

PRESS RELEASE

Deutsche Beteiligungs AG: A welcome increase in value, due to positive performance of the portfolio companies

- **Net asset value of Private Equity Investments increases by 3.6 per cent, to 437.3 million euros in the first quarter**
- **Net income from Fund Investment Services of 4.8 million euros**
- **One new MBO, plus six acquisitions**
- **Forecast for the full year unchanged**

Frankfurt/Main, 10 February 2021. Most companies in the portfolio of Deutsche Beteiligungs AG (DBAG) expect higher revenues and earnings in 2021: as a result of the largely positive operating performance of its investments, the net asset value of DBAG's Private Equity Investments rose to 437.3 million euros, up 3.6 per cent compared to the beginning of the financial year. The Fund Investment Services segment achieved earnings of 4.8 million euros before taxes, compared to 1.7 million euros for the same quarter of the previous year. Earnings before taxes in the Private Equity Investments segment amounted to 20.1 million euros, compared to -1.9 million euros for the same quarter of the previous year. Given the positive balance of net gains and losses on measurement and derecognition, as reported in advance, DBAG posted a net gain of 24.9 million euros for the first three months of the 2020/2021 financial year (first quarter of 2019/2020: -0.2 million euros).

DBAG's key performance indicators, net asset value of Private Equity Investments and income from Fund Investment Services, as well as the Group's net income, are all within the range of the guidance published at the end of November 2020 for the first quarter of 2020/2021. DBAG always points out that the results of a single quarter cannot be extrapolated to the financial year as a whole.

Most of the companies expect significantly improved performance compared to the previous year. This applies not only to companies whose business models benefit from the trend towards digitalisation, but also to manufacturers of industrial components and investments in the automotive supply industry. The value contribution from the companies' largely positive operational performance was partially offset by capital market effects. At the latest reporting date, in particular those multiples used by DBAG to value investments linked to manufacturing businesses and related service providers were around two points lower than on 30 September 2020.

Net income from Fund Investment Services of 4.8 million euros benefited from the significantly higher asset base used to calculate income from Fund Investment Services, compared to the same quarter of the previous year (1.7 million euros). Since the start of the investment period of DBAG's most recent fund (DBAG Fund VIII) in August 2020, assets under management and advisory now total 2.5 billion euros. This figure was 1.7 billion euros a year ago.

"Our portfolio contains a number of companies that we have been supporting over a longer period of time now; in some cases, change processes are now at a very advanced stage – which is why we continue to work on disposals this year", states DBAG's quarterly statement published today. Since the start of the financial year, DBAG's investment team has supported several company acquisitions made by its portfolio companies. In addition, radiology group blick – an MBO of DBAG Fund VII – spun off its nephrology unit: representing the fund's tenth investment, the plan is to develop operasan GmbH as a standalone healthcare platform investment, using a buy-and-build strategy.

"We are seeing strong activity in the M&A market and are confident that we can continue to invest as planned in the coming months," commented CFO Susanne Zeidler during today's presentation of the quarterly figures, highlighting that DBAG and DBAG funds have around one billion in equity ready for investment. "Having agreed a further credit line in the last financial year, we are looking at other financing options, on the equity side perhaps." She went on to say that "new investments will increase DBAG's enterprise value over the medium term – for the current financial year, we are sticking to our cautious forecast despite the good start to 2020/2021, because the uncertainty and challenges presented by the pandemic have by no means diminished over the past few weeks."

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 2.5 billion euros.

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