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*“congatec is a worldwide leading vendor of embedded and edge computing technologies with strong growth opportunities through diversified markets and customer base” Jason Carlson, CEO, congatec AG*

*Text and photograph available at:* [*https://www.congatec.com/en/congatec/press-releases.html*](https://www.congatec.com/en/congatec/press-releases.html)

Press release

DBAG invests in congatec Holding AG to expand congatec’s leadership position

**Accelerating the future of edge computing**

**Deggendorf/Frankfurt am Main, Germany, 24 August, 2020 \* \* \*** The Deutsche Beteiligungs AG (DBAG) is investing in congatec Holding AG (congatec), a leading vendor of embedded and edge computing technologies. Today, with more than two-thirds of congatec's revenue coming from customers based in Europe, congatec sees its share of sales with customers in the USA and Asia growing rapidly, and expects this trend to accelerate. In addition to stronger internationalization, the expansion of the product range to include computer modules for new processor types should also drive the company's growth. A key driver for this is the rapidly growing demand for high-performance computing solutions – including industrial and tactile IoT, artificial intelligence and further edge applications that require computing power directly inside the device in real time and not in the cloud. In addition, congatec's innovative RTS Hypervisor software sets new standards in terms of real-time performance and virtualization - both as a stand-alone software solution and in conjunction with computer modules produced by congatec.

Jason Carlson, Chairman of congatec's Management Board, today pointed out that the investment of DBAG comes at the right time to unlock diverse market potentials which are increasing as a result of Covid-19: "In DBAG, we have found a strong partner for the further development of our company who is well versed in our customers' key end markets and brings financing and M&A experience - with DBAG and DBAG Fund VIII, we are well positioned to take advantage of these expanding market opportunities."

"We expect continued strong growth in digitization," said Dr. Rolf Scheffels, member of the DBAG Management Board, on the occasion of the signing of the contract. The pandemic has given a strong boost to the Internet of Things and Industry 4.0 – this will give a further boost to demand for the necessary computer components. In recent years DBAG has been intensively involved with companies in the embedded electronics sector and has already invested in a comparable business model with its investment in Duagon AG. "This experience has now paid off in the assessment of the investment opportunity," said DBAG Management Board member Dr. Scheffels.

In a management buyout (MBO), DBAG Fund VIII, advised by DBAG, will acquire the majority of the shares from the founding shareholders. The parties have agreed not to disclose the purchase price. The closing of the purchase agreement is subject to the approval of the antitrust authorities and is scheduled for the fourth quarter of 2020.

**About congatec**

congatec Holding AG (www.congatec.com), headquartered in Deggendorf, Bavaria, is a fast-growing technology company in the field of embedded computing with a focus on high-performance Computer-on-Modules (CoM) and industrial single-board computers (SBC). congatec concentrates on the hardware design of CoMs, which account for approximately 80 percent of sales. CoMs are used for specific applications within a broader system, for example in industrial robots, image processing or ultrasound devices and typically have to meet special requirements such as high reliability and durability even under adverse conditions, real-time processing, zero error tolerance or small size. CoMs are complete computing units, consisting of a processor, memory and processor peripherals and are optimized for specific applications. CoMs are essential prerequisites for the ongoing digitization process, for example because they enable physical and virtual objects to be networked and made to work together using information and communication technologies. CoMs are also needed for applications in the field of artificial intelligence.

Founded in 2004, the company is the global market leader in the Computer-on-Module segment, with a broad customer base ranging from start-ups to international blue-chip companies. congatec has subsidiaries in the USA, Taiwan, China, Japan and Australia as well as in Great Britain, France and the Czech Republic. 270 employees generated revenues of 126 million US dollars in 2019. These revenues are spread across a wide range of applications - which means that the company has so far been largely unaffected by the Covid 19 pandemic. More information is available on our website at [www.congatec.com](http://www.congatec.com) or via [LinkedIn](https://www.linkedin.com/company/455449), [Twitter](https://mobile.twitter.com/congatecAG) and [YouTube](http://www.youtube.com/congatecAE).

**About DBAG**

Deutsche Beteiligungs AG, which is listed on the stock exchange, initiates closed-end private equity funds and invests - predominantly alongside DBAG funds - in well-positioned medium-sized companies with potential. DBAG focuses on those industrial sectors in which German SMEs are strong by international standards. An increasing share of the equity investments is in companies in the new focus sectors of broadband telecommunications, IT services/software and healthcare. DBAG's long-term, value-enhancing entrepreneurial investment approach makes it a sought-after investment partner in German-speaking countries. The capital managed and advised by the DBAG Group amounts to approximately 2.5 billion euros.

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