSIS 1: The budgets of our portfolio companies, which formed the basis for valuations as at 31 December 2021, reflect these companies' expectations at the beginning of the year; accordingly, these were still largely influenced by the expectation of a significant economic recovery. When Russian troops invaded Ukraine on 24 February 2022, negative news about the economy increased and reduced the willingness of consumers to spend and of companies to invest. This is also evident in the recent reports of some of our portfolio companies. For three portfolio companies from the industry and industrial technology sectors, earnings estimates already reflect the expected impact of the war in Ukraine. This effect was more than offset by add-on acquisitions, which increased the budgets of portfolio companies compared to the beginning of 2022. The CHANGE IN EARNINGS of portfolio companies contributed 22.8 million euros in the first half of 2021/2022 (previous year: 103.6 million euros). 12 companies (previous year: 17) made a positive contribution, with eleven companies (previous year: four) making a negative contribution. Positive earnings contributions were mainly delivered by companies from the IT services & software and industrial services sectors, largely attributable to add-on acquisitions. Negative earnings contributions were largely attributable to widened risk haircuts.

Portfolio companies can use the surpluses generated during the holding period to reduce their DEBT. At the same time, growth driven by add-on acquisitions is a core element of corporate strategy for many of our portfolio companies – this applies in particular to our investments in broadband telecommunication, IT services & software and healthcare, where our portfolio companies rely heavily on buy-and-build strategies to accelerate the expansion of their market presence. The resulting higher debt levels are offset by positive earnings contributions from the acquisitions.

During the first half of the financial year, our portfolio companies' reduced borrowings provided a net value contribution from debt of 10.7 million euros, compared to -45.1 million euros in the previous year. Twelve companies raised their debt by an aggregate amount of 48.9 million euros. This was largely due to financing add-on acquisitions for two companies with particularly strong growth momentum, as well as to a refinancing for one portfolio company. At the same time, 12 companies reduced their debt levels by an aggregate amount of 59.6 million euros. Transaction effects also had to be taken into account.

GROSS GAINS AND LOSSES ON MEASUREMENT AND DISPOSAL PORTFOLIO BY SOURCES: SOURCE ANALYSIS 1

€'000	**1st half-year 2021/2022**	1st half-year 2020/2021	**2nd quarter 2021/2022**	2nd quarter 2020/2021
Fair value of unlisted investments				
Change in earnings	22,791	103,562	8,435	51,425
Change in debt	10,696	(45,142)	(14,361)	(31,012)
Change in multiples	(95,863)	7,909	(28,363)	13,925
Change in exchange rates	3,312	(712)	440	(656)
Change – other	(1,670)	14,282	(1,914)	10,623
Other	227	200	57	(174)
Net gains and losses on measurement	(60,507)	80,099	(35,705)	44,132
Unrealised disposal gains on imminent sales basis	0	13,513	0	9,760
Net gains and losses on disposal	13,932	4,225	0	3,407
	(46,575)	**84,323**	**(35,705)**	**47,539**

Figures for the second quarter were not reviewed by external auditors.

Changes in MULTIPLES which we used for the valuation of portfolio companies as at the 31 March 2022 record date contributed a total of -95.9 million euros to net gains and losses on measurement and disposal for the first half of the financial year. In the previous year, the contribution to earnings from changes in multiples was 7.9 million euros.

Following burdens in the first quarter of the current financial year, changes in multiples also provided a negative contribution overall in the second quarter. These burdens affected the majority of the peer groups of our portfolio companies. The changes were particularly pronounced among companies from the IT services & software sector, driven by a broad-based decline in the prices of US technology stocks since the beginning of 2022, in the wake of the change in the interest rate environment.

Changes in EXCHANGE RATES mainly impacted two portfolio companies and had a slightly higher effect on net gains and losses on measurement and disposal compared to the previous year. CHANGES IN THE OTHER ITEM mainly reflect transaction effects at two portfolio companies and financing effects at one portfolio company.

NET GAINS AND LOSSES ON DISPOSAL arose in the first three months of the six-month period. This includes the value contributions from the partial sale of the investment in Telio and from the refinancing at von Poll Immobilien.

Contributions to net measurement gains and losses shown in the OTHER item largely relate to valuation effects of the externally managed foreign buyout fund and of residuals.

SOURCE ANALYSIS 2: The positive changes in value during the first six months are attributable to 12 portfolio companies (previous year: 19 portfolio companies) and the investment in the externally managed foreign buyout fund; also included is the effect from the completion of the refinancing at von Poll Immobilien and the partial sale of the investment in Telio. Five (previous year: six) investments are recognised at their transaction price because they have been held for less than twelve months; these account for 16 per cent of portfolio value (previous year: 12 per cent). 19 investments (previous year: seven) and thus the majority of our portfolio companies contributed negatively to the net gain and losses on measurement and disposal in the first half of the year. In 12 cases, valuation was mainly hit by the lower multiples of listed peer group companies. As regards the remaining portfolio companies, the negative performance can be traced back to reasons specific to the companies in question; at one company for example, it was down to budget adjustments in response to component supply bottlenecks.

GROSS GAINS AND LOSSES ON MEASUREMENT AND DISPOSAL PORTFOLIO BY SOURCES: SOURCE ANALYSIS 2

€'000	**1st half-year 2021/2022**	1st half-year 2020/2021	**2nd quarter 2021/2022**	2nd quarter 2020/2021
Positive movements	28,726	90,823	22,942	56,545
Negative movements	(75,301)	(6,500)	(58,647)	(9,006)
	(46,575)	**84,323**	**(35,705)**	**47,539**

Figures for the second quarter were not reviewed by external auditors.

SOURCE ANALYSIS 3: Net gains and losses on measurement and disposal after the first six months of the 2021/2022 financial year reflect the overall negative development of multiples of the listed peer group companies. For information on the net gains and losses on disposal, we refer to source analysis 1.

GROSS GAINS AND LOSSES ON MEASUREMENT AND DISPOSAL PORTFOLIO BY SOURCES: SOURCE ANALYSIS 3

€'000	**1st half-year 2021/2022**	1st half-year 2020/2021	**2nd quarter 2021/2022**	2nd quarter 2020/2021
Net gains and losses on measurement	(60,507)	66,585	(35,705)	34,373
Unrealised disposal gains on imminent sales basis	0	13,513	0	9,760
Net gains and losses on disposal	13,932	4,225	0	3,407
	(46,575)	**84,323**	**(35,705)**	**47,539**

Figures for the second quarter were not reviewed by external auditors.

Financial position

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

INFLOWS (+)/OUTFLOWS (-)

€'000	**1st half-year 2021/2022**	1st half-year 2020/2021	**2nd quarter 2021/2022**	2nd quarter 2020/2021
Net income	(35,751)	73,141	(27,568)	48,252
Measurement gains (-)/losses (+) and gains (-)/losses (+) on disposal of financial assets	35,775	(70,657)	26,428	(47,088)
Other non-cash expenses/income as well as increases/decreases in other assets or liabilities	30,445	(17,737)	(4,524)	(8,445)
Cash flow from operating activities	**30,469**	**(15,253)**	**(5,664)**	**(7,281)**
Proceeds from disposals of financial assets	39,748	17,415	20,198	5,825
Payments for investments in financial assets	(22,915)	(11,268)	(6,785)	(9,717)
Proceeds from disposals of other financial instruments	3,610	449	3,610	449
Payments for investments in other financial instruments	(68,259)	(27,601)	(11,308)	0
Cash flow from investment activity	(47,815)	(21,006)	5,714	(3,443)
Proceeds from (+)/payments for (-) investments in securities	30,027	0	30,027	0
Other cash inflows and outflows	(310)	(63)	(204)	(22)
Cash flow from investing activities	**(18,098)**	**(21,068)**	**35,537**	**(3,466)**
Proceeds from capital increases	(280)	0	0	0
Payments for lease liabilities	(522)	(509)	(273)	(254)
Proceeds from drawdowns of credit lines	0	43,300	0	19,500
Payments to shareholders (dividends)	(30,088)	(12,035)	(30,088)	(12,035)
Cash flow from financing activities	**(30,889)**	**30,756**	**(30,361)**	**7,210**
Net change in cash and cash equivalents	**(18,518)**	**(5,566)**	**(487)**	**(3,536)**
Cash and cash equivalents at start of reporting period	37,737	18,367	19,706	16,338
Cash and cash equivalents at end of reporting period	**19,219**	**12,801**	**19,219**	**12,801**

Figures for the second quarter were not reviewed by external auditors.

DBAG's financial resources are made up of cash and cash equivalents amounting to 19.2 million euros. The investment entity subsidiaries hold further financial resources in the amount of 7.7 million euros, including cash and cash equivalents available for investments.

The condensed statement of cash flows based on IFRS shows the changes in DBAG's cash and cash equivalents. During the first six months of the 2021/2022 financial year, FINANCIAL RESOURCES in accordance with IFRS dropped by 18.5 million euros to 19.2 million euros (reporting date of 30 September 2021: 37.7 million euros).

The balance of CASH FLOW FROM OPERATING ACTIVITIES came to 30.5 million euros as against -15.3 million euros in the previous year. As usual, variable remuneration for the previous financial year was paid out to the Board of Management and staff members in the first quarter. It amounted to 7.7 million euros. [25] A material impact during the period under review came from the receipt of advisory fees for DBAG Fund VII (deferred since July 2019) in the amount of 27.8 million euros.

In addition, the cash flow is influenced by other non-cash changes. This reflects the irregular timing for the recognition of income from Fund Services, which is customary for this business: the corresponding fees are usually charged to fund investors concurrently with calls for new investments, or set off against repayments following disposals.

[25] Figures for the first quarter were not reviewed by external auditors.

CASH FLOW FROM INVESTING ACTIVITIES amounted to -18.1 million euros in the reporting period as against -21.1 million euros in the same period of the previous year. It is dominated by cash flow from investment activity. The sale of units in fixed-income and money market funds in the amount of 30.0 million euros also had an impact.

Cash flow from investment activity amounted to -47.8 million euros in the first six months of the current financial year, compared with -21.0 million euros in the previous year. The volatility of the cash flows relating to investment activity is due to reporting-date factors and also due to cash flows being concentrated on a few – yet sizeable – amounts in the transaction business, which is typical for our business model. All in all, proceeds and payments resulting from changes in financial assets were positive in the reporting period; this was mainly down to the funds received from the refinancing at von Poll Immobilien as well as from the partial disposal of Telio (cf. the chapter "Review of key events and transactions"). Payments for investments in financial assets resulted from capital calls made by investment entity subsidiaries for the follow-on investments made by DBAG ECF, DBAG Fund VI, DBAG Fund VII and DBAG VIII as well as the performance of Long-Term Investments, described in the above-mentioned chapter. DBAG regularly grants short-term loans to its investment entity subsidiaries, which are subsequently refinanced. These are recognised as payments for investments in other financial instruments.

The CASH FLOW FROM FINANCING ACTIVITIES amounted to -30.9 million euros, following 30.8 million euros in the previous year; the result was largely driven by the distribution of the dividend to shareholders following the Annual General Meeting on 17 February 2022.

Financial position – assets

Asset and capital structure

Total assets as at the reporting date of 31 March 2022 stood at 666.3 million euros – down by 68.6 million euros on the end of the 2020/2021 financial year. 52.6 million euros of the decline in total assets was attributable to financial assets. For more information, please refer to the information in the chapter entitled "Financial assets".

The ASSET STRUCTURE has shifted towards current assets: they increased by net 13.3 million euros as at 31 March 2022. This was due in particular to the increase in other financial instruments relating to short-term loans granted by DBAG to the investment entity subsidiaries in connection with the structuring of new investments. In total, this increase was only partially offset by the decline in receivables and other assets; these decreased due to the deferred advisory fees for DBAG Fund VII received during the period under review. Cash and cash equivalents also declined. For details, please refer to the explanations in the chapter "Financial position".

The share of non-current assets in total assets declined to 82.1 per cent as at the current reporting date (30 September 2021: 85.6 per cent).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
€'000	**31 Mar 2022**	30 Sep 2021
Financial assets	492,742	545,339
Long-term securities	44,811	75,059
Other non-current assets	6,177	5,306
Deferred tax assets	3,270	3,170
Non-current assets	**547,001**	**628,874**
Other financial instruments	84,981	20,332
Receivables and other assets	13,357	45,962
Cash and cash equivalents	19,219	37,737
Other current assets	1,784	2,049
Current assets	**119,340**	**106,079**
Total assets	**666,341**	**734,953**
Equity	631,639	698,762
Non-current liabilities	19,461	18,409
Current liabilities	15,241	17,782
Total equity and liabilities	**666,341**	**734,953**

Equity stood at 631.6 million euros – a decline of 67.1 million euros compared to the figure as at 30 September 2021 which mainly reflected the lower net income and distributions by dividends for the previous period. Equity per share thus fell from 37.16 euros at the beginning of the reporting period to 33.59 euros at the end of the period.

The CAPITAL STRUCTURE continues to be characterised by a high equity ratio: at 94.8 per cent, this was only slightly lower compared to the figure as at 30 September 2021 (95.1 per cent). Equity covers non-current assets in full, and current assets at 70.9 per cent (30 September 2021: 65.9 per cent). Non-current liabilities were slightly higher on the reporting date compared to 30 September 2021, whilst current liabilities decreased by 2.5 million euros since the beginning of the financial year. DBAG is using two revolving CREDIT LINES to manage its financial resources in the short term, and to provide the funds required to finance investments until it receives funds from realisations. These lines of credit, totalling 106.7 million euros, were not drawn as at the reporting date.

Financial assets

Financial assets, are largely determined by the VALUE OF THE PORTFOLIO: excluding interests of non-controlling shareholders in investment entity subsidiaries (largely carried interest), this amounted to 576.0 million euros as at 31 March 2022, compared to 569.9 million euros at the end of the previous financial year. During the reporting period, additions from ongoing investing activities were offset by disposals following a partial sale and a refinancing as well as negative changes in the value of the portfolio companies (cf. the comments on portfolio value below).

FINANCIAL ASSETS		
€'000	**31 Mar 2022**	30 Sep 2021
Portfolio value		
gross	575,985	569,875
Interests of other shareholders in investment entity subsidiaries	(38,453)	(53,318)
net	537,532	516,557
Other assets and liabilities of unconsolidated investment entity subsidiaries	(44,898)	28,675
Other financial assets	108	107
Financial assets	**492,742**	**545,339**

The INTERESTS OF OTHER SHAREHOLDERS IN INVESTMENT ENTITY SUBSIDIARIES decreased by net 14.9 million euros compared with the end of the last financial year. This includes changes in the measurement of the portfolios of DBAG ECF, DBAG Fund VII, DBAG Fund VI and DBAG Fund V. The current fair values reported for the DBAG Fund VIII portfolio do not yet require carried interest to be recognised.

The decrease in OTHER ASSETS AND LIABILITIES OF INVESTMENT ENTITY SUBSIDIARIES was primarily due to higher debt. Short-term loans granted by DBAG to its investment entity subsidiaries for interim financing of capital calls for follow-on investments constitute borrowings for these subsidiaries, and have risen over the course of the recent significant expansion of investing activities.

Portfolio and portfolio value

DBAG's portfolio consisted of 36 equity investments as at 31 March 2022, plus one investment in an externally-managed foreign private equity fund, although this holding is of minor significance. DBAG's investments are held indirectly via investment entity subsidiaries, with only one exception (JCK). The portfolio contains 31 management buyouts, three investments aimed at growth financing, and two Long-Term Investments.

As at 31 March 2022, the value of the 36 investments, including loans and receivables extended to the portfolio companies and excluding short-term interim financing, amounted to 570.4 million euros (30 September 2021: 564.5 million euros); added to this, with a total value of 5.6 million euros, is the investment in the externally-managed foreign private equity fund as well as investments in entities through which representations and warranties from previous disposals are (largely) settled and which are no longer expected to deliver any appreciable value contributions (30 September 2021: 5.4 million euros). This brought the portfolio value to a total of 576.0 million euros (30 September 2021: 569.9 million euros), 1.2 times the acquisition cost (30 September 2021: 1.4x).

The increase in portfolio value since the beginning of the financial year results from additions amounting to 92.1 million euros, which largely relate to the investments in Dantherm, freiheit.com, Itelyum and in-tech. These were offset by disposals amounting to 25.5 million euros, which mainly resulted from the partial sale of Telio and the refinancing at von Poll Immobilien. Negative net measurement gains and losses of -60.5 million euros also had an impact. Please refer to our comments in the section "Analysis of gross gains and losses on measurement and disposal".

Driven by additions, at 16 per cent of the portfolio's total value as at the reporting date, the portfolio contains twice as many companies which were only recently added to the portfolio (and which are hence still valued at acquisition cost) compared to the number as at 30 September 2021.

The following portfolio information is based on the valuation and resulting portfolio value at the reporting date of 31 March 2022. The investments as indicated above, in companies through which retentions for representations and warranties from exited investments are held, and the investment in the externally managed international buyout fund are recognised under "Other".

The share in the portfolio value that is attributable to business models linked to manufacturing businesses and related service providers increased from 38 per cent at the beginning of the reporting period to 44 per cent at the end. The underlying reason for this is, in part, the fact that two new investments in this sector, Dantherm and Itelyum, were closed during the reporting period. In addition, these companies continue to be valued slightly below their acquisition cost, at a multiple of 0.9x, unchanged from 30 September 2021. This partly reflects the expected effects of rising purchase prices, especially for energy and raw materials, as well as the disruptions to supply chains that particularly affect our investments in manufacturing businesses and related service providers.

Eleven of the 36 portfolio companies are active in the broadband telecommunication, IT services & software, and healthcare sectors. As at the reporting date, they are valued at a total of 2.0 times acquisition cost (30 September 2021: 2.8x). Their share in the portfolio value increased from 45 per cent to 46 per cent during the reporting period. freiheit.com and in-tech represent two new investments that are recognised at their original transaction price for the first 12 months of their holding period, in accordance with our valuation policy. The changes in value of the portfolio companies are essentially driven by lower valuation multiples (cf. source analysis 1).

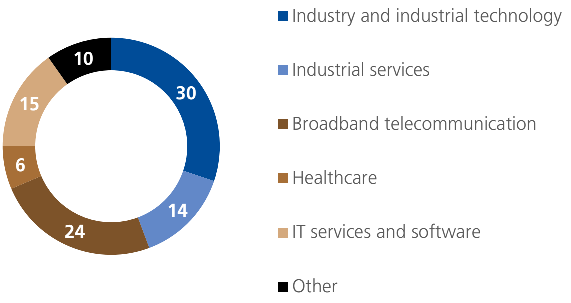
The information shown below on leverage (net debt to EBITDA) is based on the expectations of portfolio companies for the 2022 financial year. Since the beginning of the current financial year, the percentage of the portfolio value accounted for by companies with a leverage of 3.0x (ratio of net debt to EBITDA) or higher has risen from 63 per cent to 77 per cent, partly attributable to company acquisitions, for which some companies increased their debt. In addition, of the 32 portfolio companies in the portfolio at the beginning of the year, 17 increased their debt and 14 reduced their earnings expectations.

As at 31 March 2022, the 15 most valuable investments accounted for 72 per cent of the portfolio value (30 September 2021: 82 per cent). The table below shows these 15 companies sorted by their portfolio value. They are split into three groups of five companies each, and are listed alphabetically within their group. The first group consists of the five companies with the highest portfolio value, followed by the next five, which includes the sixth- to tenth-largest and the last group with the eleventh- to fifteenth-largest companies (in each case by their value in the portfolio).

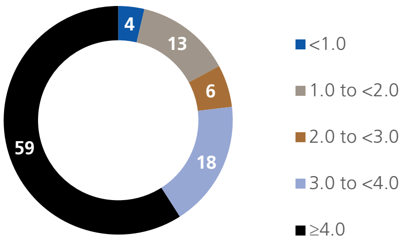
PORTFOLIO STRUCTURE (15 LARGEST INVESTMENTS VALUE ON 31 MARCH 2022)

Company	Cost	Equity share DBAG	Investment type	Sector	Group share of the portfolio
	€mn	%			%
Cloudflight	10.3	15.8	MBO	IT services & software	
duagon	24.6	21.4	MBO	Industry and industrial technology	
Pfaudler	1.2	17.3	MBO	Industry and industrial technology	
vitronet	14.7	41.6	MBO	Broadband telecommunication	
von Poll Immobilien	3.9	30.1	MBO	Other	40.4
Cartonplast	25.3	16.4	MBO	Industrial services	
congatec	24.1	21.2	MBO	Industry and industrial technology	
Dantherm	22.4	13.3	MBO	Industry and industrial technology	
freiheit.com	21.2	12.0	MBO	IT services & software	
PM Flex	11.2	12.5	MBO	Industry and industrial technology	18.0
blikk	16.3	2.3	MBO	Healthcare	
in-tech	15.4	17.1	MBO	IT services & software	
Itelyum	unreleased	unreleased	Growth	Industrial services	
Oechsler	11.2	8.4	Growth	Industry and industrial technology	
R+S	15.6	67.6	Long term	Industrial services	14.1

PORTFOLIO VALUE BY SECTORS
%



PORTFOLIO VALUE BY NET DEBT/EBITDA OF PORTFOLIO COMPANIES
%



Business performance by segment

Private Equity Investments segment

SEGMENT EARNINGS STATEMENT – PRIVATE EQUITY INVESTMENTS

€'000	1st half-year 2021/2022	1st half-year 2020/2021	2nd quarter 2021/2022	2nd quarter 2020/2021
Net income from investment activity	(35,762)	70,656	(26,415)	46,912
Other income/expense items	(5,768)	(5,919)	(3,223)	(2,236)
Earnings before taxes	**(41,530)**	**64,737**	**(29,637)**	**44,676**

Figures for the second quarter were not reviewed by external auditors.

EARNINGS BEFORE TAXES in the Private Equity Investments segment fell to -41.5 million euros in the first half of 2021/2022 after 64.7 million euros in the previous year, driven above all by the development of NET INCOME FROM INVESTMENT ACTIVITY. Among the main drivers of the decline was a negative value contribution from capital market multiples for peer-group companies. Please refer to the notes on this item in the section on "Financial performance". The negative balance of OTHER INCOME/EXPENSE ITEMS (the sum of internal management fees, personnel expenses, other operating income and expenses, as well as net interest income) slightly exceeded the previous year's figure, mainly reflecting lower variable remuneration and higher severance payments (please also refer to the explanations in the section on "Financial performance"). The figure includes internal management fees paid to the Fund Investment Services segment, which now only relate to DBAG ECF, in the amount of 0.6 million euros (previous year: 0.7 million euros).

NET ASSET VALUE AND AVAILABLE LIQUIDITY

€'000	31 Mar 2022	30 Sep 2021
Financial assets	492,742	545,339
Other financial instruments	84,981	20,332
Financial resources	64,030	112,796
Net asset value	**641,752**	**678,466**
Financial resources	64,030	112,796
Credit lines	106,660	106,660
Available liquidity	**170,690**	**219,456**
Co-investment commitments alongside DBAG funds	**190,222**	**273,401**

The NET ASSET VALUE decreased by 36.7 million euros since the end of the previous financial year, to 641.8 million euros. A 52.6 million euro decline in financial assets contributed to this, driven mainly by negative net measurement gains and losses. Financial resources and other financial instruments enhanced the value by a total of 15.9 million euros. Key factors in this context were payments for investments and for dividends to our shareholders, as well as the receipt of the deferred management fee for DBAG Fund VII. Please refer to the "Financial position – assets" and "Financial position" sections for information on the changes to financial assets and financial resources.

Pending CO-INVESTMENT COMMITMENTS ALONGSIDE DBAG FUNDS decreased by 83.2 million euros overall. Capital calls were honoured for new investments and acquisitions by portfolio companies.

As at 31 March 2022, 34 per cent (30 September 2021: 41 per cent) of the co-investment commitments were covered by available financial resources (cash and cash equivalents including securities). The surplus of co-investment commitments over available funds amounts to four per cent of financial assets, compared with ten per cent as at 30 September 2021.

We expect being able to cover the remainder of co-investment commitments through portfolio disposals and undrawn credit lines.

Fund Investment Services segment

SEGMENT EARNINGS STATEMENT – FUND INVESTMENT SERVICES

€'000	1st half-year 2021/2022	1st half-year 2020/2021	2nd quarter 2021/2022	2nd quarter 2020/2021
Income from Fund Services	21,897	21,809	10,894	10,692
Other income/expense items	(16,124)	(12,669)	(8,822)	(6,384)
Earnings before taxes	**5,773**	**9,140**	**2,072**	**4,308**

Figures for the second quarter were not reviewed by external auditors.

EARNINGS BEFORE TAXES in the Fund Investment Services segment decreased to 5.8 million euros in the reporting period, after 9.1 million euros in the same period of the previous year. INCOME FROM FUND SERVICES thereby increased only slightly: income from DBAG Fund VII increased slightly because acquisitions by portfolio companies of DBAG Fund VII, including operasan and Sero, increased the basis for remuneration to a minor extent. As expected, income from the DBAG Fund VIII also increased slightly while income from DBAG Fund VI and DBAG ECF declined, also in line with expectations. The segment information also takes internal income from the Private Equity Investments segment in the amount of 0.6 million euros (previous year: 0.7 million euros) into account.

The negative balance of OTHER INCOME/EXPENSE ITEMS was higher year-on-year, due in particular to the expansion of DBAG's team and higher advisory expenses, as well as one-off expenses related to a member of the Board of Management leaving her position[26] (cf. the explanations in the notes to the financial statements).

ASSETS UNDER MANAGEMENT OR ADVISORY

€'000	31 Mar 2022	30 Sep 2021
Funds invested in portfolio companies	1,418,380	1,375,459
Funds called but not yet invested	8,789	0
Short-term bridge financing for new investments	386,614	106,882
Outstanding capital commitments of third-party investors	610,568	878,099
Financial resources (of DBAG)	64,030	112,796
Assets under management or advisory	**2,488,381**	**2,473,235**

ASSETS UNDER MANAGEMENT OR ADVISORY are above the level at the end of the financial year 2020/2021. Pending capital commitments by fund investors declined by a total of 268 million euros, reflecting investing activities. This was offset by a 331 million euro increase in funds invested in or called for portfolio companies or bridge loans. DBAG's financial resources declined slightly in the first six months of the financial year, particularly in connection with the structuring of additional investments. In addition, the dividend was paid out to the Company's shareholders at the end of February 2022. Please refer to the "Financial position" section for information on changes in DBAG's financial resources during the reporting period.

[26] Pro-rata recognition in the Fund Investment Services segments, with the remainder recognised in the Private Equity Investments segment

OPPORTUNITIES AND RISKS

For information on opportunities and risks, we refer to the statements made in the combined management report at 30 September 2021. They continue to apply in principle.[27]

In our view, the expected value of the risk factor "Negative impact of general economy and cyclical development on financial position and financial performance of portfolio companies", which is assigned a "high expected value" in the report, has now increased to "very high" as a result of the outbreak of the crisis in Ukraine. The probability of occurrence was upgraded from "possible" to "likely" here and thus drives the change in the expected value.

The probability of occurrence for the risk factor "Inability to cover the personnel requirement" has meanwhile increased from "low" to "possible" in our view.

Thanks to DBAG's very solid investment progress, the probability of occurrence for the risk factor "Insufficient access to new and attractive investment opportunities (deal sourcing)" reduced from "possible" to "low". The risk is still assigned a "high expected value".

Our assessment regarding the other risks with a high expected value has not changed.

We have added two new risks to the risk register, which comprised a total of 56 individual risks as at the reporting date of 30 September 2021, assigning a "moderate" and "very low" expected value.

[27] cf. Group Financial Report 2020/2021, pages 87 et seqq.

FORECAST

The outbreak of war in Ukraine has fundamentally changed the macroeconomic environment, leading to lower multiples of peer group companies, which we use for the valuation of our portfolio companies. For this reason, on 7 March 2022, we withdrew our forecast for the current financial year, as published in the 2020/2021 Annual Report. We are now in a better position to assess future developments. Based on these new insights and taking planned disposals into account, we have been able to issue a new forecast and published it on 20 April 2022.

Looking at further developments during the remainder of the financial year, it is fair to assume that price increases for energy and raw materials will especially burden industrial companies – significantly in some cases. In addition, China's zero-COVID policy is incurring supply chain disruptions due to lockdown measures in major Chinese economic centres. Whilst these developments are also reflected at our portfolio companies, they only affect a manageable portion of the portfolio value. Yet a number of portfolio companies – including those from the broadband telecommunication, IT services & software, and healthcare sectors – have hardly been affected by such disruptive factors, if at all.

Overall, we now expect the net asset value of Private Equity Investments to be within a range of between 620.0 and 695.0 million euros at 30 September 2022. The previously forecast range was between 680.0 and 755.0 million euros. Net asset value was 641.8 million euros on the reporting date. The factors influencing net asset value, as described above, tend to have the same impact on net income, which is expected in a range between -15.0 and -25.0 million euros for the 2021/2022 financial year. We had previously expected a figure between 60.0 million euros and 75.0 million euros. Net income in the six months under review amounted to -33.5 million euros. The forecast improvement during the second half of the current financial year – compared to results as at the reporting date – largely reflects planned disposals.

Income from Fund Investment Services during the second half of the current financial year is likely to be largely in line with the performance for the first half-year. Looking at the financial year as a whole, we now expect earnings in a range between 14.0 and 16.0 million euros. The higher expectation, compared to the previously forecast range between 11.0 and 12.0 million euros, reflects lower performance-related remuneration in particular, due to the reduced net asset value forecast.

We reiterate that the earnings development can be heavily defined by individual events or developments that are not predictable at the time the forecast is prepared. This applies in particular to the share prices of listed peer group companies on our reporting dates, which have an impact on the net asset value in DBAG's Private Equity Investments segment and thus on the net income of the Group, via the portfolio valuation using the standard methods used in the industry. As always, the forecast is subject to the proviso that valuation levels on the capital markets will not have changed considerably by the end of a financial year, compared to those levels on which the reference points were based.

Our dividend policy, which provides for a dividend that remains stable and increases whenever possible, remained unchanged. We continue to anticipate the dividend for the current year to remain at the level of the last financial year, i.e. 1.60 euros per share.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 MARCH 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 October 2021 to 31 March 2022

€'000	**1 Oct 2021 to 31 Mar 2022**	1 Oct 2020 to 31 Mar 2021
Net income from investment activity	(35,762)	70,656
Income from Fund Services	21,331	21,147
Income from Fund Services and investment activity	**(14,431)**	**91,803**
Personnel expenses	(14,857)	(12,097)
Other operating income	1,424	1,897
Other operating expenses	(8,006)	(7,581)
Interest income	510	439
Interest expenses	(397)	(584)
Other income/expense items	**(21,326)**	**(17,926)**
Earnings before taxes	**(35,757)**	**73,877**
Income taxes	10	(731)
Earnings after taxes	**(35,747)**	**73,146**
Net income attributable to other shareholders	(4)	(5)
Net income	**(35,751)**	**73,141**
Items that will not be reclassified subsequently to profit or loss		
Gains (+)/losses (-) on remeasurements of the net defined benefit liability (asset)	(1,004)	265
Other comprehensive income	**(1,004)**	**265**
Total comprehensive income	**(36,755)**	**73,406**
Earnings per share in € (diluted and basic)[1]	(1.90)	4.56

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 October 2021 to 31 March 2022

INFLOWS (+) / OUTFLOWS (-)

€'000	**1 Oct 2021 to 31 Mar 2022**	1 Oct 2020 to 31 Mar 2021
Net income	(35,751)	73,141
Measurement gains (-)/losses (+) on financial assets, depreciation/amortisation/impairmant of property, plant and equipment and intangible assets, gains (-)/losses (+) on securities	36,622	(70,030)
Gains (-)/losses (+) from disposals of assets	12	(1)
increase (+)/decrease (-) in income tax assets	(77)	0
increase (+)/decrease (-) in other assets (net)	32,737	(11,677)
increase (+)/decrease (-) in pension provisions	749	(432)
Increase (+)/decrease (-) in income taxes payable	(517)	517
Increase (+)/decrease (-) in other provisions	(2,513)	(960)
Increase (+)/decrease (-) in other liabilities (net)	(792)	(5,811)
Cash flow from operating activities	**30,469**	**(15,253)**
Proceeds from disposals of financial assets	39,748	17,415
Payments for investments in financial assets	(22,915)	(11,268)
Proceeds from disposals of other financial instruments	3,610	449
Payments for investments in other financial instruments	(68,259)	(27,601)
Cash flow from investment activity	(47,815)	(21,006)
Proceeds from disposals of property, plant and equipment and intangible assets	5	14
Payments for investments in property, plant and equipment and intangible assets	(314)	(77)
Proceeds from disposals of securities	30,027	0
Cash flow from investing activities	**(18,098)**	**(21,068)**
Proceeds from capital increases	(280)	0
Payments for lease liabilities	(522)	(509)
Proceeds from drawdowns of credit facilities	0	43,300
Payments to shareholders (dividends)	(30,088)	(12,035)
Cash flow from financing activities	**(30,889)**	**30,756**
Net change in cash and cash equivalents	(18,518)	(5,566)
Cash and cash equivalents at start of reporting period	37,737	18,367
Cash and cash equivalents at end of reporting period	**19,219**	**12,801**

1 This includes interest received in the amount of 5,000 euros (previous year: 7,000 euros) as well as paid in the amount of nil euros (previous year: 371,000 euros).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2022

€'000	31 Mar 2022	30 Sep 2021
ASSETS		
Non-current assets		
Intangible assets	382	439
Property, plant and equipment	5,054	4,220
Financial assets	492,742	545,339
Long-term securities	44,811	75,059
Other non-current assets	742	647
Deferred tax assets	3,270	3,170
Total non-current assets	**547,001**	**628,874**
Current assets		
Receivables	12,451	45,132
Other financial instruments	84,981	20,332
Income tax assets	906	829
Cash and cash equivalents	19,219	37,737
Other current assets	1,784	2,049
Total current assets	**119,340**	**106,079**
Total assets	**666,341**	**734,953**
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	66,733	66,733
Capital reserve	260,069	260,349
Retained earnings and other reserves	(10,131)	(9,127)
Consolidated retained profit	314,968	380,807
Total equity	**631,639**	**698,762**
Liabilities		
Non-current liabilities		
Liabilities under interests held by other shareholders	59	58
Provisions for pensions obligations	14,433	13,683
Other non-current provisions	1,355	1,519
Other non-current liabilities	3,614	3,149
Total non-current liabilities	**19,461**	**18,409**
Current liabilities		
Other current provisions	9,108	11,457
Income tax liabilities	3,542	4,059
Other current liabilities	2,592	2,267
Total current liabilities	**15,241**	**17,782**
Total liabilities	**34,702**	**36,191**
Total equity and liabilities	**666,341**	**734,953**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1 October 2021 to 31 March 2022

€'000	**1 Oct 2021 to 31 Mar 2022**	1 Oct 2020 to 31 Mar 2021
Subscribed capital		
At end of reporting period	**66,733**	**53,387**
Capital reserve		
At start of reporting period	260,349	173,762
Change in reporting period	(280)	0
At end of reporting period	**260,069**	**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 and end of reporting period	(109)	(109)
Reserve for gains/losses on remeasurements of the net defined benefit liability (asset)		
At start of reporting period	(25,550)	(27,748)
Change in reporting period	(1,004)	265
At end of reporting period	(26,553)	(27,483)
At end of reporting period	**(10,131)**	**(11,061)**
Consolidated retained profit		
At start of reporting period	380,807	207,708
Dividend	(30,088)	(12,035)
Net income	(35,751)	73,141
At end of reporting period	**314,968**	**268,814**
Total	**631,639**	**484,902**

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF THE FINANCIAL YEAR 2021/2022

GENERAL INFORMATION

1. Basis of preparation of the interim consolidated financial statements

The interim consolidated financial statements of Deutsche Beteiligungs AG (DBAG) as at 31 March 2022 were prepared in accordance with section 115 (3) of the German Securities Trading Act (Wertpapierhandelsgesetz – "WpHG") as well as in conformity with the provisions set out in International Accounting Standard 34 (IAS 34). They are consistent with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Commission for use in the European Union. The mandatory interpretations of the IFRS Interpretations Committee (IFRIC) relevant for interim financial reporting were also applied.

The interim consolidated financial statements consist of the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of financial position, the consolidated statement of changes in equity as well as these condensed notes to the interim consolidated financial statements ("selected explanatory notes").

DBAG has made use of the simplification provided by section 53 of the Exchange Rules and Regulations (Börsenordnung) of the Frankfurt Stock Exchange and issued a quarterly statement for the first quarter instead of a quarterly financial report. Therefore, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity contained in the interim consolidated financial statements as at 31 March 2022 do not present quarterly data.

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

2. Changes in accounting methods due to amended rules

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

In the financial year 2021/2022, there were no new standards and interpretations or amendments to standards and interpretations required to be applied for the first time which have an effect on the current reporting period.

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

In the financial year 2021/2022, the following amendments to standards are required to be applied for the first time:

- Amendments to IFRS 4 "Insurance Contracts",
- Amendments to IFRS 9 "Financial instruments", (IAS) 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases" within the context of the "Interest Rate Benchmark Reform",
- Amendments to IFRS 16 "Leases".

These amendments do not have any consequences for DBAG's interim consolidated financial statements.

Standards and interpretations and amendments to standards and interpretations that have not yet been applied

a) Endorsed by the European Union

The following standards were issued by the IASB and endorsed by the European Commission for application in the European Union. The effective date, indicating when the respective standard or interpretation is required to be applied, is given in parentheses.

- Amendments to IAS 1 "Presentation of Financial Statements" (1 January 2023),
- Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (1 January 2023),
- Amendments to IAS 16 "Property, Plant and Equipment" (1 January 2022),
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (1 January 2022),
- Amendments to IFRS 3 "Business Combinations" (1 January 2022),
- IFRS 17 "Insurance Contracts" and Amendments to IFRS 17 "Insurance Contracts" (1 January 2023)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (1 January 2022):
  - IFRS 1 "First-time Adoption of International Financial Reporting Standards"

- IFRS 9 "Financial Instruments",
- IAS 41 "Agriculture".

DBAG intends to initially apply the respective standard or interpretation for the financial year beginning after that date. No use will therefore be made of voluntary early application of amendments to standards.

DBAG expects these amendments to have no impact on its interim financial statements.

b) Not endorsed by the European Union

The following standards and interpretations have already been issued by the IASB, but have not yet been endorsed by the European Commission for application in the European Union.

› Amendments to IAS 1 "Presentation of financial statements",
› Amendments to IAS 12 "Income Taxes",
› Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures",
› IFRS 14 "Regulatory Deferral Accounts".

DBAG expects these amendments to have no impact on its interim financial statements:

3. Group of consolidated companies and consolidation methods, interests in other entities

The group of consolidated companies and interests in other entities as well as the consolidation methods applied are detailed on pages 114 to 121 of the 2020/2021 Annual Report.

4. Accounting policies

The accounting policies applied in the previous financial year (see 2020/2021 Annual Report, pages 122 to 129) continued to be used unchanged for these interim financial statements.

Financial assets and fair value measurement of financial assets through profit or loss

Financial assets are consistently classified into three categories based on two criteria: the business model and the cash flow characteristics. Measurement follows from the classification (for more information, please refer to the 2020/2021 Annual Report, page 122).

As a result of the allocation to the investment business, financial assets are measured at fair value through profit or loss; they mainly comprise

› interests in investment entity subsidiaries (see 2020/2021 Annual Report, pages 116 to 119), and
› interests in portfolio companies (see 2020/2021 Annual Report, page 119).

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

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

As part of the valuation as at 31 March 2022, the March 2022 recommendation of the IPEV Board to consider selected aspects of the Special Valuation Guidance dated March 2020 was complied with. In the context of uncertainty regarding the effects of the war in Ukraine on the two components of the multipliers (numerator and denominator), discretionary judgements had to be made for deriving these multipliers as at 31 March 2022 – which was different from the previous reporting date – in order to enable comparability between the multipliers and the valuation parameters of the portfolio companies.

Fair value measurement methods on hierarchy Level 3

Financial instruments measured at fair value are allocated to three levels in accordance with IFRS 13. For details, please refer to our explanations in the 2020/2021 Annual Report, pages 161 to 165.

The following valuation methods are used to measure Level 3 financial instruments:

- the sum of-the-parts procedure to calculate the net asset value of unconsolidated subsidiaries, in particular the investment entity subsidiaries (co-investment vehicles, on-balance sheet-investment vehicles and Deutsche Beteiligungsgesellschaft mbH),
- the multiples method for established portfolio companies, and
- the discounted cash flow (DCF) method for one indirectly held international fund investment.

The multiples method normally uses earnings before interest, tax, depreciation and amortisation (EBITDA) as the reference value. Two portfolio companies continue to be measured using revenue as the reference value.

We refer to pages 124 to 125 of the 2020/2021 Annual Report for a detailed description of the general principles for fair value measurement.

5. Significant events and transactions

Changes within the Board of Management

Susanne Zeidler resigned from the Board of Management effective 31 January 2022. During the course of discussions regarding the long-term strategic direction of DBAG's business model, the Supervisory Board and Ms Zeidler agreed that Ms Zeidler would resign her position on the Board of Management and leave the Company.

Transactions of investment entity subsidiaries

In DBAG ECF I, the refinancing of one portfolio company (von Poll Immobilien) was completed; DBAG received distributions from this transaction in a total amount of 7,728,000 euros.

In DBAG ECF II, one portfolio company (Solvares) agreed and completed two company acquisitions. DBAG ECF II supported one of these transactions by contributing additional equity.

In the first half of 2021/2022, DBAG Fund VI completed the sale of the shares in Telio. As the disposal price was taken into account in the measurement of the co-investment vehicle of DBAG Fund VI as at the most recent reporting date, there was no value contribution for the current financial year. DBAG and DBAG Fund VI used a significant portion of the returns for a reinvestment in Telio totaling around 13 per cent of the company's shares. One portfolio company (Silbitz) agreed and completed one company acquisition; DBAG Fund VI supported this acquisition by contributing additional equity. DBAG Fund VI provided follow-on financing for another portfolio company (Gienanth).

In the first half of 2021/2022, DBAG received the deferred (since July 2019) management fee of DBAG Fund VII in the amount of 27,768,000 euros. DBAG Fund VII completed the purchase of a minority shareholding in Itelyum in the context of an MBO and now holds a stake of around five per cent in this company via a co-investment vehicle. This transaction had already been agreed in the previous year. Another acquisition (akquinet) was agreed in March 2022. This is the fund's final investment. DBAG will invest up to 4,682,000 euros. One portfolio company (operasan) agreed upon, and completed, a further acquisition. DBAG Fund VII supported the transaction by contributing additional equity.

DBAG Fund VIII acquired the majority of the shares in three portfolio companies (Dantherm, freiheit.com and in-tech), in the context of an MBO in each case. DBAG itself invested a total of 61,092,000 euros and holds between 10 and 19 per cent of the shares in each of the three companies via a co-investment vehicle. The acquisition of Dantherm had already been agreed upon in the previous year. Follow-on financing was provided by DBAG Fund VIII in the case of three portfolio companies (congatec, Deutsche Giga Access, Fire).

DBAG participated in a capital increase of its first Long-Term Investment (Hausheld) and acquired further shares from minority shareholders; overall, DBAG invested 3 million euros and now holds almost 20 per cent of the shares in this company. Moreover, DBAG agreed the acquisition of another two companies which will be brought together under joint management by a newly-established company (datahub). This constitutes the third Long-Term Investment. DBAG will invest up to 24,547,000 euros upon purchase.

On 15 February 2022, the contractual term of DBAG Fund V ended, after previously having been renewed twice. Upon expiry of this term, the company was automatically dissolved. The investment fund companies belonging to DBAG Fund V will be liquidated in accordance with legal requirements and in compliance with the provisions applicable under company law. Realisation of the companies will be completed after disposal of the last remaining investment (Heytex) and the related distributions. DBAG does not generate any income from realisation of the companies.

War in Ukraine and rising inflation rates

The major events in the first half of 2021/2022 were the Russian invasion of Ukraine and the expectation of interest rate hikes as a consequence of rising inflation rates. These events result in significant risks for macroeconomic development and for valuation levels on the capital markets. The major negative effects are further supply chain disruptions, higher energy and raw material prices as well as a deterioration of consumer sentiment. Strong inflationary pressures are producing expectations of higher interest rates. The resulting valuation discounts on the equity markets affected the valuation of our portfolio companies as at 31 March 2022 and had a major adverse impact on these interim financial statements.

6. Use of judgement in applying the accounting methods

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

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

For details, please refer to the 2020/2021 Annual Report (page 114). Due to the status of DBAG as an investment entity, the investment entity subsidiaries continue to be not included in the consolidated financial statements as fully-consolidated companies, but are instead recognised at fair value.

The consolidation methods and accounting policies applied that were based on other judgements are detailed in the 2020/2021 Annual Report (pages 114 to 129).

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

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

In the first half of 2021/2022, our estimate of the multiples changed in relation to three portfolio companies. Two portfolio companies were allocated to a different sector, and the multiples were derived from the corresponding sector-specific peer group for the first time. The reallocation was caused by significant changes to the corporate structure of one portfolio company, following add-on acquisitions, as well as by a re-assessment of the business model pursued by the other portfolio company. The third portfolio company was valued using the sector-specific peer group multiple following its successful restructuring and given its positive development overall. The effect of this change in estimates was taken into account in the measurement of financial assets and in net income from investment activity for the first time as at the reporting date 31 March 2022. The cumulative effect from these changes on total comprehensive income and consolidated equity amounts to 17,699,000 euros.

Due to assumptions about the future and other sources of estimation uncertainty, there is a risk of having to make material adjustments to the carrying amounts of assets or liabilities as at the following reporting date. We judge the materiality, inter alia, by reference to the effects on Group equity. We consider an adjustment to the carrying amount in the range of three per cent of Group equity as being material. Moreover, we consider the effects on the overall presentation of the financial position and performance as well as qualitative aspects.

The risk of a subsequent adjustment of carrying amounts exists particularly as far as financial assets are concerned, to the extent that their fair values were determined using inputs that were not mainly based on observable market data (fair value hierarchy Level 3, see Note 14.1).

Fair values at hierarchy Level 3 are contained in "Financial assets" in the amount of 492,742,000 euros (30 September 2021: 545,339,000 euros) (see Note 14.1). They largely concern those financial assets that are measured at fair value using the multiples method. The extent of possible effects on these fair values in the event of an adjustment of assumptions and estimations cannot be quantified. However, should the underlying multiples change by +/-1, this would result – ceteris paribus – in an adjustment in the fair values by up to +/-35,881,000 euros (30 September 2021: 21,283,000 euros). This equates to six per cent of Group equity (30 September 2021: three per cent).

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. Net income from investment activity

€'000	1st half-year **2021/2022**	1st half-year 2020/2021
Interests in investment entity subsidiaries	(36,207)	70,220
Interests in portfolio companies	443	438
Other financial assets	2	(2)
	(35,762)	**70,656**

Interests in investment entity subsidiaries are subsidiaries of DBAG through which DBAG makes its equity investments, i.e. both its co-investments alongside DBAG funds and its Long-Term Investments which DBAG makes independently from DBAG funds (see 2020/2021 Annual Report, pages 116 to 119). The significant assets of these investment entity subsidiaries are interests in and receivables from portfolio companies. Interests in investment entity subsidiaries are recognised at fair value through profit or loss.

The item includes the gross change in the fair values of the interests in portfolio companies held via the investment entity subsidiaries in the amount of -58,572,000 euros (previous year: 65,240,000 euros). In addition, this item includes the net returns from the disposal or partial disposal and the recapitalisation of portfolio companies, as well as current income (interest income and distributions) in the amount of 22,365,000 euros (previous year: 4,980,000 euros). The gross change is increased by the reversal of imputed carried interest (13,539,000 euros; previous year: increase in the amount of 17,999,000 euros).

Directly held interests in portfolio companies relate to one DBAG investment entered into prior to the launch of DBAG Fund V (see 2020/2021 Annual Report, page 119). The net income results from the change in the fair value of the interests.

9. Income from Fund Services

€'000	1st half-year **2021/2022**	1st half-year 2020/2021
DBAG ECF	666	906
DBAG Fund VI	3,250	3,758
DBAG Fund VII	7,846	7,186
DBAG Fund VIII	9,475	9,228
Other	95	70
	21,331	**21,147**

Income from Fund Services results from management or advisory services for the DBAG funds.

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

Higher income was received from DBAG Fund VII as the measurement basis was increased due to investments.

10. Financial assets

€'000	31 Mar 2022	30 Sep 2021
Interests in investment entity subsidiaries	488,707	541,748
Interests in portfolio companies	3,926	3,483
Other financial assets	109	107
	492,742	**545,339**

Financial assets are measured at fair value through profit or loss.

This item exhibited the following movements during the reporting period:

€'000	1 Oct 2021	Additions	Disposals	Changes in value	31 Mar 2022
Interests in investment entity subsidiaries	541,748	22,914	17,383	(58,572)	488,707
Interests in portfolio companies	3,483	0	0	443	3,926
Other financial assets	107	1	0	1	109
	545,339	**22,915**	**17,383**	**(58,128)**	**492,742**

€'000	1 Oct 2020	Additions	Disposals	Changes in value	30 Sep 2021
Interests in investment entity subsidiaries	386,535	90,058	55,783	120,938	541,748
Interests in portfolio companies	4,152	0	0	(668)	3,483
Other financial assets	55	54	0	(2)	107
	390,741	**90,112**	**55,783**	**120,268**	**545,339**

Additions to interests in investment entity subsidiaries mainly refer to capital calls for investments in equity interests as well as acquisition cost for Long-Term Investments.

Disposals of interests in investment entity subsidiaries result from distributions in the reporting period due to the divestment of portfolio companies as well as repayments of equity and shareholder loans in connection with recapitalisation measures or short-term bridge financings granted to portfolio companies.

The changes in fair value, together with the net returns, are recorded under the item "Net income from investment activity" in the consolidated statement of comprehensive income.

11. Other financial instruments

Other financial instruments exclusively comprise loans to co-investment vehicles in the amount of 84,981,000 euros (30 September 2021: 20,332,000 euros). They refer to short-term loans to the co-investment vehicles of DBAG Fund VII in the amount of 17,618,000 euros (30 September 2021: 20,332,000 euros) and to the co-investment vehicles of DBAG VIII Fund in the amount of 67,362,000 euros (30 September 2021: nil euros). The loans are granted by DBAG for the pre-financing of investments in new portfolio companies with a term of up to 270 days.

12. Leases

As at 31 March 2022, property, plant and equipment includes right-of-use assets from leases in the amount of 4,522,000 euros (30 September 2021: 3,934,000 euros).

The corresponding lease liabilities are included in other non-current liabilities (3,614,000 euros; 30 September 2021: 3,149,000 euros) and in other current liabilities (1,077,000 euros; 30 September 2021: 948,000 euros). The interest cost on lease liabilities is recorded as interest expenses.

13. Other financial commitments, contingent liabilities and trusteeships

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

€'000	**31 Mar 2022**	30 Sep 2021
Call commitments	4	4
Permanent debt obligations	690	919
	695	**923**

Maturities of the permanent debt obligations as at 31 March 2022 are shown in the following table:

€'000	< 1 Year	1-5 Years	> 5 Years	**Total**
Permanent debt obligations	522	169	0	**690**

There were no contingent liabilities as at 31 March 2022 and as at 30 September 2021.

Trust assets amounted to 4,400,000 euros as at the reporting date (30 September 2021: 4,474,000 euros). Of that amount, 4,396,000 euros (30 September 2021: 4,470,000 euros) was attributable to balances held on trust accounts for purchase price settlements. Trust liabilities exist in the same amount. DBAG does not generate any income from trustee activities.

OTHER DISCLOSURES

14. Financial instruments

Financial assets, other financial instruments and securities are carried completely at fair value. Receivables, cash and cash equivalents and financial instruments contained in other assets are measured at amortised cost and largely reported under current assets. They are of good credit quality and are unsecured. For these instruments, we assume that the carrying amount reflects their fair value.

Financial liabilities are measured at amortised cost. We assume that the carrying amount reflects their fair value.

CARRYING AMOUNT AND AIR VALUE OF FINANCIAL INSTRUMENTS

€'000	Carrying amount 31 Mar 2022	Fair value 31 Mar 2022	Carrying amount 30 Sep 2021	Fair value 30 Sep 2021
Financial assets measured at fair value through profit or loss				
Financial assets	492,742	492,742	545,339	545,339
Other financial instruments	84,981	84,981	20,332	20,332
Securities	44,811	44,811	75,059	75,059
	622,534	**622,534**	**640,730**	**640,730**
Financial assets at amortised cost				
Receivables	12,451	12,451	45,132	45,132
Cash and cash equivalents	19,219	19,219	37,737	37,737
Other assets[1]	837	837	917	917
	32,507	**32,507**	**83,786**	**83,786**
Financial liabilities at amortised cost				
Liabilities under interests held by other shareholders	59	59	58	58
Other liabilities[2]	1,123	1,123	936	936
	1,182	**1,182**	**994**	**994**

1 Excluding deferred items, value-added tax and other items in the amount of 1,688,000 euros (30 September 2021: 1,778,000 euros).

2 Excluding lease liabilities and tax liabilities in the amount of 5,084,000 euros (30 September 2021: 4,480,000 euros).

14.1.Disclosures on the hierarchy of financial instruments

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

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

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

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

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

MEASUREMENT HIERARCHY FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE

€'000	**Fair value 31 Mar 2022**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value through profit or loss				
Financial assets	492,742	0	0	492,742
Other financial instruments	84,981	0	0	84,981
Securities	44,811	0	44,811	0
	622,534	**0**	**44,811**	**577,723**

MEASUREMENT HIERARCHY FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE

€'000	**Fair value 30 Sep 2021**	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Financial assets	545,339	0	0	545,339
Other financial instruments	20,332	0	0	20,332
Securities	75,059	0	75,059	0
	640,730	**0**	**75,059**	**565,671**

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

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

CLASSIFICATION OF LEVEL 3 FINANCIAL INSTRUMENTS

€'000	**Interests in investment entity subsidiaries**	**Interests in portfolio companies**	**Others**	**Total**
31 Mar 2022				
Financial assets	488,707	3,926	109	492,742
Other financial instruments	84,981	0	0	84,981
	573,688	**3,926**	**109**	**577,723**
30 Sep 2021				
Financial assets	541,748	3,483	107	545,339
Other financial instruments	20,332	0	0	20,332
	562,080	**3,483**	**107**	**565,671**

The following tables show the changes in Level 3 financial instruments in the first half of 2021/2022 and in the previous year, respectively:

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

€'000	1 Oct 2021	Additions	Disposals	Changes in value	**31 Mar 2022**
Financial assets					
Interests in investment entity subsidiaries	541,748	22,914	17,383	(58,572)	488,707
Interests in portfolio companies	3,483	0	0	443	3,926
Other	107	1	0	1	109
	545,339	**22,915**	**17,383**	**(58,128)**	**492,742**

CHANGES IN LEVEL 3 FINANCIAL INSTRUMENTS

€'000	1 Oct 2020	Additions	Disposals	Changes in value	30 Sep 2021
Financial assets					
Interests in investment entity subsidiaries	386,535	90,058	55,783	120,938	541,748
Interests in portfolio companies	4,152	0	0	(668)	3,483
Other	55	54	0	(2)	107
	390,741	**90,112**	**55,783**	**120,268**	**545,339**

The changes in value are recognised in net income from investment activity.

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

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

RANGES FOR UNOBSERVABLE INPUTS

€'000	**Fair value 31 Mar 2022**	Valuation method	Unobservable inputs	Range
Financial assets				
Interests in investment entity subsidiaries	488,707	Net asset value[1]	Average EBITDA-margin	3 to 47 %
			Net Debt[2] to EBITDA	0,1 to 21,5
			Multiples discount	0 to 10 %
Interests in portfolio companies	3,926	Multiples method	Average EBITDA-margin	6 %
			Net Debt[2] to EBITDA	1,6
			Multiples discount	0 %
Other	109	Net asset value	n/a	n/a
	492,742			

1 The net asset value is determined using the sum-of-the-parts method. If the multiples method is used for the investments included therein, the same unobservable inputs are used as those for calculating the fair value of interests in portfolio companies (see comments in the 2020/2021 Annual Report, pages 124 et seq.).
2 Net debt of portfolio company

RANGES FOR UNOBSERVABLE INPUTS

€'000	Fair value 30 Sep 2021	Valuation method	Unobservable inputs	Range
Financial assets				
Interests in investment entity subsidiaries	541,748	Net asset value[1]	Average EBITDA-margin	-2 to 48 %
			Net Debt[2] to EBITDA	0,2 to 10,8
			Multiples discount	0 to 10 %
Interests in portfolio companies	3,483	Multiples method	Average EBITDA-margin	7 %
			Net Debt[2] to EBITDA	2,4
			Multiples discount	0 %
Other	107	Net asset value	n/a	n/a
	545,339			

1 See footnote 1 in the preceding table
2 See footnote 2 in the preceding table

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

RANGES FOR UNOBSERVABLE INPUTS

€'000	Fair value 31 Mar 2022	Change in unobservable inputs		Change in fair value
Financial assets[1]				
Interests in investment entity subsidiaries	488,707	EBITDA	+/- 10%	69,066
		Net debt	+/- 10%	32,031
		Multiples discount	+/- 5 percentage points	958
Interests in portfolio companies	3,926	EBITDA	+/- 10%	308
		Net debt	+/- 10%	99
		Multiples discount	+/- 5 percentage points	0
Other	109		n/a	n/a
	492,742			

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

RANGES FOR UNOBSERVABLE INPUTS

€'000	Fair value 30 Sep 2021	Change in unobservable inputs		Change in fair value
Financial assets[1]				
Interests in investment entity subsidiaries	541,748	EBITDA	+/- 10%	46,524
		Net debt	+/- 10%	16,903
		Multiples discount	+/- 5 percentage points	1,145
Interests in portfolio companies	3,483	EBITDA	+/- 10%	371
		Net debt	+/- 10%	156
		Multiples discount	+/- 5 percentage points	0
Other	107		n/a	n/a
	545,339			

1 See footnote 1 in the preceding table

Two portfolio companies held indirectly via investment entity subsidiaries are measured on the basis of revenue. Should the underlying revenue change by +/-10 per cent, this would result *ceteris paribus* in an adjustment in the fair values by +/-3,815,000 euros (30 September 2021: 1,553,000 euros).

14.2. Net gain or loss on financial instruments measured at fair value

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

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

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

€'000	1st half-year 2021/2022	Level 1	Level 2	Level 3	1st half-year 2020/2021	Level 1	Level 2	Level 3
Net income from investment activity	(35,762)	0	0	(35,762)	70,656	0	0	70,656
Other operating expenses	(221)	0	(221)	0	0	0	0	0
Net interest income	504	0	0	504	435	0	0	435
	(35,479)	**0**	**(221)**	**(35,258)**	**71,092**	**0**	**0**	**71,092**

15. Disclosures on segment reporting

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

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

SEGMENTAL ANALYSIS FOR THE 1ST HALF-YEAR 2021/2022

€'000	Private Equity Investments	Fund Investment Services	Group Reconciliation[1]	Group 1st half-year 2021/2022
Net income from investment activity	(35,762)	0	0	(35,762)
Income from Fund Services	0	21,897	(566)	21,331
Income from Fund Services and investment activity	**(35,762)**	**21,897**	**(566)**	**(14,431)**
Other income/expense items	(5,768)	(16,124)	566	(21,326)
Earnings before taxes (segment result)	**(41,530)**	**5,773**	**0**	**(35,757)**
Income taxes				10
Earnings after taxes				**(35,747)**
Net income attributable to other shareholders				(4)
Net income				**(35,751)**
Financial assets	492,742			
Other financial instruments	84,981			
Financial resources[2]	64,030			
Net asset value	**641,752**			
Assets under management or advisory3		**2,488,381**		

1 A synthetic internal administration fee is calculated for the Private Equity Investments segment and taken into account when determining segment earnings in the internal reporting system. The fee is based on DBAG's co-investment interest.
2 The financial resources are used by DBAG for investments in equity or equity-like instruments. They contain the line items "Cash and cash equivalents" and, if applicable, "Long-term securities" and "Short-term securities".
3 Assets under management or advisory comprise the funds invested in portfolio companies, other financial instruments and the financial resources of DBAG as well as the funds invested in portfolio companies and the callable capital commitments of the funds managed or advised by DBAG.

SEGMENTAL REPORTING 1ST HALF-YEAR 2020/2021 AND AS AT 30 SEPTEMBER 2021

€'000	Private Equity Investments	Fund Investment Services	Group Reconciliation[1]	Group 1st half-year 2020/2021
Net income from investment activity	70,656	0	0	70,656
Income from Fund Services	0	21,809	(662)	21,147
Income from Fund Services and investment activity	**70,656**	**21,809**	**(662)**	**91,803**
Other income/expense items	(5,919)	(12,669)	662	(17,926)
Earnings before taxes (segment result)	**64,737**	**9,140**	**0**	**73,877**
Income taxes				(731)
Earnings after taxes				**73,146**
Net income attributable to other shareholders				(5)
Net income				**73,141**
Financial assets	545,339			
Other financial instruments	20,332			
Financial resources[2]	112,796			
Net asset value	**678,466**			
Assets under management or advisory3		**2,473,235**		

1 See footnote 1 in the preceding table
2 See footnote 2 in the preceding table
3 See footnote 3 in the preceding table

16. Disclosures on related parties

Related companies within the meaning of IAS 24 are: investment entity subsidiaries (see 2020/2021 Annual Report, pages 116 to 119) and the companies indirectly held via the investment entity subsidiaries, provided DBAG holds at least 20 per cent of the relevant company's shares (primarily holding companies in DBAG ECF, subsidiaries of Deutsche Beteiligungsgesellschaft mbH and of DBAG Bilanzinvest II (TGA) GmbH & Co. KG), the unconsolidated subsidiaries of DBAG (see Annual Report, pages 119 to 120) as well as the unconsolidated structured companies (see Annual Report, pages 120 to 121).

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

Income and expenses, receivables and liabilities from Fund Services

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

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

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

The fees from these activities – including amounts received from DBAG fund investors – are recognised in the item "Income from Fund Services" (see Note 9). In the first half of 2021/2022, income from Fund Services consisted of income from co-investment vehicles in the amount of 4,383,000 euros (previous year: 4,281,000 euros) and income from the DBAG funds in the amount of 16,738,000 euros (previous year: 16,623,000 euros). Fees paid by DBAG are also recognised in the "Net income from investment activities" items, reducing value (see Note 8).

As at 31 March 2022, receivables from management fees against DBAG funds amount to 9,232,000 euros (30 September 2021: 33,647,000 euros), whilst receivables from management fees against investment entity subsidiaries amounted to 2,313,000 euros (30 September 2021: 9,593,000 euros).

Relationships to co-investment vehicles

The co-investment vehicles of DBAG Fund VII and DBAG Fund VIII are granted short-term loans as pre-financing of investments in new portfolio companies. These are reported in the item "Other financial instruments" (see Note 11); any resulting interest income is recognised in net interest income.

As at 31 March 2022, there are liabilities to co-investment vehicles in the amount of 6,000 euros (30 September 2021: 9,000 euros).

Private co-investments of team members and carried interest

Selected members of the investment team as well as selected members of senior management who are not members of the investment team have committed to take an interest in DBAG funds. For those participating – in addition to the returns from the partnership – this can result in a share of earnings that is disproportionate to their capital commitment ("carried interest") after the fund has fulfilled certain conditions overall. This is the case if the DBAG Group or the investors in the respective DBAG fund have realised their invested capital, plus a preferred return of eight per cent per annum ("full repayment"). Carried interest of not more than 20 per cent[28] is paid out once proceeds on disposal are generated and full repayment has been achieved; the remaining 80 per cent[29] (net sales proceeds) is paid to the investors in the relevant DBAG fund and to DBAG. The structure of the carried interest schemes, their implementation and performance conditions, are in conformity with common practice in the private equity industry and constitute a prerequisite for the placement of DBAG funds. For the individuals participating, their partnership status constitutes a privately assumed investment risk which serves the purpose of aligning their interests with those of DBAG fund investors; the purpose of carried interest is to promote their initiative and their dedication to the success of the investment.

The Board of Management members who are part of the investment team as well as the senior executives entitled to carried interest made the following investments in the first half of 2021/2022 and the previous year, respectively, and received the following repayments from the DBAG funds and the co-investment vehicles:

	Investments during the reporting period		Repayments during the reporting period	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
1 Oct 2021 - 31 Mar 2022				
DBAG Fund IV	0	0	0	0
DBAG Fund V	8	5	30	18
DBAG ECF	0	0	0	0
DBAG ECF I	21	5	447	233
DBAG ECF II	44	10	0	0
DBAG Fund VI	233	108	909	438
DBAG Fund VII	953	496	751	396
DBAG Fund VIII	2,934	1,944	0	0
Total	**4,192**	**2,569**	**2,137**	**1,086**

[28] The maximum disproportionate share of earnings for DBAG Fund VII B [Konzern] SCSp and DBAG Fund VIII B [Konzern] (Guernsey) L.P. amounts to 10 per cent.
[29] The maximum disproportionate share of the investors and DBAG for DBAG Fund VII B [Konzern] SCSp and DBAG Fund VIII B [Konzern] (Guernsey) L.P. amounts to a total 90 per cent.

	Investments during the reporting period		Repayments during the reporting period	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
1 Oct 2020 - 30 Sep 2021				
DBAG Fund IV	0	0	146	146
DBAG ECF	32	5	457	84
DBAG ECF I	24	11	0	0
DBAG ECF II	198	49	0	0
DBAG Fund VI	131	58	1,054	426
DBAG Fund VII	440	231	0	0
DBAG Fund VIII	1,237	699	0	0
Total	**2,061**	**1,054**	**1,657**	**656**

The following table outlines carried interest entitlements from the co-investment vehicles and DBAG funds for the Board of Management members entitled to carried interest and the members of senior management entitled to carried interest. We refer to page 39 of the 2020/2021 Annual Report for information on the interest of the co-investment vehicles

	1 Oct 2021		Reduction due to disbursement		Addition (+) / reversal (-)		**31 Mar 2022**	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
DBAG Fund V	2,979	1,842	(196)	(121)	(506)	(313)	2,277	1,408
DBAG ECF	20,294	3,779	0	0	(2,004)	(373)	18,289	3,406
DBAG ECF I	20,871	5,016	(1,936)	(452)	(1,807)	(562)	17,128	4,002
DBAG ECF II	20,111	4,436	0	0	(8,820)	(1,946)	11,291	2,491
DBAG Fund VI	11,118	5,293	0	0	(11,118)	(5,293)	0	0
DBAG Fund VII	4,602	1,935	0	0	(1,389)	(584)	3,212	1,351
	79,974	**22,301**	**(2,132)**	**(573)**	**(25,645)**	**(9,070)**	**52,198**	**12,658**

	1 Oct 2020[1]		Reduction due to disbursement		Addition (+) / reversal (-)		**30 Sep 2021**	
€'000	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management	Key management personnel	of which: Board of Management
DBAG Fund V	6,101	2,638	0	0	(3,122)	(797)	2,979	1,842
DBAG ECF	24,969	4,913	(11,321)	(2,108)	6,646	975	20,294	3,779
DBAG ECF I	8,016	2,535	0	0	12,854	2,482	20,871	5,016
DBAG ECF II	0	0	0	0	20,111	4,436	20,111	4,436
DBAG Fund VI	10,869	3,729	0	0	249	1,564	11,118	5,293
DBAG Fund VII	0	0	0	0	4,602	1,935	4,602	1,935
	49,956	**13,815**	**(11,321)**	**(2,108)**	**41,340**	**10,595**	**79,974**	**22,301**

1 Carried interest entitlements at the start and end of the reporting period relate to key management personnel and the members of the Board of Management as at the respective reporting date. Additions and reversals may be due – inter alia – to key management personnel and members of the Board of Management joining or leaving the Company as well as – with regard to the "of which" disclosure in relation to the Board of Management – due to key management personnel joining the Board of Management during the year.

In the consolidated financial statements, carried interest is taken into account in the fair value measurement of the shares of DBAG in the co-investment vehicles of a fund ("net asset value"). In this context, total liquidation of the fund portfolio as at the reporting date is assumed (see 2020/2021 Annual Report, pages 124 et seq.). As at 31 March 2022, net asset values of the co-investment vehicles DBAG Fund V, DBAG ECF, DBAG ECF I, DBAG ECF II and DBAG Fund VII (top-up fund) are reduced by carried interest claims by a total amount of 36,926,000 euros (30 September 2021: 51,649,000 euros, including carried interest for DBAG Fund VI), of which 20,823,000 euros (30 September 2021: 30,672,000 euros) are attributable to key management personnel. As at the reporting date, the carried interest for DBAG Fund VI amounts to nil euros; the carried interest for DBAG Fund VII (main pool) and DBAG Fund VIII continues to amount to nil euros.

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

Miscellaneous

In the first half of 2021/2022, personnel expenses include benefits paid resulting from the termination of the employment relationship with one member of the Board of Management in the amount of 2,036,000 euros (previous year: nil euros).

Please refer to the 2020/2021 Annual Report on pages 162 to 167 for a more detailed presentation of the related party transactions.

17. Events after the reporting date

DBAG obtained control over two new companies. DBAG Bilanzinvest IV GmbH & Co. KG, Frankfurt am Main, was established; the share in capital and voting rights amounts to 100 per cent. In future, it is planned that DBAG's fourth Long-Term Investment will be entered into via this company (on-balance sheet investment vehicle). DBAG Bilanzinvest IV Verwaltungs GmbH is the general partner of the new on-balance sheet-investment vehicle. The share in capital and voting rights amounts to 100 per cent. The companies are not consolidated but measured at fair value through profit or loss and reported under financial assets.

DBAG Fund VIII has agreed upon a further investment on 9 May 2022. This management buyout will involve an investment for DBAG of up to 15 million euros.

Frankfurt/Main, 10 May 2022

The Board of Management

Torsten Grede	Tom Alzin	Jannick Hunecke

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge, and in accordance with the applicable accounting principles for half-yearly financial reporting, that the consolidated half-yearly financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and that the interim management report presents a true and fair view of the business development and performance of the business and the position of the Group, together with a description of the material risks and opportunities associated with the expected development of the Group.

Frankfurt/Main, 10 May 2022

The Board of Management

Torsten Grede　　Tom Alzin　　Jannick Hunecke

REVIEW REPORT

We have reviewed the condensed interim consolidated financial statements of Deutsche Beteiligungs AG, Frankfurt/Main – comprising the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and condensed notes – together with the interim group management report of Deutsche Beteiligungs AG, for the period from 1 October 2021 to 31 March 2022 that are part of the half-yearly financial report in accordance with section 115 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG).

The preparation of the condensed interim consolidated financial statements in accordance with the IFRSs on interim financial reporting, as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company's legal representatives. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our view.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW). Those standards require that we plan and perform the review so that we can preclude, through critical evaluation, with a certain level of assurance, that the interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with IFRS applicable to interim financial reporting, as adopted by the EU, and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in an audit of financial statements. Since, in accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IFRS applicable to interim financial reporting, as adopted by the EU, nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. Our opinion does not extend to quarterly information provided in the interim management report.

Frankfurt/Main, 10 May 2022

BDO AG
Wirtschaftsprüfungsgesellschaft

Dr Freiberg	Gebhardt
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Forward-looking statements

This half-yearly financial report contains statements related to the future prospects and progress of Deutsche Beteiligungs AG. These statements reflect the current views of the management of Deutsche Beteiligungs AG and are based on projections, estimates and expectations. Our assumptions are subject to risks and uncertainties, and actual results may vary materially. Although we believe these forward-looking statements to be realistic, there can be no guarantee.

Disclaimer

The figures in this half-yearly financial report are generally presented in thousands or millions of euros. Rounding differences may occur between the amounts presented and their actual value; these, of course, are not of a significant nature.

The half-yearly financial report is published in English and German. The German version of this report shall be authoritative.

Updated: 11 May 2022

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

FINANCIAL CALENDAR

12 MAY 2022

Publication of the 2021/2022 half-yearly financial report, Analysts' conference call

11 AUGUST 2022

Publication of the Quarterly Statement for the third quarter of 2021/2022, Analysts' conference call

13 SEPTEMBER 2022

SRC Forum 2022, Frankfurt/Main

19–23 SEPTEMBER 2022

Baader Investment Conference, Munich