

PRESS RELEASE

Deutsche Beteiligungs AG: Brisk investment activity

- **Net asset value of Private Equity Investments increases by four per cent, to reach 704.5 million euros in the first quarter**
- **Earnings from Fund Investment Services of 3.7 million euros**
- **Lower multiples burden net measurement gains and losses**
- **Forecast for the full year unchanged**

Frankfurt/Main, 10 February 2022. Deutsche Beteiligungs AG (DBAG) has reported brisk investment activity during the first quarter of the 2021/2022 financial year. With *freiheit.com* and *in-tech*, DBAG has agreed two management buyouts (MBOs) alongside DBAG Fund VIII that will increase the share of growth companies from the IT services/software sector in DBAG's portfolio. Existing portfolio companies closed eleven acquisitions between October and December and agreed on another three.

The good start into the financial year, however, has been tempered by the impact of capital markets developments. DBAG uses capital market multiples of peer-group companies to measure the value of its portfolio. With these multiples down, DBAG's portfolio valuation was markedly affected, as already communicated. Net asset value of Private Equity Investments nonetheless increased to 704.5 million euros (up four per cent from the beginning of the financial year) following receipt of previously deferred advisory fees of around 28 million euros in the first quarter of the 2021/2022 financial year. The Fund Investment Services segment generated earnings of 3.7 million euros before taxes (Q1 2020/2021: 4.8 million euros). Earnings before taxes in the Private Equity Investments segment amounted to -11.9 million euros, compared to 20.1 million euros for the same quarter of the previous year. Given the negative balance of net gains and losses on measurement and disposal, DBAG posted net income of -8.2 million euros for the first three months of the 2021/2022 financial year (Q1 2020/2021: 24.9 million euros).

A single quarter's results should not be extrapolated to the entire financial year. Reflecting DBAG's business model, results of individual periods may differ strongly, even in the case of consecutive periods.

After the first quarter of the financial year 2021/2022, DBAG's key performance indicators – net asset value of Private Equity Investments and earnings from Fund Investment Services, as well as net income – came in within the range of DBAG's full-year guidance, which was published in early December 2021 and

is unchanged. DBAG assumes in its forecast that there will be no significant deviation in valuation levels on the capital markets at the end of the 2021/2022 financial year from those at the time the forecast was made.

DBAG based its valuations as at the reporting date of 31 December on the planned results and other metrics of the 34 portfolio companies for the new financial year which – for the most part – expect a positive operating development.

The Fund Investment Services segment performed in line with expectations. At 3.7 million euros, earnings from Fund Investment Services reflect a recent increase in staffing levels, higher consultancy costs and the opening of DBAG's Milan office. Following the most recent disposals, assets under management or advisory amount to 2.3 billion euros (31 December 2020 and 30 September 2021: 2.5 billion euros).

“The high number of transactions over recent months serves to show that we developed a variety of attractive investment opportunities in Germany and Italy which will allow us to continue our solid investment progress,” Torsten Grede, Spokesman of the Board of Management, commented upon today's publication. DBAG's quarterly statement reads: “Substantial financial resources give us ample room to significantly increase our investment portfolio going forward.”

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 2.3 billion euros.

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