

PRESS RELEASE

Bertelsmann's Investments in Digital Startups Exceed One Billion Euros

- **Bertelsmann Investments' global network grows to nearly 200 shareholdings**
- **One billion euros invested since 2006**
- **Sales proceeds of more than €600 million realized**

Gütersloh, July 1, 2019 - Bertelsmann expands its global network of shareholdings in startups. Through its four funds – Bertelsmann Asia Investments (BAI), Bertelsmann India Investments (BII), Bertelsmann Brazil Investments (BBI), and Bertelsmann Digital Media Investments (BDMI) – the media, services and education group now owns stakes in close to 200 companies and funds. The funds' activities have been pooled in the Bertelsmann Investments division since 2016.

Since the launch of the first fund, BDMI, in 2006, Bertelsmann has invested around one billion euros in young digital companies with innovative business models via its corporate funds. The financial returns, especially from disposals, amounted to more than €600 million in the same period.

Thomas Rabe, Chairman and CEO of Bertelsmann, comments: "Our fund activities are an entrepreneurial success story. First, they give us early insights into new business models, technologies and markets, especially in our strategic growth regions. And secondly, our funds make a significant contribution to Group profit. The returns are already considerable. We will continue to invest heavily in our fund businesses and expand our global network."

The startups bundled in the Bertelsmann Investments division are active future oriented businesses: They create innovative media offers, provide services in e-commerce, or operate in areas such as fintech and education. More than 100 Bertelsmann Investments holdings are active in China, with a further focus on North America and the strategic growth regions of India and Brazil. In addition, Bertelsmann recently expanded its focus on investment opportunities in Africa and Southeast Asia. At the beginning of the year, Bertelsmann Investments invested in the African fund of the venture capital investor Partech.

Bertelsmann Investments' funds have so far supported eleven IPOs of direct investments, nine of them in the U.S. and two in Hong Kong. In 2018, three direct BAI investments went public: the used-car portal Tuanche on the NASDAQ, the discount platform Meituan Dianping on the Hong Kong Stock Exchange (HKEX), and the fashion e-commerce platform Mogu on the New York Stock Exchange (NYSE).

Bertelsmann Asia Investments (BAI) in China is the most active fund. Founded in 2008, the fund has invested in more than 130 startups over the past ten years. Several of them are now listed on various stock exchanges. Among other, BAI owns a stake in one of China's largest music platforms, NetEase Cloud Music. BAI won numerous awards for its activities again in 2018, including being named one of the best foreign funds and one of the best

fintech funds by ChinaVenture. CBNWeekly lists BAI as one of China's Top 5 venture capital funds.

Bertelsmann India Investments (BII) focuses its investments in the e-commerce marketplace, Fintech, education, and healthcare sectors, among others. The fund's holdings include the fintech company Lendingkart and Agrostar, a mobile platform for farmers. In the higher education sector, BII is invested in the training company Eruditus Executive Education and the education provider iNurture.

Bertelsmann Brazil Investments (BBI) pools the Group's investment activities in the strategic growth region of Brazil. Through BBI, Bertelsmann participates in several funds, including as a strategic partner in the "Bozano Educacional 2" fund for investments in the field of medical education. The company also makes direct investments in the South American country: In 2015, Bertelsmann acquired a stake in Afferolab, Brazil's leading provider of corporate training. Today, it's wholly owned by Bertelsmann.

Bertelsmann Digital Media Investments (BDMI) is a venture capital fund that invests specifically in innovative, up-and-coming companies in next-gen media, next-gen brands, enterprise software, and fintech in the United States. The portfolio encompasses over 60 investments, including startups such as the sports portal The Athletic, the next-generation publisher Clique Media, the e-commerce company Food52, and the online video marketer Jukin Media.

More information: <http://www.bertelsmann-investments.com/de/>

About Bertelsmann

Bertelsmann is a media, services and education company that operates in about 50 countries around the world. It includes the broadcaster RTL Group, the trade book publisher Penguin Random House, the magazine publisher Gruner + Jahr, the music company BMG, the service provider Arvato, the Bertelsmann Printing Group, the Bertelsmann Education Group and Bertelsmann Investments, an international network of funds. The company has 117,000 employees and generated revenues of €17.7 billion in the 2018 financial year. Bertelsmann stands for creativity and entrepreneurship. This combination promotes first-class media content and innovative service solutions that inspire customers around the world.

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