Deutsche Beteiligungs AG

PRESS RELEASE

Deutsche Beteiligungs AG looks back on a challenging financial year 2023/2024 – and ahead to promising prospects

- **Forecast for the 2023/2024 financial year achieved**
- **Net income of 47.5 million euros translates to 2.55 euros[1] per average share outstanding**
- **Net asset value per share[2] as at 30 September 2024: 37.59 euros, up 8.5 per cent[3] year on year**
- **Earnings from Fund Investment Services before interest, taxes and amortisation of intangible assets of 16.2 million euros**
- **Strong transaction activity, with nine transactions effected in the financial year 2023/2024**
- **Successful integration of ELF Capital**
- **Proposed dividend of 1.00 euro per share with dividend entitlement**
- **Strong liquidity: As of the reporting date, DBAG had financial resources and short-term securities of more than 150.4 million euros**

Frankfurt/Main, 28 November 2024. Deutsche Beteiligungs AG (DBAG) looks back on a challenging financial year 2023/2024. The net asset value per share[2] stood at 37.59 euros as at 30 September 2024 – an increase of 8.5 per cent [3] compared with the financial year 2022/2023. Net income of 47.5 million euros translates into earnings per share of 2.55 (undiluted)[1]. This means that DBAG achieved its forecast which it specified in July 2024. These developments are testament to DBAG's ability to exploit attractive opportunities for its fund investors, shareholders and the Company, even under challenging market conditions. DBAG consistently pursues the dividend policy adopted at the Annual General Meeting for the financial year 2022/2023. On top of a stable dividend, this policy includes the option of share buybacks that allow shareholders additional participation in the Company's positive development. Based on the results achieved in the year under review, the Company proposes distributing a dividend of 1.00 euro per share entitled to dividends. Taking the DBAG share's XETRA closing price of 25.20 euros on the reporting date of 30 September 2024, this translates into a dividend yield of approximately four per cent. The successful integration of ELF Capital was also noteworthy, with a

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[1] Earnings per share (basic) calculated in accordance with IAS 33 are based on net income divided by the average number of DBAG shares outstanding in the reporting period.
[2] Number of shares outstanding as at 30 September 2024: 18,310,297
[3] Adjusted for dividends

majority stake being acquired in the year under review. Having joined forces with ELF Capital, DBAG now offers a financing platform for mid-market companies, with an extensive, flexible range of financing products comprising equity and debt instruments. The successful integration is already evident in the deal flow, i.e. the number of potential transactions. The DBAG and ELF Capital teams have examined some 550 investment or financing opportunities since the beginning of 2024, a significant increase on the 236 potential transactions reviewed by DBAG the year before. This means that DBAG and ELF Capital were able to raise their profile further among mid-market companies as a strong financing platform offering a comprehensive range of services.

Strong performance despite challenging market conditions

DBAG successfully structured as many as nine transactions during the year under review. In particular, this includes the very successful disposal of in-tech, a technology company focused on software development, testing and validation. This was the first disposal of an investment by DBAG Fund VIII, one of the largest MBO funds in German-speaking Europe. in-tech was sold to IT management consultancy Infosys after an investment period of just two years. The disposal allowed DBAG to achieve an attractive return of more than three times the original investment.

Another transaction of note was the sale of Solvares, a leading provider of software solutions for resource and route optimisation – in this case, DBAG structured a continuation fund for the first time. As reported back in April 2024, Solvares' next growth phase will involve Five Arrows, a Rothschild & Co. division specialising in alternative investments, which will be assisting Solvares in its further development together with DBAG and the DBAG Continuation Fund.

As well as this, DBAG succeeded in entering into two new investments, in each case alongside the DBAG ECF IV fund: a new investment in ProMik was closed and another one agreed upon with UNITY. ProMik is a leading systems provider of programming and testing solutions for series production in the electronics industry. According to the renowned Lünendonk® 2024 list, UNITY is one of the 14 leading management consultancies in Germany. Leveraging its international profile, UNITY specialises in technology advice and digital transformation processes. Both transactions were entered into on the basis of bilateral negotiations, underlining the high quality and resilience of DBAG's network.

In addition, DBAG successfully sold R+S, structuring the first disposal of a Long-Term Investment in which DBAG exclusively invested funds from its own balance sheet. The shares were bought by NOKERA, a producer of buildings in serial and sustainable construction. DBAG reinvested a portion of the sale proceeds in a minority stake in NOKERA. This means that DBAG's equity investors and the Company itself will participate in the attractive growth prospects offered by the market for serial construction and energy-efficient refurbishment. Moreover, NOKERA was singled out for the 2025 German Sustainability Award in the construction industry category.

Since the majority acquisition, the ELF funds have structured a transaction for a healthcare company domiciled in Ireland. Here, the company's existing financing arrangements were repaid, also making way for further growth investments. Excellent collateralisation was agreed in addition to attractive financing terms. DBAG perceives excellent opportunities for comparable transactions over the medium and long term, having followed up on the strong transaction activity in the previous financial year, in both quantitative and qualitative terms.

Greater participation in DBAG's share performance

DBAG wants to allow shareholders to participate more in the Company's future business development. For this reason, a share buyback programme was resolved (and partially completed) during the year under review, with shares being repurchased at a significant discount to net asset value. The XETRA closing price for DBAG shares as at the reporting date of 30 September 2024 fell short of the net asset value per issued share by around one-third; this is based on a XETRA closing price of 25.20 euros and an NAV per share outstanding of 37.59 euros on the reporting date. DBAG's Board of Management considers this to be an attractive risk/opportunity profile.

Together with the debut placement of a 100 million euro convertible bond and promissory note loans raised, the Company intends to increase its stock market involvement through share repurchases. Decision criteria here will be market opportunities, the difference between net asset value and share price, and the Company's freely available financial resources. DBAG wants to use this as a flexible option to enable shareholders to participate to a greater degree in the Company's positive development.

Change to the financial year and outlook for DBAG

DBAG will change its financial year effective 1 January 2025, bringing it in line with the calendar year. Accordingly, the period from 1 October to 31 December 2024 is an abridged financial year.

Even though the macroeconomic environment requires prudent action, DBAG is optimistic about the future – not least thanks to its available liquidity resources – and about the medium- and long-term opportunities on the market. These include attractive relative valuations that enable DBAG, together with the companies, to develop sustainable growth strategies and to realise long-term value creation potential. Taking a forward-looking approach, DBAG has secured the necessary funds to be able to seize these opportunities. Against this background, DBAG diversified its funding structure in the year under review on a matched-maturity basis – including the debut convertible bond issue already communicated plus the promissory note loans raised. As at the reporting date, DBAG had financial resources and short-term securities of 150.4 million euros at its disposal; available credit lines were not drawn upon.

As regards business development in the Fund Investment Services segment, DBAG forecasts earnings before taxes, depreciation and amortisation of between 2 and 4 million euros for the abridged financial year and between 8 and 13 million euros for the 2025 financial year. DBAG anticipates that net asset value will be between 645 and 755 million euros for the abridged financial year and between 665 and 780 million euros for the 2025 financial year. DBAG has high expectations of this key performance indicator over the medium term as well. Accordingly, net asset value is projected to be between 815 and 955 million euros by the end of the 2027 financial year.

Further information on the financial year 2023/2024 can be found in our today published annual report.

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 IT services, software, healthcare, and environment, energy and infrastructure sectors. Since 2020, DBAG has been present on the Italian market, providing its services from its office in Milan. DBAG Group's assets under management or advisory amount to approximately 2.7 billion euros. ELF Capital has expanded DBAG's range of flexible financing solutions for mid-market companies to include private debt.

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