

NBPE Announces 30% NAV Total Return in Eight Months to August 2021

20 September 2021

Record level of realisations and continued excellent performance across the portfolio drives 30% Net Asset Value Total Return in 2021

NB Private Equity (NBPE), the \$1.3bn listed private equity investment company managed by Neuberger Berman, today releases its 31 August 2021 monthly NAV update and the 2021 Interim Financial Report.

Key highlights and commentary are below and the complete report can be found on the Company's website – www.nbprivateequitypartners.com

Highlights (at 31 August 2021)

- NAV per share of \$28.36 (£20.61) - a 29.7% total return in 2021
- Record level of realisations announced - \$300 million in total expected proceeds
- 10 full and partial realisations at an aggregate 75% uplift to carrying value at 31 December 2020 and a 3.3x multiple of cost
- Strong operating performance – weighted average LTM company Revenue growth of 17.7% and LTM EBITDA growth of 15.6%
- Investing for future growth - \$40m invested into four companies and a further \$63 million committed to three additional new companies
- Robust liquidity - \$354 million of cash and undrawn credit line available
- \$0.72 of dividends paid in the eight months, delivering 3.2% annualised yield

At 31 August 2021*	YTD	1 year	3 years	5 years	10 years
NAV TR	29.7%	58.6%	75.0%	127.4%	253.0%
Share price TR	45.1%	85.8%	61.8%	148.7%	390.3%

*Reflects cumulative returns over the time periods shown and are not annualised.

Commenting on the results, Peter von Lehe, Head of Investment Solutions and Strategy, Managing Director, Neuberger Berman said: “During the first six months, NBPE’s portfolio has continued to build on its strong performance in 2020, with the direct equity investments generating attractive returns. Performance was predominantly driven by realisation activity and third-party financing, with \$300 million of realisations announced primarily from 10 full or partial exits and strong uplifts across a number of investments.”

“NBPE has demonstrated its ability to perform well in a challenging environment through the pandemic, benefiting from our focus on investing in companies portioned for long term secular growth trends, as well

as companies within industries with low cyclicity. Given the vintage year profile and performance of the portfolio, we believe a number of companies are well positioned for near term exits.”

Paul Daggett, Managing Director, Neuberger Berman, added: “Constellation Automotive and Autostore drove significant value for the portfolio in the first half of 2021. Constellation owns webuyanycar, Cinch and BCA Marketplace, and is Europe’s largest vertically integrated digital used car marketplace. Autostore is a market-leading automated storage and retrieval system which uses warehouse robots for 24/7 order fulfilment. As our two largest investments, we hold material positions in both companies and are very optimistic on their future prospects.

“Beyond these two investments, the broader portfolio is also performing very well and is well positioned to continue to deliver value. We continue to make selective new investments with ESG considerations fully integrated into our due diligence process.”

Business review (at 31 August 2021)

NBPE has continued to build on its strong performance, with NAV increasing to \$1.3 billion (\$28.36 per share) a 29.7% total return year to date¹

- After incorporating June 2021 private company valuation information
 - 30 June 2021 NAV per share of \$28.65, a \$274.9 million, or \$5.88 per share, increase relative to 31 December 2020²
 - Additional \$12.5 million, or \$0.27 per share, NAV increase in July and August attributable to changes in public company valuations, FX rates and interest accruals
 - \$19.2 million dividend paid in August 2021
 - \$6.9 million of expenses, fee accruals, ZDP accrual and credit facility expenses during July and August 2021

Performance driven by the direct equity portfolio, which now represents 90% of Fair Value

- Investment portfolio valued at \$1.5 billion, 110% of NAV
 - Direct equity portfolio valued at \$1.3 billion
 - Income investments valued at \$125 million
- Two largest write ups, Autostore and Constellation Automotive (formerly BCA), together contributed \$174 million of gains
 - Partial realisation of Autostore in April 2021 generated proceeds of \$51 million, which when combined with the value of NBPE’s continuing holding resulted in an uplift of \$95 million
 - Constellation Automotive was written up by \$80 million to \$103 million, following a capital raise by Cinch, its business to consumer online car marketplace
- LTM weighted average revenue growth of 17.7% to June 2021³

¹ Including the payment of dividends of \$0.31 per share in February 2021 and \$0.41 per share in August 2021.

² 5.7% uplift relative to the originally issued 30 June 2021 monthly NAV estimate.

³ Analysis based on 63 private companies. Data represents 75% of direct equity investment fair value within the dataset and excludes public companies. Five companies were excluded from revenue growth metrics and eight companies were excluded from

- Largest sector drivers of portfolio revenue growth were business services, industrials, and consumer
- LTM weighted average EBITDA growth of 15.6% to June 2021²
 - Business services, consumer, and industrials saw the largest overall increases

Realisations from the portfolio at record level with continued momentum

- \$300 million of realisations from the portfolio driven by announced full and partial realisations of 10 companies
- \$170 million of gains - aggregate uplift of 75% to December 2020 value; 3.3x multiple to cost
 - \$167 million (\$3.55 per share) has been incorporated to date
 - Further \$3 million (\$0.06 per share) is expected in the coming months as transactions close
- Performance further extends the portfolio's track record of uplifts to carrying value and cost – 2.8x and 24% over five years
- Weighted average holding period of 3.3 years; the portfolio is within the window of the three to five year holding period that is typically targeted by most private equity sponsors

Over \$100 million invested or committed in 2021 - four new investments made, with a further three expected to close in Q4

- \$40 million invested into four new companies, including
 - \$15 million invested in Ironsource a market leading business platform for app developers, well positioned to capture secular tailwinds of mobile device growth
 - \$12 million invested in RealPage a market leading software developer of software solutions for the rental housing industry. With mission critical products, it offers the opportunity for operational enhancements backed by a successful M&A track record
 - \$10 million invested in Peraton which provides enterprise IT services serving the US government, with an attractive financial profile backed by its differentiated intellectual property portfolio and clear growth potential
- \$63 million committed to three new companies in the consumer, software and industrials sector

Maintaining secure/ample liquidity, without constraining new investment pipeline for future growth

- \$354 million of available liquidity (\$54 million cash, \$300 million of undrawn credit line)
 - Expected unfunded commitments of \$88 million and a 404% coverage
- \$206 million of proceeds received in the year to date with eight of the 10 transactions closed
- An additional \$94 million is expected in the coming months as transactions close

EBITDA metrics, totaling \$35 million and \$51 million of value, respectively, due to anomalous percentage changes or incomplete information. Portfolio company operating metrics are based on the most recently available (unaudited) financial information for each company and based on as reported by the lead private equity sponsor. Where necessary, estimates were used, which include pro forma adjusted EBITDA and other EBITDA adjustments, pro forma revenue adjustments, run-rate adjustments for acquisitions, annualised quarterly operating metrics and all data is based on LTM periods as of 30/6/21 and 30/6/20.

Dividend

- Consistent dividend policy targets an annualised dividend payment of 3.0% of NAV
 - Total dividends of \$0.72 paid in 2021
 - Annualised share price yield of 3.2%

Valuation metrics of underlying companies

- For companies valued on a trailing LTM basis⁴ at 30 June 2021, aggregate multiples were:
 - EV/EBITDA multiple - 15.2x
 - Net debt/EBITDA - 5.2x

Portfolio Valuation

The value of NBPE's portfolio as of 31 August 2021 was based on the following information:

- 18% of the portfolio fair value was valued as 31 August 2021
 - 15% in public securities
 - 3% in private direct investments
- 82% of the portfolio fair value was valued as of 30 June 2021
 - 81% in private direct investments
 - 1% in fund investments

Capital Markets Day Reminder

NB Private Equity Partners will host its virtual Capital Markets Day on 30 September 2021, details below:

Start: 14:00 BST

Finish: 16:00 BST

NBPE's directors and senior portfolio management team will present a detailed update on the portfolio and share their latest views on the private equity environment. Neuberger Berman's ESG team will also provide insights into NBPE's sustainable investment capabilities and principles and a portfolio summary. In addition, partners from two private equity firms will present, including case studies of NBPE portfolio companies. This will be followed by Q&A.

To register for the event, please contact IR_NBPE@nb.com. Registrants will receive meeting links and additional information closer to the event.

For further information, please contact:

⁴ Analysis based on 55 private companies which are valued based on EV/EBITDA metrics. Data represents 55% of direct equity investment fair value and excludes public companies. Portfolio company operating metrics are based on the most recently available (unaudited) financial information for each company and are as reported by the lead private equity sponsor. Companies not valued on multiples of trailing EBITDA and companies which have announced exits, but not yet closed are excluded from valuation and leverage statistics.

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About NB Private Equity Partners Limited

NBPE invests in direct private equity investments alongside market leading private equity firms globally. NB Alternatives Advisers LLC (the "Investment Manager"), an indirect wholly owned subsidiary of Neuberger Berman Group LLC, is responsible for sourcing, execution and management of NBPE. The vast majority of direct investments are made with no management fee / no carried interest payable to third-party GPs, offering greater fee efficiency than other listed private equity companies. NBPE seeks capital appreciation through growth in net asset value over time while paying a bi-annual dividend.

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About Neuberger Berman

Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager. The firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity, real estate and hedge funds—on behalf of institutions, advisors and individual investors globally. With offices in 25 countries, Neuberger Berman's diverse team has over 2,300 professionals. For seven consecutive years, the company has been named first or second in Pensions & Investments Best Places to Work in Money Management survey (among those with 1,000 employees or more). In 2020, the PRI named Neuberger Berman a Leader, a designation awarded to fewer than 1% of investment firms for excellence in Environmental, Social and Governance (ESG) practices. The PRI also awarded Neuberger Berman an A+ in every eligible category for our approach to ESG integration across asset classes. The firm manages \$433 billion in client assets as of June 30, 2021. For more information, please visit our website at www.nb.com.

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