

P R E S S R E L A S E

Deutsche Beteiligungs AG invests in netzkontor nord GmbH

- **Services for the telecommunications sector: construction of fibre-optic networks and network management**
- **Strong investment progress of DBAG ECF**
- **Supporting organic growth and acquisitions**

Frankfurt am Main, Germany, 15 January 2018. Deutsche Beteiligungs AG (DBAG) will invest in netzkontor nord GmbH (netzkontor), a provider of services for the telecommunications sector. The DBAG-managed fund DBAG ECF will acquire the majority of shares in netzkontor as part of a management buyout (MBO). The company's founders and current sole owners, Dirk Müller and Peter Schmidt, will retain the remaining shares and continue to serve as the company's managing partners. For its co-investment alongside DBAG ECF, DBAG will invest up to 4.6 million euros from its balance sheet. The purchase agreement was signed at the end of December and is due to be carried out in January 2018. The parties have agreed not to disclose the purchase price.

netzkontor is already the second investment of DBAG ECF since the start of its first new investment period, referred to as DBAG ECF I, in June 2017. Therefore, more than a quarter of the committed capital has been called.

netzkontor (www.netzkontor-nord.de) was established in 2008 and operates in two different business segments with around 100 employees. Under the "netzkontor" brand, the company offers a range of services relating to the planning and supervision of fibre-optic network construction. Its subsidiary OpenXS handles network management for operators of fibre-optic networks. netzkontor currently focuses on the region of Schleswig-Holstein, where it maintains two further locations in addition to its headquarters in Flensburg. Having recently opened an office in Schwerin, the company is now also active in Mecklenburg-Western Pomerania. In 2017, netzkontor generated sales of approximately eight million euros.

The demand for fast Internet connections is increasing among both private households and companies. However, broadband coverage has so far expanded at a sluggish pace in Germany in comparison with other European countries. The German government is therefore providing subsidies for this. More than 40 million households in Germany have not yet been connected to a fibre-optic

network. In this favourable market environment, netzkontor is benefiting from its strong reputation as a reliable, high-quality provider and from its project management expertise. The plan is to further drive forward the company's regional expansion and the diversification of its customer base, including by means of acquisitions.

“With the MBO of netzkontor, DBAG is investing in a well-positioned service provider in a fast-growing market,” explained Torsten Grede, Spokesman of the DBAG Board of Management, when the contract was signed. “We want to support the company in its further development using the expertise that DBAG has gained from its current trio of investments in this sector.”

“It is anticipated that netzkontor will continue to benefit from the positive market trend and rising demand for broadband connections,” remarked Peter Schmidt, a managing partner of netzkontor. “In DBAG, we have found an experienced partner whose support will make it even easier for us to take the necessary developmental steps.”

The listed Deutsche Beteiligungs AG initiates closed-end private equity funds and invests alongside the DBAG funds in well-positioned mid-market companies with growth potential. DBAG focuses on those industry sectors where Germany's "Mittelstand" is particularly strong in international comparison. With its experience, expertise and equity, DBAG supports the portfolio companies in implementing a long-term and value-enhancing corporate strategy. Its entrepreneurial investment approach makes it a sought-after investment partner in the German-speaking world. The DBAG Group manages and advises capital amounting to around 1.8 billion euros.

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