

Press Release

DEWB invests in DirectPhotonics Industries

- **Highly efficient ultra-high brightness direct diode lasers for industrial materials processing**
- **3.3 Million Euro funding round with Falk Strasczeg Holding and IBB Beteiligungsgesellschaft**

Jena/Berlin, 6. November 2013 – Deutsche Effecten- und Wechsel-Beteiligungsgesellschaft AG (DEWB) has acquired shares of DirectPhotonics Industries GmbH, Berlin in their second financing round, in which the DEWB was the lead investor. Together with existing investors Falk Strasczeg Holding (EXTOREL), Munich and IBB-Bet. managed VC Fonds Technologie Berlin GmbH, Berlin, and the management, the new lead investor DEWB provided DirectPhotonics with a total of 3.3 million euro in new equity funding for the company's future growth. DEWB thereby acquired a share of 37.5 percent of the company.

Based in Berlin, DirectPhotonics develops, manufactures and markets innovative ultra-high brightness direct diode laser systems for industrial applications, which combine high beam quality with robust design and ease of manufacture. Based on patented technologies from the Fraunhofer Institutes ILT in Aachen and CLT in Michigan / USA, DirectPhotonics uses passive optical components to combine the radiation of each laser diode in an ultra-high brightness beam, rendering complex brightness converters such as fibers and disks unnecessary. DirectPhotonics' revolutionary approach couples the photons generated in the semiconductor into a delivery fiber to guide them directly to the work piece. In addition to the very compact design and the excellent technical flexibility, the laser systems are characterized by very high efficiency and reliability, with a significant reduction in operating costs compared to alternative concepts such as disk and fiber lasers. Application areas are in micro and macro material processing, especially cutting and welding of metals. Wavelength stabilization and a variety of available wavelengths also make the direct diode lasers suitable for use as pump sources.

"The innovative technology of DirectPhotonics' team as well as their years of experience in development and sales of lasers, both as successful entrepreneurs and at leading photonics companies have convinced us to invest," explains Bertram Köhler, CEO of DEWB. "The outstanding combination of brightness, high efficiency and very compact design of the direct diode laser demonstrates a great market potential to us, which is already underlined by existing orders from industrial customers," says Köhler.

After successful completion of prototypes, development of an innovative automated manufacturing process for serial production and winning the first reference customers in industry and research in the current fiscal year, DirectPhotonics' plan for 2014 is the

introduction of their lasers into the general market. The company was founded in 2011 by experienced managers of the laser industry and employs 20 employees at its headquarters in Berlin-Adlershof and its subsidiary DirectPhotonics, Inc. in Silicon Valley.

"Having DEWB as lead investor, with Falk Strasczeg and the IBB Beteiligungsgesellschaft participating again, gives us industry-experienced investors that will actively support DirectPhotonics further growth and development. We will use the resources of the current round of funding to transfer our 500 Watt module into series production as quickly as possible, and to enable production of modular laser systems of up to 2 Kilowatts in larger quantities to serve the customer demand," commented Wolfgang Gries, CEO and founder of DirectPhotonics.

DirectPhotonics is the second new engagement of the DEWB in 2013. DEWB is planning one further investment with a promising company in the current fiscal year. The investment focus is on technology-oriented small and medium-sized enterprises with a focus on photonics and sensor systems and their application in the fields of production and automation systems and related areas.

About DEWB

Deutsche Effecten- und Wechsel-Beteiligungsgesellschaft AG (DEWB AG, ISIN: DE0008041005) is a listed private equity house that specialises in young and established medium-sized companies. The investment activities are focused on high-growth companies from the areas of photonics and sensor technology as well as their fields of application in automation and industrial engineering and related areas for which DEWB provides support through shareholders' equity, expertise in corporate development and its sector network. Since 1997 DEWB has invested more than 360 million Euros in 57 companies and realized more than 465 million Euros through 42 exits, eight of which were in the form of IPOs. The company is located in Jena, one of the most successful technology and science regions in Germany, with a long-standing tradition in the field of optical technologies and one of the most important European centres for photonics. www.dewb.com

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About Falk Strasczeg

The focal investment area of Falk Strasczeg is private equity and venture capital. As an entrepreneurially-minded, active investor, Falk Strasczeg invests in young, innovative technology businesses with strong growth potential. His investments in currently more than 25 companies cover, among others, the electronics, laser and semiconductor sectors, information and web technology as well as new media and the cleantech field. The companies in the portfolio are characterised by exceptionally committed and dynamic management teams generating innovative ideas and products. EXTOREL is the single family office of Mrs. and Mr. Strasczeg. Characterized by independency, professionalism and a comprehensive range of services, EXTOREL provides integrated advice on all investment decisions.

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About IBB Beteiligungsgesellschaft mbH

The IBB Beteiligungsgesellschaft (www.ibb-bet.de) provides venture capital to innovative Berlin enterprises and has established itself as a market leader in the field of early stage financing in the location Berlin. The funds are used primarily for the development and market launch of innovative products or services, as well as for business concepts of creative industries. Currently two of the funds managed by the IBB Beteiligungsgesellschaft are in the investment phase, the VC Fonds Technologie Berlin with a fund size of € 52 million and the VC Fonds Kreativwirtschaft Berlin with a fund size of € 30 million. Both VC funds are financed by means of the Investitionsbank Berlin (IBB) and the European Fund for Regional Development (EFRE) administered by the State Berlin. Since 1997 the IBB Beteiligungsgesellschaft Berlin, in consortia with partners, has made 850 million € available to creative and technology-orientated companies; thereof, the portion invested by IBB Beteiligungsgesellschaft itself, as lead, co-lead or co-investor, was approximately 116 million €.

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