

PRESS RELEASE

DEUTZ sells Torqeedo to strategic investor Yamaha Motor Co., Ltd.

- Important step in repositioning of the portfolio
- Proceeds from the sale expected to be in the higher double-digit million-euro range

Cologne/Wessling, January 19, 2024 – DEUTZ today announced a further milestone in the repositioning of its portfolio as part of its Dual+ strategy: Torqeedo, the world's leading manufacturer of outboard and inboard drives, will be sold to Yamaha Motor Co., Ltd. ("Yamaha").

In 2017, DEUTZ acquired the specialist for electric boat drives in order to accelerate its electrification strategy for the core customer segments (especially construction equipment, agricultural machinery and material handling equipment) and expand Torqeedo's technology and market leadership position in marine electromobility. Over the last few years, DEUTZ has successfully built an electric drive portfolio.

"The technology transfer, which was the initial goal we pursued when acquiring Torqeedo, has been achieved. In terms of market knowledge and scaling options, other partners are now better suited for Torqeedo on its way forward. We are pleased to have found such a strategic partner in Yamaha," says DEUTZ CEO Dr. Sebastian C. Schulte. "For Torqeedo, the resulting change is a great opportunity. For DEUTZ, it is an important step towards repositioning our green division. To do this, we must systematically align our development efforts with the market and our customers' needs. Only then we will be able to make money with our green products and build a profitable green ecosystem. This will bundle all relevant products and technologies to make sure that – also in future – DEUTZ will keep the world moving."

DEUTZ had already announced its intention to find a better owner for Torqeedo at the Annual General Meeting last April. With Yamaha as its new owner, Torqeedo will gain access to a larger distribution network and a global service network. At the same time, Torqeedo will help Yamaha advance the transformation of marine drive technology and leverage supply chain synergies.

With approximately 230 employees, DEUTZ subsidiary Torqeedo generated revenue of around €35 million in the first nine months of the 2023 financial year. The agreement is subject to the

The engine company.



usual regulatory approvals. It is expected to be closed end of the first quarter of 2024. The proceeds from the sale, a higher double-digit million-euro amount, are expected to translate into a smaller double-digit million-euro book gain in DEUTZ's financial statements for 2024.

Advancing the green product portfolio is an essential element of the Dual+ strategy, which was introduced at the start of the year: DEUTZ intends to improve the performance of the current business in classic engines and significantly expand the existing service business, using this as the basis to further develop the innovative technology portfolio. The objectives are clear: DEUTZ aims to establish itself among the top three independent drive manufacturers by 2030 and to be a climate-neutral company by no later than 2050.

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About DEUTZ AG

DEUTZ AG, a publicly traded company headquartered in Cologne, Germany, is one of the world's leading manufacturers of innovative drive systems. Its core competencies are the development, production, distribution, and servicing of drive solutions in the power range up to 620 kW for off-highway applications. The current portfolio extends from diesel, gas, and hydrogen engines to hybrid and all-electric drives. DEUTZ drives are used in a wide range of applications including construction equipment, agricultural machinery, material handling equipment such as forklift trucks and lifting platforms, commercial vehicles, rail vehicles, and boats used for private or commercial purposes. DEUTZ has around 5,000 employees worldwide and almost 900 sales and service partners in more than 130 countries. It generated revenue of more than €1.9 billion in 2022. Further information is available at www.deutz.com.