

PRESS RELEASE

Fiscal 2023: Bertelsmann Investments Has Holdings in 69 AI-Focused Companies

- Bertelsmann Investments made 51 new and follow-on investments in 2023
- Currently 363 active investments worldwide
- Bertelsmann Next growth unit expanded through high investment activity
- Acquisitions in high-growth HR Tech sector
- First acquisitions of companies and holdings in Pharma Tech
- Carsten Coesfeld: “Business models with artificial intelligence play a central role.”
- Around €1.9 billion invested since the start of fund activities in 2006

Gütersloh, March 28, 2024 – In the past financial year, Bertelsmann Investments (BI) made 35 new and 16 follow-on investments in companies and funds, bringing the total number of active investments in its global venture capital network to 363. Of these, 69 investments are held in AI-focused companies such as the video platform Papercup, the London-based healthcare company Phare Health, and the AI tool provider TensorArt. Beyond Bertelsmann’s global venture capital activities, BI also includes the new growth unit Bertelsmann Next, which was created in 2022. Bertelsmann Next is primarily focused on fast-tracking the entrepreneurial development and expansion of the Digital Health, Pharma Tech, HR Tech and Mobile Ad Tech lines of business.

Carsten Coesfeld, CEO of Bertelsmann Investments, says: “2023 was a year of high investment activity for Bertelsmann Investments. In particular, we were able to further expand our Bertelsmann Next growth unit. Since 2022, we have made investments and capital commitments of more than €90 million in the Digital Health sector. In 2023, this included investing in the healthcare companies Patient21, Doccla, QuantHealth, and DeepC, and expanding in Pharma Tech. Here, building on the acquisition of Rote Liste, we advanced this segment with an investment in Author-it Software Corporation and the acquisition of the pharma tech company EXTEDO, which was completed in 2024. Business models with artificial intelligence play a central role in the selection of our investments.”

In the HR Tech segment, BI strengthened its subsidiary EMBRACE with the acquisition of Studyflix, the largest career platform for school and university students in the German-speaking markets. EMBRACE also announced the acquisition of HR solutions provider Milch & Zucker, which includes a job listing and applicant management system supported by AI applications.

Deniz Pielsticker, CFO of Bertelsmann Investments, commented: “We have clearly defined capital allocation priorities for the coming years, and make our investments based on strict selection criteria. The aim is to sustainably increase the value of our investment portfolio and to gradually build and expand long-term future businesses for the Group.”

Shobhna Mohn, Chief Strategy Officer at Bertelsmann Investments, said: “Since our venture capital activities were launched in the United States and Europe in 2006, 1.9 billion euros have already been invested worldwide in some 500 innovative companies and funds through the BI network of funds and the Bertelsmann Next activities, and this pace will continue.

Among other things, the NASDAQ-listed medical education company Afya was established through Bertelsmann Investments' fund activities in Brazil, and is now being managed and expanded as part of Bertelsmann Education Group."

Bertelsmann Asia Investments (BAI) concentrates on investing in global companies with origins in China. BAI further strengthened its portfolio companies in the 2023 financial year with follow-on investments in Colorful Pines, an online platform for the elderly, and the automotive tech company ClearMotion, among others. Another company in the portfolio, Latin America's leading neobank Stori, recorded particularly strong business development, mainly due to high new customer gains and the launch of a new financial product.

In connection with the Group-wide Boost strategy, Bertelsmann India Investments (BII) 2023 made follow-on investments in the logistics platform Lets Transport and in Rupeek, one of India's leading fintech platforms for gold-backed lending, as well as a new investment in Nat Habit, a Delhi-based beauty and wellness company.

Bertelsmann Digital Media Investments (BDMI) made 19 new and 7 follow-on investments. These included new investments in Percent, an online marketplace for debt capital, and in the SaaS platform company Tracer, which optimizes and aggregates marketing data. A follow-on investment was made in U.S.-based Certa, another SaaS company that specializes in lifecycle management. A successful exit from the American platform company for online content recommendations Zergnet was completed.

Bertelsmann Central Investments (BCI) pools the central investment activities in the Latin America, Europe and Africa regions and made further fund investments and capital commitments in these regions in fiscal 2023, including investments in the 468 Capital fund and the Web3 fund Greenfield Mainnet I. BCI also committed to investments in the European sustainability fund AENU. By December 31, 2023, Bertelsmann Central Investments alone had made investments worth €12 million in four funds that invest in AI start-ups. These funds hold shares in 28 AI start-ups, including Aleph Alpha and Builder.ai.

About Bertelsmann Investments

Bertelsmann Investments (BI) comprises Bertelsmann's global venture capital activities as well as the Bertelsmann Next growth unit. The venture capital arm includes the Bertelsmann Asia Investments (BAI), Bertelsmann India Investments (BII), and Bertelsmann Digital Media Investments (BDMI) funds, as well as selected fund and direct holdings in markets including Europe, the United States, Brazil, Southeast Asia and Africa. The Bertelsmann Next unit advances the entrepreneurial development of new growth sectors and business areas, including Digital Health, HR Tech, and Mobile Ad Tech. To date, around €1.9 billion has been invested in around 500 innovative companies and funds through Bertelsmann Investments. Bertelsmann Investments currently holds over 350 active investments worldwide through its network of start-ups and funds.

Bertelsmann Investments online



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