

PRESS RELEASE

Deutsche Beteiligungs AG invests in Dantherm Group

- **Leading European provider of heating, cooling, drying, ventilation and air cleaning technology**
- **Fourth investment of DBAG Fund VIII**
- **Continuation of international buy-and-build strategy**

Frankfurt/Main, 24 August 2021. Deutsche Beteiligungs AG (DBAG) invests in Dantherm Group (Dantherm). The Danish headquartered company with subsidiaries in 10 European countries offers heating, cooling, drying, ventilation and air cleaning (HVAC) products and solutions. DBAG Fund VIII, advised by DBAG, is acquiring the majority of the shares in Dantherm from a fund managed by Swedish private equity house Procuritas. Like DBAG, Procuritas focuses on investments in medium-sized companies. DBAG will be investing up to around 28 million euros alongside DBAG Fund VIII, thereby holding a stake of up to 14 per cent in Dantherm. Dantherm's management team will retain a stake in the company. Consummation of the purchase agreement is subject to approval by the competent antitrust authorities; closing is expected in the fourth calendar quarter of 2021. The parties have agreed not to disclose the terms of the sale.

The Dantherm investment is the fourth investment of DBAG Fund VIII, which has been investing in medium-sized companies for around twelve months. Including the investment in Dantherm, DBAG Fund VIII is now 26 per cent invested. Its regional investment focus is on Germany, Austria, and Switzerland; however, up to 25 per cent of the fund volume may also be invested in other European countries.

Annual revenue growth of 30 per cent – Attractive market trends

The market for portable and fixed heating, cooling, drying, ventilation and air cleaning (HVAC) solutions is growing at a steady annual rate of between four and six per cent, without any significant fluctuations. Dantherm (www.danthermgroup.com) is one of the leading providers in this market, whose growth is driven by climate change and the wellness trend, as well as stricter regulations for more efficient energy use. The company was founded in 1958 as a manufacturer of heating products. It has constantly expanded its product range over the years, mainly through acquisitions, and is today a leading international player in the development and manufacture of mobile and fixed HVAC products for a number of different applications and industries. Products include highly energy efficient evaporative cooling systems, mobile dehumidifiers for water damage

restoration, virus air cleaners, heaters for a variety of temporary applications and installed climate solutions for pools, industrial applications and residential ventilation.

Dantherm operates three main production facilities in Denmark, Italy and the UK and employs around 600 people. At 30 per cent, the DACH region (Germany, Austria and Switzerland) accounts for the majority of sales. A further 20 per cent is generated in the Scandinavian countries. Dantherm's products are distributed in over 50 countries worldwide.

Since its acquisition by financial investor Procuritas in 2016, Dantherm's sales have grown by around 30 per cent annually, to 148 million euros in 2020. The acquisition of close to 20 companies during this time have contributed to this growth, along with strong market trends in general. "We want to support Dantherm in pursuing its organic growth and buy-and-build strategy," announced DBAG Management Board member Jannick Hunecke at the contract signing. "The market in Europe remains very fragmented, presenting us with the opportunity to expand our product portfolio and regional market coverage through acquisitions." DBAG sees further potential for value enhancement over the period of DBAG Fund VIII's investment, through greater integration between the companies recently acquired by Dantherm.

"Over the past six years we have transformed Dantherm to become a market leading provider of climate control products and solutions. In DBAG and DBAG Fund VIII, we have gained a new and strong partner with whom we can fully implement our growth strategy," Bjarke Brøns, CEO of Dantherm, said today. "We see significant market opportunities within our business and are excited to continue the development of Dantherm in the future drawing on DBAG's extensive industry knowledge and experience in implementing buy-and-build strategies."

Deutsche Beteiligungs AG, a listed private equity company, initiates closed-end private equity funds, and itself invests alongside those funds predominantly in well-positioned mid-market companies with development potential. For many years, DBAG's focus has been on industrial sectors. A growing portion of DBAG's equity investments is now deployed in the growth sectors of broadband/telecommunications, IT services/software and healthcare. Its long-term, value-enhancing entrepreneurial investment approach makes DBAG a sought-after investment partner in the German-speaking world. DBAG Group's assets under management or advisory amount to 2.6 billion euros.

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