

PRESS RELEASE

Deutsche Beteiligungs AG invests in in-tech GmbH

- **Fast-growing technology business**
- **Sixth investment of DBAG Fund VIII**
- **Investment in an IT services company**

Frankfurt/Main, 11 January 2022. Deutsche Beteiligungs AG (DBAG) invests in in-tech GmbH (in-tech), a technology company for engineering services and software. Via a management buyout (MBO), DBAG Fund VIII – advised by DBAG – will acquire the majority of the shares from the company’s two founders. It is envisaged that DBAG will invest around 15 million euros alongside the fund, which means that it will hold a stake of around 15 per cent. Consummation of the purchase agreement is subject to approval by the competent antitrust authorities; closing is expected in the current first quarter. The parties have agreed not to disclose the terms of the sale. The founders will continue to hold a non-controlling interest in in-tech, and one of them will continue to manage the company.

The MBO of in-tech is the sixth investment of DBAG Fund VIII. The fund has been investing in mid-market companies for one and a half years now; including the investment in in-tech, round 43 per cent of DBAG Fund VIII will be called. Its regional investment focus is on Germany, Austria, and Switzerland; however, up to 25 per cent of the fund’s volume may be invested in other European countries.

in-tech (www.in-tech.com) provides technological and organisational advisory and engineering services worldwide. The company's engineers and software developers conceive, create, test, and validate electronic components integrated into vehicles, machines and transport systems. The lion’s share of revenues (90 per cent) is generated in the automotive and related supply industries through development services spanning five areas: electronics integration, driver assistance systems, driving dynamics, solutions for connected cars and infotainment, and electric mobility. in-tech supports manufacturers throughout the entire development process of new systems, often taking charge of the test management for entire system prototypes or vehicle series.

in-tech was founded in 2002; the first branch offices abroad (in China and the United States) were established in 2013. Over the past five years, revenues increased by an average of twelve per cent per annum to around 110 million euros (2021; preliminary figure). This led to the creation of numerous jobs: the

number of employees rose over the same period by 75 per cent to around 1,450. Nowadays, the company operates 14 German and nine international sites across eight countries. The most important branch offices outside Germany are those in China and Romania.

in-tech's growth prospects are promising: trends such as autonomous driving, connected cars, electrification and shared mobility are expediting digitalisation in the automotive industry, and are generating growth rates which in some cases reach the double-digit range. This raises expectations of a dynamic demand for hardware, software and testing services. "We also want in-tech to grow through acquisitions," said Jannick Hunecke, member of DBAG's Board of Management, referring to the MBO. "With our M&A experience, we can contribute to rapidly expanding the competence profile of the new investment and its client base – going beyond the automotive industry." Add-on acquisitions have been a significant part of DBAG's further development strategies for years: in 2021 alone, 12 investments of the DBAG portfolio completed 25 acquisitions.

Christian Wagner, one of in-tech's two managing partners: "We are working towards the goal that in future all cars will be autonomous, electrical and connected, and we are developing smart mobility solutions for tomorrow – for example, for the digital train, carsharing, or electric mobility," said the 42-year-old company founder. "With DBAG and DBAG Fund VIII, we can benefit from new strategic opportunities to continue our company's dynamic development – this will also lead to a further expansion of our national and international sites and, as a result, to more jobs."

Deutsche Beteiligungs AG, a listed private equity company, initiates closed-end private equity funds, and itself invests alongside the DBAG 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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