

PRESS RELEASE

Deutsche Beteiligungs AG successfully concludes duagon investment in a challenging M&A environment

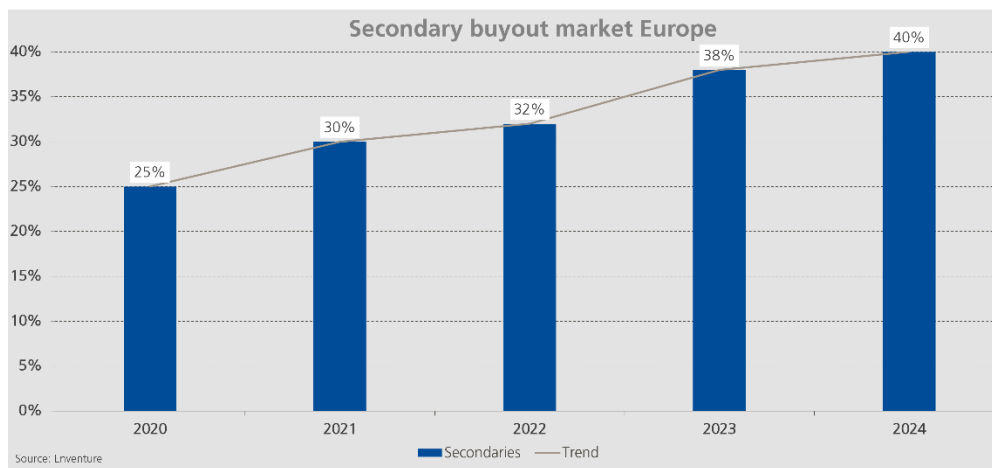
- **Disposal from the DBAG Fund VII portfolio**
- **M&A market shaped by secondaries – the sale to a strategic investor underlines the strategic relevance of DBAG's portfolio**
- **Strategic add-on acquisitions instrumental in establishing duagon as a leading supplier**

Frankfurt/Main, 25 September 2025. Deutsche Beteiligungs AG (DBAG) has very successfully concluded its investment in duagon, a leading hardware and software solutions provider for safety-critical applications relating primarily to the rail industry. Earlier today, DBAG Fund VII – which is advised by DBAG – agreed to sell the shares held by DBAG Fund VII and DBAG to Knorr-Bremse AG, the global market and technology leader for braking systems and a leading supplier of other rail and commercial vehicle systems. The transaction is subject to approval by the authorities.

The contribution of the agreed transaction to the net gains and losses on measurement and hence to the net income is in line with expectations. DBAG still expects the net asset value (NAV) as at 31 December 2025 to be within the forecast range published on 17 July 2025.

Strategic exit in a transformed M&A market

The duagon sale takes place in a fundamentally changed PE environment shaped by new exit patterns. Secondary buyouts have come to dominate the European PE market, accounting for 40 per cent of all exits in 2024 – an increase of 15 percentage points since 2020.



Secondary buyouts are the dominant exit strategy in the European private equity market, making up 40 per cent of all disposals in 2024.

The sale of the duagon investment to Knorr-Bremse AG highlights the ability of DBAG's team to realise attractive strategic exits even in this markedly different market environment. DBAG succeeded in generating an above-average return by resolutely implementing its buy-and-build strategy and by systematically positioning duagon as a leading independent technology partner for cutting-edge electronics in railway applications.

duagon – a technological leader in the high-growth rail market
 duagon has firmly established itself as one of the leading market players in embedded railway electronics and is active in an exceptionally favourable market environment. The global rail market is undergoing a fundamental transformation, driven by digitalisation, electrification and extensive infrastructure investment.

The German government plans to invest more than 106 billion euros in rail infrastructure by 2029 – this is equivalent to 64 per cent of the overall national transport budget of 166 billion euros. Around 22 billion euros is earmarked for rail-related projects in 2025, followed by an additional 85 billion euros for the period up until 2029. These investments – twice as high as those in road transport – create a favourable environment for businesses in this sector.

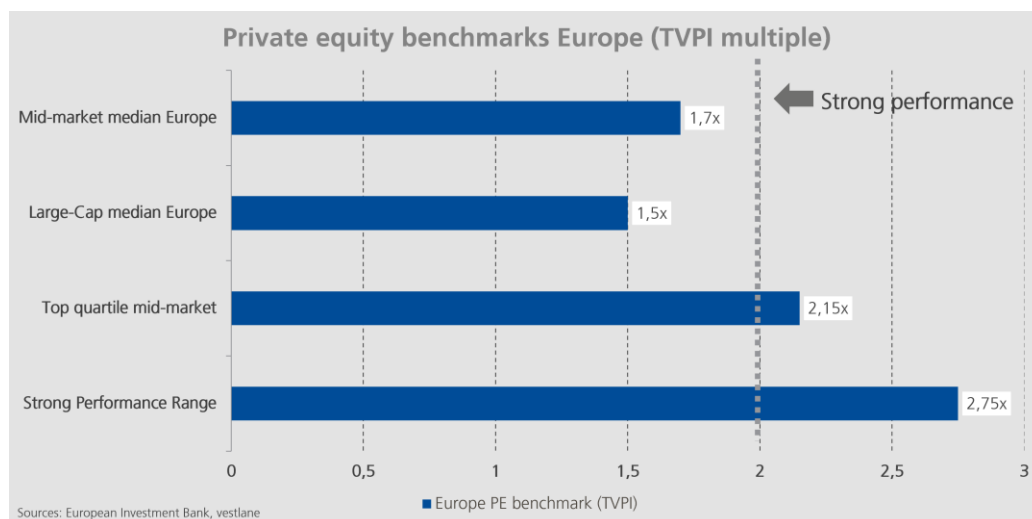
The global market for rail systems is set to grow from around 31 billion US dollars in 2025 to around 48 billion US dollars in 2035, translating into an annual growth rate of 4.4 per cent. The integration of IoT sensors, AI-powered predictive maintenance and digital signalling systems is the main factor driving demand for duagon's embedded computing solutions.

The company's strategic market position was systematically expanded through successful add-on acquisitions: while the integration of MEN Mikro Elektronik (2018) boosted its expertise in safety-critical computer systems, OEM

Technology Solutions (2019) strengthened its footprint in transport monitoring and control systems, and TechOnRails (2020) rounded off duagon's portfolio with engineering services for signalling systems. This buy-and-build strategy has helped establish duagon as an institutionalised technology partner of a relevant size for embedded electronics in rail technology.

Systematic value creation results in top-quartile outperformance

The duagon sale marks a further exit for DBAG Fund VII and highlights DBAG's systematic realisation strategy. Previous disposals included evidia in 2021 and Cloudflight and Pmflex in 2023. The historical performance of funds advised by DBAG shows the consistent value creation across sectors and market cycles – here, the long-term average capital multiple outperforms the top quartile of European mid-market buyout funds.



The European mid-market buyout segment spearheads private equity benchmarks in Europe, with top-quartile funds achieving a multiple of 2.15x.

DBAG's expertise in facilitating successions proved to be a key value driver, as all add-on acquisitions involved family-owned businesses that were purchased as part of succession arrangements – a segment in which DBAG is a proven specialist. This special focus enabled DBAG to implement programmatic M&A strategies and to exploit operational synergies.

DBAG – IndustryTech specialist and technology investor

The duagon disposal underlines DBAG's strategic positioning as a European industrial technology investor. The Company has systematically steered its portfolio towards less cyclical growth sectors since 2019 and is now ideally positioned to capitalise on the megatrends of digitalisation, automation and Industry 4.0. As a provider of embedded electronics for safety-critical applications, duagon is a prime example of this strategy.

As Tom Alzin, Spokesman of DBAG's Board of Management, explained: "The successful closing of the duagon investment is testament to our strong expertise in realising succession solutions and overseeing strategic buy-and-build concepts. The investment also shows that we are well equipped to navigate even challenging market phases – such as the semiconductor shortage between 2020 and 2023 – if we work together with our portfolio companies, creating long-term value for us all. Today, duagon is in a stronger position than ever."

duagon's CEO Dr Michael Goldbach added: "DBAG has been a real partner to us over the past eight years. Together, we succeeded in positioning duagon as a technology leader. We would like to thank DBAG for being such a valuable partner and look forward to implementing the next phase of our growth strategy with Knorr-Bremse AG."

Deutsche Beteiligungs AG (DBAG) has been listed since 1985 and is one of the most renowned private equity firms in Germany. As an investor and fund advisor, DBAG traditionally focuses on mid-market companies in Germany, Austria and Switzerland (the "DACH" region), and especially on well-positioned companies offering growth potential. DBAG's sector focus is on manufacturers, industrial service providers and IndustryTech enterprises – businesses whose products facilitate automation, robotics and digitalisation – as well as on companies from the IT services, software, healthcare, and environment, energy and infrastructure sectors. Since 2020, DBAG has been present on the Italian market, providing its services from its office in Milan since 2021. DBAG Group's assets under management or advisory amount to approximately 2.7 billion euros. ELF Capital has expanded DBAG's range of flexible financing solutions for mid-market companies to include private debt.

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