

P R E S S R E L A S E

Deutsche Beteiligungs AG invests in Vitronet Projekte GmbH

- **Services for the telecommunications sector: buildout of fibre optic networks**
- **First management buyout by DBAG ECF**
- **Opportunities resulting from ongoing strong demand for high-speed Internet on fibre optic basis**

Frankfurt am Main, 24 April 2017. Deutsche Beteiligungs AG (DBAG) will invest in Vitronet Projekte GmbH, a services provider to the telecommunications sector, the Company announced today. The DBAG-managed fund DBAG ECF will acquire the interests in Vitronet Projekte GmbH from Vitronet Holding GmbH. Vitronet Holding GmbH now intends to focus on its second business line, where it operates the market-leading online business platform for telecommunications services in the form of broadband connections in Germany. DBAG will provide up to 8.5 million euros from its balance sheet for its co-investment and will indirectly hold approximately 40 percent in Vitronet Projekte GmbH. In addition to DBAG ECF, Vitronet's management and senior executives will also acquire interests in the company. The purchase contract is expected to close in May 2017; it is still subject to approval by the cartel authorities. The parties agreed not to disclose the purchase price.

This is the first time that DBAG ECF, closed in 2011, has structured a management buyout. After expanding its investment criteria last year, the fund now also selectively provides capital for MBOs; the fund's equity capital investments range from 10 to 30 million euros. Previously, the fund invested exclusively in minority stakes in family-owned businesses in order to finance growth in these companies.

Vitronet Projekte GmbH is a one-stop shop that provides all services required for broadband buildouts. In addition to the planning and servicing later on, the product portfolio includes network construction through sub-contractors. Its activities focus on new fibre optic networks and upgrades of existing networks. Its customer base primarily consists of energy suppliers and municipalities. It employs a staff of about 100. Some 50 employees work at the company's headquarters in Essen; its remaining personnel are located at five other sites in Germany.

Founded in 2001, the company has forecast revenues of approximately 36 million euros for 2017, based on orders at hand. Revenues are expected to grow at a double-digit rate in coming years. The company's business opportunities derive primarily from the high demand for fast, high-performance Internet access. In Germany, less than ten percent of households have a fibre optic connection. The network buildout is one of the government's priority infrastructure projects and extensive funding has been earmarked to realise it. Other market drivers are the upgrading of mobile networks (from LTE to 5G) and of the networks maintained by cable operators.

"Vitronet Projekte GmbH benefits from the widespread awareness of the company and its excellent reputation as a services provider to the telecommunications sector," said Torsten Grede, Spokesman of the DBAG Board of Management, at today's signing. "The company is one of the few able to provide the entire range of services needed to build larger fibre optic networks. That is an excellent platform for growth." Grede underscored the experience Deutsche Beteiligungs AG has in the telecommunications sector. Its portfolio includes DNS:net and inxio, two telecommunications companies that build and operate fibre optic networks in rural areas and provide high-speed Internet connections there. "We intend to bring the experience gained from these portfolio companies to our new investment," Grede said.

"We expect strong growth in the coming years and therefore want to focus more strongly on developing our internal processes and structures to provide sophisticated telecommunications services to our customers," said Thomas Simon, CEO of Vitronet Projekte GmbH, and added: "We have an experienced partner in DBAG who is able to back us in that."

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

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