

PRESS RELEASE

Tesla strikes gold in portfolio of Deutsche Beteiligungs AG

- **Long-term investment in Grohmann Engineering GmbH successfully sold**
- **Pioneer in mechanical engineering for electromobility**
- **Positive value contribution in first quarter of 2016/2017**

Frankfurt am Main, 8 November 2016. Deutsche Beteiligungs AG announced that it will divest one of its most successful investments, Grohmann Engineering GmbH, to a strategic buyer after nearly 30 years in the portfolio. Grohmann, a pioneer in mechanical engineering for electromobility, will become part of Silicon Valley-based Tesla Motors, Inc. The manufacturer of electric vehicles will acquire the interests held by company founder and majority owner Klaus Grohmann (74.9 percent) as well as those of Deutsche Beteiligungs AG (25.1 percent). The purchase agreement signed on 6 November 2016 is contingent on approval by the antitrust authorities. The parties to the contract agreed not to disclose the purchase price. Deutsche Beteiligungs AG will achieve higher returns than its most recent valuation of Grohmann. The exit will generate a positive value contribution in the mid single-digit million range in the first quarter of the 2016/2017 financial year.

Grohmann Engineering develops and manufactures production lines for industrial automation and markets them worldwide. Working closely with clients and suppliers, the company is a key contributor to breakthrough technologies, for example, those required for the industrial production and assembly of lithium-ion batteries and the testing of microchips and wafers. In addition to the automotive, electronics and semiconductor industries, the company's machines and plants are also employed in biotechnology and medical technology applications. In recent years, Grohmann has developed and realised numerous lines for German and international automobile manufacturers for producing battery cells and batteries for electric vehicles.

The investment in Grohmann Engineering dates back to a growth financing investment from the 1980s made by a predecessor company of Deutsche Beteiligungs AG. On 1 January 1987, WFG Deutsche Gesellschaft für Wagniskapital mbH & Co. KG took a 25.1 percent stake in the company founded three years before by Klaus Grohmann in the course of a capital increase. In its tenth year, Grohmann had already generated revenue of some 50 million German marks. After Deutsche Beteiligungs AG assumed the

interest in 1996 (no fund of Deutsche Beteiligungs AG is invested in Grohmann), the company's revenues climbed by an average of more than six percent annually to 123 million euros in 2015. The number of employees tripled over the same period to approximately 700. And the company continues to grow: at its headquarters in Prüm, Germany, Grohmann is currently investing in new production capacity, which thereby creates new jobs.

“This exit concludes a highly successful growth financing investment in one of our core sectors,” said Torsten Grede, Spokesman of the Board of Management of Deutsche Beteiligungs AG. “With its technology leadership, Grohmann exemplifies the hidden champions in Germany's Mittelstand, without which key innovations would not occur,” said Grede. Moreover: “Grohmann is an outstanding example of the excellent progress technology-gearred Mittelstand companies can make backed by growth capital and the support of professional investors.”

“Not everyone is fortunate enough to have a financial partner with such vast expertise in mechanical and plant engineering as I had in Deutsche Beteiligungs AG,” Klaus Grohmann said. “Deutsche Beteiligungs AG provided the entrepreneurial scope we needed in all those years and has now endorsed my wish to sell the company to Tesla.”

Deutsche Beteiligungs AG, a listed private equity company, initiates closed-end private equity funds and invests alongside the funds of Deutsche Beteiligungs AG in well-positioned mid-sized companies with potential for development. Deutsche Beteiligungs AG focuses on industrial sectors in which Germany's 'Mittelstand' is particularly strong on an international comparison. With its experience, expertise and equity, Deutsche Beteiligungs AG supports the portfolio companies in implementing corporate strategies that sustainably create value. Its entrepreneurial approach to investing has made Deutsche Beteiligungs AG a sought-after investment partner in the German-speaking world. Assets under management or advice by the Deutsche Beteiligungs AG Group amount to approximately 1.8 billion euros.

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