

PRESS RELEASE

DEUTZ acquires specialist in drone drives and taps into growth market in defense

- DEUTZ acquires SOBEK, a leading manufacturer of high-performance electric drives for high-tech applications
- SOBEK serves several specialized application areas, including motor sports and drones
- The acquisition is the next step in the transition from component manufacturer to system provider and will benefit other areas of DEUTZ

Cologne, September 2, 2025 – DEUTZ signed an agreement to acquire all of the shares in SOBEK Group GmbH. The German company, which has three sites in Baden-Württemberg and Hessen, operates in several specialized application areas, including motor sports, aerospace, and medical technology. The company supplies high-performance pumps based on its electric motors and control electronics. Its customers include several leading teams in Formula 1 and Formula E. This is an attractive market that offers substantial double-digit margins and demands the highest standards. The greatest potential currently lies in the business with drones, which is experiencing strong growth due to geopolitical developments and the increasing importance of unmanned defense systems. The acquisition is a logical continuation of the DEUTZ Dual+ strategy, which aims to broaden the Company's portfolio, reduce dependence on the cyclical business with internal combustion engines, and systematically expand the defense business.

“Through SOBEK, we can gain direct access to the rapidly growing defense market and make strategic inroads in this sector beyond the sale of conventional drive systems,” says DEUTZ-CEO Dr. Sebastian C. Schulte. “Defense is rapidly evolving in the wake of new technologies and changes to warfare. And demand for military drones is set to continue to increase. Together with SOBEK, we can proactively position ourselves as a relevant systems partner in this young and rapidly growing market, and we aim to further expand the established business in motor sports and medical technology.”

The technology supplied by SOBEK provides superior power density and high energy efficiency, and it can be precisely controlled. These characteristics are essential in the latest drone

applications. SOBEK already supplies electric drive systems – consisting of motor, control elements, and software – to leading European drone manufacturers, and as a key component supplier is part of the new European ecosystem that is emerging in the defense-tech sector.

“Thanks to a global network and the industrialization expertise that DEUTZ brings to the table, we will be able to integrate our technology into the growing business with drones significantly faster and with greater scalability,” says Dr. Olaf Hahn, current owner and CEO of SOBEK. “Together, we are preparing the ground for establishing our electric drive systems as the European standard for defense-critical applications – Made in Germany, of course.” Hahn will be playing an active role in shaping the transition to DEUTZ over at least the next twelve months.

Drones are now one of the top areas of investment by NATO, as the requirements profile of many armed forces is moving away from conventional platforms and toward autonomous and highly mobile systems. Unmanned aerial vehicles (UAVs) are the primary focus here thanks to their cost efficiency, rapid availability, and operational flexibility. Military requirements are leading to fundamental changes in the current business in drones, with a move away from the volume-driven B2C approach of Asian vendors toward defense-critical, European-style B2G solutions that ensure Europe and Germany are geopolitically independent.

For DEUTZ, the acquisition is the logical next step in the transition from component manufacturer to system provider, which will also benefit other areas of the Company. In the context of alternative drives in the off-highway segment, the highly integrated electric drives manufactured by SOBEK promise considerable synergies, particularly in terms of control engineering. The increasingly important role that systems play in the aerospace and defense sectors is set to unlock new potential.

There are conceivable applications beyond defense too. The technology manufactured by SOBEK is also suitable for civilian aviation, for example, in areas such as logistics, infrastructure monitoring, and urban transportation using light, electric drone systems. At the same time, the Company will forge ahead with expanding the established business in motor sports and systematically developing new business in areas such as robotics and medical technology. These are sectors that rely on highly specialized components and thus generate high margins.

SOBEK, which employs around 70 people, expects to achieve revenue in the low to mid-double-digit millions of euros in the current financial year, while achieving a significant double-digit EBIT margin.

The transaction is expected to be completed imminently.

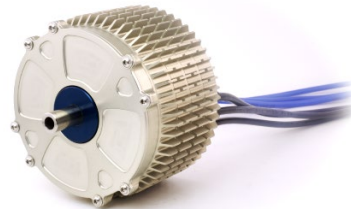
Financing has been secured through credit lines. Should market conditions prove favorable, DEUTZ may also support the financing through a capital increase from authorized capital not exceeding 10 percent of the current share capital with disapplication of pre-emption rights.

DEUTZ CEO Dr Sebastian C. Schulte and CFO Oliver Neu will explain the acquisition and answer questions in a conference call, **September 2, 2025, at 10:30 a.m. (CEST)**. The registration link can be found on the DEUTZ website at <https://www.deutz.com/investor-relations/>.



Caption: DEUTZ purchase 100 percent of the shares in SOBEK Group GmbH.

Credit (both): SOBEK Group GmbH



Caption: SOBEK's high-performance electric drives are used in several specialized application areas, including drones.

The engine company.



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About DEUTZ AG

DEUTZ AG has evolved in recent years from a manufacturer of conventional engines into a system provider for innovative and sustainable mobility and energy solutions. Founded in 1864 in Cologne, where it is still based today, DEUTZ is the world's oldest engine company. The development, production, and marketing of high-performance drive systems for off-highway applications remains at the heart of its operations. DEUTZ is also playing its part in the transition to more sustainable transportation and power supplies by offering alternative drive solutions and decentralized energy and power generation systems. DEUTZ solutions are used in a wide range of applications, including construction equipment, agricultural machinery, material handling equipment such as forklift trucks and lifting platforms, stationary equipment such as generator sets (gensets), and commercial and rail vehicles. The broad-based product portfolio is complemented by an extensive service offering that encompasses maintenance and repair work, the supply of spare parts, and remanufacturing. This is being continually expanded with the addition of digital, data-driven services. With around 1,000 sales and service locations in over 120 countries, DEUTZ offers its customers an integrated range of products and services from a single source. DEUTZ employs over 5,000 people worldwide and generated revenue of approximately €1.8 billion in 2024. Further information is available at www.deutz.com.