

NB Private Equity Partners Publishes 31 August 2020 NAV Update and 2020 Interim Financial Report

14 September 2020

NB Private Equity Partners Limited (“NBPE” or the “Company”), a closed-end private equity investment company, today releases its 31 August 2020 monthly NAV update and the 2020 Interim Financial Report. Key highlights and commentary are below and the complete report can be found on the Company’s website at www.nbprivateequitypartners.com.

Key Highlights

NBPE’s year to date NAV performance as of 31st August reflects a strong recovery in valuations from the Q1 2020 NAV per share of \$16.84. This has been driven by a recovery in public market comparable companies used in valuations, but importantly, NBPE’s portfolio has generally proven to be resilient to the economic shock of the Coronavirus crisis to date and LTM Revenue and EBITDA of the direct equity portfolio grew by 1.8% and 2.4%, respectively, as of 30 June 2020 relative to the prior year¹. The Manager believes that this reflects the overall quality of the companies in the portfolio, the quick actions of underlying General Partners at the beginning of the crisis and the weighting of the portfolio to companies that were expected to be relatively resilient to a downturn.

- After incorporating Q2 private company financial information and the payment of the August dividend of \$0.29 per Share, 31 August 2020 NAV per Share is \$18.40
 - \$53.5 million of total private valuation increases from Q1 2020 attributable to new Q2 private valuation information, or \$1.14 per share; additional gains of \$20.2 million in the second quarter as a result of changes in FX and public share prices vs Q1 2020
 - Additional portfolio gains of \$26.5 million or \$0.57 per Share during the month of July and August attributable to increases in public valuations, changes in FX rates and interest accruals
 - Portfolio gains offset by \$10.1 million of management and other fee accruals, ZDP accrual (net of FX hedge) and credit facility expenses during July and August
 - Relative to Q1 2020 private valuations, Q2 2020 private valuation net increase was experienced broadly across the portfolio: direct equity investments (+\$47.2 million increase) income investment (+\$4.8 million increase) and legacy fund investments (+\$1.7 million increase)
- As of 31 August 2020 NAV per Share total return year to date is (0.7%)
 - One year LTM NAV per Share total return is 1.8%
- Portfolio continues to generate cash from sales and partial realisations; \$110.0 million of total realisations and \$91.5 million of realisations from the direct equity portfolio through 31 August 2020 year to date
 - 2.8x gross realised multiple (inclusive of prior realisations) from the exits of Engineering, LGC, Evoqua and Galco; \$70.3 million of proceeds from the sale of four equity investments in 2020
 - \$21.2 million received from dividends, the partial sales of public stock and other realisations

¹ Analysis based on 77 private companies, representing 84% of direct equity investment fair value and excludes public companies, equity invested alongside healthcare credits, financial services companies valued on a multiple of book value or other income metrics, E&P companies valued on acreage or reserves and escrow value (ie companies valued on metrics other than EBITDA). Revenue and EBITDA of companies denominated in foreign currency are converted to US Dollars at the average US Dollar exchange rate for the 12 month period from 30/6/20 through 30/6/19; leverage and enterprise value is converted to US Dollars at the year end exchange rate. Companies valued on a revenue multiple are excluded from EV/EBITDA metrics. Portfolio company operating and valuation metrics are based on the most recently available (unaudited) financial information for each company. Where necessary, estimates were used, which include pro forma adjusted EBITDA and revenue, annualised quarterly operating metrics and LTM periods as of 31/3/20 and 30/6/20. EV/EBITDA and Net Debt/EBITDA weighted by private equity fair value as of 30 June 2020; LTM Revenue and LTM EBITDA growth statistics based on NBPE’s ownership of these metrics on an underlying basis.

- Investment level is 128% as of 31 August 2020
 - 31 August 2020 adjusted commitments are \$109.8 million (vs \$142.0 million at 31 March 2020) and the adjusted commitment coverage is now 184%
 - Balance sheet remains strong with significant access to liquidity through the credit facility should it be needed
- As of 30 June 2020, NBPE's NAV per Share was \$18.28
 - Portfolio valuation uplift of 5.6% relative to the 30 June 2020 monthly portfolio valuation estimate
 - NAV per share of \$18.28 is a 7.2% increase relative to the 30 June 2020 monthly NAV
 - 2020 year to date total return of (2.9%) through 30 June 2020

Portfolio Valuation

The value of NBPE's private equity portfolio as of 31 August 2020 was based on the following information²:

- 14% of the private equity fair value was valued as of 31 August 2020
 - 8% in private direct investments
 - 6% in public securities
- 86% of the private equity fair value was valued as of 30 June 2020
 - 84% in private direct investments
 - 2% in funds

NBPE Capital Markets Day

On 1 October 2020, the Company will host its Capital Markets Day via a virtual Zoom Webinar. NBPE's directors and portfolio management team will present a detailed review of the company's portfolio as well as an update on the private equity market. The Manager will also give more colour on ESG investment principles and implementation. The Board and the Manager hope this will be a helpful and insightful event for investors. For registration and Zoom Webinar information, please contact IR_NBPE@nb.com.

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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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² Please refer to the valuation methodology section of the monthly and interim financial report for a description of the Manager's valuation methodology. 84% of underlying valuation data is as of 30 June 2020. Given the current market / economic environment the Manager notes that while this valuation data may be stale, it remains the best estimate we are currently able to provide but may not accurately reflect the fair value at 31 August 2020.

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 24 countries, Neuberger Berman's diverse team has 2,300 professionals. For six 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). The firm was awarded an A+ in every category in the latest 2019 PRI report for our approach to ESG integration across asset classes. The firm manages \$357 billion in client assets as of June 30, 2020. For more information, please visit our website at www.nb.com.

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