

## PRESS RELEASE

### **DBAG agrees strategic partnership with ELF Capital Group, expanding its range of flexible financing solutions**

- **Significant development for DBAG, through partnership with the leading German private debt provider**
- **The partnership will create an even more powerful and attractive partner for institutional investors around the world**
- **Co-investment of up to 100 million euros (as a limited partner) in ELF Capital funds**
- **DBAG and ELF Capital have a distinct strategic and cultural fit, with a strong focus on financing mid-market companies in Europe**

**Frankfurt/Main, 15 September 2023.** Deutsche Beteiligungs AG (DBAG) has entered into a partnership with ELF Capital Group (ELF Capital), thereby expanding its range of flexible financing solutions for mid-market companies to include private debt. For this purpose, DBAG will acquire a majority stake in ELF Capital, which includes ELF Capital Advisory GmbH based in Frankfurt/Main. The parties have agreed not to disclose terms of the transaction, to the extent legally possible.

ELF Capital Advisory GmbH advises funds providing flexible private debt financings to established, market-leading medium-sized enterprises with a geographical focus on the Germany, Austria and Switzerland (“DACH”) region, the Benelux countries and Scandinavia. The partnership with DBAG offers both companies the potential to generate rapid and sustainable growth, and to realise synergies.

DBAG intends to invest 100 million euros in ELF Capital funds as a limited partner, similar to DBAG’s established practice of co-investing alongside DBAG funds.

Within the scope of the partnership, Christian Fritsch, founder and Managing Partner of ELF Capital Advisory GmbH, and Managing Partner Florian Wimpff will retain responsibility for the private debt business, and will continue to actively contribute to the company's development. Going forward, ELF Capital Advisory GmbH will be supported by the two members of DBAG’s Board of Management, Messrs Tom Alzin and Jannick Hunecke. The company will also benefit from DBAG’s operating and financial resources, as well as from its investor relationships and business network.

Supplementing DBAG's product range by adding private debt financing requires an extension of DBAG's corporate object. DBAG's Board of Management will submit the corresponding amendment to the Memorandum and Articles of Association to DBAG's General Meeting, for the passing of a resolution.

Closing of the transaction and first-time consolidation of ELF Capital are envisaged for the first quarter of the financial year 2023/2024 – subject, in particular, to the amendment of DBAG's corporate object.

The transaction provides for a gradual increase in DBAG's stake in ELF Capital Group to 100 per cent over the next five years. According to DBAG's current assessment, derived from the purchase agreement, the present value of the initial investment amounts to 12.2 million euros. The total purchase price for the increase in the stake to 100 per cent will depend upon ELF Capital Group's further business development.

Established in 2020, ELF Capital Group offers flexible tailor-made financing solutions for established, market-leading medium-sized enterprises with a geographical focus on the Germany, Austria and Switzerland ("DACH") region. Loan facilities typically range between 10 and 50 million euros.

"This strategic partnership will significantly broaden our range of financing solutions for SMEs. The partnership with ELF Capital underscores our focus on growth by scaling our platform, and will further boost value creation for our shareholders", said Tom Alzin, Spokesman of the Board of Management of Deutsche Beteiligungs AG.

Christian Fritsch, founder and Managing Partner of ELF Capital, stated: "This is an outstanding partnership that will enable ELF Capital to accelerate its growth, to capitalise on the growing opportunities we see in the credit markets, and to develop new solutions for our clients. At the same time, we will benefit from DBAG's operating and financial resources, its investor relationships and business network. We are proud and excited to partner with one of the leading private equity players in the DACH region", he added.

"Products, networks as well as clients will benefit from this partnership, which is built on a distinct strategic and cultural fit. We look forward to joining forces with the ELF Capital team, to achieve our common goals", added Jannick Hunecke, member of the Board of Management of Deutsche Beteiligungs AG.

### **Strategic and financial rationale**

- **For DBAG, the partnership brings a key evolution of its business model, to include private debt:** the ELF Capital Lending Fund supports companies, owners, investors and management teams through flexible

and tailor-made solutions matching their financing needs. The new partnership will provide mid-sized enterprises with financing solutions across the entire capital structure.

- **Enhancing the capital-raising capabilities, creating an even more powerful partner for limited partners (Limited Partner) around the world:** thanks to a more broadly diversified product range, DBAG will further expand the financing offers of the funds it advises, thus deepening business relationships. Limited Partner will benefit from a broader range of investment opportunities and a wider spectrum of return profiles.
- **Building a broader network of mid-sized enterprises:** ELF Capital contributes an attractive lending network which complements DBAG's business. This will open up interesting opportunities for deepening and strengthening business relationships across the various platforms.
- **Very strong strategic and cultural fit:** ELF Capital's corporate culture is consistent with DBAG's core values: excellence, integrity, respect, transparency and openness. Both companies have grown organically; both structure customised financing solutions for medium-sized businesses.

*Deutsche Beteiligungs AG (“DBAG”) has been listed since 1985 and is one of the most renowned private equity firms in Germany. As an investor and fund advisor, DBAG traditionally focuses on mid-market companies in Germany, Austria and Switzerland (the DACH region), and especially on well-positioned companies offering growth potential. DBAG's sector focus is on manufacturers, industrial service providers and IndustryTech enterprises – businesses whose products facilitate automation, robotics and digitalisation – as well as on companies from the broadband telecommunications, IT services, software and healthcare sectors. With its Milan office, DBAG has also maintained a presence in Italy since 2020. DBAG Group's assets under management or advisory amount to approximately 2.5 billion euros (prior to the transaction).*

*Deutsche Beteiligungs AG  
Corporate Communications · Roland Rapelius  
Untermainanlage 1 · 60329 Frankfurt/Main, Germany  
Telephone +49 69 95787-365 · +49 151 26663172 (mobile)  
E-mail: roland.rapelius@dbag.de*